

RUSTENBURG LOCAL MUNICIPALITY



1ST QUARTER PERFORMANCE REPORT FOR THE FINANCIAL YEAR 2016-2017

1. SERVICE DELIVERY PERFORMANCE REPORT

1.1 BASIC SERVICE DELIVERY

Objective : Accelerated delivery and maintenance of quality basic and essential services to all Communities

1. SERVICE DELIVERY PERFORMANCE REPORT

1.1 BASIC SERVICE DELIVERY

Objective : Accelerated delivery and maintenance of quality basic and essential services to all Communities

KPI 1	Percentage increase in bulk water augmentation	Annual Target	1 st Quarter Target	Actual	Variance
		15% Design & Procurement	5% Design	25%	(20%)
		Budget R16 280 000	R5 426 666	R4 004 879	
Comment on the achievement of the KPI and remedial measures					
General Statement:					
Not Achieved					
Detail design:					
<ul style="list-style-type: none">Bospoort WTW – in progress, tender documentation prepared and ready for submission to the bid specification committeeBospoort Pipeline – slightly behind programme due to delay in finalisation of reservoir positionBospoort Reservoir – behind programme as position has not been finalised.					
Reasons for non-achievement					
Bospoort pipeline & reservoir position to be finalised. Planned position on municipal land not possible due to lack of space. Alternative positions considered but negotiations with landowners and access in process.					
Remedial Measures					
Teams are fully mobilized and working on the project.					

Ref: RWST

KPI 2	Percentage completion of water reticulation projects	Annual target	1 st Quarter Target	Actual	Variance
		100%	25%	Advert	-
		Completion of water projects at Mathopestad, Maumong and Syferbuilt by June 2017	Appointment of service provider by end September 2016		
		Budget R30m			

Comment on the achievement of the KPI and remedial measures

General statement

Not Achieved

Bids were advertised on the 29 August 2016. Service providers were not yet appointed. Bids were at Adjudication Committee.

Ref: DTIS 2

KPI 3	Number of high mast lights installed	Annual target	Quarterly target	Actual	Variance
		86 High mast lights installed by June 2017	86 Excavations	63 high mast lights installed	63 high mast lights installed
		R21 800 000	R2 808 329	R31 658 158	

Comment on the achievement of the KPI and remedial measures

General statement: Achieved

High mast lights were installed at the following areas:

Area	Number
Mosenthal	10

Maumong	10
Thabaneng	10
Kanana	20
Robega	10
Rasimone	3
Total	63

Ref: DTIS 3

KPI 4 Percentage increase in bulk sewer augmentation	Annual Target	1 st Quarter Target	Actual	Variance
	58% Design & Procurement	19% Design	60%	(41%)
	R86 972 716			
Comment on the achievement of the KPI and remedial measures				
General Statement				
Achieved				
The total expenditure on the Boitekong project is R 78 429 000 (R78.43million) excluding VAT.				
Budget	Expenditure	%		
R89m	R78.43m	88%		
Ref: RWST				

KPI 5 Percentage increase in the number of billed households with access to basic solid waste removal	Annual Target	1 st Quarter Target	Actual	Variance
	2% of hh with access to basic solid waste removal	N/A	-	-
	Budget R29 211 639	R7 225 900		
Comment on the achievement of the KPI and remedial measures				
General statement:				
Not Applicable				

The total number of households that are billed for solid waste removal is 62 420 as per a memo received from BTO. Information is extracted from the valuation roll. This number may increase due to developments taking place in the municipality.

Ref: DCD1

KPI 6 Percentage increase in households earning less than R3 500 per month with access to free basic services	Annual Target	1 st Quarter Target	Actual	Variance
	20% (10 427hh) of registered households earning less than R3 500 per month with access to basic services By end of June 2017	5% of registered households earning less than R3 500 per month with access to basic services By end of Sept 2017	7.4%	(2.4%)

Comment on the achievement of the KPI and remedial measures

General Statement: Achieved

The total number of households is 232 219. The total number of indigent households based on the poverty rate of 28.6% is equivalent to 66 414 households. The base line of registered indigents as at the end of 2015/2016 financial year was 14 279 households which leaves a total of 52135 households without access to free basic services.

The total number of registered indigents as at the end of the 1st quarter was 3868 households, which is 7.4% increase. The 12.8% will be registered at ward level.

Ref: BTO7

KPI 7	Development of sports facilities by end September 2016	Annual target	1 st Quarter Target	Actual	Variance
		Development of Boitekong sports facility by end June 2016	Soccer Filed, Perimeter wall, caretaker house	Grand Stand Guard house Combi Courts	
		Budget R7 858 907	R7 858 907	R12, 385,260	

Comment on the achievement of the KPI and remedial measures

General Statement**Achieved**

Grand stand, guardhouse and combi courts have been constructed. The project will be completed at the end of November 2016.

Ref: DCD

KPI 8	Percentage completing of the business plan of the Neighborhood Development Plan	Annual target	1 st Quarter Target	Actual	Variance
		100% Completing on of the business plan of the neighborhood development plan	Not Applicable	Not Applicable	-
		Budget R7 465 000			

Comment on the achievement of the KPI and remedial measures**General Statement: Not Applicable**

The business plan was developed and the final draft was supposed to have been presented in October 2016. However National Treasury and Interstice are having some contractual challenges with the service provider. Spending on the budget was dependent on the approval of the project from the project list in the business plan. A conflict resolution meeting between Treasury, Glad Africa and Intersite was scheduled for Thursday 17th November 2016.

Ref: OMM1

KPI 9 Percentage reduction of water losses	Annual Target	1 st Quarter Target	Actual	Variance
	10% of water losses reduced by June 2017	2% of water losses reduced by September 2016	0%	(2%)
	Budget R3 000 000	R750 000		

Comment on the achievement of the KPI and remedial measures**General Statement:**

Water losses increased by 16.8%.

	Basis of Calculation		Budget Year 2016/2017
--	----------------------	--	-----------------------

Description of financial indicator		2015/16 Unaudited Outcome	Original Budget	YTD Actual	Reduction/ Increase
Water Distribution Losses	% volume (units purchased and own source less units sold)/Total units purchased and own source	43.40%	42.00%	58.80%	16.80% increase

Ref: DTIS

KPI 10 Percentage completion of projects for RRT road network system	Annual Target	1 st Quarter Target	Actual	Variance
	100%	47%	22%	25%
	Budget R205 245 590	96 086 189	R 46 074 431	

Comment on the achievement of the KPI and remedial measures

General Statement: Not Achieved

The RLM designed a 4-Phase full-fledged public transport system for the entire municipal area. Phase 1 & 2 are currently being implemented, with Phase 1 further divided into sub phases 1A, 1B and 1C. Phase 1 & 2 includes 22kms of trunk corridor, 18 level boarding stations, 104 bus stops and complimentary routes with stations/stops. Initially, the public transport system for Phase 1A was scheduled to operate in 2016, however due to prolonged infrastructure construction programme, the target will not be met.

Summary of milestones achieved on infrastructure:

Phase	Trunk roads	Stations/bus stops
Phase 1A	5.3km trunk & mixed traffic lanes completed	6 station sub-structures completed. 6 Stations partially completed. Completion expected in March 2016
Phase 1B	6.5km trunk & mixed traffic completed (2 bridges)	5 Stations Substructures Completed
Phase 1 C	0km	Not commenced
Phase 2	7.6 km mixed traffic concrete lanes for both BRT & traffic lanes 65% complete. Completion in December 2016	In progress – 5 station sub-structures complete.

Reasons for Non-Achievement

The initial infrastructure programme progressed slower than expected with challenges including :

- litigation against CBD lanes and stations

- Relocation of services and over-priced procurement particularly on intelligent transport system (ITS)

Remedial Measures

The station contractor has been provided with notice of underperformance. Revised programme to be closely monitored to complete stations. CBD stakeholder engagement planned for Jan 2017. ITS scope being revised to reduce costs.

PTNG Allocation 2016/17	PTSIG & Transfers	Expenditure	%
R 285 093 000	R71 262 000	R53 975 614	15

KPI 11 Kilometers of roads constructed	Annual Target	1 st Quarter Target	Actual	Variance
	15.6 km	3.0 km construction	16.517km	(13.517km)
	Budget R101 000 115	R34 858 570	R113 867 058	

Comment on the achievement of the KPI and remedial measures

General Statement

Achieved

No. of KM	Budget	Expenditure	%
16.517	R101 000 115	R113 867 058	R112.73

Ref : RRT

KPI 12 Number of hectares of state land acquired for informal settlement upgrading	Annual Target	1 st Quarter Target	Actual	Variance
	100 Hectares of land acquired for normal settlement upgrading	Identification of land Parcels	-	-
		Budget HDA		

Comment on the achievement of the KPI and remedial measures

General Statement

Not Applicable

There was no budget allocation by the Housing Development Agency. The KPI to be reviewed during mid-term assessment.

Ref: DPHS

1.2 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KPI 13 Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Annual Target	1 st Quarter Target	Actual	Variance
	3 people from employment equity target groups employed in three highest levels of management in compliance with approved employment equity plan	Not Applicable	-	-
Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: DCS				

KPI 14 Percentage of the municipality's budget actually spent on implementing the workplace skills plan	Annual Target	1 st Quarter Target	Actual	Variance
	95%	25%	9.35%	15.65%
	Budget R2 663 432	R875 000	R249 023	R625 977
Comment on the achievement of the KPI and remedial measures				
General Statement: Not Achieved				
Only 9.35% from the budget was spent for the 1 st quarter. Procurement in process. Advert went out on the 18 August 2016 and closed on the 19 September 2016. Waiting for evaluation and adjudication process to take place.				
Budget	Expenditure	Percentage		
R 2 663 432 00	R 249 023 00	9.35%		
Remedial measures				
• Acceleration of procurement process to ensure the budget is spent as planned.				

Ref: DCS 9

1.3 LOCAL ECONOMIC DEVELOPMENT

KPI 15 Number of jobs created through local economic development initiatives including capital projects	Annual Target	1 st Quarter Target	Actual	Variance
	1000	250	498	(248)

Comment on the achievement of the KPI and remedial measures

General statement

Achieved

Directorate	Project Type	Number of Jobs Created
Local Economic Development	Meter Readers	14
Rustenburg Roads and Transport	<ul style="list-style-type: none"> MIG PTNG 	67 147
Project Management Unit	<ul style="list-style-type: none"> Development of Sports Facilities Construction of roads Maintenance of parks Maintenance of visitors information centre Maintenance of the taxi rank, ablution blocks Construction of waste transfer station 	270
TOTAL	□	498

Ref: PMU 1

KPI 16 Number of milestones achieved towards Industrialization of RLM through SEZ (Special Economic Zone)	Annual Target	1 st Quarter Target	Actual	Variance
	APPROVED Bankable Business Plan of SEZ, Expression of Interest from Investors / Tenant	Proclamation of SEZ. Bankable Business Plan of SEZ Project	0	Proclamation of SEZ. Bankable Business Plan of SEZ Project
	Budget -	R0.00		

Comment on the achievement of the KPI and remedial measures

General Statement: Not Achieved

Remedial Action:

- A letter was written to the DTI to engage on SEZ and confirmation not yet received.
- Meetings were held with North West Development Corporation, who are the implementing agency for the SEZ in the North West Province.
- Letters of intent were received from prospective investors.

Ref: LED 1

--

KPI 17 Number of Milestones towards implementation of Masterplan	Annual Target	1 st Quarter Target	Actual	Variance
	4 Establishment of Development Agency, Operational Master plan; Approved land for Game Changers	1 Legal framework for development agency by end of 1 st Quarter	0	1 Legal framework for development agency by end of 1 st Quarter

Comment on the achievement of the KPI and remedial measures

General Statement

Not Achieved

Reasons for Non-Achievement

- The development of the business plan would require funding, which will be sought during budget adjustment
- Marketing & Promotional Material (as per attached Quarterly Magazine) needs funding.

Remedial Action

- To be budgeted for in the new financial year if we are not allocated a budget during the budget adjustment process
- Funding will be sourced for both the appointment of service provider for establishment of Development Agency, who will then develop a business plan for the Agency
- Additional budget will be sought for printing of at least 3 000 magazines.

Ref: LED 2

1.4 MUNICIPAL FINANCIAL VIABILITY

KPI 18 Presentation of the municipality’s capital budget spent on capital projects identified for a particular financial year in terms of the municipality’	Annual Target	1 st Quarter Target	Actual	Variance			
	100% of the municipality’s capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality’s integrated development plan by end June 2017	25% of the municipality’s capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality’s integrated development plan by end September 2017	19%	6%			
	Budget R486 874 000	R121 718 500					
Comment on the achievement of the KPI and remedial measures							
General Statement							
Year to date spending was at R98million (19%) of the expected year to date spending of R121.7million (25% pro rata).							
Vote Description	2015/16	Budget Year 2016/17					
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	variance
							YTD
Capital expenditure - Municipal Vote							
Expenditure of multi-year capital appropriation							

Vote 1 - EXECUTIVE MAYOR	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER	-	212 926	-	5 369	46 074	53 231	(7 157)	-1
Vote 3 - CORPORATE SUPPORT SERVICES	400	11 000	-	-	729	2 750	(2 021)	-7
Vote 4 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-
Vote 5 - PUBLIC SAFETY	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND HUMAN SETTLEMENT	-	-	-	-	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-
Vote 8 - COMMUNITY DEVELOPMENT	11 158	9 391	-	2 636	6 516	2 348	4 168	17
Vote 9 - TECHNICAL AND INFRASTRUCTURE	803 381	184 558	-	12 528	31 228	46 139	(14 912)	-3
Vote 10 - RUSTENBURG WATER SERVICES TRUST	90 440	69 000	-	13 690	13 690	17 250	(3 560)	-2
Total multi-year capital expenditure	905 379	486 874	-	34 223	98 237	121 719	(23 481)	-1
							-	

Ref: BTO 2

KPI 19 Percentage expenditure on the approved operational budget not exceeding budget amount	Annual Target	1 st Quarter Target	Actual	Variance
	0% expenditure on the approved operational budget not exceeding budgeted amount	0% expenditure on the approved operational budget not exceeding budgeted amount	22%	-
	Budget R3 886 035 000	R972 508 750		
Comment on the achievement of the KPI and remedial measures				
General Statement				
The expenditure for the three months ending in September 2016 was at 22% when compared to the pro rata of 25%.				

Employee related costs	25%
Remuneration of councillors	23%
Debt impairment	0%
Depreciation & asset impairment	1%
Finance charges	15%
Bulk purchases	34%
Other materials	6%
Contracted services	11%
Transfers and grants	2%
Other expenditure	15%
Loss on disposal of PPE	
Total Expenditure	22%

Ref: BTO 2

KPI 20 Percentage achievement of financial ratios and targets	Annual Target	1 st Quarter Target	Actual	Variance
	100%	100%	100%	-
Comment on the achievement of the KPI and remedial measures				
General Statement				
Achieved				
Financial Indicator	Annual Target	1 st Quarter Target	Actual	Variance
Current Ratio	1:1	1:1	1:1.27	.27
Debt Coverage	43%	43%	207 times	
Rand Value of Monthly Collection Rate	R3 000 000	R750 000	R763 045 081	R63 045 081
Cost Coverage	25%	25%	-1 month	

Ref: BTO4

1.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI 21 5-year Integrated Development Plan (IDP) approved by Council by May 2017	Annual Target	1 st Quarter Target	Actual	Variance
	5-year Integrated Development Plan (IDP) approved by Council by May 2017	Not Applicable	-	-
Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: IDP1				

KPI 22 Top Layer Service Delivery and Budget Implementation Plan (SDBIP) 2017/2018 approved by June 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Approved Top SDBIP approved by June 2017	Not Applicable	-	-
Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: PMS 1				

KPI 23 Reviewed Performance Management Systems Framework approved by June 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Reviewed PMS Framework approved by June 2017	Not Applicable	-	-

Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: PMS 2				

KPI 24 Tabling of Annual Report 2015/2016 to Council by January 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Annual Report 2015/2016 to Council by January 2017	Not Applicable	-	-

Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: PMS 3				

KPI 25 Tabling of Budget Adjustment 2016/2017 to Council by February 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Budget Adjustment 2016/2017 tabled to Council by February 2017	Not Applicable	-	-

Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: BTO1				

KPI 26 Tabling of Mid Term Report 2016/2017 to Council by January 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Mid Term Report tabled to Council by January 2017	Not Applicable	-	-
Comment on the achievement of the KPI and remedial measures				
General Statement				
The KPI is not applicable for the quarter under review.				
Ref: PMS 4				

KPI 27 Signing of Senior Manager's draft performance agreements 2017/2018 by June 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Signing of Senior Manager's draft performance agreement 2017/2018 by June 2017	Not Applicable	-	-
Comment on the achievement of the KPI and remedial measures				
General Statement				
The KPI is not applicable for the quarter under review.				
Ref: PMS 5				

KPI 28 Community Satisfaction Survey Report tabled to Council by May 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Community Satisfaction Survey Report	Not Applicable	-	-

	table to Council by May 2017			
Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: IDP2				

KPI 29 Tabling of the approved budget 2017/2018 to Council by May 2017	Annual Target	1 st Quarter Target	Actual	Variance
	Budget 2017/2018 tabled to Council by May 2017	Not Applicable	-	-
Comment on the achievement of the KPI and remedial measures				
General Statement The KPI is not applicable for the quarter under review. Ref: BTO2				

KPI 30 Number of Individual performance assessments for Senior Managers conducted	Annual Target	1 st Quarter Target	Actual	Variance
	4 Individual performance assessment for Senior Management by end August 2017	1 Individual performance assessment for Senior Management by end of October 2016	1 performance assessment 25 – 27 October 2017	-
Comment on the achievement of the KPI and remedial measures				
General Statement Achieved Performance assessment sessions for the 1 st Quarter were conducted from the 25 – 27 October 2016.				

Ref: AMM1

KPI 31 Improved overall organizational risk rating from level 5 to 3	Annual Target	1 st Quarter Target	Actual	Variance
	Level 3 rating by June 2017	Quarterly Risk Assessment by Sept 2016	0	Quarterly Risk Assessment by Sept 2016
Comment on the achievement of the KPI and remedial measures				
General Statement				
Not Achieved				
There was no risk assessment conducted during the 1 st quarter.				
Ref: CRO 1				

KPI 32 Percentage of audit queries responded to	Annual Target	1 st Quarter Target	Actual	Variance
	100% of audit queries responded to	25% of audit queries responded to	No audit findings	-
Comment on the achievement of the KPI and remedial measures				
The AGSA only issued their first communication of audit findings in October 2016. Therefore for the first quarter, there were no audit findings.				
Ref : BTO				