



MAKANA
MUNICIPALITY | EASTERN CAPE
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**ANNUAL PERFORMANCE
REPORT 2013-2014**

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ANNEXTURE A:

Actual strategic performance and corrective measures that will be implemented

1. INTRODUCTIONS

Performance management is a process which measures the implementation of actions identified to achieve the organisation's strategy. It assists management to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

The constitution of SA (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- The promotion of efficient, economic and effective use of resources
- Accountable public administration
- To be transparent by providing information
- To be responsive to the needs of the community and
- To facilitate a culture of public service and accountability amongst staff

The municipal Systems Act(MSA), no. 32 of 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA), no.56 of 2003, requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP by using the Service Delivery and Budget Implementation Plan (SDBIP).

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and process of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

2. LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3. ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned relations states that " a Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and process of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players". This framework, inter alia, reflect the linkage between the IDP, Budget, SDBIP and individual service provider performance.

The municipality adopted a performance management policy framework in November 2008. The policy is in process to be revised based on the input received from the Audit committee and the municipal staff.

4. THE IDP and BUDGET

The IDP was revised and updated for 2013/14 and the budget for 2013/14 was approved by Council 29 May 2013. The municipality started with the process of aligning the IDP with the performance management requirements and has improved the alignment of the IDP /Budget & Adjusted SDBIP for the 2013/14 financial year.

5. THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a performance reports (Top Layer SDBIP) at organisational level and through the service delivery and budget implement plan at directorate levels.

The SDBIP is a plan that converts the IDP and budget into measureable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months and
- The SDBIP should form the basis for measuring the performance against goals set during the budget/ IDP processes.

The directorate (detailed SDBIP) captured the performance of each directorate. Unlike the municipal performance report, which reflects on the strategic performance of the municipality, the directorate SDBIP provided a comprehensive picture of the performance of that directorate/ sub- directorate. It was compiled by Director for their directorate and consisted objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

6. ORGANISATIONAL PERFORMANCE

The organisational performance was monitored and evaluated within financial year and the performance process can be summarised as follows:

- The Top Layer was approved by the Mayor on 26 June 2013 and Adjusted on 6 February 2014 the information was loaded on an electronic website.
- The actual monthly performance report against quarterly targets set, where discussed in the monthly Portfolio Committee meetings to determine early warning indicators and discuss corrective measures that were needed in cases of non-performance.
- The first quarterly report was submitted to Council and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on 25 January every year. The third quarter report was submitted to council.
- The quarterly SDBIP performance reports were also submitted to the Internal Auditor for verification and validation and to Audit Committee.

7. INDIVIDUAL PERFORMANCE MANAGEMENT

7.1 Municipal manager and managers directly accountable to the municipal manager

The Municipal Systems Act 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all section 57 employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006).

The appraisal of the actual performance in terms of the signed agreement must be done in the following manner two informal performance reviews and two formal reviews quarterly and annual performance evaluation. Only one informal performance appraisals review were done by the new Municipal Manager with all Directors in May 2013.

7.2 Other municipal personnel (post level)

The municipality initiated a process of implementing individual performance management to lower level staff and was planned to be phased in different phases on an annual basis. Performance agreements were not developed and internal resource capacity. An Automotive Performance Management System is being implemented and would be up cascaded up to all managers reporting to directors.

8. FINANCIAL MUNICIPAL PERFORMANCE FOR THE 2013/ 14 FINANCIAL YEAR AND MEASURES TAKEN TO IMPROVE PERFORMANCE

The financial performance will be included in the final performance report after financial statement had been finalised .

9. SERVICE DELIVERY KEY MUNICIPAL PERFORMANCE FOR 2012/13 FINANCIAL YEAR AND MEASURES TAKEN TO IMPROVE PERFORMANCE

9.1 STRATEGIC PERFORMANCE

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

This report highlights the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act 2000 and an overall summary of performance on a functional level. Details regarding specific basic service delivery targets, achievements and challenges will be included is attached here as Annexure and will also be include in the Annual Report of the municipality.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

COLOUR	CATEGORY	EXPLANATION
	KPI Not Met	Actual vs. target not achieved
	KPI Met	Actual vs. target 100% achieved

This table was used to monitor the implementation of the municipality's SDBIP.

9.2. OVERALL PERFORMANCE OF THE MUNICIPALITY KEY PERFORMANCE AREAS

Key Performance Area	No of KPI	No Targets Achieve	No Targets not Achieved	20113-14 Financial year	2012-13 Financial year	2011-12 Financial year
Institutional Transformation and Organisational Development	12	5	7	42%	75%	46%
Good Governance and Public Participation	20	4	16	20%	66%	60%
Financial Viability and Management	7	0	7	0%	50%	35%
Local Economic Development	32	21	11	65%	86%	61%
Basic Services Delivery(Technical and Infrastructure)	31	11	20	35%	55%	37%
Basic Services Delivery(Community	13	9	4	69%	55%	37%

and Social Services)						
TOTAL	115	50	65	43%	66%	50%

10. PERFORMANCE AGAINST NATIONAL KEY PERFORMANCE INDICATORS

The following table indicate the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Governments: Municipal and the Performance Management Regulations of 2001 and section 43 of the MSA. These Key Performance Indicators are linked to the National Key Performance Areas.

10.1 KPA No One: Municipal Transformation and Institutional Development:

NATIONAL INDICATOR	MUNICIPAL ACHIEVEMENT
Number of the people from employment equity target groups employed in the three highest levels of management in compliance with a municipality approved employment equity plan.	No measured because there is no employment equity plan approve by Council.
The percentage of the a municipality's budget actual spent on implementing its workplace skills plan	0.39%

10.2 KPA No Two: basic service delivery:

National Key Performance Indicator: The percentage of households with access to basic level of Water and Sanitation

BASIC SERVICE / INFRASTRUCTURE	MAKANA AREA (STATSSA 2001)	MAKANA AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	18 009	21 388	N/A	N/A
Sanitation	17 813	21 389	N/A	N/A
Flush toilets	5849	15 370	71.9	16.3
Flush septic tank	494	548	2.6	1.1
Chemical	30	27	0.1	-1.0
VIP	1429	1 349	6.3	-0.6
Pit latrines	2521	2 086	9.8	-1.7
Bucket latrine	5412	774	3.6	-8.6
None	2078	837	3.9	-6.0
Other	0	398	1.9	
Water – Access to piped water	16 960	21 388		
Household	3 823	10 654	49.8	17.9
In yard	9 691	7 576	35.4	-2.2
Community stand <200 m	1 746	1 839	8.6	0.5
Community Stand >200m	1 700	400	1.9	-7.6
No access to piped (tap) water	0	919	4.3	
Water – Source of water		21 387		
Water scheme operated by municipality or other WSP		18 871	88.2	
Borehole	79	643	3.0	71.39
Spring	8	49	0.2	51.25
Rain tank	302	633	3.0	10.96
Dam/stagnant water	247	152	0.7	-3.85
River/stream	53	111	0.5	10.94
Water vendor	5	96	0.4	182
Water Tanker	0	597	2.8	
Other	164	235	1.1	4.329

Source: Stats'

10.3 National Key Performance Indicator: The percentage of households with access to basic level of Electricity (Energy for Lighting)

BASIC SERVICE / INFRASTRUCTURE	MAKANA AREA (STATSSA 2001)	MAKANA AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	18 009	21 388	NA/	N/A
Energy (Access)	17 813	21 387	N/A	N/A
Electricity	12 984	19 143	89.51	4.7
Solar	33	61	0.29	8.5
Gas	103	80	0.37	-2.2
Candles	334	492	2.30	4.7
Other	45			-10.0
Paraffin	4 314	1 579	7.38	-6.3
None	0	32		

Source: Stats'

10.4 National Key Performance Indicator: The percentage of households with access to basic level of Solid Waste Removal

BASIC SERVICE / INFRASTRUCTURE	MAKANA AREA (STATSSA 2001)	MAKANA AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households	18 009	21 388		
Refuse Removal	17 815	21 388		
How often by municipality?				
a) @ least once a week	15 393	19 017	88.9	2.4
b) Less often	71	146	0.7	10.6
Mode Disposal				
i) Communal dumping	122	184	0.9	5.1
ii) Own dump	1 939	1 446	6.8	-2.5
iii) No disposal	290	329	1.5	1.3
Other	0	266	1.2	

10.5 KPA No Three Local Economic Development

NATIONAL INDICATOR	MUNICIPAL ACHIEVEMENT
Number of jobs created through municipality local economic development initiatives including capital projects	1052

10.6 KPA No Four: Municipal Financial Viability

NATIONAL INDICATOR	MUNICIPAL ACHIEVEMENT
Debt coverage(Total operating revenue- operating grants received)/ Debt service payments due within the year)	Information not Available
Service debtors to revenue(Total outstanding services debtors/Annual revenue received for services	Information not Available
Cost coverage(Available cash and investments)	Information not Available

10.7 KPA No Four: Good Governance and Public Participation

NATIONAL INDICATOR	MUNICIPAL ACHIEVEMENT
The percentage of a municipality's capital budget actually spends on capital projects identified for a particular financial year in terms of the municipality' integrated development plan.	Information not Available

12. CONCLUSION

The Annual Performance Report 2013/14 will forms part of the Annual Report 20113/14.

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**ANNEXTURE A: ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE
MEASURES THAT WILL BE IMPLEMENTED**