



PROVINCIAL TREASURY

Provincial Government of the Western Cape

**BUDGET MANAGEMENT:
LOCAL GOVERNMENT**

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REFERENCE: T5/12/1/6
ENQUIRIES: K Haarhoff

TREASURY CIRCULAR MUN NO 17/2011

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO
THE MAYOR, WEST COAST DISTRICT: MS HC KITSHOFF
THE MAYOR, MATZIKAMA MUNICIPALITY: MR P BOK
THE MAYOR, CEDERBERG MUNICIPALITY: MS J MOUTON
THE MAYOR, BERGRIVIER MUNICIPALITY: MR JA LIEBENBERG
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR R ABDOL
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT: MR B CHABAAN
THE MAYOR, WITZENBERG MUNICIPALITY: MS NB MHLATI
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS C MANUEL
THE MAYOR, STELLENBOSCH MUNICIPALITY: ALDERMAN CP JOOSTE
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR C NTSOMI
THE MAYOR, LANGEBERG MUNICIPALITY: MR JS NGONYAMA
THE MAYOR, OVERBERG DISTRICT: MR E MARTHINUS
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR C PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLEN DAM MUNICIPALITY: COUNCILLOR J JANSEN
THE MAYOR, EDEN DISTRICT: MR MF STEMMET
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, HESSEQUA MUNICIPALITY: MR CP TAUTE
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR B PETRUS
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL
THE MAYOR, BITOU MUNICIPALITY: MR L MVIMBI
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES
THE MAYOR, CENTRAL KAROO DISTRICT: MR T PRINCE
THE MAYOR, LAINGSBURG MUNICIPALITY: MS R MEYER
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M BENJAMIN
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MS J JONAS

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM
THE MUNICIPAL MANAGER, WEST COAST DISTRICT: MR H PRINS
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DG O'NEILL
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: MS C LIEBENBERG
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR J FORTUIN
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT: MR M MGAJO
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR S KABANYANE
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR D DANIELS
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR M GAGU (ACTING)
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT: MR R BUTLER (ACTING)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HD WALLACE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: ADV W ZYBRANDT
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEPHENS
THE MUNICIPAL MANAGER, SWELLEN DAM MUNICIPALITY: MR M STEENKAMP (ACTING)
THE MUNICIPAL MANAGER, EDEN DISTRICT: MR M HOOGBAARD
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD (ACTING)
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA (ACTING)
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: REV MN PIETERSEN
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR L NGOOQO
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J DOUGLAS
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT: MR S JOOSTE (ACTING)
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR P OLIPHANT (ACTING)
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR M RICHARDSON
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT: MR J KOEKEMOER
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR K BRUWER
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR J VAN COLLER (ACTING)
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT: MR JG MARAIS
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR R ESAU
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR CM PETERSEN
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT: MR O MCKENZIE
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR S JACOBS (ACTING)
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H SCHLEBUSCH
THE CHIEF FINANCIAL OFFICER, SWELLEN DAM MUNICIPALITY: MR J KRAPOHL
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT: MR N DELO
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO (ACTING)
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN (ACTING)
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR HF BOTHA
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR M CUPIDO
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR K JORDAAN
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR D LOTT
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT: MR CJ KYMDELL
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J VAN DER WESTHUIZEN
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR D LOUW

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUY)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR N VAN NIEKERK) (ACTING)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS A SMIT)
THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT
THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

INVITATION TO PARTICIPATE IN A WORKSHOP ON THE DEVELOPMENT OF PERFORMANCE INDICATORS FOR MUNICIPALITIES

1. PURPOSE

To invite municipalities to a workshop on the development of Performance Indicators aimed at improving the performance information as taken up in the Service Delivery and Budget Implementation Plans of Municipalities.

2. BACKGROUND AND DISCUSSION

The Western Cape Provincial Treasury has over the last six months held regular workshops, presentations and interactions with municipalities to provide guidance and assistance to municipalities on the management of performance information and to improve performance reporting in municipalities.

Section 38(a)(3) of the Municipal Systems Act requires that a municipality must develop a performance management system that is in line with the priorities, objectives, indicators and targets contained in its integrated development plan. This creates a direct link between the IDP and the municipality's performance management system. Section 41 furthermore, requires that a municipality in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed:

- (a) Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- (b) Set measurable performance targets with regard to each of those development priorities and objectives;
- (c) With regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b):
 - (i) Monitor performance; and
 - (ii) Measure and review performance at least once per year.
- (d) Take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and
- (e) Establish a process of regular reporting to -
 - (i) The council, other political structures, political office bearers and staff of the municipality; and
 - (ii) The public and appropriate organs of state.

The proposed workshop, as part of the Provincial Treasury's roll-out strategy to improve the Management of Performance Information in municipalities is scheduled for 20 June 2011 at the Council Chambers, Cape Winelands District Municipality in Worcester, from 08:30 and 16:00.

The workshop is targeted at municipal officials that are responsible for compiling the SDBIP and monitoring and evaluating performance of the municipality against its Service Delivery and Budget Implementation Plan. The workshop will aim to:

- Increase workshop participant's awareness/knowledge of performance indicators;
- Discuss the process of setting targets for delivery;
- Discuss how to formulate key performance indicators;
- Discuss the process to set appropriate key performance indicators linked to the integrated development plan;
- Discuss the different kinds of indicators;
- Explain how measurable objectives and performance indicators should be aligned to its strategic goals; and
- Explain how performance indicators should be defined, measure inputs, activities, outputs and outcomes in relation to economy, efficiency and effectiveness.

The proposed workshop makes provision for a delegation of at most two persons per municipality but may vary depending on the interest. This workshop should ideally be attended by the Integrated Development Plan and Performance Management Managers.

- The cost of the 1-Day workshop is for the account of the Provincial Treasury; the venue and catering is for the account of the Provincial Government; and
- Accommodation, transport, meals (dinner and breakfast outside the scope of the workshop and incidental costs of municipal delegates) is for the account of municipalities.

It would be appreciated if the Municipal Manager could nominate the delegates that would be representing the Municipality and that these nominations reach the Provincial Treasury by latest Friday, 3 June 2011.

Nominations (see the attached form) or any other queries or suggestions should be directed to Mr Kosie Haarhoff at khaarhof@pgwc.gov.za or 021 483 3407 (tel) or 021 483 4680 (fax).

3. Your co-operation is highly appreciated.



MR ANTHONY PHILLIPS

HEAD: PUBLIC POLICY SERVICES

DATE: 24 May 2011