



**2019/2020**

**THIRD QUARTER PERFORMANCE REPORT**  
**MAY 2020**

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## ACRONYMS

1. AFS	-	Annual Financial Statements
2. AG	-	Auditor-General
3. BAC	-	Bid Adjudication Committee
4. BEC	-	Bid Evaluation Committee
5. BSC	-	Bid Specification Committee
6. BOQ	-	Bill Of Quantities
7. CLO	-	Community Liason Officer
8. DOL	-	Department of Labour
9. COGTA	-	Cooperative Governance and Traditional Affairs
10. DIF	-	District Intergovernmental Forum
11. DWS	-	Department of Water and Sanitation
12. EI	-	Enterprise iLembe (The Entity)
13. EIA	-	Environmental Impact Assessment
14. EXCO	-	Executive Committee
15. ICT	-	Information and Communication Technology
16. IDM	-	iLembe District Municipality
17. IDP	-	Intergrated Development Plan
18. KPA	-	Key Perfromance Area
19. KPI	-	Key Performance Indicactor
20. LED	-	Local Economic Development
21. LPA	-	Local Public Administration
22. LR	-	Labour Relations
23. MANCO	-	Management Committee
24. MFMA	-	Municipal Finance Management Act
25. MIG	-	Municipal Infrastructure Grant
26. MSA	-	Municipal Systems Act
27. mSCOA	-	Municipal Standard Chart of Accounts

28. NSNP	-	National School Nutrition Programme
29. ORG	-	Organisational
30. OSS	-	Operation Sukuma Sakhe
31. OT	-	Off Takes
32. PMS	-	Performance Management System
33. POE	-	Portfolio of evidence
34. PTO	-	Permission To Occupy
35. Q1	-	Quarter 1( 1 July -30 September )
36. Q2	-	Quarter 2 ( 1 October -31 December )
37. Q3	-	Quarter 3 ( 1 January -31 March )
38. RASET	-	Radical Agrarian Social Economic Transformation
39. RMC	-	Risk Management Committee
40. SCM	-	Supply Chain Management
41. SDBIP	-	Service Delivery and Budget Implementation Plan
42. SETA	-	Sector Education and Training Authority
43. SMME's	-	Small Medium Micro Enterprises
44. VIP	-	Ventilated Improved Pits
45. WSP	-	Workplace Skills Plan
46. WULA	-	Water Use License Application
47. WTW	-	Water Treatments Works
48. WWTW	-	Waste Water Treatments Works

## 1. INTRODUCTION

The Municipal Systems Act (MSA) of 2000 mandates municipalities to establish performance management systems, and the Planning and Performance Management Regulations of 2001 describes the municipality's performance management system as consisting of a framework that articulates and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed and to determine the roles of different stakeholders.

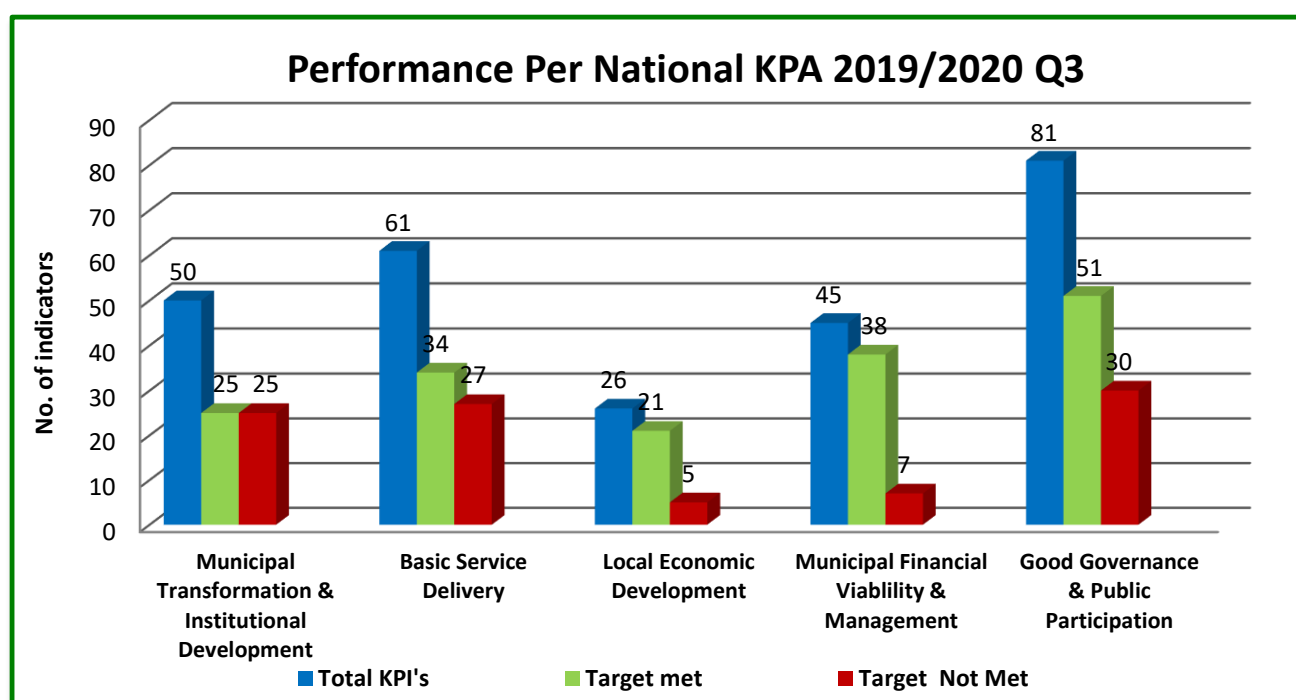
The third quarter covers the period 1<sup>st</sup> January to 31<sup>st</sup> March 2020 and the purpose of this report is to outline the progress/performance for this period as per the approved Service Delivery and Budget Implementation Plan (SDBIP) for the 2019/2020 financial year.

The Municipal Manager appreciates the effort and enthusiasm shown and hopes it continues to meet the municipality's commitment to provide high quality reports.

Ilembe's Organisational Scorecard continues to be structured according to the five prescribed national Key Performance Areas (KPA's). These are:

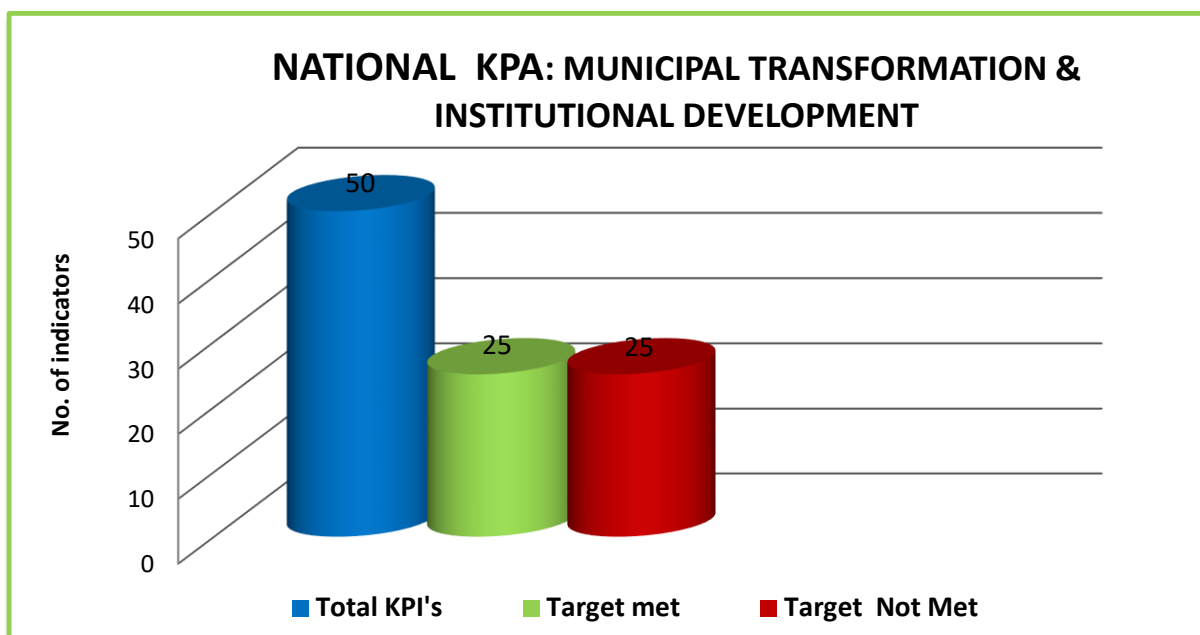
- ❖ Basic Service Delivery
- ❖ Local Economic Development
- ❖ Municipal Transformation & Institutional Development
- ❖ Municipal Financial Viability & Management
- ❖ Good Governance & Public Participation

## 2. PERFORMANCE PER NATIONAL KPA



NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A FOR Q3	TARGET MET	TOTAL TARGET MET % EXCLUDING N/A FOR Q3
Municipal Institutional Development & Transformation	50	25	50%
Basic Service Delivery	61	34	56%
Local Economic Development	26	21	81%
Municipal Financial Viability & Management	45	38	82%
Good Governance & Public Participation	81	51	63%

## 2.1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT



Total Targeted KPI's for Q3 excluding N/A	Target Met	Target not met
57 – 7(N/A) = 50	25	25

### 2.1.1 PERFORMANCE HIGHLIGHTS AS PER TOP LAYER SDBIP AND NATIONAL KPA

Draft Report on Institutional Readiness Plan has been prepared for Document Management System. A total of eighteen (18) EXCO meetings and nine (9) Council meetings had been conducted at the end quarter 3. Monthly progress reports were prepared on the Energy efficiency technologies.

#### HUMAN RESOURCES UNIT

In terms of Human Resources Management, three induction workshops were successfully held, a report on the Employment Equity plan was submitted to Department of Labour on 14 January 2020 and a quarterly report had been prepared and included in the HRD-Committee agenda for the meeting of the 11 March 2020. Three quarterly reports were prepared on the implementation of District Human Resource Development Strategy/Plan.

In terms of the Workplace Skills Plan, the filling of the skills questionnaire form was endorsed by the Local Public Administration on 18 February 2020 and Local Labour Forum on 25 February 2020. Three quarterly reports were prepared to date on the Municipal Assisted study scheme for employee's policy.

A total of six Occupational Health & Safety workshops were held in each local municipality and quarterly reports on Implementation of Occupational Health & Safety Plan was prepared.

### SUPPORT SERVICES UNIT

The Support Services Unit is on track and a head of targets in terms of coordinating portfolio committees, MPAC and Audit Committee meetings. A total 31 portfolio committee meetings, 3 MPAC meetings and 3 Audit Committee meetings were held and minutes were prepared as per meetings held. In terms of fleet maintenance, a draft comprehensive assessment is in place.

### ICT UNIT

Monthly reports were prepared on the monitoring on ICT Service Level agreements.

### ENTERPRISE ILEMBE

As at 31 March 2020, the entity reported 97% of the training budget spent.

## 2.1.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

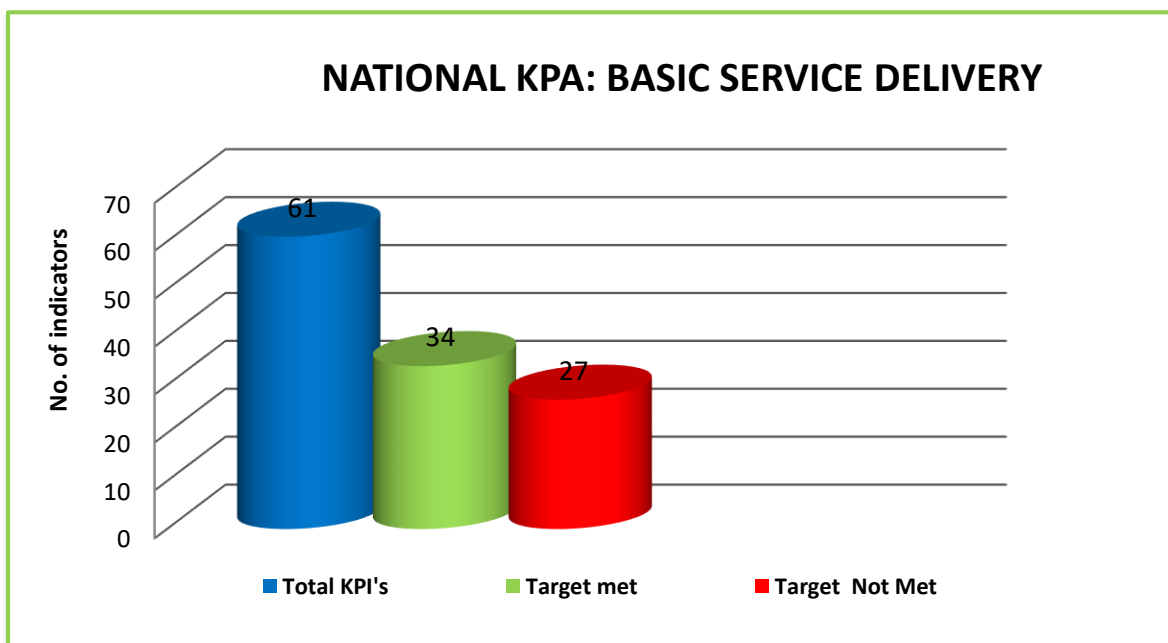
CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
TL Ref 22 - Vacancy rate is at 13, 68% against a target of 12%. Two appointments were made during the period of January – March 2020. The effect of the 2 appointments in the vacancy rate was cancelled by 2 resignations and 1 death within the same period	1. Prioritised posts were advertised in February, and the recruitment process has been affected by the COVID - 19 lockdown. 2. Additional outstanding appointments will be effected in April and May.
TL Ref 24 - Municipality's budget actually spent on implementing the approved WSP is at 0.16% against target of 0, 75%.	Not reported.
TL Ref 28 - Turnaround time for legal matters was not reported in Q3.	Not reported.



TL Ref 29 – Only 8 monthly reports on Implementation of ICT disaster Recovery plan was done against a target of 9.	Not reported and no evidence submitted for end March 2020.
CS Ref 01 – Workshop not conducted on draft reviewed/new policies. The 25th of February 2020 Local Labour Forum deferred the consideration of the 5 draft policies pending confirmation of date of an Extended Local Labour Forum workshop inclusive of all Shop Stewards. Date unconfirmed due to competing urgent priority institutional governance engagements of targeted stakeholders.	All draft policies circulated to stakeholders for prior familiarisation therewith prior to the Extended Local Labour Forum Policies workshop at earliest instance after the Lockdown.
CS Ref 07 – Quarter actuals have not been reported.	Not reported for Q3.
CS Ref 12 - Draft IPMS Policy is pending adoption subsequent to envisaged Extended Local Labour Forum Policy workshop.	All draft policies circulated to stakeholders for prior familiarisation therewith prior to the Extended Local Labour Forum Policies workshop at earliest instance after the Lockdown.
CS Ref 13 - Monthly Reports on Implementation of Occupational Health & Safety Plan and Policy.	Insufficient evidence had been received.
CS Ref 14 – In terms of occupational Health & Safety, 90 staff members were trained on site against a target of 100. 87 sites were inspected in terms of unsafe working conditions against a target of 90.	Not reported for Q3
CS Ref 15 – Only 2 employee wellness programmes held against a target of 3. The 3rd event was due to take place at the end of March and has been affected by the lockdown	Not reported for Q3.
CS Ref 16 – Draft comprehensive assessment based on health and safety was not reported in Q3.	Not reported for Q3.

CS Ref 24 - Percentage of legal cases resolved is Indeterminate given that the CFO has undertaken responsibility for litigations related expenditure without involvement of Senior Manager: Corporate Services.	Communications to CFO to address matters in respect of litigations in AG report and request information for the 2019/20 audit.
CS Ref 25 to 27 – drawing up and vetting legal documents, legal matters and service level agreements actuals were not reported.	Not reported for Q3.
CS Ref 28 (a) - Panel of ICT service providers is due for renewal. Terms of reference for the panel of ICT service providers is awaiting approval from Senior Manager: Corporate Services	Comments for revised terms of reference were submitted to Senior Manager: Corporate Services for consideration.
CS Ref 29 – Reviewed draft ICT policies and plans based on AG recommendations have not been done, as process delayed by National Lockdown	Policy to be submitted in 4th quarter for review
CS Ref 30 (b) – Number functional ICT Strategy project plans were done. Bid specification submitted to SCM for advertising but process delayed by national lockdown	Awaiting the upliftment of national lockdown restrictions.
CS Ref 31 – a) March reports on the Implementation of ICT risk management and disaster Recovery plan were not provided.  d) Only 2 quarterly reports on ICT Governance Framework were prepared against a target of 3. Process delayed by National Lockdown	Not reported for Q3.
CS Ref 32 – Only 2 quarterly reports on the Assessment and maintenance of ICT infrastructure were prepared against a target of 3, due to National Lockdown	Not reported for Q3.

## 2.2 BASIC SERVICE DELIVERY



Total Targeted KPI's for Q3	Target Met	Target not met
102 – 41(N/A) = 61	34	27

### 2.2.1 EXPENDITURE

The overall expenditure on capital projects are as follows:

PROJECTS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE TO DATE	% SPENT TO DATE AGAINST ADJUSTMENT BUDGET
<b>WATER</b>				
Southern Regional Bulk water scheme	R 2 268 430	R 8 402 682	R 2 086 457	
Ngcebo /KwaDukuza Water Supply	R 8 385 401	R 8 685 623	R 6 660 015	
Lower Tugela Bulk Water Supply	R 30 434 783	R 50 097 916	R 22 261 483	
Ozwothini/Phambela Water Supply (Maphumulo )	R 608 696	R 869 226	R 869 226	
Macambini Water Supply Phase 2	R 33 913 044	R 28 301 103	R 6 410 026	
Ntunjambili water supply scheme	R 2 268 430	R -	R -	
Ndulinde Water Supply Scheme (Mandeni Ward 6 and 11)	R 7 130 435	R 4 154 810	R 422 213	
Inyoni Water Supply	R -	R 2 641 905	R -	
Ngcebo-Maqumbi Regional Water Supply Sheme - Zone A	R -	R 2 678 445	R -	
<b>Total</b>	<b>R 86 219 049</b>	<b>R 105 831 710</b>	<b>R 38 709 420</b>	<b>37%</b>

As illustrated above, when comparing the actual expenditure against the total adjusted budget allocation, **37%** has been spent to date on water projects.

PROJECTS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE TO DATE	% SPENT TO DATE AGAINST ADJUSTMENT BUDGET
<b>SANITATION</b>				
Ndwedwe TS/158/2015	R 6 086 957	R 8 243 955	R -	
Mandeni TS/156/2015	R 6 086 957	R 9 322 700	R 1 722 215	
Maphumulo TS/157/2015	R 6 086 957	R 6 521 739	R 2 800 961	
Groutville Waterborne Sanitation	R 44 347 826	R 43 363 759	R 20 432 618	
Mandafarm Waterborne Sewer - at Mandeni	R 1 739 130	R -	R -	
Driefontein Water Borne Sewer	R 3 478 261	R -	R -	
Maphumulo Town Waterborne Sewer	R 3 478 261	R -	R -	
Sundumbili WWTW Upgrade	R 6 086 957	R 1 099 204	R 1 099 204	
KwaDukuza Regional WWW	R 6 086 957	R 1 577 511	R 1 238 380	
Southern Regional Bulk sanitation scheme	R 16 521 739	R 8 402 682	R 3 583 222	
Inyoni Sewer	R -	R 1 560 895	R -	
<b>Total</b>	<b>R 100 000 002</b>	<b>R 80 092 445</b>	<b>R 30 876 600</b>	<b>39%</b>

As illustrated above, when comparing the actual expenditure against the total adjusted budget allocation, a total of **39%** has been spent to date on sanitation projects.

#### 2.2.1 PERFORMANCE HIGHLIGHTS AS PER TOP LAYER SDBIP AND NATIONAL KPA

As at end March 2020, quarterly infrastructure forum meetings are held successfully.

Ref TS: 09 - Repairs and Maintenance expenditure is at 65%, when compared to target of 60% as end March 2020.

Ref TS 03 & 04 – Turnaround time for reinstating water services within 48 hours and for sanitation services within 24 hours is at 100%.

## WATER PROJECTS

As per the adjusted Service Delivery and Budget Implementation Plan, there are no households targeted for water connection in the third quarter of 2019/2020 financial year, as water projects are currently at construction stage.

Ref TS 17 - Southern Regional Bulk water scheme TS/181/2017– Construction progress is at 30%, when compared to target of 15%

Ref TS 19 - Ngcebo/KwaDukuza- Zone F L & M & AO TS/160/2016 – Practical completion certificate submitted.

Ref TS 21 - Ngcebo /KwaDukuza Water Supply - KwaDukuza Zone G - Technical Reports were submitted to Bid Evaluation and Adjudication Committees.

Lower Thukela Bulk Water Supply - the below projects are at construction stage and they are on track;

- Ref TS 23 - OT 4 – 5Ml new Zinkwazi Reservoir - TS/188/2017, progress is 89%.
- Ref TS 25 - OT 1 – Construction of 3ML Reinforced Concrete Ikamu Reservoir and 1 pump station at San Christopher - TS/189/2017, progress to date is 95%,
- Ref TS 27 – OT 7 - Blythedale 400mm dia pipeline & 5ML Reservoir - TS/187/2017, progress to date is 95%.
- Ref TS 29 - OT 8E - TS/185/2017 Umvoti Pump Station, construction is 100% complete.
- Ref TS 31 – OT 8F - Shakaville & Stanger - 200mm dia pipeline - TS/186/2017, practical completion certificate was submitted
- Ref TS 44, 46 & 48 - Macambini Water Supply – Phase 4A, 4B & 4C – Technical Reports were submitted to Bid Evaluation and Adjudication Committees as per target.
- Ref TS 52 - Ndulinde Water Supply Scheme - Phase 1, 2C and 4C - TS 178/2017 Repairs and remedial works, construction progress to date is at 40% as per target. However, it should be noted that, the Consultants Engineers term has ended as of 28 February 2020; the municipality is in a process of procuring a new Consulting firm, which can be a delay. Supply Chain Management to fast track the new appointment.

## SANITATION PROJECTS

It should be noted that, there were no VIP toilets targeted for construction in the third quarter of 2019/2020 financial year, as material was being purchased.

- Ref TS 70 – Darnal WWTW Upgrade - The report was submitted Bid Specification Committee in January 2020. Tender briefing meeting was held on 24 February 2020.
- Ref TS 77 – KwaDukuza Regional Waste Water Works – River Assimilation study in progress.

## REFURBISHMENT/REPLACEMENTS PROJECTS

- Ref TS 83 – Masibambisane - Detailed design is 100% complete.
- Ref TS 85 – KwaDukuza / Maphumulo / Mandeni Old Mains Replacement, Business plan approved by Department of Water and Sanitation.

Technical reports were submitted to the Bid Evaluation and Adjudication Committees for the following projects;

- Ref TS 87 – Shakaville and Industrial Area Reticulation.
- Ref TS 89 – Warrenton and Glenhills Reticulation
- Ref TS 91 – Ndwedwe Reticulation Refurbishment water schemes TS/197/2019, the project is ahead of target as construction is at 72%, when compared to target of 60%.
- Ref TS 94 – Lindelani Sewer upgrade - TS/195/2018 - Land Survey conducted, EIA & WULA completed. Preparation of business plan commenced for construction phase.
- Ref TS 96 - Lindelani water network rehabilitation - TS/195/2018- Identification of houses with double connections has commenced, as per target.
- Ref TS 98 - Umvoti WTW upgrade - Report sent to EXCO on the proposed refurbishment.

## 2.2.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
<p>Ref TL: 11 - As part of the Extended Public Works Programme (EPWP) through water infrastructure and service delivery efforts, <b>794</b> people were employed from all local municipalities within the District, when compared to target of <b>750</b>.</p> <p>It should be noted that, as per the AG query in 2018/2019 financial year, attendance registers and timesheets are required as supporting documentation for jobs created.</p> <p>Information is still being collected from respective service providers.</p>	<p>Once information is -collected, evidence will be submitted.</p>
<p>Ref TS 8 – As at 31 March 2020, Capital Expenditure is 44%. It has been negatively impacted by the implementation of Level 5 Lockdown due to Corona virus outbreak, which meant all construction site had to be closed.</p>	<p>Seeing that expenditure is not going to be realised, Cogta requested all municipalities to submit new MIG reprioritisation Business Plans with projects related to curbing the further spread of Corona virus. More expenditure will be realised. Other grants, roll-over will be applied for, as it will be impossible to spent at this time of the year.</p>
In terms of the water projects, the following challenges were experienced:	
CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
<b>Ozwathini/Nondabula Water Supply</b>	
<p>Ref 38 - Release of last Retention report was not provided.</p>	<p>No evidence submitted for Q3.</p>



### Ngcebo-Maqumbi Regional Water Supply Scheme - Zone A

Ref 56 - Detailed design complete, but there was no evidence to support the reported actual.	No evidence submitted for Q3.
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### SANITATION PROJECTS

#### Ndwedwe, Mandeni and Maphumulo VIP Toilets

Ref TS 58, 60 & 62 – Ndwedwe TS/158/2015, Mandeni TS/156/2015 & Maphumulo TS/157/2015 – Material was purchased and could not be delivered timeously on site due to National Lockdown.	Material is currently being delivered on site, this was beyond department's control.
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#### Construction of bulk sewer in 1No. 600m<sup>3</sup>/Day Package Wastewater Treatment Plant Chris Hani, Lloyds & Ntshawini Settlements and Gledhow village pumpstation

<p>Ref TS 66 – TS/180/2017 - construction progress is 85, 7%, when compared to target of 93%.</p> <p>It should be noted that, January 2020 progress changed from 90% to 85.7%, because there are sections, which were constructed but rejected by the Engineers.</p> <p>Also, there were numerous stoppages caused by CPG's and delays in paying the contractor, delays on the works ( Package Waste Water Package Plant) to be carried out by the Nominated Sub-contractor, led to the variation order. Disputes from the contractor are also contributing to the VO.</p> <p>PWWTP M&amp;E is behind programme due to delays in fabrication of steel tank; the Employer's Agent has advised the Contractor that a reinforced concrete tank will be accepted by the Employer(after discussions between EA with the Employer) to fast track the works as this is delaying the Contract;.</p>	<p>The Contractor will redo these sections, then progress will be adjusted accordingly. Approval of the variation order to avoid further delays and claims from the contractor.</p> <p>Employer's Agent has written to the Contractor regarding rate of progress for both the PWWTP M&amp;E and Melville work packages;</p> <p>Employer's Agent and Employer has met with the Contractor regarding this, the Contractor has subsequently responded to the EA letters;</p> <p>The EA will be meeting with the Contractor in this regard;</p> <p>The Melville WTWs is now operational and being operated by iLembe District Municipality staff;</p>
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#### Mandafarm Waterborne Sewer at Mandeni

Ref TS 68 – TS/180/2017 - Follow up on Business plan approval, report was not provided.	No evidence submitted
<b>Driefontein Water Borne Sewer</b>	
Ref TS 71 – There was no evidence to support that WULA report with comments was submitted to Department of Water and Sanitation.	No evidence submitted
<b>Maphumulo Town Water Borne Sewer</b>	
Ref TS 73 – Follow up on Business plan approval, not submitted.	No evidence submitted
<b>Southern Regional Bulk sanitation scheme</b>	
<p>Ref TS 79 – TS/182/2017 - construction progress is 5%, when compared to target of 15%. Two landowners have not signed the consent form to permit the municipality to work on their land:</p> <p>One landowner have accepted the valuation of servitude with the condition that the municipality will provide water connection for to his property.</p> <p>The other landowner have accepted the valuation of servitude with the condition that the municipality will provide water connection for to his property without paying connection fees.</p>	The municipality is still negotiating with the landowners in order to reach mutual agreement however, commencement of works will resume in areas where the Municipality has been granted a permission while negotiating to obtain the permission to occupy the land from the remaining two land owners.

<b>REF TL 02 - WATER PROJECTS EXPENDITURE</b>	
<p>Ref TS 22 - <u>Ngcebo /KwaDukuza Water Supply - KwaDukuza Zone G</u> - There was a delay in March payment.</p> <p>There was expenditure of R2 750 797 on this project, against projected expenditure of R 3 200 000</p>	Payment was made in April. The department will find other ways to speed up the processing of the yellow form by Cogta.

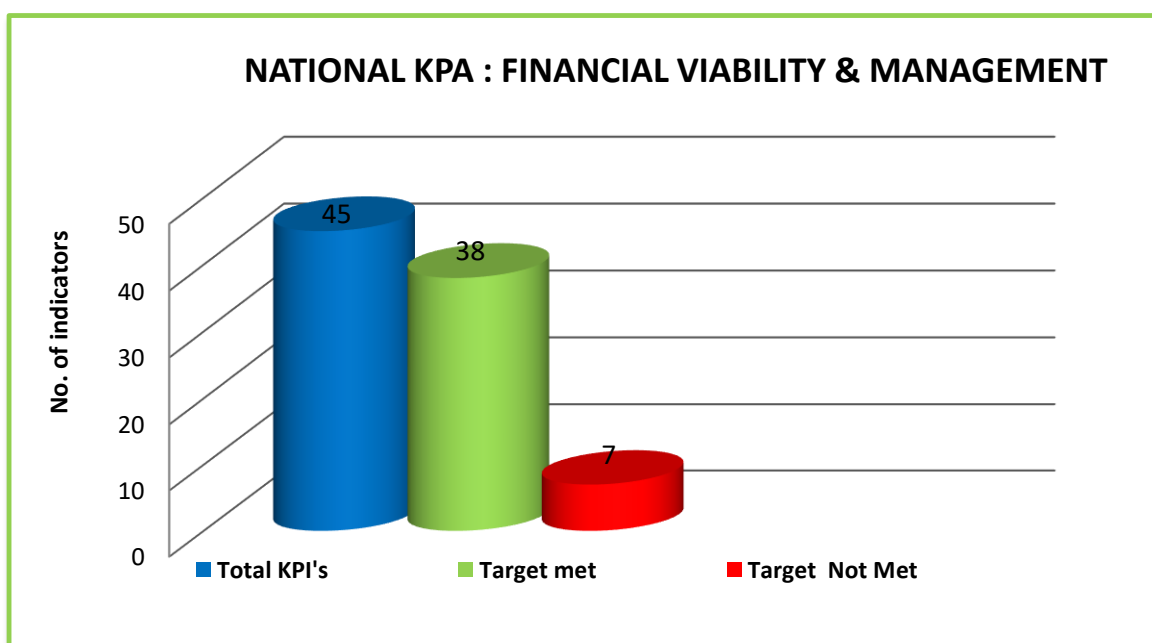
## SOUTHERN REGIONAL BULK WATER AND SANITATION SCHEME

<p>Ref TS 26 - OT 1 – <u>Construction of 3ML Reinforced Concrete Ikamu Reservoir and 1 pumpstation at San Christopher</u></p> <p><u>TS/189/2017</u>. YTD expenditure is 44%, compared to progress of 95%. There were delays on the project more especially the pump station, supply of drawings delayed and the pump station has more money (Mechanical and Electrical Components). The site is currently on hold until IDM approves the covid-19 Health &amp; Safety Plan. The contractor should be back on site before the end of May 2020 and it is when Mechanical and Electrical will be installed.</p>	<p>The expenditure will change once we install these Mechanical and Electrical components.</p>
<p>Ref TS 30 – OT 8E - TS/185/2017 Umvoti Pump Station. To date expenditure is 55%, and the project is complete.</p>	<p>No reason for variance and corrective measured provided</p>
<p>Ref TS 53 – Ndulinde water supply scheme – TS 178/2017 – expenditure is at R422 213 against a targeted of R1million</p>	<p>No reason for variance and corrective measured provided for under expenditure</p>
<p>Ref TS 57 – Ngcebo-Maqumbi Regional Water Supply Scheme - Zone A. There was no expenditure although the projected expenditure is R 2 678 445.</p>	<p>No reason for variance and corrective measured provided</p>
<h3 style="text-align: center;">REF TL 07 - SANITATION PROJECTS EXPENDITURE</h3>	
<h4 style="text-align: center;">Ndwedwe, Mandeni and Maphumulo VIP Toilets</h4>	
<p>Ref TS 59, 61 &amp; 63 – Since the material could not be delivered, payment could not be processed</p>	<p>Expenditure will improve drastically, as the material is being delivered on site and construction of VIP toilets has commenced</p>
<h4 style="text-align: center;">Construction of bulk sewer in 1No. 600m<sup>3</sup>/Day Package Wastewater Treatment Plant and Mnyundwini, Njekane and Etsheni Pumping Station - TS/179/2017</h4>	

Ref TS 65 – As at 31 March 2020, expenditure is 51%. There were outstanding invoices that were not paid due to the delays by Cogta in approving yellow forms. There is another invoice that will be coming, which is a final invoice since the contract has been terminated (Termination Cost)	The department will find other ways to speed up the processing of the yellow form by Cogta.
<b>Construction of bulk sewer in 1No. 600m<sup>3</sup>/Day Package Wastewater Treatment Plant Chris Hani, Lloyds &amp; Ntshawini Settlements and Gledhow village pumpstation</b>	
Ref TS 67 – TS 180/2017 - Expenditure to date is 40%. There was expenditure of R 6 573 967 on this project, against projected expenditure of R 10 546 552. PWWTP Mechanical and Electrical is behind programme due to delays in fabrication of steel tank; the EA has advised the Contractor that a reinforced concrete tank will be accepted by the Employer(after discussions between EA with the Employer) to fast track the works as this is delaying the Contract	The steel tank that has caused major delays on the project, will be changed to a concrete tank to fast track the project
<b>Southern Regional Bulk sanitation scheme</b>	
Ref TS 80 – TS/182/2017 Expenditure is 43%, when compared to 5% construction progress.	No reason for variance and corrective measured provided.

<b>REFURBISHMENT/REPLACEMENTS PROJECTS EXPENDITURE</b>	
<b>Lindelani water network rehabilitation -</b>	
Ref TS 88 - Shakaville & Industrial Area reticulation – expenditure budget exceeded by 16%	No reason for variance and corrective measured provided
Ref TS 97 – TS/195/2018 - There was expenditure of R 9 746 934 on this project, compared to adjusted budget of R 6 538 591	No reason for variance and corrective measured provided

## 2.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT



Total Targeted KPI's for Q3	Target Met	Target not met
54 – 9(N/A) = 45	38	7

### 2.3.1 PERFORMANCE HIGHLIGHTS AS PER TOP LAYER SDBIP AND NATIONAL KPA

All statutory monthly reports are submitted to the Mayor no later than 10 working days after the end of each as per section 71. Accuracy in billing is at 96% against a target of 75%. Average number of days taken for trade creditors to be paid is at 9 days against a target of 30 days. Cash on hand is at 74 days against a target of 45 days.

Debt Total Borrowings & Revenue is at 10% and it is within target as the norm is 45% and below. Turn around for finalization of SCM processes is at 79 calendar days against a target of 90 calendar days. Monitoring progress on audit queries resolving plan is at 92% against a target of 50%. As at end March 2020, Assets and logistics Management conducted three asset verifications on movable assets for quality and a reliable fixed asset register. Monthly reconciliations are conducted between assets under construction and project register as well as the assets register and the AFS.

## REVENUE UNIT

Reduction of unmetered households is at 877 against a target of 750. In terms of debtor's management, percentage of debtors over 90 days issued with notice via statements of accounts/SMS and percentage of debtors over 120 days handed over to attorneys for collection is at one hundred percent. Revenue growth is at 29% against a target of 15% and service charges revenue budget implementation is at 104% against a target of 90%. Percentage of household's on the indigent register earning less than R4000 with access to free basic services is at 100%. Bad Debts Written-off as % of the Bad Debt Provision is at 50%.

## BUDGET AND COMPLIANCE UNIT

The mid-term budget and performance assessment was prepared and submitted to Treasury before the deadline date of 25 January 2020 and tabled to Council on 31 January 2020. The adjusted budget was prepared and approved by Council on 26 February 2020. The draft budget 2020/2021 was tabled to Council on 06 May 2020. The municipality complied with the treasury checklist, as evidenced by the KZN Provincial Treasury compliance checklist on 2019/2020 mid-term assessment. Nine Standard Operating Procedures monitoring reports have been prepared and monthly financial statements have been done to date including 2018/2019 Annual Financial Statements.

## EXPENDITURE UNIT

The remuneration cost management is at 30% which is within the norm of 25% to 45%.

## ASSETS AND LOGISTICS UNIT

Nine reconciliations were conducted between assets under construction and project register. Capital expenditure to total expenditure is at 20%, with the norm being 10% - 20%.

## SUPPLY CHAIN MANAGEMENT UNIT

Percentage progress in implementing procurement plan is at 75% against a target of 70%. The turnaround time for the SCM processes in recommending preferred bidders to departments is nine days against a target of 10 days for amounts between R30 000 and R200,000 and four days against a target of 5 days for amounts between R2000 and R29,999. Three consolidated quarterly reports on performance of service providers were prepared.

## TECHNICAL SERVICES

A total of 65% was spent on Repairs and Maintenance against a target of 60%. Three quarterly reports on the performance of service providers were submitted to SCM.

## ENTEPRISE ILEMBE

The cost coverage ratio is at 2.37:1 and cash flow management is at 74 days. All monthly financial management reports in terms of the MFMA are submitted to the District by the stipulated deadline. Management prepares quarterly reports on the performance of service providers. Monitoring progress of the action plan is at 75, 45%.

### 2.3.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

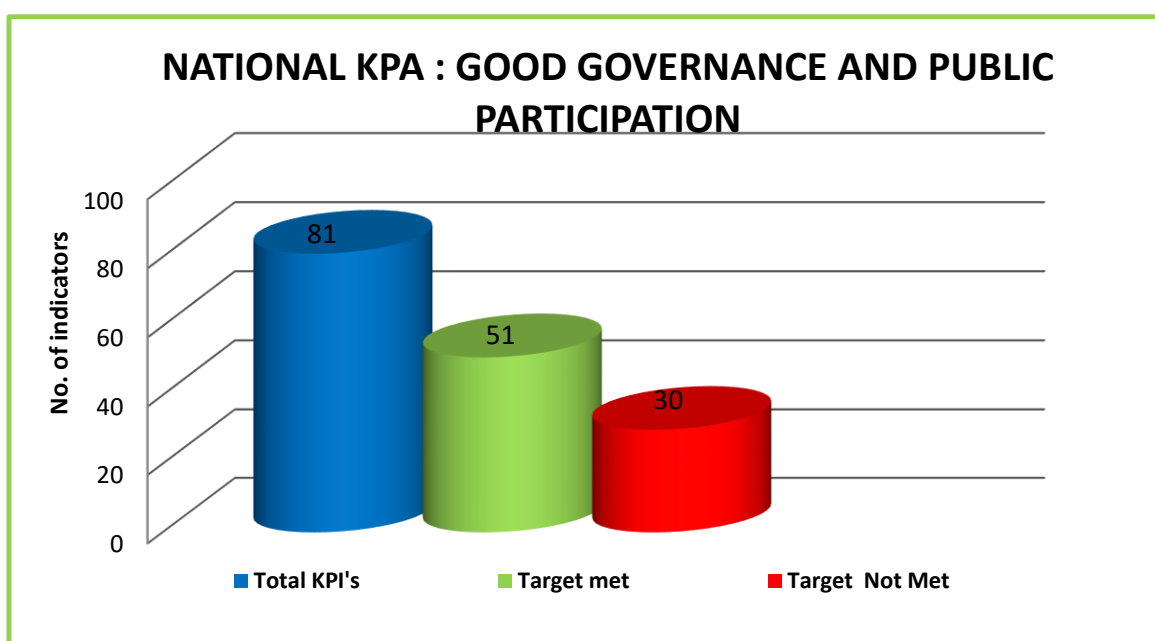
CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
REVENUE UNIT	
TL Ref 12 - Percentage collection rate is at 39% against a target of 65%. High billing as a result of taking on of new meters that were on the ground but not on the system. Low collection rate.	Debt collection processes in place. Consumers are being soft blocked if on prepaid and are restricted if on conventional. There is assistance of disconnections in terms of human resources from the Siza water. There are engagements with Public works and government departments in regards to government debt.
Fin Ref 3 - Percentage of overdue accounts restricted is at 34% against a target of 40%. Target not met due to limited human resources.	Until there are additional human resources, nothing much can be done. Also with the COVID-19 pandemic, limited action can be done/implemented.
EXPENDITURE UNIT	
Fin Ref 16 - Current Ratio is at 1.24:1 against a target of 1.5:1. Included in the calculation of the current ratio are the provisions for leave, long service awards and the provision for Umgeni Water. All of these provisions are not cash backed.	There is a process in place to have an agreement signed with Umgeni Water in respect the Capital Contributions towards the Spring Grove Dam Costs. Once the agreement is signed, the accumulated debt as well as the respective provision (+50mil) will be reversed

	<p>and thereby slightly improving the current ratio.</p> <p>Other provisions such as leave pay and long service awards will become cash backed once liquidity position improves</p>
SUPPLY CHAIN MANAGEMENT UNIT	
<p>Fin Ref 23 –</p> <p>The stock count was not conducted at the end of March 2020 due to the implementation of lockdown. There were a lot of uncertainties around the implementation of the COVID 19 lockdown regulations on the 27th of March 2020. This affected processes relating to the mobility of staff, risk exposure when counting stock and there was a general need to keep our Stores open so that whenever the material required for plumbing is required, should be easily obtained.</p>	<p>Following the assessment of the situation and working conditions during the level 5 lockdown, the stock count processes were conducted at the end of April 2020 and this will be maintained henceforth whilst ensuring high safety standards.</p>
TECHNICAL SERVICES	
<p>TS Ref 08 – Only 44% of municipality's annual capital budget spent on agreed IDP projects for Technical Services against a target of 65%. Capital Expenditure has been negatively impacted by the implementation of Level 5 Lockdown due to Corona virus outbreak, which meant all construction sites had to be closed.</p>	<p>Seeing that expenditure is not going to be realised, Cogta requested all municipalities to submit new MIG Reprioritisation BPs, with projects related to curbing the further spread of Corona virus. More expenditure will be realised. Other Grants, Roll-over will be applied for, as it will be impossible to spent at this time of the year</p>
CORPORATE SERVICES	
<p>CS Ref 33 - quarterly reports on performance of service providers submitted to SCM by the 7<sup>th</sup> was not reported.</p>	<p>Not reported for Q3.</p>



CS Ref 34 - Monitoring progress on audit queries resolving plan was reported at 50% against a target of 75%	No reason for variance or corrective measure for target not met.
<b>ENTERPRISE ILEMBE</b>	
Ei Ref 32 - Percentage of operational expenditure is at 60% against a target of 75%. Under expenditure is due to delays in implementation of projects like Unemployment Insurance Fund, where the funder did not pay for invoices and therefore the project stopped. The mini factories and egg layers projects have also delayed in implementation, impacting on the expenditure to date.	UIF has since paid the outstanding invoices but with the lockdown, expenditure will be slowed, also with the implementation of all the other projects.

## 2.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION



Total Targeted KPI's for Q3	Target Met	Target not met
$104 - 23(N/A) = 81$	51	30

#### 2.4.1 PERFORMANCE HIGHLIGHTS AS PER TOP LAYER SDBIP AND NATIONAL KPA

Quarterly Municipal Manager's District Intergovernmental Forum meetings were held within the District in Quarter 3, where high-level discussions are held together with the Local Municipalities.

In terms of effective public awareness on municipal business, a total of three quarterly reports on the status of press releases were prepared and one hundred percent of adverts requested by departments that were advertised.

Implementation of the language policy continues, with one hundred percent of the initial stage being implemented and all adverts are in English and isiZulu. Four internal and external newsletters were prepared and a total of twenty six public meetings/events were held successfully.

In terms of the District Aids Council, three DAC meetings were held and three reports were prepared & submitted to the office of the Premier. Twelve HIV/Aids awareness campaigns were held to date. One hundred percent of gender programmes that are requested were held successfully.

To promote Intergovernmental Relations, four Mayors District Intergovernmental Forum meetings were held within the District.

To provide an effective vector control service to the community, 309 sites were serviced, when compared to target of 264. In terms of Water Quality Monitoring and Analysis, one hundred percent of unsatisfactory samples were reported to the relevant authority.

A total of three corporate services sub forums were attended and four District Intergovernmental Information Technology Officers Committee sub Forum meetings were also attended. The draft Batho Pele Policy developed.

Most departments have been submitting monthly progress reports and quarterly reports with portfolios of evidence to the performance management unit by the 10<sup>th</sup> of each month. All departments are on track in terms of conducting quarterly performance reviews between Senior Managers and Managers.

## DISASTER MANAGEMENT UNIT

The review of the District Disaster Management Plan was done and three monthly consolidated incidents/disasters reports were submitted to the Provincial disaster management centre at the end of quarter 3. Four workshops were conducted to rollout the Disaster Management Volunteer Strategy/framework, twelve Capacity Building programmes had been conducted and nineteen Community Awareness campaigns were successfully held. Monthly District Task Teams meetings were held and the iLembe district Annual report was submitted to Council on the 30 January 2020.

Three quarterly Disaster Management Advisory Forum Meetings were held successfully. In terms of Disaster Risk Reduction, all inputs have been received from different disaster management stakeholders and been consolidated to form part of the reviewed Disaster Management Plan.

## MUNICIPAL HEALTH SERVICES UNIT

In terms of Municipal Health Services, one hundred percent of all food handling license applications were received and processed within 14 working days and six hundred and sixty three premises were inspected to reduce food borne illness. One hundred percent of building plans scrutinised within 8 working days in terms of health regulations were conducted and funeral undertakers applications processed in terms of regulation were at one hundred percent.

## RISK MANAGEMENT UNIT

In terms of enterprise risk management, three risk registers were updated, three ethics/Risk Committee meetings were successfully held and one Enterprise Risk Management workshop took place in the third quarter. The risk management unit has been updating the risk monitoring tool on a monthly basis for all departments and submitting to relevant departments. Quarterly risk management meetings were held with representatives from all departments.

## ENTERPRISE ILEMBE

Quarterly reports on the status of Enterprise iLembe was submitted to the Municipal Manager at the end of every quarter. The entity reported fifteen board and sub-committee meetings that took place to ensure effectiveness of the board of directors.

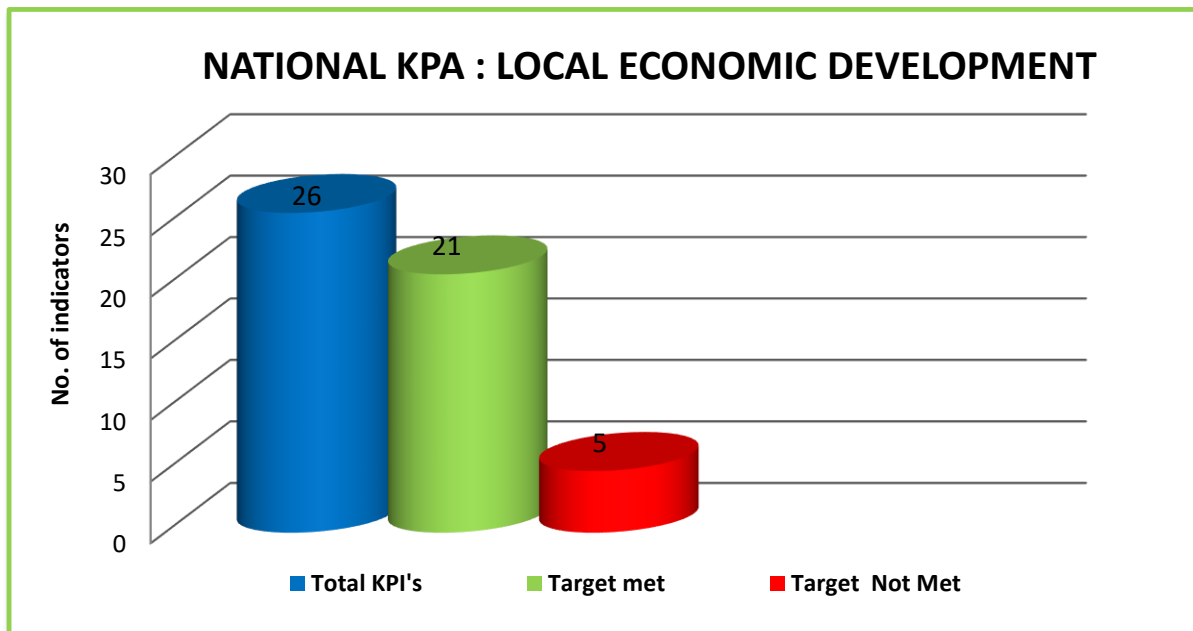
### 2.4.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
TOP LAYER SDBIP	
TL Ref 56 – a) Review & Adoption of gender plan was not reported in Q3. The plan was going to be presented end March meeting and it was already lockdown b) Only 11 programmes were implemented as per the approved gender plan against a target of 13.	a) Not reported b) The planned Human Rights campaigns for March were cancelled due to limited gatherings.
TL Ref 61 – The Oversight report could not be adopted by 31 March 2020 due to the national wide covid-19 lockdown.	Item will go to Council in May for adoption.
TL Ref 61 – Number of reports submitted to Audit Committee by internal audit actual is 3	No evidence received for Q3
TL Ref 67 – Only 8 Internal Audit Assignments were conducted against a target of 10 as two projects are still at fieldwork stage.	Not reported for Q3.
TL Ref 68 – Percentage implementation of action plan is at 48%	No evidence received for Q3
TL Ref 76 - Quarterly report on the implementation of the Business Continuity plan was not done.	To be done in May 2020.
TL Ref 77 - Development of draft Terms of Reference for the Youth Strategy was not done in Q3.	Not reported.
TL Ref 78 – only 2 sporting events were participated/hosted against a target of 6.	Not reported.

TL Ref 83 – Only 175 samples were taken and analysed against a target of 180. Routine duties were interrupted following the Covid 19 crisis	Backlog will be met in months to come
TL Ref 87 – Only 62 health education awareness campaigns were held against a target of 63. Routine duties are interrupted following the Covid 19 crisis	Backlog will be met in months to come
COMMUNITY SERVICES	
Comm Serv Ref 01 – A total of 34 Mayoral radio slots were conducted against a target of 39. Due to budget constraints, target could not be met.	
Comm Serv Ref 02 –There was 1 reported query which was not responded to within 36 hours from receipt due to the relevant department not responding on time.	Responses to the journalist were sent, almost two weeks after the enquiry was received.
Comm Serv Ref 14 – Only 7 LAC meetings were held against a target of 12. No LAC met in January. Mandeni meeting was scheduled for 27 March and it could not sit due to lockdown. Maphumulo Municipality needs to appoint the responsible official.	Meetings can only continue after lockdown. Recruitment process for the appointment of the HIV/Aids coordinator can only be done, once lockdown is finished.
Comm Serv Ref 17 – A total of 9 interventions were hosted in all local municipalities against the target of 12 and only 2 Quarterly close out reports on the status of interventions were prepared against a target of 3.	Not reported for Q3
Comm Serv Ref 23 – Implementation of youth programmes, actuals are not reported.	Not reported for Q3
Comm Serv Ref 24 – Implementation of youth strategy – draft TOR not done	No reason for variance and corrective measure provided
Comm Serv Ref 25 – number of sporting events participated/hosted – not reported	Not reported for Q3

Comm Serv Ref 29 (a) – number of samples taken and analysed by deadline is at 175 against a target of 180	Routine duties were interrupted following the Covid 10 – crisis. Backlog will be met in months to come.
Comm Serv Ref 33– number of health awareness campaigns held is 62 against a target of 63	Routine duties were interrupted following the Covid 10 – crisis. Backlog will be met in months to come.
<b>CORPORATE SERVICES</b>	
CS Ref 35 – only 5 district task team meetings were attended against a target of 7.	Not reported for Q3
CS Ref 40 - Performance Report with accurate & complete POEs submitted by deadline monthly and quarterly	Report is always submitted with a lot of gaps and no evidence
<b>ENTERPRISE ILEMBE</b>	
Ei Ref 39 – Audit Committee report was submitted to the Board and there was no proof of submission to the District.	Not reported in Q3.

## 2.5. LOCAL ECONOMIC DEVELOPMENT



Total Targeted KPI's for Q3	Target Met	Target not met
35 – 9(N/A) = 26	21	5

### 2.5.1 PERFORMANCE HIGHLIGHTS AS PER TOP LAYER SDBIP AND NATIONAL KPA

The National Schools Nutrition Programme is on track with 60% produce procured from local iLembe farms. A total of twenty small scale farmers are supported by the Entity to ensure sustainability of projects, 9 are new for the 2019/2020 FY and 11 farmers existing will remain as maintained as they still require assistance in terms of agriculture inputs and mechanisation. A feasibility study & Business Plan has been finalised for tourism initiatives. Two Business Confidence Indexes were developed.

A total of 36 co-operatives/SMMEs were trained on basic business management skills. There were many funding opportunities that were provided by SEFA [Small Enterprise Finance Agency] and EDTEA [Economic Development Tourism & Environmental Affairs] during quarter 3, as a result a lot of focus was on providing assistance to Co-operatives and SMMEs in preparing them for the pitch funding workshops and also with the population of their funding applications.

In terms of Capacity Building and Mentorship support for small enterprises, implementation of the incubation programme 1 has been done in which the incubation programme is continuously assisting SMMEs and Co-operatives and has been running for two [2] years. To obtain a fully functional district business incubator, engagement sessions with other agencies (including SEDA, NYDA) to be part of Incubator has been conducted together with training programmes being reported. One quarterly report on the implementation of ICT projects has been done in terms of broadband projects.

Three LED Forum meetings were attended and three quarterly reports have been prepared on Capacitating farmers and engagements with Government departments and on the maintenance of vineyards. In terms of the operationalisation of the winery, a progress report on the implementation has been done.

For Tourism Marketing & Development, four exhibitions were attended, five adverts/advertorials in the relevant publications were done, two Tourism Industry Research Performance Reports were completed and a service provider has been appointed to develop the Official Tourism Travel Guides for 2020/2021. Twenty five Business Networking Sessions were attended/Hosted to build partnerships with external stakeholders. A total of twenty new co-operatives registered against a target of seventeen.

Five planning and infrastructure alignment meetings were held successfully against a target of four and quarterly reports on the implementation of development planning shared services were done.

## 2.5.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
LOCAL ECONOMIC DEVELOPMENT	
TL Ref 38 – Only one signed MOU was done against a target of two. 1 signed contract as Enterprise iLembe has secured funding from South African Sugar Association [SASA] to operationalize the tunnels which will be used to practical trainings for UIF Learners.	Umgibe Farming Organics Company have expressed interest in providing practical trainings for the UIF learners and have a submitted a project proposal showing how the training and planting will be conducted.
TL Ref 41 - The Draft IDP was not adopted. Delay is due to the National Covid 19 lockdown	The draft IDP will serve before Council in May 2020.
TL Ref 46 - The Integrated Waste Management Plan process is currently on hold due to the lockdown. Workshop with councillors could not take place.	
Ei Ref 5 - Operationalisation of Emambedwini tunnel is not done.	The tunnel is not yet operational as Enterprise iLembe is still finalizing discussion on getting the buy in by Maphumulo Municipality. Once the discussions have been concluded and once the lockdown regulations have been relaxed, planting will then commence.
Ei Ref 22 – A total of 34 co-ops and SMME's assisted with funding applications against a target of 35. Most Co-operatives and SMMEs submitted their funding application in the previous quarters, so there were less number of applications received in quarter 3.	The funding closing date was extended by Economic Development Tourism & Environmental Affairs [EDTEA] for end of April 2020.



### 3. KEY AREAS TO NOTE

#### 3.1 IMPROVING PERFORMANCE

In order to improve performance, the iLembe District Municipality, throughout the performance management phases, will analyse the causal and contributory reasons for poor performance, through coaching sessions from top to lower levels of the administration and appropriate response strategies will be developed.

#### 3.2 DETERIORATING PERFORMANCE

Poor performance in municipalities is often characterised by disclaimers and adverse opinions from the Auditor - General and community protests for inadequate service delivery. The worst measure that is taken for worst performing municipalities is the Section 139 intervention by the MEC for Local Government in the province.

The effective implementation of the performance framework and the different roles and responsibilities that will be played by different stakeholders will serve as an early warning mechanism for the iLembe District Municipality to keep ahead in performance and to effect corrective measures timeously in any of the weak functional areas identified by the performance management system.

### 4. PERFORMANCE OF SERVICE PROVIDERS

All service providers performance is monitored and reviewed on a monthly and quarterly basis, however as defined in the Municipal Systems Act, Section 76 the service providers performing the core functions of the Municipality are rated below in table.

#### Performance Analysis and rating criteria

For contractor performance rating purposes, the following rating criteria is used:

PERFORMANCE WEIGHTING		
1	POOR	Performance did not meet most contractual requirements and contains serious problem(s) for which correction actions were ineffective.
2	SATISFACTORY	Performance did not meet some contractual requirements, contractors actions appear only marginally effective or were not fully implemented.

3	GOOD	Contractual performance of contractor contains some minor problems for which corrective action taken by the contractor appear or were satisfactory
4	VERY GOOD	Performs meets contractual requirements some minor problems for which corrective action taken by the contractor were effective
5	EXCELLENT	Performance meets contractual requirements with few minor problems for which corrective actions by contractor were highly effective.

The performance ratings of service providers performing the core function of the municipality are as follows:

SERVICE PROVIDER PERFORMANCE REPORT															
2019/2020 MID-TERM PERFORMANCE RATINGS – QUARTER 2									2019/2020 PERFORMANCE RATINGS – QUARTER 3						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFAC TORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED		EXCE LLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGE D	NO REPOR T SUBMIT TED
TECHNICAL SERVICES															
UMGENI WATER			√								√				
GLEDHOW SUGAR			√								√				
SEMBCORP SIZA WATER			√								√				

## **ANNEXURES**

- TOP LAYER SDBIP
- TECHNICAL SERVICES - DEPARTMENTAL PERFORMANCE PLAN
- FINANCE DEPARTMENT - DEPARTMENTAL PERFORMANCE PLAN
- CORPORATE SERVICES - DEPARTMENTAL PERFORMANCE PLAN
- CORPORATE GOVERNANCE - DEPARTMENTAL PERFORMANCE PLAN
- ENTERPRISE ILEMBE - DEPARTMENTAL PERFORMANCE PLAN