
























| 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 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 Measures Proposed  | Quarter 3 Target- Ending 31 March 2017 | Portfolio Evidence                                | Quarter 3 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/Appointme nt letter | Approved by BSC. Currently in the process to be advertised. | 👍  | N/A   | N/A                                    | 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 |
| 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               | 75 500 (5000)             | 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   | 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. |     |
| 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                 | 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. | All properties 77200                   | Property register for data collection             | The GV contract was awarded and Data Collection has started. Data has been collected on 162,115 properties as at 31 March 2017. | 👍   | 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                 | 10%   | Section 71 Report                        | 13%   | 👍   | N/A  | N/A   | 30%                                      | Section 71 Report                  | 38%                              | 👍   | N/A  | N/A   | 70%                                    | Section 71 Report                                 | 6%  | 👎   | The funds for Asset Management Integrated 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<br>2. A detailed tender specification will be prepared based on presentation to be made by those who submitted expression of interest.<br>3. Supply chain processes will be followed in order to procure an integrated asset management system.  |     |
| 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   | 36%                                    | Section 71 report                                 | 33%   | 👎   | The projected funding to be sourced through a loan for <b>East London Sewer Diversion: Central WWTW To Reeston WWTW: Phase 2: Tunnel and Civil Works</b> will no longer be secured in 2016/17 financial year.  | The <b>East London Sewer Diversion: Central WWTW To Reeston WWTW: Phase 2: Tunnel and Civil Works</b> 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                        | 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                  | 51%                              | 👎   | 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   | 58%                                    | Section 71 report                                 | 51%   | 👎   | 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 loan funding will 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.   |     |
| 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                    |   |   | 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 againstthe project plan reviewed on a monthly basis            | 75% mSCOA compliance                   | mSCOA progress report                             | 82% mSCOA compliance  | 👍   | N/A  | N/A   |     |

| 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 Measures Proposed  | Quarter 3 Target- Ending 31 March 2017 | Portfolio Evidence   | Quarter 3 Actual Performance                         | Rating Key  | Reason for Deviation  | Corrective Measure Proposed   |
|---|--|--|---------------------------------|--|-------------|---|----------------------|------------------------------|---|--|---|--|----------------------|------------------------------|---|---|---|--|--|--|---|---|---|
| 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 | No reporting this quarter                   | N/A                  | No reporting this quarter    | N/A   | 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.  | Finalise audit improvement plan        | N/A  | AIP was submitted to Top Management on 10 April 2017 |    | 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         | 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) | 85%                          |    | 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. | 92%                                    | 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. |
| 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   | >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         | 1.61:1                                      | Per Calculation      | 2.99 : 1                     |    | N/A  | N/A   | 1.62:1   | Per Calculation      | 3.58 : 1                     |    | N/A   | N/A   | 1.64:1                                 | Per calculation (Section 71 and calculations as per Circular 71) | 3.29 : 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   | >20 times                              | Per calculation (Section 71 and calculations as per Circular 71) | 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      | 0.1029                       |   | N/A   | N/A   | <35%                                   | Per calculation (Section 71 and calculations as per Circular 71) | 10.03%   |   | 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      | 0.1587                       |  | N/A   | N/A   | <32%                                   | Per calculation (Section 71 and calculations as per Circular 71) | 19.59%   |  | 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   | <3x fixed operating expenditure        | Per calculation (Section 71 and calculations as per Circular 71) | 5.46 times   |  | N/A   | N/A   |