

**REPORT TO: COUNCIL**

**File Ref:.....**

**Collaborator/ Item No.....**

**Date: February 2026**

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

**REPORT DATE: 19 FEBRUARY 2026 FROM MUNICIPAL MANAGER TO COUNCIL**

**1. PURPOSE:**

The purpose of this report is for the MUNICIPAL MANAGER to approve the adjusted SECOND quarter performance report 2025/26 Service Delivery Budget Implementation Plan (SDBIP) due to review and validation by the Internal Audit for approval, subsequent to the report being sent to Audit Committee on the 11<sup>th</sup> of February 2026 for approval.

**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 29<sup>th</sup> of May 2025 subsequently to that SDBIP was approved on 27<sup>th</sup> June 2025. The MFMA also requires that the SDBIP must be reported to Council Quarterly within 30 days after the end of the quarter.

*and healthy environment, which promotes social and economic growth for all.*

...a great place to be



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

NO	MATRIX	NUMBER	PERCENTAGE
0.1	SDBIP KPI	50	100%
0.2	Achieved	31	62%
0.3	Partially Achieved	1	2%
0.4	Not Achieved	18	36%

### 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	7	0	78%
0.2	Social Cohesion and Community Services	7	6	0	86%
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	5	0	71.43%
0.6	Good Governance and Public Participation	15	4	1	26.67%
0.7	TOTAL	50	31	1	62%



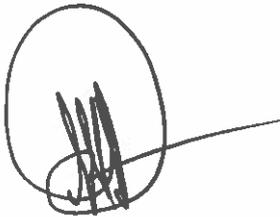
8. **COMMENTS FROM OTHER DIRECTORATES**

NIL.

9. **RECOMMENDATION**

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

9. **ANNEXURE 1: SECOND QUARTER PERFORMANCE SCORECARD TOP LAYER**



---

**P.M. KATE**  
**MUNICIPAL MANAGER**

---

*Makana Municipality shall strive to ensure sustainable, affordable, equitable and quality services in a just, friendly secure and healthy environment, which promotes social and economic growth for all.*

...a great place to be



Strategic Objective	Ref	Project Programme	Performance Indicator	KPIA	Budget	Annual 2025 - 26	Quarter 2	Actual Performance	Reason for Variance	Corrective action and estimated finish time
KPA ONE(Y): BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (BSI)	BSI 1.1	Replacement of ageing and asbestos pipes Phase 4	Replacement of 15 km of asbestos pipes to Stormwater	Completion of Designs and appointment of Contractor	R 1 430 850 00	0%	Achieved	Design and tender document has been developed	N/A	N/A
	BSI 1.2	Rufurbishment of water & sanitation	Upgrade of Alibodale sewer pump station no 1 by June 2026	Design and tender document and award	R 2 983 100 00			Consultant has been appointed on the 15 December 2025	Delays on procurement. The specification was on the 17 September 2025	N/A
	BSI 1.3	Water conservation and demand	Number of Smart meter installed 6134	2926	R 20 681 000 00			Progress report on the number of Smart installed	N/A	N/A
	BSI 1.4	Upgrading of Makana Way Phase 1	Replacement bar with paving of 2 km of surfaced municipal road in ward 6 and 9 by 30 September 2026	100%	R 4 503 386 25			N/A	N/A	N/A
	BSI 1.5	Upgrading of Makana Way Phase 2	Replacement bar with paving of surfaced municipal road in ward 6 and 9 by 30 June 2026	100%	R 14 144 348 25			Procure and award Contractor	The delays were on the appointment of the consultant. The project was presented on the 17 December 2025. The specification on the 25	N/A
	BSI 1.6	Upgrade of Sports Facilities in Oval Stadium, Lavender Valley, Melkstrand (HMG)	Percentage of milestones achieved in the competing Oval stadium by March 2026	100%	R 4 596 865 75			75% (Gate Installation, Electric Fencing Sub-Contractor)	Gate and Electric Fencing has been installed	N/A
	BSI 1.7	Small Town revitalisation Project(1)	Rehabilitation of Mahier, African and lower high street circle by 30th March 2026	100%	R15 000 000			Reconstruction of layers	70% has been achieved, laying of paving in African street is complete, laying of African street is complete	N/A
	BSI 1.8	Small Town revitalisation Project(2)	Installation of (4) Highmast by 30 June 2026	Four(4) Highmast installed	R4 000 000			Progress report on the installed highmast	reported on reinstallation of highmast	N/A
	BSI 1.9	Rehabilitation streets damaged by floods	Rehabilitation of 11 street by 30th March 2026	100%	R15 000 000			(30%) Substructure and surfacing completed	The contractor was only appointed on the 15 December 2025	The project is on the construction phase, the project duration is 12 months
	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	97%	R550 000			97%	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 procurement.
CSC 2.1	Cleaning and rehabilitation of illegal dumping sites	Number of illegal dumping sites cleared and rehabilitated	0	Waste Management		2	Achieved	Seven (7) illegal dumping sites were cleared and two (2) were rehabilitated	The municipality procured a TLB that was delivered on 28/08/2025 and started utilising the machinery from 09/09/2025.	The department will adjust the target (increase number of illegal dumping sites to be cleaned) in January

CSC 2.3	Provision of a safe, healthy, and secure living environment.	Community awareness programmes	Number of Community Road safety awareness programme conducted	Community engagement per quarter (Roads, Fire and Library)	Community awareness programme	4	4	4	4	Community awareness programmes were organised and conducted for the quarter	N/A	N/A
CSC 2.4	Provision of a safe, healthy, and secure living environment.	Community engagement forums held	Number of Community Stakeholder engagement conducted	Number of Community Stakeholder engagement	Stakeholder engagement	2	2	2	2	Two (2) stakeholder engagements were organised and conducted for quarter 1	N/A	N/A
CSC 2.5	Clean and Beautified the City	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	New indicator	N/A	N/A	N/A	N/A	N/A	N/A
CSC 2.6	Clean and Beautified the City	Refuse removal services or better	Percentage of refuse collection done inline with approved schedule	Percentage	Waste Management	80%	80%	90%	90%	90% of refuse collection was collected for quarter 1 and the departments committing in ensuring compliance in ensuring	N/A	N/A
CSC 2.7	Provision of a safe, healthy, and secure living environment	Draft Environmental Management Plan	One (1) Environmental Management plan developed by December 2025	Number Milestones Achieved	Environmental and Cleaning Management	Draft Environmental Management plan in place	Approved Environmental Management Plan	Approved Environmental Management Plan	Approved Environmental Management Plan	The Draft Environmental Management Plan has not been approved by Council.	The Portfolio Committee of the Draft Environmental Management Plan has not been approved by Council.	A report has been prepared for consideration by Council Committees including Portfolio Committee sitting on 15/01/2026, Mayoral Committee sitting on 23/01/2026 and Council sitting on 31/01/2026.
CSC 2.8	Provision of a safe, healthy, and secure living environment	Development review Integrated Waste Management Plan (WMP)	One (1) Integrated Waste Management Plan (WMP) Review and Approved by the 30th June 2025	Number Milestones Achieved	Environmental and Cleaning Management	Draft Integrated Waste Management in place	Approved Integrated Waste Management Plan by Council	Approved Integrated Waste Management Plan by Council	Approved Integrated Waste Management Plan by Council	N/A	N/A	N/A
CSC 2.9	Provision of a safe, healthy, and secure living environment	Management of Makhanda landfill site	Management, operation, and maintenance of landfill sites by June 2025	Monthly reports	Landfill sites	12 monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	The department is operating and managing Makhanda Landfill Site and submitting reports to Council and Municipal Council Committees.	N/A	N/A
CSC 2.10	Provision of a safe, healthy, and secure living environment	Construction of Makhanda 458m landfill site boundary wall	Construction of 1257m Landfill Site Blockwall by 30 June 2026	Construction of 1257m	Waste Management	Construction in the Fourth quarter 2025	Construction in the Fourth quarter 2025	Construction in the Fourth quarter 2025	Construction in the Fourth quarter 2025	N/A	N/A	N/A

LED 01	Improved stakeholder collaboration to unlock opportunities for economic growth	Review of LED Strategy	Monitor the review of LED Strategy	LED Strategy	Operational: Municipal Running Cost	Drift LED Strategy adopted by Council	Report against Rollout plan	Achieved	Report on the Rollout plan has been developed (on the 2nd of November 2025)	N/A	N/A	
LED 02	Improved stakeholder collaboration to unlock opportunities for economic growth	Review of SDF	Monitor the review of LED Strategy	SDF	Operational: Municipal Running Cost	Drift SDF Strategy adopted by Council	Report against Rollout plan	Achieved	Due to the resignation of the Manager Spatial Planning & Land Usage, the District Municipality has suspended the	Corrective measure, the Director has engaged the District Municipality, as a result, the	N/A	
LED 03	Improved stakeholder collaboration to unlock opportunities for economic growth	Job opportunities EPWP	Number of work opportunities created through EPWP	Job opportunities	Operational: Municipal Running Cost	188	50	Achieved	The municipality has created work opportunities for 83 participants through EPWP.	N/A	N/A	
LED 04	Improved stakeholder collaboration to unlock opportunities for economic growth	Support SME's with access to markets and trade shows	Number SME's with access to markets and trade shows	Entrepreneurship development	Operational: Municipal Running Cost	4	1	Achieved	The Matikana Local Municipality in partnership with ECDC are supporting Cooperatives to access	N/A	N/A	
LED 05	Improved stakeholder collaboration to unlock opportunities for economic growth	Support SME's with access to markets and trade shows	Number of SME's participating in the National Arts Festival	Director: LED and Planning	Operational: Municipal Running Cost	8	N/A	N/A	N/A	N/A	N/A	
LED 06	Improved stakeholder collaboration to unlock opportunities for economic growth	Building application	Percentage of building plans exceeding 500 meters process within 60 days after receiving complete application	Spatial Planning	Operational: Municipal Running Cost	90%	90%	Achieved	Three applications for building plans exceeding 500 square meters have been received and approved	N/A	N/A	
LED 07	Ensure equitable access to housing development	Upgrading of 178 informal settlements	Construction of 178 Houses in Matikanda East	Housing Development	Operational: Municipal Running Cost	39 ML	Second quarter progress report	Achieved	For the construction of 87 units in quarter 2, 52 units are completed, and for the construction of 31 units, 35 units are	N/A	N/A	
CSC 2.9	Provision of a safe, healthy and secure living environment	Management of Matikanda landfill site	Management, operation, and maintenance of landfill sites by June 2025	Landfill sites	Operational: Municipal Running Cost	R 7.9 Million	3 Monthly reports	Achieved	The department is operating and managing Matikanda Landfill Site and	N/A	N/A	
CSC 2.10	Provision of a safe, healthy, and secure living environment	Construction of Matikanda 458m landfill site boundary wall	Construction of 1257m Landfill Site Blockwall by 30 June 2026	Waste Management	Operational: Municipal Running Cost	N/A	N/A	N/A	N/A	N/A	N/A	
<b>KPA FOUR(A) INSTITUTIONAL CAPACITY AND ORGANISATIONAL DEVELOPMENT (ICOD)</b>												
ICOD 4.1	Effective Management of Organisational Design and policy development	Annual Review of Organisational Structure	Number of reviewed organisational structures approved by council	Organisational Design- Organisational Structure	Operational: Municipal Running Cost	1 (Review of Organisational Structure)	1 (Review of Organisational Structure)	Achieved	1 (Review of Organisational Structure)	Draft review table to LFF	Corporate Finance and LED were done	There is one directorate out of six who has not completed the process
ICOD 4.2	Effective Management of Organisational Design and policy development	Implementation of Job Evaluation Outcomes	Report - Number of positions adjusted in line with JE outcome.	Organisational Design- Job Evaluation	Operational: Municipal Running Cost	Implementation of Phase three completed	Stage Two Communication and cost analysis	Achieved	All Phases were implemented	N/A	N/A	N/A
ICOD 4.3	Ensure efficient and effective organisational support by a competent and skilled workforce	Staff vacancy rate	Percentage reduction of vacancy rate	Recruitment and Selection	Operational: Municipal Running Cost	10% (Antipalpaten)	N/A	N/A	N/A	N/A	N/A	N/A
ICOD 4.4	Ensure efficient and effective organisational support by a competent and skilled workforce	Human Resources Plan	Review of Human Resources Plan by 30th June 2026	Human Resources	Operational: Municipal Running Cost	1 (Revised Human Resources Plan)	1 (Revised Human Resources Plan)	Achieved	1 (Revised Human Resources Plan)	Draft Human Resource Plan	Draft Plan will be tabled to Senior Management.	N/A
ICOD 4.5	Ensure efficient and effective organisational support by a competent and skilled workforce	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 held on the 4 November 2025	N/A	N/A	

Effective Management of Organisational Design and policy development	ICOD 4.8	Review of Human Resources Policies	Percentage number of Human Resources policies review inline with Policy register	Human Resources Policies	Operational: Municipal Running Cost	100%	100%	Commence with HR Policy Review HR desktop exercise	7/2024	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 in recruitment plan	Recruitment and Selection	Operational: Municipal Running Cost	100%	100%	100%	2024	Appointments are not done inline with recruitment plan	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	N/A	2024		
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	1	Achieved	N/A	N/A
<b>KPA FY16 (5) - FINANCIAL VIABILITY AND MANAGEMENT (FVM)</b>											
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%	59%	58%	65%	71%
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%	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	40 days
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	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%	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%	95%	97%	100%
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 6.7	Workplace skills plan	% of budget actually spent on implementing workplace skills plan	Finance - Expenditure Management	Operational: Municipal Running Cost	95%	N/A	N/A	N/A	N/A	95%
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 6.8	Operational budget	% of operational budget allocated for repairs and maintenance	Finance - Expenditure Management	R 16 853 200.00	95%	N/A	N/A	N/A	N/A	95%

Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 6.9	Condition grant budget spent	% of Conditional grants budget spent	Finance - Expenditure Management	R67 369 350	95%	N/A	N/A	95%	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 6.10	Submission of the MTRF (signed to the DP by 31 May)	Number of MTRF's submitted to Council by 31 May	Budget Management	Operational: Municipal Running Cost	1 MTRF submitted to Council	N/A	N/A	1	
<b>KPA SIX (II): GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
Enhance public participation and stakeholder engagement	GSP 6.1	Interpersonal Relationship (GR)	Number Stakeholder Consultation conducted	Mayor Office	Operational: Municipal Running Cost	4	1 consultation	Partially Met		
Ensure good governance and compliance	GSP 6.3	Improve Audit Outcomes	Qualified audit opinion	Audit General Audit opinion	Operational: Municipal Running Cost	80%	90% of RFI submitted to AG online	Partially Met	60%	The departments were not submitting AG RFI's on-time.
Ensure good governance and compliance	GSP 6.4	Improve Audit Outcomes	Percentage of Audit findings resolved quarterly in line with audit action plan milestones.	Internal Audit -IM	Operational: Municipal Running Cost	80%	80,0%	Partially Met		The departments were not providing progress on the audit action plan.
Ensure good governance and compliance	GSP 6.5	Risk Based Audit Plan (RBAP)	Percentage of Risk Based Audit Plan (RBAP) implemented quarterly	Internal Audit -IM	Operational: Municipal Running Cost	Development of Risk Based Audit Plan	90%	Partially Met	83%	The overtime management review was delayed due to information that is locked in the DMS.
Ensure good governance and compliance	GSP 6.6	Implementation of Risk Mitigation	Percentage of risk mitigation implemented quarterly	Risk Management - MM	Operational: Municipal Running Cost	70%	70%	Partially Met		The committee meeting was rescheduled due to poor submission of compliance reports. On February 2026.
Ensure good governance and compliance	GSP 6.7	MFMA Compliance	Compliance to MFMA Requirements	Risk Management - MM	Operational: Municipal Running Cost	90%	90%	Partially Met		The committee meeting was rescheduled due to poor submission of compliance reports. On February 2026.
Ensure sound financial sustainability and adhere to statutory prescriptions	GSP 6.8	Financial Recovery Plan (FRP)	Percentage (FRP) milestone achieved quarterly	Financial Recovery Plan	Operational: Municipal Running Cost	80%	80%	Achieved	N/A	N/A

GGP 6.9	Effective implementation of ICT Governance Framework	Percentage of ICT implementation plan is achieved	ICT -MM	R800 000	70%	40%	Priority Met	60%	1. The Municipality is still adjudicating a Tender for internet and other ad-hoc services which was advertised in May 2026. National Treasury and EC Provincial Treasury should have provided the green light for the Municipality to advertised for a new financial system.
To provide a reliable and effective ICT system									
GGP 6.10	IDP Budget Review Public Participation annually	Coverage Mayoral Inbco and IDP-Budji Roads Shows on or before end of March annually	Speakers Office-	Operational Municipal Running Cost	14 wards	14 Wards	Not Achieved	Mayoral Inbco's will be done in February	
GGP 6.11	Enhance good governance and public participation	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%	Achieved	13 Wards Committee meetings were held in the second quarter and submitted reports	N/A
GGP 6.13	Main streaming of HIV and AIDS across Municipality	Reassociate of Local HIV/AIDS Council	Local HIV/AIDS Council Operational	Operational Municipal Running Cost	4	95%	Not Achieved		
GGP 6.14	Ensure good governance and compliance	100% implementation of the Communication action plan by 30 June 2025	Media and communication	Operational Municipal Running Cost	95%	90%	Not Achieved		
GGP 6.15	Improved stakeholder collaboration to unlock opportunities for economic growth	Job opportunities CWP - Number of work opportunities created through CWP	Job opportunities	Operational Municipal Running Cost	500	Stakeholder workshop and formation of TOR	Achieved	5/7	N/A
GGP 6.2	To create an efficient, effective and accountable administration	Development Customer complaints Management System	Customer care management	Operational Municipal Running Cost	95%	Development Standard operation Procedure	Achieved	95%	N/A
GGP 6.12	Enhance administration and Council oversight	100% Implementation of Council resolution	Committee Services	Operational Municipal Running Cost	90%	500	Not Achieved		