GEORGE
THE CITY FOR ALL REASONS

ANNEXURE A

Section 52 (MFMA) Quarterly Performance Assessment Report

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

2026/2027

Quarter 1 (01 July – 30 September 2026)

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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 2026/2027 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 First quarter (01 July – 30 September 2026) of the 2026/27 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 2026/27 was approved by the Executive Mayor in June 2026.

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.

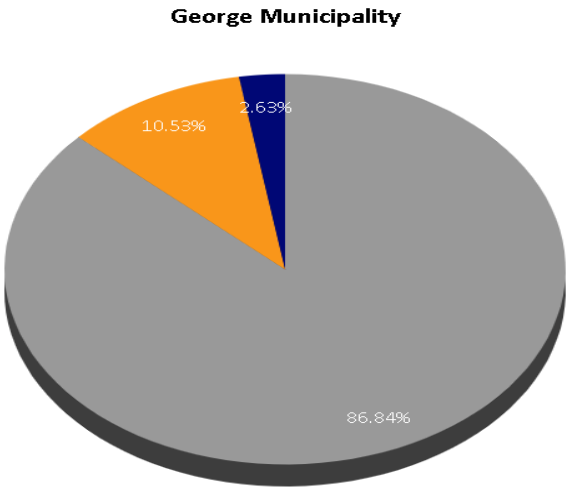
4.5 In terms of Section 46(1)(a)(iii) of the MSA, the Municipality must reflect annually in the Annual Performance Report on measures taken to improve performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

5. Actual Performance for the First Quarter (01 July – 30 September 2026)

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 First quarter of the financial year 2026/27 is provided for in section 7 of this report.

6. George Performance per Municipal SO (01 July – 30 September 2026)



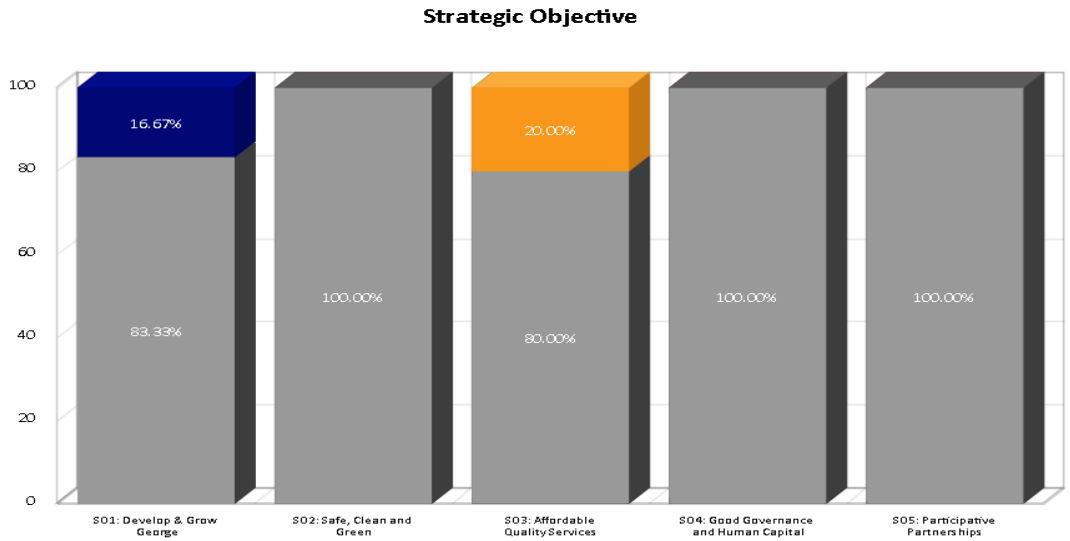


Table 2: Overall Performance per SO (01 July – 30 September 2026)

		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	**33 (86.84%)**	5 (83.33%)	5 (100.00%)	16 (80.00%)	5 (100.00%)	2 (100.00%)
Unacceptable Performance	**4 (10.53%)**	-	-	4 (20.00%)	-	-
Not Fully Effective	-	-	-	-	-	-
Fully Effective	-	-	-	-	-	-
Above Expectation	**1 (2.63%)**	1 (16.67%)	-	-	-	-
Outstanding Performance	-	-	-	-	-	-
Total:	**38 (100%)**	**6(15.79%)**	**5(13.16%)**	**20(52.63%)**	**5(13.16%)**	**2(5.26%)**

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 2026			
						Target	Actual	R	YTD Actual
TL10	Spend 90% of the allocated capital budget for the completion of the first phase of the development for the Uniondale cemetry by 30 June 2027{(Actual capital expenditure divided by the total approved capital budget less savings) x100}	% of budget spent	All	0%	90%	0%	0%	NA	0%
TL12	Develop a Community Development Strategy and submit to Section 80 Committee by 30 June 2027	Community Development Strategy developed and submitted	All	0	1	0	0	NA	0
TL13	Complete the composting facility at George landfill site by 31 March 2027	Number of composting sites completed	All	0	1	0	0	NA	0
TL14	Complete the waste transfer facility at George by 31 March 2027	Number of waste transfer facilities completed	All	0	1	0	0	NA	0
TL35	Submit the revised MSDF to Council by 31 May 2027	Number of revised MSDF to Council by 31 May 2027	All	1	1	0	0	NA	0
TL38	Job creation through the Municipality's EPWP projects (NKPI Proxy - MFMA, Reg. S10(d)	Number of EPWP job opportunities created by 30 June 2027	All	807	1 000	350	721	B	721

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%	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	1
Total KPIs			**6**

7.2 SAFE, CLEAN AND GREEN

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2026			
						Target	Actual	R	YTD Actual
TL1	Achieve 95% water quality compliance as per SANS 241:2015 by 30 June 2027	Percentage of water quality compliance achieved as measured against the SANS 241:2015 by 30 June 2027	All	97.42%	95%	0%	0%	N/A	0%
TL6	Review the Disaster Management Plan and submit to Council by 31 March 2027	Disaster Management Plan reviewed and submitted to Council by 31 March 2027	All	1	1	0	0	N/A	0
TL7	Increase Go George passenger trips with 5% (compared to 2024/25) by 30 June 2027	% increase in passenger trips	All	0%	5%	0%	0%	N/A	0%
TL8	Develop a Community Safety and Mobility Strategic Plan and submit to Section 80 Committee by 31 May 2027	Number of Community Safety and Mobility Strategic Plans developed and submitted	All	1	1	0	0	N/A	0
TL11	Develop a Master Plan for the Replacement of Trees and Greening of the City and submit to the Section 80 Committee by 30 June 2027	Master Plan for the Replacement of Trees and Greening of City developed and submitted	All	0	1	0	0	N/A	0

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

	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**

7.3 AFFORDABLE QUALITY SERVICES

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2026			
						Target	Actual	R	YTD Actual
TL2	Limit water network losses to less than 30% measured annually by 30 June 2027	Percentage of water network losses at 30 June 2027	All	30%	30%	0%	0%	N/A	0%
TL3	Refurbish and /or replace existing water pipelines of George Municipality by 30 June 2027	Kilometres of water pipelines	All	3	3	0	0	N/A	0
TL4	Refurbish and/or replace existing sewer pipelines of George Municipality by 30 June 2027	Kilometres of sewer pipelines	All	3	3	0	0	N/A	0
TL5	Rehabilitate and/or resurface existing roads of George Municipality by 30 June 2027	Kilometres of roads	All	5	5	0	0	N/A	0
TL17	Limit annual average electricity losses to less than 12% by 30 June 2027 {(Number of units purchased - Number of units Sold (incl. free basic electricity) / Number of units purchased) X100})	Percentage electricity losses at 30 June 2027	All	8.52%	12%	0%	0%	N/A	0%
TL18	Update 66kV Master Plan and submit to Section 80 Committee by 30 June	Master Plan updated and submitted	All	1	1	0	0	N/A	0
TL19	Appoint a Service Provider for Skaapkop Substation upgrades by 30 June 2027	Number of Service Providers appointed for the Skaapkop Substation upgrades	All	0	1	0	0	N/A	0
TL20	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	All	38 000	39 000	0	0	N/A	0
TL21	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	All	46 000	46 600	0	0	N/A	0
TL22	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of residential account holders which are billed for sewerage	All	40 000	40 800	0	0	NA	0
TL23	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	All	42 000	42 500	0	0	NA	0
TL24	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic water	All	7 162	9 200	9 200	8 030	0	8 030
Performance Comment	[D526] Director: Financial Services: Since June 2026 the actual number of qualifying indigent households receiving free basic water has increased from 7 761 to 8 030. The revised qualification thresholds is assisting to address the shortfall resultant mainly from the phased implementation of revised indigent-policy qualifying criteria and the annual reapplication and verification process. (September 2026)								
Corrective Action	[D526] Director: Financial Services: The Credit Control Section continues to implement the approved indigent outreach and re-registration programme, including scheduled roadshows, household verification and assistance at area offices. The revised income thresholds and the new indigent-management system implemented from July 2026 will be used to improve access to the application process								

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2026			
						Target	Actual	R	YTD Actual
	while maintaining eligibility controls. The Manager: Credit Control will monitor registrations monthly, with the Deputy Director: Revenue Management reporting progress against the revised targets to the Chief Financial Officer each month. (September 2026)								
TL25	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic electricity	All	11 341	13 300	13 300	13 394	0	13 394
Performance Comment	[D527] Director: Financial Services: Since June 2026 the actual number of qualifying indigent households receiving free basic electricity has increased from 13 025 to 13 394. The result was affected by the annual reapplication and verification of indigent status, together with the closure or blocking of prepaid meters with no recorded purchases or activity during the preceding two years to reduce the risk of losses and meter tampering. (September 2026)								
Corrective Action	[D527] Director: Financial Services: The Credit Control Section will continue scheduled indigent roadshows, re-registration drives and household verification, supported by the indigent-management system implemented from July 2026. The Manager: Credit Control and the relevant Electrical Engineering Services officials will reconcile the indigent register with prepaid-vending information monthly, investigate inactive or blocked meters and report progress to the Deputy Director: Revenue Management and Chief Financial Officer. (September 2026)								
TL26	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic sanitation	All	7 137	9 200	9 200	8 041	0	8 041
Performance Comment	[D528] Director: Financial Services: Since June 2026 the actual number of qualifying indigent households receiving free basic sanitation has increased from 7 772 to 8 041. The revised qualification thresholds is assisting to address the shortfall resultant mainly from the phased implementation of revised indigent-policy qualifying criteria and the annual reapplication and verification process. (September 2026)								
Corrective Action	[D528] Director: Financial Services: The Credit Control Section will continue scheduled indigent roadshows, re-registration drives and household verification, supported by the indigent-management system implemented from July 2026. The Manager: Credit Control and the relevant Electrical Engineering Services officials will reconcile the indigent register with prepaid-vending information monthly, investigate inactive or blocked meters and report progress to the Deputy Director: Revenue Management and Chief Financial Officer. (September 2026)								
TL27	Provision of basic service delivery to George Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of indigent account holders receiving free basic refuse removal	All	7 189	9 200	9 200	8 044	0	8 044
Performance Comment	[D529] Director: Financial Services: Since June 2026 the actual number of qualifying indigent households receiving free basic refuse has increased from 7 775 to 8 044. The revised qualification thresholds is assisting to address the shortfall resultant mainly from the phased implementation of revised indigent-policy qualifying criteria and the annual reapplication and verification process. (September 2026)								
Corrective Action	[D529] Director: Financial Services: The Credit Control Section will continue scheduled indigent roadshows, re-registration drives and household verification, supported by the indigent-management system implemented from July 2026. The Manager: Credit Control and the relevant Electrical Engineering Services officials will reconcile the indigent register with prepaid-vending information monthly, investigate inactive or blocked meters and report progress to the Deputy Director: Revenue Management and Chief Financial Officer. (September 2026)								
TL28	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2027 {(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term	Percentage Debt to Revenue obligations met as at 30 June 2027	All	28.99%	45%	0%	0%	NA	0%

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2026			
						Target	Actual	R	YTD Actual
	Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) X 100}								
TL29	Financial viability measured in terms of the outstanding service debtors as at 30 June 2027 [(Total outstanding service debtors/ revenue received for services) x 100]	Percentage Service debtors as at 30 June 2027	All	12.01%	16%	0%	0%	NA	0%
TL30	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2027 ((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 2027	All	3.68	2	0	0	NA	0
TL31	Achieve a payment percentage of 95% by 30 June 2027 (Annual Debtors Collection Rate (Last 12 months receipts / last 12 months billing)	Percentage of payment achieved by 30 June 2027	All	92.43%	95%	0%	0%	NA	0%
TL32	The percentage of the municipal original capital budget actually spent on capital projects by 30 June 2027 {(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 2027	All	95%	85%	0%	0%	NA	0%

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

	Not Applicable Yet	KPIs with no targets or actuals in the selected period.	16
	Unacceptable Performance	0% <= Actual/Target <= 74.999%	0
	Not Fully Effective	75.000% <= Actual/Target <= 99.999%	4
	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			**20**

7.4 GOOD GOVERNANCE AND HUMAN CAPITAL

Ref	KPI Name	Unit of Measurement	Area	Baseline	Original Annual Target	01 July – 30 September 2026			
						Target	Actual	R	YTD Actual
TL15	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	67%	67%	0%	0%	NA	0%
TL16	Spend 0.33% of personnel budget on training by 30 June 2027 {(Actual total training expenditure divided by total personnel budget)x100}	Percentage of the personnel budget actually spent on training	Whole Municipal Area: All	0.32%	0.33%	0%	0%	NA	0%
TL33	Submit the draft strategic risk register to the Risk Management Committee by 31 March	Register submitted	Whole Municipal Area: All	1	1	0	0	NA	0
TL34	Review the 3 year Internal Audit Plan based on the risk assessment and submit to Audit Committee by 30 June 2027	Number of RBAP (Risk Based Audit Plan) reviewed and submitted to Audit Committee by 30 June 2027	Whole Municipal Area: All	1	1	0	0	NA	0
TL37	Submit the Final Annual Report and Oversight Report to Council by 31 March 2027	Number of Final Annual Reports and Oversight Report submitted by 31 March 2027	Whole Municipal Area: All	1	1	0	0	NA	0

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 2026			
						Target	Actual	R	YTD Actual
TL9	Review and submit the IWMP to Council by 30 June 2027	Number of IWPM reviewed and submitted to Council by 30 June 2027	Whole Municipal Area: All	0	1	0	0	NA	N/A
TL36	Submit the Draft IDP to Council by 31 March 2027	Number of Draft IDPs submitted to Council by 31 March 2027	Whole Municipal Area: All	1	1	0	0	NA	N/A

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

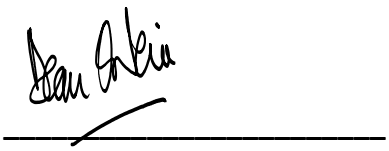
	Not Applicable Yet	KPIs with no targets or actuals in the selected period.	2
	Unacceptable Performance	0% <= Actual/Target <= 74.999%	0
	Not Fully Effective	75.000% <= Actual/Target <= 99.999%	0
	Fully Effective	Actual meets Target (Actual/Target = 100%)	0
	Above Expectation	100.001% <= Actual/Target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

8. Conclusion

The 2026/2027 TL SDBIP comprises of 38 KPIs. The table below depicts the performance for the First quarter:

Table 8: Performance for the First Quarter

	No KPI Target This Quarter	33
	Unacceptable Performance	0
	Not Fully Effective	4
	Fully Effective	0
	Above Expectation	0
	Outstanding Performance	1
Total KPIs		**38**



DR DEAN O'NEILL
MUNICIPAL MANAGER

DATE: 22 OCTOBER 2026