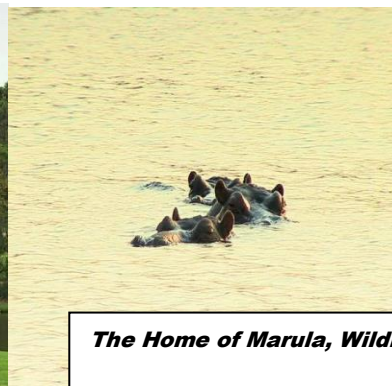


## BA-PHALABORWA LOCAL MUNICIPALITY



### 2025/2026 SECOND QUARTER PERFORMANCE REPORT



*The Home of Marula, Wildlife Tourism and Mining*

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## 1. Introduction

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The purpose of this report is to present the second quarter performance assessment of the municipality against the predetermined objectives and targets as set out in the Service Delivery and Budget Implementation Plan (SDBIP) for the 2025/26 financial year. The report is prepared in compliance with the requirements of Section 52(d) of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

## 2. Legislation

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In terms of the Section 52 (d) of the local government: Municipal Finance Management Act (56 of 2003), the Mayor of a municipality must submit a report to the Council on the implementation of the Budget and the financial state of affairs of the Municipality after the end of each quarter.

## 3. Strategic Intent

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### **Vision:**

***“Provision of quality services for community Well-being, Tourism and Mining development”***

### **Mission:**

***“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and accountable governance”***

### **Values**

- Efficiency and effectiveness;
- Accountability;
- Innovation and creativity;
- Professionalism and hospitality;
- Transparency and fairness;
- Continuous learning and
- Conversation conscious

### **Strategic objectives:**

- Promotion of local economy
- Provision of sustainable integrated infrastructure land services
- Sustain the environment
- Improve financial viability

- Good corporate governance and public participation and
- Attract, develop and retain best human capital

**Slogan:**

***“The home of Marula, Wildlife Tourism and Mining”***

#### 4. Accounting Officer’s Assessment of Performance

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The municipality utilised the top-layer Service Delivery and Budget Implementation Plan (SDBIP), as approved, for implementation during the 2025/26 financial year. The SDBIP serves as a key performance monitoring tool for the implementation of the Integrated Development Plan (IDP) and the Budget. Performance targets reflected in the SDBIP are aligned with the strategic objectives of the IDP.

The Administration component is responsible for the implementation of the SDBIP, while the Political component provides oversight. This oversight is exercised through regular performance reporting to Council.

The table below illustrates the performance of each key Performance Area of Ba-Phalaborwa Municipality against the National Key Performance Areas (NKPAs). The 2025/2026 Service Delivery and Budget Implementation Plan on which this Performance Report is based, comprises 86 key performance indicators with its performance targets. As compared to the performance for the first quarter of 2025/26, the total achievement was 77%, while the 2025/26 second quarter performance accounts to 73%. For the period under review, the municipality had six Key Performance Areas (KPAs) with a total of 54 Key Performance Indicators (KPIs) for the 2025/26 Second quarter period. The municipality achieved good performance on 38 KPIs, representing 73%, while poor performance was recorded on 14 KPIs, representing 26%. Two KPIs were recorded as not applicable. The two indicators recorded as not applicable relate to the absence of reported cases on fraud and corruption and the development of the Auditor-General (AG) Action Plan.

**The performance scorecard outlines the challenges encountered and the corrective interventions identified to address the areas of poor performance.**

#### **Comparison of the previous year 2025/26 First Quarter performance and 2025/26 Second Quarter performance**

<b>2025/26 First Quarter performance Analysis</b>						<b>2025/26 Second Quarter Performance Analysis</b>					
<b>Key Performance Area</b>	<b>First Quarter Target</b>	<b>Target Achieved</b>	<b>Target not Achieved</b>	<b>Target not applicable</b>	<b>% Achievement</b>	<b>Key Performance Area</b>	<b>Second Quarter Target</b>	<b>Target Achieved</b>	<b>Target not achieved</b>	<b>Target not applicable</b>	<b>% Achievement</b>
Spatial Rationale	1	1	0	0	100%	Spatial Rationale	1	1	0	0	100%
Basic Services Delivery	12	9	3	0	75%	Basic Services Delivery	12	6	6	0	50%
Municipal Financial Viability	9	5	4	0	55%	Municipal Financial Viability	6	4	2	0	67%
Local Economic Development	4	4	0	0	100%	Local Economic Development	3	3	0	0	100%
Municipal Transformation and Institutional Development	3	3	0	0	100%	Municipal Transformation and Institutional Development	3	2	1	0	67%
Good Governance and Public Participation	30	22	6	2	78%	Good Governance and Public Participation	29	22	5	2	81%
<b>Total</b>	<b>59</b>	<b>44</b>	<b>13</b>	<b>2</b>	<b>77%</b>	<b>Total</b>	<b>54</b>	<b>38</b>	<b>14</b>	<b>2</b>	<b>73%</b>

## 5. 2025/25 Second quarter SDBIP Performance

### 5.1 Second quarter performance for revenue for each source

Sources of Revenue	2025/26 Second quarter Projections of revenue for each source					Evidence Required
	R'000					
	Second quarter target (1 Jul – 31 Dec 25)	Second quarter actual Performance	Second quarter Performance Variance	Challenges	Corrective measures/ Interventions	
Exchange Revenue						
Service charges – electricity	96 979	66 363	(30 615)	Illegal connection and theft.	Continuous investigation and audit electricity meters to reduce theft.	Finance report
Service Charges – Refuse	9 947	10 632	685	Target met	None	Finance report
Sale of Goods and Rendering of Services	2 997	3 081	84	Target met	None	Finance report
Agency services	5 966	488	(5 478)	for MDM captured at year end	To capture the transactions on monthly basis	Finance report
Interest earned from Receivables	8 384	5 715	(2 669)	Culture of non-payment of municipal services especially in the townships & Interest reversals in the form of settlement discount.	Debt collector has been sourced to assist with long outstanding debts in township areas.	Finance report
Interest earned from Current and Non-Current Assets	2 675	1 551	(1 125)	Target met	None	Finance report
Rental from fixed assets	175	819	644	Target met	None	Finance report
Operational Revenue	3 716	349	(3 366)	Culture of non-payment of municipal services especially in the townships	Debt collector has been sourced to assist with long outstanding debts in townships	Finance report
Non- Exchange Revenue						Finance report
Property Rates	107 089	104 992	(2 097)	Rebates offered to customers resulted in the target not being met	Consider the rebates during budget planning	Finance report
Fines, Penalties and Forfeits	653	113	(540)	Traffic fines revenue was low due to data not available for officers, not enough vehicle and shortage of staff	Allocation of budget	Finance report
Licenses and permits	2 926	9 862	6 936	Target met	None	Finance report
Transfers recognised - operational	112 017	167 499	55 483	Target met	None	Finance report
Interest	21 621	19 486	(2 135)	Culture of non-payment of municipal services especially in the townships & Interest reversals in the form of settlement discount.	Debt collector has been sourced to assist with long outstanding debts in township areas.	Finance report
Transfers recognised - capital	23 542	17 895	(5 647)	Contractors for MIG were appointed during second quarter	Contractors already appointed and technical services to ensure that in future that they fast track the process of advertising on time	Finance report
Total Revenue by Source	398 685	408 846	10 161			Finance report

## 5.2 Second quarter performance for Expenditure

Sources of Revenue	2025/26 Second quarter Projections of expenditure for each source					Evidence Required
	R'000					
	Second quarter target (1 Jul – 31 Dec 25)	Second quarter actual Performance	Second quarter Performance Variance	Challenges	Corrective measures/ Interventions	
Employee Related Costs	1 11 922	94 220	(17 703)	Low expenditure on employee costs due to other vacant positions	Filling of critical positions that are budgeted for	Finance report
Remuneration of councillors	9 598	8 400	(1 198)	The variance not material	None	Finance report
Bulk purchases - electricity	75 406	66 590	(8 816)	Low expenditure on bulk electricity purchased	Continuously monitor cost containment measures.	Finance report
Inventory consumed	13 156	13 108	(48)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Debt impairment	55 071	0	(55 071)	The calculations are normally done normally at year end	Journal to be processed at year end	Finance report
Depreciation and amortisation	43 610	41 417	(2 193)	The variance not material	None	Finance report
Interest	10 361	0	(10 361)	The calculations are normally done normally at year end	Journal to be processed at year end	Finance report
Contracted services	34 321	21 094	(13 227)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Transfers and subsidies	261	0	(261)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Irrecoverable debts written off	0	31 587	31 587	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	
Operational costs	43 866	39 452	(4 415)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Total expenditure by Source	397 573	315 867	(81 705)			Finance report

### 1.3 Second quarter Projections of Expenditure Operating, Capital and Revenue by Vote

#### Projections and performance of Revenue and Expenditure by Vote: (Operating) Second quarter

Expenditure and Revenue by Vote	Second quarter target (1 Jul – 31 Dec 25) OPEX	Second quarter actual Performance	Second quarter Performance Variance	Remarks/Challenges	Corrective measures	Evidence Required
Executive and Council	38 697	31 935	(6 762)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Budget and Treasury and Administration	135 985	110 055	(25 930)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Community and Social Services	23 629	18 292	(5 338)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Public Safety	12 194	10 290	(1 904)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Economic and Environmental Services	16 208	10 500	(5 708)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Road Transport	53 168	44 894	(8 275)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Electricity	112 896	88 300	(24 596)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Waste Management	4 796	1 602	(3 194)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
<b>Total by Vote</b>	<b>397 573</b>	<b>315 867</b>	<b>(81 705)</b>			Finance report



Projections and performance of Revenue and Expenditure by Vote: (Revenue) Second quarter

Expenditure and Revenue by Vote	Second quarter target (1 Jul – 31 Dec 25) Revenue	Second quarter actual Performance	Second quarter Performance Variance	Remarks/Challenges	Corrective measures	Evidence Required
Executive and council	0	0	0	None	None	Finance report
Budget and Treasury and Administration	246 625	291 517	44 892	Target met	None	Finance report
Community and Social Services	164	171	7	Target met	None	Finance report
Public Safety	7 056	9 862	2 806	Target met	None	Finance report
Planning and development	151	123	(28)	Variance not material	None	Finance report
Road Transport	26 138	20 779	(5 359)	Target not met due to additional disaster grant received in the month of September and 3 projects for MIG still under Evaluation.	Fast-tracking of the construction of the new projects.	Finance report
Electricity	102 837	70 095	(32 742)	Contractor for substation was appointed in the month of September and electrification of Majeje villages went for re-advert. Low collection on electricity due to illegal connection and theft.	Fast-tracking of the construction of the new projects.	Finance report
Waste Management	15 714	16 299	585	Target met	None	Finance report
<b>Total by Vote</b>	<b>398 684</b>	<b>408 845</b>	<b>10 161</b>			

Projections and performance of Revenue and Expenditure by Vote: (Capex) second quarter

Expenditure and Revenue by Vote	Second quarter target (1 Jul – 31 Dec 25) Capex	Second quarter actual Performance	Second quarter Performance Variance	Remarks/Challenges	Corrective measures	Evidence Required
Executive and council	0	0	0	None	None	Finance report
Budget and Treasury and Administration	739	4	(735)	Slow spending on Office Furniture project	To improve on cash collection in order to have reserves to fund internally funded projects	Finance report
Community and Social Services	4 522	3 341	(1 181)	Slow spending on Namakgale Stadium	To improve on cash collection in order to have reserves to fund internally funded projects	Finance report
Public Safety	0	0	0	None	None	Finance report
Planning and development	0	0	0	None	None	Finance report
Road Transport	25 050	20 275	(4 775)	Delay in appointing projects for MIG and Disaster Relief	To fast track the process of advertising on time and ensure that the committee sits on time	Finance report
Electricity	1 958	3 059	1 101	Target met	None	Finance report
Waste Management	1 739	0	(1 739)	The project is under evaluation stage	To fast track the process of advertising on time and ensure that the committee sits on time	Finance report
<b>Total by Vote</b>	<b>34 007</b>	<b>26 679</b>	<b>(7 329)</b>			Finance report

6. Detailed institutional performance results for 2025/26 Second quarter per key performance area

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<b><i>Under-Performance</i></b>	<b>0 - 99%</b>
<b><i>Good Performance</i></b>	<b>100%</b>
<b><i>Not applicable</i></b>	

# KPA 1: Spatial Rationale

KPA 1: Spatial Rationale													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
1.1 Spatial Planning													
1.1.2	Governance and Administration	Sustain the environment	Turnaround time of complete land use & development applications submitted to Mopani Planning Tribunal by 30/06/2026.	Senior Manager Planning & Development	12 applications received and submitted to Mopani Planning Tribunal within 90 days of receipt	Within 90 days of receipt	OPEX	Within 90 days of receipt	5 applications received and were submitted to Mopani Planning Tribunal within 90 days of receipt	0	None	None	Date of receipt of complete application and Proof of Submission register to Mopani Planning Tribunal

# **KPA 2: Basic Service Delivery**

KPA 2: SERVICE DELIVERY														
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required	
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions		
2.1 Electricity														
2.1.1	Technical infrastructure	Provision of sustainable integrated infrastructure and service	% on reduction of electricity losses each quarter by 30/06/2026	Senior Manager Technical Services	-2.37%	10%	OPEX	4%	-11.44%	-15.44%	Increased losses	Implementation of reduction of electricity losses  Conduct meter audit  Online smart meters	BPM billing to consumers, Eskom bill and distribution loss	
2.1.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on electricity capital funding spent per quarter by 30/06/2026	Senior Manager Technical Services	R15 792 642.00	R5 855 000	INEP	R2 342 000	R323 347.5	R2 018 652.5	The tender was advertised and there was non-responsive	Acceleration of project implementation	Payment Certificates and Expenditure Reports	
2.1.3	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of HH with access to electricity in Municipal Licenced area (Phalaborwa Town) by 30/06/2026	Senior Manager Technical Services	3060	3060	OPEX	3060	3559	+99	None	None	Household, Number of HH list on conventional and pre-paid.	
2.1.4	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of indigent HH receiving free basic electricity by 30/06/2026	Chief Financial Officer	1 008	1 008	OPEX	1 008	926	-82	Customers performing illegal connection	Continuous engagements with Eskom  Engagement with ward councillors and ward committee members.	Indigent Register and Proof of payment to ESKOM	
2.2 Roads & Storm Water														
2.2.1	Technical infrastructure	Provision of sustainable integrated infrastructure	Number of kilometres of gravel roads rehabilitated	Senior Manager Technical Services	New	5.9km	CAPEX	Construction of with the following deliverables	Honeyville Roadbed = 94.46% Selected	Honeyville Roadbed = 5.54% Selected	Honeyville  The project is has improved	Honeyville  Intervention meetings were	Completion Certificate	

KPA 2: SERVICE DELIVERY													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
		e and services	(Namakgale, Lulekani & Phalaborwa) by 30/06/2026.					-site establishment -box cutting -roadbed preparation - Roadbed -Selected layer construction	layer construction = 87.17%  <b>Kanana</b>  Roadbed = 58% Selected layer construction = 56.5%	layer construction = 12.83%  <b>Kanana</b>  Roadbed = 42% Selected layer construction = 43.5%	performance however it is still behind schedule. This is caused by slow progress by the contractor  <b>Kanana</b>  The project is behind schedule and there is minimal progress on site. This is caused by slow progress by the contractor	held to assist in improving progress. The contractor needs to do multiple tasks and add resources to cover for lost time  <b>Kanana</b>  Contract management is being applied on the project. The contractor needs to do multiple tasks and add resources to cover for lost time	
2.2.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on roads and storm water capital funding spent per quarter by 30/06/2026	Senior Manager Technical Services	R25 931 468.05	R34 704 325.24	MIG	R17 750 000.00	R12 989 888.42	R4 760 111.58	Poor performance by the contractors	Acceleration of works by the contractors	Payment Certificates and Expenditure Reports
2.3 Parks and Cemetery													
2.3.1	Protect Environment and Community Well being	Sustain the Environment	Number of parks maintained per month by 30/06/2026 (Wildley,	Senior Manager Community Services	9	9	OPEX	9	9	0	None	None	Monthly Maintenance plan & Maintenance reports with pictures



KPA 2: SERVICE DELIVERY													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
			Phalaborwa Fourways, Sealane, Buffalo, King Fisher, Impala Park, Namakgale Entrance, Defryn, Gravelote Park)										
2.3.2	Protect Environment and Community Well being	Sustain the Environment	Number of cemeteries maintained per month by 30/06/2026. (Phalaborwa, Lulekani, Namakgale and Gravelote)	Senior Manager Community Services	4	4	OPEX	4	4	0	None	None	Monthly Maintenance plan & Maintenance reports with pictures
2.4.1	Protect Environment and Community Well being	Sustain the Environment	Number of Monthly Maintenance of Phalaborwa landfill site by 30/06/2026	Senior Manager Community Services	4	12	OPEX	6	6	0	None	None	Monthly maintenance reports as per Service Level Agreement & Landfill site Maintenance Checklists
2.4.2	Protect Environment and Community Well being	Sustain the Environment	Number of Urban Households & Businesses with access to basic waste removal services (Phalaborwa town, Gravelote, Namakgale and Lulekani) by 30/06/2026	Senior Manager Community Services	13750	13265	OPEX	13265	15552	+2287	A recount of businesses and households was conducted, resulting in an increase in the number of households.	None	Collection Schedule & Confirmation of waste collection by Ward Councillors

KPA 2: SERVICE DELIVERY													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
2.4.3	Protect Environment and Community Well being	Sustain the Environment	Number of rural villages with access to basic waste removal services by 30/06/2026 (Mashishimale & Makhushane)	Senior Manager Community Services	1	2	OPEX	2	1	-1	There are insufficient trucks	Extra skip bins have been placed in the ward to ensure we continue with the services.	Collection Schedule & Confirmation of waste collection by Ward Councillors
2.4.4	Protect Environment and Community Well being	Sustain the Environment	Number of indigent Households receiving free basic waste removal service by 30/06/2026	Senior Manager Community Services	309	516	OPEX	516	514	-2	Two households were counted twice, which resulted in not achieving 100% target.	None	List of Indigent Households receiving free basic waste removal

# **KPA 3: Municipal Financial Viability and Management**

KPA 3: Municipal Financial Viability and Management													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
3.1 Financial Management													
3.1.6	Governance and administration	Improve financial viability	Number of movable asset verifications conducted by 30/06/2026	Chief Financial Officer	4	4	OPEX	1	1	0	None	None	Quarterly assets verifications reports
3.1.7	Governance and administration	Improve financial viability	Number of strings uploaded using the LG Portal within 10 working days at the end of each month by 30/06/2026	Chief Financial Officer	12	12	OPEX	6	6	0	The M01 was resubmitted on the 14 August. However, the Treasury portal database was updated on the 15 August.	None	Monthly strings Proof of submission within 10 working days.
3.1.8	Governance and administration	Improve financial viability	% of improvement in revenue collection quarterly (Improvement from 65% to 80% by 30/06/2026 budget year)	Chief Financial Officer	76%	80%	OPEX	70%	1%  Amount Billed R 160 208 935.87  Amount Collected R 113 524 746.78	69%  Second quarter 2024/25 FY Prior Year 70%  Second quarter 2025/26 FY 71%	Illegal Connection and Culture of Non-Payment	Meter Audit	% of Revenue Collected per Quarter (Billing vs Collection)
3.1.9	Governance and administration	Improve financial viability	% of Debt collected by 30/06/2026	Chief Financial Officer	22%	15%	OPEX	7.5%	5%	-2.5%	Illegal Connection and Culture of Non-Payment	Study of Electrical Infrastructure by KBB  Installation of Locks at the Minisub  Installation of Smart Meters	Quarterly reports on debt collection

KPA 3: Municipal Financial Viability and Management													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
												for LPU To Conduct Cost of Supply Study for Electricity Meter Audit	
3.1.11	Good governance and administration	Good corporate governance and public participation	Number of billing reports done by 30/06/2026	Chief Financial Officer		12	OPEX	3	3	0	None	None	Monthly Billing Reports
3.1.12	Good governance and administration	Improve financial viability	Amount of expenditure spent on MIG by 30/06/2026	Senior Manager Technical Services	R35 156 000.00	R39 035 000	MIG	R15 614 000	R18 219 240.08	+R2 605 240.08	None	None	MIG monitoring report/payment certificates/Grant reconciliation

# **KPA 4: LOCAL ECONOMIC DEVELOPMENT**

KPA 4: Local Economic Development													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
4.1 Job creation													
4.1.1	Economic	Promotion of local economy	Number of jobs created through capital Projects by 30/06/2026 (Temporary jobs)	Senior Manager Technical Services	70	70	CAPEX	30	145	+115	None	None	Certified ID copies, payment registers and employment contracts
4.1.3	Economic	Promotion of local economy	Number of LED Forums meetings held by 30/06/2026.	Senior Manager Planning and Development	4	4	OPEX	2	2	0	None	None	Invitations, Attendance register and minutes
4.2 Enterprise Support													
4.2.1	Economic	Promotion of local economy	Number of SMMEs supported through the municipal SCM (procurement) by 30/06/2026	Chief Financial Officer	381	400	OPEX & CAPITAL	100	291	+191	291 SMMEs were supported through Supply Chain Management	None	System generated Expenditure report with SMMEs supported.

# **KPA 5: Municipal Transformation and Institutional Development**



KPA 5: Municipal Transformation and Institutional Development													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
5.3 Skills Development													
5.3.2	Good governance and administration	Attract, develop, and retain best human capital	Amount of Municipal budget allocated and spent on work skills development per quarter 30/06/2026 (1% legislation)	Senior Manager Corporate Services	R1 255 545.09	R1 652 174.00	OPEX	R826 087.00	R872 734,59	+R7197, 06	Discrepancies in final expenditure are due to vat consideration that are dealt with in the Budget and Treasury Office	None	Expenditure reports; implementation reports
5.4 Performance Management System													
5.4.2	Good governance and administration	Good corporate governance and public participation	Number of Individual Performance Assessments of s54&56 Managers conducted to review their performance by 30/06/2026( Mid – year/Annual)	Municipal Manager	2	2	OPEX	1 (Annual Assessment)	0	-1	Assessments were not conducted due to the reason that AG was still busy with the Audit of 2024-25 financial year.	Assessments will be conducted in the 3 <sup>rd</sup> quarter after the presentation of final audit report by AG.  Council sitting scheduled for 30/01/2026.	Approved Schedule of Individual Performance Assessments, Assessments records, attendance registers and Scorecards and reports
5.5 OHS													
5.5.1	Good governance and administration	Good corporate governance and public participation	Number of schedule Institutional OHS meetings held by 30/06/2026	Senior Manager Corporate Services	4	4	OPEX	1	1	0	None	None	Quarterly Reports, minutes, and attendance registers

# **KPA 6: Good Governance & Public Participation**

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
6.1 Council and Executive Management													
6.1.1	Good governance and administration	Good corporate governance and public participation	Number of scheduled Council meetings held by 30/06/2026	Senior Manager Corporate Services	12	8	OPEX	1	3	+2	1 Ordinary meeting and 2 special meetings were held	None	Minutes of council meetings, attendance registers
6.1.2	Good governance and administration	Good corporate governance and public participation	Number of scheduled Exco meetings held by 30/06/2026	Senior Manager Corporate Services	14	8	OPEX	1	3	+2	1 Ordinary meeting and 2 special meetings were held	None	Minutes of EXCO meetings, attendance registers
6.1.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled MPAC meetings held as per legislation by 30/06/2026	Municipal Manager	8	4	OPEX	1	2	+1	1 meeting was held as per schedule and 1 was held as special meeting	None	Council Approved MPAC schedule of meetings & Attendance registers
6.1.4	Good governance and administration	Good corporate governance and public participation	% of MPAC quarterly Recommendation approved by Council implemented by 30/06/2026	Municipal Manager	100%	100%	OPEX	100%	67%	33%	Some of the documents were taken by the hawks therefore we were unable to probe.	Request for documents on time from management and make follow ups for probing	Council Resolutions on MPAC Recommendations and Progress Report on the implementation of the Council Resolutions
6.1.5	Good governance and administration	Good corporate governance and public participation	Number of scheduled senior management meetings held by 30/06/2026	Municipal Manager	16	11	OPEX	3	3	0	None	None	Minutes of Senior Management meetings, attendance registers
6.2 Public Participation and Ward Committees													

KPA 6: Good Governance and Public Participation													
PMS No. & Perform Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
6.2.1	Good governance and administration	Good corporate governance and public participation	Number of IDP REP Forum meetings held by 30/06/2026.	Municipal Manager	3	4	OPEX	1	1	0	None	None	Attendance registers, agendas, invitations
6.2.2	Good governance and administration	Good corporate governance and public participation	Number of IDP Steering Committee meetings held by 30/06/2026	Municipal Manager	3	4	OPEX	1	1	0	None	None	Attendance registers, agendas, invitations
6.2.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled and convened ward Committee meetings per ward by 30/06/2026. (Functionality of ward committees)	Municipal Manager	228	209	OPEX	57	114	+19	None.	None	Minutes, attendance register, and Consolidated Ward Committee Report
6.2.4	Good governance and administration	Good corporate governance and public participation	Number of quarterly Mayoral Imbizos and public participation by 30/06/ 2025	Municipal Manager	4	4	OPEX	1	1	0	None	None	Public notices, attendance register and Community Inputs report.
6.2.5	Good governance and administration	Good corporate governance and public participation	% of complains resolved by 30/06/2026	Senior Manager Technical Services	74%	75%	OPEX	75%	79.14%	+4.14%	Over performance due to closing of backlogs during standby	None	Complains Register.
6.3 Corporate Governance													
6.3.1	Good governance and administration	Good corporate governance and public participation	Number of Audit Committee meetings held by 30/06/2026	Municipal Manager	12	10	OPEX	2	6	+1	None	None	Copies of approved minutes, attendance registers

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
		n											
6.3.3	Good governance and administration	Good corporate governance and public participation	Number of Audit Steering Committee meetings held by 30/06/2026	Municipal Manager	30	36	OPEX	12	20	+8	20 meetings held.  The MM requested daily Management Audit Steering Committee meetings which resulted in more meetings.	None	Approved minutes and attendance registers. (Exco and Management)
6.3.5	Good governance and administration	Good corporate governance and public participation	% Implementation of IA Plan by 30/06/2026	Chief Audit Executive	100%	100%	OPEX	50%	52%	+2%	Due to demand, Follow-up audit was conducted.	None	Audit Committee Report with progress on Internal Audit Plan & Council Resolution
6.3.6	Good governance and administration	Good corporate governance and public participation	% Implementation of Internal Audit Action Plan by 30/06/2026	Municipal Manager	93%	100%	OPEX	100%	56%	-44%	The remaining 44% relates to findings across all Departments of the Municipality which are being attend to by management.	The MM has established daily Management Audit meetings to address these findings. Affected departments to engage with internal audit to close off the findings	Internal Audit Institutional Follow-up Report
6.3.7	Good governance and administration	Good corporate governance and public participation	Number of Audit Committees Reports presented to Council by 30/06/2026	Chief Audit Executive	6	6	OPEX	2	1	-1	The report was not presented due to activities taking place in the quarter.	The reports will be presented in January 2026.	Audit Committee Reports and Council Resolution
6.3.8	Good governance and	Good corporate governance	% implementation of Audit	Municipal Manager	98%	100%	OPEX	100%	90%	-10%	The 10% relates to resolutions that are still in	Regular meetings are called by MM	Audited Audit Committee Institutional

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
	administration	and public participation	Committee Resolutions								progress across the Municipality	to address the 10% resolutions.	Resolution Register
6.3.9	Good governance and administration	Good corporate governance and public participation	% of Community satisfaction with public services by 30/10/2026	Municipal Manager	46%	100%	OPEX	100%	15% Satisfied	-85% Dissatisfied	The purpose of the study was to get public's perception of municipal services with the view to inform decision making in developing future municipal plans.	The findings of the survey will be taken into consideration when developing the strategies and also inform project phase of the IDP.	Community Satisfaction Survey Report
6.3.12	Good governance and administration	Good corporate governance and public participation	% of implementation AG Action Plan by 30/06/2026	Municipal Manager	60%	80%	OPEX	100%	70%	-30%	The remaining 30% of the Audit Action Plan are in progress and will be resolved by 31 March 2026 with exception to cascading of PMS.	Council appointed the Financial Misconduct Board which will address 1 finding. The ICT Strategy is being attended to by the ICT Steering Committee. The service provider is appointed to attend to Namakgale Landfill site. PMS is being cascade.	Audited AG Action Plan
6.3.13	Good governance and administration	Good corporate governance and public participation	% of implementation of 2024/2025 AG Action Plan by 30/06/2026	Municipal Manager	New	100% of findings due according to approved Audit Action Plan	OPEX	100% of findings due according to approved Audit Action Plan	N/A	N/A	The Audit Action Plan is still on development stage.	Action Plan will be approved by Council on the 30 <sup>th</sup> of January 2025	Audited AG Action Plan

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
6.3.14	Good governance and administration	Good corporate governance and public participation	Number of Local Labour Forum meetings convened by 30/06/2026	Senior Manager Corporate Services	11	11	OPEX	2	1	-1	Non-adherence to corporate calendar	Adhere to the calendar	LLF minutes, invitations, and attendance register.
6.4 Risk Management, Fraud & Anti-Corruption													
6.4.3	Good governance and administration	Good corporate governance and public participation	Number of Institutional Risk Management Committee meetings held by 30/06/2026	Municipal Manager	5	4	OPEX	1	1	0	None	None	Minutes of the Risk Committee meeting and attendance register
6.4.4	Good governance and administration	Good corporate governance and public participation	Number of reports on the % of fraud and corruption cases reported and investigated within 30 working days by 30/06/2026	Municipal Manager	N/A	100%	OPEX	100%	N/A	N/A	No case was reported.	None	Case register and Investigation reports
6.5 HIV/AIDS													
6.5.1	Good governance and administration	Provision of sustainable integrated infrastructure and services	Number of outreach programmes conducted within Ba-Phalaborwa Municipality by 30/06/2026	Municipal Manager	3	3	OPEX	1 World Aids Day event	1	0	None	None	Outreach programmes report Attendance registers Invitations Agenda
6.6 Security management													
6.6.1	Governance and Administration	Good corporate governance and public participation	Number of Security Management reports for Safeguarding of Council Assets by	Municipal Manager	4	4	OPEX	1	1	0	None	None	Security Management Reports & Council Resolution

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
			30/06/2026										
6.7 Disaster Management													
6.7.1	Governance and Administration	Good corporate governance and public participation	Number of disaster awareness campaigns conducted by 30/06/2026	Municipal Manager	6	4	OPEX	1	4	+3	A resolution was taken during District Disaster forum that municipalities must conduct more awareness campaigns due to the inclement weathers experienced in the District	None	Invitations, Attendance registers and disaster awareness conducted reports
6.10 Communication													
6.10.2	Governance and Administration	Advance good corporate governance	% for submission of information for publishing on the website in accordance with legislation checklist by 30/06/2026	Municipal Manager	100%	100%	OPEX	100%	100%	0%	None	None	Legislation Checklist, Proof of submission to IT
6.10.3	Governance and Administration	Advance good corporate governance	Number of Local Communicators Forum held by 30/06/2026	Communication manager	4	4	OPEX	1	1	0	None	None	Invitations, Minutes, and attendance registers
6.11 Information Communication Technology													
6.11.1	Governance and Administration	Advance good corporate governance	Number of ICT Steering Committee convened by 30/06/2026	ICT Manager	4	4	OPEX	1	1	0	None	None	Invitations, Minutes, and attendance registers



KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	
6.11.2	Governance and Administration	Advance good corporate governance	Number of monthly Disaster Recovery Plan (DRP) test performed by 30/06/2026	ICT Manager	5	12	OPEX	3	3	0	None	None	DR Test Report

# Capital Projects per Responsible Manager

Responsible Manager	Project Name	Total Capital Budget	Planned Start Date	Planned Completion Date	Ward No.	Quarterly Outputs 2025/26					
						Second quarter target (1 Oct – 31 Dec 25)	Second quarter actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/ Interventions	Evidence required
Internally funded											
Senior Manager Technical	Upgrade of road from gravel to Tar: Tambo Phase 2	R6 720 000.00	01/07/25	30/06/26	5&6	Completion	Completion	None	None	None	Completion certificate
Senior Manager Technical	Refurbishment of Namakgale stadium	R10 400 000.00	01/07/25	30/06/26	4,5	Construction with the following deliverables - Reconditioning of combo courts -grassing of the pitch -Sewer line construction -Main water line construction -widening of road Tiling -Glazing -Paving around the changeroom -Electrical works -Running track	Reconditioning of combo courts=98% -grassing of the pitch=92% -Sewer line construction=98% -Main water line construction=80% -widening of road=100% Tiling -Glazing -Paving around the changeroom=98% -Electrical works=98% -Running track=70%	All deliverables were partially achieved	The project has halted due to disruptions by owed sub-contractors from the previous contractor	Intervention meetings were held to resolve the matter. An attorney has been appointed by the municipality to attain a legal opinion on the retention amount	Completion certificate
Senior Manager Technical	Upgrading of Honeyville to Dinoko Sebera from gravel to tar	R7 523 000.00	01/07/25	30/06/26	8,9	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	site establishment =100% -box cutting=100% -roadbed preparation=94.46% -Selected layer construction=87.17%	Roadbed = 5.54% Selected layer construction = 12.83%	There is slow progress by the contractor.The project is has improved performance however it is still behind schedule	Intervention meetings were held to assist in improving progress. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4

Senior Manager Technical	Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	R3 052 000.00	01/07/25	30/06/26	2	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	-site establishment=100% -box cutting=100% -roadbed preparation=58% -Selected layer construction=56.5%	Roadbed = 42% Selected layer construction = 43.5%	There is slow progress by the contractorThe project is behind schedule and there is minimal progress on site	Contract management is being applied on the project. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4
<b>Waste Management</b>											
Senior Manager Community Services	Development of Phalaborwa New Landfill Site	R4 000 000.00	01/07/25	30/06/26	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16	Evaluation, Adjudication,  Appointment of contractor and Handover of the site	Awaiting for evaluation process	Awaiting for evaluation process	Completion of fencing for the new landfill site	Specification briefing has been made and awaiting for Bid evaluation committee to site	Advertisement, Appointment letters, Progress Reports, Completion certificate, Expenditure report
<b>Roads and stormwater</b>											
Senior Manager Technical Services	Construction of a Trapezoidal concrete lined stormwater channel, in ward 5 Namakgale	R1 500 000.00	01/07/25	30/06/26	5	Evaluation, Adjudication,  Appointment of contractor and Handover of the site	No progress. The project was not prioritized due to revenue	No progress on the project	The project will be reprioritized based on Municipal revenue	The project was not implemented due to cash constraint	Progress Reports, Completion certificate (only in 4th Quarter), Expenditure report
<b>Office Furniture &amp; Equipment</b>											
Senior Manager Corporate	Purchase of office Furniture & Equipment	R1 700 000.00	01/07/25	30/06/26	Office use	Appointment of the service provider	4x High Back Economic chairs  1x upright stainless steel fridge  30xblack high back chairs with support arm rests  1x Executive office desk with drawers  1x Executive	None	None	None	Requisition

							leather office chair 1 x 18000 BTU Air conditioner 1 x High back Ergonomic office chair (Ecotherapy)				
<b>Integrated National Electrification Projects (INEP)</b>											
Senior Manager Technical	Electrification of 150 household in Majeje phase 03	R3 855 000.00	01/07/25	30/06/26	All	Appointment of the Service Provider  Approval of Designs, Site Establishment and Pegging of Works	The service provider was appointed.	The approval of Designs, Site Establishment and Pegging of Works are outstanding is outstanding	Delays in designs, and subsequent processes (site establishment, pegging) due to delays in approval of planning proposal by ESKOM	Fast tracking of approval processes by ESKOM	Progress Reports, Completion certificate (only in 4 <sup>th</sup> Quarter), Expenditure report
Senior Manager Technical	Construction of New Substation	R2 000 000.00	01/07/25	30/06/26		Appointment of the Service Provider  Scoping report	The service provider was appointed. The inception report was concluded	None	None	None	Progress Reports, Expenditure report
<b>Municipal Infrastructure Grant (MIG)</b>											
Senior Manager Technical	Upgrading of gravel to asphalt street paving from clinic via ZCC ward 2	R6,400,000.00	01/07/25	30/07/26	2	Appointment of Consulting Engineer  Design approval	Engineers have been appointed and designs have been concluded	None	None	None	Appointment letters, detail design report, Progress Reports, expenditure report, completion certificate (only at 4 <sup>th</sup> quarter) BEC and BAC minutes
Senior Manager Technical	Installation of stormwater culvert at Shitshitwe culvert	R4,000,000.00	01/07/25	30/07/27	9	Appointment of Consulting Engineer  Design approval	Engineers have been appointed and designs have been concluded	None	None	None	Appointment letters, detail design report, Progress Reports, expenditure report, completion certificate (only at 4 <sup>th</sup> quarter) BEC and BAC minutes

Senior Manager Technical	Upgrading of Honeyville to Dinoko Sebera from gravel to paving	R9,000,000.00	01/07/25	30/06/26	8,9	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	Roadbed = 94.46% Selected layer construction = 87.17%	Roadbed = 5.54% Selected layer construction = 12.83%	There is slow progress by the contractor. The project is has improved performance however it is still behind schedule	Intervention meetings were held to assist in improving progress. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4
Senior Manager Technical	Upgrading of gravel to paving from Aubrey carwash via cemetery to Kanana	R7,304,325.24	01/07/25	30/06/26	2	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	Roadbed = 58% Selected layer construction = 56.5%	Roadbed = 42% Selected layer construction = 43.5%	There is slow progress by the contractor. The project is behind schedule and there is minimal progress on site	Contract management is being applied on the project. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4
Senior Manager Technical	Upgrade of gravel to asphalt from Nkateko high school to Pondo combined school	R8,000,000.00	01/07/25	30/06/26	14	Appointment of Consulting Engineer  Design approval	Engineers have been appointed and designs have been concluded	None	None	None	Appointment letters, design report, Progress Reports, Expenditure report BEC and BAC minutes
Senior Manager Technical	Installation of high mast lights in Ba-Phalaborwa	R2,202 350.00	01/07/25	30/06/26	All Wards	Designs approval  -Site handover to contractor -Site establishment	Designs have been concluded  -Site handover to contractor -Site establishment = 100%	None	Project is progressing well	None	Design report, Progress report, expenditure reports
<b>Municipal Disaster Response Grant (MDRG)</b>											
Senior Manager Technical	Derrick Nyathi	R4 000 000.00	01/09/25	30/02/2026	14	Advertisement of bids	Bid evaluation Site handover to	The site has been handed	None	None	Bids Advertisements, bid evaluation minutes, Site handover minutes,

	bridge rehabilitatio n						contractor Site establishment  Construction stage  Completion	over to the contractor and site has been established			Progress reports, completion certificate (third quarter only)
Senior Manager Technical	Selwane Graveyard Rehabilitati on	R6 000 000.00	01/09/25	30/02/202 6	18	Advertisement of bids	Bid evaluation Site handover to contractor Site establishment  Construction stage  Completion	The site has been handed over to the contractor and site has been established	None	None	Bids Advertisements, bid evaluation minutes, Site handover minutes, Progress reports, completion certificate (third quarter only)

## 8. Assessment of Service provider

Rating	Description of rating
1	Poor Performance
2	Fair Performance
3	Good Performance
4	Very Good Performance
5	Performance Above Expectations

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
COMMUNITY AND SOCIAL SERVICES										



Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
Provision of services to the waste disposal site in Ba-Phalaborwa	Compaction, excavation and hauling of gravel material for cover in the landfill site	Mamayila trading enterprise	Ba-Phalaborwa Municipality	01/10/2022	31/09/2025	Operational budget (12 337 758,00)	Operation and maintenance of Phalaborwa landfill site. Contract end by September 2025.	There are no cover material and compaction around the landfill site all plants must be on the site daily basis.  Building rubble was used as covering materials as an alternative due to lack of soil around the site.	2	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
<b>CORPORATE SERVICES</b>										
Rental Installation and maintenance of VoIP for 3 years	Delivery and installation of the VOIP PBX system on all municipal offices	Mabapa Technologies	Internal Funded	01 October 2024	30 September 2027	R2 371 875.00	150 Telephones handset are delivered and 143 installed in the Municipality	None	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
Acquisition		CCG SYSTEMS	Internal	05 May 2025	30 April	R2,466,913	Lisence and support is	None	3	Signed

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
Enterprise Management System			Funded		2028	(Licence and support)	proved to the municipality			Service Level Agreement.  Singed Inception report with milestones and evidence
Rental of Photocopier	Rental of Multifunction Printer	ANAKA	Internal Funded	01 August 2025	31 July 2028	R2 364 630.00	36 Machines have been delivered and installed at the Municipality	The machine at technical not working due to system board that keeps on breaking	3	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
	Provision of 140 Laptops	Nghilazi Group (Pty) Ltd	Internal Funded	01 August 2024	31 July 2027	R5 865 011.04.00	140 Laptops Supplied to the Municipality	None	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
Provision Of Data and Voice	Provision Of Data and Voice	Vodacom and MTN	Internal Funded			R 2 100 000.00	Data provided to officials and councillors	None	4	Signed Service Level

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
										Agreement.  Signed Inception report with milestones and evidence
Legal Services	Provision of legal services	Lubisi Attorneys Verveen Attorneys MMMG Attorneys Maboku Mangena Attorneys Modjadji Rephaesu Attorneys Gilbert Motedi Attorneys KAM Attorneys Noko Maimela Attorneys Sebola Attorneys Mohale	Internally Funded			R9 000 000.00	On going provision of legal services	None	4	Signed Service Level Agreement.  Signed Inception report with milestones and evidence

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
		Attorneys  Mohuba Attorneys  MB Mabunda Attorneys  Mafa Attorneys  Chidi Attorneys								
<b>TECHNICAL SERVICES</b>										
Refurbishment of Namakgale stadium	a) Artificial surfacing of the Athletics track b) Completion of Sewer reticulation. c) Refurbishment of the Combo Courts d) Topsoiling and grassing & kerbing around the playing field e) Fencing around the Soccer Pitch f) Upgrading of Access Gates (Gate 1 & 2) g) Removal and re-installation of Clear-vu fence at Gate 1 h) Supply and installation of Handrails i) Installation of turnstiles at Gate 1 j) Water pressure testing. k) Supply of tanks and construction of tank stands to supplement municipal water supplies. l) Stormwater drainage m) Widening of Access Road	Laelo JV Mokhomole	MIG & Internal Funding	27 March 2025	25 April 2026	R	Physical progress is at 83%	Project has stopped due to owed sub-contractors disrupting the project	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
	from Gate 2 to the Grandstand and walkways n) Building works									
Refurbishment of Namakgale stadium	<ul style="list-style-type: none"> <li>• Inception</li> <li>• Design</li> <li>• Tender administration</li> <li>• Close out</li> </ul>	Infra projects Africa	MIG & Internal Funding	27 March 2025	25 April 2026	R	Project is being monitored as per scope	None	3	<p>Signed Service Level Agreement.</p> <p>Singed Inception report with milestones and evidence</p>
Upgrading of gravel to 80mm block interlocking paving from Honiville to Dinoko Sebera	<ul style="list-style-type: none"> <li>• Inception</li> <li>• Design</li> <li>• Tender administration</li> <li>• Close out</li> </ul>	Tshashu Consulting and Project Managers	MIG & Internal Funding	30 August 2024	13 March 2026	R500 000.00	Project is being monitored as per scope	None	2	<p>Signed Service Level Agreement.</p> <p>Singed Inception report with milestones and evidence</p>
Upgrading of gravel to 80mm block interlocking paving from Honiville to Dinoko Seber	<ul style="list-style-type: none"> <li>• Clearing and grubbing</li> <li>• Relocation of services (Eskom and water )</li> <li>• Removal of indigenous trees</li> <li>• Moving back fences of encroaching stands</li> <li>• Mass earthwork</li> <li>• Hard rock blasting</li> <li>• Construction of layer works – roadbed, selected ,sub-base and base</li> <li>• Stabilization of base layer</li> <li>• Surfacing with 80mm Interlocking Block Pave</li> <li>• Improvement of the</li> </ul>	Nghilazi Contractors	MIG & Internal Funding	13 December 2024	13 March 2026	R8 500 000.00	Physical progress is at 55%.	There is slow progress on site, however there is improvement on the rate of progress. The project is being monitored closely	2	<p>Signed Service Level Agreement.</p> <p>Signed Inception report with milestones and evidence.</p>

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
	road D3790 intersection with 30mm asphalt surfacing • Installation of culverts • Construction of concrete v-drains and edge beams • Construction of Sub-Soil drainage • Installation of kerbs • Construction of speed humps 10 • Stone pitching and gabion installation • Installation of guardrails • Installation of road signs									
Upgrading of gravel to 80mm block interlocking paving from Aubery carwash via cemetery to Kanana	<ul style="list-style-type: none"> <li>Inception</li> <li>Design</li> <li>Tender administration</li> <li>Supervision</li> </ul> Close out	Tshashu Consulting and Project Managers	MIG & Internal Funding	30 August 2024	23 January 2027	R250 000.00	Project is being monitored as per scope issued	None	2	Signed Service Level Agreement.  Signed Inception report with milestones and evidence.
Upgrading of gravel to 80mm block interlocking paving from Aubery carwash via	<ul style="list-style-type: none"> <li>Relocation of services (Eskom and water)</li> <li>Removal of indigenous trees</li> <li>Moving back</li> </ul>	Within Africa Construction	MIG & Internal Funding	04 December 2024	23 January 2026	R7 054 325.24	Physical progress is at 41.67%	There is minimal progress on site.	1	Signed Service Level Agreement.  Signed Inception report with

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
cemetery to Kanana	fences of encroaching stands <ul style="list-style-type: none"> <li>• Mass earthwork</li> <li>• Hard rock blasting</li> <li>• Construction of layer works – roadbed, selected ,sub-base and base</li> <li>• Stabilization of base layer</li> <li>• Surfacing with 80mm interlocking block pavement</li> <li>• Installation of culverts</li> <li>• Construction of concrete v-drains and edge beams</li> <li>• Construction of Sub-Soil drainage</li> <li>• Installation of kerbs</li> <li>• Installation of guardrails</li> <li>• Construction of speed humps 10</li> <li>• Stone pitching</li> </ul>									milestones and evidence.

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
	and gabion installation • Installation of road signs Road markings									
Installation of twenty highmast lights in Phalaborwa	• Civil works (Foundations and concrete) • Excavation of trenches and foundation footings • Casting of concrete footing • Mechanical works (Mast construction) • Installation of Bolts and 20 high mast lights • Electrical Works (All electrical reticulation) • Energize by Natural Energy (Solar System) due to intensified load reduction by Eskom	Ndzalo Corporation JV	MIG	30 September 2025	22 July 2026	R 11 111 356.00	Physical progress is at 37%	None	4	Signed Service Level Agreement.  Signed Inception report with milestones and evidence.
<b>PLANNING AND DEVELOPMENT</b>										
Land Audit	Assessment of all properties within the Jurisdiction of the Ba-Phalaborwa municipality to include the following: Registered and unregistered names of properties, Area size, land ownership, land claims, Land uses, Land zoning, Planned projects, illegal occupations, and mapping all the outcomes	NGOTI Development Consultants	Budgeted for	26 November 2025	31 July 2026	R1 399 550.00	Phase 2 – Implementation plan and Inception report	None	4	Signed Service Level Agreement.  Signed Inception report with milestones and evidence.
Urban Renewal	Development of a Precinct Plan for the Ba-Phalaborwa	Nkanivo Development	Budgeted for	05 September	30 June 2026	R1 150 000.00	Phase 1 – Inception Report	None	4	Signed Service Level




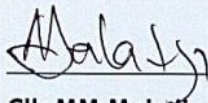
Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
Strategy	Central Business District, forming Part of the Ba-Phalaborwa's Urban Renewal Strategy.	Consultants		2025						Agreement.  Singed Inception report with milestones and evidence
General Valuation Roll	Development of General Valuation Roll 2025 – 2030 and Supplementary Valuation roll yearly	Lutendo Group	Budgeted for	15 July 2024	30 June 2030	R1 998 230.00	Supplementary Valuation Roll 01 (SV 01)	None	3	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
<b>BUDGET AND TREASURY</b>										
AFS Preparation	AFS preparation and fixed Assets register compilation	Sempro Consulting	Own funding	August 2024	July 2027	R3 000 000.00	The management were able to submit the AFS on time	No challenges	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
Debt Collection	Provision of debt collection services for a period of three (3) years.	Smart Metro JV	Own funding	August 2025	July 2028	R1 300 000.00	Oct 2025 collected R815 889.51  Nov 2025 collected R623 494.47	No challenges.	4	Signed Service Level Agreement.  Singed

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
							Dec 2025 collected R1 731 477.78			Inception report with milestones and evidence
Pre-paid Electricity Vending	Selling Pre-Paid electricity tokens.	Cigicell	Own funding	April 2023	March 2026	R1 400 000.00	The customers are able to purchase the electricity tokens at several party vendors	No challenges.	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
Meter Reading	Reading electricity meters	Semodi Trading	Own funding	February 2025	January 2028	R500 000.00	Meter readings for Jul – 17 912 HH Aug – 17 899 HH Sep – 17 835 HH Oct – 17 835 HH Nov – 16 665 HH Dec – 17 218 HH	No challenges.	4	Singed Inception report with milestones and evidence
<b>MUNICIPAL MANAGER OFFICE</b>										
Co-Source of Internal Audit services	Co-source of Internal Audit services – Implementation of IA Plan	Thabi consulting	Internal	16 February 2024	16 February 2027	R2 872 049.60	The following engagements were planned for Co-sourcing with the service provider: AFS Review Cyber Security	None	4	SLA, Engagement Allocation to Service Provider, Confirmation of completion

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
							<p>Review. Project Assurance.</p> <p>The AFS Review was completed on the 25<sup>th</sup> of August 2025 and presented to Management &amp; Audit Committee. The engagement was concluded on time and was value add.</p> <p>Project Assurance was revised on the Annual Plan due to implementation of PMS system delay.</p> <p>Cyber Security Audit in progress.</p> <p>Project Assurance was revised on the Annual Plan due to implementation of PMS system delay. The project will be executed once management starts with implementation.</p> <p>Planning and execution of Cyber Security Audit was completed and</p>			of the Engagements and Skills Transfer Report.

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Second Quarter	
							submitted to CAE for review.			
Security Services	Provision of Security Services and access control.	A-Team Task Force	Ba-Phalaborwa Municipality	01/03/2025	29/02/2028	R54 208 746.00	Good	None	4	SLA, Service Provider Assessment report.

# **SECOND QUARTER APPROVAL**

<b>Purpose</b>	The purpose of this report is to present the second quarter performance assessment report on the performance of the municipality against the targets set out in the Service Delivery and Budget Implementation Plan (SDBIP) 2025/26 financial year. The report is prepared as a response to the requirements of Section 52(d) of Local Government: Municipal Finance Management Act (Act 56 of 2003)
<b>Monitoring implementation of the SDBIP</b>	Progress against the objectives set out in the Top Layer SDBIP will be monitored and reported on a monthly, quarterly, and annual basis.
<b>Signatures</b>	<p style="text-align: center;"><b>2025/26 Second Quarter Compiled by:</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">   <hr style="width: 200px; margin: 0 auto;"/> <p><b>TS Mokobi</b> <b>Municipal Manager</b></p> </div> <div style="text-align: center;"> <p><u>30/01/2026</u></p> <p><b>Date</b></p> </div> </div>
	<p style="text-align: center;"><b>2025-26 Second Quarter Approved by</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">   <hr style="width: 200px; margin: 0 auto;"/> <p><b>Cllr MM Malatji</b> <b>Mayor</b></p> </div> <div style="text-align: center;"> <p><u>30/01/2026</u></p> <p><b>Date</b></p> </div> </div>

# Annexure A

## Methodology

The difference in the figures denoted under 5 **Revenue and Expenditure Projections** by sources are due to the rounding of figures from the budget to the nearest thousands.

Note that the **Budget** figures are VAT exclusive while on the **IDP and SDBIP** is VAT inclusive.

## Technical Definitions

### AFS

AFS stands for Annual Financial Statements

### BPM

BPM stands for Ba-Phalaborwa Municipality

### BAC

Bid Adjudication Committee

### BEC

Bid Evaluation Committee

### HH

Household

### Baseline

The performance of the previous year

### Urban Areas

The urban areas refer to Phalaborwa, Namakgale, Lulekani and Gravelotte.

### Reduction in water losses

This is calculated as follows:  $\frac{\text{Lepelle bill less BPM bill}}{\text{Lepelle bill}} \times 100$ .

### Reduction in electricity losses

This is calculated as follows:  $\frac{\text{Eskom bill less BPM bill}}{\text{Eskom bill}} \times 100$ .

### Kilometres of roads upgrade from gravel to tar/paving

This relates 3.8km of Benfarm Upgrading of street)

### Rehabilitation

Replacement of old road surface (tar) with a new one.

**Site Establishment/ Set-up Construction Site**

Arrangement of offices, bringing the machinery and equipment onsite.

**Tourism Initiatives Activities**

**September Tourism Month** – Spring Day, Orchid Show, Heritage Day Celebration, 2 Tourism workshops and Marathon.

**Tourism Indaba** – Procurement of promotional materials

**SPLUMA – Spatial Planning Land Use Management Act 2013**

**No. SPLUMA Applications**

Number of development (land use) applications received/ applications processed in terms of SPLUMA.

**SMME- Small Medium and Micro Enterprise**

**Number of businesses supported.**