

# UMHLABUYALINGANA LOCAL MUNICIPALITY



## SDBIP 2018/19 QUARTER ONE REPORT

## 1. Executive Summary

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA read in conjunction with the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and thereafter monitored for the performance of the budget against the IDP through the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, the Municipal Finance Management Act, No. 56 of 2003 (MFMA) prescribes the formulation of an annual SDBIP by municipalities, as a detailed plan, approved by the Mayor of a municipality in terms of Section 53(1)(c)(ii), for implementing the delivery of services and the execution of the annual budget. It also requires a municipality to report on a quarterly basis on its performance against the SDBIP, which is aimed at strengthening local accountability and governance for improved service delivery.

The 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 processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.”

It is therefore against this background that the first quarter report for the 2018/19 is prepared. The report covers the period from the 1<sup>st</sup> of July to the 30<sup>th</sup> September 2018 (Q1). Fundamentally, the report outlines progress on performance and to highlight the challenges in the implementation of the municipal deliverables planned for the first quarter.

## 2. Performance highlights in terms of the organisational scorecard per KPA

In order to streamline reporting and harness focus on high value impact projects and outputs, the Municipality adopted a scorecard reporting approach. To this end, the total number of the scorecard targets planned for the first quarter is 40, but the actual performance is 31 and the variance thereof became 9, which indicates the total number of targets not achieved.

As per the requirements of the standard reporting framework, the Municipal organisational scorecard referred herein above is prepared according to the prescribed National Key Performance Areas (KPA's) as follows:

- Basic Service Delivery and Infrastructure Development
- Social and Economic Development
- Municipal Transformation and Institutional Development
- Financial Viability & Financial Management
- Good Governance & Public Participation
- And Cross Cutting Interventions.

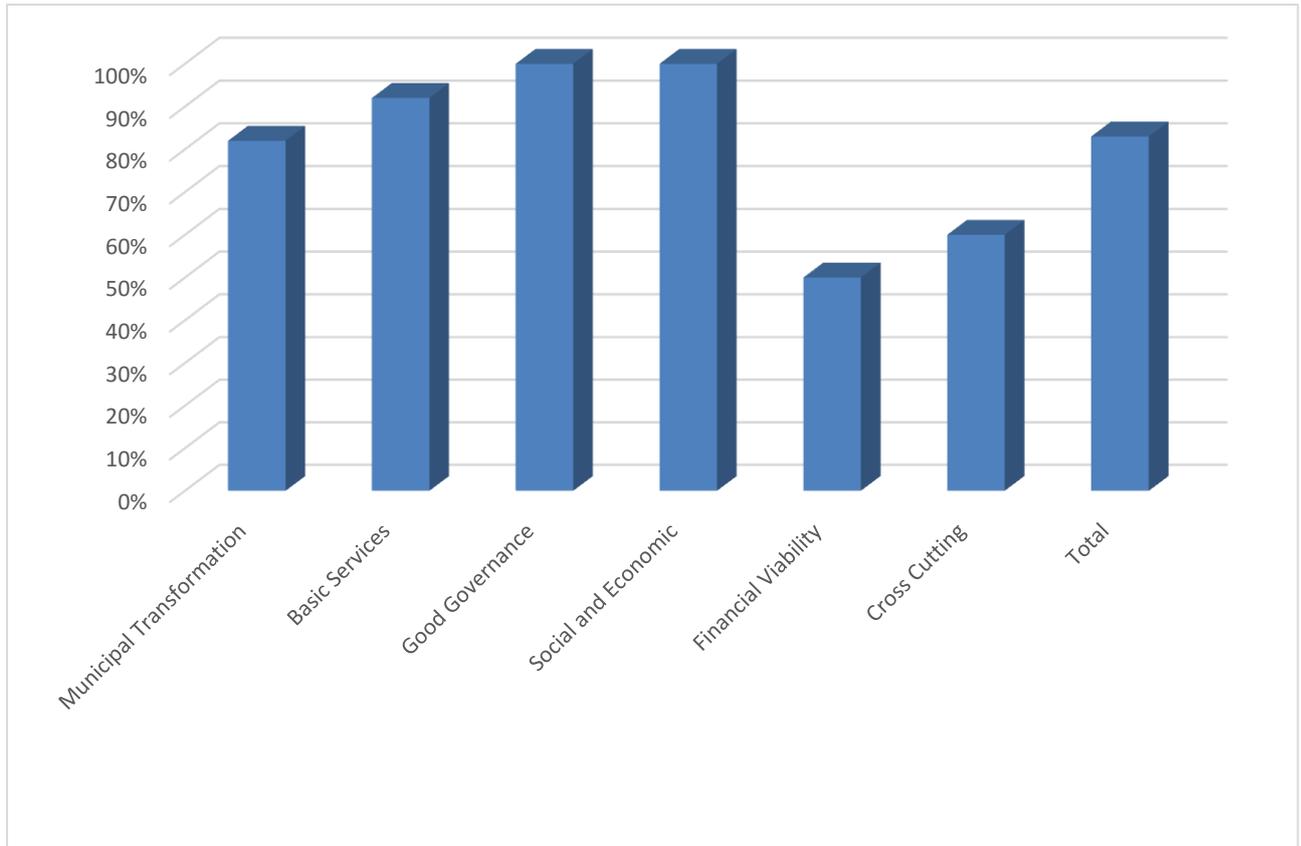
Table one below illustrates the total number of the Municipal Key Performance Areas (KPA's) as per the prescribed guiding principles by Cogta

Table 1: Scorecard 2018/19 (Q1)

KPA	Total planned targets (Q1)	Targets Achieved (Q1)	Targets Not achieved (Q1)	% of actual targets achieved
Municipal Transformation & Institutional Development	11	9	2	82%
Basic Services & Infr. Dev.	12	11	1	92%
Good Governance	5	5	0	100%
Social and Economic	3	3	0	100%
Financial Viability	4	2	2	50%
Cross Cutting	5	3	2	60%
<b>Total</b>	<b>40</b>	<b>33</b>	<b>7</b>	<b>83%</b>

The graph below (figure1) below highlights the overall performance against the key performance areas (KPA's)

Figure 2 Scorecard (2018/19)



In this report, two KPA's i.e. Good Governance and Social and Economic Development achieved 100% of the planned targets. Furthermore, the overall performance for all the Key Performance Areas (KPA's) was 76%. However, one may argue that that this is an exceptional performance considering sectoral performance, but this municipality has engaged on an extensive program of action to ameliorate the challenges identified in the first quarter in order to achieve all the planned targets in the subsequent quarters.

**2. High level overview of the municipal first quarter performance in terms of the predetermined objectives (SDBIP) 2018/19.**

For the first quarter (Q1) SDBIP 2018/19, the Municipality has a consolidated total number of 193 planned targets. In terms of the actual performance, the Municipality achieved 146 of the planned targets in the first quarter.

The table one below provides a summary of achievements per Department.

**Table 2: Summary of the 2018/19 SDBIP performance**

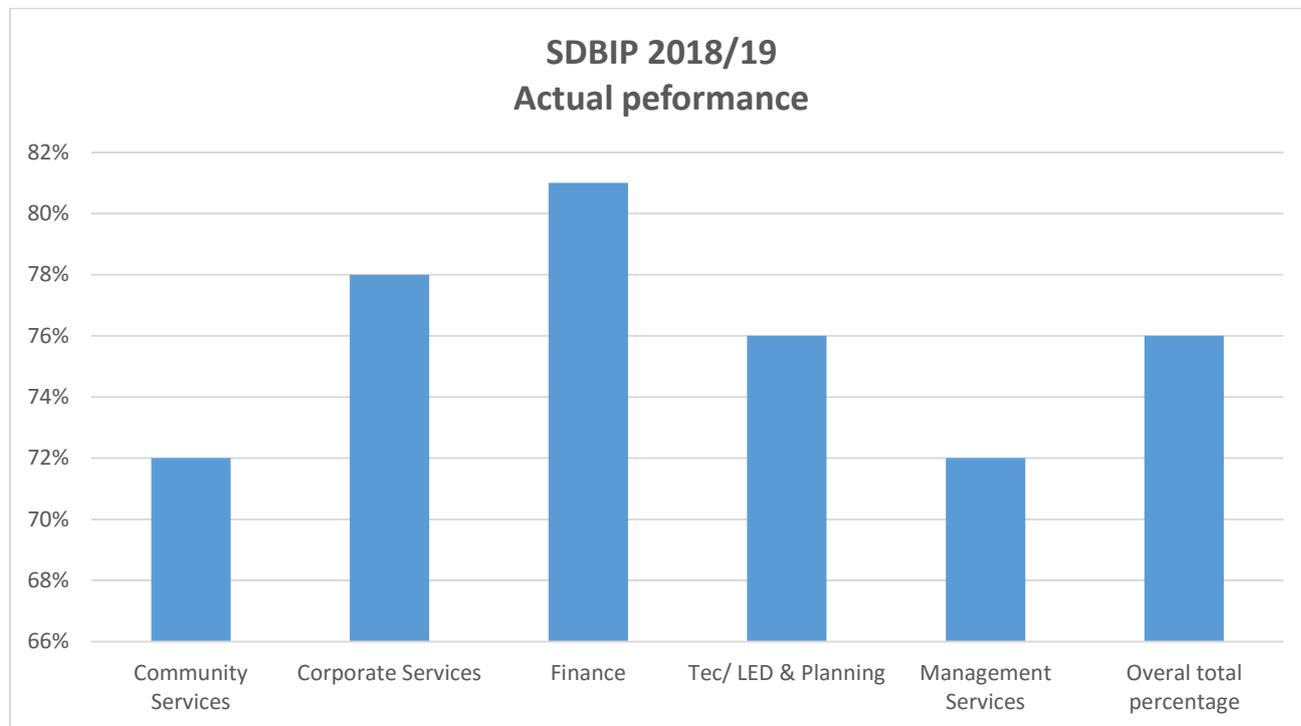
<b>DEPARTMENT</b>	<b>Total planned targets (Q1)</b>	<b>Targets Achieved (Q1)</b>	<b>Targets Not achieved (Q1)</b>	<b>% of actual targets achieved</b>
Community Services	58	46	12	79 %
Corporate Services	36	29	7	81 %
Finance	35	26	9	74 %
Technical/ LED and Planning	38	32	6	84 %
Management Services	25	18	7	72 %
<b>Total</b>	<b>192</b>	<b>151</b>	<b>41</b>	<b>79 %</b>

set The Municipality always endeavours and encourages high performance within the framework of the governing legislation and policies. Most of the targets for the first quarter were achieved throughout the Departments. However, the challenge of the first quarter reporting is the fact that it coincides with the Municipal Audit exercise by the Office of the AG that predominantly dictates supremacy and puts strong emphasis on stricter turnaround times on the request for audit information. The intention of the Municipality was to adhere to these timeframes without fail on these requests whilst ensuring credibility and authenticity of the information provided.

It should also be borne in mind that in terms of the municipal projects planning and implementation cycle, the first quarter period marks the beginning for sittings of bid committees, appointment of service providers and procurement processes. Therefore, actual implementation of high impact projects in the SDBIP begins prevalence during the second quarter henceforth.

Below is the graphical illustration of Q1 actual performance report by each Department

Graph1: Q1 SDBIP (2018/19)



Furthermore, a detailed explanation of performance against targets, non-achieved of targets, challenges and measures to improved performance are detailed below per Department

### 3.1 Finance Department

#### 3.1.1 Performance highlights

As articulated above, the Department began the new financial under enormous pressure hence the preparations of the 2017/18 Financial Statements for submission to the Office of the Auditor General on the 31 August 2018. It is however, important to note that the abovementioned sets of financial statement were indeed submitted within the prescribed time frames on the 31 August 2018 in the Office of the Auditor General.

In terms of performance against the set deliverables, the Department planned to achieve 36 as the total number of targets for this quarter. However, 29 have been achieved. This translate to the total of 81% of targets achieved in this quarter.

#### 3.1.2 Challenges

The issue of finalisation of staff performance agreements on officials reporting directly to the CFO was one of the major challenges in the Finance Department. Management has encountered resistance from staff with regards to signing of performance agreements due to job evaluation and municipal grading process which has not yet been concluded. Furthermore, the Department has been highlighting difficulties relating to revenue collection and this problem dates back to the previous financial years.

### **3.1.3 Measures taken to deal with the challenges.**

In order to improve the challenges stated above, Finance Department has scheduled a meeting with Corporate Services Department with the aim of finding a solution to finalise the job evaluation process. Regarding revenue collection challenges, the Department has already facilitated engagements with the Local business and the Rate Payers/ Association around the municipality to find amicable ways to circumvent the problem. Among other suggestions was a proposal of 60% rebate. However, the proposal will still be presented at Council for further discussion and subsequent approval.

## **3.2 Community Services**

### **3.2.1 Performance highlights**

The Department has planned the total number of 58 targets for this quarter. However, it managed achieve 42 of the planned targets. This translate to 72% of the achieved targets.

### **3.2.2 Performance challenges**

The key challenge facing the Department is cable theft which affects the Municipal Drivers Licence Testing Centre System, as a result the system is often offline which eventually impact the achievements of some targets in the Department. Furthermore, the Department is currently experiencing challenges regarding the Thandizwe landfill site since it expired.

### **3.2.3 Measures taken to improve performance**

To deal with the problem of cable theft, the Municipality has already approached the Road Traffic Management Corporation to assist in the installation of satellite to minimise reliance on cables. Regarding the extension of Thandizwe landfill site licence, the municipality has approached the Department of Environmental Affairs as attempt to request for extension of the site licence.

## **3.3 Corporate services**

### **3.3.1 Performance highlights**

In this quarter, the Department planned to implement 36 targets as per the current SDBIP. In actual, the Department achieved the total of 28 targets. This performance translates to 78% of the planned targets.

In light of the above performance, the Department would like to highlight the following issues within its performance environment.

Below is the list of the Municipal structures housed under the Department of Corporate Services Department: -

- (i) Local Labour Forum
- (ii) Employment Equity Sub-Committee
- (iii) Workplace Restructuring Committee

In this quarter, the aim of the Department was to revive the above structures in order to ensure that they are fully fledged and functional.

### **3.3.2 Challenges**

The introduction of Employee Self Service (ESS) as payroll systems has been faced with challenges in some of the units. Furthermore, Institutionalization of the Municipal File Plan continues to be a challenge, as such, not all the municipal Departments have accustomed their operations in terms of the approved Municipal File Plan.

Information Technology (IT) Steering Committee meetings have not been sitting as regularly to discuss IT related matters as per the terms of reference.

### **3.3.3 Measures taken to improve performance**

Within the current financial year, the Department will be rolling out the Employee Self Service payroll system to assist employees with technical challenges in using the system. In addition, the Department of Corporate Services is currently in a process of engaging the Provincial Department of Arts and Culture to capacitate staff members on the Municipal Fine Plan.

The IT steering Committee will be strengthened and trained in order to familiarise them with their roles and responsibilities as per the terms of reference

## **3.4 Management Services**

### **3.4.1 Performance highlights**

The Management Services has a planned total of 25 targets for the first quarter. However, 18 have been achieved, this translate to 72% of the achieved targets.

It should be noted that this office focuses on planning, monitoring and reporting and other functions. Given its function, operational challenges experienced are dealt with from time to time.

### **3.4.2 Challenges**

The issue of signing of staff performance agreements and implementation of filing plan is again a challenge in the office of the Municipal Manager as reported and experienced by other departments.

### **3.4.3 Measures taken to improve performance**

The Office of the Municipal Manager has engaged Director-Corporate Services to assist with formulation of a standard operating procedure for the implementation during the second quarter.

## **3.5 TECHNICAL SERVICES, LED AND PLANNING**

The Department has planned the total number of 38 targets for this quarter. However, it managed achieve 29 of the planned targets. This translate to 76% of the achieved targets.

### **3.5.1 Performance highlights**

#### **Technical Services Section**

The following projects are ahead of schedule, Mqobela access road, post office causeway, Moses Zikhali access road and Library to post office black top. 484 km's of roads has been maintained versus the planned 7.5km's.

#### **Led Section**

Above all set targets, only one target was not achieved. This target was put in hold due to unforeseen circumstances.

EPWP was successful, above that was awarded with an honorary award for EPWP audit compliance for 2017/18 AGSA audit. Further to that the housing projects are progressing very well. The municipality managed to obtain Govan Mbeki Award for Best Non Accredited Municipality.

Tourism marketing campaign was also a success and gained support from Tourism KZN, Isimangaliso Wetlands Park and other stakeholders.

Cooperative training which was set for Q4 was achieved during the 1<sup>st</sup> quarter because of the support received from FNB and Cogta.

#### **Planning Section**

Joint ExCo Terms of Reference was established and sent to traditional councils to formulate a Joint ExCo with Traditional Council to deliberate on land issues.

uMhlabuyalingana SDF was rated as the best in the district of uMkhanyakude and was formulated in-house by the planning unit. uMhlabuyalingana Local municipality is the only local municipality in the district that has compiled an Integrated Transport Plan (ITP).

### **3.5.2 Challenges**

#### **Led Section**

In the led section the major is the shortage of personnel which creates overload and decreases quality of the output.

#### **Planning Section**

No funding available for SDF review, hence making it difficult to develop SPLUMA compliant SDF.

### **3.5.3 Measures taken to improve performance**

#### **Planning Section**

The municipality needs to prioritise funding for SDF.

## **4. Conclusion**

Notwithstanding positive performance demonstrated in the report, the Municipality aimed to achieve all the planned targets in the first quarter. As from the second quarter, the Municipality will incorporate actual projects milestones and the corresponding expenditure per project to draw comparisons between the project's implementation milestones and projects budget expenditure.

In addition, all the challenges identified by each Department are always considered in a very serious light and will be considered as such to improve performance during the quarter two reporting.

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