

# **MANDENI LOCAL MUNICIPALITY**



## **MID-YEAR PERFORMANCE REPORT FOR 2025/26 FINANCIAL YEAR JULY-DECEMBER 2025**

| <b>MANDENI LOCAL MUNICIPALITY</b>                                    |             |
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## 1. INTRODUCTION

The Mandeni Local Municipality is reporting for the Mid-year organizational performance for 2025/26 financial year ending December 2025, as required through the Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act No 56 of 2003. In terms of section 72 of the Local Government: Municipal Finance Management Act (ActNo.56 of 2003) the accounting officer of a municipality by the 25 January of every year must assess the performance of the municipality during the first half of the financial year. In terms of section 51(1), the mayor must report to the council by the 31st of January of the financial year.

It should be noted that this report should be accompanied with the Section 72 Consolidated Mid-Year Budget and Performance Report 2025/26, which will be submitted to council in January for adoption and forwarded to Provincial Treasury and COGTA.

## 2. PURPOSE

The purpose of this report is to account on the mid-year organizational performance of Mandeni Municipality of 2025/26 FY. The report contains information which is based on the SDBIP formulated for the financial year 2025/26. The information on the report concentrates on the performance assessment as contained in the municipality's service delivery and budget implementation plan. The report was compiled using 1st and 2nd quarter performance information received, the Mid-Year Performance is therefore based for the period July 2025 to December 2025.

The Mandeni Local Municipality has thus compiled its Mid-Year performance report in line with the above-mentioned legislation. The purpose of the report is to outline the achievements of the municipality in the period under review. The report further seeks to outline challenges and remedial actions that have been executed as corrective measures thereto.

The purpose of reporting this performance report is as follows:

- ✚ To analyze the performance of the municipality for the second quarter
- ✚ To track quarter two progress against the targets set in the attached SDBIPs.
- ✚ This will intern to inform decision making and future goal setting
- ✚ To identify problems regarding performance of municipal programmes with a view to obtaining solutions
- ✚ To determine whether the objectives of programme have been met.

Based on the outcomes of the mid-year budget and performance assessment report, an adjustment budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP. The SDBIP is also a living document and may be modified based on the mid-year

performance review. Thus, the SDBIP remains a kind of contract that holds the municipality accountable to the community.

### 3: BACKGROUND

This report serves as the mid-year Performance Report for the financial year 2025/26 ending December 2025. It provides feedback on the performance level achieved to date against the targets as laid out in the IDP and SDBIP. Performance is based on the Departmental Scorecard aligned with the Organisational Scorecard reported as per National Key Performance Areas aligned with Outcomes 9 guiding local government which are linked as follows:

**Table: 3.1 Showing NKPA/OUTCOMES 9/STRATEGIES ALINGMENT**

| 2025/26 TOP LAYER SDBIP                             |   |                     |   |   |
|---|---|---------------------|---|---|
| IDP REF   | STRATEGIC GOAL  | STRATEGIC OBJECTIVE |   | STRATEGIES 2025/26  |
| BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT |   |                     |   |   |
| BSD 01  | Universal access to basic services and infrastructure development by 2030 |                     | Improve access to all infrastructure and services | Facilitate access to electricity for all targeted households                    |
| BSD 02  |   |                     |   | Reduce the road infrastructure backlog and maintain the existing infrastructure |
| BSD 03  |   |                     |   | Facilitate the reduction of the housing backlog                                 |

|   |   |  |  |   |
|---|---|--|--|---|
| <b>BSD 04</b>                                   |   |  |  | Provide efficient waste collection and management service to all targeted household |
| <b>BSD 05</b>                                   | Universal access to basic service delivery and infrastructure development by 2030                   | Improve access to all infrastructure and services            |  | Facilitate the provision of new community facilities                                |
| <b>BSD 06</b>                                   | Providing and facilitating access to social services and facilities                                 | Improve access to all infrastructure and services            |  | Facilitate the provision of new community facilities                                |
| <b>GOOD GOVERNMENT AND PUBLIC PARTICIPATION</b> |   |  |  |   |
| <b>GGPP 01</b>                                  | To foster a culture of community involvement and good governance in the affairs of the municipality | Ensure participative, transparent and accountable Governance |  | Improve the public participation processes  |
| <b>GGPP 02</b>                                  |   |  |  |   |

|                |  |   |   |
|----------------|--|---|---|
| <b>GGPP 03</b> |  |   | Ensure the municipal contribution to community safety                 |
| <b>GGPP 04</b> |  | Aspire to a healthy, safe and crime-free area                           | Design and implement sports, arts and heritage celebration programmes |
| <b>GGPP 05</b> |  | Ensure that all legislated Council structures meetings seat.            | Improve the public participation processes                            |
| <b>GGPP 05</b> |  |   |   |
| <b>GGPP 06</b> |  | Implementation of risk mitigation strategies specific to the department | Improve the audit opinion   |

|                            |   |  |   |
|----------------------------|---|--|---|
|                            |   |  |   |
|                            | MUNICIPLA VIABILITY AND FINANCIAL MANAGEMENT  |  |   |
| MFVM 01                    | To develop a sustainable and efficient municipality based on sound financial management | Ensure a financially viable municipality | Ensure a constant and accurate financial reporting  |
| MFVM 02                    |   |  | Ensure the existence of updated finance management strategies                                 |
| MFVM 03                    |   |  | Ensure the existence of updated finance management strategies                                 |
| MFVM 04                    |   |  | Ensure a constant and accurate financial reporting  |
| MFVM 05                    |   |  | Manage and increase the municipal revenue base.   |
| MFVM 06                    |   |  | Ensure that the municipality acquires goods and services in terms of supply chain regulations |
| LOCAL ECONOMIC DEVELOPMENT |   |  |   |

|        |  |  |
|--------|--|--|
| LED2   | Facilitate the creation of job opportunities | Improve the community skills base  |
| LED 03 |  | Ensure the empowerment of youth, women and people living with disabilities.                                    |
| LED 04 |  | Achieve a holistic human development and capacitation for the realisation of skilled and employable workforce. |
| LED 05 |  |  |
| LED 06 |  | Facilitate the implementation of the EPWP  |
| LED 07 |  | Strategic planning for Local Economic Development  |



|         | MUNICIPAL INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION          |  |  |
|---------|---|--|--|
| MTID 01 | Provision of effective, efficient, transparent and accountable leadership | Creating a conducive working environment | Maintain and improve the municipal policies                    |
| MTID 02 |   |  | Ensure effective and efficient human resource management       |
| MTID 03 |   |  | Ensure effective and efficient human resource development      |
| MTID 04 |   |  | Improve performance  |
| MTID 05 |   |  | Improve information technology and document management systems |
| MTID 06 |   |  | Improve municipal services and Infrastructure                  |
|         | SPATIAL RATIONAL ENVIRONMENTAL MANAGEMENT/ CROSS-CUTTING MEASURES         |  |  |

|         |  |                  |   |  |
|---------|--|------------------|---|--|
| SREM 01 | Promoting and facilitating environmental protection and sustainable spatial planning | CBD Regeneration | CBD Regeneration                                      | Creating government precinct with efficient space for public facilities and services |
| SREM 02 |  |                  | Ensure an integrated and aligned development planning | Ensure proper development  |
| SREM 03 |  |                  | Facilitate a creation of a disaster-ready community   | Provide a framework for the spatial vision and form of Municipality                  |
|         |  |                  |   |  |



## 5. PROGRESS REGARDING THE 2024/25 DRAFT ANNUAL REPORT

The Mandeni Municipality is planning to conduct a strategic session to review its organisational structure ensuring linkages between the Integrated development Plan (IDP), Budget and PMS as the key in addressing all the challenges relating to alignment, to easily measure, review, evaluate, and report certain areas hindering service delivery.

The audit of the 2024/25 financial year included findings of matters that required urgent attention there were few finding under finance section where the management developed the action plan, in order to overcome those challenges identified by Auditor General, in Performance Management System there were no findings raised by Auditor General. The other progress in the Draft Annual Report for 2024/25 financial year is that various component such as audited PMS, Audit and Performance Audit Committee Report, Auditor Report, and Annual Financial Statements are already included. The draft Annual Report will be presented to EXCO retreat on the 23<sup>rd</sup> of January 2026

The Draft Annual Report 2024/25 will be tabled to Council on the 29<sup>th</sup> of January 2026.

The following table shows the progress and way forward of the 2024/25 Annual Report.

|    | KEY MILESTONE- MANDENI 2024/25 ANNUAL REPORT  | TIMEFRAME        |   |
|----|---|------------------|---|
| 1  | Draft Annual Financial Statements (A.F.S.) in terms of Sec 126 (1) of MFMA and Annual Performance Report (A.P.R.) in terms Sec 46 of MSA submitted to A.G | August 2025      | ✓ |
| 2  | Draft unaudited Annual Report (A.R.) submitted to Audit Committee (A.C.)  | August 2025      | ✓ |
| 3  | Draft unaudited Annual Report (A.R.) tabled to council  | January 2025     | ✓ |
| 4  | Auditor General (A.G.) audits the A.R. and submitted findings to the Accounting Officer (A.O.)  | December 2024/25 | ✓ |
| 5  | Annual Report to be tabled to Council   | January 2026     | ✓ |
| 6  | Public Hearing Meeting  | March 2026       |   |
| 7  | Oversight meeting to present the Annual Report  | March 2026       |   |
| 8  | Submit to Council Annual Report for consideration and adoption of the Oversight Report  | March 2026       |   |
| 9  | Advertise the Oversight Report  | April 2026       |   |
| 10 | Upload Annual.Report. on our website  | April 2026       |   |

## 5. 2025/26 ORGANISATIONAL SCORECARD/ TOP LAYER SDBIP

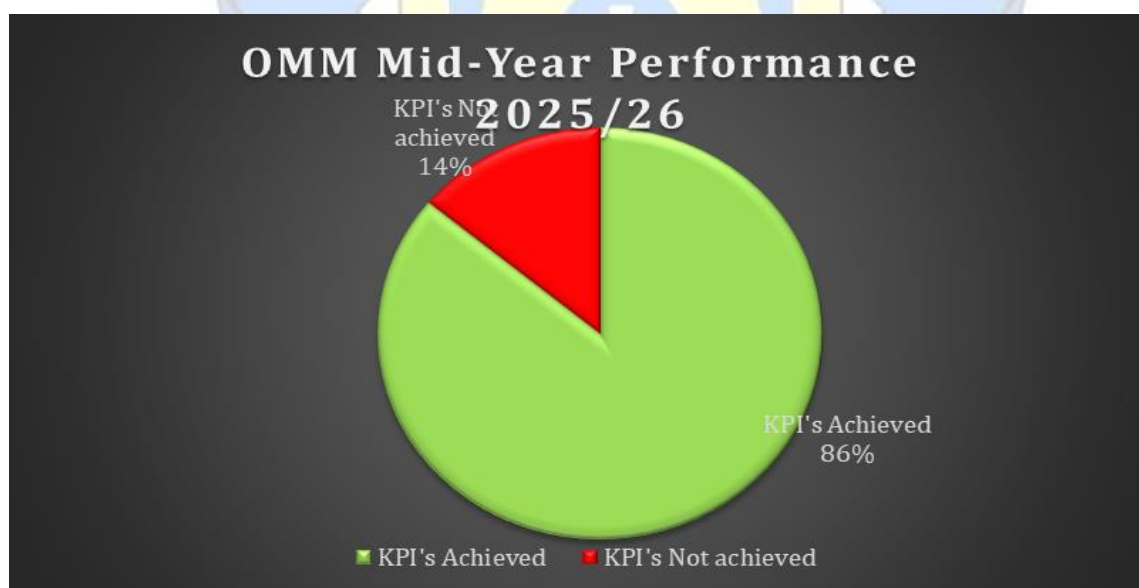
### 6. PERFORMANCE ANALYSIS

This report is based on information received from each department for the mid-year assessment of performance ending December 2025. This is a high-level report based on scores obtained through a process whereby actual information per National Key Performance Area (NKPA), strategic objective, programme and the aligned Key Performance Indicators. The method to achieve the scoring was based on actual achieved indicators in each department against the planned targets applicable for reporting.

#### 6.1 MID-YEAR PERFORMANCE ANALYSIS 2025/26

##### 1. OFFICE OF THE MUNICIPAL MANAGER

The OMM had a total of 103 Key Performance Indicators (KPI's). 34 KPI's were not applicable during the mid-year. 59 targets were achieved and 10 targets were not achieved. Overall, the OMM achieved 86% of the set targets during the mid-year for 2025/26 FY

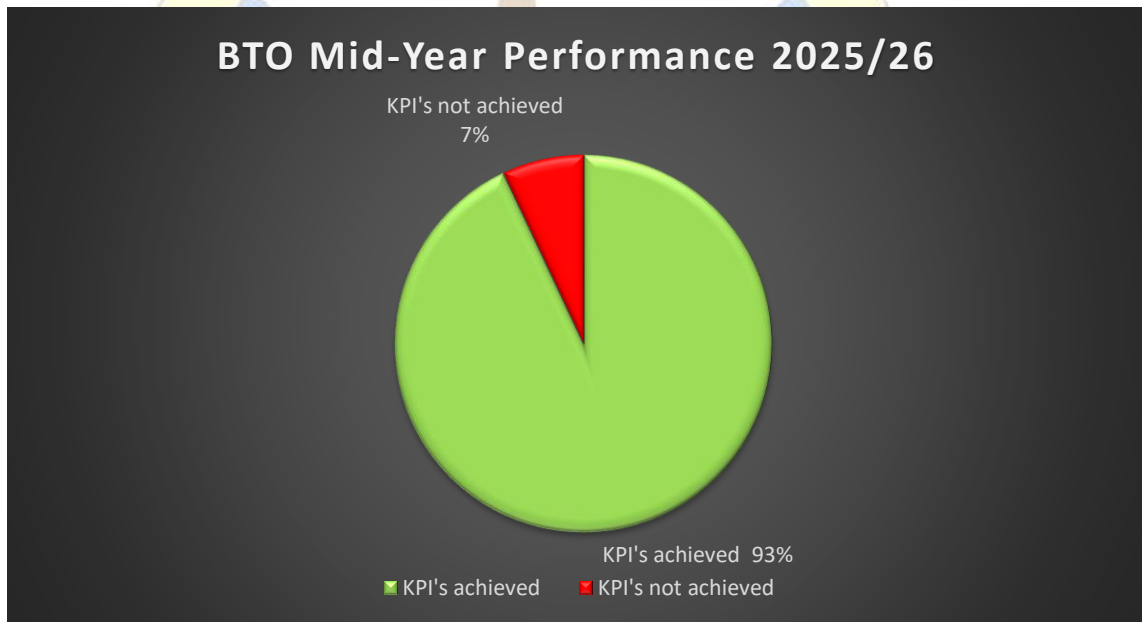


| Description          | Total | Percentage |
|----------------------|-------|------------|
| Total No. of KPI's:  | 103   | 100%       |
| KPI's achieved:      | 59    | 86%        |
| KPI's not achieved   | 10    | 14%        |
| KPI's not applicable | 34    | -          |

## 2. Budget and Treasury Office

The BTO department had 35 KPI's, during the mid-year. 25 targets were achieved and 8 targets were not applicable. 2 targets were not achieved.

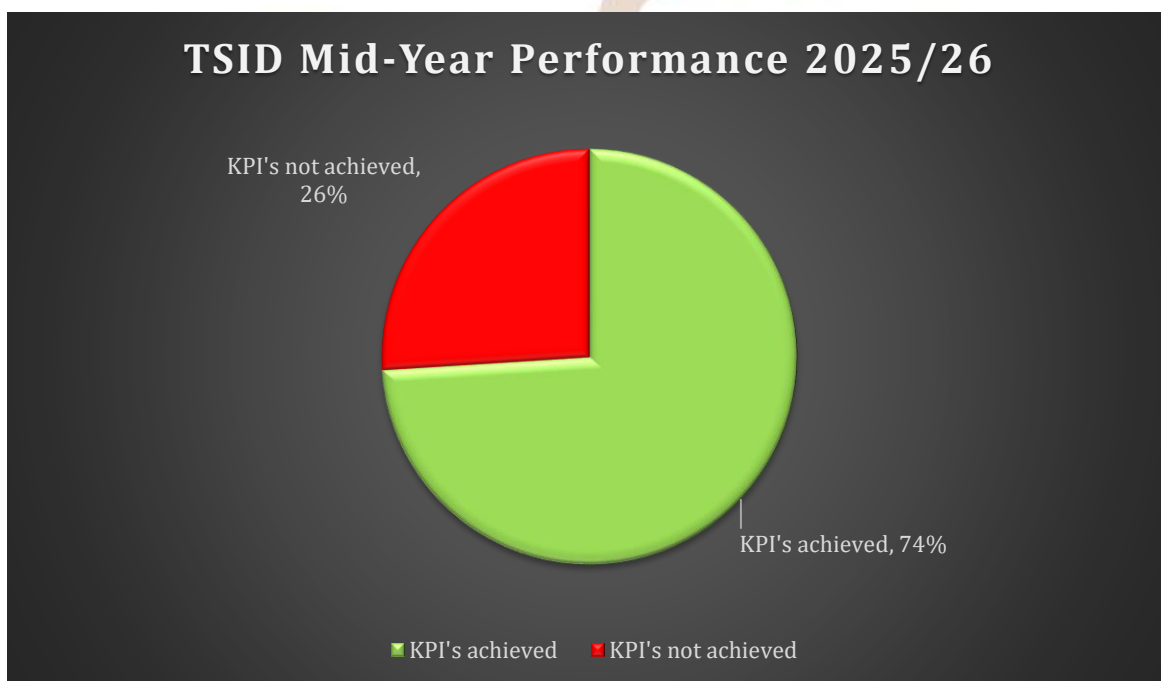
Therefore, the BTO department attained an overall of 93% of the set targets during the mid-year.



| Description          | Total | Percentage |
|----------------------|-------|------------|
| Total No. of KPI's   | 35    | 100%       |
| KPI's achieved       | 25    | 93%        |
| KPI's not achieved   | 2     | 7%         |
| KPI's not applicable | 8     | -          |

### 3. Technical Services and Infrastructure Development

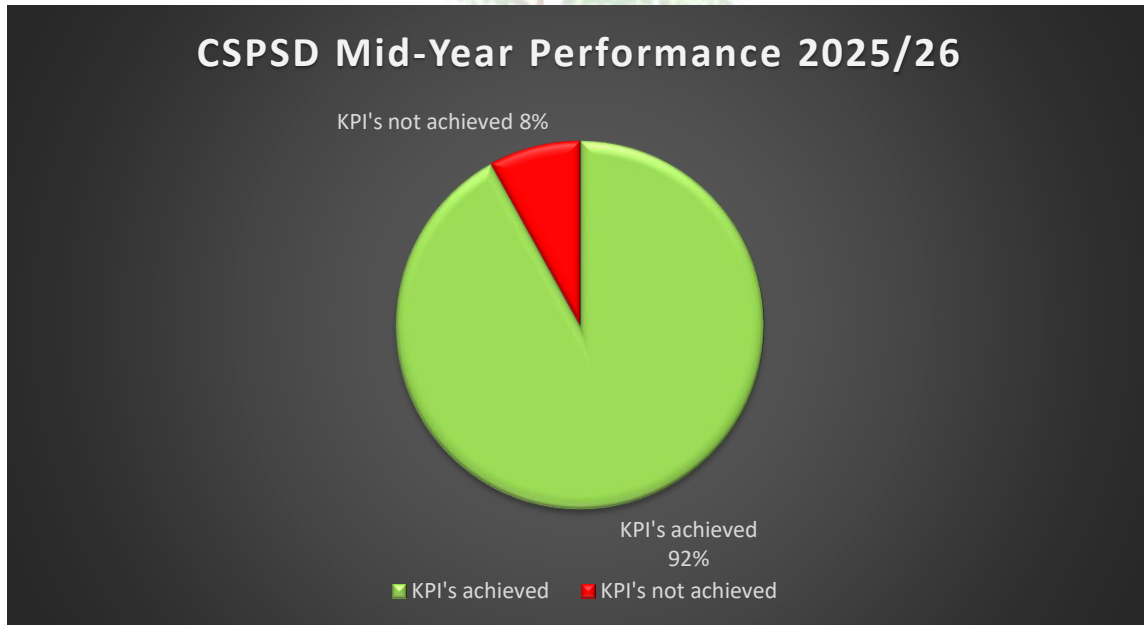
The Technical Services and Infrastructure Department had a total of 54 key performance indicators (KPI's). 19 KPI's were not applicable during the mid-term. However, 26 targets were achieved, 9 targets were not achieved. Therefore, the technical services department obtained 74% of their targets overall for during the mid-year for 2025/26 financial year



| Description           | Total | Percentage |
|-----------------------|-------|------------|
| Total No. of KPI's:   | 54    | 100%       |
| KPI's achieved:       | 26    | 74%        |
| KPI's not achieved:   | 9     | 26%        |
| KPI's not applicable: | 19    | -          |

#### 4. Community Services and Public Safety

This department had a total of 47 KPI's. 8 KPI's were not applicable during the mid-term. However, 36 targets were achieved while 3 targets were not achieved. The overall percentage achieved for this department was 92% during the mid-year of 2025/26 financial year.

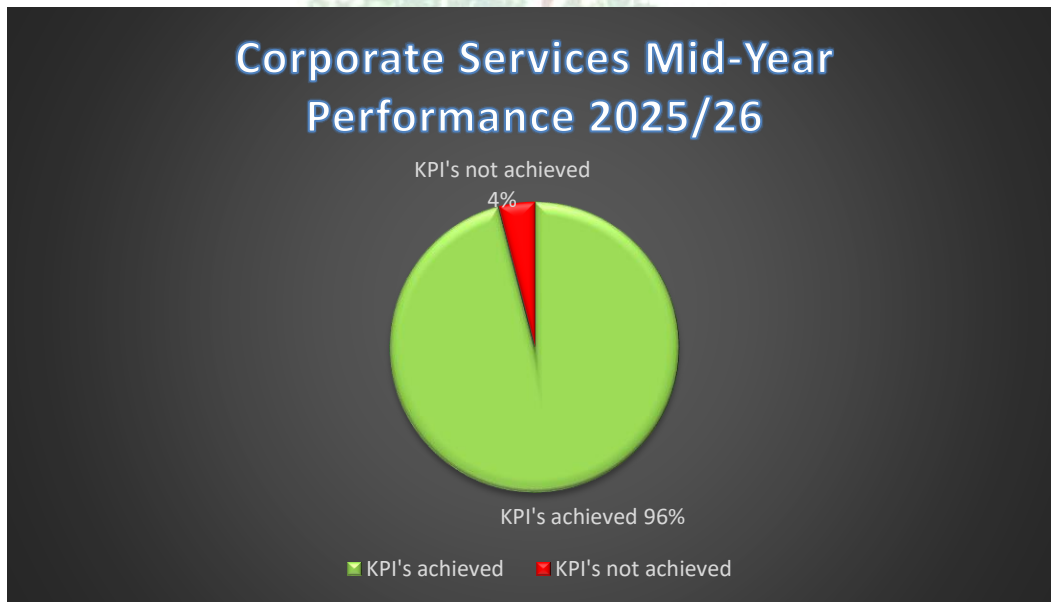


| Description           | Total | Percentage |
|-----------------------|-------|------------|
| Total No. of KPI's:   | 47    | 100%       |
| KPI's achieved:       | 36    | 92%        |
| KPI's not achieved:   | 3     | 8%         |
| KPI's not applicable: | 8     | -          |



## 5. Corporate Services

Under the Corporate Services Department, there were a total of 29 KPI's. 5 KPI's were not applicable during the mid-term. 23 targets were achieved, 1 were not achieved. Therefore, the Corporate Services Department achieved an overall 96 % of the set targets during the mid-year for 2025/26 financial year.



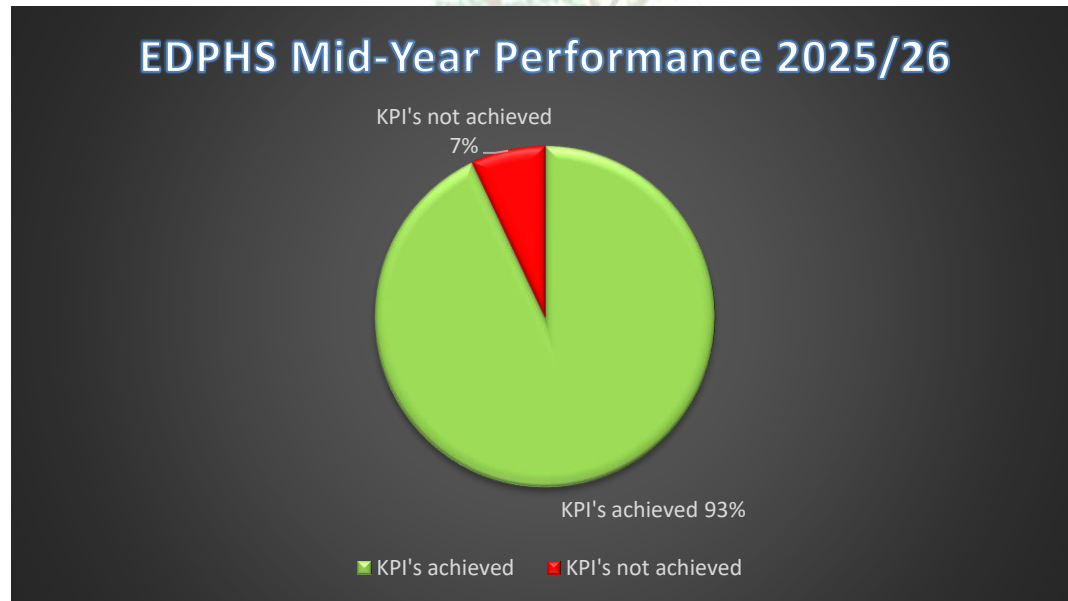
| Description           | Total | Percentage |
|-----------------------|-------|------------|
| Total No. of KPI's:   | 29    | 100%       |
| KPI's achieved:       | 23    | 96%        |
| KPI's not achieved:   | 1     | 4%         |
| KPI's not applicable: | 5     | -          |



## 6. Economic Development Planning and Human Settlements

The EDPHS department had a total of 35 KPI's.

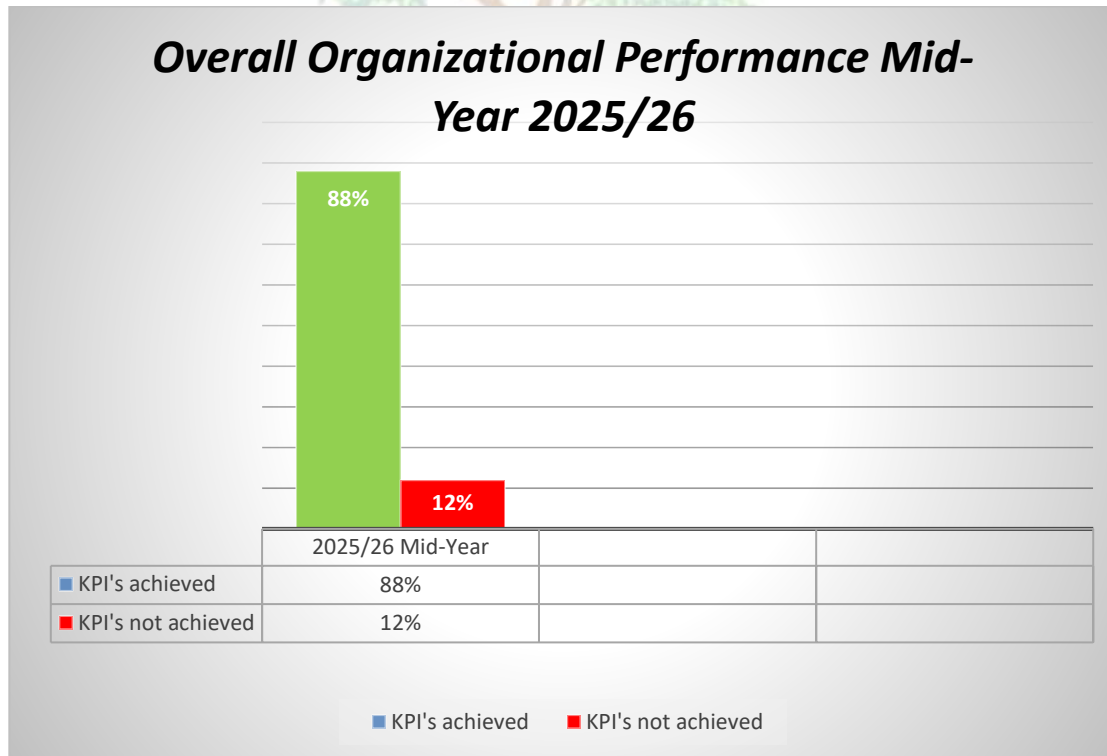
8 KPI's were not applicable during the mid-year. There were 35 targets to be achieved. However, 25 targets were achieved and 2 were not achieved. The overall percentage obtained by the EDPHS Department was 93% during the mid-year for 2025/26 financial year.



| Description           | Total | Percentage |
|-----------------------|-------|------------|
| Total No. of KPI's:   | 35    | 100%       |
| KPI's achieved:       | 25    | 93%        |
| KPI's not achieved:   | 2     | 7%         |
| KPI's not applicable: | 8     | -          |

## 7. Overall organizational performance for mid-year 2025/26

Out of a total of 303 KPI's, the organization had to achieve 218 KPI's during the mid-year. 194 of the targets were achieved and 27 targets were not achieved. 82 targets were not applicable during the mid-year. Therefore, the overall percentage achieved by the municipality in the mid-year was 88%.



| Description  | Total | Percentage |
|--|-------|------------|
| Total number of KPI's                                | 303   | 100%       |
| Total number of KPI's not applicable for the quarter | 82    | -          |
| Total number of KPI's applicable for the quarter     | 218   | -          |
| Total number of KPI's achieved                       | 194   | 88%        |
| Total number of KPI's not achieved                   | 27    | 12%        |

## **8. LIMITATIONS/CHALLENGES OF THE REPORT**

- The Heads of Department ensure that the performance information and the Portfolio of Evidence are submitted timeously.
- All department ensure that they meet agreed deadlines of submission of report which is 10 days after the finish of each quarter.
- That evidence submitted is signed to ensure that information is valid and correct
- That where applicable the department communicates with responsible department to merge certain Key Performance Indicators and provide information corresponding to each other for alignment purposes
- That department submits evidence in respect of targets not met to justify reason for variance as specified
- The Head of department and responsible managers conduct monthly meetings to monitor compliance with all targets and reporting requirements
- That alignment of financial and non-financial performance information be fast tracked, and that BTO support departments in this regard
- Monthly monitoring of SDBIP's by management and the reporting to the Portfolio Committees be a standing item
- Achieving alignment in IDP, PMS, & Budget

## **9. MEASURES TO IMPROVE PERFORMANCE**

1. Additional monitoring, evaluation and review at a departmental level on at least a monthly basis is compulsory to encourage adherence to planned programmes.
2. Internal co-ordination systems and processes require review to ensure improved co-ordination.
3. Alignment of the Financial System to the Performance Management system must be fast tracked.
4. PMS manager to provide training to secretaries to promote the SMART principles
5. Record keeping and document management approaches will determine the quality of the evidence to be submitted for evaluation purposes
6. Performance management capacity to be increased organizational widely to improve processes.