

AMAHLATHI LOCAL MUNICIPALITY



MID YEAR PERFORMANCE REPORT 2025/26

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1. INTRODUCTION

Section 72 of the Municipal Finance Management Act requires that the Accounting Officer of a municipality should by the 25th of January each year:-

- (a) Assess the performance of a municipality during the first half of the financial year, taking into account
 - (i) the monthly statements
 - (ii) the municipality service delivery performance during the first half of the financial year and the indicators and targets as per service delivery and budget implementation plan
- (b) Submit a report on such assessment to
 - (i) the mayor of the municipality
 - (ii) the National Treasury
 - (iii) the relevant Provincial Treasury

The Amahlathi Local Municipality is reporting for the institutional performance relating to 2025/2026 financial year, as required by 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 must, by the 25 January of every year, 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.

1.1 PERFORMANCE MANAGEMENT IMPLEMENTATION AT AMAHLATHI LOCAL MUNICIPALITY

It must be noted that the first half of the financial year was an audit period, where Auditor General conducted audits on both finance and performance information.

The municipality received an unqualified audit opinion on Financial Statements and Performance management.

PURPOSE

The purpose of this report is to account to public on the 2025/2026 mid-year institutional performance of Amahlathi Local Municipality. The report contains information entailed in the SDBIP formulated for the financial year 2025/2026. The information of the report concentrates on both the financial and service delivery 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 from departments.

1.2 2024/25 AUDIT SUMMARY

AG performed the procedures to report material findings only; and not to express an assurance opinion or conclusion and did not identify any material findings on the reported performance information for the selected indicators.

2. SERVICE DELIVERY PERFORMANCE ASSESSMENT

The report is based on the analysed and evaluated information through a process whereby information of the key performance area, objectives, key performance indicators, programmes /projects reflect the Integrated Development Plan objectives of the Municipality for 2025/2026 financial year. Institutional and departmental performance of Amahlathi Local Municipality is based on the Service Delivery Budget Implementation Plan (SDBIP) scorecard. The SDBIP of the municipality comprises of five Key Performance Areas which are derived from Local Government's Strategic Agenda and are aligned to our IDP cluster approach. These are:

- Basic Service Delivery and Infrastructure.

- Local Economic Development.
- Financial Viability and Management.
- Institutional Transformation and Organizational Development; and
- Good Governance and Public Participation

A Service Delivery Budget Implementation Plan (SDBIP), and Departmental Service Delivery and Budget Implementation Plans of the municipality, in line with appropriate guidelines and legislation, must be developed annually. Section 56 Employees are required to sign a Performance Agreement, as prescribed in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to the Municipal Manager, in line with published regulations and/or amendments.

The Midyear assessment is therefore based on the Service Delivery Budget Implementation Plans for the period 01 July 2025 to 31 December 2025.

The Amahlathi Local Municipality will be conducting its strategic planning which will culminate in a review of its Organizational structure and business processes as part of addressing all the challenges relating to under-performance in certain areas of service delivery.

3. MID-YEAR 2025/2026 SDBIP PERFORMANCE

INSTITUTIONAL SDBIP PERFORMANCE OVERALL SUCCESS RATE

The ALM overall performance level stands at **90.41%** for the mid-year assessment reflecting an increase compared to performance of the first quarter which was **87.64%**. The second quarter performance is **92.05%** just about **4.41%** higher than the first quarter performance.

The table below depicts the performance of the municipality per Key Performance Area. A more detailed look into each department is outlined in the next pages.

KPA	% Q1	% Q2	% Mid-year
SDI	87,10%	96,77%	91,94%
MFV	82%	80%	80,91%
GGP	89%	100%	94,74%
LED	100%	100%	100,00%
MTI	79%	71%	75,00%
Overall Performance	87,64%	93,18%	90,41%

4. DEPARTMENTAL SDBIP PERFORMANCE

The following tables and graphs reflect a narrative of the mid-year service delivery performance assessment for the period July – December 2025 in line with the municipality's Service Delivery and Budget implementation Plan (SDBIP).

ENGINEERING SERVICES

KPA	% Q1	% Q2	% Mid-year
SDI	78%	94%	86,11%
MFV	100%	50%	75,00%
MTI	0%	0%	0,00%
LED	100%	100%	100,00%
GGP	0%	100%	50,00%
Overall Performance	69,23%	84,62%	76,93%

COMMUNITY SERVICES

KPA	%Q1	%Q2	% Mid-year
SDI	100%	100%	100,00%
MFV	50%	50%	50,00%
MTI	100%	100%	100,00%
LED	100%	N/A	100,00%
GGP	100%	100%	100,00%
Overall Performance	93.33%	93,33%	93.33%

BUDGET AND TREASURY OFFICE

KPA	%Q1	%Q2	% Mid-year
MFV	88,89%	75,00%	81,95%
GGP	100%	100%	100,00%
LED	100%	100%	100,00%
MTI	0%	0%	0,00%
Overall Performance	86.67%	78.57%	82.62%

EXECUTIVE SERVICES

KPA	%Q1	%Q2	% Mid-year
SDI	100%	100%	100,00%
MFV	0	0	0,00%
GGP	86%	100%	92,86%
LED	100%	100%	100,00%
MTI	100%	100%	100,00%
Overall Performance	79%	95%	86,82%

PLANNING AND DEVELOPMENT DEPARTMENT

KPA	%Q1	%Q2	% Mid-year
SDI	100%	100%	100,00%
MFV	0%	0%	0,00%
LED	100%	100%	100,00%
GGP	100%	100%	100,00%
MTI	100%	100%	100,00%
Overall Performance	93%	93,75%	93,54%

CORPORATE SERVICES

KPA	% Q2	% Q2	% Mid-year
GGP	100%	100%	100,00%
MTI	91%	83%	87,17%
Overall Performance	94%	94,12%	94,12%

5. SUMMARY OF ACHIEVEMENT AND CHALLENGES ON THE SDBIP

Achievement and challenges pertaining to strategic objectives of the institution are narrated below. Targets were achieved in the following Key Performance Indicators per strategic Objective to reach annual targets.

KPA1 : BASIC SERVICE DELIVERY AND INFRASTRUCTURE		
No	OBJECTIVE	ACTUAL PERFORMANCE/CHALLENGES
SDI 1.1	To ensure provision of a sustainable road network and public infrastructure within Amahlathi LM by 2027.	ACTUAL PERFORMANCE <ul style="list-style-type: none"> 85% progress achieved in the graveling of 3.2km Ngqeqe Internal Roads 50% progress in the graveling of 5km Izidenge internal roads with storm water drains 100% progress achieved on planning of Stutterheim Streets Paving 100% progress achieved on planning of Keiskammahoek town Paving. 39% progress achieved on the Paving of 2km Xholorha Roads under the Disaster 100% progress achieved on the planning for Keilands. 84% progress achieved on the graveling of Ngcamngeni internal Roads with Stormwater 1552 potholes inspected and repaired.
		CHALLENGES <ul style="list-style-type: none"> 0% progress achieved on the surfacing of 2.6km Roads in Keiskammahoek town. In terms of grant conditions every stage of the project life cycle must be approved by the funder before proceeding to the next stage.
SDI 1.2	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.	<ul style="list-style-type: none"> 60% progress achieved on 11kV Main Intake SwS Stutterheim upgrade phase3 41,42% progress achieved on 3-5MVA22/11kV Cathcart Substation upgrade phase 2 25% progress achieved on the Upgrading Stutterheim public lighting under STR 20% achieved on the upgrading of public lights in keiskammahek town under STR grants.
SDI 1.3	To promote safety and security in the municipality by 2027	<ul style="list-style-type: none"> 2 Progress report on reported disaster incidents submitted to Development and Planning. 13 Awareness Campaigns Conducted 29 Roadblocks conducted. 565 tickets issued on law enforcement. Conducted 2 operation on Execution of unpaid traffic fines and warrants. 9 paintable streets with faded road markings painted in Amahlathi towns.
		CHALLENGES

SDI 1.4	To ensure provision of sustainable public facilities by 2027	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 57% progress achieved towards construction of Langdraai Community Hall • 30% progress achieved on the construction of Phumiani Community Hall • 50% progress achieved towards planning of Cathcart Town Hall upgrade. • 45% achieved on the upgrading of Mlungisi sports field
SDI 1.5	To promote the culture of reading and effective use of library resources	<ul style="list-style-type: none"> • 10 library awareness campaigns conducted. •
SDI 1.6	Ensure that solid waste is managed in an Integrated environmentally friendly and sustainable manner.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 2 Reports on solid waste programmes implemented (i.e. street cleaning, waste collection and disposal) • 6 waste awareness campaigns conducted. • 14 illegal dumping sites cleared
SDI 1.7	To facilitate a balanced spatial development form for the Municipality	<ul style="list-style-type: none"> • 2 Reports Submitted and signed by the HOD.
SDI 1.8	To facilitate access to housing relief	<ul style="list-style-type: none"> • 2 progress report on housing implementation status submitted to the Standing Committee. <p>CHALLENGES Delays from the Department of Human Settlements in providing an update</p>

KPA 2 : MUNICIPA FINANCIAL VAIBILITY		
	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES
MFV 2.1	To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 2 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor within 15 days after the end of the quarter
MFV		ACTUAL PERFORMANCE

2.2	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2027	<ul style="list-style-type: none"> 1 GRAP Compliant Asset Register
MFV 2.3	To ensure 100% expenditure of capital budget annually	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> 63,9% expenditure of capital budget in 2025.
MFV 2.4	To improve collection of income due from consumer debtors annually.	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> 78% of billed income collected.(Variance report submitted) 71,39% of billed income collected from unlicensed area <p><u>CHALLENGES</u></p> <ul style="list-style-type: none"> Billing is currently being done on a monthly basis and on time. Collection rate has improved however disconnection have been put on hold due to the smart meter grant implementation. Across all departments there is a difficulty understanding the targets and receiving appropriate votes.
MFV 2.5	To ensure effective, compliant and credible financial planning, management and reporting by 2027.	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> 6 Financial reports (Sec 71 reports 10 working days), 2Sec 52 Reports within 30 days submitted to Mayor and Treasury on the 10th working day of each month submitted Developed AFS plan for 2025/26 was signed by the CFO and MM. GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2025 and developed Audit Action Plan for 2024/2025 was submitted to Internal Audit Maintained 2,68% Cost coverage ratio (B+C)+D, B represents all available cash at a particular time. 27 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week.
MFV 2.6	To prepare a realistic budget in line with the objectives and strategies in the IDP based on a three-year Medium-Term Revenue and Expenditure Framework (MTREF)	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> IDP and Budget process plan prepared and submitted to council for approval by 31 August 2025.

KPA 3 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION

GGP 3.1	To strengthen democracy through improved public participation.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 2 reports analysing public participation trends submitted. • Followers has increased by 969 by the end December 2025. • 2 quarterly petition Management status reports (1st quarter petitions) submitted to Council indicating that no petitions received during the first half of the year.
GGP 3.2	To capacitate Satellite offices as one stop shops for service delivery by 2027.	<ul style="list-style-type: none"> • 10 draft Ward Based Plans have been developed for King Kei and Keiskammahoek Cluster
GGP 3.3	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 2 IGR meeting Convened during the first half
GGP 3.4	To ensure a clean administration by 2027	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 2 Risk management report reflecting a percentage above 80% implementation of risk management action plans (Actions due and Actions overdue) submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting. • Risk committee meeting organised and held successfully. • Above 80% of planned internal audit activities were implemented during the first quarter. • 3 Audit committee meetings held <p>CHALLENGES</p> <ul style="list-style-type: none"> • The target incorporated time frames which was not applicable in the past, this is to allow timeous submission of information to relevant structures however during the second there was improvement in submission. •
GGP 3.5	Ensure effective & efficient resolution of legal matters	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 2 compliance reports developed by HODs and submitted to the internal audit within 3 working days during mid-year. • 2 reports on legal matters and their status with financial implications submitted.
GGP 3.6	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 4 SPU Forums Capacitate Women, older persons, Child, and disability, 2 forums have been established Child and Disability

	disability, HIV and AIDS by 2027	
		ACTUAL PERFORMANCE
GGP 3.7	To ensure proactive and effective communication	<ul style="list-style-type: none"> 2 quarterly newsletters developed and published on website and municipal Facebook page. 0 publications on Facebook promoting Amahlathi Local Municipality submitted.
		ACTUAL PERFORMANCE
GGP 3.8	Strengthening Amahlathi ICT systems and networks for future generations by 2027	<ul style="list-style-type: none"> 2 reports on the implementation of ICT infrastructure and Data Recovery
		ACTUAL PERFORMANCE
GGP 3.9	To ensure compliant, effective and efficient customer management by 2027.	<ul style="list-style-type: none"> Average of 0:44 working hours' time taken to attend to logged faults users by mid-year. 2 reports on ICT systems implemented with itemised usage and expenditure reports submitted to ICT Steering committee. 97.5% of system related queries resolved during first half of the year.
		ACTUAL PERFORMANCE
GGP 3.10	To ensure business continuity in the event of a disaster by 2027 and beyond	<ul style="list-style-type: none"> Daily backups done on financial system, Payroll and HR system

KPA 4 : LOCAL ECONOMIC DEVELOPMENT		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES
		ACTUAL PERFORMANCE
LED 4.1	To improve implementation of the government intervention programme to eliminate poverty by 2027	<ul style="list-style-type: none"> 271 Cumulative work opportunities created during 2025/26 13 Sub-contractors appointed cumulatively as at end December 2025
		ACTUAL PERFORMANCE
LED 4.2	To ensure holistic and economic growth and development by 2027	<ul style="list-style-type: none"> 59% of Amahlathi procurement expenditure should benefit SMMEs. 138 SMMEs supported to access government Support Programs 32 businesses issued with new trading permits.

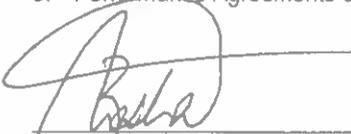
KPA 4 : LOCAL ECONOMIC DEVELOPMENT		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES
		<ul style="list-style-type: none"> • 25 businesses renewed their permits. • 2 recycling initiative undertaken with recyclers. • 2 reports on implementation of signed twinning agreements with strategic institutions.
LED 4.3	Promotion of Tourism through identification of Tourist arrears.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 5 tourist's attractions are promoted. • 4 support interventions for both LTOs and CTOs combined
LED 4.4	To Stimulate local economy through Agricultural development by 2027	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> • 33 emerging farmers supported with training. • 1 outreach programme to promote access to market for emerging farmers
LED 4.5	To ensure value-maximization of the forestry natural resource in line with local economic development by 2027.	<ul style="list-style-type: none"> • 2 capacity building activities for timber cooperatives
LED 4.6	To ensure development of the economic infrastructure required to enable increased economic growth	<ul style="list-style-type: none"> • 2 reports on implementation of catalytic project have been prepared
LED 4.7	To building resilient smart towns	<ul style="list-style-type: none"> • 2 publications on Master and Precinct Plan for the period ending 31 Dec 2025.

KPA 5 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES
MTI 5.1	To attract, retain, build capacity and maximise utilisation of Amahlathi Human Capital by 2022 and beyond	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> • 8 Local Job Description Writers Committee Meetings convened. • 2 implemented programmes per Human Resource Strategy implementation plans. • 5 EAP programmes implemented per approved plan. • 2 quarterly reports prepared on compliance with EEP targets. <p>CHALLENGES The OHS committee was established in quarter 2 which led to challenges in reporting on health and productivity of the municipality. and the meeting will be held in quarter 3</p>
MTI 5.2	Promote sound Labour Relations for a conducive work environment through education and legislative compliance	<ul style="list-style-type: none"> • 2 LLF meetings held • 2 LR information sessions / training held • 7 training organized for employees
MTI 5.3	Efficient and economical utilization of council resources	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> • 2 reports on fleet management systems with logistics management, fuel utilisation, Tracker, accidents, and maintenance submitted to fleet management committee
MTI 5.4	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> • 2 implemented projects with file plan for active and archived documents for the prioritised Department submitted
MTI 5.5	To optimize and improve data security by 2027	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> • Database architecture and interface mock-ups has been designed for Amahlathi unemployed youth.
MTI 5.6	To ensure adequate and improved working environment	ACTUAL PERFORMANCE
		20% progress achieved on Construction of Amahlathi Municipal offices in Stutterheim.

KPA 5 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES
		<p>CHALLENGES</p> <p>The Contractor was terminated due to poor performance. Council resolved to defer and remove the project from being funded under MIG.</p>
MTI 5.7	To develop and implement effective and compliant frameworks to improve planning and performance management by 2027 and beyond	<ul style="list-style-type: none"> • 2 progress reports on implementation of approved IDP/Budget/PMS process plan submitted to Standing Committee. • 7 reports submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS plan <hr/> <p>Challenges</p> <p>Some reports were submitted however not within times frames however there was improvement in the second quarter.</p>
GENERAL CHALLENGES		
<ul style="list-style-type: none"> • Delays in implementation of projects that needs third party approval to proceed to next stages i.e. STR grants. • Billing on municipal licensed areas due to disconnection that had be put on hold whilst implementing grant for smart meters installation. • Poor service provider performance on construction of municipal offices. • Delays in establishment of Occupation Health and Safety committee that is responsible for health and productivity assessment in the municipality. • Lack of Office Space and tools of trade remains a challenge. 		

6. GENERAL RECOMMENDATIONS BY THE MUNICIPAL MANAGER

- That Directorates re-align the Mid-Year Review to Monthly Projections of expenditure on the Operational and Capital budget based on the Midyear assessed SDBIP's.
- That options for the implementation of the capital program depending on third party be reviewed to ensure the effective and timeous implementation of the projects.
- That the Mid-Year Budget and performance assessment report and the recommendations contained therein be noted for preparation of an Adjustment budget for the 2025/26
- That the 2025/26 SDBIP be revised considering all the challenges encountered by the Municipality i.e. audit outcomes and 2024/25 annual report and Internal Audit SDBIP review.
- Performance Agreements of Municipal Manager and Head of Departments be amended accordingly.


 DR. Z. SHASHA
 (MUNICIPAL MANAGER)

23-01-2026
 DATE