

MUNICIPALITY BUDGET TURNAROUND PLAN – ANNEXURE A

SHORT TO MEDIUM STRATEGY

ACTIVITY	AREA	RESPONSIBLE PERSON	MILESTONE TO BE ACHIEVED	TARGETED PERFORMANCE	REVIEW/ ASSESSMENT DATE	Progress
Positive Cash flows						
Restructure the organogram in accordance with provisions outlined in the IDP	Executive and Council	MM & Sen Man	Moratorium be placed on non-critical positions. Reduce positions to below 800. Placement of employees in corporate pool.	Current cost of organogram is R263 million. Possible saving if all unfunded vacancies are not filled is R95 million.	30-June-23	Organisation structure is approved by Council on 29 Aug 2023 with a total number of 608 , positions are reduced by 411. Employees in the pool are prioritised and are placed accordingly.
Registration of all qualifying households on FBS	Executive and Council	CFO	Annual review of FBS register	6000 beneficiaries	30-Jun-24	Data cleansing process and FBS review of qualifying customers is underway. The FBS register has been reviewed and is currently on 5770 as at September 2023. Application process and update of register continues daily.
Application for debt relief program and Eskom dispute resolution.	Executive and Council	MM & Sen Man	Approval of changes to policies. Conclusion of wheeling agreement. Submission of application to NT.	Write off of R428 million	30-June-26	No changes to municipal policies are required. Application submitted on or 29 September 2023. Collection rate and system requirements have been implemented on the FIS. Ward based budgeting and reporting has also been implemented on the FIS.
Compliance with conditions set out by NT on approval of Application for debt relief program	Executive and Council	MM & Sen Man	Ensuring Policies and SOP's are in place. Submission of information to PT. Payment of Eskom timeously.	Write off of R428 million	Ongoing monthly	No changes to municipal policies and SOP's are required. Application on 29 September 2023. Collection rate and system requirements have been implemented on the FIS. Ward based budgeting and reporting has also been implemented on the FIS.
Approval of budget before 1 July 2023 with a credible funding plan.	Executive and Council	MM & Sen Man	Approval of annual budget by council	Approval of budget before 1 July 2023 with a credible funding plan.	30-June-23	Annual budget was approved on 29 May 2023 with a funding plan
Inclusion of all rateable properties in Valuation roll.	Executive and Council	CFO	A valuation that is accurate and complete.	Billing as per valuation roll	30-June-23	Tender awarded to DDP Values and they have started already with Data Collection. Annual billed revenue for property rates was R45million in July 2023
Non-Subsidization of Unfunded Mandates	Executive and Council	MM & Sen Man	Budgeting in line with allocated subsidy: Fire services Library services	Possible saving of R5 million R4 million	30-Jun-24	Budgeting for a saving impossible at this stage as 90% of the expenditure is cost of employment. Intervention has been requested from PT and expenditure patterns with COE submitted to PT.
Elimination of provision of unlimited free basic services	Executive and Council	Director: Infrastructure Services	Installation of water and electricity meters in all households	Possible revenue generation of R5 million	30-Jun-24	Water meter project in Kliplaat is completed. A total of 1288 meters installed. Effects to be monitored and reported on in Q3. 346 smart electricity meters already installed. Further installations be investigated.
Elimination of Load Shedding	Executive and Council	MM & Sen Man	Installation of alternative energy sources	Possible saving of R1 million per month on Eskom bulk account	30-Nov-23	Project is currently underway and on pilot phase with key electricity customers. Tenders has been received from service providers to be part of the panel. Municipality currently busy with affordability framework.
Develop maintenance plans	Senior Management	MM & Sen Man	Approve maintenance plans with annual budget	Implementation of maintenance plans	13-July-23	Road Maintenance Plan was developed. Storm water Maintenance plan was developed. Dr Beyers Naudé Integrated Land Use Scheme and Zoning Maps approved by Council 13 July 2023. Draft WSDP developed, but not submitted to Council. Water & Sanitation by-laws develop. Waiting for quotation from Government printing works for gazetting.

Reduction in non-core expenditure/Reprioritization of Expenditure Baseline						
Reduction of outsourced functions	Executive and Council	MM & Sen Man	Mechanical workshop and fleet	Possible saving of R5 million	30-Jun-24	Organogram approved, post of Artisan Mechanic advertised internally (Notice Number 111 /2023)
Finance costs – renegotiate and finalize arrangements with creditors in a way as to reduce interest charges.	MM & Sen Man	CFO	Compliance with MFMA circular 124. Honouring repayment agreements. Negotiate interest and penalties write offs	Possible saving of R2 million on interest and penalties	30-Jun-24	Repayments arrangements have been entered into with major creditors.
Reduction of vehicle running costs	Senior Management	MM & Sen Man	Implementation of fleet internal controls.	80% spend of budget	Ongoing monthly	Fleet Management Meeting held 28 June 2023. Memo to Directorates and Management 08 August 2023 pertaining to fuel increase and Budgetray implications (82% spent on budget). Monthly inspections and monitoring taking place. Fleet Management policy being reviewed, to be approved by March 2024.
Reduction of General expenditure	Senior Management	MM & Sen Man	Implementation of cost containment policy internal controls.	80% spend of budget	Ongoing monthly	18% spent on budget allocation, and 71% on Q1 budget allocation (R9,8million saving)
Trade Payables						
Prioritisation of services delivery liabilities	Senior Management	CFO	Payment of creditors service delivery creditors within 30 days		30-Jun-24	Weekly assessment done in relation to the liabilities, service delivery liabilities prioritized to ensure that services are delivered.
Payment of outstanding employee benefits	Senior Management	MM & Sen Man	Negotiate affordable repayment agreements	Possible saving of R200 thousand on interest and penalties	Ongoing monthly	Medical aid payments prioritized and paid over monthly and is up to date. Pension payments prioritized upon having positive cashflow and available funds.
Focus on cash and short term liquidity						
Only funded and budgeted positions to be filled	Senior Management	MM & Sen Man	Loading of organogram on FIS	Current cost of organogram is R263 million. Possible saving if all unfunded vacancies are not filled is R95 million.	30-Jun-24	Excel based salary budget is maintained. Only funded positions are advertised through a monitored process by HR and BTO. Positions are advertised internally before advertised externally. FIS service provider to issue quotation for importing of organogram.
Investment of Grant funds through competitive bidding	MM & Sen Man	CFO	Implementation of investment policy internal controls	R2 million in investment income	30-Jun-24	Grants are invested immediately after receipt into designated STD bank investment accounts. Grants are not invested at this stage as a result of fast expenditure of these grants. It is however kept in a separate investment account. Investment committee not in place to ensure grants are invested at financial institutions with the highest interest rates
Collection Rates						Average collection rate for Q1 was 53%
Effective measures are required to collect arrears in Eskom supplied areas.	Planning and Engineering	Director Planning and Engineering	Implementation of water restriction. Regular follow ups with debt collectors to recover debts	Collection rate of 80% per month	30-Jun-24	Smart Meters possibilities and funding requirements investigated for water restriction
Government departments debt	MM & Sen Man	CFO	Disconnection and reporting to NT	Collection rate of 90% per month	Ongoing monthly	Collection rate was 33% of billed revenue for Q1
Improving of Water collection rate	MM & Sen Man	CFO	Disconnection and reporting to NT	Collection rate of 80% per month	Ongoing monthly	Collection rate was 55% of billed revenue for Q1
Improving Electricity collection rate	MM & Sen Man	CFO	Disconnection and reporting to NT	Collection rate of 90% per month	Ongoing monthly	Collection rate was 87% of billed revenue for Q1
Improving of Sanitation collection rate	MM & Sen Man	CFO	Disconnection and reporting to NT	Collection rate of 80% per month	Ongoing monthly	Collection rate was 23% of billed revenue for Q1
Improving of Refuse collection rate	MM & Sen Man	CFO	Disconnection and reporting to NT	Collection rate of 80% per month	Ongoing monthly	Collection rate was 26% of billed revenue for Q1
Improving of Property Rates collection rate	MM & Sen Man	CFO	Disconnection and reporting to NT	Collection rate of 80% per month	Ongoing monthly	Collection rate was 43% of billed revenue for Q1