

SUBMISSION OF THE FINAL 2023/2024 PERFORMANCE MANAGEMENT SYSTEM (TOP-LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLANS (TLSDBIP) AND THE 2023/2024 PERFORMANCE MANAGEMENT FRAMEWORK (MM 2/1/2/1): MAY 2023

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(1st Level: Exco)
(2nd Level: Council)

EXECUTIVE SUMMARY

The Performance Management Unit is responsible for the monitoring and evaluation of performance information for Newcastle Municipality. The development, implementation and monitoring of the Performance Management System (PMS) is a requirement of The Local Government Municipal Systems Act 32 of 2000; and The Local Government Municipal Finance Management Act 56 of 2003. The Service Delivery Budget Implementation Plan (SDBIP) is a detailed five plan of the municipality that is informed by the Integrated Development Plan (IDP) and the budget of the municipality.

The 2023/2024 Performance Management System comprises of the following:

- The Top-Layer SDBIP aligned to the Integrated Development Plan (IDP) Review 2023/2024 (Annexure A)
- The 2023/2024 Performance Management Framework for Newcastle Municipality (Annexure B)

LEGISLATIVE BACKGROUND:

- The Local Government Municipal Finance Management Act 56 of 2003
- The Local Government Municipal Systems Act 32 of 2001

BACKGROUND:

In terms of Section 16 of The Local Government Municipal Finance Management Act 56 of 2003, the Mayor of the municipality must table the annual budget for the municipality at a council meeting at least 90 days before the start of the new financial year. To present the 2023/2024 Top-Layer SDBIP and Performance Management Framework for the 2023/2024 financial year and to seek the Executive Committees/ Council's approval for the Final 2023/2024 Performance Management System as part of the IDP.

DISCUSSIONS/DELIBERATIONS:

As outlined in Section 40 of The Local Government Municipal Systems Act 32 of 2000, Newcastle Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of The Local Government Municipal Systems Act 32 of 2000, furthermore points out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets are reviewed and this review will form the basis for the review of the municipal PMS and Performance Contracts of Section 57 Managers.

The Final 2023/2024 Performance Management System (Top-Layer SDBIP) was developed in line with the final 2023/2024 Budget and the final 2023/2024 Integrated Development Plan (IDP). The 2023/2024 final PMS was published for public comment during April 2023 and no comments were received from the public on the 2023/2024 Performance Management System.

The Local Government Municipal Finance Management Act 56 of 2003 (MFMA), Circular 88, on Rationalising Planning and Reporting Requirements, is acknowledged by Newcastle Municipality and will be reported on and submitted as required by National and Provincial COGTA.

According to the requirements of The Local Government Municipal Systems Act 32 of 2000 develop a performance management framework for Newcastle Municipality. The Newcastle Municipality Performance Management Framework caters for the development, implementation and roll-out of performance management within 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 56 of 2003.

The Final 2023/2024 Performance Management System comprises of the following:

- The 2023/2024 Top-Layer Service Delivery Budget Implementation Plan (TLSDBIP).
- The 2023/2024 Performance Management Framework for Newcastle Municipality.

LEGAL IMPLICATIONS

Compliance with Section 47 and 49 of the Municipal Systems Act 32 of 2000 and Section 121 of the Municipal Finance Management Act 56 of 2003. The MFMA is mandatory lest the municipality council risks its reputation and positive public image.

FINANCIAL IMPLICATIONS

No financial costs incurred since the 2023/2024 Performance Management System has been prepared in house.

RECOMMENDATIONS:

- (a) That in terms of Section 53 of The Local Government Municipal Finance Management Act 56 of 2003 read with Chapter 6 of The Local Government: Municipal Systems Act 32 of 2000 – the Performance Management System (PMS Framework, Top-Layer SDBIP for the 2023/2024 Financial year be approved for inclusion in the IDP
- (b) That where practical, the general KPI's as per the Municipal Planning and Performance Management Regulations, 2001 were customized to cater for its measurability as per the resources of the municipality in line recommendations by National Cogta and the Auditor-General's office.
- (c) That the Top-layer SDBIP be cascaded into the Service Delivery Budget Implementation plans per department and Individual Performance Plans for the Accounting Officer and Managers reporting directly to the Accounting Officer in terms of Section 55 and 56 of The Local Government Municipal Systems Act 32 of 2000, Section 53 of The Local

Government Municipal Finance Management Act 56 of 2003 and the Section 57 of The Local Government Municipal Structures Act 117 of 1998 accordingly;

- (d) That the final PMS 2023/2024 be aligned to the approved budget and be incorporated into the final IDP Review 2023/2024 accordingly prior to submission to Cogta and publishing to the website.
- (e) That the approved PMS 2023/2024 be submitted to National and Provincial Treasury, Cogta and be published for public perusal.
- (f) That the Performance Agreements must be signed for all employees appointed in an Acting capacity in terms of Section 54 and 56 of The Local Government Municipal Systems Act 32 of 2000 (As amended) for any period of 3 months, or an extension thereof (as approved by Council), if applicable.

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MR ZW MCINEKA
THE MUNICIPAL MANAGER
NEWCASTLE MUNICIPALITY

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19/05/2023
DATE: