



QUARTER ONE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP): 2019/2020 FINANCIAL YEAR

DIRECTORATE: FINANCE SERVICES

CHIEF FINANCIAL OFFICER: MR. NTSIKELELO SIGCAU

Quarter One Actual Performance 2019/2020

KFA No.	National Treasury Reference/ BCM Code.	Key Performance Indicator	Project/ Programme	Baseline (Annual Performance of 2018/19 (Unaudited))	Annual target for 2019/20	Quarter One Actual Performance 2019/2020					Achievement levels	2019/20 Approved Budget	1st Quarter Actual Output / Expenditure
						1st Quarter Planned Target-ending September 2019	Portfolio of evidence	1st Quarter Actual Performance	Portfolio of evidence provided	Reason for deviation			




STRATEGIC OUTCOME 5: WELL GOVERNED CITY (WEIGHT: 100%)

NATIONAL PRESCRIBED INDICATORS


KFA 39	GG 6.11	Percentage of the municipality's operating budget spent on free basic services to indigent households	Free Basic Services to Indigent households	16%	16%	16%	General Ledger Report per Poor Relief Vote	7,46%	General Ledger Report per Poor Relief Vote Operational Budget	The % of the operational budget spent depends on the number of Registered Indigents at the time of reporting. The Indigent Register informs the total value that will be spent.	Indigent campaigns will be conducted in Q2 to Q4 to register debtors that are indigent.		618 772 341	113 390 756
KFA 37	HS2.21	Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	Annual Supplementary Valuation Roll	500	500	125	Valuation Roll	0	Valuation roll for the first quarter (July - Sep 2019)	Deviation is due to the invasion and vandalism of properties that were nearly complete at Fynboss and Ndanama projects	Fastrack evictions and rectification of vandalised properties by end Dec 2019		Linked to municipal running costs	Linked to municipal running costs
KFA 37	EE2.11	Free Basic Electricity provision levels as per percentage of total residential electricity provision (in terms of MWh)	Free Basic Electricity to Indigent households	12%	12%	12%	Electricity Statistics Report - BS512	13,06%	Electricity Statistics Report - BS512	Not Applicable	Not Applicable		64 841 593	299 021

BCMM INDICATORS







KFA 38	WGC 6	% of a municipality's capital budget spent on capital projects identified in the IDP		81%	100%	15%	Section 71 Report	7%	Section 71 Report	During the first quarter of the financial year, procurement processes were being finalised.	As a tool to monitor the performance of each bid committee, all committees are required to submit weekly reports to the City Manager. This assists in early identification of challenges that are experienced by each committee so that remedial actions can be implemented quicker. Reconfiguration of processes at the Supply Chain Management unit are also underway to improve all procurement related activities. Expenditure performance will improve in the second quarter of the financial year.		1 737 412 865	144 435 350
KFA 37	WGC 7	% revenue Collection Rate as measured in accordance with the MSA performance regulations	Implementation of Revenue Enhancement Strategy and Credit Control Policy	92.5%	92.5%	89%	Billing sub-system report / Spreadsheet Calculation in terms of MFMA Circular 71	81,54%	Billing sub-system report / Spreadsheet Calculation in terms of MFMA Circular 71	a) Meter Tampering is on the increase and has a negative impact on the collection rate. The Revenue Protection Unit is appointed to address the meter tampering on electricity meters, however where tamperers are removed, the customers and communities continue to tamper. b) "No-go" areas are on a sharp increase. In areas such as Breidbach, Sweetwaters, Ginsberg and Reeston (but not limited to) the BCMM staff are being chased out or threatened. This relates to meter readers and disconnections and reconnections. c) Industrial action taken by staff in the institution has affected the collection of debt, specifically targeting due date for payment, thereby preventing the public access to the cashiers. d) Increased unemployment rate / downturn in local economy e) The instability of the ICT Network especially in the Inland and Midland regions. f) Dishonoured debt settlement arrangements. g) Increase in rates and services tariffs, especially the increase in electricity tariff's (ESKOM) over the past five (5) years has negatively impacted customers' ability to pay their accounts.	a) Enforcement of Debt collection action as prescribed in the Credit Control Policy, at a regional level. b) Conversion of existing electricity meters to prepayment meters, including conversion of large power users to automated metering devices (Smart Metering), including water meters. c) Continued implementation of the on-line vending purchases and bill payments. d) Implementation of the SMS functionality to inform customers of their current and outstanding debt. e) Implementation of the strategies to ensure that revenue management services are not interrupted, specifically related to industrial action within the Municipality. f) Perform a water meter audit to address the non-reading of water meters g) Exploring the increase of the City's revenue base, to ease pressure on existing customers. h) Implementation of Indigent Registration campaigns. i) Work at curbing electricity and water non-technical losses to the acceptable norm, such as meter tampering, installing meters in flat-rated areas and improved meter reading. j) Continued installation of electricity smart meters during the financial year. k) Leadership intervention required to alleviate the community resistance to debt collection actions being implemented. l. Increase the action to deal with meter tampering.		Linked to property rates and service charges.	Linked to property rates and service charges.
KFA 39	WGC14	Credit Rating Maintained at A	Appointment of a Credit Rating Institution	A	A	A	Latest Credit rating report	A	Credit Rating Report	N/A	N/A		N/A	N/A
KFA 39	WGC 15	Current ratio (Municipality's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).	N/A	1.65:1	1.65:1	1.8:1	Section 71 Report	1,96:1	Section 71 Report	N/A	N/A		1,75:1	1,96:1
KFA 39	WGC 16	Debt to revenue percentage (the extent of Total Borrowings in relation to Total Operating Revenue).	N/A	<45%	<45%	<45%	Section 71 Report	6%	Section 71 Report	N/A	N/A		2,00%	6,00%
KFA 39	WGC 17	Cost coverage (ability to meet at least the municipality's monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month).	N/A	1 - 2x fixed operating expenditure	1-2x fixed operating expenditure	1 - 2x fixed operating expenditure	Section 71 Report	1,68 x fixed operating expenditure	Section 71 Report	N/A	N/A		2,5 x fixed operating expenditure	1,68 x fixed operating expenditure
KFA 38	WGC 18	Creditors payment period	N/A	30 days	30 days	30 days	Section 71 Report	18 days	Section 71 Report	N/A	N/A		Linked to Municipal Running and Capital Expenditure at year end.	18 days

KFA 37	WGC 9(a)	Number of Smart Meters installed - Business Debtors	Installation of Smart Meters - CAPEX	6200 Business	2 300	575	Report based on technical Installations and Meter Changes on Billing sub-System	253	Meter Register	Delays in delivery of meters	Ramping up of installers to 30		74 858 342	3 429 483
KFA 37	WGC 9(b)	Number of Smart Meters installed - Residential Debtors	Installation of Smart Meters - CAPEX	3000 Residential	19 000	4 750	Report based on technical Installations and Meter Changes on Billing sub-System	3 838	Meter Register	Delays in delivery of meters	Ramping up of installers to 30			
KFA 47	WGC 19	Audit Opinion	Audit	Qualified Audit Opinion (2017/18)	Unqualified Audit Opinion	-	-						N/A	N/A

**NATIONAL TREASURY CIRCULAR 88 KEY PERFORMANCE INDICATORS FOR REPORTING ONLY**

KFA 47	GG3.11	Number of repeat audit findings	Audit	Audit Report (2017/18)	Target not known in advance because of the nature of indicator, however, actual performance will be reported end of 2019/2020 financial year	Target not known in advance because of the nature of indicator, however, actual performance will be reported end of Quarter 1. THEREFORE N/A	N/A						N/A	N/A
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**ACHIEVEMENT LEVELS & LEGEND**

	Outstanding performance
	Performance significantly above expectations
	Fully effective performance
	Performance not fully satisfactory
	Unsatisfactory performance
	Not Applicable /On hold/Not reporting for this quarter
N/A	Not Applicable