



**MID-TERM
BUDGET & PERFORMANCE
REPORT**

2014/15

TABLE OF CONTENTS

1.	FOREWORD BY EXECUTIVE MAYOR	1
2.	STATEMENT BY CITY MANAGER	3
3.	KPA ACHIEVEMENT REPORT	6
	• KPA 1: Basic service delivery and infrastructure development	6
	• KPA 2: Municipal transformation and organisational development	12
	• KPA 3: Local economic development	15
	• KPA 4: Financial sustainability and viability	20
	• KPA 5: Good governance and public participation	22
	SPECIAL CROSS-CUTTING ISSUES	24
	• Motherwell Urban Renewal Programme	24
	• Mandela Bay Development Agency (MBDA)	25

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

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

1. FOREWORD BY EXECUTIVE MAYOR

This Mid-Term Budget and Performance Report presents the Nelson Mandela Bay Municipality's service delivery achievements over the period 1 July to 31 December 2014, the final review period of 2014 in which South Africa celebrated 20 years of freedom and democracy. Furthermore, this Mid-term Budget and Performance Report constitute a critical milestone in the institution's achievement of its broad objective of improving the lives of the residents of the Metro. This Report was developed against the background of a drive by the Executive Leadership of this Council to make our administration work properly. Emphasis will continue to be placed on the performance on managers and all employees of the Municipality. While there has been a welcome improvement in a number of areas (particularly service delivery), I am concerned about refuse collection in most of our townships, which has not reflected the desired improvement, the ineffective implementation of the Auditor-General's Action Plan, and good governance in general. The administrative leadership still have the remaining six months of this financial year to address and correct these challenges. Against this background, it is gratifying to report that the review period saw a continuation of the expansion of service delivery to our residents, of whom large numbers now enjoy access to housing, electricity, water and sanitation.

Key service delivery highlights recorded during the review period include the following:

- (a) Provision of 746 state subsidised housing units (against a target of 335).
- (b) Provision of 1 509 erven with permanent water and sanitation services (against a target of 1 500).
- (c) Rectification of 1 238 state subsidised defective houses (against a target of 52).
- (d) Continued provision of a basic potable water supply to 100% of households within the urban edge (within a 200 m radius).
- (e) Continued provision of electricity to 100% of households on officially surveyed sites.

- (f) Provision of electricity to 1 189 new erven (low-cost housing), against a target of 1 100.
- (g) Provision of career development opportunities for 44 unemployed graduates.
- (h) Provision of support to Small, Medium and Micro Enterprises (SMMEs):
 - Start-up equipment to 14 SMMEs in various categories.
 - Support to 104 SMMEs in terms of the Information Communication and Technology (ICT) and Construction Incubation Programmes of the Municipality/Small Enterprise Development Agency (SEDA).
- (i) Retaining full Blue Flag status for two local beaches (Humewood Beach and King's Beach) and achieving pilot status for Hobie Beach.
- (j) Recording a billed revenue collection rate of 94,89% (before write-offs), against a target of 95%.
- (k) Creation of 755 full-time equivalent jobs and 4 522 work opportunities, in terms of the Expanded Public Works Programme.

In addition to the performance review sessions for Senior Managers, this Report provides the Municipality with a clear picture of where it is heading, with the areas of good governance and human resources being prioritised.

Our reflections on current and past performance in service delivery by this institution indicate that considerable progress has been achieved, but also that a number of challenges still remain in realising our mandate of ensuring a better quality of life for all residents of Nelson Mandela Bay.

I wish to express my gratitude to all key stakeholders working with the Municipality for their commitment and hard work over the review period in ensuring quality service delivery to the residents of Nelson Mandela Bay. A special word of appreciation must go to our Councillors and the officials of the Nelson Mandela Bay Municipality.



2015-01-09

COUNCILLOR N B FIHLA
EXECUTIVE MAYOR

2. STATEMENT BY CITY MANAGER

This Mid-Term Budget and Performance Report for the 2014/15 financial year records the performance of the Nelson Mandela Bay Municipality for the period 1 July to 31 December 2014, as well as the remedial action implemented. 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 the 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 2014/15 Mid-Term Budget and Performance Report is based on the institution's 2014/15 Service Delivery and Budget Implementation Plan (SDBIP), as approved by the Executive Mayor on 26 June 2014.

In addition to the above stated 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 the 2014/15 Mid-Term Performance Report:

Total number of Key Performance Indicator Targets	=	86
Targets met or exceeded	=	52
Targets partially achieved	=	14
Targets not met	=	20
% targets achieved	=	60,47%

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

KPA 1: Basic service delivery and infrastructure development

Total number of Key Performance Indicator Targets	=	25
Targets met or exceeded	=	17
Targets partially achieved	=	5
Targets not met	=	3
% targets achieved	=	68%

KPA 2: Municipal transformation and organisational development

Total number of Key Performance Indicator Targets	=	12
Targets met or exceeded	=	6
Targets partially achieved	=	2
Targets not met	=	4
% targets achieved	=	50%

KPA 3: Local economic development

Total number of Key Performance Indicator Targets	=	19
Targets met or exceeded	=	11
Targets partially achieved	=	4
Targets not met	=	4
% targets achieved	=	57,89%

KPA 4: Financial sustainability and viability

Total number of Key Performance Indicator Targets	=	9
Targets met or exceeded	=	5
Targets partially achieved	=	2
Targets not met	=	2
% targets achieved	=	55,56%

KPA 5: Good governance and public participation

Total number of Key Performance Indicator Targets	=	8
Targets met or exceeded	=	3
Targets partially achieved	=	0
Targets not met	=	5
% targets achieved	=	37,5%

KPA 6: Special projects (MURP and MBDA)

Total number of Key Performance Indicator Targets	=	13
Targets met or exceeded	=	10
Targets partially achieved	=	1
Targets not met	=	2
% targets achieved	=	76,92%

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

- (a) Project delays due to protest action by SMMEs.
- (b) Poor planning by directorates.
- (c) Delays due to prolonged Supply Chain Management processes.
- (d) Lack of funding.
- (e) Labour disputes.
- (f) High rate of vacancies and slow turnaround time for filling of vacancies.

It should be noted that some targets are dictated by the limited funding received such as Provincial Housing Subsidies. Areas of good performance can be attributed to close project monitoring and improved supervision. However, the institution is intent on further improving on such performance, in addition to its focus on addressing areas of less satisfactory performance.

In conclusion, I would like to thank all Councillors and municipal officials for serving the residents of Nelson Mandela Bay with great commitment and dedication, and a steadfast resolve to accelerate and expand service delivery.



MR M MBAMBISA
CITY MANAGER