



**EMFULENI
LOCAL MUNICIPALITY**

Vaal River City, the Cradle of Human Rights

**CERTIFICATE OF QUALITY ASSURANCE
2023/2024 FOURTH QUARTER PERFORMANCE REPORT**

I, **A.S. NTULI**, in my capacity as the Municipal Manager of Emfuleni Local Municipality hereby certify as follows:

4. That I received the **2023/2024 Fourth Quarter Performance Assessment Report** of the Emfuleni Local Municipality on **19 August 2024**;
5. That I duly considered the content of the **2023/2024 Fourth Quarter Performance Report**; and
6. That I herewith approve the **2023/2024 Fourth Quarter Performance Report** for Emfuleni Local Municipality.

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**A.S. NTULI
MUNICIPAL MANAGER
EMFULENI LOCAL MUNICIPALITY**

2023/2024 FOURTH QUARTER PERFORMANCE REPORT

1 PURPOSE

The purpose of this 2023/2024 Fourth Quarter Performance Report (for the period of April to June 2023/2024) is to disclose and account on the results of the assessment of the actual achievements against the quarterly projections of performance indicators and performance targets. These performance indicators and targets were identified and recorded in the Organizational Service Delivery and Budget Implementation Plan (OSDBIP) for the 2023/2024 Financial Year.

2. LEGISLATIVE BACKGROUND

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) defines a “service delivery and budget implementation plan” as a detailed plan approved by the mayor of a municipality for implementing the municipality’s delivery of municipal services and which must indicate service delivery targets and performance indicators for each quarter.

The performance management system described in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) – section 38 to 49 thereof determines the monitoring, measurement, evaluation, and auditing of information recorded in terms of the Service Delivery and Budget Implementation Plan. Section 52(d) of the MFMA requires that the Executive Mayor table a report on the performance of the municipality to Council within 30 days after the end of the quarter.

In compliance with these legislative directives the 2023/2024 Fourth Quarter Performance Report is based on the outputs of the Fourth Quarter performance assessment of service delivery and budget performance indicators, targets and projections that were approved by the Executive Committee, Mayoral and Council.

The organizational performance scorecard where the assessments were documented is appended to the report as “**ANNEXURE “A”**”.

3. CRITERIA FOR DETERMING ORGANIZATIONAL PERFORMANCE LEVELS

The following table specifies the Criterion for Performance Levels (aligned to Regulation 805 for management performance of senior management at local government level) and is also utilised for determining performance level at an organizational level:

Rating	Score	Level of Performance
1	0 -74%	Unacceptable Performance
2	75 – 99%	Not fully Effective
3	100- 129%	Fully Effective
4	130- 149%	Exceed Expectation
5	150%	Outstanding Performance

Table 1

4. THE 2023/2024 FOURTH QUARTER ORGANIZATIONAL PERFORMANCE ASSESSMENT RESULTS

One of the core components of the Integrated Development Plan and the Performance Management System is the setting of appropriate performance indicators with regard to the municipality’s development priorities and objectives (Section 26 and Section 41, MSA). The initiation point and planning of performance management are therefore found in the Integrated Development Plan.

The 2023/2024 Integrated Development Plan was approved by the Municipal Council in May 2023. Subsequent to the approval of the IDP and Budget, the Executive Mayor also approved the 2023/2024 Service Delivery and Budget Implementation Plan in June 2023.

As an organisation, the average performance percentage of Emfuleni Local Municipality for the Fourth Quarter performance of the 2023/24 reporting period is calculated at 67% taking into account that the 100% achievement of all performance targets would result in a rating level of 3.00. According the criteria for determining performance levels, 67% falls on a rating level 1, meaning the municipal performance level is not fully effective.

5. ORGANIZATIONAL PERFORMANCE PER KEY PERFORMANCE AREA

The following table depicts the 2023/2024 Fourth Quarter Organizational Performance Results, as such, the Municipal Performance during the 2023/2024 Fourth Quarter Performance is not satisfactory.

Summary per Key Performance Area	Quarter 1 Performance	Quarter 2 Performance	Midyear Performance	Quarter 3 Performance	Quarter 4 Performance
KPA 1 Municipal Transformation and Organisational Development	50%	41%	41%	62%	54%
KPA 2 Basic Services and Infrastructure	69%	65%	66%	71%	85%
KPA 3 Local Economic Development and Spatial Planning	38%	57%	56%	49%	48%
KPA 4 Municipal Financial Viability and Management	55%	32%	45%	56%	53%
KPA 5 Good Governance and Public Participation	88%	101%	90%	105%	96%
Overall Performance	60%	59%	59%	68%	67%

Table 2

6. 2023/2024 FOURTH QUARTER PERFORMANCE RESULTS PER CLUSTER

Summary per Cluster	Quarter 1 Performance	Quarter 2 Performance	Midyear Performance	Quarter 3 Performance	Quarter 4 Performance
Office of the Municipal Manager	88%	101%	90%	105%	93%
Public Works	63%	42%	50%	59%	83%
Shared Services	50%	41%	41%	62%	54%
Economic Development and Planning	44%	45%	44%	49%	48%
Finance	60%	31%	42%	51%	48%
Infrastructure Planning and Development	1%	75%	75%	101%	89%
Community Services	87%	71%	69%	80%	93%
Utilities and Sanitation	71%	68%	69%	54%	78%
Internal Audit	129%	150%	150%	148%	123%

Table 3

In line with the Municipal Performance Management Regulation 805, criteria for measuring performance, the rating levels can be summaries as follows: One (1) Cluster performed at fully effective level, five (5) Clusters were not fully effective and three (3) Clusters were at unacceptable performance. The 2023/2024 Fourth Quarter Organisational Performance Achievement of Emfuleni Local Municipality is calculated at **67%**.

The overall performance of the municipality is: **UNACCEPTABLE PERFORMANCE.**

The performance rating of level 1 out of the 5 performance levels is recorded.

7. OVERALL ASSESSMENT OF PORTFOLIO OF EVIDENCE

7.1 Municipal Transformation and Organisational Development (Key Indicators Ref: MT.01-10)

Of the ten (10) key indicators, two (2) indicators were achieved, seven (7) indicators were not achieved and two (2) indicators had no projection. The targets on appointment of key positions and adherence to Employment Equity on appointed positions saw a significant improvement. The municipality made good progress on the implementation of the Workplace Skills Plan and ultimately meeting the expenditure target of 100%. Fleet management progress is still lagging behind mainly due to

irrelevant POE submitted. Finally, the Facilities Maintenance Plan was not implemented as planned.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Percentage of approved Micro Organisational Structure;
- ✓ Percentage of vehicles repaired/maintained within 90 days;
- ✓ Percentage reduction of labour cases / disciplinary cases in the current labour disputes register;
- ✓ Percentage implementation of Facilities Maintenance Plan; and
- ✓ Number of monitoring reports on overtime submitted.

7.2 Public Works and Infrastructure (Key Indicators Ref: BS.01-15)

a. Electricity

Of the seven (7) key indicators, one (1) indicator was achieved, five (5) indicators were not achieved and one (1) indicator had no projection. The main reason for non-achievement of this indicators was attributed to delays to replace meters due to resistance in certain communities, Delays in payment of service providers and delays in signing of extension of scope led to under achievement and delays on the availability of Large Power Users (LPU) meters for service providers.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Percentage of electricity losses were at 24%;
- ✓ 3 out of 4 Electrical networks were refurbished / repaired/ maintained;
- ✓ 1 out of 4 electrical project was completed;
- ✓ 4211 out of 9000 electricity prepaid meters were replaced;
- ✓ 18 out of 70 Large Power Users' online metering were installed; and
- ✓ 24 399 out of 14 000 Token identified prepaid meters were rolled out.

b. Roads and Storm-water

Out of the three (3) key indicators, one (1) was achieved and two (2) were not achieved. Although the department did not achieve all of its targets, there was improvement due to availability of hired plants.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Length in metre of concrete canals, gravel canals and pipes cleaned in accordance with maintenance plan; and
- ✓ Length of kilometres of municipal gravel roads maintained in accordance with maintenance plan.

c. Waste Management

Of the three (3) key indicators, one (1) indicator was achieved and two (2) indicators were not. The reason for non-achievement was attributed to budget constraints, shortage of vehicles and personnel. In assessing the target on collection of mini-dumps, a credible means of verification for assessing the KPI was not available.

Consequently, moving forward a schedule of identified mini-dumps, photos of before and after will be utilized along with log sheets of the security entrance while the process of procuring way bridges is unfolding.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Average percentage of waste collection services completed on weekly basis as per schedule. 43% of the targeted 50% was achieved; and
- ✓ Total m³ of waste removed from mini-dumps on a weekly basis as per schedule. 63 124m³ of the targeted 80 000m³ was achieved.

7.3 Utilities and Strategic Projects (Key Indicators Ref: BS.16-28)

Water and Sanitation

Of the thirteen (13) key indicators, six (6) indicators were achieved and seven (7) indicators were not achieved.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ There were contractual issues with the appointed service provider for installation of new water meters. This meant that no movement was made regarding this KPI for the year;
- ✓ Percentage Turnaround time taken to resolve potable water complaints within 48-hours after being reported. While progress is made and complaints are being attended to, the water management system is not capable of giving a real time data that is reliable and credible to properly measure the KPI as it dates back some outer year reporting as far as 2 years back;
- ✓ The targets for compliance with standards at the three waste water care works (WWCW) were affected by non-operational chlorine dosing system, which lead to high *E. Coli* and faecal coliform which affect effluent quality. Non-operational of some electrical and mechanical equipment which affect the effluent quality;
- ✓ Length of old water pipes replaced in accordance with the maintenance plan for identified areas; and
- ✓ Percentage of water losses is at 60%.

The department has seen great improvement with regards to the installation, replacement and servicing of high pressure valves. This was due to procurement processes initiated on time that allowed the service provider to complete the work on time.

7.4 Community Services (Key Indicator Ref: BS.29 -38)

Of the eleven (11) key indicators, six (6) indicators were achieved and four (4) indicators were not achieved. The main reasons for non-achievement of these indicators were the non-submission of Indigent Register to Council, shortage of resources for conducting inspections on health norms and standards; and non-procurement of the cemetery management system.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Number of updated Indigent Registers. While the register was updated, it was not submitted to Council as required;
- ✓ Shortage of personnel and lack of vehicles for number of inspections conducted to comply with national environmental health norms; and standards at any period in accordance with the inspection plan for identified areas. A total of 844 inspections was obtained out of the targeted 2000 inspections; and
- ✓ Number of inspections conducted to comply with national environmental norms and standards in accordance with the inspection plan for identified areas were assessed and 103 inspections were conducted out of the projected 560 inspections.

The department managed to maintain good consistency with regards to social cohesion programs, by-law enforcement plans, compliance to the SANS code turnaround time (23 minutes) required for fire and rescue incidents, community safety programs; and number of trees cut or pruned as well as square meters of grass cut.

7.5 Infrastructure Planning and Development (Key Indicator Ref: BS.39-49)

Of the four (4) key indicators targets under Quarter 4, three (3) indicators were achieved, and one (1) indicator was not achieved. The reason for failing to achieve the indicator is due to the contractor failing to implement the project as per the project schedule which resulted in the municipality terminating the contract.

- ✓ Of the targeted 0.9km construction of length in kilometers of sewer pipeline (upgrading Union street bulk sewer line in Vereeniging), 1.08km was constructed.
- ✓ Of the targeted 2.5km construction of length in kilometers of sewer pipeline (sewer line Houtkop and Unitaspark in north Leewkuil), 2.5km was constructed.
- ✓ Of the targeted 0.8km construction of length in kilometers of sewer pipeline (gravity sewer pipeline Boipatong/Tshepiso), 1.12km was constructed.
- ✓ Of the targeted one (1) refurbished stadium (Bophelong), zero (0) was refurbishment completed. The target was not achieved.

Financial Expenditure Breakdown

The PMU has had numerous challenges since the beginning of the financial year which affected the expenditure leading to National Treasury reducing the Municipality's MIG allocation. The table below provides the expenditure of the MIG to date for all projects as per the IDP.

MIG EXPENDITURE 2023-2024 as at 30 JUNE 2024					
Votenummer	Description	Budget	TOTAL EXPENDITURE		
			Exp (Excl vat)	Vat	Exp (Incl vat)
	MIG OPEX				
	SALARIES		9 605 909,39	-	9 605 909,39
	OTHER	8 800 000,00	75 543,48	7 356,52	82 900,00
	TOTAL OPEX	8 800 000,00	9 681 452,87	7 356,52	9 688 809,39
	MIG CAPEX				
35956473520G6D45ZZVA	R:UPGRADING OF NANESCOL CEMETERY	182 216,00	158 447,94	23 767,19	182 215,13
35956473520G6D47ZZVR	R:UPGRADING OF RUSTERVAAL CEMETERY	-	-	-	-
35966159820G6G79ZZWM	DEVELOPMENT OF MASTER PLAN	-	-	-	-
35966445420G6F95CVVA	COVID-19 REFURBISHMENT OF VDB RESERVOIRS	575 394,00	500 342,50	67 546,24	567 888,74
35966473520G6E73ZZVA	REFURBISHMENT OF BOPHELONG STADIUM	938 458,00	816 001,70	112 444,73	928 446,43
35966473520G6E86ZZVA	R:VANDERBIJLPARK CEMETERY	-	-	-	-
35966680020G6D50ZZSB	N:BULK WATER SUPPLY- EVATON TO DADEVILLE	926 912,00	806 010,74	120 901,61	926 912,35
35966680020G6D98ZZSB	N:CONSTRUCTION OF LAKESIDE BLOCK A ROAD	2 347 440,00	2 041 252,41	278 902,15	2 320 154,56
35966680020G6E18ZZVR	SEWER LINE-3 RIVERS; 3R-EAST & SOLPARK	145 003,00	126 089,96	18 913,49	145 003,45
35966680020G6E46ZZSB	CONST IRONSID ROAD&STORMW - PVD SIDEWALK	286 015,00	248 708,31	37 306,25	286 014,56
35966680020G6E53ZZVR	UPGR UNION STR BULK SEWER IN VEREENIGIN	6 132 052,00	5 373 884,50	725 474,41	6 099 358,91
35966680020G6E57ZZSB	CONST OF VAN SCHALKVYK STREET EATONSIDE	135 221,00	117 583,09	17 637,46	135 220,55
35966680020G6F39ZZWM	INVESTIGATE & DEV NEW LANDFILL SITES	493 616,00	429 232,07	65 705,72	512 549,97
35966680020G6F51ZZSB	UPGRADING OUTFALL SEWER ON NORTHEN AREA	-	-	-	-
35966680020G6F52ZZWM	UPGRADING SEWER PIPELINE PS8: STILLBOX	883 072,00	767 937,00	105 790,01	811 056,76
35966680020G6F53ZZVA	SEWERLINE FROM INDUS; BOIP /TSHEP TO PS4	10 103 932,00	8 786 027,88	1 189 597,36	9 733 901,40
35966680020G6H86ZZVR	SEWER LINE HOUTKOP & UNITASPAK TO PS3D	27 160 395,00	23 572 605,47	3 199 588,55	26 772 194,02
35966680020G6H87ZZVR	BULK WATER FROM TSHEPISO TO SHARPEVILLE	539 274,00	468 933,71	70 340,06	539 273,77
35966680020G6H88ZZVA	WATER SUPPLY WESTERN AREARS & VAALOEWER	-	-	-	-
35966680020G6H89ZZVA	N:CONSTRUCTION OF THOMAS NKOBI	-	-	-	-
35966680020G6I25ZZSB	CONSTRUCTION OF WATER RESERVOIR EVATON	-	-	-	-
35966680020G6I26ZZSB	CONSTRUCTION OF WATER RESERVOIR SEBOKENG	-	-	-	-
35966680020G6I27ZZSB	BULK WATER SUPPLY JOHANDEO TO EVATON	-	-	-	-
35966680020G6I28ZZSB	CONST PALM SPRING LANDFILL SITE(PHASE 2)	-	-	-	-
	TOTAL CAPEX	50 849 000,00	44 213 057,28	6 033 915,24	49 960 190,61
	TOTAL MIG EXPENDITURE (OPEX & CAPEX)	59 649 000,00	53 894 510,15	6 041 271,76	59 649 000,00

7.6 Local Economic Development and Spatial Planning (Key Indicator Ref: LED.01 -10)

Of the ten (10) key indicators, three (3) indicators were achieved, three (3) indicators were not achieved and two (2) indicators had no projection. The main reason for non-achievement of these is attributed to lack of submission of portfolio of evidence relating to process plan for enforcement of land use and the slow or lack of progress in approving Outdoor and Informal Trading policies.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Enforcement of land use regulations/legislation;
- ✓ Percentage Developed Outdoor policy; and
- ✓ Percentage Developed Informal Trading Policy.

7.7 Municipal Financial Viability and Management (Key Indicator Ref: MF.01 -12)

Financial key performance indicators are used to track, measure, and analyse the financial health position of the municipality. The municipality, during the 2023/2024 Fourth Quarter reporting period, planned to achieve ten (10) targets. Following the review of the performance information, one (1) indicator was achieved and nine (9) indicators were not achieved.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Percentage adherence to the implementation of 2023/24 budget funding plan, 4% instead of 75% was realised;
- ✓ Percentage Implemented Revenue Enhancement and Protection Plan. 0% has been achieved to date;
- ✓ Percentage paid current account on bulk purchases without default. Eskom 65% of current account has been paid and Rand Water 39% of current account has been paid;
- ✓ Percentage achievement of the implementation of 2023/2024 demand (Procurement) Management Plan. 6% of procurement plan has been achieved; and
- ✓ Number of Reconciled reports billing information to approved General Valuation Roll (GVR). 0% was achieved to date progress is lagging behind.

Positively, the municipality was able to meet the target on adoption of the MTREF 2024/2025 as per the process plan. Progress was achieved in addressing historical debts relating to Rand Water and the target for implementation of the cost containment plan showed improvement.

Infrastructure Planning and Development (Grants) (Key Indicators Ref: MF.14-16)

INFRASTRUCTURE PLANNING AND DEVELOPMENT

The section serves to highlight the progress made on infrastructure projects funded through grant. The attachment of the bank accounts by Rand Water and Eskom since April 2023 until November 2023 has led to the grant spending being affected and ultimately being reduced by National Treasury. The introduction of MIG schedule 6B implementation, which was gazetted in December 2023, resulted in R20 million being reduced from the municipality's *Schedule 5B* allocation.

Grant Performance Overview

Emfuleni Local Municipality was allocated the capital funding from the MIG and NDPG for implementation of infrastructure projects including the EPWP grant for job creation to address the social issues as provided in Table 1 below. The narrative on the performance is also addressed below.

Grant Name	2023/2024 FY Allocation	Revised Allocation	Expenditure to date	% Spent
Municipal Infrastructure Grant (MIG Schedule 5B)	R203 242 000	R59 649 000	R59 649 000	100%
Neighbourhood Development Partnership Grant	R15 000 000	R0.00	R0.00	0%
Expanded Public Works Programme	R1 242 000	R1 242 000	R1 242 000	100%

Municipal Infrastructure Grant

The municipality has been allocated R203 242 000,00 of MIG for the 2023/2024 FY for implementation of infrastructure project with 5% of the allocation being utilised for the operational expenditures of the Project Management Unit as prescribed in the Division of Revenue Act. However, due to the challenges of bank account attachments, it resulted in the reduction of the grant by National Treasury. The revised grant allocation is R59 649 000 as indicated in the table above. The MIG expenditure reported to date on the MIG-MIS amounts to R59 649 000 equivalent to 100% of the revised allocation. The table below provides a list of projects which were funded through the grant.

Project Title	Project Status
Asset Management Plan (W&S)	Draft Master Plan, WSDP and IAMP
Asset Management Plan (R&S)	Procurement.
Construction of Lake Side Proper Block 4 (34th and 35th) Street	Construction
ELM: Construction and upgrading of Thomas Nkobi Drive in Bophelong - Phase 2	Design

Construction of Ironside Road 1 Stormwater and Paved Sidewalks	Design
Upgrading of Rustervaal Cemetery	Procurement Stage
Upgrading of Nanescol Cemetery	Design
Refurbishment of Bophelong Stadium	Construction Stage
Investigate and Develop New general Landfill Sites (Yakani Landfill)	Design
Construct Palm Spring as a Landfill Site (Phase 2)	Planning
Bulk Water Supply From Tshepiso To Sharpeville (W&s)	Design
Bulk Water Supply From Evaton Reservoir To Dadeville	Design
Water Supply to Western Areas and Vaaloewer Outside Urban Edge	Planning
Construction of Water Reservoir in Evaton	Planning
Construction of Water Reservoirs in Sebokeng	Planning
Bulk water supply from Johandeo to Evaton	Planning
Various Sewer Projects Three Rivers, Three Rivers East, Sonlandpark (Phase 2)	Design and procurement.
Upgrading gravity outfall sewer: Union Street	Construction
Gravity sewer line from Houtkop and Unitaspark north of Leeuwkuil WWTW to PS3D (Phase 2)	Construction
Gravity sewer line from industrial through Boipatong / Tshepiso to PS4	Construction

Expanded Public Works Programme

The municipality was allocated R1 242 000,00 for 2023/2024 Financial Year. Since the municipality does not have internal budget allocated towards the implementation of EPWP, the budget allocated is limited to R1,2 million that was depleted by the end of December 2023. The performance targets on the EPWP grant have been achieved. It should be noted that the programme is currently on hold due to budget deficiencies with the municipality's inability to financially contribute towards the programme resulting in participants being released from the programme until new budget allocation in 2024-2025 financial year

7.8 Governance and Public Participation (Key Indicators Ref: GG.01-25)

Twenty five (25) key indicators were planned to realise good governance, public participation and accountability. Fifteen (15) were achieved, three (3) were not achieved and seven (7) were not due for review.

Unacceptable performance is recorded on the following indicators and targets:

- ✓ Percentage AGSA (2022/2023 OPCA) audit findings resolved - 30%; and

- ✓ Number of verified reports on the project activities under the planned target.

8. ACKNOWLEDGEMENTS

We would like to record our appreciation for the time and co-operation management and staff provided during the course of our assessment.

Prepared by:

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L. Mosia
Senior Admin Officer:
Performance Management

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Date

Reviewed:

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N. Ntuli
Manager: Performance
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Approved for presentation to PaC:

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M. Mogofe
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Date