









SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2015/16

CHIEF FINANCIAL OFFICER

Specific Objective	Strategies	Key Performance Indicator	Baseline 2014/15	2014/15 Target	Quarter 3 Target - Ending March 2016	Potfolio of Evidence	Quarter 3 Actual Performance	Rating Key	Reasons for deviation	Corrective Measures	Quarter 4 Target - ending June 2016	Potfolio of Evidence	Quarter 4 Actual Performance	Rating Key	Reasons for deviation	Corrective Measures
1.KPA:MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
Roll-out indigent scheme to all indigent household in BCM	Implement Indigent Policy	% of households earning less than R2460 per month with access to free basic services	31.3% (70 000)	34% (75 000)	33% (73750)	Formal report from the Financial System	79 728		N/A	N/A	34% (75 000)	Formal report from the Financial System	83 714		N/A	N/A
2.KPA:MUNICIPAL BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																
To ensure that BCMM is financially viable	Accelerate implementation of grant / capital projects	% of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	>80%	>90%	70% (4%)	Section 71 Report	69%		Furniture is purchased on stages as and when required.	Procurement process has already started for the purchase of office furniture for newly appointed staff.	90% (6%)	Section 71 Report	78%		A decision was taken by Top Management to do away with the Technical Assessment Team. These teams comprised of the user departments assisting the Bid Evaluation Committee (BEC) with evaluating of tenders and this resulted in creating a backlog in the BEC.	More than one BSC and BEC committees have been created to assist in expediting the tender processes within the committees. The additional committees will alleviate the challenges experienced in the committees and will result in the expenditure improving.
KPA 4. MUNICIPAL FINANCIAL VILABILITY AND MANAGEMENT																
To ensure that BCMM is financially viable	Maintenance of Credit rating at better than A	Credit rating maintained	> A	> A	A	Rating Report	A1/A		Target achieved but is based on an assessment performed in May 2014 on the 2013/14 financial statements	In process of concluding SLA, new rating to be performed	A	Rating Report	A1/A		Target achieved but is based on an assessment performed in May 2014 on the 2013/14 financial statements	Informal tender closed 8 July 2016. Tenders to be evaluated in order to appoint new service provider.
	Implement revenue enhancement strategies.	% revenue collection rate as measured in accordance with the MSA Performance Regulations.	93%	93%	92.50%	Monthly Section 71 Report to Council	91.72%		The Collection Rate has increased since the last quarter despite not meeting the target. Despite the fact that debt collection actions were implemented, the current economic climate has had a negative effect on debt collection. Many debtors who made arrangements for debt settlement have not honoured their arrangements and additional credit control actions had to be implemented. In addition to this due to the unforeseen stoppage of operations at the Munifin Centre during October and November 2015 also impacted the collection of revenue negatively.	<ul style="list-style-type: none"> The continued implementation of the Credit Control Policy; The implementation of the debt incentive scheme The review of the current debt book, specifically related to the protection of accounts due to various reasons; The expediting resolution of billing queries and the revenue departments move from centralised operations to decentralised operations; 	93.00%	Monthly Section 71 Report to Council		The Collection Rate has remained stable since the last quarter despite not meeting the target. Despite the fact that debt collection actions were implemented, the current economic climate has had a negative effect on debt collection. Many debtors who made arrangements for debt settlement have not honoured their arrangements and additional credit control actions had to be implemented. In addition to this due to the unforeseen industrial action by staff in April 2016 it also impacted the collection of revenue negatively. The impact of this is still being felt. It must be noted that during the 2015/2016 financial year BCMM had to implement a revised collection rate calculation, significantly changing ratio outcome as compared to previous ratio calculation of which the annual target was based.	<ul style="list-style-type: none"> The continued implementation of the Credit Control Policy; The implementation of the debt incentive scheme The review of the current debt book, specifically related to the protection of accounts due to various reasons; The expediting resolution of billing queries and the revenue departments move from centralised operations to decentralised operations; 	
	Maintain favourable cash management procedures	Cash is available for regular commitments. (Current ratio)	1.6:1	1.65:1	1.64:1	Per calculation	3.49:1		N/A	N/A	1.65:1	Per calculation	3.3 : 1		N/A	N/A

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To ensure that BCMM is financially viable	Maintain favourable cash management procedures	Debt coverage ratio	>20 times	>20 times	>20 times	Per calculation	45.87		N/A	N/A	>20 times	Per calculation	45.56		N/A	N/A
To ensure that BCMM is financially viable	Maintain long term borrowings below NT threshold	Debt to revenue ratio.	<35%	<35%	<35%	Per calculation	11.04%		N/A	N/A	<35%	Per calculation	10.84%		N/A	N/A
		Outstanding service debtors to revenue ratio	<32%	<32%	<32%	Per calculation	18.06%		N/A	N/A	<32%	Per calculation	18.86%		N/A	N/A
		Cost coverage	>3 x fixed operating expenditure	>3 x fixed operating expenditure	>3 x fixed operating expenditure	Per calculation	7.48		N/A	N/A	>3 x fixed operating expenditure	Per calculation	6.27		N/A	N/A