

2017/18

NEWCASTLE MUNICIPALITY POLICY FRAMEWORK FOR PERFORMANCE MANAGEMENT



Contents

1	Background	2
2	Introduction	3
3	Rationale Of Performance Management	3
4	The Process of Managing Organizational Performance	11
5	Performance Management Cycle	14
6	Reporting.....	35
7	Employee Performance Management.....	48
8	Conclusion	58
Appendix 1 - PMS GUIDELINES		
Appendix 2 - KPI Definitions template		
Appendix 3 - PMS Calendar		
Appendix 4 - PMS Checklist		

1 Background

The White Paper on Local Government (1998) proposed the introduction of performance management systems to local government, as a tool to monitor service delivery progress at local government. It concludes that the integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands and to direct resources allocations and institutional systems to a new set of development objectives.

Chapters 6 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000), requires local government to:

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- Publish an annual report on performance management for the councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- Conduct an internal audit on performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

2 Introduction

The purpose of this document is to, according to the requirements of the Municipal Systems Act, (2000) develop a performance management framework for the Newcastle Municipality. This framework caters for the development, implementation and roll-out of performance management with the Newcastle Municipality. This includes the alignment of the PMS process to that of the IDP and budget as is required in terms of the Municipal Finance Management Act (2003)

Any operating procedures aligned to this Framework is considered administrative and will be developed from time to time based on the resources and organisational arrangements of the municipality. Such procedures to be approved by Head of the M & E unit.

3 Rationale Of Performance Management

3.1. Policy and Legal Context for PMS

- The White Paper on Local Government (1998)
- Batho Pele (1998)
- The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- The Local Government: Municipal Systems Act, (32/2000): Municipal Planning and Performance Management Regulations (2001) , Chapter 3, by the Department Cooperative Governance.
- Guide on Performance Agreements Workshop, 2001, by the South African Local Government Associations (referred to as SALGA Guidelines in short)
- DPLG, 2001, PMS Training Manuals (referred to as PMS Training Manuals in short)
- Municipal Finance Management Act (2003)
- Municipal Performance Management Regulations (2006)

3.2. Objectives of Performance Management System

- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signals

- Facilitate decision-making

3.3 Benefits of Performance Management

3.4 Principles that will guide the development and implementation of the Performance Management System

- Simplicity
- Politically driven
- Incremental implementation
- Transparency and accountability
- Integration
- Objectivity

3.5 Newcastle Municipality Performance Management Systems (PMS) Model

- What is a performance Measurement Model
- The value of a Performance Measurement Model
- Criteria of a Good Performance Model
- The revised Municipal Scorecard Model
- Why Newcastle Municipality will adopt the Revised Municipal Scorecard Model

3.5.1 What is a Performance Measurement Model?

Performance management is defined as a strategic process to management (or system of management), which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact. Regulation 7 of the 2001 Performance Regulations requires that every municipality develop a performance management system (PMS) which consists of a performance framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, and must set out the roles and responsibilities of the different stakeholders. The regulations further provide in Regulation 13 that a municipality must, after consultation with the community, develop and implement mechanisms, systems and processes for the

monitoring, measurement and review of performance in respect of the key performance indicators and targets set by it.

Performance measurement involves determining the extent to which objectives are being achieved through developing indicators and linking them to targets and related standards. Review of performance against set targets is undertaken on a regular basis. A performance measurement framework is a practical plan for the municipality to collect, process, organise, analyse, audit, reflect on and report performance information.

A performance measurement model is the system that is used to monitor, measure and review performance indicators within the above performance management framework. It is a choice about what aspects or dimensions of performance will be measured. It implies the grouping together of indicators into logical categories or groups, called **perspectives**, as a means to enhance the ability of an organization to manage and analyze its performance.

3.5.2 The Value of a Performance Measurement Model

The value of performance measurement models can be summarized as follows:

- Models simplify otherwise long lists of indicators by organizing them into perspectives which will sufficiently represent effective performance;
- Different models differ enormously on what is viewed as key aspects of performance (Key Performance Areas) and can help organizations make their own decisions on a model that fits their context;
- Models help in aligning the relationship between areas of performance when planning, evaluating and reporting;
- Models help align strategic planning and performance management by directly linking Key Performance Areas to priority areas in the strategic plan.
- Building an own model allows municipalities to agree on what areas of performance should be integrated, managed and measured and what values should inform indicators and standards of achievement.

3.5.3 Criteria of a Good Performance Model

The following characteristics should guide the choice of a performance model:

- a) It must be simple to develop and its implementation must be able to be cascaded to the lower levels with ease.
- b) The model must ensure that there is a balance in the set of indicators being compiled.
- c) The balance created by the model must encompass all relevant and priority areas of performance.
- d) The perspectives must be aligned to the IDP objectives.
- e) The model must be able to timeously diagnose blockages in the system.
- f) It must be easy to replicate to all other levels.
- g) It must be easy to integrate with other municipal systems and processes.

3.5.4 The Revised Municipal Scorecard Model

A Municipal Scorecard Model is a municipal scorecard adapted for measuring key performance on developmental areas that are relevant to municipal service delivery and the public sector. There are five KPA's that municipalities are required to align their strategic planning on and these cut across every functional area of a municipality. The municipal scorecard measures a municipality's performance through these five perspective as listed below. :

- a) The Municipal Economic Development Perspective
- b) The Service Delivery Perspective
- c) The Institutional Development Perspective
- d) The Financial Management Perspective, and
- e) Governance Process Perspective

3.5.5 Why The Newcastle Municipality will adopt the Revised Municipal Scorecard Model?

With recent developments through the adoption by national cabinet of the 5-Year Local Government Strategic Agenda, that aligns local government with the national programme of action, it became imperative to review the above municipal scorecard model and to align it with the 5 Key Performance Areas (KPA's) for local government.

The Newcastle Municipality, having adopted the Municipal Scorecard Performance Model, will align this framework to the revised Municipal Scorecard Model and its performance will be grouped accordingly. Furthermore, legislation required that the PMS also align to the IDP. The Newcastle Municipality IDP

adopted by Council have adopted 1 additional KPA's/ perspectives as follows :

a) Cross-cutting (Special Programmes, Municipal Planning, Community services etc.)

The Newcastle Municipality PMS will therefore report on all 6 perspectives.

3.5.6.1 The Municipal Economic Development Perspective

In this perspective the municipality will assess whether the desired development indicators around the performance area of social and economic development is achieved.

3.5.6.2 The Service Delivery Perspective

This perspective will assess the municipality's performance in the overall delivery of basic and infrastructural services and products.

3.5.6.3 The Financial Management Perspective

This perspective will measure the municipality's performance with respect to the management of its finances.

3.5.6.3 The Institutional Development Perspective

This perspective relates to input indicators that measure the functioning of the municipality under areas such as human resources, strategic planning and implementation, performance management and all other indicators that seek to develop and manage the municipal institution.

3.5.6.4 The Governance Process Perspective

This perspective will measure the municipality's performance in relation to its engagement with its stakeholders in the process of governance, established and functioning governance structures, and good municipal governance processes.

3.6 Implementation of the Revised Municipal Scorecard in The Newcastle Municipality

The Newcastle Municipality, had adopted a two-level approach of implementing the scorecard. The levels were:

- ✓ The Strategic or Organizational Scorecard Level – reflecting the strategic priorities of the municipality
 - This scorecard will also inform the individual scorecards of the Section 54/57 Managers.
- ✓ The Service Scorecard Level (SDBIP) – which captures the municipality’s performance in each defined service by department and functional area, provides a comprehensive picture of the performance of a particular functional area as budgeted and consisted of objectives, indicators and targets .

The two levels of scorecards will then become the performance management system (PMS) of The Newcastle Municipality. All reporting on the municipality’s performance will be informed by information derived from the two-level scorecard and reflect the municipality’s performance on the SIX perspectives.

Developing the Organizational Scorecard and Outlining the Scorecard Concepts

During the IDP process a corporate vision and mission were formulated for The Newcastle Municipality, together with broad key performance areas (KPA's), development objectives and key performance indicators (KPIs) which feed into the vision and mission. It is now necessary to take this process further into the performance management system, by developing an organizational or strategic scorecard that will encompass all the relevant areas or concepts that will allow measurement of the performance of the organization using this scorecard. This will be done by using relevant concepts to populate the organizational and service scorecards of The Newcastle Municipality. This process of developing the organizational and service/departmental scorecards will be followed every year after adoption of the IDP and the budget and after evaluation of the previous year’s scorecard or municipal performance. An illustration of the components of an organizational or strategic scorecard is reflected in figure 1 below.

Figure 1: Organisational Scorecard Concepts

Step 1	Outline the National Key Performance Areas (KPA's) and IDP alignment
Step 2	Define Strategic Focus Areas (SFA's) that fall under each KPA
Step 3	Formulate appropriate development objectives (IDP Objectives) for each SFA
Step 4	Develop suitable Key Performance Indicators (KPIs)
Step 5	Indicate the types of Key Performance Indicators

Step 6	Provide baseline information
Step 7	Set annual targets for each KPI over the 5 year period to be reviewed annually
Step 8	Indicate quarterly targets to be met arising out of the each of the set annual targets based on the budget for the year under review which will cascade into the SDBIP
Step 9	Allocate responsibility to departments for execution of actions
Step 10	Provide frequency of reporting on progress
Step 11	Specify the source of evidence to be used for verification and auditing purposes

In the following paragraphs are explanatory notes expanding on each of the component concepts set out in the above illustrative scorecard.

The detailed 11 step-by-step guidelines are included as Appendix 1 to the Framework, including KPI Definition template.

A template of the Organizational Scorecard with all the above concepts is illustrated as Appendix 2

NATIONAL KPA : BASIC SERVICE DELIVERY

IDP PRIORITY	GOAL/ OBJECTIVE	STRATEGIES	KPI No. Linked to IDP	KEY PERFORMANCE INDICATOR (KPI)	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET YEAR 1	QTR 1	QTR 2	QTR 3	QTR 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET YEAR 2	ANNUAL TARGET YEAR 3	ANNUAL TARGET YEAR 4	ANNUAL TARGET YEAR 5
Water	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	Increase number of households with access to basic potable (drinkable) water.	1.1.1	% Of households with access to a basic level of water	OUTPUT	%age	91%	92%	0	0	0	92 %	Technical Services (Water)	Annual	Progress report based on Stats SA census figures, completion certificates	94%	96%	98%	100%
		Upgrade levels of water services	1.1.2	Number of households upgraded to in the yard service	OUTPUT	Number	50000	80	20	20	20	20	Technical Services (Water)	Quarterly	Completion Certificates, Invoices	100	100	100	100

4 The Process of Managing Organizational Performance

The Municipal Systems Act (2000) places the responsibility on the Council to adopt a PMS, while holding The Mayor responsible for the development and management of the system. The Mayor of Newcastle Municipality delegates the responsibility for the development and management of the PMS to the Municipal Manager. The development of the system is a once-off activity and the Municipal Manager submits the system to The Mayor through the Executive Committee, who in turn forwards it to the full council for approval. The responsibility of implementation and management of the system remains with the Municipal Manager as part of his/her core functions as provided in Section 55(1) of the Municipal Systems Act of 2000.

4.1 Co-ordination

Co-ordination involves the overall responsibility of and carrying out the function of, and being the custodian of The Newcastle Municipality's performance management system and managing the system on behalf of the Municipal Manager. This is a strategic function which resides in the Office of the Municipal Manager.

The co-ordination of the implementation phases of the PMS will be the function of the PMS Unit which will be responsible for the following core activities:

- Responsible for the co-ordination of the development and implementation activities of the organisational PMS, through interaction with all relevant stakeholders;
- Ensuring and overseeing the implementation of this Performance Policy Framework and compliance to all performance legislative requirements in respect of the implementation of the PMS through the development of a Performance Process Plan;
- Facilitating inputs for the review and further development and refinement of the PMS;
- Providing regular support and capacity to the different departments in developing service/departmental scorecards;
- Continuously providing technical support to the Municipal Manager and the executive management team with implementation, assessment, review, monitoring and information management;

- Providing capacity for analysing organizational performance information submitted by Executive Managers on a quarterly, mid-term and annual basis in preparation for reporting;
- Responsible for co-ordination and compiling the annual Section 46 performance report;
- Ensuring that all quarterly, mid-term and annual organizational performance reports are submitted to all stakeholders timeously, e.g quarterly reports to Executive Committee; mid-term report to council and annual reports to Auditor General, MEC and the public;
- Work closely with the IDP, Budget and Audit Offices to co-ordinate performance activities according to Newcastle Municipality Performance Process Plan; and;
- Co-ordinate capacity building activities on municipal performance management for all stakeholders.
- Co-ordinate and facilitate the evaluation of all section 56/7 managers and maintaining proper record thereof

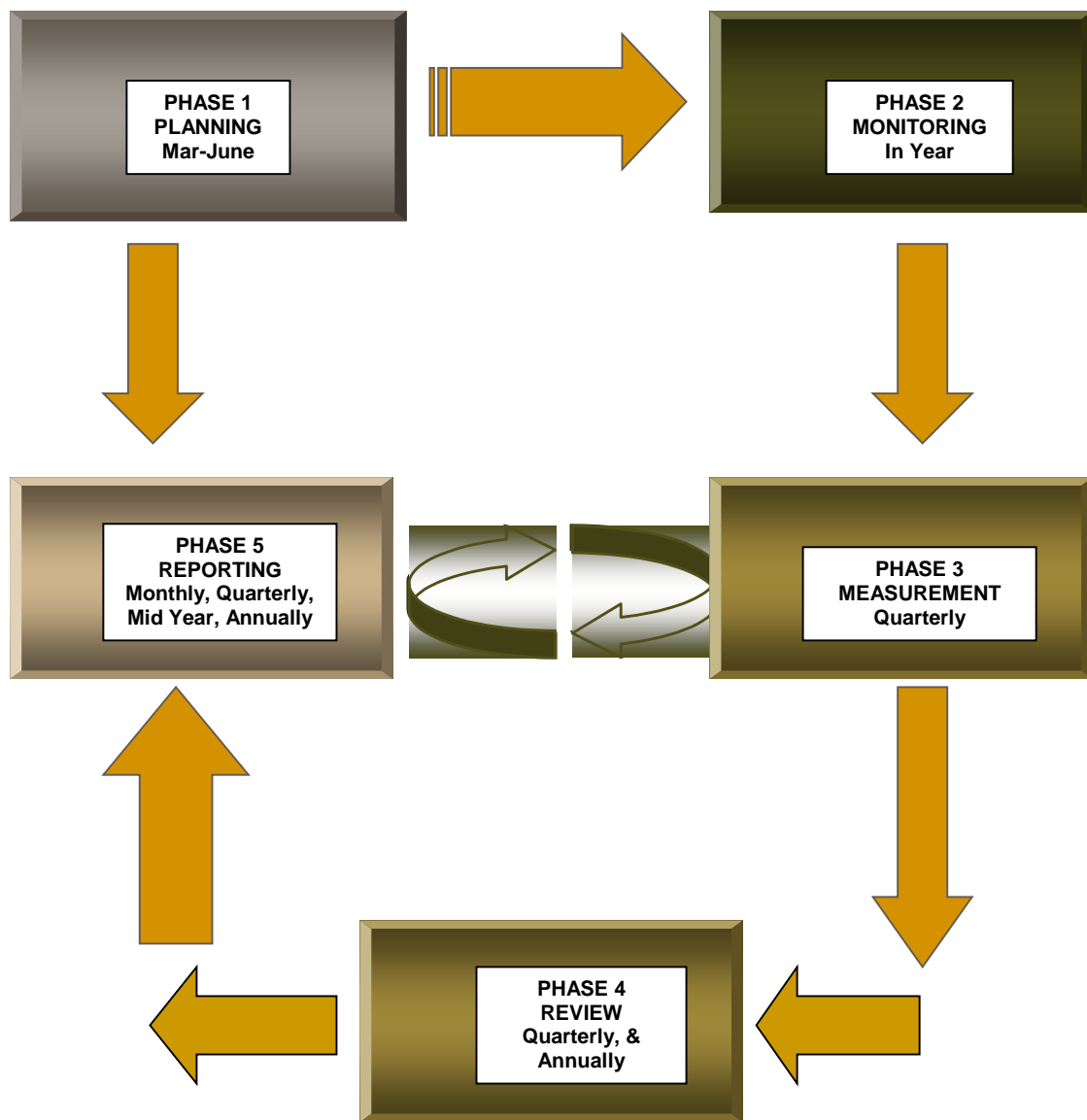
4.2 Implementing the Performance Management System

Having identified the preferred performance model to be the Revised Municipal Scorecard, and having agreed to measure its performance against the five perspectives, The Newcastle Municipality will adopt a process plan for implementing its performance management system. The PMS implementation and management process will be carried out within the following phases:

- Phase 1: Planning for Performance
- Phase 2: Performance Monitoring and Managing Performance Information
- Phase 3: Performance Measurement and Analysis
- Phase 4: Performance Review and Improvement
- Phase 5: Performance Reporting

The cycle of performance that will be adopted is shown **in figure 5** below.

Each phase is outlined in detail and this includes the actual step-by-step guide on what each phase entails and how each one will evolve. Templates that will be used in each phase are illustrated figuratively in the document.



5 Performance Management Cycle

5.1 Phase 1: Planning

Planning for performance simply means developing and reviewing the IDP annually in preparation for continuous implementation. Municipal performance planning is part of the IDP strategic planning processes. The IDP process and the performance management process are seamlessly integrated. Integrated development planning fulfils the planning phase of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process. The performance planning phase will be undertaken in three steps.

Step 1: Integrated Development Planning, Priority Setting, Identifying Key Performance Areas, Setting Objectives and Developing Key Performance Indicators and Performance Targets

Integrated development planning, as defined by the Municipal Systems Act, is a process by which municipalities prepare a 5 year strategic plan that is reviewed annually in consultation with communities and stakeholders. This strategic plan adopts an implementation approach and seeks to promote integration. By balancing the economic, ecological and social pillars of sustainability without compromising the institutional capacity required in the implementation and by coordinating actions across sectors and spheres of government. The IDP delivers a number of products that translate to the formulation of the municipal budget, the development of an annual Service Delivery and Budget Implementation Plan and an organizational performance scorecard for the municipality. In a nutshell, the IDP process should deliver the following products in relation to performance management:

- An assessment of development in the municipal area, identifying development challenges, marginalised and vulnerable citizens and communities;
- A long term development vision for the municipal area that overcomes its development challenges;
- A set of delivery priorities and objectives, based on identified needs, achievable in the current term of office, that would

contribute significantly to the achievement of the development vision for the area;

- A set of internal transformation strategies, priorities and objectives, whose achievement would enable the delivery and the realisation of the development vision;
- Programmes and projects identified which contribute to the achievement of the above objectives;
- High level Key Performance Indicators and Performance targets that will be used to measure progress on implementation of projects and progress towards attainment of the objectives and the vision; and
- A financial plan and medium term income and expenditure framework that is aligned with the priorities of the municipality;

The municipality must have established structures for consultation, oversight and management of integrated development planning. These include the:

- The IDP Management Committee
- The IDP Technical Committee
- The IDP Representative Forum
- The Ward Councillors and Ward Committees, and
- IDP Izimbizo

The IDP of the municipality contains the above features. The municipality has clustered its delivery priorities in the IDP under the following 5 Key Performance Areas (KPA's):

- Municipal Transformation and Institutional Development
- Good Governance
- Municipal Financial Viability
- Service Delivery and Infrastructure Development; and
- Local Economic Development

The IDP planning process has resulted in the formation of the above key performance areas, and these have been translated into objectives, and Key Performance Indicators and performance targets have been set for each key performance area. Every year the above elements are reviewed within the period of July and March which occurs simultaneously with the implementation of the IDP.

Step 2: Developing and Adoption of the Service Delivery and Budget Implementation Plan ("the SDBIP")

The above results of the 5 year IDP and the annual reviews result in the development of the Service Delivery and Budget

Implementation Plans (SDBIP) on an annual basis. The SDBIP gives effect to the Integrated Development Plan (IDP) and the budget of the municipality and is effective if the IDP and budget are fully aligned with each other, as required by the Municipal Finance Management Act. The budget gives effect to the strategic priorities of the municipality and is not a management or implementation plan. The SDBIP therefore serves as a “contract” between the administration, council and the community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of year targets and implementing the budget.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, Municipal Manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the Municipal Manager to monitor the performance of senior managers, the mayor to monitor the performance of the Municipal Manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the Municipal Manager and the Municipal Manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. The SDBIP indicates the responsibilities and outputs for each of the senior managers in the top management team, the inputs to be used, and the time deadlines for each output. The SDBIP will therefore determine the performance agreements of the Municipal Manager and senior managers, including the outputs and deadlines for which they will be held responsible. The SDBIP should also provide all expenditure

information (for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this is possible, to support ward councillors in service delivery information.

The SDBIP is also a vital monitoring tool for the mayor and council to monitor in-year performance of the Municipal Manager and for the Municipal Manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and Municipal Manager to be pro-active and take remedial steps in the event of poor performance. The SDBIP aims to ensure that managers are problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible. The SDBIP also enables the council to monitor the performance of the municipality against quarterly targets on service delivery.

The SDBIP is a layered plan, with the top layer of the plan dealing with consolidated service delivery targets and in-year deadlines, and linking such targets to top management.

Being a management and implementation plan (and not a policy proposal), the SDBIP is not required to be approved by the council – it is however tabled before council and made public for information and for purposes of monitoring. The SDBIP should be seen as a dynamic document that may (at lower layers of the plan) be continually revised by the Municipal Manager and other top managers, as actual performance after each month or quarter is taken into account. However, the top-layer of the SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). This council approval is necessary to ensure that the mayor or Municipal Manager do not revise service delivery targets downwards in the event where there is poor performance.

The Municipal Manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the Council. Once the budget is approved by the Council, the Municipal Manager should draft the SDBIP within 14 days for submission to the Mayor. Draft performance agreements should also be submitted with the draft SDBIP. The Mayor should therefore approve the final SDBIP 28 days after the approval of the budget, where after the SDBIP must be made public. Performance agreements of the Municipal Manager and managers reporting directly to the Municipal Manager must be finalised no later than 31 July as per the regulations.

The SDBIP requires a detail of five necessary components are:

1. Monthly projections of revenue to be collected for each source
2. Monthly projections of expenditure (operating and capital) and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators for each vote
4. Ward information for expenditure and service delivery
5. Detailed capital works plan broken down by ward over three years.

Newcastle Municipality organizational scorecard will group its indicators and targets under six perspectives and will monitor and measure its performance against achievements and improvement within the 6 perspectives. This is the difference between the SDBIP and the organizational scorecard. The components of the organizational scorecards will differ from those of the SDBIP and will be made up of eleven (11) components as outlined in paragraph 3.8 above under: Developing the Organizational Scorecard and Outlining the Scorecard Concepts and as illustrated in Figure 4 above.

Step 3: Development and Approval of the Organizational Scorecard and Service/Departmental Scorecards

It is clear from the above exploratory detail on the SDBIP and its components that there is an overlap between the SDBIP and the municipal performance scorecard as described in **paragraph 3.8** above. This overlap usually creates confusion to municipalities as to which performance planning tool to subscribe to and usually it is the SDBIP that is adopted and regarded as the scorecard of the municipality. However, this causes problems because the SDBIP remains a top level document and is not cascaded to, and aligned to the performance scorecards of individual managers. Moreover, because the components of the SDBIP are mainly along monitoring budget implementation, the other non-financial functional areas of the municipality end up being not monitored and reported on as vigorously as the financial functional area. Furthermore, this vigorousness is also concentrated on spending of the budget on time, not necessarily looking at the whole financial viability and management of the municipality

In addressing the concerns raised in the above argument, Newcastle Municipality will adopt the Revised Municipal Scorecard Performance model to utilize it as the tool to monitor and measure both the financial and non-financial performance of the

municipality. The SDBIP will form part of the performance management tools. The Organisational score-card as approved in the IDP will be used to cascade measures into the performance agreement of the Municipal Manager and the managers reporting directly to the Municipal Manager.

Since the SDBIP monitors the budget performance, it will form part of the overall performance management processes of the municipality and component 3 of the SDBIP (**Quarterly projections of service delivery targets and performance indicators for each vote**) will have similar information as the one that appears on components 5 and 7 of the organizational scorecard. Budget information on the SDBIP will be in line with organisational functional areas as approved in the budget and aligned to the organogram of the municipality.

The organizational scorecard of Newcastle Municipality will be laid out in a simple spreadsheet as indicated in **Figure 4** above. The organizational scorecard of Newcastle Municipality will be made up of layers of spreadsheets consisting of information on each of the components as stated above within each of the 6 Key Performance Areas (Municipal Transformation and Institutional Development; Good Governance; Local Economic Development; Municipal Financial Viability; and Service Delivery and Infrastructure Development). The Additional KPA viz. Cross Cutting will also be included to align to the IDP.

The organizational scorecard will inform departmental scorecards and departmental business plans. These in turn will inform the individual scorecards for the Section 57 Managers and other employees once rolled out in line with an individual PMS policy of Council once adopted. Drafting of these scorecards should happen simultaneously with the other documents, and submitted to the Mayor for approval and submission to the full council.

Step 4: Attending to Governance and Compliance Issues

Upon approval of all the strategic documents, The Mayor and the Municipal Manager must sign the Municipal Manager's Performance Agreement before 31 July of every year. The Municipal Manager must do the same and sign Performance Agreements with all the Managers directly accountable to her before 31 July of every year. These agreements will be discussed in detail below under employee performance management.

The Organisational Score-card will be included in the IDP and public consultation processes aligned to the IDP and budget will therefore

also apply to the Organisational score-card accordingly as per the approved IDP/Budget/PMS process plan. The SDBIP will be published for public perusal after approval by the Mayor. Performance Agreements will be published once tabled to Council.

Newcastle Municipality will use the following publicity platforms to publicize the above documents:

- Local newspapers
- Municipal Website

The Mayor will also submit copies of the SDBIP, the Organizational Scorecard and all the Section 57 Managers to the MEC for Local Government in the Kwazulu-Natal province.

The whole planning process for performance management will be done once per year within the months of March to June, in preparation for implementation in the following year, starting in July. By the beginning of a new financial year, all planning will be complete, compliance issues attended to and resources allocated accordingly.

5.2 Phase 2: Monitoring

Monitoring of performance will be an ongoing process throughout the year and will run parallel to the implementation of the IDP. Monitoring will be conducted within each department. Newcastle Municipality will use a paper-based and report-based monitoring mechanism. Different role players are allocated tasks to monitor and gather information that would assist the municipality to detect early indications of under-performance and take corrective measures on time. Information management plays a central role during this phase.

Newcastle Municipality's monitoring system places responsibility on each Department, Division/Section and Individual employee to collect relevant data and information to support the monitoring process. Evidence of performance will be gathered, stored by each department and presented to substantiate claims of meeting (or not meeting) performance standards. This evidence is stored on files (both manual filing and digital filing, where possible).

The Heads of the Departments must allocate responsibility in their offices for information management, as these performance information files must be separate from normal registry filing. Even though registry will have all the data and file it as per their filing

system, the performance information will be filed according to key performance area and key performance indicators. These files will be regarded as **portfolio of evidence** and must be kept for purposes of performance measurement, performance review and audit in the other phases.

The roles and responsibilities for monitoring are allocated as follows:

- I. **Section Managers** – Each section manager will be responsible for monitoring and reporting on each indicator in their departmental scorecards. They will monitor performance of their direct reports under their functional areas and report as per the indicator that has been set to measure that functional area. This monitoring occurs on a daily basis, with report being submitted to section managers by direct reports on a weekly basis. The section manager is responsible for compiling section reports on each indicator, collect the relevant data related to each project and indicator and facilitate proper storage of the data in files.
- II. **Admin Officers** – The Admin Officers in each section has a responsibility for managing indicator information files as per Newcastle Municipality monitoring system. They are also responsible for collating this information in preparation for submission of performance reports to Heads of Departments by section managers. This responsibility must be carried out on a weekly basis.
- III. **Departments or Directorates and Teams** – The departments will receive progress reports on progress into the implementation of their departmental scorecards from section managers on a bi-monthly basis. The bi-monthly reports are compiled into monthly reports that are discussed at the Management meetings.
- IV. **The Management Team** – The management team discusses departmental performance progress on a monthly basis and need to reflect on whether targets are being met, reflect on the reasons being provided by departments for targets not being met and suggest corrective action. The purpose for a performance-driven management team is to instill a culture of collective management and eliminate the silo mentality.
- V. **Section 79 Committees** – These committees will monitor performance of their respective services against departmental scorecards. They will receive reports on a monthly basis and must appraise themselves on progress on performance of their service areas against set targets. Where targets are not being met, the Section 79 Committees should ensure that the reasons for poor performance are satisfactory and sufficient to address

whatever delays, and corrective strategies are sufficient to address the poor performance.

- VI. **The Mayor** – The Municipal Manager will submit quarterly progress reports on all the indicators in the organisational scorecard to The Mayor in order for him/her to monitor if targets are being achieved and where they are not, that proper corrective strategies are put in place to keep to the timelines set for achieving each indicator and targets.
- VII. **Municipal Council** – Performance reports will be submitted to the council twice a year. A mid-term report and an annual performance report are the two reports that will be submitted council.
- VIII. **Audit Committee** – Quarterly reports will be submitted to the Audit Committee to be considered with the quarterly internal audit reports on performance information.
- IX. **Municipal Public Accounts Committee (MPAC)** - Performance reports will be submitted to the MPAC twice a year. A mid-term report and an annual performance report are the two reports that will be submitted MPAC.

A performance monitoring flow chart is illustrated in **Figure 6** below.

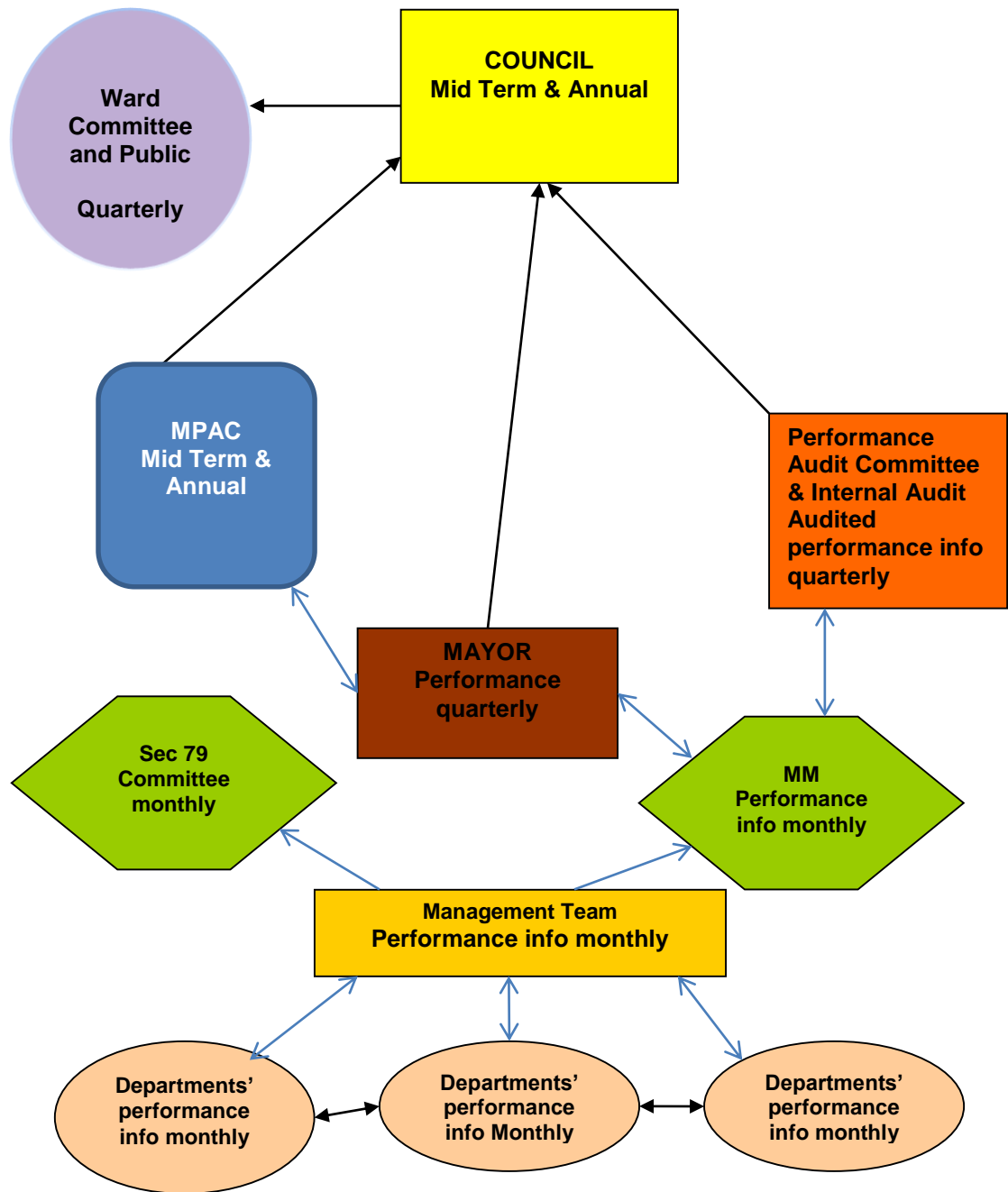


Figure 3: Newcastle Municipality Performance Monitoring System

5.3 Phase 3: Measurement and Analysis

Performance Measurement is essentially the process of analysing the data provided by the Performance Monitoring System in order to assess performance. At organisational level, Performance Measurement is formally executed on a monthly and quarterly basis, whilst Performance Measurement on individual level is done quarterly.

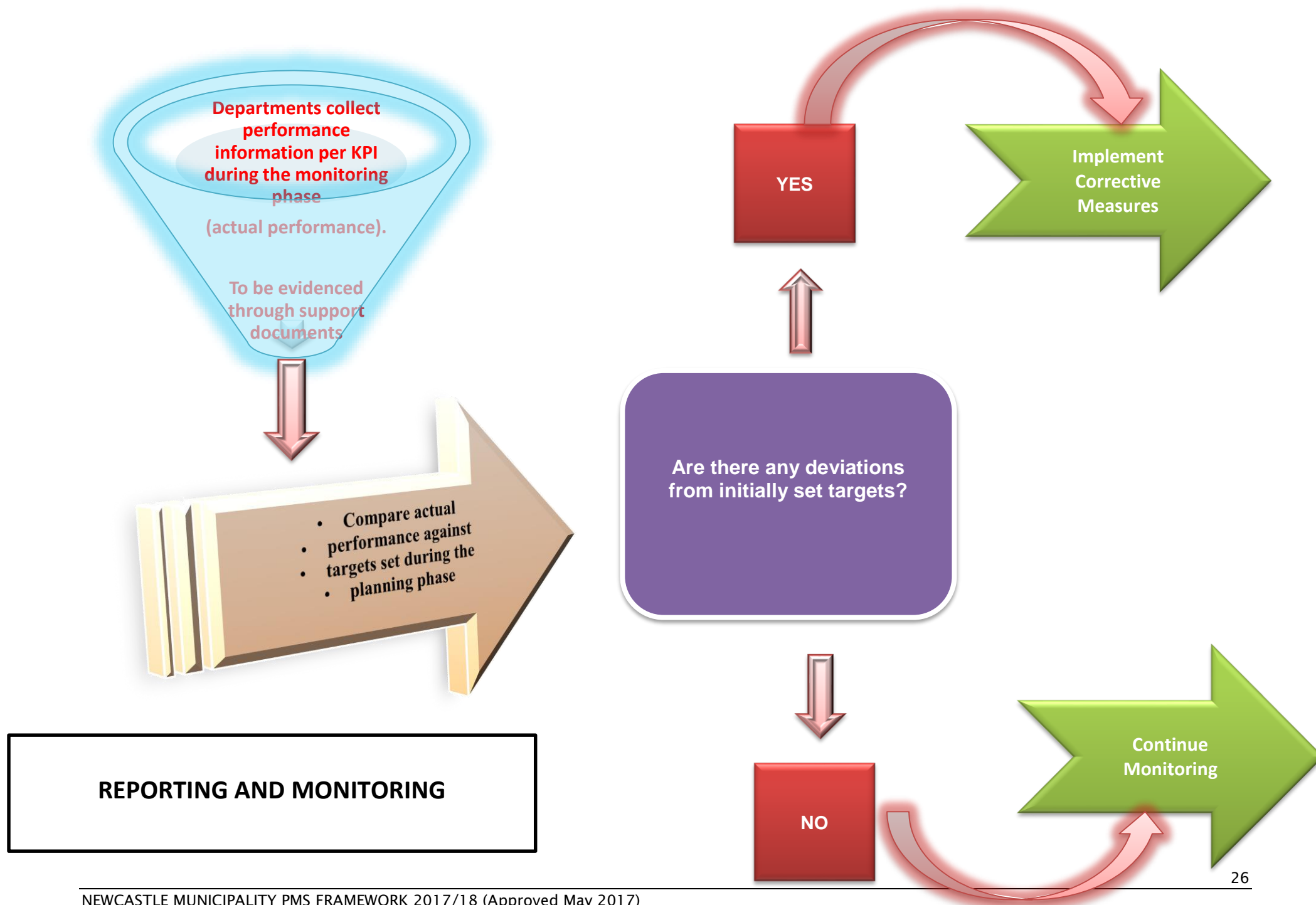
As indicated in section 3, Newcastle Municipality has adopted the Revised Municipal Spreadsheet Scorecard to analyse the performance information submitted during the monitoring phase and assess its performance levels. The adopted model will measure the municipality's performance through achievements within the Key Performance Areas and report its organizational performance along the performance perspectives.

The template for the performance measurement scorecard that will be used by Newcastle Municipality is illustrated below in **Figure 7**.

All the measured results are then recorded on a report. The municipality will use one reporting template for all key performance indicators and all departments will use this formant to produce quarterly reports and the annual review report. The reporting template will be discussed under the reporting section.

Figure 7: The link between performance monitoring, analysis and measurement

KEY PERFORMANCE AREA 4: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT												
STRATEGIC FOCUS AREAS	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPIs)	TYPE OF KPI	BASELINE INDICATOR	ANNUAL TARGETS	QUARTERLY TARGETS				RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	RESPONSIBLE POLITICAL STRUCTURE
						Q1	Q2	Q3	Q4			
Water services	To improve access to water to households in the informal settlements	1. Unit costs for purchasing water pipes to connect to single households	Input indicator	R10 000	R80 000	R20 000	R20 000	R20 000	R20 000	Infrastructure Dept	Monthly	Section 79 Committee responsible for Service Delivery
		2. No. of households connected in one year	Output indicator	100	1 000	250	250	250	250	Infrastructure Dept	Monthly	Section 79 Committee responsible for Service Delivery



5.4 Phase 4: Performance Reviews

Performance review is a process where the municipality, after measuring its own performance as detailed in the previous phase, assesses whether it is giving effect to the IDP. It is a phase where it will assess whether it is doing the right thing, doing it right and better, or not. Performance reviews will be conducted through the municipality's scorecard model by assessing performance against the 5 Key Performance Areas (KPA's), indicators, and targets. The Newcastle Municipality reviews will be conducted by using the "best value review" approach in the following three methods:

- a. The first method will look at whether the current level of performance is better than that of the previous year, **using baseline indicators** as adopted in the organizational scorecard. This assessment is important because the municipality can only know if its performance is improving by comparing with past performances. This review method will be the one used regularly alongside the monitoring and analysis processes. The reviews will occur on a monthly, quarterly, mid-year and annually.
- b. The second method will be through conducting **customer perception surveys** on an annual basis. The survey will assess the community's perceptions about the performance of the municipality against the delivery in their key performance areas. Ideally this should be done through the Annual Reporting process.
- c. The third method is will look at the municipality's performance by comparison with other similar ones through local municipalities through **benchmarking exercises** conducted once in 5 years or more often as circumstances will dictate. Ideally this should be done simultaneously with the development of the IDP

The "best value review" approach challenges the current level of municipal performance (**through comparing actual performance against the baselines**), compare it to others (**through benchmarking**), consult with customers and communities (**through customer perception surveys**) and find ways of competing with other municipalities to provide best value in service delivery (**through twinning agreements**).

The results of measurement and reviews will be captured on the spreadsheet reporting format as shown on **Figure 8** under the

reporting section below. All performance reports from departmental to organizational will be done on the same format so that there will be consistency on reporting

Who has the Responsibility of Conducting Reviews in The Newcastle Municipality Municipality?

As in the monitoring and measurement stages, reviews will be conducted according to the lines of accountability within the municipality's organizational structure. Reviews at all levels on organizational indicators and targets will be conducted quarterly, preceded by coaching sessions by the Municipal Managers to her/his direct reports. On considering the quarterly reports from each department and the results of the measurement revealing the level of performance in each department, the Municipal Manager must conduct one-on-one coaching sessions with Managers directly accountable to her, to ascertain the level of comfort and confidence in achieving set targets, and to understand the challenges that the Manager might be facing in achieving results. The coaching session must be recorded and the coaching notes be kept in the department's evidence file for individual performance evaluation purposes.

Supervisors

Supervisors will review the performance of employees reporting directly to them. These reviews will be conducted on a monthly basis and any deviations can be recommended by the supervisor to their section managers, only if they affect indicators and targets that are at their levels, not organizational or departmental indicators.

Section Managers

These managers review performance of their respective areas on a monthly basis, as they are monitoring, analyzing and measuring performance as against their departmental scorecards. The review will cover all organizational key performance areas and indicators with respect to their functional areas and any deviations from original targets can be recommended to their respective senior managers and can be authorised if it is not organizational or departmental targets.

Section 79 Committees

These committees manage the performance of sectors and functions respective to their portfolios. In order to build the role

played by Section 79 Committees, while ensuring that their role remains strategic and not operational, it is recommended that they review performance as often as monthly. However, the committees can only approve deviations on targets related to their service areas, after receiving recommendations from the management team.

Executive Management Team

The Municipal Manager and her management team will review performance prior to, and more often than, The Mayor or Section 79 Committees, as follows:

- Firstly, they will need to review performance more often, such that they can intervene promptly on operational matters where poor performance or the risks thereof occur.
- Secondly they will need to review performance before reporting to politicians so that they can prepare; control the quality of performance reports submitted to the councillors and the public; and ensure that adequate response strategies are proposed in cases of poor performance.
- It is strongly recommended that the executive management team review performance monthly, prior to reviews being conducted by Executive Committee or the Section 79 Committees. At these reviews relevant functional managers will be required to report on respective priority areas.

Executive Committee

The Performance Management System of the Newcastle municipality is designed in such a way that it allows The Mayor and the Executive Committee to strategically drive and manage performance in the organisation. Reviews at this level will remain strategic so that The Mayor is not restrained by operational discussions. In order for this review to be strategic it is recommended that the Executive Committee review performance quarterly, with the final quarterly review taking the form of an annual review. The content of the review should be confined to the adopted 5 key performance areas (KPA's) and objectives. The Municipal Manager will remain accountable for reporting on performance at this level.

Council

Council will review the performance of the municipal council, its committees and the administration, annually, in the form of a

tabled annual report at the end of the financial year. It may also review the PMS more regularly through the MPAC and consider any reports of the MPAC in fulfilling its oversight role.

Audit Committee

In order for the Audit Committee to fulfill its advisory role to Council, it is necessary that the Audit Committee reviews the effectiveness of the PMS at least bi-annually. Any recommendations for the review of the PMS MUST be considered by the Executive Committee and Council.

Municipal Public Account Committee (MPAC)

In terms of the guidelines of Cogta in respect of MPAC, the MPAC must interrogate the quarterly reports of the Mayor in respect of the SDBIP, and submit a report to Council with recommendations. This will include commenting of the Mid year budget and performance assessment for submission to Council.

The Public

The public will be involved in reviewing municipal performance at least annually, in the form of the annual report and the annual customer surveys.

While good and excellent performance must also be constantly improved to meet the needs of citizens and improve their quality of life, it is poor performance that needs to be improved as a priority. Poor performance may arise out of one or more of the following:

- Poor systems and processes
- Inappropriate structure
- Lack of skills and capacity
- Inappropriate organisational culture
- Absence of an appropriate strategy and departmental business plans that lay the foundation for optimum performance

Improving Performance

In order to improve performance, Newcastle 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. These will include, inter alia:

- Restructuring as a possible solution for an inappropriate structure
- Process and system improvement strategies to remedy poor systems and processes
- Training and sourcing additional capacity where skills and capacity shortages are identified
- Change management and diversity management education programmes can address organisational culture
- Review of the IDP by councillors to address shortcomings in strategy
- Development of appropriate departmental business plans and operational plans to guide performance in each department
- Where results show no chance of improvement through internal measures, alternative service delivery mechanisms shall be considered.

5.5 Phase 5: Reporting on Performance

Reporting requires that the municipality take its key performance areas, its performance objectives, indicators, targets, measurements and analysis, and present this information in a simple and accessible format, relevant and useful to the different stakeholders for review. Newcastle Municipality will adopt the reporting format shown in **Figure 8** below as its uniform reporting template at all levels of reporting.

The proposed template will contain only necessary and relevant information and will cover the period for which the reporter is reporting, state the relevant key performance areas, capture all the agreed objectives and indicators, state agreed targets relevant to the period which the report covers, measure current performance over the period for which the report is covering, specify when the measurement was done, specify the source of the measurement, reflect on whether agreed targets have been met, analyse the reasons for the level of performance, and suggest corrective action, if necessary.

All stakeholders who are expected to report on performance will use this one reporting format. The reporting format will remain simple, accessible to all users and useful to the intended reader.

The main feature of the reporting phase is the production of the annual report. This is a consolidated report that reflects results on performance on each of the 5 perspectives as per the adopted model. The main report will be informed by the information gathered through the scorecards throughout the year and one

performance report will be compiled as per the requirement of Section 46 of the Municipal Systems Act. Since Newcastle Municipality adopted the Revised Municipal Scorecard model, its annual report will reflect its performance results clustered in the following 5 perspectives:

- Under the Municipal Development Perspective the municipality will reflect results achieved on indicators around the performance area of social and economic development. This perspective measures the outputs on socio-economic development in the municipality.
- Under the Service Delivery Perspective the municipality will reflect its annual performance achievements in the overall delivery of basic and infrastructural services outputs.
- Under the Financial Management Perspective, the annual report will reflect the municipality's performance with respect to the management and viability of its finances. It has to reflect the results of the financial process, inputs and output indicators.
- The Institutional Development Perspective will report on input indicators that measure the functioning of the municipality under areas such as human resources, strategic planning and implementation, performance management, etc; and
- Under the Governance Process Perspective the municipality's annual report must indicate results achieved in relation to its processes of engagement with its stakeholders in the process of governance, established and functioning governance structures, for example, a functioning Audit Committee, etc.

Figure 8: The Performance Reporting Template for Newcastle Municipality

<u>IDP PRIORITY</u>	<u>OBJECTIVE</u>	<u>KPIS</u>	<u>SOURCE EVIDENCE</u>	<u>FREQUEN CY</u>	<u>BASELINE</u>	<u>TARGET FOR THE PERIOD</u>	<u>ACTUAL FOR THE PERIOD</u>	<u>REASONS FOR PERFORMANCE VARIANCE</u>	<u>RECOMMENDED CORRECTIVE ACTION</u>
Infrastructure and services	To ensure the provision of adequate basic water and sanitation facilities to nodal and traditional areas according to acceptable (RDP) standards ensuring the reduction in reported cases of diseases	% of households supplied with potable water (in dwelling or stand, standpipes or communal taps at <200 metres, spring water, boreholes or communal water tanks).							
		% of households provided with basic sanitation (Waterborne or VIP toilets) facilities.							

6 Reporting

6.1 Who Reports to Whom?

The reporting process will follow the lines of accountability as detailed in the performance monitoring, measurement and review phases above. Reports will be submitted to all different stakeholders using following internal processes as outlined above and through the different political and community stakeholders as required by the Municipal Systems Act, the Municipal Finance Management Act and the Performance Regulations. Reports will be submitted to the following stakeholders during the timelines outlined in the municipality's performance process plan as shown under the **Performance Cycle** section:

- Newcastle Municipality reporting to Communities;
- Newcastle Municipality reporting to Ward Committees;
- Executive Committee reporting to Council;
- Municipal Manager reporting to The Mayor ;
- Heads of Departments reporting to the Municipal Manager;
- Section Managers reporting to Heads of Departments; and
- Employees reporting to their section managers and supervisors.

6.2 Tracking and Managing the Reporting Process

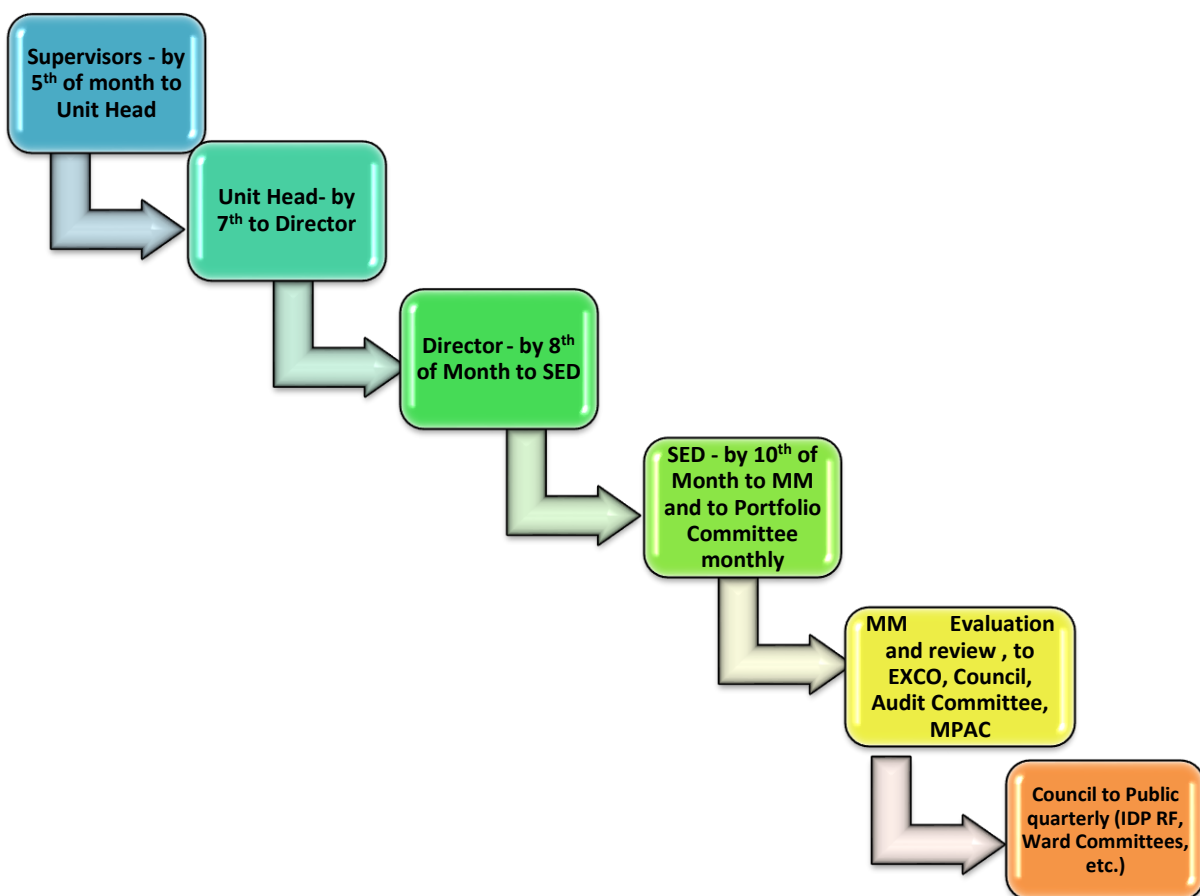
To ensure that the reporting processes runs smoothly and effectively, the Monitoring and Evaluation Unit in the Office of the Municipal Manager will co-ordinate all activities related to efficient reporting. The functions of the Unit in this instance include the following:

- Developing a process plan or timetable for all reporting processes for the year;
- Prepare logistics for reporting;
- Improve the reporting format, should there be a necessity to do so;
- Track and monitor reporting processes;
- Control the quality of reports going to reviews at political levels in terms of alignment with the adopted reporting format;
- In respect of the Capital Programme, reporting and monitoring be carried out against a Proforma Project Implementation Plan/template (Annexure 1) with aligned projections of cash flow. The Proforma template may be applied for key

operational projects by departments to better manage these operational projects.

- Project Implementation Plans must be used to align to the Procurement Plan of the municipality
- Analyse departmental performance reports;
- Compile quarterly organisational performance reports and the annual report; and
- Review the reporting process and suggest improvements.

The following reporting and monitoring process flow will apply monthly for the capital status reports and quarterly for the quarterly reports :-



The above process is subject to a technical assessment by the PMS unit- such assessment to check on the completeness of reports, and the relevance and sufficiency of the portfolio of evidence submitted. Portfolios of evidence should be appropriately reference to the relevant score-cards to allow for ease of reading and for purpose of auditing.

The methodology for the performance assessment is based on the rating calculator for Municipal Manager's and managers directly accountable to the Municipal Manager, as well as the Dashboard

illustrations used by the Auditor-General. This will cascade into individual performance assessments. A PMS Checklist is used to ensure that performance information as reported is :-

- ✓ Sufficient
- ✓ Relevant
- ✓ Accurate

For the purpose of this monitoring, the Dashboard results will be highlighted in terms of :

DASHBOARD ASSESSMENT KEY	
	TARGET OVER ACHIEVED
	TARGET MET
	TARGET IN PROGRESS
	TARGET NOT MET

Departments are required to submit all performance reports with a referenced portfolio of evidence file. This will be subjected to a technical assessment process by the Performance Management unit as well as an internal audit process. The progressive performance for all 4 quarters is assessed against the annual target to determine the annual actual – and thus annual performance.

Any TARGET NOT MET, in any quarter on the SDBIP or capital programme as monitored monthly, must in all instances have the requisite “REASON FOR VARIANCE”, and “RECOMMENDED CORRECTIVE ACTION, such “reason for variance” to be evidenced, failing which the target will be deemed to be “NOT MET”

The Review of targets on Score-cards will be considered only during the Adjustment Budget process in line with the Mid Year Performance review as per Section 72 of the MFMA, as reviewed by the M & E unit and approved as the Revised SDBIP's. In year revisions to a KPI is not encouraged, unless it is as a result of audit findings and/or exceptional circumstances.

Project Implementation plans and projections of cash flows on the capital programme MUST be reviewed only in line with a Council resolution. Any changes to the capital programme by resolution of Council, must in all instances be accompanied by the requisite PIP and cash flow projections.

For assessment purposes, all projects on the Capital programme and amendments thereto, must have a PIP and cash flow approved as part of the SDBIP. Departments must ensure that PIP's and cash flows accompany recommendations to Council.

6.3 Publication of Performance Reports

The annual performance report is required by legislation to be availed to the public through the Annual Report. Newcastle Municipality will, however, within its resources and capacity, keep the communities more frequently informed of performance information through:

- a. Publication of reports in the municipal website
- b. Press releases
- c. Press Briefings
- d. Publication of pamphlets or newsletters
- e. Local Radio programmes
- f. Ward Committee meetings.

6.4 Public Feedback Mechanisms

Public feedback on reported performance will be during IDP/Budget/PMS review processes, Annual reporting processes and in line with the public participation policy of the municipality.

6.5 Auditing Performance and Quality Control

In order for the performance management system to enjoy credibility and legitimacy from the public and other stakeholders, performance reports, particularly the annual performance report, must be audited. Audits should ensure that reported performance information is accurate, valid and reliable.

In terms of the provisions of the Municipal Systems Act and the Performance Regulations of 2001, the annual performance report must be audited internally, and before being tabled and made public, the annual performance report will also be audited by the Auditor-General. It is therefore important to allow sufficient time between completion of annual reports and the tabling of the annual report for auditing.

The draft annual report is submitted to the Auditor-General before 31 August of every year, for auditing and be submitted to the MEC

for local government in the province for the MEC to complete an annual report of performance of all municipalities in the province, identifying poor performing municipalities and proposing remedial action and submit the provincial report to the national minister. The national minister will then present a consolidated report to parliament.

6.6 Internal Auditing of Performance Measurements

6.6.1 The Internal Audit Unit of the Newcastle Municipality

In terms of Regulation 14 of the Planning and Performance Regulations of 2001, every municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. The functions of the internal audit unit include the assessment of the following:

- (i) the functionality of the municipality's performance management system;
- (ii) whether the municipality's performance management system complies with the provisions of the Municipal Systems Act; and
- (iii) the extent to which the municipality's performance measurements are reliable in measuring performance of municipalities on its own indicators and the national indicators

The Regulations further provides that the municipality's internal auditors must:

- (i) on a continuous basis audit the performance measurements of the municipality; and
- (ii) submit quarterly reports on their audits to the Municipal Manager and the performance audit committee.

The Newcastle Municipality has established an Internal Audit unit whose functions are provided for by the 2001 Performance Regulations as indicated in the above extract. The Internal Audit Unit will be responsible for quality checks balances of all performance information submitted for measurement and review. Quality control is the central and key function of the Unit that will ensure achievement of effective and efficient performance by Newcastle Municipality. The Audit Committee, Municipal Manager and The Executive Committee will place reliance on the performance audit risk assessments and audit reports to make informed decisions and

motivate for any reviews and improvements to the municipal council and communities.

6.6.2 The Performance Audit Committee

Regulation 14 of the Planning and Performance Regulations stipulates the provisions that guide the establishment of the Performance Audit Committee and outline the functions and powers entrusted to the committee as the following:

- review the quarterly reports submitted to it by the Internal Auditors;
- review the municipality's performance management system and in doing so, focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by Newcastle Municipality in its organizational scorecard are concerned;
- make recommendations in this regard to council; and
- at least twice during a financial year submit an audit report to the municipal council;
- communicate directly with the council, Municipal Manager or the internal and external auditors of the municipality;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee; and;
- investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

○ Roles and Responsibilities of Different Stakeholders

As can be noted from the above analysis of each phase in performance management and from the plethora of legislative prescripts governing municipal performance, it is clear that, for the performance management system of The Newcastle Municipality to be functional, a number of stakeholders have to be involved. These stakeholders have different roles and responsibilities within each of the performance management phases. The tables below will outline roles and responsibilities of each of the stakeholders in each phase.

Roles and responsibilities of stakeholders in the operation and management of the PMS

Roles and Responsibilities of The Mayor

PLANNING	MONITORING, ANALYSIS AND MEASUREMENT		
	REVIEW	REPORTING	ASSESSMENT
<ul style="list-style-type: none"> * Submits priorities and objectives of the Integrated Development Plan to Council for approval * Submits the PMS policy framework for approval * Submits the municipal strategic or organizational scorecard to Council for approval * Approves the Service Delivery and Budget Implementation Plans (SDBIP) * Enters into a performance agreement with the Municipal Manager on behalf of the Municipal Council * Assigns the responsibility for the management of the PMS to the Municipal Manager * Tables the budget and the SDBIP to Council for approval * Approves the departmental or service scorecards and Section 57 Managers scorecards 	<ul style="list-style-type: none"> * Proposes to Council the annual review programme of the IDP, including the review of key performance indicators and performance targets * Proposes the annual performance improvement measures of the municipality as part of the municipal strategic or organizational scorecard * Proposes changes to the priorities, objectives, key performance indicators and performance targets of the municipality * Quarterly evaluates the performance of the municipality against adopted KPIs and targets * Quarterly reviews the performance of the departments to improve the economy, efficiency and effectiveness of the municipality * Quarterly and annually evaluates the performance of the Municipal Manager 	<ul style="list-style-type: none"> * Receives monthly budget statements * Receives performance reports quarterly from the internal auditor * Receives performance reports twice a year from the Performance Audit Committee * Receives monthly and quarterly reports from the Municipal Manager on the performance of managers and the rest of the staff * Receives the annual Section 46 reports from the Municipal Manager before submission to council, Auditor General and MEC * Report to council on the mid-term review and the annual report on the performance of the municipality * Reports to Council on the recommendations for the improvement of the performance management system 	<ul style="list-style-type: none"> * Assess and submits the municipal annual audit plan and any substantial changes to council for approval * Assess and approves the implementation of the recommendations of the internal auditor with regard to improvement in the performance of the municipality or improvement of the performance management system itself * Receives and assess performance audit report(s) from the Auditor General and management comments and make recommendations to Council on addressing whatever audit queries raised therein

Roles and Responsibilities of the Municipal Manager

PLANNING	IMPLEMENTATION	MONITORING, ANALYSIS AND MEASUREMENT		
		REVIEW	REPORTING	ASSESSMENT
<ul style="list-style-type: none"> * Coordinates the process of needs identification and prioritization among all stakeholders, including community structures * Coordinates the formulation and revision of the PMS policy framework * Coordinates the formulation and revision of the municipality's strategic or organizational scorecard * Leads the process of the formulation and revision of the Service Delivery and Budget Implementation Plans * Enters into performance agreements with Section 57 Managers on behalf of Council 	<ul style="list-style-type: none"> * Manages the overall implementation of the IDP * Ensures that all stakeholders implement the provisions of the PMS policy framework * Ensures that the Departmental scorecards and departmental annual programmes serve the strategic or organizational scorecard of the municipality * Ensures that annual programmes are implemented according to the targets and timeframes agreed to * Implements performance improvement measures approved by The Mayor and the Council * Ensures that performance objectives in the Section 57 Managers' performance agreements are achieved 	<ul style="list-style-type: none"> * Formulates the annual review programme of the IDP, including the review of key performance indicators and performance targets for the consideration of Council Committees and The Mayor * Formulates the annual performance improvement measures of the municipality as part of the new municipal strategic or organizational scorecard * Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality * Quarterly and annually evaluates the performance of Section 57 Managers 	<ul style="list-style-type: none"> * Receives performance reports quarterly from the internal auditor * Receives performance reports twice a year from the Performance Audit Committee * Receives monthly departmental performance reports * Reports quarterly to the Mayor on the performance of Departments * Reports on the implementation of improvement measures adopted by The Mayor and Council * Monthly, quarterly and annually reports to The Mayor on the performance of Section 57 Managers and departments * Submit the municipal annual Section 46 report to The Mayor 	<ul style="list-style-type: none"> * Formulates the municipal annual audit plan * Assess and formulate appropriate responses to the recommendations of the internal auditor and the Performance Audit Committee * Assess and formulate appropriate responses to performance audit queries raised by the Auditor General and make recommendations to The Mayor

Roles and Responsibilities of the Section 79 Committees

PLANNING		MONITORING, ANALYSIS AND MEASUREMENT	
	REVIEW	REPORTING	ASSESSMENT
* Advise The Mayor on priorities and objectives of the Integrated Development Plan	* Participate in the formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets	* Reports to The Mayor on the recommendations for the improvement of the performance management system * Receive reports from the departmental heads and section managers on performance in their respective service areas	* Advise The Mayor on the implementation of the recommendations of the internal auditor, the Performance Audit Committee and the Auditor-General

Roles and Responsibilities of the Section 57 Managers

PLANNING		MONITORING, ANALYSIS AND MEASUREMENT		
	IMPLEMENTATION	REVIEW	REPORTING	ASSESSMENT
* Participate in the formulation of the SDBIP and the municipal strategic or organizational scorecard * Manage subordinates' performance * Enter into performance agreements with the Municipal Manager	* Manage the implementation of the Departmental scorecards * Ensure the performance objectives in the performance agreements are achieved	* Quarterly and annually review the performance of the department * Quarterly review performance of direct reports	* Report on the implementation of improvement measures adopted by The Mayor and Council * Annually report on the performance of their departments * Receive bi-monthly performance reports from section managers	* Participate in the formulation of the response to the recommendations of the internal auditor, Performance Audit Committee and the Auditor General

			* Reports monthly on progress	
--	--	--	-------------------------------	--

Roles and Responsibilities of Non-Section 57 Municipal Employees

PLANNING	IMPLEMENTATION	MONITORING, ANALYSIS AND MEASUREMENT		
		REVIEW	REPORTING	ASSESSMENT
<ul style="list-style-type: none"> * Participate in identifying of priorities and setting KPIs and targets for the municipality's IDP * Participate in the development of the organizational and the departmental scorecards * Participate in the development of their own performance scorecards 	<ul style="list-style-type: none"> * Execute individual work plans * Manage all information and evidence required for performance measurement 	<ul style="list-style-type: none"> * Participate in the review of departmental plans * Participate in the review of own performance 	<ul style="list-style-type: none"> * Report on progress on achieving of own scorecard targets to section managers 	<ul style="list-style-type: none"> * Assess performance review reports of own section

Roles and Responsibilities of the Community

PLANNING	REVIEW	REPORTING
<ul style="list-style-type: none"> * Participate in the drafting and implementation of the municipality's IDP through established forums * Participate in the setting of KPIs and targets for the municipality every year * Make representations on the draft annual budget 	<ul style="list-style-type: none"> * Participate in the annual review of performance through their involvement in ward committee structures and customer perception surveys. 	<ul style="list-style-type: none"> * Receive annual performance and budget reports from council

--	--	--

Roles and Responsibilities of Ward Committees

PLANNING	REVIEW	REPORTING
<ul style="list-style-type: none"> * Participate in the drafting and implementation of the municipality's IDP * Participate in the setting of KPIs and targets for the municipality every year * Make representations on the draft annual budget 	<ul style="list-style-type: none"> * Participate in the annual review of performance through their involvement 	<ul style="list-style-type: none"> * Receive quarterly performance reports from council

Roles and Responsibilities of Organized Labour

PLANNING	REVIEW	REPORTING
<ul style="list-style-type: none"> * Participate in the drafting and implementation of the municipality's IDP through established forums * Participate in the setting of KPIs and targets for the municipality every year * Participates and provide inputs in the drafting of the organizational and departmental scorecards 	<ul style="list-style-type: none"> * Participate in assessment and the quarterly reviews of employee performance and compilation of departmental and organizational performance review reports 	<ul style="list-style-type: none"> * Receive quarterly performance reports on employee under-performance in the Local Labour Forum * Report on any negative effects of the PMS on employees

* Oversee the overall application of the Performance Management Policy Framework on Non-Section 57 employees		
--	--	--

Roles and Responsibilities of the Internal Audit

PLANNING	AUDIT	ASSESSMENT	REPORTING
* Develop the risk and compliance-based audit plan	* Audit the performance measures in the municipal and departmental scorecards * Conduct compliance based audits	* Assess the functioning of the municipality's PMS to ensure it complies with the Act	* Submit quarterly reports to the Municipal Manager. * Submit quarterly reports to the Performance Audit Committee

Roles and Responsibilities of the Performance Audit Committee

PLANNING	REVIEW	REPORTING
* Receive the annual audit plan from Internal Audit	* Review quarterly reports from the internal audit office on quarterly basis	* Submit quarterly reports to the Municipal Manager and The Mayor * Submit bi-annual reports to the Municipal Council

7 Employee Performance Management

7.1 Legal Framework that Governs Employee Performance Management

In local government, municipal employees now fall into two broad categories: namely, the employees who are governed by Section 54/57 of the Municipal Systems Act and enter into time-specified employment contracts with the municipality, and those that are employed on permanent basis and are governed by the provisions of the Local Government Bargaining Council. In this policy framework, the emphasis is on the employees employed under Section 54 and 57 will be referred to as **“Section 54/57 Managers”**

The local government legislation has provided guidance on managing and rewarding performance of Section 54/57 Managers, i.e. the Municipal Manager and all Managers directly accountable to her. The Performance Management Regulations for Municipal Managers and Managers Directly Accountable of 2006 make special provisions for employment and managing performance of these employees. The pertinent provisions will be outlined briefly below. However a full copy of the Regulations will be attached as one of the appendices to this policy framework.

Section 57 managers must enter into employment contract with the municipality on assumption of duties and the regulations give a detailed guide on the elements of an employment contract;

Performance Agreements must be signed on each financial year or part thereof;

Performance Agreements must be signed for all employees appointed in an Acting capacity in terms of section 54 and 56 of the Municipal Systems Act (As amended) for any period of 3 months, or an extension thereof (as approved by Council), if applicable. Such agreement MUST be concluded within 30 days of the appointment as aligned to the approved IDP and SDBIP targets. The evaluation process as specified in Performance Management Regulations for Municipal Managers and Managers Directly Accountable of 2006, will also apply to an incumbent appointed in the “acting” capacity for the duration of the acting appointment. Such performance agreements MUST be approved by Council.

A new **performance agreement** must be concluded within **one month** after the commencement of the new financial year, i.e. by 31 July of every year;

A **personal development plan** must be documented at the end of the performance review and form part of the performance agreement;

The employee's performance must be assessed against two components:

Key Performance Areas (KPA's) at (80%) and Core Competency Requirements (CCR's) at (20%);

- A **5 - point rating scale** should be provided for each Key Performance Indicator in the employees scorecard;
- The municipality must establish Evaluation Committees who must meet annually to evaluate the performance of the Municipal Manager and the managers directly accountable to the Municipal Manager;
- The Municipal Manager's annual performance must be evaluated by The Mayor, Chairperson of the Performance Audit Committee, Member of the Mayoral Committee, Mayor and/or Municipal Manager from another municipality and Member of a Ward Committee nominated by The Mayor;
- Managers directly accountable to the Municipal Manager must be rated by the Municipal Manager, Chairperson of the Performance Audit Committee, Member of the Mayoral Committee and a Municipal Manager from another municipality.

A performance bonus ranging from a minimum of 5% - 14% maximum of the all-inclusive remuneration package must be paid as follows:

- **A score of 130 - 149% is awarded a bonus from 5% - 9%**
- **A score of 150% and above is awarded a bonus from 10% - 14%;**

Rewarding of Performance for Section 57 employees must be done after the adoption of the Annual Report.

As can be seen from the above provisions, the Section 57 employees in Newcastle Municipality will align with the above regulations and their performance will be measured through their performance plans/scorecards. The same organizational scorecard will be cascaded to the employee scorecard and these will form part of their performance agreements.

It is the intention of this policy framework to formally incorporate the permanent employees into the overall performance management system of the municipality. This will translate into all employees of Newcastle Municipality developing annual scorecards that are aligned to their functional areas of responsibility and thereafter entering into performance agreements with their respective supervisors. Just like in the Section 57 employee performance provisions, the performance agreements of the permanent employees will include a personal development plan.

An Individual performance policy as compiled by the Corporate Services Department will be submitted to Council for approval, to include a process for the phasing-in of individual performance management system for the Newcastle Municipality in the short-medium term. Organised Labour is to be engaged in this regard through the Local Labour Forum.

7.2 Aligning Individual Performance to the Organizational Performance Management System

The performance of an organisation is integrally linked to that of staff. If employees do not perform an organisation will fail. It is therefore important to manage both the organizational and individual performance at the same time. The relationship between organisational performance and employee performance starts from planning, implementation, monitoring and review. All the 5 phases in the organizational performance apply to the management of individual performance. The monitoring system using weekly, bi-monthly, monthly and quarterly reports is informed by individual activities at sectional and departmental levels. However, individual performance reviews differ from organizational reviews. Each phase will be discussed briefly below.

7.2.1 Phase 1: Planning for Individual Employee Performance

The IDP yields a set of indicators and targets. These become an undertaking of the municipality to the community. The IDP

informs the development of the SDBIP and the organizational scorecard. The components of the organizational scorecard will be cascaded to the Municipal Manager's performance scorecard and performance agreement as she is responsible for the implementation of the IDP. The Municipal Manager will then extract relevant indicators to inform scorecards of the different Departments. These indicators would then become the indicators and targets of the Heads of Departments to be incorporated in their performance scorecards and agreements. Once the Individual PMS is cascaded to all categories of employees, the Heads of Departments will in turn cascade the indicators and targets to lower levels in line with the scope of responsibilities at that level. Therefore, this policy framework establishes a system of individual performance management linked to the organizational performance through the scorecard model.

7.2.1.1 Effecting Weighting and Rating on Employee Scorecards

Newcastle Municipality will adopt a weighting approach to show the relative importance of one indicator against another indicator. Every indicator in an employee's performance scorecard/plan will be assigned a weighting. The total of the weightings on the performance scorecard must add up to 100 points. An important indicator may, for example, be assigned a weighting of 50 out of the total of 100 whereas a less important KPI may be assigned a weighting of 15 out of 100. The purpose of the weightings is to show employees what the key focus areas are in their work.

The weighting of indicators in the scorecard of the Section 57 employees will follow the line of the provisions of the 2006 Performance Regulations. The weighting of 80% will be allocated to KPA-related indicators and 20% of the weighting will be allocated to CCR-related indicators.

The five-point rating will apply in evaluation process of all employee performance. The 2006 Performance Regulations sets out the rating as in **Table 1** below.

Actuals reported within a 10% variance of a target will be considered as acceptable performance and will be score accordingly.

Table 1: The 5-Point Rating for Employee Performance Appraisals

LEVEL	TERMINOLOGY	DESCRIPTION	RATING DASHBOARD
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others	
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

The outcome of the planning phase in the individual performance management will result in all employees having signed performance agreements and scorecards at the beginning of every financial year. An employee scorecard template will be aligned to that of the organisational scorecard/SDBIP.

7.2.2 Phase 2: Implementation, Monitoring, Data Analysis and Measurement.

When projects and programmes are implemented, the monitoring system as proposed in the organizational performance phases will apply. All the reporting timelines and information management responsibilities will be carried out as detailed in these phases.

7.2.3 Phase 3: Coaching

Should an employee not be achieving the agreed indicators in his/her performance scorecard the manager/supervisor must assist the employee by managing his/her performance more closely. It is not appropriate that the first time an employee hears about his/her non-performance is at the formal performance review. Employees must be coached and given feedback at least quarterly before review. The Personal Development Plan must be utilized for this purpose, and facilitation of coaching must be through formal arrangement by the Supervisor assisted by the Human Resources Development unit.

7.2.4 Phase 4: Employee Performance Review

This phase involves jointly assessing actual performance against expectations at the end of the performance cycle so as to review and document planned vs. actual performance. The following guidelines will be applicable for conducting individual performance reviews:

A Manager/supervisor will prepare ratings of employee's performance against key performance indicators. The rating will be done by considering the year end actual cumulative as well, the evidence which was documented during the coaching cycle as well as any other relevant input.

The Manager/supervisor will request the employee to prepare for formal appraisal by rating him/herself against the agreed key performance indicators on their scorecards.

The Manager/supervisor and the employee meet to conduct a formal performance rating with a view to conclude a final rating. The employee may request time to consider the rating. A second meeting will then take place. In the event of a disagreement, the manager/supervisor has the final say with regard to the final rating that is given.

After the ratings have been agreed upon the scores are calculated.

The Manager/supervisor must make own notes during the formal review meeting. All the criteria that have been specified must be taken into consideration.

Only those KPIs relevant for the review period in question should be rated according to the five point scale as shown above.

After the year-end review the manager/supervisor and the employee prepare and agree on a personal development plan.

The total score is determined once all the indicators have been rated and scored. This is done with a view to establish if an employee is entitled to a notch increase or an accelerated salary progression or a non-financial award. Annual inflation related increments will not be affected by the implementation of the performance management system and cascading it down to all employees.

7.2.5 Phase 5: Rewarding Performance

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees.

The performance reward system applied to Section 57 Employees is different from the performance reward system applied to Permanent Employees who are not Section 57 Employees. Section 57 employees reward system is clearly spelt out in the 2006 Performance Regulations and these rewards are be allocated after the tabling of the receipt of the audit report and tabling of the annual report, i.e. in February of each year.

Appraisal criteria and processes, and an incentive / Reward System for other employees of Council will be determined through specific policy directive relating to Individual Performance Management System as approved by Council and facilitated by the Corporate Services Department.

Measures to address poor performance

In terms of **Regulation 32 (3) The Local Government Municipal Performance**

Regulations 2006, in the case of poor performance the municipality shall-

- (a) Provide systematic remedial or developmental support to assist the employee to improve his or her performance; and
- (b) After appropriate performance counseling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the employer may consider steps to terminate the contract of employment of the employee on grounds of unfitness or incapacity to carry out his/her duties.

7.2.6 Critical Dates and Timelines

Over and above the different management processes that the Newcastle Municipality will be using to implement its this Performance Management Policy Framework, it will also comply with critical dates and timelines that will make the management of performance align with corporate governance principles and enable other stakeholders to perform their roles and responsibilities efficiently and effectively. The critical dates and timelines are listed below in the Performance Management Calendar as per Annexure !!.

Table 3: Critical Timelines

PHASE	ORGANIZATIONAL ACTIVITIES	INDIVIDUAL ACTIVITIES	TIME FRAME	RESPONSIBILITY
PLANNING	Development and approval of the SDBIP and organizational scorecard		March – May	Council
		Signing performance Contracts/Plans with rest of staff	31 July	Mayor Section 57 Managers
MONITOR, MEASURE & REVIEW	Monthly Monitoring	Monthly Monitoring	Monthly	Municipal Manager Senior Managers Section managers/ Supervisors
	Quarterly Review/s	Quarterly Reviews	September December March	Municipal Manager Senior Managers Managers/ Supervisors
		Annual Performance Appraisal	June	Mayor Municipal Manager Senior Managers Managers Supervisors
		Reward and Recognition	June	Mayor Municipal Manager Senior Managers
REPORTING	Quarterly and Mid-Term Reports	Quarterly Reports	September December March	Management Team
	Annual reports	Annual Employee Performance Reports	31 August	Mayor Municipal Manager
IMPROVE MENT	Performance Development Plans		Ongoing, but at least quarterly	Management employe &

7.3 Recognition Awards

To promote an organisational culture that is performance driven, an Annual Management and Staff Awards will be introduced. The awards will be classified into different categories. Annually, after the adoption of the Annual Report of Council, all employees are given an opportunity to nominate employees of their choice for each category. Screening and evaluating of nominations will take place and ultimately one nominee wins the prize for each category. The categories are as follows:

CATEGORIES	DESCRIPTION
Employee of the Year:	AN individual who has most effectively lived and practiced organisational values and displayed organisational and/or departmental mandate
1. Top Management	
2. Senior Managers	
3. Middle Management	
4. Supervision	
5. Non Supervision	
Customer Satisfaction	Provides service excellence that exceeds customer expectations
• Support Service	
• Service Delivery	
• Satellite Offices	
Best Performing Department	Department that at least has improved performance in all 4 quarters consistently, and promoted organisational values
Most Innovative – across all task grades	New creative contributions or solutions implemented in the year that improves efficiency, effectiveness and economy for the department or organisation
Excellence	To continuously strives to be the best through exceptional performance that exceed expectations
Integrity	To constantly act in a manner that promotes trust,

	dependability and commitment to honest behavior at all times
Special Awards	To be determined by Management and/or Exco

8 Evaluation and Review of the Whole Performance Management System (PMS)

Newcastle Municipality will review its performance management system annually alongside the review of the IDP and the Budget. This will be provided for in the IDP/Budget/PMS Process Plan to be adopted by Council by August of each year.

9 Conclusion

This framework seeks to provide the basis for a structured approach to performance management within Newcastle Municipality. As indicated earlier, proper implementation of this framework lies heavily on commitment and dedicated leadership. It is hoped that in the near future the municipality will convert this manual performance management platform into an electronic system. However, that will only occur when all stakeholders has gotten into grips with the whole concept of performance management and can fully carry out their roles and responsibilities within the performance cycle.

NEWCASTLE MUNICIPALITY	
PERFORMANCE MANAGEMENT GUIDELINES	
	Outline the National Key Performance Areas (KPA's), B2B PILLAR and IDP alignment
Step 1	<p>Outlining Key Performance Areas is the first step in the performance management process. According to the 5-Year Local Government Strategic Agenda, all municipalities are required to cluster their priority issues identified during the IDP development and review processes around the following KPA's:</p> <ul style="list-style-type: none"> o Service delivery; o Local economic development PLUS Cross Cutting o Institutional transformation; o Democracy and governance; and o Financial viability.
	Define IDP PRIORITY that fall under each KPA
Step 2	<p>In its IDP The Newcastle Municipality will cluster the elements within each of the broad KPA's under IDP Priority</p> <p>An example: Under the Service Delivery KPA there will be several Strategic Focus Areas such as water and sanitation, electricity, etc</p>
	Formulate appropriate development Goals/ objectives and high level strategies for each IDP PRIORITY
Step 3	<p>As a third step the municipality will design high level objectives and strategies per IDP PRIORITY. An objective is a measurable statement of intent, measurable either quantitatively or qualitatively. It's a series of elements of the vision or mission broken down into manageable quantities.</p> <p>There is no hard-and-fast rule about how many objectives and strategies to set, but it is important to make it manageable and realistic and it is therefore advisable to limit the number.</p> <p>Objectives are SMART steps that can be taken to meet the Vision and Mission eg- " <i>To create a safe and healthy environment for all our citizens by 2028</i> " Emphasis is " WHAT WILL BE ACHIEVED by when "</p> <p>Strategies define the steps to be taken to achieve objectives and is linked directly to the functions of the municipality. Eg. <i>To increase the percentage of households with access to a basic level of solid waste removal</i> " Emphasis is "HOW WILL THE OBJECTIVE BE ACHIEVED"</p>
	Develop suitable Key Performance Indicators (KPIs)
	<p>As a fourth step it is necessary to determine KPIs, which define what needs to be measured in order to gauge progress towards achieving the development objectives discussed in the previous step. KPIs must be measurable, relevant, simple and precise. They simply define how performance will be measured along a scale or dimension (example: "number of houses to be built").</p> <p>KPIs can also be used to:</p> <ul style="list-style-type: none"> o Communicate the achievements and results of the municipality. o Determine whether a municipality is delivering on its developmental mandate. <p>Indicate whether the organisational structure of a municipality is aligned to deliver on its development objectives.</p> <p>Promote accountability by the council to its electorate.</p>
Step 4	<p>KPI's should be SMART (Specific, Measurable, Achievable, Realistic, Time related)</p> <ol style="list-style-type: none"> 1. Be simple and easily understood by any reader. 2. Be strategic and indicate at a high level what needs to be achieved. Stick 3. As far as possible include a verb (action word) that tells the reader what will be done e.g. Implement, monitor, maintain 4. As far as possible, be the same each year so that results are comparable from year to year. 5. Be selected such that information used to report actual results is available. There should be no guess work when reporting results. 6. As far as possible, be outcome indicators. 7. Be accompanied by a KPI definition document for each KPI. 8. Be linked to one or more projects on the SDBIP, either directly or indirectly. 9. Be a function that is within your control. 10. Reflect the projects on which the unit budget will be spent. The SDBIP is a budget implementation plan and thus all projects related to the substantial use of the capital budget must be included on the SDBIP. As the SDBIP must be linked to the scorecard, a corresponding KPI must be created to ensure that this link exists. In addition, KPI's should be based on the key functions of the Unit – KPI owners and plan owners should ask the question "What is the main function/ objective of the Unit". The answer to this question will direct the Unit in developing their KPI's. 11. Use the KPI Definition template supplied - this will be required for Audit purposes <p>KPI's should not:</p> <ol style="list-style-type: none"> 1. Cover more than 1 focus area in the same KPI – make these 2 separate KPI's. 2. Be ambiguous – the wording should clearly indicate what needs to be achieved. 3. Be related to external factors to the municipality (confine KPI to competency and resources of the municipality) 4. Include operational issues – these should be monitored within the Unit using an operational plan 5. Be selected if the results cannot accurately be measured or where determining the results involves using guess work.
Step 5	<p>Indicate the types of Key Performance Indicators AND unit of Measure</p> <p>Input Indicators: These indicators are typically cost related. As the name suggests, they literally measure what inputs have been made towards achieving the objective and they are most relevant to the day-to-day operations of a municipality. Examples of input indicators include costs, equipment, human resources, time, etc.</p> <p>Process indicators: These indicators describe how well municipalities use their resources in producing services. They cover the activities and operations that convert inputs into outputs. They are essentially internal types of indicators.</p> <p>Output indicators: These indicators refer to "products" produced by processing inputs (i.e. the end point of an activity), for example the number of houses built or the number of electricity connections made. Output indicators should only be used for those functions for which the municipality is directly responsible.</p> <p>Outcome indicators: These indicators measure the extent to which strategic goals or outcomes are being met. Outcomes are usually based on the results of different variables acting together (for example increased economic activity as a result of improved water supply). They measure the effect that the goals and objectives are having on the community and they are important diagnostic tools. Based on many variables, they tend to lag behind output indicators because they can only be measured after the outputs have been produced. They are also more difficult to measure and are usually influenced by factors external to the municipality's control, so it cannot necessarily be said that a municipality is solely responsible for performance in this regard.</p> <p>Unit of measure : This is a standard for measurement and can be expressed in value form usually as a "Number", "Percentage", ratio etc.</p>
Step 6	<p>Provide baseline information</p> <p>The next step is to determine the baseline indicator for each set KPI. A baseline indicator is the value (or status quo) of the indicator prior to the period over which performance is to be monitored and reviewed.</p> <p>For all basic services, this MUST be aligned to the Statistics used in the IDP.</p> <p>There will be no baseline for new KPI's – the baseline should state "New KPI – No Baseline"</p> <p>Baseline information can also be the standard or norm for the KPI (legislated, norms, Standard Operating procedures, policy decision of Council)</p>
Step 7	<p>Set annual targets for each KPI over the 5 year period to be reviewed annually</p> <p>In this step annual performance targets must be set for each identified KPI. Performance targets should comply with the SMART principles (Specific, Measurable, Achievable, Realistic and Time related). It is important to guard against setting too many performance targets.</p> <p>Target dates for the completion of actions should be set in conjunction with those Departments responsible for their achievement. It is important to be realistic in the setting of target. If realistic targets are not set the municipality will create false expectations and also set its employees up for failure.</p> <p>Setting of targets</p> <ol style="list-style-type: none"> 1. Targets can have only 1 unit of measure. 2. Avoid using default percentages of 25%, 50%, 75% and 100 as the targets for the respective 4 quarters – instead show the actual progress up to that point e.g. 30% as at Q1, 55% as at Q2, 70 % as at Q3 and 100% as at Q4. There must be accurate values which can be substantiated as targets. For audit purposes, management must also be able to indicate how the targets were arrived at. By using the 25/50/75 & 100, it appears as if we are using guesswork and the audit committee is not happy with that. 3. When percentage targets are set, a project plan must be maintained by the Unit indicating what each target % comprises of and when reporting actual results, how each result is arrived at. This plan must be uploaded to the Performance Monitoring system as evidence and provided to PME when requested. Example: If the target for quarter 1 is 25%, the project plan could be as follows: <ul style="list-style-type: none"> a) Completion of draft project plan: 10% b) Approval of project plan: 5% c) Obtain funding: 10% <p>If the first 2 steps are completed in Q1, the result reported will be 15%.</p> <p>4. Targets should be set to promote improvement i.e. as far as possible, the targets should be higher than the previous year (or lower in the case of reducing targets). If lower targets are set (or higher for reducing targets), justification must be provided when requested.</p> <p>5. Where statutory requirements need to be adhered to, the target, unit of measure and other details have to be the same as that indicated in the statutory requirements e.g. the Performance Management regulations. If for example the legislation states that all building plans must be finalised within 14 days, the target cannot be 90%. It must be 100% as the legislation says ALL. Any deviations from this target can then be explained.</p> <p>6. Targets and results are cumulative within the year. In addition, if a KPI target, programme, project or sub project is to be fully achieved in 1 quarter, the targets for quarters prior to achievement will be 0 and after will be 100. Example: If a target of 100 for a project is set for quarter 2 and no work was scheduled for quarter 1, the target for Q1 will be 0, quarter 2 will be 100 and quarter 3 & 4 will also be 100. The annual target must equal to the cumulative sum of the quarterly targets.</p> <p>If targets are static, this must be stated in the KPI/ project name</p> <ol style="list-style-type: none"> 7. Management must provide targets for all quarters when submitting the draft scorecard and SDBIP for the year. 8. Targets can be annual i.e. only report formally in Q4. However, if this is the case, the audit committee want to see progress reports for these KPI's each quarter so that potential problems can be detected. However, quarterly targets are preferable. 9. Targets in the SDBIP should be aligned to the targets in the Scorecard for related projects. 10. If there is a direct link between the KPI and SDBIP project/s, the unit of measure must be the same. 11. Targets at year end don't have to be 100% - they should reflect the planned status at the end of the financial year. If the work will be carried out over a few years, the Q4 target in year 1 will be whatever is intended for completion in that year. In year 2, the target will be an accumulation of work to be completed in that year, plus the previous year and so on. 12. Targets must not be set to measure a % of a % e.g. if the annual target is 90% implementation of a project plan, the Q4 target must be 90%. It CANNOT be e.g. 30%, meaning 30% of 90%. This complicates the measurement and is not SMART. 13. Targets and results are cumulative within the year. In addition, if a KPI target, programme, project or sub project is to be fully achieved in 1 quarter, the targets for quarters prior to achievement will be 0 and after will be 100. Example: If a target of 100 for a project is set for quarter 2 and no work was scheduled for quarter 1, the target for Q1 will be 0, quarter 2 will be 100 and quarter 3 & 4 will also be 100. The annual target must equal to the cumulative sum of the quarterly targets. 14. Any formula used to calculate a target must be available and specified on evidence to be submitted
Step 8	<p>Indicate quarterly targets to be met arising out of the each of the set annual targets based on the budget for the year under review which will cascade into the SDBIP</p> <p>This step is about unpacking each of the annual targets and dividing them into quarterly targets. Provision must be made in the organizational scorecards for targets to be met in respect of the first, second, third or fourth quarter, which must be aligned to the cash flow projections planned in terms of the budget. It is important the in this instance, the output targets are aligned to the input targets of the budget.</p> <p>Please use the same guidelines in STEP 7 when unpacking quarterly targets.</p> <p>Quarterly targets must reconcile to Annual target if the unit of measure is "Number". A cumulative target must be specified as such in the Comments column provided.</p> <p>For KPI's related to the Implementation of a Plan , the plan must inform the targets. This must be available for the PME unit and auditing.</p>
Step 9	<p>Allocate responsibility to departments for execution of actions</p> <p>It is also necessary to decide who takes responsibility for what actions. In the case of the organisational scorecard responsibility would be allocated to a Department. In regard to departmental and other lower level scorecards a name/designation must be placed alongside each action described above. This is also a way of cascading the responsibility from the strategic level down to the operational level and from the organisational goals right down to individual employee performance. In this way individual employees can also see exactly what their roles are in achieving the strategic objectives.</p>
Step 10	<p>Provide frequency of reporting on progress</p> <p>In this column the frequency of reporting must be inserted which could be :</p> <ul style="list-style-type: none"> ü Quarterly ü Bi-Annually or ü Annually <p>Whilst KPI's may be designed in such a way so as to action strategies monthly or more frequently, for the purpose of performance reporting, this will be consolidated for atleast annual reporting, and/or at most quarterly reporting.</p>
Step 11	<p>Specify the source of evidence to be used for verification and auditing purposes</p> <p>This is necessary to ensure that the actual reported on, and/or the reasons to be specified should a target not be achieved is evidenced. This will allow for credible reporting through the evaluation and auditing processes.</p> <p>This step must allow the relevant structures that is mandated to play an oversight or executive role or to manage that particular performance area and the structure that will receive the reports on that KPA and SFA.</p> <p>All Supporting Evidence must be available to substantiate all KPI targets set, for the Purpose of the Planning template, the PRIMARY source of evidence must be specified.</p> <p>For any KPI relating to meetings, the source of evidence MUST be minutes and attendance register. Minutes must be structured such that it addresses the intention of the KPI directly.</p> <p>In respect of evidence to support calculations for targets and actual reported, the formula MUST be specified on the evidence and tie back to the calculation on the evidence. All supporting information leading to the calculation must be specified as this must be submitted to PME and auditors</p>

NEWCASTLE MUNICIPALITY												
KEY PERFORMANCE INDICATOR (KPI) DEFINITION												
KPI OWNER :							DESIGNATION :					
KEY PERFORMANCE AREA AS PER IDP							OBJECTIVE AS PER IDP					
STRATEGY AS PER IDP							KPI NUMBER					
BACK TO BASICS PILLAR							KPI NAME					
TYPE OF KPI (INPUT, OUTPUT, OUTCOME OR PROCESS)							ANNUAL/ ANNUAL REPORTING					
LEGISLATION APPLICABLE (Specify)							CORE OR NON-CORE FUNCTION (Specify)					
BACKGROUND TO KPI What is being measured and why? What impact will this have? Why was this KPI chosen?												
Increasing/decreasing/variable target (Increasing means that the target for each quarter is higher than that of the previous one (Except for Q1)). Decreasing means that the target for each quarter is lower than the previous one (Except for qtr1). Variable means that the values could be higher or lower than the targets and varies each quarter.												
PROGRAMMES AND PROJECTS SUPPORTING THIS KPI Alignment to local, provincial and national programmes and projects												
PROCESSES CARRIED OUT TO ACHIEVE TARGETS RELATED TO KPI												
Prompting questions and information to complete the business process												
BUSINESS PROCESS PHASES /	What information is used for the process	Document the process (activities) and procedures followed in relation to the process flow (this must be supported with evidence)	Who is responsible for the process? (list the designation of the Official/department)	What is the source information relevant to the indicator/target and where does it originate from? (E.g. unit, name and designation of person etc.).	What input is required ? Specify operating budget, capital budget, internal human resources, external expertise.	If there a link between the activities/processes and the budget, specify relevant link (Eg. Vote or project Number)	What is the output of each phase?	What is the type or source of primary evidence to support the output of each phase?	What is the process and procedures followed in monitoring and validation of the actual performance achievements? List the different levels from start to finish of the phase and the responsible officials.	In collating the information, is the source information coming from different locations? (If yes, list the type, number, etc. of locations)	Is the phase dependant on other source/ unit/departments/sect or department? If so specify	Potential risks in not achieving targets for each phase
PLANNING												
EXECUTION												
REPORTING												
Strengths of the unit that will promote the achievement of the KPI												
Weaknesses of the unit that may result in the KPI not being achieved												
Opportunities that the unit has not capitalised on as yet that will promote the achievement of the KPI												
Threats that the unit may be exposed to that may result in the KPI not being achieved												
How is the KPI SPECIFIC?												
How is the KPI MEASURABLE?												
How is the KPI ACHIEVABLE?												
How is the KPI REALISTIC?												
How is the KPI TIMEBOUND?												



MONITORING AND REPORTING FRAMEWORK OF MUNICIPAL ENTITIES BY THE NEWCASTLE MUNICIPALITY

Table of Contents

Definitions.....	3
Purpose and Overview of the Reporting.....	4
General.....	4
Overview.....	4
Applicability of reporting framework.....	5
Monthly Reports.....	6
Mid-Year Budget and Performance Assessment	7
The Annual Report	7
Chapter 1 – Introduction & Overview.....	8
Foreword by the Chairperson of the Board	8
Role of the Company	8
Executive Summary.....	8
Report from the ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY.....	8
Alignment with IDP.....	8
The company's relationship with Newcastle Municipality and other companies	9
Integrated Sustainability Report	9
Social and transformation policies and practices.....	9
Ethical management policies and practices.	11
Occupational safety and health policies and practices; and environmental management policies and practice (SHE).	11
Chapter 2 –Performance Highlights.....	12
Backlogs in service delivery	12
Level and Standard of service	13
Chapter 3 – Human Resources and Other Organisational Management Issues.....	13
Chapter 4 – Audited Financial Statements and related financial information	17
Notes to the Financial Statements	17
The Report of the Directors / Trustees	18
The Financial Statements	20
Chapter 5 – Functional Service Delivery Report	20
1. Implementation, process and timeframes	23

Definitions

„AG“ means the Auditor General as defined in the Constitution and the Municipal Finance Management Act;

„company“ means a municipal entity (including the trust) of the Newcastle Municipality;

„Municipality“ means the Newcastle Municipality Metropolitan Municipality;

„ ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY“ means the Accounting Officer of the entity as defined in terms of section 93 of the Municipal Finance Management Act;

„Companies Act“ means Act No. 61 of 1973;

„Guidelines“ means the National Treasury Annual Reporting Guidelines, Municipal Finance Management Act, Circular 11 of 14 January 2005;

„IDP“ means the Integrated Development Plan of the Newcastle Municipality developed in terms of chapter 5 of the Municipal Systems Act;

„King Code“ means the King Code on Corporate Governance, 2002 and as amended from time to time;

„MFMA“ means the Local Government: Municipal Finance Management Act, 56 of 2003;

„MSA“ means the Local Government: Municipal Systems Act (as amended, 32 of 2000; and

Purpose and Overview of the Reporting

General

This document has been prepared as a guide to municipal entities in keeping with good governance practises and relevant legislation. A further objective of the guideline is to consolidate reporting requirements (both financial and non-financial) by incorporating a range of information required by various stakeholders thereby reducing duplication and improving communication. The major channel of communication with the shareholder and broad stakeholder community is envisaged to take place through the annual reports.

Overview

The Local Government: Municipal Finance Management Act (MFMA), section 121(1), provides that every municipal entity must prepare an annual report for each financial year for which the purpose is:

- a) to provide a record of the activities of the entity during the financial year to which the report relates;
- b) to provide a report on performance against the budget of the entity for that financial year; and
- c) to promote accountability to the local community for the decisions made throughout the year by the entity.

The MFMA further provides that the annual report of the ME must include:

- a) the annual financial statements as audited by the Auditor-General;
- b) the Auditor-General's audit report;
- c) an assessment by the entity's accounting officer of the entity's performance against measurable performance objectives set in terms of the service delivery agreement;
- d) particulars of any corrective action taken or to be taken in response to issues raised in the audit report;
- e) any information as determined by the entity or parent municipality;
- f) any recommendations of the audit committee of the entity or the parent municipality; and
- g) any other information as prescribed.

In light of the above provisions the National Treasury developed an Annual Report Guideline (Attached hereto marked “A”) the purpose of which is to provide guidance on the development of annual reports.

Section 284 and 286 of the Companies Act also places an obligation on the directors of the company to prepare annual financial statements for every financial year as well as to include a directors’ report which is required to be audited. Section 302 of the Companies Act provides that a copy of the annual financial statements are to be sent to the members of the company and to all other people entitled to receive them.

Sections 87(11) of the MFMA provides for the compilation and submission of monthly statements.

Section 88 of the MFMA requires a mid-year budget and performance assessment by the entities.

This framework is primarily based on the legislative provisions of the MFMA, the National Treasury guidelines and the principles enunciated in the various codes on good governance, amongst others, the King Code. The further reporting requirements are taken from the King Code, relevant research conducted on reporting by companies to shareholders generally and the best practices as well as other legislative imperatives. The frequent reporting requirements will assist Newcastle Municipality in its legislative responsibility to monitor performance in an open and transparent manner and call the municipal entities to account.

In summary, the framework seeks to provide the entities with a guide for reporting, which guide sets minimum reporting standards, seeks to ensure compliance with relevant legislation; provides uniformity across the entities in the nature of the information provided in the monthly and annual reports and to allow ease of access of information by all stakeholders such as the Newcastle Municipality as parent municipality, National and Provisional Treasury, the Auditor-General and the local community.

Applicability of reporting framework

This reporting framework applies to the municipal entities of the Newcastle Municipality

Monthly Reports

In terms of section 87(11) of the MFMA, the ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY is required to submit to Newcastle Municipality Municipal Manager a statement on the state of the companies budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue per revenue source;
- (b) Actual borrowings
- (c) Actual expenditure
- (d) Actual capital expenditure
- (e) The amount of any allocations received;
- (f) Actual expenditure on those allocations, excluding expenditure on allocations, exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of –
 - (i) any material variances from the company's projected revenue by source, and from the company's expenditure projections;
 - (ii) any material variances from the service delivery agreements and business plans; and
 - (iii) Any remedial or corrective steps taken to or to be taken to ensure that the projected revenue and expenditure remain within the companies approved budget.
- (h) The statement must include a projection of revenue and expenditure for the rest of the financial year, and any revisions from initial projections.
- (i) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the companies approved budget.
- (j) The statement must be submitted in a signed hard copy by the accounting officer as well as electronically.

This legislative requirement will be fulfilled by the municipal entity providing such monthly reports to the NEWCASTLE MUNICIPALITY, in a format prescribed by the National Treasury from time to time which format shall be made available to the companies.

Mid-Year Budget and Performance Assessment

In terms of section 88 of the MFMA, the ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY must by 20th January of each year –

- a) Assess the performance of the entity during the first half of the financial year, taking into account –
 - i. The monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery business plan or other agreement with the entity's parent municipality ; and
 - ii. The entity's annual report for the past year, and progress made on resolving problems identified in the Annual report; and
- b) Submit a report on such assessment to -
 - i. The board of directors of the entity; and
 - ii. The parent municipality of the entity.

The entity is required to report on the planned targets against predetermined objectives and key performance indicators aligned to the Service delivery plan and IDP of the Newcastle Municipality. The planning and reporting must be consistent with the Newcastle Municipality's Performance Management Framework (as amended from time to time).

The Annual Report

This framework facilitates the monitoring role of the Newcastle Municipality and thereby the ability to detect performance problems in the entities at an early stage. It is proposed that the format outlined below be used by the entities in drafting annual reports. The reporting format is comprised of five key chapters as follows:

Chapter 1 – Introduction and Overview Chapter 2

– Performance Highlights

Chapter 3 – Human Resources and other organisational management Chapter

4 – Audited Statements and related financial information Chapter 5 –

Functional Service Delivery Reporting

The information on integrated sustainability reporting which is being called for in this framework is not a requirement of the National Treasury Guidelines and are thus to be considered as additional reporting requirements. These additional reporting requirements refer to the non-financial aspects of performance that may influence the ability of the entity to survive and prosper and so ensure value creation. The additional reporting requirements are also meant to act as a barometer to measure the companies' alignment with the IDP

and the Newcastle Municipality's strategic objectives as communicated from time to time.

As regards the implementation plan, process for developing the reports and the timeframes which are required to be complied with in terms of the MFMA in respect of these reports reference should be had to the section below headed, "Implementation, process and timeframes".

Chapter 1 – Introduction & Overview

Foreword by the Chairperson of the Board

The Chairperson of the Board is required to provide a summary of the company's performance generally during the period to which the report relates. The report must state the entities priorities for service delivery with established performance targets and measures taken or to be taken to improve performance. The foreword by the Chairperson is supplemented with detailed information provided for by the Board in the notes to the financial statements below.

Role of the Company

The report must provide a short description of the entity as a whole, its purpose and a summary of the entity's geographic and demographic profile and changes both internal and external over the financial year.

Executive Summary

The executive summary is a statement of the overall goals and priorities, and mission and vision for the entity and how it will impact on the community, with a short statement on the company's financial health. This information may be provided under the following headings:

Report from the ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY

The company's accounting officer (ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY) must provide an assessment of the company's performance against any measurable performance objectives set in terms of the service delivery agreement or any other agreements as well as targets provided for in the approved business plan and directions of the Board of Directors.

Alignment with IDP

In terms of the Municipal Systems Act every municipality is required to undertake development orientated planning to ensure that it strives to achieve the local government objectives and developmental duties as contained in and required by the Constitution, and together with other organs of state, contribute to the progressive realisation of the fundamental rights contained therein. The Integrated Development Plan („IDP“) is the strategic plan of Newcastle Municipality seeking to achieve the above and link, integrate and coordinate plans taking into account proposals for the development of the municipality. The IDP aligns the resources of the municipality with the implementation of the plan, it forms the policy framework and general basis on which the annual budgets are based, and it is compatible with provincial and national development plans. The companies are required to state the extent to which their plans, projects and activities generally are aligned with Newcastle Municipality's IDP (attached hereto marked **‘B’**), particularly Newcastle Municipality's vision for the long term development.

The company's relationship with Newcastle Municipality and other companies

The company must comment on its relationship with Newcastle Municipality, the departments within the Municipality as well as other Municipality companies, being municipal entities and strategic partnerships. This reporting requirement seeks to measure and monitor the extent of integration of strategic projects and their respective progress across Newcastle Municipality.

Integrated Sustainability Report

Sustainability refers to the non-financial aspects of performance that may influence the ability of the company to survive and prosper and so ensure value creation. In line with King II, non-financial reporting is required, which will include safety, health, environmental and ethical practices as well as transformation issues pertaining to amongst others, Broad-Based Black Economic Empowerment.¹

The entity must report on the nature and extent of its social and economic transformation, ethical, occupational health policies and practises. Below are examples of what needs to be reported on.

Social and transformation policies and practices.

The social and transformation report will include a statement on the following legislation and

compliance therewith or any projects undertaken in terms thereof:

- The Employment Equity Act which obliges companies to develop an Employment Equity Plan and to report on the progress in achievement of the objectives set out in the plan;
- The Skills Development Act and the Skills Development Levies Act which govern the provision of resources for skills development and training by companies;
- The Promotion of Access to Information Act which provides for access to information held by companies to encourage better transparency;
- The Broad-Based Black Economic Empowerment Act and relevant codes of empowerment.

and

- How the company is meeting the above legal requirements;
- Any violations of the above laws could also be included;
- The nature of policies and practices in place to promote equal opportunities for previously disadvantaged individuals, in terms of realising their full potential and reaching executive and managing positions in the entity;
- The extent of initiatives to support broad based black economic empowerment, particularly in respect of procurement practises and investment strategies;
- The company's policy on investment of corporate funds i.e. pension funds should include a Statement of Investment Principles and Policies whether or not they take into account socially responsible investment criteria when making investment decisions.

¹ Corporate Business Administration, Corporate Reporting

Ethical management policies and practices.

This reporting requirement is intended to elicit a demonstration by the company of its commitment to organisational integrity or code of ethics. The entity will use the following criteria in this report:

- The creation of systems and procedures to introduce, monitor and enforce the ethical code of the entity;
- The assignment of individuals to oversee compliance to the ethical code;
- Assessing the integrity of new appointees in the selection and promotion procedures;
- Exercising due care in delegating discretionary authority;
- Communicating with, and training of all employees regarding entity values, standards and compliance procedures;
- Providing, monitoring and auditing safe systems for reporting of unethical or risky behaviour;
- Enforcing appropriate discipline with consistency;
- Responding to offences and preventing re-occurrence.

The above report must include a statement from the Board as to the extent of compliance with the ethical standards and above mentioned criteria by the company as a whole².

Occupational safety and health policies and practices; and environmental management policies and practice (SHE).

With regard to safety issues, the company should measure their effort to reduce workplace accidents, fatalities and safety related incidents against an ongoing improvement objective and past performance. This occupational health and safety report must include a statement on compliance with the Occupational Health and Safety Act.

The environmental issues to be reported on will include the nature of their environmental policies, ethos and values; open and transparent disclosure on environmental issues relating to the company. The following should be reported on:

- whether the company complies with the applicable law regarding SHE policies and practises;
- how legal compliance is tested and SHE performance is monitored;
- any SHE issues which can materially impact on the financial statements of the

company;

- what benchmarking criteria against industry norms were used;
- whether the business is sustainable taking into consideration SHE aspects;
- what efforts are made regarding continual improvement in SHE efforts;

Chapter 2 –Performance Highlights

Provide a brief narrative of all the services provided by the company and the performance highlights for the period to which the report relates. Comment on the progress in eliminating backlogs in service delivery against strategic interventions and projects.

Backlogs in service delivery

The guidelines also provide for reporting on Backlogs in Service Delivery which relates to core services which may only be applied to the companies providing such service. Backlog reporting is intended to reflect *the number of households that do not have access to minimum services (level and standard) as specified by the relevant sector department or within national policy.*

Level and Standard of service

The entity is required to report on the planned targets against predetermined objectives and key performance indicators aligned to the Service delivery plan and IDP of the Newcastle Municipality. The planning and reporting must be consistent with the Newcastle Municipality's Performance Management Framework (as amended from time to time).

Chapter 3 – Human Resources and Other Organisational Management Issues

The company must comment on its organisational structure, how that structure relates to each function, various initiatives as they relate to employment issues and their relative success. This may include programmes designed to improve employment equity and skills development, and highlight significant human resource management policies and practices that may build capable personnel. This should also cover performance, governance, transformation and institutional development.

The following information should be provided on staffing:

- number of staff per function expressed as total positions and current vacancies.
Express as full time staff equivalents.
- skills or levels of education attained by staff, and the success of training and development initiatives, internship programmes, skills levy claims and application of refunds received.
- the conditions or opportunities for previously disadvantaged individuals to progress through the company.
- mechanisms to reinforce the value of diversity in the workplace and the company's related progress and performance.
- the age of employees.
- trends on total personnel expenditure over the last 3 to 5 years, compared to total budget, this will include the financial investment in employee training and development initiatives;
- the number and name of pension and medical aid funds including an assessment of future risks or liabilities;
- arrear (outstanding monies) owed to the company or Newcastle Municipality by staff and non- executive directors;
- succession planning;
- performance management;
- any policies on bonus and/or reward payments.

This information must be reconciled with the staff salary disclosures required in the Annual Financial Statements by section 124 of the Municipal Finance Management Act and the section 89 reports on staff salaries, allowances and benefits to be submitted to council. If the salary disclosures were omitted from the financial statements then this information must be incorporated in the annual report. The table (Table 1) below provides a format for disclosure:

<i>Description</i>	<i>Chairperson of the Board</i>	<i>Non-Executive Directors (List individually)</i>	<i>Chief Executive Officer</i>	<i>Chief Financial Officer</i>	<i>Other senior Manager (List individually)</i>	<i>Total</i>
Non-executive remuneration						
Annual fee (Retainer)						
Fees per meeting						
Fees per committee meeting						
Salaries and Wages R '000						
Normal						
Overtime						
Contributions R'000						
Pensions						
Medical Aid						
Other						

<i>Description</i>	<i>Chairperson of the Board</i>	<i>Non-Executive Directors (List individually)</i>	<i>Chief Executive Officer</i>	<i>Chief Financial Officer</i>	<i>Other senior Manager (List individually)</i>	<i>Total</i>
Allowances R'000						
Travel and Motor car						
Accommodation						
Subsistence						
Housing Benefits and Allowances R'000						
Loans and advances R'000						
Other Benefits and allowances R'000 (Specify)						
Arrears owed to Newcastle Municipality or the Entity ³						

³ Being municipal accounts such as rates, water, electricity etc. due to the Newcastle Municipality.

Chapter 4 – Audited Financial Statements and related financial information

For each financial year the company must prepare annual financial statements which fairly present the state of affairs of the company, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its financial results, and its financial position as at the end of the financial year.

The notes to financial statements must disclose the information required in terms of 123 to 125 of the MFMA. The sections are outlined hereunder.

Notes to the Financial Statements

Information on the following must be disclosed:

- (a) any allocations received by the company from any municipality or other organ of state
- (b) any allocations made by the company to a municipality or organ of state; and
- (c) any other information as may be prescribed.

The notes to the annual financial statements and the quarterly progress statements must include particulars of salaries, allowances, and benefits of members of the board; and the chief executive officer of the company, every senior Municipal Manager and such categories of other officials as may be prescribed. This information may be provided in the format outlined in Table 1 above (information on staffing).

Other compulsory disclosures to be included in the notes to the financial statements include:

- (a) in respect of each bank account held by the company during the period to which the report relates; the name of the bank, the type of account and opening and closing balances of the account;
- (b) a summary of all investments of the company as at the end of the financial period;
- (c) particulars of all contingent liabilities of the entity as at the end of the period to which the report relates;
- (d) particulars of:
 - (i) all material losses and material irregular or fruitless and wasteful expenditure⁵,

⁵ „Fruitless and wasteful expenditure“ means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

- (ii) any criminal or disciplinary steps taken as a result of such losses or such irregular or fruitless and wasteful expenditure; and
- (iii) any material losses recovered or written off; and
- (e) particulars of non-compliance with the MFMA.

Also to be included in the notes to the financial statements for those entities which are private companies is the company secretaries certificate on the annual return.

The following information is also required for notes to the financial statements:

The Report of the Directors / Trustees

The report of the directors / trustees must be completed by the board and should outline the overall goals and priorities, and mission and vision for the entity. This should state how this will impact on the community. As stated this report contains more detailed information than the information provided for by the chairperson in the Executive summary above.

This report must include a statement of the entity's relative financial health as well as record the facts and assumptions underlying the entities annual "going concern" assessment and to record the steps it will take to the extent it concludes the entity will not continue as a "going concern".

The board must make a statement as regards the entities compliance with all legislation affecting the company, regulations and codes of business practice. A statement must be included concerning whether it has adopted a definition of materiality, reserving specific powers to itself.

The following in Table 2 can be adapted to record the required information:

„Irregular expenditure“ is defined as expenditure incurred in contravention of the MFMA and which has not been condoned on terms of section 170; in contravention of the MSA, in contravention of the supply chain management policy, and any of the municipality's by-laws giving effect to the supply chain policy.

<i>Board member</i>	<i>Municipality: Executive/Non- Executive</i>	<i>Board Committee Membership</i>	<i>Race & Gender</i>

The total number of board meetings held during the year should also be disclosed, an example as follows. Table 3

<i>Board Meetings Total</i>	<i>Remuneration Committee Meetings</i>	<i>Audit Committee Meetings</i>	<i>Risk Committee Meetings</i>	<i>Human Resource Committee Meetings</i>	<i>Other Committee Meetings</i>

The entity should have a statement on remuneration philosophy for executive management. This statement needs to set out the formal and transparent procedures adopted by the company for the development of a policy on executive remuneration which is to take into account Newcastle Municipality's policy on the upper limits of salaries.

The following disclosures by the board are also required:

- the Board is accountable for the process of risk management and the system of internal control;
- the process of risk management and the system of internal control are regularly reviewed for effectiveness;
- the Board is accountable for establishing appropriate risk and control policies;
- the Board is accountable for communicating appropriate risk and control policies through the entity;
- a process for identifying / evaluating / managing significant risks was in place throughout the year under review;
- an on-going process for identifying, evaluating and managing significant risks:
- exists;
- was in place for the period under review;
- was in place up to the date of approval of the annual report and financial statements;

- an adequate system of internal control exists to mitigate those significant risks identified to an acceptable level;
- the system of internal control is designed to manage, rather than eliminate, risk failure or opportunity risk;
- the system of internal control can only provide reasonable, but not absolute assurance;
- a documented and tested business continuity plan exists to ensure continuity of business critical activities;
- any additional information to assist understanding of risk management processes and system of internal control; and statements of the facts and a suitable explanation where the Board cannot make any of the above disclosures;
- Whether the Board has a Board Charter setting out its responsibilities.

The Financial Statements

The format and requirements for the annual financial statements are contained in the circulars, regulations or notices of the National Treasury and are to be used in the drafting of financial statements of the municipal entities. These circulars, regulations or notices may be amended or modified from time to time in which case the NEWCASTLE MUNICIPALITY will advise the companies accordingly.

Chapter 5 – Functional Service Delivery Report

This chapter provides information on each functional area provided by the entity which includes an overview, description and detailed analysis of each function and follows a spread sheet format (example in the National Treasury Guidelines).

The format can be enhanced with additional information where functions provided by the company are not listed in the spread sheet. Details must also be provided on the extent of free basic services including the number of households to which the service is being provided and the extent of service delivery.

1. Implementation, process and timeframes

A broad timeline has been developed in terms of the MFMA for the above reporting requirements. The exact due dates for submissions by the entities to Newcastle Municipality will be forwarded on an annual basis in the tabular form below:

Relevant Section	Requirement	By whom	Report to	Due date
87(11)	A statement on the entities budget reflecting the particulars listed in 3 above in Chapter 1 [monthly report]	ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY of the entity	Newcastle Municipality	7 working days after the end of <u>each month</u>
87(11)	The NEWCASTLE MUNICIPALITY analyses the monthly report and reports same to the Mayor	NEWCASTLE MUNICIPALITY	Newcastle Municipality, The Mayor	Monthly
126(2)	Entity to prepare annual financial statements and submit	ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY of entity	Newcastle Municipality Auditor General to audit	By 31 August
126(3)	Financial Statements to be audited and audit report drafted	Auditor General	Accounting officer of entity	Before end November ⁶
127(1)	Entity's annual report to be submitted	ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY of entity	Newcastle Municipality (CM)	Before end December ⁷
128	Compliance on section 121 and 126 to be monitored, establish the reasons for any non-compliance and report non-compliance to	Municipality Municipal Manager (represented by the NEWCASTLE MUNICIPALITY)	Council, Provincial Treasury and Auditor General	Before council meeting in January
127(2)	Annual report of entity to be tabled in council	The mayor	Municipality Of Cape Town *Council	By 31 January ⁸

⁶ If AG unable to meet timeline, reasons to be submitted to the entity and provincial legislature and parliament

⁷ If the entity fails to do so, then AG can submit AFS and audit report directly to Newcastle Municipality, NT, PT, MEC (Section 127(4)(b))

⁸ If Mayor unable to meet deadline, report to council on explanation and submit annual report or parts thereof as soon as possible

Relevant Section	Requirement	By whom	Report to	Due date
127(5)(a)	The annual report must be made public (in terms of section 21 of the MSA) inviting the local community to submit representations in connection with the annual report	Municipality Municipal Manager (represented by the NEWCASTLE MUNICIPALITY)	Public	Immediately after council meeting
(b)	Annual report to be submitted	Municipality Municipal Manager (represented by the NEWCASTLE MUNICIPALITY)	The Auditor General, provincial treasury and the provincial department responsible for local government	Immediately after council meeting
129(1)	Annual report to be considered and oversight report containing councils comments to be adopted ⁹ taking public representations to account	Council (assisted by NEWCASTLE MUNICIPALITY)	Council meeting open to the public ¹⁰	By 31 March
129(3)	Oversight report to be made public	ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY of entity	Public	7 days after adoption of oversight report / by 07 April
132(2)	Oversight report and annual report adopted by council to be submitted	Municipal Manager (represented by NEWCASTLE)	Provincial legislature	7 days after adoption of oversight report
129(2)	Copies of minutes of council meeting to be submitted	ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY of entity	The Auditor General, provincial treasury and the provincial department responsible for local government	Once minutes are made available

⁹ The Oversight report must include a statement from council on whether it approves, rejects or wishes it be referred back for further revision. The Oversight Report to be drafted by Newcastle Municipality must be in accordance with the structure and requirements of National Treasury circular 32 as amended from time to time. ¹⁰ The ACCOUNTING OFFICER OF THE MUNICIPAL ENTITY of the municipal entity is to attend council meeting in order to respond to questions concerning annual report.

NEWCASTLE MUNICIPALITY										
PERFORMANCE MANAGEMENT SUPPORT CALENDAR WITH PROCESS PLAN										
MUNICIPAL FINANCIAL YEAR : JULY TO JUNE										
				COLOUR CODING	Previous year					
					Current Year					
					Next Year					
				TARGET DATES						
QUARTER	MONTH	PURPOSE	ACTION	OUTPUT	RESPONSIBLE MANAGER	START	END			
Q U A R T E R 1 - 4	JULY	Monthly Reports	Annual reporting by departments for year ending June against SDBIP's and NKPI's	Completed SDBIP's as at June and Portfolio of Evidence	All SED's	1-Jul	10-Jul			
			Annual Evaluation of SDBIP and Section 57 employees (Informal)	Informal scoring of Performance for SDBIP's and section 57's	Municipal Manager/PMS/Mayor	11-Jul	15-Jul			
			Annual Evaluation of Section 57 employees (Formal)	Formal Section 27 employee evaluation report by Evaluation Panels	Municipal Manager/PMS Manager/Mayor	16-Jul	20-Jul			
			Submission of Report to Mayor/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	20-Jul	30-Jul			
		Process Plan	Signing of new performance contracts for Section 57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA).		Municipal Manager/ PMS Manager					
			Roll out of the approved SDBIP		All SED/PMS Manager					
			Prepare Departmental Operational Plans for the 2012/13 financial year.		All SED's/ PMS Manager					
			Draft Performance Reports 2012'13 to Internal Audit		PMS Manager					
			Annual Performance Report (MSA S46)	Annual Review of PMS (MSA Sec.40) AG's Audit of performance measures(MSA Sec. 45)	Formal Submission of Annual Performance Report to Auditor General	Municipal Manager/PMS Manager	1-Aug	31-Aug		
				Annual Review of performance of Municipality (submit performance report)(MSA s Sec. 46) Review of perf rept by Audit Committee	Formal Submission of Annual Performance Report to Internal Audit for onward submission to Audit Committee	PMS Manager/Internal Audit	1-Aug	31-Aug		
	AUGUST	Process Plan	Quarterly Audit Committee meeting (for the last quarter of 10/11) MFMA Sect 166& MPPR Reg. 14 (3)(a)							
			Evaluation Panel meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b)		Mayor/Municipal Manager/PMS Manager					
			Submission of Annual Performance Report to Auditor-General		Municipal Manager/PMS Manager	1-Aug	31-Aug			
			Submission of Draft Annual Report to Auditor-General		Municipal Manager / PMS Manager					
			roll out of the approved SDBIP		COO/PMS Manager					
			Monthly progress report on performance to EXCO		Municipal Manager/ PMS Manager					
			SEPTEMBER	Monthly Reporting (MSA S40)	Monthly August reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	1-Sep	10-Sep	
					Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS Manager	11-Sep	15-Sep	
	Monthly performance report to Mayor/EXCO/Internal Audit	Monthly Performance report			Municipal Manager/PMS Manager	16-Sep	30-Sep			
	Process Plan	Monitoring and Evaluation session through ICC by third Wednesday of the month			COO/PMS Manager					
Monthly progress report on performance to EXCO				Municipal Manager/PMS Manager						
Circulate Quarter 1 reporting templates to departments				PMS Manager						
		QUARTERLY REPORT	Quarter 1 (July - Sep) Performance Report to Municipal Manager	Completed SDBIP's as at September and Portfolio of Evidence	All Departments	1-Oct	10-Oct			
	Quarterly evaluation of Performance (SDBIP and capital) and Section 57's		Quarterly SDBIP Report and Portfolio of Evidence	Municipal Manager/PMS Manager	11-Oct	15-Oct				
	Quarterly performance report to Mayor/EXCO		Quarterly performance report to Mayor/EXCO	Municipal Manager/PMS Manager	16-Oct	31-Oct				

Q U A R T E R 2	OCTOBER		Quarterly performance report to internal audit for onward submission to Audit Committee	Quarterly performance report to Internal Audit	PMS Manager/Internal Audit	16-Oct	31-Oct	
		Appointment of Audit Committee	Annual appointment of Audit committee (MPPR Reg.14)	Appointment of Audit Committee	Municipal manager/internal Audit	1-Oct	31-Oct	
		Process Plan	Sect 57 Managers' quarterly assessments (for first quarter of 12/13)					
			Departments to submit Q1 performance reports with Portfolio of Evidence		All SED's		10-Oct	
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO/PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager /PMS Manager			
			Submission of Q1 Performance Report to Internal Audit		Municipal Manager/ COO / PMS Manager			
			Audit Committee Meeting to consider Q1 Performance Report		PMS Manager / Internal Audit			
			Draft PMS Templates for 2013/14 based on review of IDP Strategies		PMS Manager			
	NOVEMBER	Monthly Reporting (MSA S40)	Monthly October report on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	1-Nov	10-Nov	
			Monthly monitoring of performance	Informal monitoring of performance for October	Municipal Manager/PMS	11-Nov	15-Nov	
			Monthly performance report to Mayor/EXCO/Internal Audit	Monthly Performance report	Municipal Manager/PMS	16-Nov	2009/11/31	
		Process Plan	Draft PMS Templates for 2013/14 based on review of IDP Strategies to departments		PMS Manager			
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO/PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager /PMS Manager			
			Final Draft of Annual Report circulated for internal comment		COO/PMS Manager			
		Monthly Reporting (MSA S40)	Monthly November reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	1-Dec	10-Dec	
			Monthly monitoring of performance	Informal monitoring of performance for November	Municipal Manager/PMS	11-Dec	15-Dec	
			Monthly performance report to Mayor/EXCO	Report to Mayor/EXCO	Municipal Manager/PMS	16-Dec	31-Dec	
	DECEMBER	Process Plan	Compile annual report for 11/12 (MFMA Sect 121) for tabling Council in January		COO/PMS Manager			
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO/PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager /PMS Manager			
			Circulate Q2/Mid Year Performance Assessment 2012/13 reporting templates to departments		PMS Manager			
	JANUARY	Mid Year Assessment	Mid Year Performance reports on SDBIP's and Capital Program as at December	Mid Year Performance report	All SED's	1-Jan	10-Jan	
			Mid Year Performance Evaluation	Mid Year Performance report	Municipal Manager/PMS	11-Jan	15-Jan	
			Mid Year Performance Assessment to Mayor	Mid Year Performance Assessment	Municipal manager/CFO/PM	16-Jan	25-Jan	
		Draft SDBIP for next financial Year	Preparation of Draft SDBIP's in line with Draft Budget Submissions for next financial Year	Draft SDBIP's	All SED's	1-Jan	31-Jan	
		Tabling of Annual Report	Tabling of Annual Report to include Annual Performance Report as a component	Annual Report	Public Relations Officer	1-Jan	31-Jan	
		Process Plan	Departments to submit Q2/Mid year performance information by 10 Jan 2013.		All SED's		10-Jan	
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO/PMS Manager			
			Submit Mid year performance report to Internal by 18 January 2013		COO/PMS Manager			
			Audit Committee Meeting to consider Q2/Mid Year Report					
			Submit mid year performance assessment to Mayor 25 th January 2012					

Q U A R T E R 3	FEBRUARY	Monthly Reporting (MSA S40)	Mayor tables annual report for 10/11 MFMA Sect 127(2)		Mayor/ Municipal Manager			
			Sect 57 Managers' quarterly assessments (for second quarter of 12/13)		Municipal Manager /PMS Manager			
			Monthly January reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	1-Feb	10-Feb	
			Monthly monitoring of performance	Informal monitoring of performance for January	Municipal Manager/PMS	11-Feb	15-Feb	
			Monthly performance report to Mayo/EXCO	Report to Mayor/EXCO	Municipal Manager/PMS	16-Feb	28-Feb	
		Process Plan	Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a)					
			Submit annual report to AG, Provincial & CoGTA (MFMA Sect 127)		Municipal Manager / PMS Manager			
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO /PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager / PMS Manager			
			Draft PMS 2013/14 for internal consultation and budget input from IDP		PMS Manager			
	MARCH	Monthly Reporting	Monthly February report on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	1-Mar	10-Mar	
			Monthly monitoring of performance	Informal monitoring of performance for February	Municipal Manager/PMS	11-Mar	15-Mar	
			Monthly performance report to Mayor/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	15-Mar	31-Mar	
			Community Consultation of Draft SDBIP's in line with IDP/budget Roadshows	Inclusion of Draft SDBIP's in Budget Brochure	PMS Manager/PPC/PRO	1-Mar	27-Mar	
		Process Plan	Incorporation of comments received	Final SDBIP's	PMS Manager/CFO/All departments	27-Mar	31-Mar	
			Council to consider and adopt an oversight report [Due by 31 March MFMA Sec 129(1)]					
			Set performance objectives for revenue for each budget vote (MFMA Sect.17)					
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO / PMS Manager			
			Quarterly progress report on performance to EXCO					
			Finalise Draft PMS (Including SDBIP's) 2013/14 3/14table to with IDP and Budget		PMS Manager			
			Circulate Q3 performance reporting template to departments		PMS Manager			
Q U A	APRIL	QUARTERLY REPORT	Quarter 3 (Jan - March) Performance Report to Municipal Manager	Completed SDBIP's as at March and Portfolio of Evidence	All SED's	1-Apr	10-Apr	
			Quarterly evaluation of Performance (SDBIP and capital) and Section 57's	Quarterly SDBIP Report and Portfolio of Evidence	Municipal Manager/PMS	11-Apr	15-Apr	
			Quarterly performance report to Mayor/EXCO	Quarterly performance report to Mayor/EXCO	Municipal Manager/PMS	16-Apr	30-Apr	
			Quarterly performance report to internal audit for onward submission to Audit Committee	Quarterly performance report to Internal Audit	PMS Manager/Internal Audit	16-Apr	30-Apr	
		SDBIP FOR NEXT FINANCIAL YEAR	Approval of SDBIP's to be included with Final IDP and Budget, Performance Agreements for section 57's	Final SDBIP's and conclusion of Performance Agreements for section 57's	Municipal Manager/PMS Manager/Mayor	1-Apr	30-Apr	
		Process Plan	Monitoring and Evaluation session through ICC by third Wednesday of the month		COO / PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager / PMS Manager			
			Departments to s					
			S57 Managers' Quarterly Performance Assessments					
		Process Plan	Publicise Annual Report [Due by April MFMA Sec 129(3)]					
			Submit Annual Report to Provincial Legislature/MEC Local Government [Due by April MFMA Sec 132(2)]					

R T E R 4			Quarterly Audit Committee meeting (for third quarter of 12/13) MFMA Sect 166 & MPPR Reg. 14(3)(a)					
	MAY	Monthly Reporting (MSA S40)	Monthly April reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's			
			Monthly monitoring of performance	Informal monitoring of performance for April	Municipal Manager/PMS	11-May	15-May	
			Monthly performance report to Mayo/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	16-May	31-May	
		SDBIP FOR NEXT FINANCIAL YEAR	Submission of Approved SDBIP's and PA's to Province, Provincial Treasury, on website, Local Paper Advert	Submission of Approved SDBIP's and PA's to Province, Provincial Treasury, on website, Local Paper Advert	PMS Manager	1-May	10-May	
		Process Plan	Community input into organisation KPIs and targets		PMS Manager			
			Departments to revise PMS based on community input if applicable		All SED's			
			Monitoring and Evaluation session through ICC by third Wednesday of the month		COO / PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager / PMS Manager			
			Approval of PMS 2013/14 with IDP and Budget		Mayor/ Municipal Manager / PMS Manager			
	JUNE	Monthly Reporting	Monthly May reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All Departments	1-Jun	10-Jun	
			Monthly monitoring of performance	Informal monitoring of performance for May	Municipal Manager/PMS	11-Jun	15-Jun	
			Monthly performance report to Mayo/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	16-Jun	30-Jun	
		Process Plan	Monitoring and Evaluation session through ICC by third Wednesday of the month		COO / PMS Manager			
			Quarterly progress report on performance to EXCO		Municipal Manager / PMS Manager			
			Circulate templates for Q4/Annual Performance Report		PMS Manager			

NEWCASTLE MUNICIPALITY																						
ORGANISATIONAL SCORE-CARD 2017/18 - 2021/22																						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE																						
OUTCOME 9	NATIONAL RPA	BACK TO BASICS PILLAR	IDP PRIORITY	GOAL/OBJECTIVES	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2017/18	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET Y12	ANNUAL TARGET Y13	ANNUAL TARGET Y14	ANNUAL TARGET Y15
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy –high voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management and catalytic projects)	B520.1.1	Number of business plans submitted for funding for the compilation of comprehensive infrastructure masterplans (Roads and Stormwater, water and sanitation)	Output	Number of business	0	1	0	1 (Roads and Stormwater)	0	1 (Water and sanitation) 1 (Public Lighting)	Technical Services	Bi-annual	Council Resolution and proof of submission of the business plan to relevant stakeholders	Develop and align the Infrastructure Master Plan to Sector plans and 3 year budget	Implement infrastructure Master Plan through sector plans such as Water Services Development Plan (WSDP), Water Conservation and Water Demand Management (WCDM) and other related sector plans at technical services	Update and review the Infrastructure Master Plan	Review of Infrastructure Master Plan
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy –high voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management and catalytic projects)	B520.2.1	Submission of a Business Plan to obtain funding for the preparation of the comprehensive infrastructure Master Plan Roads & Storm water	Process	Process Indicator - business plan	0	Submission of a Business Plan to obtain funding for the preparation of the comprehensive infrastructure Master Plan	Submission to eco to obtain a council resolution for the submission of a business plan	Submission of a Business Plan to obtain funding for the preparation of the comprehensive infrastructure Master Plan for Roads and Storm water	Assessment of the Newcastle Roads and Storm water Network	Finalisation of the Roads and Storm water Report for implementation in 2018/19	Technical Services	Quarterly	Council Resolution, acknowledgement of information from other stakeholders and proof of submission of the business plan.	Develop and align the Infrastructure Master Plan to Sector plans and 3 year budget	Implement infrastructure Master Plan through sector plans such as Water Services Development Plan (WSDP), Water Conservation and Water Demand Management (WCDM) and other related sector plans at technical services	Update and review the Infrastructure Master Plan	Review of Infrastructure Master Plan
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy –high voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management and catalytic projects)	B520.3.1	Approval of masterplan for high voltage network, electrification and network maintenance by June 2018	Output Indicator	Approved Masterplan and Minutes of Council	New	Approval of masterplan for high voltage network, electrification and network maintenance by June 2018	n/a	n/a	n/a	Approval of masterplan for high voltage network, electrification and network maintenance by June 2018	Electrical & Mechanical	Annually	Council Resolution and Approved Master Plan	Implementation and review of Masterplan	Implementation and review of Masterplan	Implementation and review of Masterplan	Implementation and review of Masterplan
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Increase number of households with access to basic potable (drinkable) water.	B521.1.1	% Of households with access to a basic level of water	Output indicator	Percentage (%)	96%	96%	0	0	0	92%	Technical Services	Annual	Progress report based on Stats SA census figures, BTO reports on new connections OR supported by completion certificates and final payment certificates/invoices signed by the Director and SED.	tbd	tbd	tbd	tbd
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Increase number of households with access to basic sanitation.	B521.2.1	% Of households with access to a basic level of sanitation	Output indicator	Percentage (%)	68%	68%	0	0	0	74%	Technical Services	Annual	Progress report based on Stats SA census figures, BTO reports on new connections OR supported by completion certificates and final payment certificates/invoices signed by the Director and SED.	tbd	tbd	tbd	tbd
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Upgrade wastewater collection and treatment facilities	B521.3.1	Number of Water Treatment plants upgraded	Output	Number	4	n/a	n/a	n/a	n/a	n/a	Technical Services	n/a	n/a	Completion of Madadeni WWTP	n/a	Completion of Ngagane WWTP	n/a
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To reduce water loss	To reduce the percentage of water losses. (Non-Revenue Water loss)	B522.1.1	Reduction of water loss by 2% per annum for Non-Revenue Water loss	Outcome Indicator	Percentage (%)	42.30%	40.30%	0	0	0	40.30%	Technical Services	Annual	Water balance scorecard	Implement WCDM phase 1 (oncall discretion, prepaid meters)	Revisit the WCDM and implement WCDM phase 2	Implement WCDM phase 3	Implement WCDM phase 4
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To create a safe and healthy environment	To implement the Waste Management Strategy in line with relevant legislation	B523.1.1	Annual review of the Integrated Waste Management Plan by June 2018	Output	Integrated Waste Management Plan	Existing Plan	Reviewed Integrated Waste Management Plan by June 2018	0	0	0	Reviewed Integrated Waste Management Plan by June 2018	Community Services	Annually	Council Resolution	Annual review of of the Integrated Waste Management Plan by June 2019	Annual review of of the Integrated Waste Management Plan by June 2020	Annual review of of the Integrated Waste Management Plan by June 2021	Annual review of of the Integrated Waste Management Plan by June 2022
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To create a safe and healthy environment	To provide a refuse removal service to the Newcastle Community	B523.2.1	%age of households with access to basic level solid waste removal	Output	Percentage (%)	71%	71.00%	0	0	0	71.20%	Community Services	Annually	BTO and progress reports on Stats SA census information	tbd	tbd	tbd	tbd
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To create a safe and healthy environment	To establish a new landfill site including management of the existing facility	B523.3.1	Annual audit compliance report from EDTFA on existing site by June 2018	Outcome Indicator	Report	Existing Report	Annual audit compliance report from EDTFA on existing site by June 2018	n/a	n/a	n/a	Annual audit compliance report from EDTFA on existing site by June 2018	Community Services	Annually	EDTFA Audit Compliance Report	Annual audit compliance report from EDTFA on existing site by June 2019	Annual audit compliance report from EDTFA on existing site by June 2020	Annual audit compliance report from EDTFA on existing site by June 2021	Annual audit compliance report from EDTFA on existing site by June 2022
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To create a safe and healthy environment	To establish a new landfill site including management of the existing facility	B523.4.1	Planning and identification of Land Fill Site by 30 June 2018	Output	Progress Reports submitted to PFSC	None	Planning and identification of Land Fill Site by 30 June 2018	n/a	n/a	n/a	Planning and identification of Land Fill Site by 30 June 2018	DPHS	Annually	Progress reports as submitted to PFSC	To identify a new landfill site	To identify a new landfill site	To identify a new landfill site	To identify a new landfill site
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways.	B524.1.1	Km of Roads ressealed/rehabilitated	Output	Kilometres (km)	2,26 Km	8km	0km	0km	0km	8km	Technical Services	Bi-annual	Reports signed by the Director and confirmed by the Portfolio Councillor for Technical Services	8km	8km	8km	8km
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways.	B524.2.1	km's of roads gravelled	Output	Kilometres (km)	5 km	2,5km	1,25km	1,25km	0km	0km	Technical Services	Bi-annual	Reports signed by the Director and confirmed by the Portfolio Councillor for Technical Services	2,5km	2,5km	2,5km	2,5km
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture	Implementation of the Capital Program (MIG-INTERNAL FUNDING)	B525.1.1	Km's of roads upgraded from gravel to blacktop including street furniture	Output	Kilometres (km)	9,963km	1,22km	0km	0km	0km	1,22km	Technical Services	Annual	(Invoices will be linked to relevant PPP's) Completion certificates, progress reports signed by the Director/SED	9,393km	7km	7km	7km
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure access to electricity within the Newcastle licence area	To develop and implement the Electricity Services Delivery Plan (ESDP)	B526.1.1	Approval of ESDP by June 2018	Process	ESDP	0	Approval of ESDP by June 2018	n/a	n/a	n/a	Approval of ESDP by June 2018	Electrical & Mechanical	Annually	Council resolution and approved ESDP	implementation and review of ESDP	assess and review implementation of ESDP	assess and review implementation of ESDP	assess and review implementation of ESDP
Output 2: Improving access to basic services	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure access to electricity within the Newcastle licence area	To provide electricity within the Newcastle Municipality licensed Areas.	B526.1.2	%age of households with access to a basic level of electricity	Output	Number	83%	83%	tbd	tbd	tbd	tbd	Electrical & Mechanical	Annually	tbd	tbd	tbd	tbd	tbd
Output 1: Implement a differentiated approach to municipal financing, planning and support	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To ensure management and replacement of vehicles for proper rendering of services.	To review a vehicle replacement policy and plan to address Fleet replacement, tyre Management, fuel and lubricant management	B527.1.1	Annual review of Fleet Replacement Policy and Plan by June 2018	Process	Policy and plan	2016/17 Replacement Plan	Annual review of Fleet Replacement Policy and Plan by June 2018	Draft Policy for 2018/19	Draft Plan	Communicate with IDP office for alignment	Approval by Council	Electrical & Mechanical	Quarterly	D1 - Draft Policy Q2 - Draft Plan Q3 - Minutes of the meeting Q4 - Council Minutes	re-assessment of all municipality fleet	re-assessment of all municipality fleet	re-assessment of all municipality fleet	re-assessment of all municipality fleet
Output 4: Actions supportive of the human settlement outcome	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	To develop a Human Settlement Plan in line with the 4th Generation IDP	B528.1.1	To develop a new Human Settlements Plan in line with the 4th Generation IDP by 30 June 2018	Output	Number	Annual Review of Housing Sector Plan approved as part of the IDP	Preparation of new Human Settlements Plan in line with 4th Generation IDP by 30 June 2018	n/a	n/a	n/a	Preparation of new Human Settlements Plan in line with 4th Generation IDP by 30 June 2018	Human Settlements	Quarterly	SCM records/Advert/Appointment letter/Report / Minutes	Annual Review	Annual Review	Annual Review	Annual Review
	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	To reduce housing backlog to meet the provincial and national targets	B528.2.1	Number of houses built	Output	Number	Complete certificated	280	n/a	n/a	n/a	280	Human Settlements	Annual	Completion Certificates	implement approved Housing Projects	Implement approved Housing Projects	implement approved Housing Projects	Implement approved Housing Projects
Output 4: Actions supportive of the human settlement outcome	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To facilitate secure tenure and clear property rights	Fast track Title Deed Restoration Project	B529.1.1	Number of houses transferred through Enhanced Extended Discount Benefit Scheme (EEDBS)	Output	Number	40	60	0	30	0	30	Human Settlements	Bi-annual	Title Deeds	120	120	120	120
Output 4: Actions supportive of the human settlement outcome	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To facilitate secure tenure and clear property rights	Disposal of municipal land in line with Land Disposal Policy	B530.1.1	Number of Residential Sites released for disposal	Output	Number	15	20	0	0	0	20	Human Settlements	Annual	Adverts, Deed of sale, supply chain records/ deed of transfer.	10	10	10	10
Output 4: Actions supportive of the human settlement outcome	Basic Services and Infrastructure Delivery	Basic Service Delivery	Basic Service Delivery and Infrastructure	To facilitate secure tenure and clear property rights	To develop and maintain a reliable National Housing Needs Register (NHNR)	B530.2.1	Number of approved beneficiaries captured on National Housing Needs Register	Output	%age	TBC	To be confirmed (TBC)	100%	100%	100%	100%	Human Settlements	Quarterly	Applications received and Updated report from NHNR	100%	100%	100%	100%

[illegible]

ORGANISATIONAL SCORE-CARD 2017/18 - 2021/22																						
NEWCASTLE MUNICIPALITY																						
CROSS CUTTING ISSUES																						
OUTCOME 9	NATIONAL KPA	BACK TO BASICS PILLAR	IDP PRIORITY	Goal / Objective	Strategy	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2017/18	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET YR2	ANNUAL TARGET YR3	ANNUAL TARGET YR4	ANNUAL TARGET YR5
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To facilitate economic development that will result in sustainable job creation and growth of the Town	To facilitate Revitalisation of Township Economy	CC3L1.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Identification of Strategic Pillars and Action Plans of support to revitalise the township economy	Identification of Strategic Pillars and Action Plans of support to revitalise the township economy	Facilitate implementation of action plans	Facilitate implementation of action plans
			Improved community safety																			
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To facilitate economic development that will result in sustainable job creation and growth of the Town	To facilitate economic development that will result investment in the town	CC3L2.1	Report / Study on identification of pieces of land to be regarded as 'pockets of excellence' by 30 June 2018	Output	Report with locations identified as "Pockets of Excellence"	None	Report / Study on identification of pieces of land to be regarded as 'pockets of excellence' by 30 June 2018	n/a	n/a	n/a	Report / Study on identification of pieces of land to be regarded as 'pockets of excellence' by 30 June 2018	DPHS - LED & TP	Annually	Minutes of PFSC and Report on "Pockets of Excellence"	Identification of pieces of land to be regarded as 'pockets of excellence' to promote economic development	n/a	n/a	n/a
			Improved community safety																			
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To develop an efficient and effective land use management system so as to promote a vibrant and harmonious land use activity system.	CC3A.1.1	Finalise Diagnosis Report on the Land Use Scheme, by 30 June 2018 submitted to Portfolio Committee	Output	PFSC Minutes and Finalised Report	Approved Land Use Scheme in line with SPLUMA	Finalise Diagnosis Report on the Land Use Scheme by 30 June 2018 submitted to Portfolio Committee	n/a			Finalise Diagnosis Report on the Land Use Scheme by 30 June 2018 submitted to Portfolio Committee	DPHS - TP	Bi-annual	PFSC Minutes, Draft Report and Finalised Report	Finalise Annual Review of Land Use Scheme in terms of SPLUMA by June 2018	Finalise Annual Review of Land Use Scheme in terms of SPLUMA by June 2019	Finalise Annual Review of Land Use Scheme in terms of SPLUMA by 2020	Finalise Annual Review of Land Use Scheme in terms of SPLUMA by 2021
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To develop an efficient and effective land use management system so as to promote a vibrant and harmonious land use activity system.	CC3A.2.1	Feasibility Report to develop bylaws in relation to green buildings 30 June 2018	Output	Minutes of PFSC and Feasibility Report	New KPI	Feasibility Report to develop bylaws in relation to green buildings 30 June 2018				Feasibility Report to develop bylaws in relation to green buildings 30 June 2018	DPHS - TP	Annual	Progress report & portfolio/ Council minutes	Development of the policy and bylaws on green buildings	Implementation of the policy and bylaws on green buildings	Implementation of the policy and bylaws on green buildings	Implementation of the policy and bylaws on green buildings
												n/a	n/a	n/a								
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To ensure an effective and integrated Geographic Information Management System.	CC3L1.1	Complete TOR in relation to feasibility of integrating GIS with other systems by 30 June 2018	Output	Completed TOR approved by SED	New KPI	Complete TOR in relation to feasibility of integrating GIS with other systems by 30 June 2018	N/A	N/A	N/A	Complete TOR in relation to feasibility of integrating GIS with other systems by 30 June 2018	DPHS - TP	Annual	Approved TOR by SED	Acquisition of the required system to integrate on the GIS	Acquisition of the required system to integrate on the GIS	Acquisition of the required system to integrate on the GIS	Acquisition of the required system to integrate on the GIS
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To promote spatial restructuring and integration	CC3B.1.1	Approved Spatial Development Framework by 31 May 2018	Output	Council Minutes and Approved SDF	Newcastle SDF approved 31 May 2017	Approved Spatial Development Framework by 31 May 2018	n/a	N/A	N/A	Approved Spatial Development Framework by 31 May 2018	DPHS - TP	Annual	Council Resolution and Approved SDF	Approved Spatial Development Framework by 31 May 2019	Approved Spatial Development Framework by 31 May 2020	Approved Spatial Development Framework by 31 May 2021	Approved Spatial Development Framework by 31 May 2022
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To promote spatial restructuring and integration	CC3B.2.1	Approval of one Local Area Plan / Precinct Plan by 30 June 2018	Output	Council Resolution and Approved LAP	1	Approval of one Local Area Plan / Precinct Plan by 30 June 2018	N/A	N/A	N/A	Approval of one Local Area Plan / by 30 June 2018	DPHS - TP	Annually	Council Resolution and Approved LAP	Approval of atleast one LAP/ Precinct Plan annually	Approval of atleast one LAP/ Precinct Plan annually	Approval of atleast one LAP/ Precinct Plan annually	Approval of atleast one LAP/ Precinct Plan annually
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To promote sustainable development and sound environmental planning	CC3T.1.1	Gazetting of the Environmental Management Framework (EMF) by 30 June 2018	Output	Publication in Gazette	Environmental Management Framework	Gazetting of the Environmental Management Framework (EMF) by 30 June 2018	N/A	N/A	N/A	Gazetting of the Environmental Management Framework (EMF) by 30 June 2018	DPHS - TP	Annual	Decision from MPT, Publication in Gazette	Implementation of the Environmental Management Framework	Implementation of the Environmental Management Framework	Implementation of the Environmental Management Framework	Implementation of the Environmental Management Framework
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To promote sustainable development and sound environmental planning	CC3T.2.1	Review and approval of the municipal Open Space System by 30 June 2018	Output	Council Minutes and Reviewed Municipal Open Space System	Open Space Policy and Framework	Review and Approval of the Open Space Policy and Framework by 30 June 2018	N/A	N/A	N/A	Review and Approval of the Open Space Policy and Framework by 30 June 2018	DPHS - TP	Annual	Council Resolution and Approved Open Space Policy	N/A	N/A	N/A	N/A
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to land (including Land Reform)	To promote sustainable development and sound environmental planning	CC3T.3.1	Geotech Report on identified sites for cemetery by 31 March 2018	Output	Report on Geotech Findings	none	Geotech Report on identified sites for cemetery by 31 March 2018	N/A	n/a	Geotech Report on identified sites for cemetery by 31 March 2018	N/A	DPHS - TP	QUARTELY	Geotech Report and PFSC to continue with EIA application	EIA Application and SPLUMA Application	N/A	N/A	N/A
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To ensure the provision of traffic management services	Intensify Law Enforcement activities	CC3E.1.1	Number of roadblocks conducted	Output	Number ()	24	24	6	6	6	6	Community Services	Quarterly	Road block statistics and register	24	24	24	24
			Improved community safety																			
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To improve safety and security	To provide and maintain an efficient and effective disaster management service to Newcastle.	CC3B.1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Community Services	N/A	N/A	Review and update risk assessment of major hazard installation within Newcastle jurisdiction	Review and update risk assessment per year	Monitor and Evaluation of all disaster Management KPIs	Monitor and Evaluation of all disaster Management KPIs
			Improved community safety																			
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To ensure provision of fire and disaster management services	To provide and maintain an efficient and effective disaster management service to Newcastle.	CC4D.1.1	Adoption of Disaster Management Plan by June 2018	Output	Adoption of the plan	Draft Disaster Management plan	Adoption of Disaster Management Plan by June 2018	N/A	N/A	NA	Adoption of Disaster Management Plan by June 2018	Community Services	Quarterly	Council Resolution and Approved Disaster Management Plan	Review Frameworks, Sector Plans and Contingency Plans by end of June 2019	Review Frameworks, Sector Plans and Contingency Plans by end of June 2020	Review Frameworks, Sector Plans and Contingency Plans by end of June 2021	Review Disaster Management Plan by June 2022
			Improved community safety																			
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to public facilities (including educational facilities – provincial/municipal)	Establishment and provision of community facilities	CC4L1.1	Number of new libraries built	Output	Number ()	6	0	0	0	0	0	Arts, Culture and Amenities	N/A	N/A		1 N/A	N/A	N/A
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		• Improved access to public facilities (including educational facilities – provincial/municipal)	Establishment and provision of community facilities	CC4L2.1	Number of libraries upgraded	Output	Number	None	1	n/a	n/a	n/a	1	Community Services	Annual	Completion Certificate	n/a	n/a	n/a	n/a
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To facilitate the responsive role of government/Civil society and private sector	To mainstream programmes with the National and Provincial government, Civil society and private sector	CC4L1.1	% Percentage of OSS issues received and referred	Process indicator	%	New KPI	100%	100%	100%	100%	100%	OFFICE OF THE MUNICIPAL MANAGER (SPECIAL PROGRAMMES)	Bi-annual	Registers and no. of issues received and referred	100%	100%	100%	100%
			Improved community safety																			
Outcome 9: Implement a differentiated approach to municipal financing, planning and support.	CROSS CUTTING ISSUES	Putting people first		To facilitate the responsive role of the municipality in OSS	To mainstream OSS through Internal OSS and Special Programmes Steering Committee	CC4B.1.1	Number of Special Programme and OSS meetings	Output	Number	NEW	2	n/a	1	n/a	1	OFFICE OF THE MUNICIPAL MANAGER (SPECIAL PROGRAMMES)	Bi-annual	Special Programme and OSS Steering Committee Minutes and Attendance registers	2	2	2	2
			Improved community safety																			

Outcome 9	National KPA	Back to Basics Pillar	IDP Priority	Goal / Objective	Strategy	KPI No. Linked to IDP	Key Performance Indicator	KPI Type (Input, Output, Outcome, Process)	Unit of Measure	Baseline	Annual Target 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsible Department	Frequency of Reporting	Primary Source of Evidence	Annual Target YR2	Annual Target YR3	Annual Target YR4	Annual Target YR5
Outcome 9 Implement a differentiated approach to municipal financing planning and support.	CROSS CUTTING ISSUES	Putting people first	Improved community safety	To respond to needs of vulnerable groups within Newcastle jurisdictional area.	Empowerment of target groups (Senior citizens, Disability, People living with HIV/AIDS, Women Men)	CC04.1.1	Number of functional special programmes FORB.	Outcome Indicator	Number	8	8	2	2	2	2	Office of the Municipal Manager (SPECIAL PROGRAMMES)	Quarterly	Forum meeting register and Attendance register	8	8	8	8
Outcome 9 Implement a differentiated approach to municipal financing planning and support.	CROSS CUTTING ISSUES	Putting people first	Improved community safety	To respond to the needs of vulnerable groups	To host human rights activities to address issues affecting the vulnerable groups	CC05.1.1	Number of special programs events implemented	Output	Number	12	10	2	3	2	3	Office of the Municipal Manager (SPECIAL PROGRAMMES)	Quarterly	Attendance registers, minutes and photos	10	10	10	10

ORGANISATIONAL SCORE-CARD 2017/18 - 2021/22																						
NEWCASTLE MUNICIPALITY																						
MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY																						
OUTCOME 9	NATIONAL KPI	BACK TO BASICS PILLAR	IDP PRIORITY	GOAL/OBJECTIVES	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2017/18	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET Y02	ANNUAL TARGET Y03	ANNUAL TARGET Y04	ANNUAL TARGET Y05
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent are eligible for the support and to eradicate a culture of non payment	PV15.1.1	Number of meetings held per quarter to discuss indigent applications and explain the billing processes and emphasize the payment of municipal bill as per Approved policy and procedures	Output	Number	0	34 (1 meeting per ward)	9 wards	9 wards	9 wards	8 wards	Budget & Treasury Office	Quarterly	Agenda and attendance register of meetings and report back to SED.	1 meeting per ward	1 meeting per ward	1 meeting per ward	1 meeting per ward
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	PV15.2.1	An annual verification of the indigent register performed at 30 July 2017	Output	Verification Report	0	An annual verification of the indigent register performed at 30 July 2017	1	0	0	0	Budget & Treasury Office	Annually	Verification report including methodology used in the process and portfolio committee in August	Annual review of the indigent register in order to achieve and maintain a credible indigent register	Annual review of the indigent register in order to achieve and maintain a credible indigent register	Annual review of the indigent register in order to achieve and maintain a credible indigent register	Annual review of the indigent register in order to achieve and maintain a credible indigent register
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	PV15.3.1	Increase of payment factor by 2 percentage basis point by 30 June 2017	output	percentage	77	79%	77.50%	78%	78.50%	79%	Budget & Treasury Office	Quarterly	Payment factor report submitted to finance Portfolio Committee and portfolio minutes	81%	83%	85%	87%
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	Eradication of the culture of non-payment;	PV15.4.1	%age of queries addressed within 90 days	Output	%age	New KPI	100%	100%	100%	100%	100%	Budget & Treasury Office	Quarterly	Query Ageing report	100%	100%	100%	100%
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Achieve Value for money	To have an effective Supply Chain Management system in place;	PV16.1.1	Approved annual procurement plan by July 2017 approved by the Portfolio Steering Committee	Output	Approved procurement plan aligned to the approved budget	New KPI	Approved annual procurement plan by July 2017 approved by the Portfolio Steering Committee	Approved annual procurement plan by July 2017 approved by the Portfolio Steering Committee	N/A	N/A	N/A	Budget & Treasury Office	Annually	Minutes of PFSC and Approved Procurement Plan	a) Develop and maintain an efficient Annual Procurement Plan;	a) Develop and maintain an efficient Annual Procurement Plan;	a) Develop and maintain an efficient Annual Procurement Plan;	a) Develop and maintain an efficient Annual Procurement Plan;
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Achieve Value for money.	Have an effective Supply Chain Management system in place;	PV16.2.1	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Output	Number of days	120 days for bids and 60 days quotations	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Budget & Treasury Office	Quarterly	register certified by CFO with calculation, bid committees and letter of awards etc.	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)	Turnaround times for bids at 120 days and for quotations 60 days (Tenders/Quotations)
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	review the financial policies to ensure sound financial and fiscal management and good governance	PV17.1.1	Number of Financial policies reviewed by May 2018	Output indicator	Council resolution and Approved policies	Finance policies approved by 31 May 2017	14	N/A	N/A	14 draft policies submitted to council	14 policies submitted to Council	Budget & Treasury Office	bi- annual	Council Resolution	To review and approve SCM Policy 2018	To review and approve SCM Policy 2018	To review and approve SCM Policy 2018	To review and approve SCM Policy 2018
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	Revenue enhancement	Facilitate the annual Review of the Revenue Enhancement Strategy	PV18.1.1	Review the Revenue Enhancement Strategy by September 2017	Output indicator	Council Minutes and Approved Revenue Enhancement Strategy in line with approved budget	Revenue Enhancement Strategy approved in 2012/13	Review the Revenue Enhancement Strategy by September 2017	Review the Revenue Enhancement Strategy by September 2017	N/A	N/A	N/A	Budget & Treasury Office	Annual	Council resolution and approved Revenue Enhancement Strategy	Annual review of the Revenue Enhancement Strategy and continuous monitoring thereof	Annual review of the Revenue Enhancement Strategy and continuous monitoring thereof	Annual review of the Revenue Enhancement Strategy and continuous monitoring thereof	Annual review of the Revenue Enhancement Strategy and continuous monitoring thereof
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	PV18.1.2	%age compliance with MFMA reporting obligations as per MFMA calendar	output	%age	100%	100%	100%	100%	100%	100%	Budget & Treasury Office	Quarterly	National Treasury Compliance Report	100%	100%	100%	100%
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	PV18.1.3	Approval of Annual Budget for 2018/19 by the 31 May 2018	Output	Council Resolution and Approved Budget	Approve annual budget for 2017/18 by 31 May 2017	Approved Budget by 31 May 2018	N/A	N/A	Draft Annual Budget for 2018/19 table to council	Approved annual budget for 2018/19	Budget & Treasury Office	bi- annual	Council resolution	Approved annual budget for 2019/20	Approved annual budget for 2020/21	Approved annual budget for 2021/22	Approved annual budget for 2022/23
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	PV18.1.4	Approval of Adjustment Budget by 28 February 2018	OutPut	Council Resolution and Approved adjusted Budget	28-Feb-17	Approval of Adjustment Budget by 28 February 2018	N/A	N/A	Approval of Adjustment Budget by 28 February 2018	N/A	Budget & Treasury Office	Annually	Council Resolution/ Proof of submission to the Mayor	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2020	Approval of Adjustment Budget by 28 February 2021	Approval of Adjustment Budget by 28 February 2022
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	PV18.1.5	Financial viability in terms of debt coverage	Output	Percentage	60%	6%	9%	11%	7%	6%	Budget & Treasury Office	Quarterly	Loan statements, Section 71 Reports and calculation	5%	5%	4%	4%
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	PV18.1.6	Financial viability in terms of cost coverage	Output	number of Months	1 Month	1 Month	2 Months	2 Months	1 Month	1 Month	Budget & Treasury Office	Quarterly	Bank Statement and Investment Schedule and Section 71 Reports	2 Month	2 Month	2 Month	2 Month
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	PV18.1.7	Financial viability in terms of outstanding service debtors	Output	%age	82%	80%	82%	82%	81%	80%	Budget & Treasury Office	Quarterly	Monthly income report submitted to Portfolio and calculation	80%	78%	76%	75%
<u>Outcome 9:</u> Administrative and financial capability.	Financial Management	Sound Financial Management	<u>Sound Financial Management/ Viability</u>	To ensure sound financial and fiscal management and good governance	To ensure compliance with the roll out of MSCOA	PV18.1.1	%age compliance with MSCOA assessment by National Treasury	Output	%age	New KPI	100%	n/a	n/a	n/a	100%	Budget & Treasury Office	Annual	Compliance report by National Treasury	n/a	n/a	n/a	n/a

ORGANISATIONAL SCORE-CARD 2017/18 - 2021/22																						
NEWCASTLE MUNICIPALITY																						
GOOD GOVERNANCE																						
OUTCOME 9	NATIONAL KPA	BACK TO BASICS PILLAR	IDP PRIORITY	GOAL/OBJECTIVES	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2017/18	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET YR2	ANNUAL TARGET YR3	ANNUAL TARGET YR4	ANNUAL TARGET YR5
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	Good Governance	Good Governance	To ensure good governance through openness, transparency and accountability in the organization.	To develop and implement an optimal communication strategy and service charter by 2021		Monthly Progress reports on execution of resolutions for Manco, Exec, Council and MPAC	Output		11	11	2	3	3	3	OFFICE OF THE MUNICIPAL MANAGER (Executive Support)	Quarterly	Minutes of Exec/Council / MPAC	11	11	11	11
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To develop a system of delegation that will maximise administrative and operational efficiencies		Annual Review of Delegations Policy by 30 June 2018	Output Indicator	Council Minutes and Approved Delegation Policy	Approved Delegations on 30 June 2014	Annual Review of Delegations Policy by 30 June 2018	n/a	n/a	Approval of Delegations Policy by Council by 30 March 2018	n/a	OFFICE OF THE MUNICIPAL MANAGER (Executive Support)	Annual	Manco,Exec, Council Minutes and attendance register	Annual review of Delegations Policy	Annual review of Delegations Policy	Annual review of Delegations Policy	Annual review of Delegations Policy
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To strengthen executive support		Approved Intergovernmental Relations Framework and Strategy by 30 June 2018	Output Indicator	Council Minutes and Approved Intergovernmental Relations Framework and Strategy	New KPI	Approved Intergovernmental Relations Framework and Strategy by 30 June 2018	n/a	n/a	n/a	Approval of the Strategy BY 30 June 2018	OFFICE OF THE MUNICIPAL MANAGER (Executive Support)	Annual	Council Resolutions and approved IGR Framework and Strategy	Annual review of IGR strategy	Annual review of IGR strategy	Annual review of IGR strategy	Annual review of IGR strategy
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote and enhance good governance in the organization.	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.		Annual review of Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by 30 June 2018	Output Indicator	Policy and Strategy	Existing Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy	Annual review of Risk Management Policy and strategy by 30 June 2018	n/a	n/a	n/a	Approval of Risk Management Policy and Strategy, Anti-Fraud & Corruption Policy and strategy by 30 June 2018	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Annually	Council resolution and Approved Strategy and Policy	Reviewed Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by June 2019	Reviewed Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by June 2020	Reviewed Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by June 2021	Reviewed Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by June 2022
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote and enhance good governance in the organization.	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.		Annual risk assessment report for 2018/19 as approved by Manco by 31 May 2018	Output	Minutes of Manco and Annual Risk Register	Risk Register 2016/17	Annual risk assessment report for 2018/19 as approved by Manco by 31 May 2018	N/A	N/A	N/A	Annual risk assessment report for 2018/19 as approved by Manco by 31 May 2018	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Annually	Manco Resolution / Attendance registers for risk assessment workshops and Annual Risk assessment report/Risk assessment report, risk registers, and attendance registers for risk assessment workshops	Risk Register for 2018/19 financial year/Annual Risk assessment report	Risk Register for 2019/20 financial year/ Annual Risk assessment report	Risk Register for 2020/21 financial year/ Annual Risk assessment report	Risk Register for 2021/22 financial year/Annual Risk assessment report
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote and enhance good governance in the organization.	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.		Quarterly risk Management reports on implementation of risk management action plan submitted to Audit Committee	Output Indicator	Audit Committee Minutes and Progress Report on Risk Management	To specify last report submitted to AC	4	1	1	1	1	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Quarterly	Audit Committee Resolution and Quarterly risk Management reports	4	4	4	4
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote and enhance good governance in the organization.	To provide compliance monitoring support towards ensuring that compliance risks are mitigated effectively resulting in the positive audit outcomes		Finalised Clean Audit Strategy by 31 December 2017	Output Indicator	Strategy	Draft clean audit strategy	Clean Audit strategy approved by Audit Committee by 31 December 2017	N/A		Clean Audit strategy approved by Audit Committee by 31 December 2017	n/a	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Annually	Reports /Minutes of Audit Committee	Reviewed Clean Audit strategy	Reviewed Clean Audit strategy	Reviewed Clean Audit strategy	Reviewed Clean Audit strategy
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote and enhance good governance in the organization.	To provide compliance monitoring support towards ensuring that compliance risks are mitigated effectively resulting in the positive audit outcomes		Quarterly Compliance Monitoring reporting submitted to Audit Committee	Output Indicator	Number of reports	Current quarterly Compliance Monitoring reporting reports	4	1	1	1	1	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Quarterly	Quarterly Compliance Monitoring reporting reports	4	4	4	4
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes.	Providing recommendations and advice to management to improve internal controls, risk management and governance processes.		%age of Projects implemented as per Internal Audit Plan	Outcome	Number	100%	100%	100%	100%	100%	100%	OFFICE OF THE MUNICIPAL MANAGER (INTERNAL AUDIT)	Quarterly	Progress report against approved Internal Audit Plan and Internal audit reports	100%	100%	100%	100%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes.	Providing recommendations and advice to management to improve internal controls, risk management and governance processes.		Council Approval of audit committee charter by March 2018	Output	Council resolution approving Audit Committee Charter	Approved Audit Committee Charter by Council in May 2016	Council Approval of audit committee charter by March 2018	N/A	N/A	Council Approval of audit committee charter by March 2018	N/A	OFFICE OF THE MUNICIPAL MANAGER (INTERNAL AUDIT)	Annual	Council resolution approving audit committee charter	Approved Audit Committee Charter by March 2019	Approved Audit Committee Charter by March 2020	Approved Audit Committee Charter by March 2021	Approved Audit Committee Charter by March 2022
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services		%age of contracts drafted and vetted as requested by departments	Output	%age	New KPI	100%	100%	100%	100%	100%	OFFICE OF THE MUNICIPAL MANAGER (LEGAL SERVICES)	Quarterly	Registers of all contracts received with a date received and date finalised, and contracts vetted and drafted	100%	100%	100%	100%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services		Approved Contract Management Policy by June 2019	Output	Approved Contract Management Policy	New KPI	n/a	n/a	n/a	n/a	n/a	Office of the Municipal Manager	n/a	n/a	Approved Contract Management Policy by June 2019	n/a	n/a	n/a
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services		%age of objections addressed within 60days as per SCM Regulations	Output	Number of days	100% of objections resolved within 60days	100% of objections resolved within 60days	100% of objections resolved within 60days	100% of objections resolved within 60days	100% of objections resolved within 60days	100% of objections resolved within 60days	Office of the Municipal Manager	Quarterly	Objections register with dates of objection received and resolved, Objections and communication to Objecter	100% of objections resolved within 60days	100% of objections resolved within 60days	100% of objections resolved within 60days	100% of objections resolved within 60days
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services		%age of bylaws published as prioritised by ManCo	Output	Published Bylaws	new KPI	100%	n/a	n/a	n/a	100%	Office of the Municipal Manager	Annually	Proof of publication of bylaws	100%	100%	100%	100%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	Putting People First	GOOD GOVERNANCE	To keep the communities and stakeholders informed and involved in the affairs of the Municipality	To improve both internal and external communication		Approval of Public Participation Strategy by June 2018	Output Indicator	Approved Public Participation	New KPI	Approved Public Participation Strategy by June 2018	n/a	n/a	n/a	Development of Public Participation Strategy by June 2018	DPHS	Quarterly	Council resolution and Approved Public participation policy	Implementation of Public Participation Strategy	Implementation of Public Participation Strategy	Implementation of Public Participation Strategy	Implementation of Public Participation Strategy
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	Putting People First	GOOD GOVERNANCE	To keep the communities and stakeholders informed and involved in the affairs of the Municipality	To ensure the effective functionality of ward committees		Approved Ward Committee Operational Plan by June 2018	Output Indicator	Plan	New KPI	Approved of Ward Committee Operational Plan by June 2018	Appointment of Service Provider	Development of Draft Ward Committee Operational Plan by June 2018	Consultation of relevant Stakeholders on Ward Committee Operational Plan by June 2018	Approval of Ward Committee Operational Plan by June 2018	DPHS	Quarterly	Council resolution, Draft Ward Committee Operational Plan, Appointment letter, Approved Ward Committee Operational Plan				
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	Putting People First	GOOD GOVERNANCE	To keep internal & external communities and stakeholders informed, empowered and involved by 2021.	To develop and implement an optimal communication strategy		Approved Communication strategy by June 2018	Output Indicator	Approved Communication strategy	Draft communication strategy	Approved Communication strategy by June 2018	n/a	n/a	n/a	Approved Communication strategy by June 2018	CORPORATE COMMUNICATIONS	Annual	Council resolution and approved Communication Strategy	Annual review of Communication strategy	Annual review of Communication strategy	Annual review of Communication strategy	Annual review of Communication strategy
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	Putting People First	GOOD GOVERNANCE	To ensure good governance through openness, transparency and accountability in the organization.	To provide an enhanced internal and external communication service.		Number of Internal Communication Forum meetings held	Output Indicator	Number	12	12	3	3	3	3	Corporate Services	Quarterly	ICT Minutes and attendance registers	12	12	12	12
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote ICT governance by ensuring alignment of ICT and organisational objectives	To facilitate the annual implementation of good ICT governance processes		Number of ICT Steering Committee meetings	Output Indicator	Number	4	4	1	1	1	1	Corporate Services (IT)	Quarterly	Minutes&Attendance Register	4	4	4	4
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote ICT governance by ensuring alignment of ICT and organisational objectives	Review of ICT Strategy, ICT policies and procedures		Number of reviewed ICT Strategy / ICT policies / ICT procedures	Output	Number	1	1	n/a	n/a	n/a	1	Corporate Services (IT)	Annually	Council Resolution/ SED Approval for procedures	Reviewed ICT Strategy and ICT policies	Reviewed ICT Strategy and ICT policies	Reviewed ICT Strategy and ICT policies	Reviewed ICT Strategy and ICT policies
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote ICT governance by ensuring alignment of ICT and organisational objectives	To ensure that the ICT activities and investments are in alignment with organizational objectives and strategies		Approval of ICT Strategic Plan June by 2018	Output Indicator	Approved ICT Strategic Plan	New KPI	Approval of ICT Strategic Plan by 2018	ICT Strategic Plan adoption by ICT Steering Committee	ICT Strategic Plan adoption by Manco	ICT Strategic Plan adoption by Exec	ICT Strategic Plan adoption by Council	INFORMATION AND TECHNOLOGY	Quarterly	Minutes & Attendance Register	Approved ICT Strategic Plan	Approved ICT Strategic Plan	Approved ICT Strategic Plan	Approved ICT Strategic Plan
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To obtain a clean audit on the Audit of Performance Objectives by 2020	To facilitate the development , review and implementation of the PMS annually		Number of performance reports submitted to Audit Committee quarterly	Output Indicator	Number	4	4	1	1	1	1	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)	Quarterly	Audit Committee resolution and Quarterly performance report	4	4	4	4

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To obtain a clean audit on the Audit of Performance Return by 2020	To implement outreach and awareness workshops on PMS to departments and other stakeholders		Number of PMS workshops held quarterly	Output Indicator	Number	New SPs	4	1	1	1	1	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)	Quarterly	Workshops attendance register	4	4	4	4
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote good governance through the Annual performance reporting process	To ensure compliance with Annual performance Reporting process		Annual Performance Report submitted to the Auditor General by 31 August 2017	Output Indicator	Reports	Annual Performance report submitted to AG on the 31 August 2018	Annual Performance Report submitted to the Auditor-General by 31 August 2017	Annual Performance Report submitted to the Auditor-General by 31 August 2017	N/A	N/A	N/A	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)	Annual	Acknowledgement of receipt from AG	Annual Performance Report submitted to the Auditor-General by 31 August 2018	Annual Performance Report submitted to the Auditor-General by 31 August 2019	Annual Performance Report submitted to the Auditor-General by 31 August 2020	Annual Performance Report submitted to the Auditor-General by 31 August 2021
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GOOD GOVERNANCE	To promote good governance through the Annual performance reporting process	To ensure compliance with Annual report process		Approval of Annual Report by 31 March 2018	Output Indicator	Reports	Approved Annual Report by Council 31 March 2017	Approval of Annual Report by 31 March 2018	n/a	N/A	Tabling of Annual Report to Council by 31 January 2018	Approval of Annual Report by 31 March 2018	OFFICE OF THE MUNICIPAL MANAGER	Quarterly	Council Resolution and Approved Annual Report	Approval of Annual Report by 31 March 2018	Approval of Annual Report by 31 March 2018	Approval of Annual Report by 31 March 2018	Approval of Annual Report by 31 March 2018

ORGANISATIONAL SCORE-CARD 2017/18 - 2021/22																						
NEWCASTLE MUNICIPALITY																						
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT																						
OUTCOME 9	NATIONAL KPA	BACK TO BASICS PILLAR	IDP PRIORITY	GOAL/OBJECTIVES	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2017/18	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET YR2	ANNUAL TARGET YR3	ANNUAL TARGET YR4	ANNUAL TARGET YR5
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To enhance organisational performance by attracting and retaining best talent by 2021.	To embark on an investigation aimed at understanding efficiency and effectiveness of organisational systems and procedures by 2021	IT1.1.1	Number of investigations conducted as submitted to Municipal Manager / Manco	Output	Number	New	4	1	1	1	1	Corporate Services: Human Resources	Quarterly	Investigation report and final report as submitted to MM /Manco	4	4	4	4
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To enhance organisational performance by attracting and retaining best talent by 2021.	To implement systems that will ensure compliance with the Employment Equity Act by ensuring equitable representation at all levels.	IT1.2.1	the number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan	Output	Number		23	N/A	N/A	N/A	23	Corporate Services: Human Resources	Annually	Employment Equity Report	23	23	23	23
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To enhance organisational performance by attracting and retaining best talent by 2021.	To facilitate the development of skills through the complete implementation of the workplace skills plan	IT1.3.1	the percentage of the municipality's budget actually spent on implementing its workplace skills plan	Input	Percentage		100%	25%	50%	75%	100%	Corporate Services: Human Resources	Quarterly	WSP Budget Review Report	100%	100%	100%	100%
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To enhance organisational performance by attracting and retaining best talent by 2021.	To align current policies with changes in legislation	IT1.4.1	Number of HR policies developed or reviewed	Output	Number	New	5	n/a	2	n/a	3	Corporate Services: Human Resources	Bi-annually	Council minutes and approved policies	4	4	4	2
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To enhance organisational performance by attracting and retaining best talent by 2021.	To promote employee relations (ER) and labour stability	IT1.5.1	Number of LfJ meetings held as per organisational rights agreement	Output	Number	New	12	3	3	3	3	Corporate Services: Human Resources	Quarterly	Attendance register and LfJ minutes	12	12	12	12
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To provide quality administrative services, to support optimal organisational performance	To develop policies and realign systems and procedures that ensure good governance and an efficient and effective secretariat and general administration support by 2021.	IT2.1.1	Number of Administration policies or procedures developed or reviewed	Output	Number	New	2	n/a	1	n/a	1	Corporate Service: Administration	Bi-Annually	Approved procedure by SED and Council minutes for policy approval	2	2	2	2
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To provide quality administrative services, to support optimal organisational performance	Ensure that all statutory Committees convene as per legislation and policies of Council	IT2.2.1	%age compliance with Annual Meeting Plan as approved by Council	Output	%age	100%	100%	100%	100%	100%	100%	Corporate Services : Administration	Quarterly	Progress report against approved Annual Plan and Minutes of statutory committee meeting	Implement Annual Plan for Statutory meetings of Council and Council Committees	Implement Annual Plan for Statutory meetings of Council and Council Committees	Implement Annual Plan for Statutory meetings of Council and Council Committees	Implement Annual Plan for Statutory meetings of Council and Council Committees
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To comply with health and safety legislation	To promote zero fatalities and ensure a healthy and safe working environment	IT3.1.1	%age of safety issues as raised by Safety Committees addressed	Output	%age	New KPI	100%	100%	100%	100%	100%	Corporate Services	Quarterly	Minutes of Safety Committee Meeting and progress report on safety issues resolved submitted to Manco	maintenance of safety committees and meetings in terms of legislation	maintenance of safety committees and meetings in terms of legislation	maintenance of safety committees and meetings in terms of legislation	maintenance of safety committees and meetings in terms of legislation
Output 6: Administrative and financial capability.	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Building capable local government institutions.	Accelerated Municipal Transformation and Organizational Development	To comply with health and safety legislation	To promote zero fatalities and ensure a healthy and safe working environment	IT4.1.1	Section 16.2 appointments finalised by Municipal Manager	Output	Appointment letters	New KPI	Section 16.2 appointments finalised by Municipal Manager	Section 16.2 appointments finalised by Municipal Manager	n/a	n/a	0	Corporate Services	Annually	Appointment letters signed by MM	Appointment of each SED as section 16.2	Appointment of each SED as section 16.3	Appointment of each SED as section 16.5	Appointment of each SED as section 16.7

ORGANISATIONAL SCORE CARD 2017/18 - 2021/22																							
NEWCASTLE MUNICIPALITY																							
LOCAL ECONOMIC DEVELOPMENT																							
OUTCOMES	NATIONAL SPA	BACK TO BASICS	IDP PRIORITY	Goal / Objective	Strategy	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2017/18	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	RESPONSIBLE DEPARTMENT	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	ANNUAL TARGET YR2	ANNUAL TARGET YR3	ANNUAL TARGET YR4	ANNUAL TARGET YR5	
Outcome 9 - 1	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the Town	To develop LEO Strategy in line with the IDP generation IDP	ES01.1.1	Development and approval of the new LEO Strategy in line with the IDP generation IDP by 30 June 2018	Output	Council Resolution and Approved LEO Strategy	LEO Strategy (2nd Generation)	Development and approval of the new LEO Strategy in line with the IDP generation IDP by 30 June 2018	Appointing of Service Provider	Engagement with all stake players	LEO Strategy (Policy)	Development and approval of the new LEO Strategy in line with the IDP generation IDP by 30 June 2018	SPMS	Quarterly	SP. APPPOINTMENT LETTER AND ATTENDANCE RECORDS AND MEMORANDUMS TO AND FROM THE LEO COORDINATOR AND APPROVED STRATEGY	Annual review of LEO Strategy	Annual review of LEO Strategy	Annual review of LEO Strategy	Annual review of LEO Strategy	
Outcome 9 - 2	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the town	To Provide Business Retention and Expansion (BRE) to support local business	ES01.1.2	Approved Business Retention and Expansion (BRE) by 30 June 2018	OUTPUT	APPROVAL OF THE NEW STRATEGY BY COUNCIL	Approved BRE Strategy	Approved Business Retention and Expansion (BRE) by 30 June 2018	Workshops with Business Chambers on existing BRE Strategy	South coast BRE	Workshops Council on South BRE	Approved Business Retention and Expansion (BRE) by 30 June 2018	SPMS - LEO	Quarterly	Council Resolution and Approved BRE	Implementation of Business Retention and Expansion (BRE) Strategy	Implementation of Business Retention and Expansion (BRE) Strategy	Implementation of Business Retention and Expansion (BRE) Strategy	Implementation of Business Retention and Expansion (BRE) Strategy	
Outcome 9 - 3	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation and Promotion of SME development and entrepreneurship	ES01.1.3	N/A	OUTPUT	APPROVED LEO STRATEGY							SPMS - LEO	N/A	N/A	APPROVED SME STRATEGY BY Council by end of June 2019				
Outcome 9 - 4	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the town	Facilitation and Promotion of SME development and entrepreneurship	ES01.1.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	SPMS - LEO	N/A	N/A	Establishment of the Incubation Programme	Monitoring and Evaluation of Incubation Programme	Monitoring and Evaluation of Incubation Programme	Monitoring and Evaluation of Incubation Programme	Monitoring and Evaluation of Incubation Programme
Outcome 9 - 5	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation and Promotion of SME development and entrepreneurship	ES01.1.5	Number of SMEs linked to Markets by 30 June 2018	OUTPUT	Number	5	10	N/A	N/A	N/A	N/A	SPMS - LEO	ANNUAL	Minutes of Portfolio Committee Approval Report on SMEs %	10	10	10	10	
Outcome 9 - 6	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the town	Facilitation and Promotion of SME development and entrepreneurship	ES01.1.6	Number of SMEs's Trained	Output	Number	50	100000	10	10	10	10	SPMS - LEO	QUARTERLY	Training registers / Attendance registers	10	10	10	10	
Outcome 9 - 7	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation of the value chain opportunities for SMEs	ES01.1.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	SPMS - LEO	N/A	N/A	Develop at least 3 downstream economic opportunities in the sector by 30 June 2018	Market the downstream opportunities to potential investors	Market the downstream opportunities to potential investors	Market the downstream opportunities to potential investors	Market the downstream opportunities to potential investors
Outcome 9 - 8	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the town	Establishment of Networks as a Regional Export hub for Northern NTA	ES01.1.8	Launch of SKEWELAND HUBS between Newcastle and other major regions by 30 March 2018	Outcome	Reports to PMC	New NTA	Launch of SKEWELAND HUBS between Newcastle and other major regions by 30 March 2018	Workshop with stakeholders	JOINT APPROVAL	Launch of SKEWELAND HUBS between Newcastle and other major regions by 30 March 2018	N/A	LEO	QUARTERLY	Report on the Launch of SKEWELAND HUBS and launch material	Monitoring of the implementation of SKEWELAND HUBS	Monitoring of the implementation of SKEWELAND HUBS	Monitoring of the implementation of SKEWELAND HUBS	Monitoring of the implementation of SKEWELAND HUBS	
Outcome 9 - 9	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the Town	Establishment of Techno hubs (Creative Centre Building in Newcastle)	ES01.1.9	Completed Techno hub building by 30 March 2018	Output	Completion Certificate	New NTA	Completed Techno hub building by March 2018	N/A	N/A	Completed Techno hub building by March 2018	N/A	SPMS - LEO	ANNUAL	Completion Certificate and invoice	Marketing of Techno hub to potential investors	Marketing of Techno hub to potential investors	Marketing of Techno hub to potential investors	Marketing of Techno hub to potential investors	
Outcome 9 - 10	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To facilitate economic development that will result in sustainable job creation and growth of the town	To promote local and foreign investment for SMEs	ES01.1.10	Identification of economic growth regions (Growth regions) that stimulate the local economy by December 2017	Output	Internal Study Report done internally & Resolution of Council	New NTA	Identification of economic growth regions (Growth regions) that stimulate the local economy by December 2017 as reported to Council	Research on existing and potential growth regions	Identification of economic growth regions (Growth regions) that stimulate the local economy by December 2017 as reported to Council	N/A	N/A	SPMS - LEO	Quarterly	Council Minutes / Report on Growth Regions	Compile Business Plans on Resiliency of growth regions	Adopt Marketing to potential investors and developers	Adopt Marketing to potential investors and developers	Adopt Marketing to potential investors and developers	Adopt Marketing to potential investors and developers
Outcome 9 - 11	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To ensure industrialisation of the local economy	Support traditional industries and (non-traditional) sector specific infrastructure for horticulture, water resources, car wash, meat production and fish smoking, etc – various other NTA sectors	ES02.1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Support traditional industries and (non-traditional) sector specific infrastructure for horticulture, water resources, car wash, meat production and fish smoking, etc – various other NTA sectors	Support traditional industries and (non-traditional) sector specific infrastructure for horticulture, water resources, car wash, meat production and fish smoking, etc – various other NTA sectors	Support traditional industries and (non-traditional) sector specific infrastructure for horticulture, water resources, car wash, meat production and fish smoking, etc – various other NTA sectors	Support traditional industries and (non-traditional) sector specific infrastructure for horticulture, water resources, car wash, meat production and fish smoking, etc – various other NTA sectors	Support traditional industries and (non-traditional) sector specific infrastructure for horticulture, water resources, car wash, meat production and fish smoking, etc – various other NTA sectors
Outcome 9 - 12	LOCAL ECONOMIC DEVELOPMENT	Planning people	Local Economic Development (planning and reporting)	To ensure industrialisation of the local economy	Promotion of local procurement of goods and services to stimulate local economy and job creation	ES02.1.2	Development and implementation of the SME Procurement Policy by December 2017	Output	Approved Policy	LEO SME Procurement Policy	Approved SME Procurement Policy by December 2017	SMEAT Policy	Approval of Policy by December 2017	N/A	N/A	SPMS - LEO	QUARTERLY	Council resolution and Approved SME Procurement policy	Implementation and monitoring of the local preferential SME Procurement policy and Enforcement of local space for the SMEs	Implementation and monitoring of the local preferential SME Procurement policy and Enforcement of local space for the SMEs	Implementation and monitoring of the local preferential SME Procurement policy and Enforcement of local space for the SMEs	Implementation and monitoring of the local preferential SME Procurement policy and Enforcement of local space for the SMEs	Implementation and monitoring of the local preferential SME Procurement policy and Enforcement of local space for the SMEs



NEWCASTLE MUNICIPALITY																							
CAPITAL BUDGET SUBMISSIONS: 2017/18 BUDGET																							
COMMUNITY SERVICES																							
PROJECT DESCRIPTION	NEW/ROLL OVER	FUNDING SOURCE/GRANT NAME	2017/18	PROPOSED CASHFLOW PROJECTION												Total cashflow projections 2017/18	Difference between Total available and total Cashflow(this should always be 0	KEY PERFORMANCE INDICATOR (OUTPUT OR PROCESS)	ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
				Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18								
Construction of Charlestown Library	New	Provincial Grant	10,000,000.00	0.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	2,000,000.00	10,000,000.00	0.00	Output	Construction of new library in Charlestown	Appointment of service provider	Construction of library	Construction of library	Construction of library
Refurbishment & extension of NN Library (Phase 2)	New	Provincial Grant	5,425,000.00	0.00	0.00	1,018,911.00	0.00	0.00	3,162,296.00	533,500.00	0.00	0.00	710,293.00	0.00		5,425,000.00	0.00	Output	Refurbishment and extension of NN Library	Construction	Construction	Completion of projection	Payment of retention
Replica Railway Station	Roll over	Museum Grant	280,000.00	0.00	100,000.00	100,000.00	52,000.00	0.00	0.00	28,000.00	0.00	0.00	0.00	0.00	0.00	280,000.00	0.00	Output	Construction of replica railway station	Appointment of service provider and construction	Construction and completion of project	Payment of retention	N/A
			15,705,000.00	0.00	100,000.00	1,118,911.00	1,052,000.00	1,000,000.00	4,162,296.00	1,561,500.00	1,000,000.00	1,000,000.00	1,710,293.00	1,000,000.00	2,000,000.00	15,705,000.00	0.00						

NEWCASTLE MUNICIPALITY
CAPITAL BUDGET SUBMISSIONS: 2017/18 BUDGET
LOCAL ECONOMIC DEVELOPMENT

[illegible]

NEWCASTLE MUNICIPALITY

CAPITAL BUDGET SUBMISSIONS: 2017/18 BUDGET

DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS - CROSS CUTTING						

[illegible]

