



MAKANA
MUNICIPALITY | EASTERN CAPE
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ORDINARY COUNCIL MEETING

DATE : 30 JANUARY 2026 (FRIDAY)

TIME : 09:00

VENUE : COUNCIL CHAMBERS

IN TERMS OF SECTION 20(1) OF THE LOCAL GOVERNMENT; MUNICIPAL SYSTEMS ACT 32 OF 2000, MEETINGS OF A MUNICIPAL COUNCIL AND THOSE OF IT'S COMMITTEES ARE OPEN TO THE PUBLIC, INCLUDING THE MEDIA, EXCEPT UNDER CERTAIN STATUTORY CIRCUMSTANCES

PART THREE

PART THREE

ORDINARY COUNCIL AGENDA: FRIDAY, 30 JANUARY 2026

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REPORT TO: COUNCIL

File Ref:.....

Collaborator/ Item No... C9.18

Date: January 2026

SUBJECT: SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN SECOND QUARTER PERFORMANCE REPORT 2025/26 FINANCIAL YEAR

REPORT DATE: 20 JANUARY 2026 FROM MUNICIPAL MANAGER TO COUNCIL

1. PURPOSE:

The purpose of this report is for Council to consider and adopt the SECOND quarter performance report 2025/26 Service Delivery Budget Implementation Plan (SDBIP).

2. LEGAL COMPLIANCE:

Municipal Finance Management Act 65 of 2003 (MFMA).

3. BACKGROUND

In- terms of MFMA Accounting officer must within 30 days after the end of each quarter submit a quarter performance report to the Council.

4. EXECUTIVE SUMMARY:

STATE OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)

Service Delivery Budget Implementation Plan is developed in terms of the Municipal Finance Management Act 2003, Circular 13 legislative requirements. The MFMA Act and Circular requires that Municipalities Mayor must develop approve and sign SDBIP with 28 Days after the Budget for new financial has been approved by Council.

IDP and Budget for 2025/26 financial year were approved by Council on the 29th of May 2025 subsequently to that SDBIP was approved on 27th June 2025. The MFMA also requires that the SDBIP must be reported to Council Quarterly within 30 days after the end of the quarter.

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5. OVERVIEW SECOND QUARTER PERFORMANCE REPORT 2025-26 FINANCIAL YEAR

NO	MATRIX	NUMBER	PERCENTAGE
0.1	SDBIP KPI	50	100%
0.2	Achieved	26	52%
0.3	Partially Achieved	2	4%
0.4	Not Achieved	20	40%

5.1 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN KEY PERFORMANCE INDICATOR

KEY PERFORMANCE AREA	No Quarter Targets	Achieved	Partially/ Outstanding Achieved	% Of Achievement
0.1 Basic Service Delivery and Infrastructure Development	9	5	0	55.55%
0.2 Social Cohesion and Community Services	7	6	0	85.71%
0.3 LED and Planning	6	5	0	83.33%
0.4 Financial Viability and Management	6	4	0	66.67%
0.5 Institutional Development & Capacity Development	7	4	0	57.14%
0.6 Good Governance and Public Participation	15	2	2	13.33%
0.7 TOTAL	50	26	2	52%

6. CHALLENGES

- Lack of cooperation from Directorates to adhere to the deadline of the submission of performance information
- Actual performance, variance and corrective action not disclosed

8. COMMENTS FROM OTHER DIRECTORATES

NIL

9. RECOMMENDATION

- a) THAT the Service Delivery Budget Implementation Plan (SDBIP) SECOND Quarter Performance Report for 2025/26 financial year be adopted.

9. Annexure 1: SECOND Quarter Performance Status Report Top Layer



P.M. KATE
MUNICIPAL MANAGER

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Strategic Objective	Ref	Projects Programme	Performance Indicator	KPA	Budget	Annual 2025 - 25	Quarter 2 Dec 2025	Achieved / Not Achieved	Actual Performance	Reason for Variance	Corrective action and estimated finish time
KPA ONE(1): BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (BSI)											
Upgrading, refurbishment and secure of Bulk Infrastructure development	BSI 1.1	Replacement of ageing Asbestos pipes Phase 4	Replacement of 15 km ageing asbestos pipes to uPVC pipes	Road and Stormwater	R 1 430 650 00	Completion of Designs and appointment of Contractor	0%	Achieved	Design and tender document has been developed	N/A	N/A
Upgrading, refurbishment and secure of Bulk Infrastructure development	BSI 1.2	Refurbishment of water & Sanitation	Upgrade of Alicedale sewer pump station no 1 by June 2026	Water and Sanitation	R 2 903 100 00	Upgrade of Alicedale sewer pump station No1	Design and tender document and award	Achieved	Consultant has been appointed on the 15 December 2025	Delays on procurement, the specification was on the 17 September 2025	N/A
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.3	Water conservation and demand	Number of Smart meter installed 6134	Water conservation and demand management	R 20 681 000 00	2926	Progress report on the number of Smart installed	Achieved	358 Smart Water Meters has been installed	N/A	N/A
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.4	Upgrading of Makana Way Phase 1	Replacement tar with Paving of 2 Km of surfaced municipal road in ward 6 and 9 by 30 September 2026	Road and Stormwater	R 4 503 386 25	100%	N/A	N/A		N/A	N/A
To provide safe & sustainable roads network	BSI 1.5	Upgrading of Makana Way Phase 2	Replacement tar with Paving of surfaced municipal road in ward 6 and 9 by 30 June 2026	Road and Stormwater	R 14 144 348 25	100%	Procure and award Contractor	Achieved	Consultant (23 June 2025) and the contractor has been appointed on the 17 December 2025. The specification on the 25	The delays were on the appointment of the consultant. The project was presented on the 25	N/A
Provision of a safe, healthy, and secure living environment	BSI 1.6	Upgrade of Sports Facilities in Oval Stadium, Lavender Valley Makhanda. (MIG)	Percentage of milestone achieved in the completing Oval stadium by March 2026	Sport and Recreation facilities	R 4 596 865 75	100%	75% (Gate Installation, Electric Fencing Sub-Contractor)	Achieved	Gate and Electric Fencing has been installed	N/A	N/A
To plan, promote investment and facilitate economic growth	BSI 1.7	Small Town revitalisation Project(1)	Rehabilitation of Milner, Afrcan and lower high street circle by 30th March 2026	Road and Stormwater	R15 000 000	100%	(50 %) Reconstruction of layers	Achieved	70% has been achieved, laying of paving in African street is complete, laying of African street is complete	N/A	N/A
To plan, promote investment and facilitate economic growth	BSI 1.8	Small Town revitalisation Project(2)	Installation of (4) Highmast by 30 June 2026	Street lighting	R4 000 000	Four(4) Highmast installed	Progress report on the installed highmast	Achieved	BID Committees for the appointment of the contractor	Non responsive bidders	Re-advertisement
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.9	Rehabilitation streets damage by floods	Rehabilitation of 11 street by 30th March 2026	Road and Stormwater	R15 000 000	100%	(30%)Substructure and surfacing completed	Achieved	The contractor was only appointed on the 15 December 2025	There were delays on the appointment of the contractor. The BSC sitting was on the 30 May 2025	The project is on construction phase, the project duration is 12 months

Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.10	Water Quality Management and measured quarterly against SANS 241 physical, micro and chemical parameters	Percentage of water quality for level as per analysis certificate for Makana Municipality	Water quality	R550 000	97%	97%	Not Reported	33.3% of the overall performance.	Physical - 0%, Micro 99.9% and Chemical - 0%. The test were done due to delays on SCM on procuring the services. The request were sent to SCM on the 17 October 2025 and there was no	No corrective measures can be implemented in terms of water testing. SCM should fast track the process for the procurement
KPA TWO(2): COMMUNITY AND SOCIAL COHESION(CSC)											
Clean and Beautified the City	CSC 2.1	Clearing and rehabilitation of illegal dumping sites	Number of Illegal Dumping cleared and rehabilitated by 30 June 2026	Number illegal dumping sites cleared and rehabilitated	Waste Management	Director: Public Safety and Community Services	8	Achieved	Seven (7) illegal dumping sites were cleared and two (2) were rehabilitated		
Provision of a safe, healthy, and secure living environment	CSC 2.3	Community awareness programmes	Number of Community Road safety awareness programme conducted	Community engagement per quarter(Roads - Environment - Fire and Library)	Community awareness programme	Director: Public Safety and Community Services	16	Achieved	Four (4) community awareness programmes were organised and conducted for the quarter		
Provision of a safe, healthy, and secure living environment	CSC 2.4	Community engagement forums held	Number of Community Stakeholder engagement conducted	Number of Community Stakeholder engagement	Stakeholder engagement	Director: Public Safety and Community Services	8	Achieved	Two (2) stakeholders engagement were organised and conducted for quarter 1		
Clean and Beautified the City	CSC 2.5	Establishment of Environmental and Safety Forum	Resuscitate environmental Forum	Environmental forum with focus refuse collection, stray animal, cleaning, parks and safety.	Environmental and Safety Management		N/A	Environment and Safety forum	N/A	N/A	N/A
Clean and Beautified the City	CSC 2.6	Refuse removal services or better	Percentage of refuse collection done inline with approved schedule	Percentage	Waste Management	Director: Public Safety and Community Services	90%	Achieved	90% of refuse collection was collected for quarter 1 and the department is committing in ensuring that the refuse is collected as per the waste collection schedule		
Provision of a safe, healthy, and secure living environment	CSC 2.7	Draft Environmental Management Plan	One(1) Environmental Management plan developed by December 2025	Number Milestones Achieved	Environmental and Cleaning Management	Director: Public Safety and Community Services	Approved Environmental Management Plan	Not Achieved	The Draft Environmental Management Plan has not been approved by Council.		
Provision of a safe, healthy, and secure living environment	CSC 2.8	Development review Integrated Waste Management Plan(IWMP)	One(1) Integrated Waste Management Plan(IWMP) Review and Approved by the 30th June 2025	Number Milestones Achieved	Environmental and Cleaning Management	Director: Public Safety and Community Services	Approved Integrated Waste Management Plan by Council	Achieved	Approved Integrated Waste Management Plan by Council	N/A	N/A
Provision of a safe, healthy, and secure living environment	CSC 2.9	Management of Mahanda landfill site	Management, operation, and maintenance of landfill sites by June 2025	Monthly reports	Landfill sites	Director: Public Safety and Community Services	12 reports	Not Achieved	3 Monthly reports	The department is operating and managing Mahanda Landfill Site and submitting reports to Court and Municipal Council Committees.	

Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 4.5	Employees Wellness Programmes	Number of employees wellness programmes facilitated	Human Resources	Operational: Municipal Running Cost	4	1	Achieved		Outdoor wellness was held with other department on the 19 November 2025. Cancer awareness day was the 01	N/A
Effective Management of Organisational Design and policy development	ICOD 4.6	Review of Human Resources Policies	Percentage number of Human Resources policies review inline with Policy register	Human Resources Policies	Operational: Municipal Running Cost	100%	Commence with HR Policy Review HR desktop exercise	Achieved		Desktop review has been completed and schedule for consultation has been issued	N/A
Effective and efficient Human Resources Development and management programme	ICOD 4.8	Recruitment and Selection	Percentage of vacant filled inline recruitment plan	Recruitment and Selection	Operational: Municipal Running Cost	100%	100%	Not achieved		Appointment are not done inline with recruitment plan developed	No recruitment plan developed
Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 4.9	Implementation of Employment equity Plan	Submission of Equity Employment Plan to labour Department	Human Resources	Operational	By the 15 January 2026	N/A				
Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 4.10	Implementation of Employment equity Plan	Report number of people from employment equity groups employed in the three highest levels of management	Human Resources	N/A	4 Report	1	Achieved			N/A
KPA FIVE (5) - FINANCIAL VIABILITY AND MANAGEMENT (FVM)											
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 5.1	Debt & revenue management collection	% of billed revenue collected	Revenue Management	R916 661 506	80% of annual billed and monthly billed income by June 2023	59%	58%	65%	70%	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 5.2	Capital Budget	Percentage of capital actually spent on capital project	Finance - Expenditure Management	R114 621 215	95% of approved Capital Budget actually spent	40%	40%	65%	95%	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 5.3	Debtor Payment Ratio	Ratio in respect of Debtor Payment (Days)	Finance - Financial Viability	Operational: Municipal Running Cost	40 days	40 days	40 days	40 days	40 days	The municipality is planning to undertake and exercise of separating collectable and uncollectable debt
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 5.4	Cash coverage ratio	Cash to cover fixed operating expenditure	Finance - Financial Viability	Operational: Municipal Running Cost	2 Months	2 Months	2 Months	1 Month	2 Months	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 5.5	Free basic Services(indigent relief)	Percentage of the municipality's operating budget spent on indigent relief for free basic services	Finance - Expenditure Management	Operational: Municipal Running Cost	3.5%	3.5%	3.5%	2%	2%	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 6.6	Expenditure Management	Percentage of Payments of creditor within 30 days	Finance - Expenditure Management	Operational: Municipal Running Cost	100%	95%	95%	97%	100%	

FYM 0.7	Workplace Skills Plan	Expenditure Management	Municipal Running Cost	95%	N/A	95%	N/A
FYM 6.8	Operational budget	Finance - Expenditure Management	R 16 853 200 00	95%	N/A	95%	N/A
FYM 6.9	Conditional grant budget spent	Finance - Expenditure Management	R87 369 350	95%	N/A	95%	N/A
FYM 6.10	Submission of the MTREF signed to the IDP by 31 May	Budget Management	Operational: Municipal Running Cost	1 MTREF submitted to Council	N/A	1	N/A
KPA SIX (6): GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
GGP 6.1	Intergovernmental Relationship (GR)	Mayor Office	Operational: Municipal Running Cost	4	1 consultation		
GGP 6.3	Improve Audit Outcomes	Audit General Audit option	Operational: Municipal Running Cost	Qualified audit option achieved	90% of RFI submitted to AG on time	60%	The departments were not submitting AG RFI's on time. Consequence management will be implemented on the non-submission of
GGP 6.4	Improve Audit Outcomes	Internal Audit -MM	Operational: Municipal Running Cost	Percentage of Audit findings resolved quarterly inline with audit action plan milestones.	80%	80.0%	The departments were not providing progress on the audit action plan. Consequence management will be implemented on the non-submission of information in this current financial year.
GGP 6.5	Risk Based Audit Plan (RBAP)	Internal Audit -MM	Operational: Municipal Running Cost	Percentage of Risk Based Audit Plan (RBAP) implemented quarterly	Development of Risk Based Audit Plan	83%	The overtime management review was delayed due to information that is locked up in the City hall. The overtime project will be implemented as soon as the information is available
GGP 6.6	Implementation of Risk Mitigation	Risk Management - MM	Operational: Municipal Running Cost	Percentage of risk mitigation implemented quarterly	70%	70%	The committee meeting was rescheduled due to poor submission of reports it will sit on the 5th of February 2026
GGP 6.7	MFMA Compliance	Risk Management - MM	Operational: Municipal Running Cost	Compliance to MFMA Requirements	90%	90%	The committee meeting was rescheduled due to poor submission of Compliance reports. On will sit on the 5th February 2026
GGP 6.8	Financial Recovery Plan (FRP)	Financial Recovery Plan	Operational: Municipal Running Cost	Percentage (FRP) milestone achieved quarterly	80%	60%	N/A

To provide a reliable and effective ICT system	GGP 6.9	Effective implementation of ICT Governance Framework	Percentage of ICT implementation plan is achieved	ICT - MM	R600 000	70%	40%	Partially Met	60%	1. The Municipality is still adjudicating a Tender for Internet and other adhoc services which was advertised in May 2025. The Tender has not yet been awarded but the preferred Bidder was selected. 2. The Municipality is still awaiting for a response from National Treasury for the green light to advertise for a new Financial System. Most of the Due Diligence has been done	1. The Tender should be finalised no later than 28 February 2026. 2. By no later than 31 March 2026 National Treasury and EC Provincial Treasury should have provided the green light for the Municipality to advertise for a new financial system.
Enhance public participation and stakeholder engagement	GGP 6.10	IDP/Budget Review Public Participation annually	Governe Mayorol Imbozo and IDP-Gudjil Roads Shows on or before end of March annually	Speakers Office-	Operational: Municipal Running Cost	14 wards	14 Wards	Not achieved	Mayorol Imbozo will be done in February	N/A	N/A
Ensure good corporate governance and public participation	GGP 6.11	Enhance Ward Committee function	Percentage of ward committees that are functional (meet four times a year, are quorate and have an action plan)	Speakers Office-	Operational: Municipal Running Cost	95%	95%	Not achieved	13 Wards Committee meetings were held in the second quarter and submitted reports	N/A	N/A
Main streaming of HIV and AIDS across Municipality	GGP 6.13	Implementation of the HIV/AIDS Strategy and Plan by 30 June 2025	Resaciate of Local HIV/AIDS Council	Local HIV/AIDS Council Operational	Operational: Municipal Running Cost	4	95%	Not achieved			
Ensure good governance and compliances	GGP 6.14	Improve Media and communication	100% implementation of the Communication action plan by 30 June 2025	Media and communication	Operational: Municipal Running Cost	95%	90%	Not achieved			
Improved stakeholder collaboration to unlock opportunities for economic growth	GGP 6.15	Job opportunities CWP -	Number of work opportunities created through CWP	Job opportunities	Operational: Municipal Running Cost	500	Stakeholder workshop and formation of TOR	Not achieved	597	N/A	N/A
To create an efficient, effective and accountable administration	GGP 6.2	Improve customer care	Development Customer complaints Management System	Customer care management	Operational: Municipal Running Cost	Development Standard operation Procedure	95%	Not achieved			
Enhance administration and Council oversight	GGP 6.12	Council and Committees	100% Implementation of Council resolution	Committee Services	Operational: Municipal Running Cost	90%	500	Not achieved			