

*Ugu District
Municipality*

Together Building A Better District

UGU DISTRICT MUNICIPALITY
PERFORMANCE MANAGEMENT REVIEW

2021/2022

PERFORMANCE ANALYSIS REPORT

Quarter 4 and Year End



*Ugu District
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PRESENTATION OVERVIEW

1. PURPOSE OF THE REPORT AND BACKGROUND
2. KEY PERFORMANCE AREAS
3. REPORTING METHODOLOGY
4. DEPARTMENTAL PERFORMANCE
5. OVERALL ORGANISATIONAL PERFORMANCE
6. CLOSURE



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1. PURPOSE AND BACKGROUND OF THE REPORT

Purpose

- To provide a performance analysis for the 4th Quarter and 2021/2022 financial year end.
- To identify early warning signs where targets are not going to be achieved and areas of delivery lagging behind
- To monitor and evaluate the quality of the actual results delivered by programmes in the attainment of strategic objectives
- To provoke recommendations and suggestions for service delivery improvement
- To ensure accountability between the administration; political component and the public
- Promotes a culture of performance
- Support municipal oversight and consequence management
- Promote Developmental Local Government
- Facilitates decision making to allow for efficient and effective allocation of resources



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Background

- SDBIP serves as a contract between administration, Council and community set by Council as quantifiable outcomes to be implemented over 12 months.
- It provides vital link between the Mayor, Exco and administration and facilitates the process for holding management accountable for its performance
- It is the management implementation and monitoring tool which sets in-year, quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality. The SDBIP is politically driven and managed by Exco

Milestones achieved to date

- 21.22 Signing of Performance agreements for S54 and 56 compliant.
- 21.22 S56 Performance assessments/reviews compliant.
- 2020 2021 Annual Performance Report compliance submission to AG
- All PMS Reviews conducted for 21.22 financial year.
- Legislative compliance with adoption of 2020.2021 Annual and Oversight Report
- 2022/2023 SDBIP development and approval.



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2. KEY PERFORMANCE AREAS

1. Municipal Transformation and Institutional Development

- Performance Management System
- Human Resources Development And Management
- Legal Services
- Secretariat and Auxiliary services
- Information Communication Technology (ITC)
- Fleet Management
- Occupational Health And Safety

2. Local Economic Development

- Local Economic Development
- Job Creation facilitation
- Poverty Alleviation facilitation
- Economic sector development
- Improvement of community socio-economic conditions
- Creation of an enabling environment for business investment and thriving
- Economic Research and Development



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2. KEY PERFORMANCE AREAS

3. Basic Service Delivery

- Provision and management of Water And Sanitation
- Water And Sanitation Infrastructure development and Maintenance
- Provision of Free Basic Services

4. Good Governance and Community Participation

- Internal Audit And Risk Management
- Community Participation
- Mayoralty And Communication
- Intergovernmental Relations
- Special Programmes
- Youth Development
- HIV And AIDS



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2. KEY PERFORMANCE AREAS

5. Municipal Financial Viability and Management

- Municipal budget management
- Municipal Revenue Collection and Expenditure Management
- Municipal Assets Management
- Municipal Supply Chain management

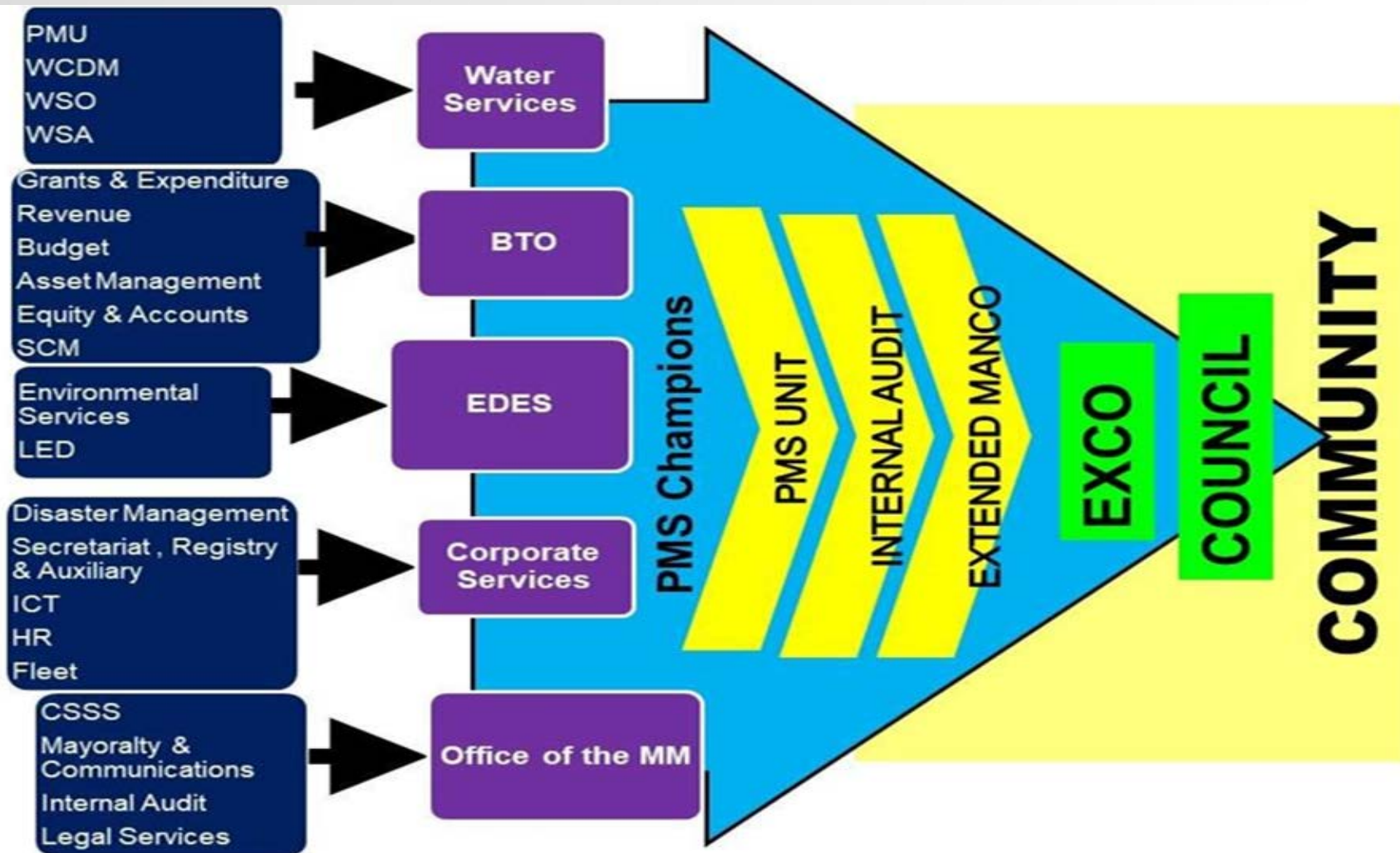
6. Cross-cutting Intervention

- Development, Statutory and Strategic Planning
- Environmental Services
- Disaster Management and services



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3. REPORTING METHODOLOGY

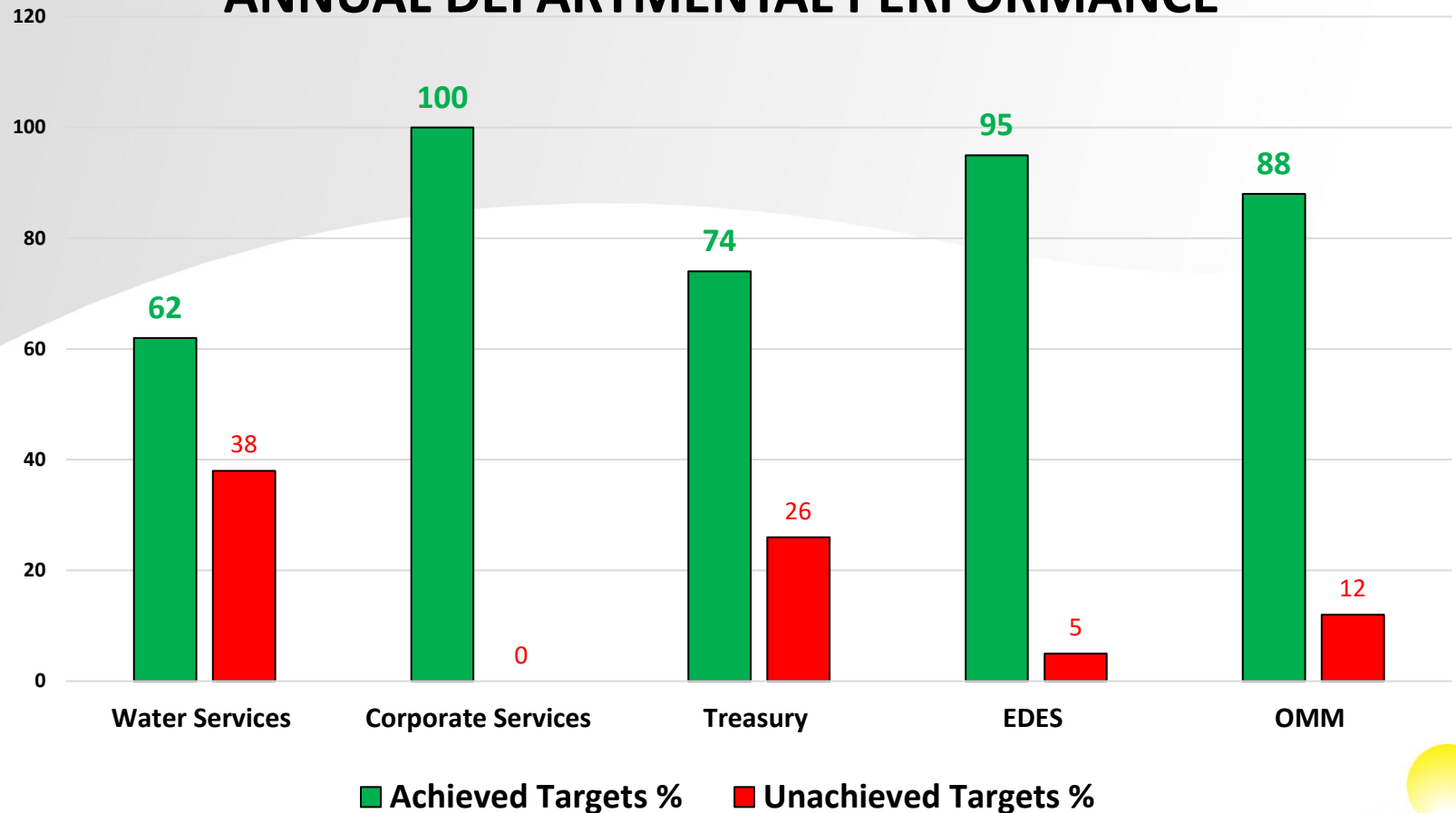


AUDITED DEPARTMENTAL PERFORMANCE: ANNUAL 2021/2022

Department	Total Targets reported		Achieved Targets		Unachieved Targets	
	No	%	No	%	No	%
Water Services	42	100	26	62	16	38
Corporate Services	57	100	57	100	0	0
BTO	47	100	35	74	12	26
EDES	55	100	52	95	03	05
OMM	75	100	66	88	09	12
Total	276	100	236	86%	40	14%

2021 2022

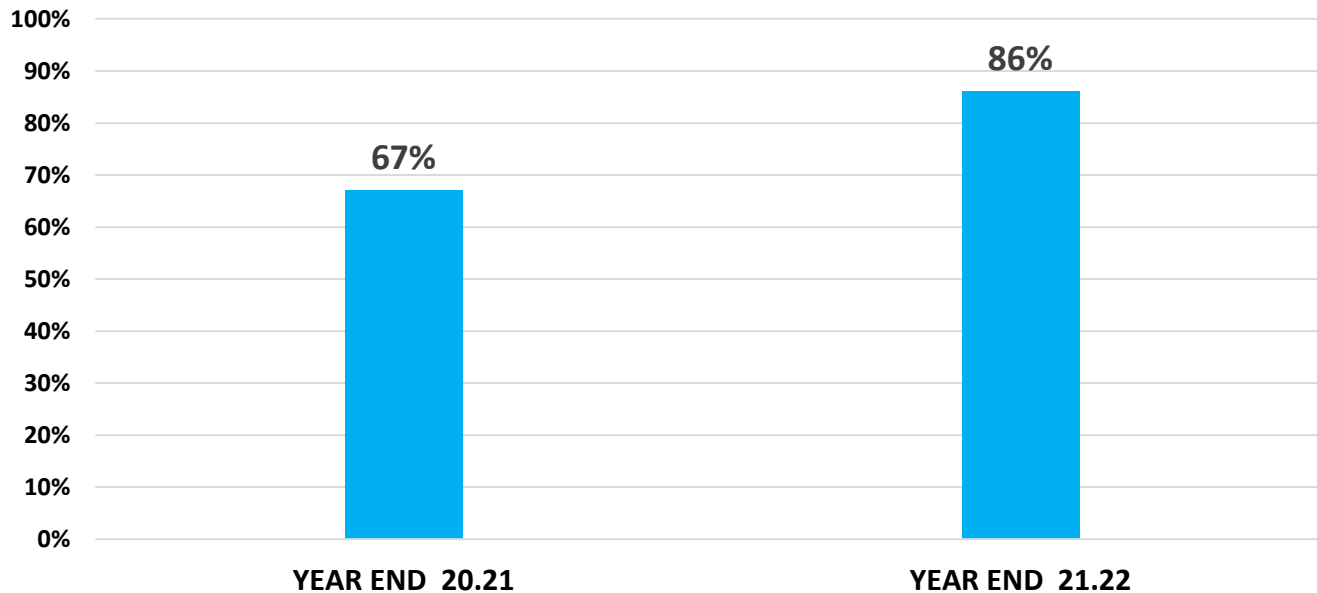
ANNUAL DEPARTMENTAL PERFORMANCE



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2020 2021/2021 2022

UGU ANNUAL PERFORMANCE - COMPARATIVE ANALYSIS



The comparative analysis shows an improvement of 19 % in the overall performance of the UGU DM Municipality for the 2022 financial year.

2021 2022 QUARTERLY PERFORMANCE

- The quarterly performance of each department measured as a % for the 2021 2022 financial year is shown below and depicted in the graph.

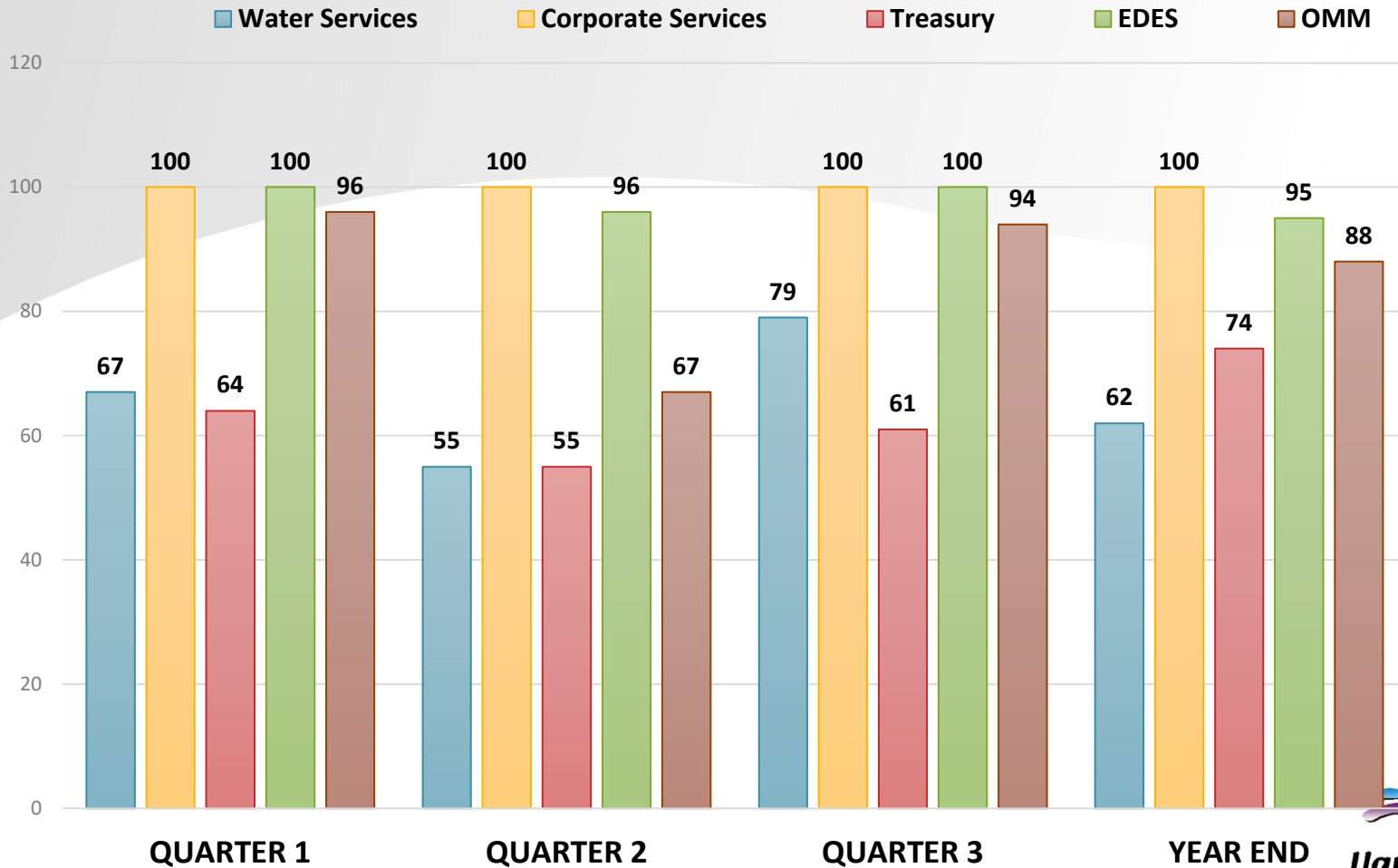
DEPARTMENT	Q1	Q2	Q3	Year End
Water services	67%	55%	79%	62%
Econ Dev and Environ	100%	96%	100%	95%
Budget and Treasury	64%	55%	61%	74%
Corporate Services	100%	100%	100%	100%
Office of the MM	96%	67%	94%	88%



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2021 2022

QUARTERLY DEPARTMENTAL PERFORMANCE



WATER SERVICES PERFORMANCE AT Q4 - 2022

➤ The performance within the WS department was as follows...

➤ **25 ACHIEVED TARGETS**

➤ **16 UNACHIEVED TARGETS**

ANNUAL PERFORMANCE = 61%

- There were 3 unachieved cross cutting targets applicable to the whole WS department.
- There were 6 unachieved targets in the PMU and 7 unachieved in the Water Services Operations section.



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WATER SERVICES SECTIONAL PERFORMANCE

SECTIONS	TOTAL KPIS	ACHIEVED	UNACHIEVED
Cross cutting KPIs	10	7	3
Water services Operations	24	17	7
Project Management Unit	7	1	6
Water Services Authority	0	0	0
TOTAL	41	25 (61%)	16 (39%)

BUDGET AND TREASURY PERFORMANCE AT Q4 - 2022

- The performance within the BTO department was as follows...
- 28 ACHIEVED TARGETS
- 11 UNACHIEVED TARGETS

ANNUAL PERFORMANCE = 72%

There were 3 unachieved cross cutting targets applicable to the whole BTO department.

- The remaining unachieved targets were 2 in Expenditure management, 3 in Cash management and 3 in Revenue management.



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BUDGET AND TREASURY SECTIONAL PERFORMANCE

SECTIONS	TOTAL KPIS	ACHIEVED	UNACHIEVED
Cross cutting KPIs	10	7	3
SCM	4	4	0
Expenditure Management	4	2	2
Revenue Management	4	1	3
Cash Management	3	0	3
Budget	5	8	2
FMSS	2	2	0
Assets Management	7	7	0
TOTAL	39	28 (72%)	11 (28%)



EDES PERFORMANCE AT Q4 - 2022

- The performance within the EDES department were as follows...
- 49 ACHIEVED TARGETS
- 1 UNACHIEVED TARGET

ANNUAL PERFORMANCE = 98%

There was 1 unachieved cross cutting targets applicable to the whole EDES department.

EDES SECTIONAL PERFORMANCE

SECTIONS	TOTAL KPIS	ACHIEVED	UNACHIEVED
Cross cutting KPIs	10	9	1
Environmental Health	19	19	0
LED	13	13	0
Environmental Management	8	8	0
TOTAL	50	49 (98%)	1 (02%)



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CORPORATE SERVICES PERFORMANCE AT Q4 - 2022

- The performance within the CS department were as follows...
- **48 ACHIEVED TARGETS**

ANNUAL PERFORMANCE = 100%



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CORPORATE SERVICES SECTIONAL PERFORMANCE

SECTIONS	TOTAL KPIS	ACHIEVED	UNACHIEVED
Cross cutting KPIs	4	4	0
ICT	5	5	0
Human Resources	10	10	0
Aux Services & Registry	7	7	0
Disaster Management	17	17	0
Fleet	5	5	0
TOTAL	48	48 (100%)	0 (0%)



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OMM PERFORMANCE AT Q4 - 2022

- The performance within the OMM department were as follows...
- 49 ACHIEVED TARGETS
- 04 UNACHIEVED TARGETS

ANNUAL PERFORMANCE = 92%

The were 2 unachieved targets in cross cutting, 1 in public participation and 1 in the development planning section.



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OMM SECTIONAL PERFORMANCE

SECTIONS	TOTAL KPIS	ACHIEVED	UNACHIEVED
Cross cutting KPIs	12	10	2
Mayoralty & Comm	7	7	0
Policy & Research	4	4	0
Special Programmes	5	5	0
Youth Development	8	8	0
Development Planning	5	4	1
Public Participation	3	2	1
Internal Audit & Risk	6	6	0
Legal services	3	3	0
TOTAL	53	49 (92%)	4 (08%)



CHALLENGES

1. Customers did not apply for indigent renewals at the expiry of their benefit. the roadshows were conducted in different areas but the attendance was very poor.
2. Work stoppages by local business forum and MKMVA.
3. Mechanical Failures, Staff Shortage, Power Outages, Vandalism ,COVID-19 impacts, Ageing infrastructure
4. Borehole results were not suitable for consumption.
5. Some managers do not conduct the assessments with staff.
6. The Ugu Investment register target was not achieved as the district was awaiting the land audit for Ray Inkonyeni which was not conducted.
7. The compliance to leave procedures target was not met due to the staff using 1 form to complete leave taken between 2 different months which is against the leave policy.
8. Fragile Infrastructure which results in multiple bursts and a shortage of vehicles to complete tasks on time within the water services department



9. The target for the reduction in fuel consumption is unrealistic, due to the fuel consumption being from Revenue section where meter readers are executing their job in trying to maximise collections and improve credibility of bills instead of meters billed using estimates

10. The municipality is experiencing cashflow challenges, Payments to service providers are not done as per regulated time frames.

11. The municipality is experiencing cashflow challenges, and delays payment to service providers hence interest and penalties for late payment are charged/incurred.

12. On the 16th February 2022, the Constitutional Court issued a judgement against the PPPFA 2017 regulations. Subsequently to that the publication of public tenders was suspended until the municipality acquired the approval of exemption from National Treasury in May.

13. Although there has been a slight improvement from the previous quarter. The Municipality need to improve till it gets to the required norm. The Municipality's working capital is over committed, resulting in an inability of the Municipality in meeting or paying off its current or short-term obligations.

Various strategies are in progress, working towards improving Municipal collection and building reserves.



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14. Currently the Municipality's Debt to Operating revenue ratio is above the required norm of 45%, which indicates the Municipality does not have a capacity to increase funding from borrowings, as it has not generated sufficient revenue to provide assurance to repay its liabilities.

15. On average 15% of the meters could not be accessed when the meter readings took place this was due to various reasons namely but not limited to:- meter damaged, meter underground, faulty meters. There are challenges that we are still trying to resolve i.e., shortage of vehicles as we currently only have 3 vehicles.

16. The collections have been negatively affected by the current pandemic as most business and private individuals' income have been impacted. In addition, we still have system related issues where we cannot correct customer accounts that are under dispute, technical issues where meters need to be replaced in order to ensure accuracy of customer bills, unplanned water outages which has led to most customer installing storage facilities in their properties which minimize the optimal impact of disconnections and restrictions as customers will still have water supply. which then . We do have a dedicated team of 2 personnel that is attending to disconnections and restrictions which is still inadequate.



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THANK
YOU!!



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