



**nelson mandela bay**  
M U N I C I P A L I T Y

**MID-TERM  
BUDGET & PERFORMANCE REPORT**

**2016/17**

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ANNEXURE "A" : Financial Performance of Nelson Mandela Bay Municipality

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## **1. STATEMENT BY CITY MANAGER**

This Mid-Term Budget and Performance Report for the 2016/17 financial year records the performance of the Nelson Mandela Bay Municipality for the period 1 July to 31 December 2016, as well as the remedial measures implemented by management to address deficiencies or areas of underperformance.

It should be noted that the six months' review period saw a new Democratic Alliance-led Coalition government take over the reins of the institution, following the national Local Government elections held in August 2016.

Key areas of focus of the new government over the past six months have been the elimination of corruption and waste in the institution; the expedition and improvement of service delivery; and the maximisation of municipal revenue, inter alia through the introduction of strict credit control measures, to generate more money to plough back into service delivery. This by necessity required considerable adjustment and sometimes extraordinary efforts from municipal staff, and I wish to express my appreciation to them for their cooperation and the way in which they rose to these new challenges and, above all, their unfailing commitment to the city and residents of Nelson Mandela Bay.

The annual submission of a Mid-term Budget and Performance Report to Council is a legislated responsibility of all South African municipalities. It is also a key report-back mechanism to ensure the accountability of Council towards the residents of Nelson Mandela Bay regarding the institution's performance during the first six months of each financial year, as well as the transparency of municipal governance in the city.

The five key performance areas that underpin this Report, are as follows:

- (a) Effective city governance
- (b) Integrated service delivery to a well-structured city
- (c) Inclusive economic development and job creation
- (d) Institutional and capacity development
- (e) Financial sustainability and viability

This 2016/17 Mid-Term Budget and Performance Report is based on the institution's 2016/17 Service Delivery and Budget Implementation Plan (SDBIP), as approved by the Executive Mayor.

Below is a synopsis of the institution's performance over the review period, as reflected in greater detail in this 2016/17 Mid-Term Performance Report:

<b>Total number of Key Performance Indicators</b>	=	<b>71</b>
KPIs over-achieved	=	28
KPIs achieved	=	11
KPIs partially achieved	=	7
KPIs not achieved	=	25
<b>% KPIs achieved</b>	=	<b>55%</b>

The above statistics are further detailed per Key Performance Area as below:

**KPA 1: Effective City Governance**

Total number of Key Performance Indicators	=	4
KPIs over-achieved	=	1
KPIs achieved	=	0
KPIs partially achieved	=	2
KPIs not achieved	=	1
<b>% KPIs achieved</b>	=	<b>25%</b>

**KPA 2: Integrated Service Delivery to a well-structured city**

Total number of Key Performance Indicators	=	52
KPIs over-achieved	=	22
KPIs achieved	=	11
KPIs partially achieved	=	2
KPIs not achieved	=	17
<b>% KPIs achieved</b>	<b>=</b>	<b>63%</b>

**KPA 3: Inclusive Economic Development and Job Creation**

Total number of Key Performance Indicators	=	5
KPIs over-achieved	=	2
KPIs achieved	=	0
KPIs partially achieved	=	0
KPIs not achieved	=	3
<b>% KPIs achieved</b>	<b>=</b>	<b>40%</b>

**KPA 4: Institutional and capacity development**

Total number of Key Performance Indicators	=	2
KPIs over-achieved	=	0
KPIs achieved	=	0
KPIs partially achieved	=	0
KPIs not achieved	=	2
<b>% KPIs achieved</b>	<b>=</b>	<b>0%</b>

**KPA 5: Financial sustainability and viability**

Total number of Key Performance Indicators	=	8
KPIs over-achieved	=	3
KPIs achieved	=	0
KPIs partially achieved	=	3
KPIs not achieved	=	2
<b>% KPIs achieved</b>	<b>=</b>	<b>38%</b>

The institution's performance has improved as compared to the previous review period: 55%, as against 52%. Although not a dramatic improvement, this does place the institution on a good footing to proceed full steam ahead so that by year end, targets will have been met and an overall improvement in service delivery to residents will have been achieved.

As stated, this Mid-Term Budget and Performance Report also includes areas of underperformance. The main factors to which underperformance is attributed are as follows:

- (a) Student/community protests
- (b) Unsuccessful implementation and monitoring of the Auditor-General's Action Plan
- (c) Non-performance by contractors
- (d) SMME protests
- (e) Electricity theft, tampering with meters and illegal connections
- (f) Stalling of housing delivery projects due to non-compliance with National Building Regulations
- (g) Insufficient funds
- (h) Labour unrest

The institution is fully committed and geared to improve its performance during the remainder of the financial year. In this regard, mitigatory measures/corrective action to ensure improved performance and to facilitate service delivery is being implemented.

Finally, I wish to express my sincere appreciation to all Councillors and municipal officials for their dedication and commitment to service delivery, to the residents of Nelson Mandela Bay, demonstrated over the review period. This Mid-term Budget and Performance Report will underpin Management's efforts towards expanded, accelerated and improved service delivery, thereby improving our residents' quality of life and transforming our city for the better.



**JOHANN METTLER**

**CITY MANAGER**