

ANNUAL PERFORMANCE REPORT: 2024/2025

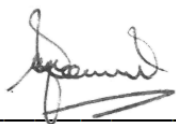
This Annual Performance Report is drafted in terms of Section 46 of the Local Government: Municipal Systems Act, 32 of 2000. The Annual Performance Report 2024/2025 is based on reported information only and is unaudited. The report is subject to change during and after the audit from the Auditor-General of South Africa (AGSA).

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ANNUAL PERFORMANCE REPORT: 2024/2025

Please find attached hereto the Annual Performance Report for the financial year 2024/2025

A handwritten signature in black ink, appearing to read 'G.W. Louw', is positioned above a horizontal line.

G.W. Louw
Municipal Manager

Date: 31 August 2025

1 Introduction

The Annual Performance Report of the George Municipality in terms of Section 46 of Local Government: Municipal Systems Act 32 of 2000 will form an integral part of the entire Annual Report which will be drafted in terms of Chapter 12 of the Local Government: Municipal Finance Management Act 56 of 2003. The report covers the performance information from 1 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), in relations to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

1.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with tools and techniques to plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. This is institutionalised through legislative and other regulatory requirements. Performance management provides the mechanism to measure whether set targets against strategic goals are met. The report will reflect on the Municipality's Key Performance Indicators (KPIs) per municipal Key Performance Area.

1.2 LEGISLATIVE REQUIREMENTS

The Constitution of the Republic of South Africa, 1996, Section 152, deals with the objectives of local government and paves the way for performance management. The democratic values and principles in terms of Section 195 (1) of the Constitution of the Republic of South Africa are also linked with the concept of performance management, by:

- promoting efficient, economic and effective use of resources;
- accountable public administration;
- transparently providing information;
- being responsive to the needs of the community; and
- facilitating a culture of public service and accountability amongst staff.

The Local Government: Municipal Systems Act 32 of 2000 (MSA) requires a municipality to establish a performance management system. Further, the MSA and the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) requires the municipal budget to be aligned to the Integrated Development Plan (IDP) and create a mechanism for the implementation of the budget against the IDP using the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of Section 46(1) of the MSA a municipality must prepare an annual performance report reflecting:

- the performance of the municipality and of each external service provider during that financial year;
- a comparison of the performance referred to above with targets set for and performance in the previous financial year; and
- measures taken to improve performance.

2 Municipal Overview

The George Local Municipality is a Category B municipality located within the Garden Route District in the Western Cape Province. It is bordered by the Eastern Cape in the north and east, Knysna and the Indian Ocean to the south-east, and Mossel Bay in the west. It is one of seven municipalities in the Garden Route District Municipality.

The City of George is the hub of the Garden Route, nestled among the slopes of the majestic Outeniqua Mountains and flanked by the Indian Ocean to the south. George also enjoys the strategic advantage of being situated on the major road and rail transport routes between Cape Town in the west and Gqeberha in the east, as well as an airport flying nationally and internationally.

2.1 ORGANISATIONAL PERFORMANCE

Strategic Performance indicates how well the municipality is meeting its objectives (i.e. which policies and processes are working). All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plan and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP); performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA; and an overall summary of performance on municipal services.

2.2 PERFORMANCE SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2024/2025

i. The IDP and the Budget

The Top Layer SDBIP was approved by the Executive Mayor on 3 June 2024 and was subsequently revised on 27 February 2025. The IDP and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

ii. Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level.

The SDBIP is devolved to departments and converts the IDP and budget into measurable criteria on how, where and when strategies, objectives and business processes of the Municipality are implemented. It also assigns the responsibility to Directorates of delivering of municipal services in terms of the IDP and budget. The Top Layer SDBIP was approved by the Executive Mayor on 03 June 2024 but was later revised and the Revised document was approved by the Council on 27 February 2025

The following were considered in the development of the Top Layer SDBIP:

- Areas to be addressed and the root causes contained in Management Letter of the Auditor-General, as well as the risks identified during the 2023/2024 regularity audit;
- Alignment with the IDP, National Key Performance Areas (KPA's), Municipal KPA's and IDP objectives;
- Municipal Public Accounts Committee's Oversight Report to Council on the Annual Report 2023/2024; and
- The risks identified by the Internal Auditor during the municipal risk analysis.

iii. Actual Performance

The municipality utilises an electronic web-based system on which Key Performance Indicator (KPI) owners update actual performance every month. The same system forms the basis of performance evaluations of the Executive Directors and the Accounting Officer.

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;
- A performance comment; and
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of the KPI owner to maintain a portfolio of evidence to support the actual performance results updated. The portfolio of evidence for the Top Layer SDBIP is internally audited to ensure compliance and reliability.

iv. Quarterly Reporting

Both the Executive Mayor and the Municipal Manager duly signed off all the quarterly reports (as prescribed in S52 and S72 of the Municipal Finance Management Act, 56 of 2003) and subsequently submitted them to Council as prescribed by Section 52(d) and 72(1) of the Municipal Finance Management Act, 56 of 2003 (MFMA). Table 1 indicates the dates on which the reports were signed off.

Table 1: Dates on which quarterly performance report were signed off:

Period of Reporting	Date Signed
Quarter 1 (01 July 2024 – 30 September 2024)	15 October 2024
Quarter 2 (01 October 2024– 31 December 2024)	24 January 2025
Quarter 3 (01 January 2025 – 31 March 2025)	16 April 2025
Quarter 4 (01 April 2025 – 30 June 2025)	18 July 2025

2.3 PERFORMANCE MANAGEMENT

Municipal performance management is prescribed by the MSA and Municipal Planning and Performance Management Regulations, (796 of August 2001). The aforementioned regulation states that *“A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and process of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.”* This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP, individual and service provider performance. The Municipal Council last reviewed and approved the Organisational Performance Framework on 18 April 2024

i. Organisational Performance

The organisational performance is monitored and evaluated through the SDBIP. Some highlights of the performance process include:

- The Top Layer SDBIP was approved by the Executive Mayor on 3 June 2024 and was subsequently revised on 27 February 2025;
- Staff update actual performance against key performance indicator targets every month;
- A mid-year budget and performance (Section 72) report was compiled within the legislative timeframes, tabled to Council on 30 January 2025 and approved and thereafter submitted to Provincial Treasury;
- The Municipal Manager and all Directors have entered into performance agreements within the prescribed timeframes.
- Internal Audit conducted an audit on the Top Layer SDBIP for all quarters and reported to the Performance Audit Committee on a quarterly basis; and
- The Audit Committee also acts as the Performance Audit Committee and is fully functional.

ii. Individual Performance - Senior Management (S57)

The MSA prescribes that the municipality must enter into performance-based agreements with all Section 57 employees and that performance agreements must be reviewed annually. The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (Regulation 805, August 2006) sets out this process in detail. The Municipal Manager and all Directors have entered into performance agreements within the prescribed timeframes. Performance against the National Key Performance Indicators

2.4 NATIONAL KEY PERFORMANCE INDICATORS (NKPIS)

Set out below is the performance for the year under review against the National Key Performance Indicators

2.4.1 NATIONAL KEY PERFORMANCE INDICATOR: BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The table below depicts the municipality's performance in terms of the National Key Performance Indicator as stipulated in the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Local Government: Municipal Systems Act (MSA), 2000 (Act 32 of 2000).

Table 2: National Key Performance Areas: Basic Service Delivery and Local Economic Development

National Key Performance Area	Indicators	2023/2024	2024/2025
Basic Service Delivery (BSD)	The number of households with access to basic level of water (TL 21)	38 287	38 816
	The number of households with access to basic level of sanitation/sewerage removal (TL 23)	39 790	40 632
	The number of households with access to basic level of electricity (TL 22)	45 881	46 424
	The number of households with access to basic level of solid waste removal/refuse removal (TL 24)	41 368	42 379
Local Economic Development (LED)	Job creation (job opportunities) through government expenditure with EPWP (TL 14)	n/a	807

2.4.2 NATIONAL KEY PERFORMANCE INDICATOR: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

Table 3: Capital Expenditure (R'000)

Detail	2022/23	2023/24	2024/25
Original Budget	787 983	1 023 043	1 224 723
Adjustment Budget	1 147 027	1 728 729	1 906 594
Actual	722 909	948 498	1 401 166

2.4.3 NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT RATIOS

These key performance indicators are linked to the National Key Performance Area (KPA), namely Municipal Financial Viability and Management Ratios:

Table 4: National Key Performance Indicators: Municipal Financial Viability and Management Ratios

Description	Basis of calculation	2022/2023	2023/2024	2024/2025
Cost Coverage	The norm is 1-3 months. This ratio gives an indication of the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term, investment without collecting any additional revenue during that month. The monthly cost coverage is within the norm. It will take 2.44 months for George Municipality to cover expenditures out of available cash and liquid assets. (TL 31)	2.19 months	2.77 months	3.68 months
Total Outstanding Service Debtors to Revenue	Measures how much money is still owed by the community for water, electricity, waste removal and sanitation as compared to how much money has been paid for these services. (TL 30)	13.72%	12.22%	12.01%
Debt Coverage	If the result of the Ratio Analysis indicates less than 45% then the Municipality still has the capacity to take increased funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality. (TL 29)	10.19%	20.75%	28.99%

2.4.4 NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Table 5: National Key Performance Indicator: Municipal Transformation and Organisational Development

Indicator	2023/24	2024/25
The percentage of people from employment equity target groups employed (newly appointed) in the three highest levels of Management in compliance with the Municipality's approved Employment Equity Plan by 30 June 2025 (TL 15)	75.00%	77.78%
Since the 2024/2025 budget mid-year review, the Municipality has taken a revised approach that is directed at targeting a spending 1% of its total personnel budget on training. Target was set at 0.48% of the total personnel budget actually spent on training. (TL 16)		0.46%

2.5 TOP LAYER (TL) SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP as per the IDP (strategic) objectives.

The following figure explains the method by which the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPIs) of the SDBIP is measured:

Table 6: Performance Assessment Criteria

Category	Colour	Explanation
KPI Not Met		$0\% \leq \text{Actual/Target} \leq 74.999\%$
KPI Almost Met		$75.000\% \leq \text{Actual/Target} \leq 99.999\%$
KPI Met		Actual meets Target (Actual/Target = 100%)
KPI Well Met		$100.001\% \leq \text{Actual/Target} \leq 149.999\%$
KPI Extremely Well Met		$150.000\% \leq \text{Actual/Target}$

The graphs and table below show the overall performance per Strategic Objective of George Municipality for 2024/2025 financial year. The five strategic objectives are:

- Develop and Grow George;
- Safe, Clean and Green;
- Affordable Quality Services;
- Good Governance and Human Capital; and
- Participative Partnerships.

2.5.1 OVERALL PERFORMANCE

The graph below displays the 2024/2025 overall performance per Strategic Objective:

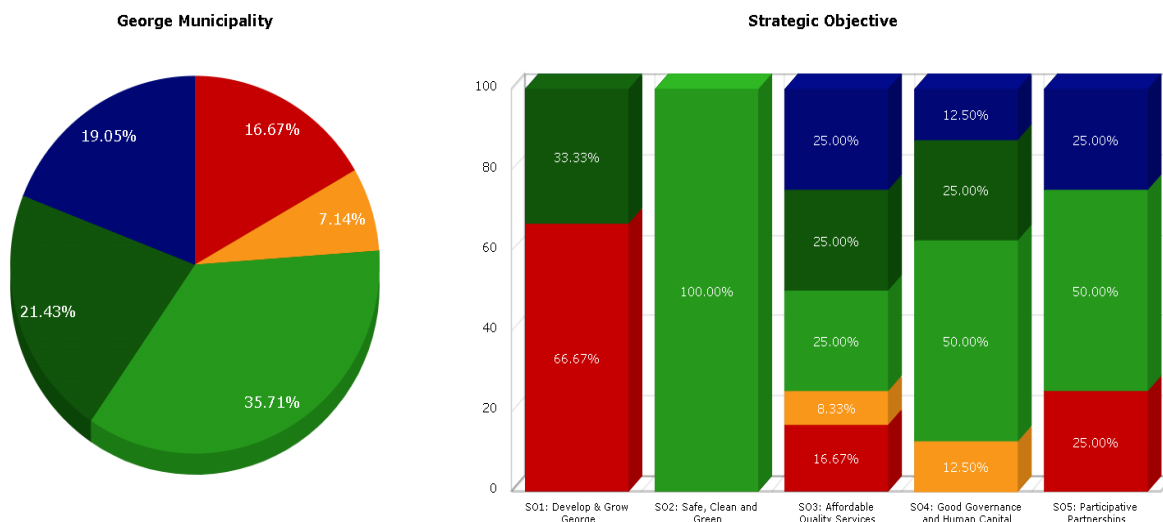


Table 7: Overall Performance Per Strategic Objective

George Municipality			Strategic Objectives				
			Develop and Grow George	Safe, Clean and Green	Affordable Quality Services	Good Governance and Human Capital	Participative Partnerships
R	KPI Not Met	7 (16.67%)	2 (66.67%)	-	4 (16.67%)	-	1 (25.00%)
O	KPI Almost Met	3 (7.14%)	-	-	2 (8.33%)	1 (12.50%)	-
G	KPI Met	15 (35.71%)	-	3 (100.00%)	6 (25.00%)	4 (50.00%)	2 (50.00%)
G2	KPI Well Met	9 (21.43%)	1 (33.33%)	-	6 (25.00%)	2 (25.00%)	-
B	KPI Extremely Well Met	8 (19.05%)	-	-	6 (25.00%)	1 (12.50%)	1 (25.00%)
Total		42	3	3	24	8	4
Total% target achieved		100%	7.14%	7.14%	57.14%	19.05%	9.52%

2.6 ACTUAL PERFORMANCE AGAINST KPIS SET IN TERMS OF TOP LAYER (TL) SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)

A. Strategic Objective: Develop and Grow George

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past Year Performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL10	To promote George as a sports tourism and business destination	Complete phase 1 of the Rosemoore Tartan Track project by 30 June 2025	Percentage of Phase 1 of the project completed by 30 June 2025	Whole Municipal Area: All	n/a	20.04%	85%	85%	100%	95%	100%	G2
TL14	To maximise job creation opportunities through government expenditure	Job creation through the Municipality's EPWP projects (NKPI Proxy - MFMA, Reg. S10(d))	Number of EPWP job opportunities created by 30 June 2025	Whole Municipal Area: All	354.52 (FTE's)	367	266	120	54	1 400	807	R
Performance Comment		The target was not achieved due to appointment delays which made the original goal of 1,400 unattainable for the 2024/2025 financial year.										
Corrective Action		To address the appointment delays and improve delivery against the EPWP target, the Director of Corporate Services will ensure that all EPWP project appointments are finalised within the set timeframes for each project. Progress on EPWP job opportunities will be tracked on a quarterly basis, and remedial action will be implemented where performance falls below 90% of the planned trajectory.										
TL35	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the final Integrated Economic Development Strategy to Mayco for adoption by 30 June 2025	Final Integrated Economic Development Strategy submitted to Mayco by 30 June 2025	Whole Municipal Area: All	1 (Draft)	0	0	0	1	1	0	R
Performance Comment		The economic development strategy was not submitted to Mayco by the 30th of June as initially planned. The submission was delayed due to technical difficulties encountered in finalizing the strategic document and the overall strategy. These challenges included unforeseen complexities in data integration and alignment with the latest economic projections, which required additional time for thorough analysis and validation.										
Corrective Action		The Final Integrated Economic Development Strategy has been finalised, and all technical issues have been resolved shortly after the financial year-end. The strategy will be submitted to Mayco for approval in August 2025.										

B. Strategic Objective: Safe, Clean and Green

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Original Target	Actual	R
TL11	To revitalise the current community facilities to increase the access to services for the public.	Obtain Blue Flag and Green Flag status for at least 4 beaches by 30 November 2024	Number of Blue and Green Flag status beaches obtained by 30 November 2024	Whole Municipal Area: All	3 (Blue only)	0	4	0	0	4	4	G
TL12	To provide an effective and efficient law-enforcement and emergency services to all the communities of George in our quest to protect and promote the fundamental rights of life.	Review the Disaster Management Plan and submit to Council by 31 March 2025	Disaster Management Plan reviewed and submitted to Council by 31 March 2025	Whole Municipal Area: All	1	0	0	1	0	1	1	G
TL13	To ensure infrastructure planning and development keeps pace with growing city needs by aligning all strategic documents and efforts.	Submit NEMA Section 24 G pre-application with all necessary specialist studies (pre-application must include public participation) by 30 June 2025	Submit NEMA Section 24 G pre-application with all necessary specialist studies (pre-application must include public participation) by 30 June 2025	Whole Municipal Area: All	n/a	0	0	0	1	1	1	G

C. Strategic Objective: Affordable Quality Services

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL1	To provide world class water services in George to promote development and fulfil basic needs	Achieve water quality compliance as per SANS 241:2015 by 30 June 2025	Percentage of water quality compliance achieved as measured against the SANS 241:2015	Whole Municipal Area: All	99.02%	0%	0%	0%	98.40%	95%	98.44%	G2
TL2	To explore and implement measures to preserve resources and ensure sustainable development	Limit water network losses to less than 30% measured annually	Percentage of water losses at 30 June 2025	Whole Municipal Area: All	20.78%	0%	0%	0%	24.61%	30%	24.61%	B
TL3	To implement an Integrated Public Transport Network that will serve the communities of George	Complete the construction of the Public Transfer Station (York Hostel) by 30 June 2025 (Public Transport Infrastructure)	Project completed by 30 June 2025	Whole Municipal Area: All	n/a	0	0	0	1	1	1	G
TL4	To implement an Integrated Public Transport Network that will serve the communities of George	Complete Phase 3 of the upgrade of Rooidraai Road by 30 June 2025 (Roads Streets and stormwater)	Project completed by 30 June 2025	Whole Municipal Area: All	n/a	0	0	0	1	1	1	G
TL5	To provide world class water services in George to promote development and fulfil basic needs	Complete the mechanical and electrical upgrade of the 20ML water extension by 30 June 2025 (Water Purification)	Project completed by 30 June 2025	Whole Municipal Area: All	n/a	0	0	0	0	1	0	R

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025			
						Actual	Actual	Actual	Actual	Target	Actual	R	
Performance Comment		The 20 Ml/day WTW was practically completed in May 2025 and started delivering purified water as planned. However, a Practical Completion/Take-Over Certificate was not issued by June 2025, as the residual/sludge works were still outstanding.											
Corrective Action		Regular progress meetings with the contractor will continue until the residual/sludge works are operational. The Directorate will ensure all outstanding works are finalised, with the Practical Completion Certificate to be issued by 30 November 2025.											
TL6	To provide world class water services in George to promote development and fulfil basic needs	Complete the upgrade of the Parkdene water reticulation network by 30 June 2025 (Water Network)	Project completed by 30 June 2025	Whole Municipal Area: All	n/a	0	0	0	1	1	1	G	
TL7	To provide and maintain safe and sustainable sanitation management and infrastructure	Complete the upgrade of the Kleinkrantz/Wilderness bulk sewerage gravity main by 30 June 2025 (Sewerage)	Project completed by 30 June 2025	Whole Municipal Area: All	n/a	0	0	0	1	1	1	G	
TL8	To provide and maintain safe and sustainable sanitation management and infrastructure	Submit the Gwaiing wastewater treatment works masterplan by 28 February 2025 (Sewage treatment works)	Gwaiing wastewater treatment works masterplan submitted by 28 February 2025	Whole Municipal Area: All	n/a	0	0	1	0	1	1	G	
TL18	To explore and implement measures to preserve resources and ensure sustainable development	Limit the electricity losses to less than 10% annually (Limit unaccounted for electricity to less than 10% 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 2025	Whole Municipal Area: All	8.60%	0	0	0	9.73%	<10%	9.73%	B	

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL19	To ensure infrastructure planning and development keeps pace with growing city needs by aligning all strategic documents and efforts	Develop tender specifications for Schaapkop by 30 June 2025	Tender specifications developed	Whole Municipal Area: All	n/a	0	0	0	1	1	1	G
TL21	To provide world class water services in George to promote development and fulfil basic needs	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	Whole Municipal Area: All	38 287	0	0	0	38 816	37 600	38 816	G2
TL22	To provide sufficient electricity for basic needs	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	Whole Municipal Area: All	45 881	0	0	0	46 424	44 500	46 424	G2
TL23	To provide and maintain safe and sustainable sanitation management and infrastructure	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of residential account holders which are billed for sewerage	Whole Municipal Area: All	39 790	0	0	0	40 632	39 100	40 632	G2
TL24	To provide integrated waste management services for the entire municipal area	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	Whole Municipal Area: All	41 368	0	0	0	42 379	40 500	42 379	G2

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL25	To provide world class water services in George to promote development and fulfil basic needs	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic water	Whole Municipal Area: All	11 300	10 293	8 245	6 602	7 162	10 500	7 162	R
Performance Comment		The number of indigent account holders receiving free basic water has decreased as a result of the ongoing verification and data cleansing processes to identify and remove non-qualifying applicants.										
Corrective Action		Indigent consumers must reapply annually to retain their indigent status. The municipality has implemented a phased approach to apply the revised definitions of the indigent policy since its approval, starting from the 2022/23 financial year. Annual indigent roadshows and re-registration campaigns were conducted to assist consumers and solicit applications, continuing into the 2024/25 financial year. From February 2024, after appointing a new service provider for the credit control and indigent management system, the municipality made additional efforts to reach indigent consumers. An indigent validation project, completed in May 2025, involved household visits and validations to ensure that only valid qualifying indigent households are registered. These efforts included household visits to notify consumers of their expired status and provide opportunities to reapply for indigent support. These visits also helped update contact, income, and social assessment information. For the 2024/25 financial year, 8,096 households received indigent application support, and 3,882 house audits were conducted for first-time indigent applicants. These efforts ensure that only valid qualifying indigent households are registered.										
TL26	To provide sufficient electricity for basic needs	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic electricity	Whole Municipal Area: All	16 196	16 955	14 665	13 456	11 341	14 000	11 341	O
Performance Comment		The number of indigent account holders receiving free basic electricity has decreased as a result of the ongoing verification and data cleansing processes to identify and remove non-qualifying applicants.										
Corrective Action		Indigent consumers must reapply annually to retain their status. The municipality has implemented a phased approach to apply the revised definitions of the indigent policy since its approval, starting from the 2022/23 financial year. Annual indigent roadshows and re-registration campaigns were conducted to assist consumers and solicit applications, continuing into the 2024/25 financial year. From February 2024, after appointing a new service provider for the credit control and indigent management system, the municipality made additional efforts to reach indigent consumers. An indigent validation project, completed in May 2025, involved household visits and validations to ensure only valid qualifying indigent households are registered. These efforts included household visits to notify consumers of their expired status and provide opportunities to reapply for indigent support. These visits also helped update contact, income, and social assessment information. For the 2024/25 financial year, 8,096 households received indigent application support, and 3,882 house audits were conducted for first-time indigent applicants. These efforts ensure that only valid qualifying indigent households are registered. (June 2025)										

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL27	To provide and maintain safe and sustainable sanitation management and infrastructure	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic sanitation	Whole Municipal Area: All	11 089	11 135	8 949	6 539	7 137	10 500	7 137	R
Performance Comment		The number of indigent account holders receiving free basic sanitation has decreased as a result of the ongoing verification and data cleansing processes to identify and remove non-qualifying applicants.										
Corrective Action		Indigent consumers must reapply annually to retain their status. The municipality has implemented a phased approach to apply the revised definitions of the indigent policy since its approval, starting from the 2022/23 financial year. Annual indigent roadshows and re-registration campaigns were conducted to assist consumers and solicit applications, continuing into the 2024/25 financial year. From February 2024, after appointing a new service provider for the credit control and indigent management system, the municipality made additional efforts to reach indigent consumers. An indigent validation project, completed in May 2025, involved household visits and validations to ensure only valid qualifying indigent households are registered. These efforts included household visits to notify consumers of their expired status and provide opportunities to reapply for indigent support. These visits also helped update contact, income, and social assessment information. For the 2024/25 financial year, 8,096 households received indigent application support, and 3,882 house audits were conducted for first-time indigent applicants. These efforts ensure that only valid qualifying indigent households are registered.										
TL28	To provide integrated waste management services for the entire municipal area	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic refuse removal	Whole Municipal Area: All	11 174	11 211	9 001	6 594	7 189	10 500	7 189	R
Performance Comment		The number of indigent account holders receiving free basic refuse removal has decreased as a result of the ongoing verification and data cleansing processes to identify and remove non-qualifying applicants.										
Corrective Action		Indigent consumers must reapply annually to retain their status. The municipality has implemented a phased approach to apply the revised definitions of the indigent policy since its approval, starting from the 2022/23 financial year. Annual indigent roadshows and re-registration campaigns were conducted to assist consumers and solicit applications, continuing into the 2024/25 financial year. From February 2024, after appointing a new service provider for the credit control and indigent management system, the municipality made additional efforts to reach indigent consumers. An indigent validation project, completed in May 2025, involved household visits and validations to ensure only valid qualifying indigent households are registered. These efforts included household visits to notify consumers of their expired status and provide opportunities to reapply for indigent support. These visits also helped update contact, income, and social assessment information. For the 2024/25 financial year, 8,096 households received indigent application support, and 3,882 house audits were conducted for first-time indigent applicants. These efforts ensure that only valid qualifying indigent households are registered. (June 2025)										

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL29	To develop mechanisms to ensure viable financial management and control	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2025 {(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 2025	Whole Municipal Area: All	20.75%	0%	0%	0%	28.99%	≤45%	28.99%	B
TL30	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 [(Total outstanding service debtors/ revenue received for services) x 100]	Percentage Service debtors as at 30 June 2025	Whole Municipal Area: All	12.22%	0%	0%	0%	12.01%	16%	12.01%	B
TL31	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 ((Cash and Cash Equivalents - Unspent Conditional 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 2025	Whole Municipal Area: All	2.77	0	0	0	3.68	2	3.68	B

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Target	Actual	R
TL32	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	Achieve a payment percentage of 95% by 30 June 2024 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Percentage of payment achieved by 30 June 2025	Whole Municipal Area: All	92.89%	0%	0%	0%	92.43%	95%	92.43%	O
Performance Comment		Note: Due to an administrative error (typing error), the KPI name incorrectly reflects 30 June 2024, instead of 30 June 2025. The Collection rate for the year to date is below target mainly due to the impact of the rising cost of living caused by the underperforming national economy. Economic instability led to increased unemployment and decreased household income levels over the past 5 years. Several measures are being undertaken to mitigate this reality and to improve the collection rate.										
Corrective Action		Various credit control actions are being strengthened, including the collection of arrear debts through prepaid meters by recovering up to 50% of electricity sales to settle outstanding account debt. The recovery percentage of 50% has been increased to 55% and 65% in a sliding scale manner in the policies for the 2025/2026 financial year. The municipality also significantly focused more on indigent outreaches to ensure that consumers that require assistance, receive the necessary support; and to identify consumers that can afford to pay but do not want to pay, then further legal action are followed against them.										
TL39	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	The percentage of the original municipal capital budget actually spent on capital projects by 30 June 2025 {(Actual amount spent on projects/Total amount budgeted for capital projects less savings) X100}	Percentage of the original municipal capital budget actually spent on capital projects by 30 June 2025	Whole Municipal Area: All	55.72%	0%	0%	0%	114.96%	95%	114.96%	G2
TL43	To implement an Integrated Public Transport Network that will serve the communities of George	Number of scheduled public transport access points added by 30 June 2025	Number of access points added	Whole Municipal Area: 1	n/a	0	0	0	13	8	13	B

D. Strategic Objective: Good Governance and Human Capital

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Original Target	Actual	R
TL9	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	Spend 95% RBIG funding allocated to George Municipality for BFI Projects line with the conditions set out in the DoRA and the tranche schedule submitted to DWS	The percentage expenditure achieved in terms of the RBIG funding allocated to George Municipality for BFI Projects in line with the conditions set out in the DoRA and the tranche schedule submitted to DWS	Whole Municipal Area: All	69.27%	38%	48%	70%	100%	95%	100%	G2
TL15	To undertake regular human resource audits to determine skills gaps, staff diversity and develop skills programmes	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	Whole Municipal Area: All	75.00%	1%	3%	0%	77.78%	67%	77.78%	G2
TL16	To undertake regular human resource audits to determine skills gaps, staff diversity and develop skills programmes	Spend 1% of personnel budget on training by 30 June 2025 {(Actual total training expenditure divided by total personnel budget) x100}	Percentage of the personnel budget actually spent on training	Whole Municipal Area: All	n/a	n/a (KPI definition amended mid-year)	n/a (KPI definition amended mid-year)	0	0.46%	0.48%	0.46%	O
Performance Comment		The total Adjusted Personnel Budget was R 805 771 844 and the actual expenditure on training was R 3 732 923.38 by 30 June 2025. The initial budget values were amended during the course of the year to cater for operational requirements, resulting in a revised annual target of 0.48% - being 100% actual expenditure on the adjusted training budget of R3 761 680. However, in order to achieve the 0.48% target, actual expenditure must be at 100% of the full training budget, leaving R0.00 available budget at 30 June 2025 – which is a highly unlikely scenario. There is also the risk of unintentional over expenditure in this approach of trying to spend 100% of the training budget while leaving zero margin for variance. The expenditure % of the training budget allocated was spent by 99.24%, leaving R28 756.62 of the amended R3 761 680.00 budget allocation.										
Corrective Action		To ensure that the training budget is effectively utilised while leaving a reasonable margin for under-expenditure or savings, the target for training expenditure will be revised to not be set at 100% of the full available budget. Instead, a more realistic target will be established by the Director Corporate Services for the 2025/2026 financial										

		year, allowing for a margin of under-expenditure or savings. Quarterly reviews of the training budget and expenditure will be conducted to identify any variances and take corrective actions promptly.										
TL17	To evaluate the effectiveness of risk management, control and governance processes and develop actions to address key risks identified	Prosecute 4 Bylaws through the Municipal Court by 31 December 2024	Number of Bylaws prosecuted through the municipal court by 31 December 2024	Whole Municipal Area: All	n/a	0	0	0	33	4	33	B
TL37	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the Draft IDP to Council by 31 March 2025	Number of Draft IDPs submitted to Council by 31 March 2025	Whole Municipal Area: All	1	0	0	1	0	1	1	G
TL38	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the Final Annual Report and Oversight Report to Council by 31 March 2025	Number of Final Annual Reports and Oversight Report submitted to Council by 31 March 2025	Whole Municipal Area: All	1	0	0	1	0	1	1	G
TL41	To evaluate the effectiveness of risk management, control and governance processes and develop actions to address key risks identified	Review the 3-year Internal Audit Plan based on the risk assessment and submit to Audit Committee by 30 June 2025	Number of RBAP (Risk Based Audit Plan) reviewed and submitted to Audit Committee by 30 June 2025	Whole Municipal Area: All	1	0	0	0	1	1	1	G
TL42	To evaluate the effectiveness of risk management, control and governance processes and develop actions to address key risks identified	Develop a Municipal Audit Action Plan (MAAP) by 31 January 2025	Municipal Audit Action Plan (MAAP) developed by 31 January 2025	Whole Municipal Area: All	n/a	0	0	1	0	1	1	G

E. Strategic Objective: Participative Partnerships

Ref	Pre-determined Objective	KPI Name	Unit of Measurement	Area	Past year performance	Q1	Q2	Q3	Q4	Overall Performance for 2024/2025		
						Actual	Actual	Actual	Actual	Original Target	Actual	R
TL33	To improve communication with citizens on plans, achievements, successes and actions	Review the Information and Communication Technology (ICT) Strategic Plan by 31 March 2025	ICT Strategic Plan reviewed by 31 March	Whole Municipal Area: All	n/a	0	0	1	0	1	1	G
TL34	To improve communication with citizens on plans, achievements, successes and actions	Standard Operating Procedures (SOPs) of Information and Communication Technology (ICT) by 30 June 2025	ICT SOPs developed by 30 June	Whole Municipal Area: All	n/a	0	0	0	4	1	4	B
TL36	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the revised MSDF to Council by 31 May 2025	Number of revised MSDF to Council by 31 May 2025	Whole Municipal Area: All	1	0	0	0	1	1	1	G
TL40	To improve communication with citizens on plans, achievements, successes and actions	Ensure approved George Naturally Tourism Branding and Marketing Strategy is launched by 31 March 2025	Number of approved George Naturally Branding and Marketing Strategies launched by 31 March 2025	Whole Municipal Area: All	n/a	0	0	0	0	1	0	R
Performance Comment		The George Naturally Tourism Branding and Marketing Strategy was not compiled, launched, or approved by 31 March 2025 due to unforeseen institutional challenges within the directorate and technical operational challenges in finalising the technical content by the planned target date.										
Corrective Action		Recruitment for vacant posts and the directorate restructuring will be completed by end of quarter two of the new financial year. The Strategy will then be finalised, submitted to Council for approval, and launched to the public by the end of quarter three (March 2026).										

2.7 SDBIP REVIEW SUMMARY

The table below shows the adjustment made to the Top Layer (TL) indicators in February 2025. Changes to each KPI are mainly corrective actions taken in response to audit findings.

TL:	Revision	Motivation
TL2	Limit water network losses to less than 30% measured annually Limit water network losses to less than 24% measured annually (Limit unaccounted for water to less than 24% by June 2025((number of kilolitres water purchased or purified number of kilolitres water sold)/ number of kilolitres water purchased or purified x 100)	The KPI wording and unit of measurement were erroneous.
TL13	Submit NEMA Section 24G pre-application with all necessary specialist studies (pre-application must include public participation) by June 2025 Develop a landfill rehabilitation plan by 30 June 2025	The KPI was adjusted in response to legislation amendments introduced by National or relevant Provincial departments, affecting the original KPI.
TL15	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan Report on the number of people from previously disadvantaged groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan	KPI adjusted in line with measurement included and defined in the general indicators of regulation 796 and target also adjusted accordingly.
TL16	Spend 1% of personnel budget on training by 30 June 2025 ((Actual total training expenditure divided by total personnel budget) x 100) Spend 95% of the operational budget on training by 30 June 2025 ((Actual total training expenditure divided by total operational budget) x 100)	KPI adjusted in line with measurement included and defined in the general indicators of regulation 796. Target also adjusted accordingly.
TL17	Prosecute implement 4 Bylaws through the Municipal court by 31 December 2024	Replace the word "Implement" with "prosecute" to correct the intended objective of the KPI.
TL18	A target of <10% was deleted for quarters 1 to 3 and the same only measured at the end of quarter 4.	The target was erroneous as the original KPI description included the word "average".
TL19	Develop tender specifications for Schaapkop by 30 June 2025 Complete Phase 1 of the Schaapkop 2nd 132/166KV Transformer by 30 June 2025	KPI had to be changed because there was no phase 1 for Schaapkop, which the KPI referred to.
TL20	Complete Phase 1 of the 12MW PV Solar Plant by June 2025	Tendered prices exceeded the available budget. In response the project was cancelled, and the budgeted funds were re-allocated.
TL34	Develop one Review identified standard operating procedures (SOPs) of Information and Communication Technology by 30 June 2025	The KPI wording and unit of measurement were erroneous.
TL35	Submit Complete the final Integrated Economic Development Strategy to Mayco for adoption by 30 June 2025	The KPI wording and unit of measurement were erroneous.
TL39	The percentage of the <u>original</u> municipal capital budget spent on projects by 30 June 2025((Actual amount spent on projects/ Total amount budgeted for capital projects less savings) x 100)	The KPI wording and unit of measurement were erroneous and was corrected to reference the original capital budget for the 2024/2025 year.
TL40	Implement <u>Ensure approved</u> George naturally Tourism and Marketing Strategy is <u>launched</u> by 31 March 2025	The word implement was not clearly defined
TL43	Number of scheduled transport access points added by 30 June 2025	New KPI added for the monitoring of public transport bus service provided by the Municipality. KPI Measurement defined as included in addendum 6 of Circular 88 and reported on in the Management report of the Auditor General on the 2023/2024 Audit

2.8 SERVICE PROVIDERS PERFORMANCE

Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider: means a person or institution or any combination of persons and institutions which provide service to or for the benefit of the local community.

External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality.

Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

During the year under review the Municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored to ensure that the requirements of the contract are complied with.