

2016/17 SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

DIRECTORATE: BUDGET TREASURY

Specific Objective	Strategies	Key Performance Indicator	Baseline 2015/16	2016/17 Target	Budget	Quarter 3 Target-Ending 31 March 2017	Portfolio Evidence	Quarter 3 Actual Performance	Rating Key	Reason for Deviation	Corrective Measure Proposed	Quarter 4 Target-Ending 31 June 2017	Portfolio Evidence	Quarter 4 Actual Performance	Rating Key	Reason for Deviation	Corrective Measure Proposed	Quarter 4 Target - Ending 30 June 2017
KPA 1: MUNICIPAL TRANSFORMATION ORGANISATIONAL DEVELOPMENT																		
Sustainable city to meet operating obligations.	Implement revenue enhancement strategies	Milestones achieved towards implementation of Smart Metering		0	R 8 000 000	TR 15 Transversal contract with National Treasury	Letter of Communication to National Treasury	The letter and the engagement with National Treasury has been done.	👍	N/A	N/A	200 households	Detailed Project Charter and Plan	Feasibility Study Completed	👍	Not Applicable - Target Achieved	Not Applicable - Target Achieved	
KPA 2: MUNICIPAL 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	75 500 (5000)	R 83 714	3500 (1000)	Indigent Register (Urban and Rural)	66025	👎	As indicated during the 2nd quarter the reviewing of the Indigent register was an ongoing process and were debtors was found to be employed by the State and deceased were removed from the Indigent register. As indicated in the 2nd quarter the deceased situation is an ongoing problem where it is not reported to BCMM and therefore BCMM had to consult the Provincial Registers to obtain the info on deceased Indigents. This is the primary reason as to why the target of 73540 set at the end of the 2nd quarter was not met and reduced by a further 7515 debtors.	The corrective measures that was implemented during the 2nd quarter was also used during the Third quarter and will be an ongoing process and this measures will result 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 will continue as before to encourage eligible debtors to make application for the Indigent Subsidy.	5000 (1500)	Indigent Register	75 678	👍	Not Applicable - Target Achieved	Not Applicable - Target Achieved	
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 8 700 000	All properties 77200	Property register for data collection	The GV contract was awarded and Data Collection has started, Data has been collected (Desktop) on 162,115 properties as at 31 March 2017.	👍	N/A	N/A	All properties 80 000	Property register	A total of 137, 623 properties have passed field verification stage and 106,720 are at Quality Assurance stage.	👍	N/A	N/A	
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 8 600 000	70%	Section 71 Report	6%	👎	The funds for Asset Management Intergrated System were recently made available in the mid year adjustment budget. Expression of interest has been received. The next stage of procurement process is underway.	1. Expression of interest was issued 2. A detailed tender specification will be prepared based on presentation to be made by those who submitted expression of interest. 3. Supply chain processes will be followed in order to procure an integrated asset management system.	>95%	Section 71 Report	91%	👍	The annual target of >90% has been achieved	N/A	N/A
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	33%	👎	Phase 2 Zwelitsha WWTW has been on litigation, and also on Reeston waste water treatment works there were SCM procurement processes challenges.	Litigation process has been finalised for the Zwelitsha waste water treatment works project, and the contract for the Reeston waste water treatment works has been awarded. Therefore these projects will be progressing going towards the last quarter of the financial year.	36%	Section 71 report	34%	👎	The projected funding to be sourced through a loan for East London Sewer Diversion: Central WWTW To Reeston WWTW: Phase 2: Tunnel and Civil Works will no longer be secured in 2016/17 financial year.	The East London Sewer Diversion: Central WWTW To Reeston WWTW: Phase 2: Tunnel and Civil Works loan funding will be sourced 2017/18 MTRF.	
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	51%	👎	Due to Eastern Beach Gravity Sewer Upgrade which is at litigation.	Budget for the Eastern Beach Gravity Sewer has been redirected to Bulk Water Provision during the mid-year, that is progressing in line with the allocated budget.	58%	Section 71 report	53%	👎	The budget for the Eastern Beach Sewer Programme was set aside but the tender got stuck in the litigation processes.	The budget for the Eastern Beach Sewer Programme was set aside but the tender got stuck in the litigation processes. The ligation will first need to be finalised before the programme can be implemented	

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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	75% mSCOA compliance	mSCOA progress report	82% mSCOA compliance		N/A	N/A	100%	mSCOA progress report	85%		The number of items which were supposed to be mSCOA compliance, will only be effected after the 1 July 2017 which will then be 100% compliant.	The remaining items for compliance will be completed by end of Quarter 2 in the 2017/18 Financial Year.	
To obtain a clean audit report		Improvement of the AG Audit Opinion	Qualified Audit Report.	Unqualified report with no matters of emphasis	R 2 900 000	Finalise audit improvement plan	N/A	AIP was submitted to Top Management on 10 April 2017		N/A	N/A	On going implementation of AIP	Copy of comments from HoDs	On going implementation of AIP		N/A	N/A	
Sustainable city to meet operating obligations.	Implement revenue enhancement strategies	% revenue Collection Rate as measured in accordance with the MSA performance regulations	92%	93%	N/A	93%	Provision on debt impairment (Report to Council)	87.40%		During the third 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 unstable network within the area of midland and inland. The interruptions of revenue offices during the month of March 2017.	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.	92%	Mayoral Report (S71)	89%		The collection rate increased to 89% from 87% in May 2017 although the overall target of 92% was not achieved. Despite Credit Control and Debt Collection Action was vigorously implemented, the desired response from customers in arrears was not achieved. The current economic climate has a negative effect on the debt collection. Many debtors who made arrangements have not honoured their arrangements.	The continued implementation of the Credit Control Policy, the review of the current debt book, especially related to the protection of accounts due to various reasons. The expediting and resolution of billing queries within Revenue Management and the appointment of the Project Manager in collecting old debt.	
To ensure that BCM 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 short-term		N/A	N/A	>A	Credit rating report	A1 short-term		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	1.64:1	Per calculation (Section 71 and calculations as per Circular 71)	3.29 : 1		N/A	N/A	1.65:1	Per Calculation	3.14 : 1		N/A	N/A	
	Maintain favourable cash management procedures	Debt coverage ratio	>20 times	>20 times	N/A	>20 times	Per calculation (Section 71 and calculations as per Circular 71)	45.73 times		N/A	N/A	>20 times	Per Calculation	45.73 times		N/A	N/A	
To ensure that BCM is financially viable	Maintain long term borrowings below NT threshold	Debt to revenue ratio	<35%	<35%	N/A	<35%	Per calculation (Section 71 and calculations as per Circular 71)	10.03%		N/A	N/A	<35%	Per Calculation	9.72%		N/A	N/A	
	Maintain long term borrowings below NT threshold	outstanding service debtors to revenue ratio	<32%	<32%	N/A	<32%	Per calculation (Section 71 and calculations as per Circular 71)	19.59%		N/A	N/A	<32%	Per Calculation	15.08%		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 (Section 71 and calculations as per Circular 71)	5.46 times		N/A	N/A	<3x fixed operating expenditure	Per Calculation	3.24 times		N/A	N/A	