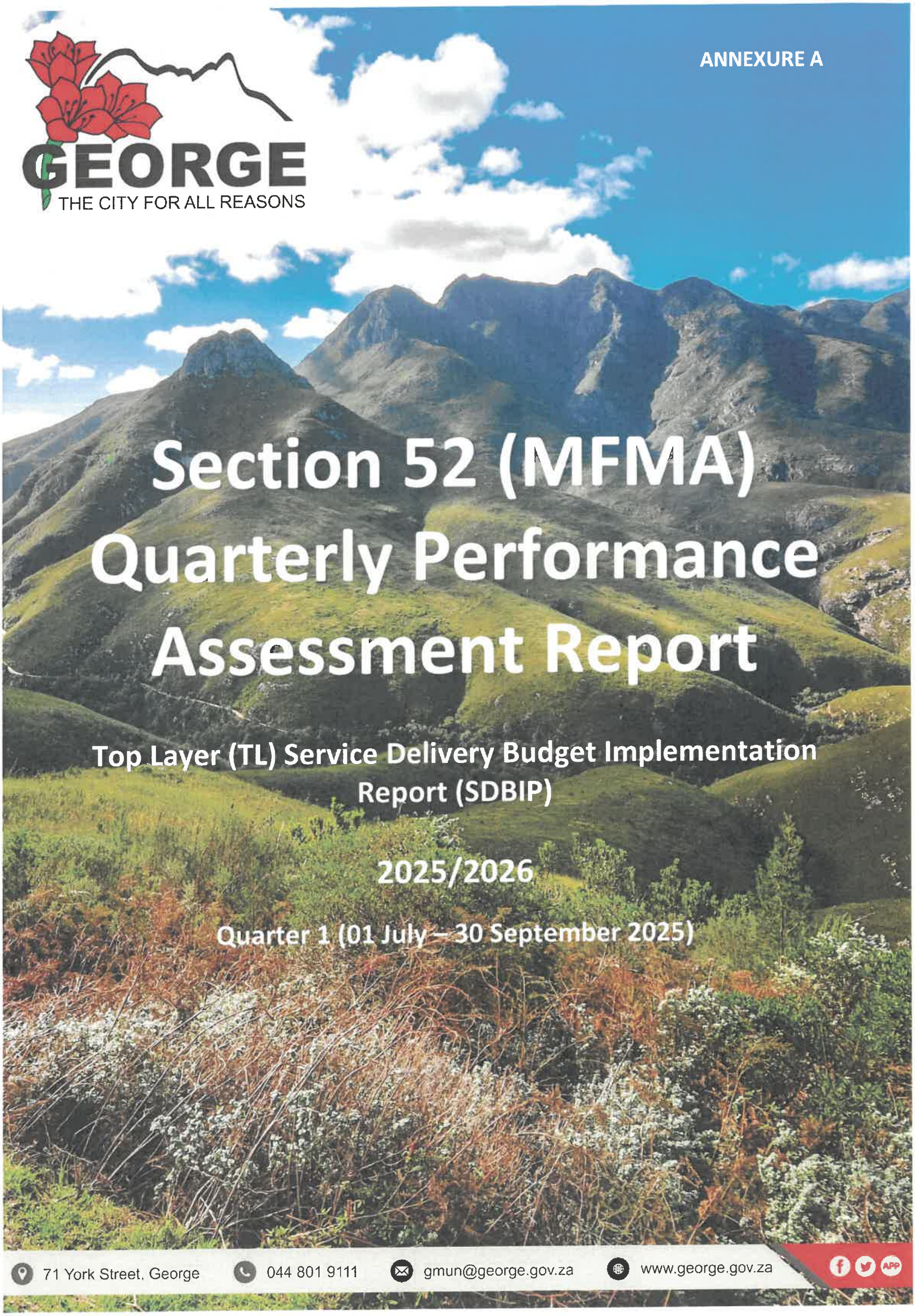

ANNEXURE A

GEORGE
THE CITY FOR ALL REASONS

Section 52 (MFMA) Quarterly Performance Assessment Report

Top Layer (TL) Service Delivery Budget Implementation Report (SDBIP)

2025/2026

Quarter 1 (01 July – 30 September 2025)

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Disclaimer

This Quarterly Performance Assessment Report is based on reported information only and is un-audited. This report is subject to change on finalisation of the internal Performance Audit Report for the 1st Quarter of the 2025/2026 financial year.

1. Purpose

The purpose of this report is to inform Council of the progress made with the implementation of the Key Performance Indicators (KPIs) in the realisation of the development priorities and objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as in the Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the third quarter (01 July – 30 September 2025) of the 2025/26 financial year.

2. Legislative Requirements

2.1 The SDBIP is defined in terms of Section 1 of the Local Government: Municipal Finance Management Act, 56 (Act 56 of 2003) (MFMA), and the format of the SDBIP is prescribed by the MFMA Circular 13.

2.2 Section 41(1)(e) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000) (MSA), prescribes that a process must be established of regular reporting to Council.

2.3 This report is a requirement in terms of Section 52 of the MFMA which provides for:

2.3.1 The Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality.

2.3.2 The Accounting Officer, while conducting the above, must consider:

a. Section 71 Reports; and the

b. Performance in line with the SDBIP.

3. Performance Assessment Process

3.1 The SDBIP consists of a TL as well as a Departmental Plan for each department.

3.2 For purposes of reporting, the TL SDBIP is used to report on the organisational performance of the Municipality to Council and the Community.

3.3 The TL SDBIP measures the achievement of performance indicators with regards to the provision of basic services as prescribed by Section 10 of the Local Government Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and Strategic Objectives as detailed in the IDP of the Municipality. The TL SDBIP 2025/26 was approved by the Executive Mayor in June 2025.

3.4 The Departmental SDBIP measures the achievement of pre-determined performance indicators that are based on operational service delivery requirements aligned to the TL SDBIP. The Departmental Plans have been approved by the Municipal Manager.

3.5 The Quarterly Performance Assessment Report is structured to report on the following five (5) Strategic Objectives (SOs):

- Develop and Grow George (SO 1);
- Safe, Clean and Green (SO 2);
- Affordable Quality Services (SO 3);
- Participative Partnerships (SO 4); and
- Good Governance and Human Capital(SO 5)

3.6 The overall assessment of actual performance against targets set for the KPIs as documented in the SDBIP are illustrated in terms of the following assessment methodology:

Table 1: Explanation of Colour Codes

Colour	Rating	Category	Percentage/Score
	1	Unacceptable Performance	0% >= Actual/Target < 75%0% >= Actual/Target < 75%
	2	Not fully Effective	75% >= Actual/Target < 100%
	3	Fully Effective	Actual/Target = 100%
	4	Above Expectation	100% > Actual/Target < 150%
	5	Outstanding Performance	Actual/Target >= 150%

3.7 The Performance Management System is a web-based system, and it uses, as its basis, the approved SDBIP. The SDBIP is a layered plan comprising of the TL SDBIP and Departmental SDBIPs.

3.8 Performance reports on the TL SDBIP are submitted to the Mayoral Committee and Council on a quarterly, half yearly (Mid-Year Budget and Performance

Assessment Report) and annual basis (annual amendments to the TL SDBIP must be approved by Council following the submission of the Mid-Year Budget and Performance Assessment Report and the approval of the adjustments budget).

4. Performance Management System

4.1 The Municipality utilises an electronic web-based system that is monthly updated with actual performance.

4.2 The system closes every month between the 10th to the 15th day for updates of the previous month's actual performance as a control measure to ensure that performance is updated and monitored on a monthly basis. No access is available to a month's performance indicators after closure of the system. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting takes place. Departments must motivate to the Municipal Manager should they require the system to be re-opened once the system is closed.

4.3 The system provides management information in graphs and indicates actual performance against targets. The graphs provide a good indication of performance progress and where corrective action is required.

4.4 The system requires KPI owners to update performance comments for each actual result captured, which provides a clear indication of how the actual was calculated/reached and serves as part of the Portfolio of Evidence (PoE) for auditing purposes.

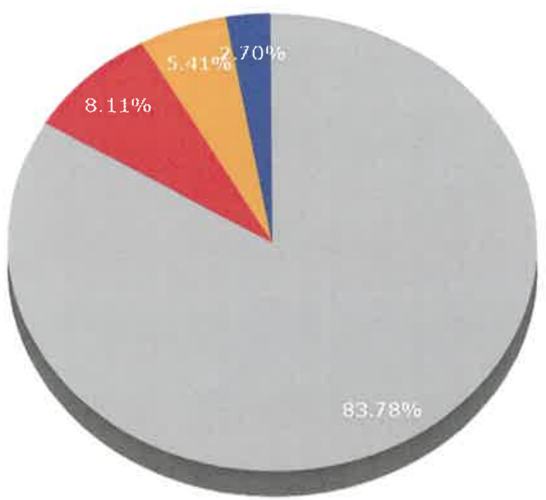
4.5 In terms of Section 46(1)(a)(iii) of the MSA, the Municipality must reflect annually in the Annual Performance Report on measures taken to improve performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

5. Actual Performance for the Third Quarter (01 July – 30 September 2025)

5.1 The Revised TL SDBIP contains performance indicators per KPA and comments with corrective measures with regard to targets not achieved.

5.2 A detailed analysis of actual performance for the third quarter of the financial year 2025/26 is provided for in section 7 of this report.

6. George Performance per Municipal SO (01 July – 30 September 2025)



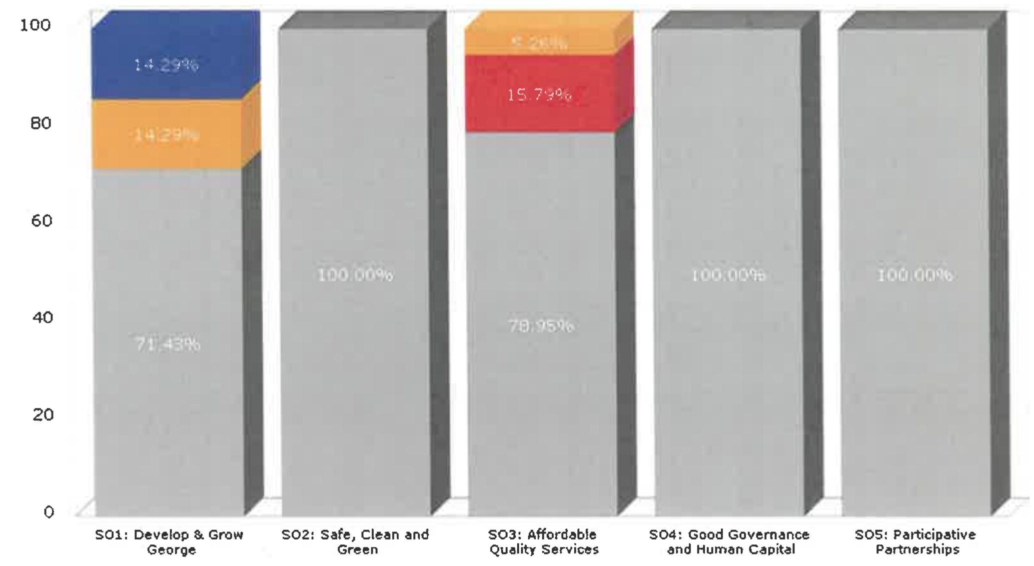


Table 2: Overall Performance per SO (01 July – 30 September 2025)

		Municipal SO				
		SO1: Develop & Grow George	SO2: Safe, Clean and Green	SO3: Affordable Quality Services	SO4: Good Governance and Human Capital	SO5: Participative Partnerships
Not yet Applicable	31 (83.78%)	5 (71.43%)	4 (100.00%)	15 (78.95%)	5 (100.00%)	2 (100.00%)
Unacceptable Performance	3 (8.11%)	-	-	3 (15.79%)	-	-
Not Fully Effective	2 (5.41%)	1 (14.29%)	-	1 (5.26%)	-	-
Fully Effective	-	-	-	-	-	-
Above Expectation	-	-	-	-	-	-
Outstanding Performance	1 (2.70%)	1 (14.29%)	-	-	-	-
Total:	37 (100%)	7(18.92%)	4(10.81%)	19(51.35%)	5(13.51%	2(5.41%)

7. Actual Strategic Performance and Corrective Measures That Will Be Implemented

7.1 DEVELOP AND GROW GEORGE

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL23	Spend 85% of the original BFI/RBIG capital budget (less savings and changes made in the midyear adjustment Budget)	Percentage of BFI/RBIG original capital budget spent by 30 June	[Unspecified]	0.85%	85%	20%	18.25%	O	18.25%
Performance Comment	Target not met by 1,75%. (September 2025)								
Corrective Action	October payments made already increased the spending to 29% reaching the target for December 2025 which only requires a spending of 25%. (September 2025)								
TL25	Submit the revised MSDF to Council by 31 May 2026	Number of revised MSDF to Council by 31 May 2026	[Unspecified]	1	1	0	0	N/A	N/A
TL28	Job creation through the Municipality's EPWP projects (NKPI Proxy - MFMA, Reg. S10(d)	Number of EPWP job opportunities created by 30 June 2026	[Unspecified]	625	1400	200	636	B	636
Performance Comment	A total of 636 work opportunities were created during the 1st quarter of the 2025/2026 financial year. The overachievement of the 1st quarter targets was primarily due to the extension of several contracts from the previous financial year and the increased demand from user departments for additional work opportunities. (September 2025)								
Corrective Action	Performance targets reached, no corrective action required								
TL30	Submit the Development Plan for Uniondale cemetery to DEDAT by 30 June 2026	Development Plan for Uniondale cemetery submitted	[Unspecified]	0	1	0	0	N/A	N/A
TL33	Review the IWMP Phase 1 (Waste Characterization Report) and submit to the Section 80 Committee by 30 June 2026	The IWSMP Phase 1 reviewed (Waste Characterisation Report) and submitted	[Unspecified]	1	1	0	0	N/A	N/A
TL34	Develop a Community Development Strategy and submit to Section 80 Committee by 30 June 2026	Community Development Strategy developed and submitted	[Unspecified]	0	1	0	0	N/A	N/A
TL35	Review the Sports Master Plan and submit to Section 80 Committee by 31 March 2026	Sports Master Plan reviewed and submitted	[Unspecified]	1	1	0	0	N/A	N/A

Table 3: Summary of Results: Develop and Grow George (SO1)

Not Applicable Yet	KPIs with no targets or actuals in the selected period.	5
Unacceptable Performance	0% <= Actual/Target <= 74.999%	0
Not Fully Effective	75.000% <= Actual/Target <= 99.999%	1
Fully Effective	Actual meets Target (Actual/Target = 100%)	0
Above Expectation	100.001% <= Actual/Target <= 149.999%	0
Outstanding Performance	150.000% <= Actual/Target	1
Total KPIs		**7**

7.2 SAFE, CLEAN AND GREEN

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL18	Achieve 95% water quality compliance as per SANS 241:2015 by 30 June 2026	Percentage of water quality compliance achieved as measured against the SANS 241:2015 by 30 June 2026	[Unspecified]	97.42%	95%	0%	0%	N/A	N/A
TL31	Develop a Master Plan for the Replacement of Trees and Greening of the City and submit to the Section 80 Committee by 30 June 2026	Master Plan for the Replacement of Trees and Greening of City submitted	[Unspecified]	0	1	0	0	N/A	N/A
TL32	Review and submit the Alien Invasive Plan to Council by 30 June 2026	Alien Invasive Plan submitted	[Unspecified]	1	1	0	0	N/A	N/A
TL37	Review the Disaster Management Plan and submit to Council by 31 March 2026	Disaster Management Plan reviewed and submitted to Council by 31 March 2026	[Unspecified]	1	1	0	0	N/A	N/A

Table 4: Summary of Results: Safe, Clean and Green (SO 2)

Not Applicable Yet	KPIs with no targets or actuals in the selected period.	4
Unacceptable Performance	0% <= Actual/Target <= 74.999%	0
Not Fully Effective	75.000% <= Actual/Target <= 99.999%	0
Fully Effective	Actual meets Target (Actual/Target = 100%)	0
Above Expectation	100.001% <= Actual/Target <= 149.999%	0
Outstanding Performance	150.000% <= Actual/Target	0
Total KPIs		**4**

7.3 AFFORDABLE QUALITY SERVICES

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL1	The percentage of the municipal original capital budget actually spent on capital projects by 30 June 2026 {(Actual amount spent on projects/Total amount budgeted for capital projects less savings)X100}	Percentage of the municipal original capital budget actually spent on capital projects by 30 June 2026	[Unspecified]	64.05%	85%	0%	0%	N/A	N/A
TL3	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of residential water meters which are connected to the municipal water infrastructure network	[Unspecified]	37 600	37 600	0	0	N/A	N/A

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL4	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of residential electricity meters connected to the municipal electrical infrastructure network	[Unspecified]	44 500	44 500	0	0	N/A	N/A
TL5	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of residential account holders which are billed for sewerage	[Unspecified]	39 100	39 100	0	0	N/A	N/A
TL6	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of residential account holders which are billed for refuse removal	[Unspecified]	40 500	40 500	0	0	N/A	N/A
TL7	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic water	[Unspecified]	10 488	10 500	10 500	7 495	R	7 495
Performance Comment	From the 2025/26 Financial Year, the municipality now offers two levels of indigent support, namely: Level 1 (100% subsidy, household income: R0-R6 000) and Level 2 (50% subsidy, household income: R6 001-R9 000). The main challenge is that consumers that qualifies for indigent support, do not make contact with the municipality to apply or reapply. The number of indigent households as at the end of Quarter 1 - 2025/26 is less than 8 000 households and are still below the anticipated number, the municipality expected an increase in the number of Level 2 applications, however, this has not materialised yet. (September 2025)								
Corrective Action	The municipality expected an increase in the number of Level 2 applications, however, this has not materialised yet. (September 2025)								
TL8	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic electricity	[Unspecified]	15 439	14 000	14 000	12 274	O	12 247
Performance Comment	From the 2025/26 Financial Year, the municipality now offers two levels of indigent support, namely: Level 1 (100% subsidy, household income: R0-R6 000) and Level 2 (50% subsidy, household income: R6 001-R9 000). The main challenge is that consumers that qualifies for indigent support, do not make contact with the municipality to apply or reapply. The number of indigent households as at the end of Quarter 1 - 2025/26 is less than 8 000 households and are still below the anticipated number, the municipality expected an increase in the number of Level 2 applications, however, this has not materialised yet. (September 2025)								
Corrective Action	Indigent registration campaigns, household visits, notifications via SMSs and physical notice delivery by field workers, during notice delivery, additional contact information are obtained, and household circumstances are confirmed. Further action includes continuous communication, improvement of area office facilities and identifying gaps to improve customer care, and to ensure that access to information and quality service delivery are maintained. The municipality will appoint at least 10 EPWP workers to specifically focus on the previous expired/cancelled indigent applicants and conduct household visits to determine their current status and to determine whether they still qualify for indigent support, planned appointment date: 1 November 2025. (September 2025)								
TL9	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic sanitation	[Unspecified]	10 500	10 500	10 500	7 454	R	7 454
Performance Comment	From the 2025/26 Financial Year, the municipality now offers two levels of indigent support, namely: Level 1 (100% subsidy, household income: R0-R6 000) and Level 2 (50% subsidy, household income: R6 001-R9 000). The main challenge is that consumers that qualifies for indigent support, do not make contact with the municipality to apply or reapply. The number of indigent households as at the end of Quarter 1 - 2025/26 is less than 8 000 households and are still below the anticipated number, the municipality expected an increase in the number of Level 2 applications, however, this has not materialised yet. (September 2025)								
Corrective Action	Indigent registration campaigns, household visits, notifications via SMSs and physical notice delivery by field workers, during notice delivery, additional contact information are obtained, and household circumstances are confirmed. Further action includes continuous communication, improvement of area office facilities and identifying gaps to improve customer care, and to ensure that access to information and quality service delivery are maintained. The municipality will appoint at least 10 EPWP workers to specifically focus on the previous expired/cancelled indigent applicants and conduct household visits to determine their current status and to determine whether they still qualify for indigent support, planned appointment date: 1 November 2025. (September 2025)								

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL10	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic refuse removal	[Unspecified]	10 318	10 500	10 500	7 490	R	7 490
Performance Comment	From the 2025/26 Financial Year, the municipality now offers two levels of indigent support, namely: Level 1 (100% subsidy, household income: R0-R6 000) and Level 2 (50% subsidy, household income: R6 001-R9 000). The main challenge is that consumers that qualifies for indigent support, do not make contact with the municipality to apply or reapply. The number of indigent households as at the end of Quarter 1 - 2025/26 is less than 8 000 households and are still below the anticipated number, the municipality expected an increase in the number of Level 2 applications, however, this has not materialised yet. (September 2025)								
Corrective Action	Indigent registration campaigns, household visits, notifications via SMSs and physical notice delivery by field workers, during notice delivery, additional contact information are obtained, and household circumstances are confirmed. Further action includes continuous communication, improvement of area office facilities and identifying gaps to improve customer care, and to ensure that access to information and quality service delivery are maintained. The municipality will appoint at least 10 EPWP workers to specifically focus on the previous expired/cancelled indigent applicants and conduct household visits to determine their current status and to determine whether they still qualify for indigent support, planned appointment date: 1 November 2025. (September 2025)								
TL11	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2026 {(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) X 100}	Percentage Debt to Revenue obligations met as at 30 June 2026	[Unspecified]	10.19%	45%	0%	0%	N/A	N/A
TL12	Financial viability measured in terms of the outstanding service debtors as at 30 June 2026 [(Total outstanding service debtors/ revenue received for services) x 100]	Percentage Service debtors as at 30 June 2026	[Unspecified]	13.72%	16%	0%	0%	N/A	N/A
TL13	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2026 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment)/Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash as at 30 June 2026	[Unspecified]	2.19	2	0	0	N/A	N/A
TL14	Achieve a payment percentage of 95% by 30 June 2026 (Annual Debtors Collection Rate (Last 12 months receipts / last 12 months billing)	Percentage of payment achieved by 30 June 2026	[Unspecified]	91.87%	95%	0%	0%	N/A	N/A
TL19	Limit water network losses to less than 30% measured annually by 30 June 2026	Percentage of water network losses at 30 June 2026	[Unspecified]	0.30%	30%	0%	0%	N/A	N/A
TL20	Refurbish and replace existing water pipelines of George Municipality by 30 June 2026	Kilometres of water pipelines refurbished and replaced	[Unspecified]	0	3	0	0	N/A	N/A
TL21	Refurbish and replace existing sewer pipelines of George Municipality by 30 June 2026	Kilometres of sewer pipelines refurbished and replaced	[Unspecified]	0	3	0	0	N/A	N/A
TL22	Rehabilitate and resurface existing roads of George Municipality by 30 June 2026	Kilometres of roads rehabilitated and resurfaced	[Unspecified]	0	5	0	0	N/A	N/A

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL24	Limit annual average electricity losses to less than 12% by 30 June 2026(Limit unaccounted for electricity to less than 12% as at 30 June 2025{(Number of units purchased - Number of units Sold (incl. free basic electricity) / Number of units purchased) X100})	Percentage electricity losses at 30 June 2026	[Unspecified]	8.52%	12%	0%	0%	N/A	N/A
TL36	Number of scheduled public transport access points added by 30 June 2026	Number of access points added	[Unspecified]	0	5	0	0	N/A	N/A

Table 5: Summary of Results: Affordable Quality Services (SO 3)

Not Applicable Yet	KPIs with no targets or actuals in the selected period.	15
Unacceptable Performance	0% <= Actual/Target <= 74.999%	3
Not Fully Effective	75.000% <= Actual/Target <= 99.999%	1
Fully Effective	Actual meets Target (Actual/Target = 100%)	0
Above Expectation	100.001% <= Actual/Target <= 149.999%	0
Outstanding Performance	150.000% <= Actual/Target	0
Total KPIs		**19**

7.4 GOOD GOVERNANCE AND HUMAN CAPITAL

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL2	Review the 3 year Internal Audit Plan based on the risk assessment and submit to Audit Committee by 30 June 2026	Number of RBAP (Risk Based Audit Plan) reviewed and submitted to Audit Committee by 30 June 2026	[Unspecified]	1	1	0	0	N/A	N/A
TL15	Develop a Municipal Audit Action Plan (MAAP) by 31 January 2026	Municipal Audit Action Plan (MAAP) developed by 31 January 2026	[Unspecified]	1	1	0	0	N/A	N/A
TL16	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	% of people from employment equity target groups employed	[Unspecified]	0%	67%	0%	0%	N/A	N/A
TL17	Spend 1% of personnel budget on training by 30 June 2026 {(Actual total training expenditure divided by total personnel budget)x100}	Percentage of the personnel budget actually spent on training	[Unspecified]	0.29%	0.48%	0%	0%	N/A	N/A

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL27	Submit the Final Annual Report and Oversight Report to Council by 31 March 2026	Number of Final Annual Reports and Oversight Report submitted by 31 March 2026	[Unspecified]	1	1	0	0	N/A	N/A

Table 6: Summary of Results: Good Governance and Human Capital (SO 4)

Not Applicable Yet	KPIs with no targets or actuals in the selected period.	5
Unacceptable Performance	0% <= Actual/Target <= 74.999%	0
Not Fully Effective	75.000% <= Actual/Target <= 99.999%	0
Fully Effective	Actual meets Target (Actual/Target = 100%)	0
Above Expectation	100.001% <= Actual/Target <= 149.999%	0
Outstanding Performance	150.000% <= Actual/Target	0
Total KPIs		**5**

7.5 PARTICIPATIVE PARTNERSHIPS

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2025			
						Target	Actual	R	YTD Actual
TL26	Submit the Draft IDP to Council by 31 March 2026	Number of Draft IDPs submitted to Council by 31 March 2026	[Unspecified]	1	1	0	0	N/A	N/A
TL29	Submit NEMA Section 24 G application with all necessary specialist studies(application must include public participation) by 30 June 2026	Submit NEMA Section 24 G application with all necessary specialist studies(application must include public participation) by 30 June 2026	[Unspecified]	0	1	0	0	N/A	N/A

Table 7: Summary of Results: Participative Partnerships (SO 5)

	Not Applicable Yet	KPIs with no targets or actuals in the selected period.	2
	Unacceptable Performance	0% <= Actual/Target <= 74.999%	0
	Not Fully Effective	75.000% <= Actual/Target <= 99.999%	0
	Fully Effective	Actual meets Target (Actual/Target = 100%)	0
	Above Expectation	100.001% <= Actual/Target <= 149.999%	0
	Outstanding Performance	150.000% <= Actual/Target	0
Total KPIs			**2**

8. Conclusion

The Revised TL SDBIP 2025/26 comprises of 37 KPIs. The table below depicts the performance for the third quarter:

Table 8: Performance for the Third Quarter

	No KPI Target This Quarter	31
	Unacceptable Performance	3
	Not Fully Effective	2
	Fully Effective	0
	Above Expectation	0
	Outstanding Performance	1
Total KPIs		**37**

MR GODFREY LOUW
MUNICIPAL MANAGER

DATE: 15 OCTOBER 2025