

2016/17 SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

DIRECTORATE: FINANCE

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Specific Objective	Strategies	Key Performance Indicator	Baseline 2015/16	2016/17 Target	Budget	Quarter 1 Target - Ending 30 September 2016	Portfolio Evidence	Quarter 1 Actual Performance	Rating Key	Reason for deviation	Corrective Measures Proposed	Quarter 2 Target Ending 31 December 2016	Portfolio Evidence	Quarter 2 Actual Performance	Rating Key	Reason for Deviation	Corrective Measure Proposed	
KPA 1: MUNICIPAL TRANSFORMATION ORGANISATIONAL DEVELOPMENT																		
Sustainable city to meet operating obligations.	Implement revenue enhancement strategies	Milestones achieved towards implementation of Smart Metering		0	Feasibility study completed	R 8,000,000	Tender Process (Advertise Specification)	Media Advert of the tender	Tender approved by Specification Committee and waiting for the tender to be advertised by SCM		N/A	N/A	Tender Process (Award of Contract)	Award letter/Appointment letter	Approved by BSC. Currently in the process to be advertised.		N/A	N/A
KPA 2: MUNICIPAL BASIC BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
To ensure all genuinely indigent households benefit from the indigent subsidy	Roll out indigent scheme to all indigent households in BCMM	Number of households earning less than R2820 per month with access to free basic services	73 750	78 750	R 83,714	1250 (75000)	Indigent Register	83,209		N/A	N/A	1250 (76250)	Indigent Register	Not Achieved (7354)		During the 2nd Quarter the Indigent Register was reviewed and those debtors that were found to be in the employ of the state, deceased debtors were removed from the Indigent Register. The deceased situation was not reported to BCMM and therefore BCMM had to consult Provincial Registers. That is the primary reason as to why the target was not met as the register reduced by 9669 debtors.	The corrective measures implemented resulted in the Indigent Register reflecting genuine Indigent debtors as those that did not qualify (due to false applications and Deceased) were removed from the Register. BCMM continues to encourage eligible debtors to make application for the Indigent Subsidy.	
KPA 3: LOCAL ECONOMIC DEVELOPMENT																		
Sustainable city to meet operating obligations.	Implement revenue enhancement strategies	Milestones achieved towards implementation of General Valuations 2017	GV Contract Awarded	Data Collection completed	R 14,000,000	Develop SLA	Signed SLA	SLA finalised awaiting signature of parties		N/A	N/A	Data Collection (Coastal region)	Property register (Coastal region)	Not Achieved		The Data Collectors were appointed during Quarter 2. The Data Collection has therefore commenced with effect from January 2017	As part of the Mid-year Adjustment Budget consideration will be given to revising the quarterly targets to reflect the service providers data collection methodology.	
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																		
Expenditure of all grant/ capital infrastructure for service delivery in the applicable financial year	Accelerate implementation of grant / capital projects	% of municipality's capital budget actually spent on capital projects identified in terms of the IDP	>90%	>90%	R 600,000	10%	Section 71 Report	13%		N/A	N/A	30%	Section 71 Report	38%		N/A	N/A	

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KPA 5: MUNICIPAL FINANCIAL VIABILITY																	
Sustainable city that meet its financial obligations.	Finance Bulk infrastructure investment plan.	% of capital budget allocated to bulk infrastructure	36%	36%	N/A	36%	Section 71 report	10%		The target set for the first quarter is incorrect and will be corrected during the mid year adjustment	Target to be corrected during the mid year adjustment	36%	Section 71 report	10%		Finance is reporting on the institutional performance and has no control on actual expenditure incurred. This is to be addressed in the mid-year performance assessment and changes will be accommodated in te mid-year adjustment budget.	Target to be corrected during the mid-year adjustment
Sustainable city that meet its financial obligations.	Finance Bulk infrastructure investment plan.	% of capital budget allocated to towards renewal of existing infrastructure	58%	58%	N/A	58%	Section 71 report	9%		The target set for the first quarter is incorrect and will be corrected during the mid year adjustment	Target to be corrected during the mid year adjustment	58%	Section 71 report	9%		Finance is reporting on the institutional performance and has no control on actual expenditure incurred. This is to be addressed in the mid-year performance assessment and changes will be accommodated in te mid-year adjustment budget.	Target to be corrected during the mid-year adjustment
To achieve MSCOA full compliance by 1 July 2017	Accelerate implementation of grant / capital projects	% compliance with NT MSCOA assessment report	50% mSCOA compliance	80% mSCOA compliance	R 9,299,700	55% mSCOA compliance	mSCOA progress report	Not Achieved		N/A	N/A	65% mSCOA compliance	mSCOA progress report	55% achieved		Business processes have not been fully documented throughout the municipality and there is no standardisation and approval of Standard Operating Procedures. Inadequate/slow IT Network and IT Hardware.	Weekly meetings of the task team and monthly reporting to the steering committee implemented. Progress against the project plan reviewed on a monthly basis
To obtain a clean audit report		Improvement of the AG Audit Opinion	Qualified Audit Report.	Unqualified report with no matters of emphasis	R 4,250,000	No reporting this quarter	N/A	No reporting this quarter		N/A	N/A	Unqualified report with no matters of emphasis	Audit Report	Qualified Audit		Factual disagreements between BCMM and AG	Currently interacting with National Treasury to obtain guidance.
Sustainable city to meet operating obligations.	Implement revenue enhancement strategies	% revenue Collection Rate as measured in accordance with the MSA performance regulations	92%	93%	To complete	92%	Mayoral Report (S71)	82%		During the first Quarter, annual charges are raised which inflates the billing. During the period thereafter, the debt is collected which results in the ratio increasing. As with previous trends, it is anticipated that the ratio will stabilise.	Debt collection action is implemented on a daily basis to ensure that debt is collected timeously. The collection action ranges from telephone reminders to disconnection and blocking of services, as well as legal action	92.2	Mayoral Report (S71)	84.76%		During the second quarter, annual charges raised inflates the billing and the collection actions are implemented. The current economic climate has a negative effect on the debt collection. Many debtors who made arrangements have not honoured their arrangements and additional credit control actions had to be implemented.	The continued implementation of the Credit Control Policy; the review of the current debt book, specifically related to the protection of accounts due to various reasons;• The expediting resolution of billing queries within Revenue Department and the appointment of the Project Manager in collecting the old debt.
		Milestones achieved towards implementation of General Valuations 2017	GV Contract Awarded	Data Collection completed	R 14,000,000	Develop SLA	Signed SLA	Develop SLA		N/A	N/A	Data Collection (Coastal region)	Property register (Coastal region)	The Data Collectors were appointed during Quarter 2. The Data Collection has therefore commenced with effect from January 2017		N/A	As part of the Mid-year Adjustment Budget consideration will be given to revising the quarterly targets to reflect the service providers data collection methodology.

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To ensure that BCMM is financially viable	Maintenance of credit rating at better than A	Credit rating maintained at better than A	>A	>A	200,000	>A	Credit rating report	A1/A		Target achieved but is based on an assessment performed in May 2014 on the 2013/14 financial statements	New rating in progress	>A	Credit rating report	A1 / A		N/A	N/A
	Maintain favourable cash management procedures	Cash is available for regular commitments (current ratio)	1.6:1	1.65:1	N/A	1.61:1	Per Calculation	2.99 : 1		N/A	N/A	1.62:1	Per Calculation	3.58 : 1		N/A	N/A
	Maintain favourable cash management procedures	Debt coverage ratio	>20 times	>20 times	N/A	>20 times	Per Calculation	45.75 times		N/A	N/A	>20 times	Per Calculation	45.73 times		N/A	N/A
To ensure that BCMM is financially viable	Maintain long term borrowings below NT threshold	Debt to revenue ratio	<35%	<35%	N/A	<35%	Per Calculation	10.82		N/A	N/A	<35%	Per Calculation	10.29%		N/A	N/A
	Maintain long term borrowings below NT threshold	outstanding service debtors to revenue ratio	<32%	<32%	N/A	<32%	Per Calculation	20.85%		N/A	N/A	<32%	Per Calculation	15.87%		N/A	N/A
	Maintain long term borrowings below NT threshold	Cost coverage	<3x fixed operating expenditure	<3x fixed operating expenditure	N/A	<3x fixed operating expenditure	Per Calculation	3.37		N/A	N/A	<3x fixed operating expenditure	Per Calculation	3.8 times		N/A	N/A