

**REQUEST FOR APPROVAL FOR MID-YEAR DEVIATIONS
ON THE 2020/21 GSPCR DEPARTMENT SDBIP**

1 STRATEGIC THRUST

Good governance.

2 OBJECTIVE

The purpose of this report is to seek approval by the Mayoral Committee of the request to amend the approved 2020/21 GSPCR departmental SDBIP owing to various external and internal factors which have resulted in unavoidable disruptions to business as usual, demanding adjustments and refocusing of resources. The unfortunate consequence of this has been the negative impact on the attainment of desired projected performance level at midyear for both the organization and at departmental level, also projected for the end of the current financial year.

3 BACKGROUND

Mid-year deviation is a legislated process enabled by Section 72 (a) (ii)-(iii) of the Municipal Finance Management Act, 56 of 2003 given the complexities and dynamic environment within which the local government sphere operates. It prescribes that the Accounting Officer of a municipality must by the 25th of January, each year assess the performance of the municipality during the first half of the financial year. It allows for the deviation process to be undertaken with the view to amend performance measures in line with the suggested deviations which have been the result of changing circumstances of the organisation and other external factors that are beyond management control.

The 2020/21 financial year forced the City of Johannesburg to plan and budget under unique disruptions such as, economic downturn and the emerging of COVID-19 pandemic compounded the situation therefore dictating that trade-offs be made in terms of the shift in focus, national alignment and target setting. The COVID-19 pandemic has heightened the urgency for much needed reforms in the administration and has provided an opportunity to drive these through in a way that wasn't possible pre-crisis. Due to these circumstances, the City of Johannesburg has not been spared in its concerted efforts as an organization to carry its mandate, with this directly affecting its departments and municipal entities' pursuit of annual objectives.

The mid-year performance report is a crucial report in the annual calendar as it not only reports organisational performance but also supports deviations on the basis of budgetary requirements. In particular, the assessment must focus on the municipality's service delivery performance during the first half of the financial year, the service delivery targets and performance indicators set in the service delivery and budget implementation plan. Mid-year budget and performance assessments must also deal with the past year's annual report and the progress made on resolving problems identified in the annual report. The performance of the municipal entities is also a focus of the mid-year budget and performance assessment report.

To counter these challenges whilst ensuring that it still carries out its mandate to the citizens albeit in an adjusted and guarded manner in support of national declarations and efforts, the City of Johannesburg has been forced to focus on the following:

- **A New Focus on Essentials:** Reprioritizing spending with a focus on what is most important e.g. getting critical services like water and electricity sustainably to households of all income levels and businesses of all sizes.
- **Encouragement of Growth and Investment:** Facilitating joint strategies with National and Provincial, building business confidence for implementation to creating an enabling business environment and addressing impediments to investment attraction.
- **Innovation and Pro-Growth Ecosystem:** Improving strengthened partnerships with civil society, private sector, universities and research hubs to create an enabling environment for broad-based innovation
- **Transforming Local Government's Operating Model:** A sweeping change in operations is required to significantly enhance efficiency and ensure that Local Government can stay relevant and provide more for less.
- **Emphasising Quality of Governance:** Embracing more efficient practices to enhance the Government's ability to respond to the majority of its citizens and to practice open and participatory governance.

Below are the guidelines for any deviations as a result of budget adjustments.

- **Guidelines for Deviations Emanating from Budget Adjustments**

Where budget adjustments require adjustment to performance information, departments request approval to deviate from approved original KPIs and targets as set in SDBIP, BPs and Scorecards:

- i. Departments are requested to indicate areas of deviation with the mid-year performance progress submissions;
- ii. The deviation should amend both KPI and target where required;
- iii. The requested deviation should be illustrated. The reason and proposed plan of action to achieve the proposed deviation should also be illustrated;
- iv. Performance progress against the original target must be reported in the quarter before deviation is approved;
- v. The request must be signed-off by the Head of Department, City Manager and agreed upon with the respective Member of the Mayoral Committee; and
- vi. All deviations must be approved by Mayoral Committee and Council.

The mid-year deviation report is prepared to profile all amendments and deviations to assist the Mayoral Committee and Council to reflect on organisational performance and requisite adjustments. The proposed deviation requested by the department is motivated by:

- Global change in circumstances under which all businesses have been operating brought about by the COVID-19 pandemic and related restrictions pronounced by the national government and related budgetary adjustments;
- Downturn in the economy as a result of implemented restrictions and other inefficient economic drivers; and
- Reprioritization of the City's focus towards mitigating COVID-19 effects and factoring in these new initiatives as ongoing efforts by all departments and municipal entities;
- Continuous enhancement of key performance indicators (KPIs) and units of measurement to conform to the National Treasury Framework for managing performance information to meet the SMART (Specific, Measurable, Achievable, Realistic and time bound) criteria and MFMA Circular 88;

4 PROPOSED DEVIATIONS / AMENDMENTS

GSPCR department requests the following:

- An amendment to one KPI to align with revised deliverable as agreed with the political office for long term focus and in the interest of business continuity as well as related targets to aligned with this revision;
- Additional information to be included in the accompanying footnote of one the deliverables for clarity purpose and enhancement of its measurability;
- Adjustment of annual and quarterly targets of one KPI given the prevailing challenges and new operating environments that have affected the department's ability to pursue its objectives for the current financial year.
- Replacement of one KPI to ensure tighter controls, uniform reporting, synergies between strategy and reporting thereby ensuring informed strategic decision making by the executive.
- This is further motivated in the schedule below:

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COJ: GROUP STRATEGY, POLICY COORDINATION AND RELATIONS DEPARTMENT
COJ: TECHNICAL BUDGET CLUSTER COMMITTEE **10-12-2020**

GDS OUTCOME:
STRATEGIC PRIORITY:
STRATEGIC PROGRAMME:

Change	KPI No	Key Performance Area	Key Performance Indicator	2019/20 Baseline	2020/21 Target	Q1 target	Q 1 actual	Q2 target	Q2 actual	Q3 Jan-Mar	Q4 Apr-Jun	Estimated budget		Evidence and Means of verification	Proposed deviation	Motivation for deviation
												Capex	Opex			
Existing	1	To translate political imperatives to ensure strategic certainty, pro-people centeredness and inclusivity, improve infrastructure backlogs through strategic integrated planning	Development of the City's 2021/26 Strategic Plans.	2020/21 IDP and SDBIP	2021/22 IDP approved by Council	Approved 2021/22 IDP Process Plan Evaluation of 2016/17 - 2020/21 IDP	Draft 2021/22 IDP Process Plan Exemption to approval of 2021/22 IDP Process was granted	Outcomes report from Makgotla, mid-year deviations	Assessment of 2016/17 - 2020/21 IDP Outcomes report from Makgotla, mid-year deviations	Draft Business Plan Analysis Makgotlas and BSC resolutions implementation schedule Draft 2021/22 IDP	Council Approved IDP and MayCom approved SDBIP 2016/17 - 2020/21 End of term report Adopted Global dependency matrix (CoJ) and tracking schedule	N/A	R2 250m	Council minutes of approved documents	Replacement of all occurrences of 2021/22 IDP with 2021-26 IDP Removal of Adopted Global dependency matrix (CoJ) and tracking schedule as fourth quarter target Deferment and reworking of Evaluation of 2016/17-2020/21 IDP to second quarter and replacing 'evaluation'	Long term focus and strategic planning Duplicate effort as this is already tracked at organizational level
Amended KPI as per the proposed Deviation		To translate political imperatives to ensure strategic certainty, pro-people centeredness	Development of the City's 2021/26 Strategic Plans.	2020/21 IDP and SDBIP	2021-26 IDP approved by Council	Approved 2021/22 IDP Process Plan Evaluation of 2016/17 - 2020/21 IDP	Draft 2021/22 IDP Process Plan	Outcomes report from Makgotla, mid-year deviations	Assessment of 2016/17 - 2020/21 IDP	Draft Business Plan Analysis Makgotlas and BSC resolutions implementation schedule	Council Approved IDP and MayCom approved SDBIP 2016/17 -					

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		and inclusivity, improve infrastructure backlogs through strategic integrated planning								Draft 2021/22 IDP	2020/21 End of term report				with 'assessment'	
Existing	5	To strengthen the collaborative approach to address identified social challenges in conjunction with parastatals, government spheres, business	Number of IGR actions attained	6 IGR actions.	9 ¹ IGR actions as per the approved IGR Action Plan 2020/21	3 Action Clusters (4) approved IGR action plan 2020/21 Approval of annual IGR content agenda for political leadership 2020/21	3 Action Clusters (4) approved IGR action plan 2020/21 Approval of annual IGR content agenda	1 Action Development of content for political leadership – Q2	2 Actions	2 Actions Development of content for political leadership – Q3	3 Actions Development of content for political leadership – Q4 Approval of 2021-2022 Action Plan	N/A	R200k	Annual report on IGR Actions	Upward deviation on targets Replace activities as detailed in the footnote number 1 below with new focused activities	Enhanced focused to support readjusted organizational initiatives and political direction

¹ Q1= Forum x 1 Q2=IGR workshop & Forum x 1, Q3=Submission of IDP, National Treasury Benchmark & Forum x 1 Q4=MEC Comments, Broad Intersectoral engagement, National Treasury Benchmark & Forum x 1

a) Provincial COGTA enquiry on IGR; b) MoU with Eskom; c) MoU with Gauteng Department of Human Settlements to implement and upgrade informal settlements; d) MoU with Gauteng Department of Community Safety on implementation of City's Safety Strategy; e) MoU on human settlements brownfield development; f) Report on provision of water ; g) Discussion paper on roads and transport; h) Discussion paper on bulk infrastructure investment ; i) Engagements with Department of Transport on street and traffic lights.

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		communities etc. to create new platforms for participation and partnerships and enhance good governance				Development of content for political leadership – Q1	for political leadership 2020/21								Delete all occurrences of 'content development of political leadership'	
Amended KPI as per the proposed Deviation		To strengthen the collaborative approach to address identified social challenges in conjunction with parastatals, government	Number of IGR actions attained	6 IGR actions.	9 ² IGR actions as per the approved IGR Action Plan 2020/21	3 Action Clusters (4) approved IGR action plan 2020/21 Approval of annual IGR content agenda for political	3 Action Clusters (4) approved IGR action plan 2020/21 Approval of annual IGR	1 Action	3 Actions	3 Actions	3 Actions	N/A	R200k	Annual report on IGR Actions		

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		spheres, business communities etc. to create new platforms for participation and partnerships and enhance good governance				leadership 2020/21 Development of content for political leadership – Q1	content agenda for political leadership 2020/21									
Existing	4	To monitor the implementation of IDP, Institutional SDBIP and evaluating the impact of programmatic interventions against organizational strategic direction	Number of public participation meetings held	130 Participation meetings held	135 Public participation meetings held	N/A	N/A	100	N/A	35	8 ³	N/A	R350k	Attendance report on meetings	Rewording the KPI to “Content development to support the City’s Community Based Planning Approach”	The prevailing conditions are not conducive for mass participation given the global COVID-19

³ 135 includes all wards across the city. 8 refers to the Regional Summits

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Amended KPI as per the proposed Deviation		To monitor the implementation of IDP, Institutional SDBIP and evaluating the impact of programmatic interventions against organizational strategic direction	Content development to support the City's Community Based Planning Approach	new	100% content developed to support the City's Community Based Planning Approach	Assessment of current CBP processes	N/A	Solicit input from Departments and Entities	N/A	Finalise all content for CBP processes and events Undertake Framework for revised CBP approach	Mayoral Committee approval of revised CBP approach	R0	R0	CBP Volume 5 Content reports/presentations on all Regions Mayoral Committee approval of revised CBP Framework		pandemic Community consultations will still take place albeit at greatly reduced physical contact instances and using different means/platforms of engagements thereby making the unit of measure irrelevant in this case

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Existing	9	To employ initiatives towards enhancement of organizational performance and mutual accountability	% Performance gaps mitigated	New Indicator	90% of performance gaps mitigated	Adoption of monitoring and evaluation process plan 2020/21 Adoption of an escalation schedule for performance gaps at cluster level	TBD	90% performance gaps mitigated	TBD	90% performance gaps mitigated	90% performance gaps mitigated	N/A	R0	Mayoral Committee minutes Consolidated annual escalation report (organizational)	Replace the KPI with the following: <i>Number of SDBIP performance reports</i>	The KPI should be replaced given the prevailing conditions under which department is currently functioning, limiting possibilities of constant engagement with departments and municipal entities on performance discussions and frequency of monitoring
Amended KPI as per the proposed Deviation		To employ initiatives towards enhancement of organizational performance and mutual accountability	Number of SDBIP performance reports	New Indicator	4 SDBIP performance reports tabled at Mayoral Committee	4 th quarter SDBIP report tabled at Mayoral Committee	4 th quarter SDBIP report tabled at Mayoral Committee	1 st quarter SDBIP report tabled at Mayoral Committee	TBD	2 nd quarter SDBIP report tabled at Mayoral Committee	3 rd quarter SDBIP report tabled at Mayoral Committee	N/A	R0	Mayoral Committee minutes		

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																g. The development of these reports are within the control of GSPCT and will include a section on the performance gaps that have been raised.

5 POLICY IMPLICATIONS

Section 72 (a) (ii)-(iii) of the Municipal Finance Management Act, 56 of 2003.

6 LEGAL AND CONSTITUTIONAL IMPLICATIONS

Section 72 (a) (ii)-(iii) of the Municipal Finance Management Act, 56 of 2003 requires that the Accounting Officer of a municipality must by the 25th of January, each year assess the performance of the municipality during the first half of the financial year.

7 FINANCIAL IMPLICATIONS

None.

8 COMMUNICATION IMPLICATIONS

None.

9 RECOMMENDATIONS

IT IS RECOMMENDED:

- 1. That the Mayoral Committee approves amendments to the Group Strategy, Policy Coordination and Relations Department 2020/21 SDBIP.**
- 2. That the proposed changes be reflected in the GSPCR 2020/21 SDBIP henceforth and reported from the 3rd quarter reporting period.**

(Zayd Ebrahim)

(Director: Strategic Coordination & Management Support)



KHANYISILE CELE
GROUP HEAD: GROUP STRATEGY POLICY
COORDINATION & RELATIONS

1 DECEMBER 2020
DATE

APPROVED/NOT APPROVED

JOLIDEE MATONGO
MMC: FINANCE

DATE

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