



MID-TERM BUDGET & PERFORMANCE REPORT

2015/16

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ANNEXURE “A” : Financial Performance of Nelson Mandela Bay Municipality

ANNEXURE “B” : Report on Entity: Mandela Bay Development Agency

1. STATEMENT BY ACTING CITY MANAGER

This Mid-Term Budget and Performance Report for the 2015/16 financial year records the performance of the Nelson Mandela Bay Municipality for the period 1 July to 31 December 2015, as well as the remedial action implemented by management. 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.

The five key performance areas in terms of which performance in Local Government is measured, which also underpin this Report, are as follows:

- (a) Basic service delivery and infrastructure development
- (b) Municipal transformation and organisational development
- (c) Local economic development
- (d) Financial sustainability and viability
- (e) Good governance and public participation

This 2015/16 Mid-Term Budget and Performance Report is based on the institution's 2015/16 Service Delivery and Budget Implementation Plan (SDBIP), as approved by the Executive Mayor.

In addition to the abovestated key performance areas, special initiatives, such as the Motherwell Urban Renewal Programme and projects undertaken by the Municipality's entity, the Mandela Bay Development Agency (MBDA), are also reflected in both the SDBIP and Mid-Term Budget and Performance Report.

Below is a synopsis of the institution's performance over the review period, as reflected in greater detail in this 2015/16 Mid-Term Performance Report:

Total number of Key Performance Indicators	=	79
KPIs achieved or exceeded	=	41
KPIs partially achieved	=	9
KPIs not achieved	=	29
% KPIs achieved	=	51,8%

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

KPA 1: Basic service delivery and infrastructure development

Total number of Key Performance Indicators	=	43
KPIs achieved or exceeded	=	26
KPIs partially achieved	=	5
KPIs not achieved	=	12
% KPIs achieved	=	60,5%

KPA 2: Municipal transformation and organisational development

Total number of Key Performance Indicators	=	6
KPIs achieved or exceeded	=	2
KPIs partially achieved	=	1
KPIs not achieved	=	3
% KPIs achieved	=	33,3%

KPA 3: Local economic development

Total number of Key Performance Indicators	=	11
KPIs achieved or exceeded	=	4
KPIs partially achieved	=	2
KPIs not achieved	=	5
% KPIs achieved	=	36,3%

KPA 4: Financial sustainability and viability

Total number of Key Performance Indicators	=	9
KPIs achieved or exceeded	=	6
KPIs partially achieved	=	1
KPIs not achieved	=	2
% KPIs achieved	=	66,7%

KPA 5: Good governance and public participation

Total number of Key Performance Indicators	=	2
KPIs achieved or exceeded	=	0
KPIs partially achieved	=	0
KPIs not achieved	=	2
% KPIs achieved	=	0%

KPA 6: Special projects (MURP and MBDA)

Total number of Key Performance Indicators	=	8
KPIs achieved or exceeded	=	3
KPIs partially achieved	=	0
KPIs not achieved	=	5
% KPIs achieved	=	37,5%

Factors leading to underperformance as recorded in this Mid-Term Performance Report *inter alia* include the following:

- (a) Sub-standard performance/services provided by contractors.
- (b) Labour disputes, e.g. within Public Health Directorate (weekly waste collection).
- (c) Challenges around budgeting and procurement processes.
- (d) Lack of funding.
- (e) Project delays due to protest action by SMMEs.
- (f) Human resource capacity challenges.
- (g) Poor planning by directorates.

The importance of improved performance is acknowledged and will be reinforced during the remainder of the financial year. Mitigatory measures/Corrective action to ensure improved performance and to facilitate service delivery will be introduced.

I would like to thank all Councillors and municipal officials for their service to the residents of Nelson Mandela Bay over the review period. It is important that this Mid-term Report is used by Management as a stepping stone towards expanded, accelerated and improved service delivery. We must stand together to create a performance driven institution.



JOHANN METTLER
ACTING CITY MANAGER