



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

National Treasury: Cities Support Programme

Reporting Reforms Project

Emerging Framework for Integrated Reporting on Built Environment Functions for Cities

Fourth Draft

30 November 2015

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1 Introduction

National Treasury is driving a local government financial and budgeting reform process. This intends

- To modernise local government budgeting and financial management processes and practices
- To improve financial governance by clarifying and separating roles and responsibilities of Mayors, executive and non-executive councillors vis-à-vis those of municipal officials.
- To maximise municipal capacity to deliver services by attending to issues of efficiency, effectiveness and sustainability, and dealing with corruption.
- To set-up the accountability cycle by ensuring proper linkages between IDPs, budgets, SDBIPs, in-year reports, annual financial statements, annual reports, oversight reports and audit reports.

Specifically, amongst other objectives it will also seek to

- **Strengthen the links between transparency, understandability and accountability**
- **Promote 'good practice' in municipal financial reporting through:**
 - promoting simplicity ahead of complexity
 - ensuring standardisation across the local government sphere
 - developing a standardised vote structure to be approved by municipal councils
 - minimising the cost of compliance and information gathering
 - ensuring consistency and comparability with other spheres of government
- **Ensure information is available to:**
 - determine the financial status of municipalities
 - assess if municipal budgets are funded
 - assess indigent policies and pro-poor equity issues
 - facilitate performance comparisons and evaluations
- **Promote improved serviced delivery**

The City Support Programme of National Treasury has initiated a project on reporting reforms for Cities, particularly in relation to built environment functions.

This constitutes an emerging framework for reporting on built environment functions of cities. It follows the first phase of work, which assessed the current status of city reporting, primarily in relation to built environment reporting.

This document provides a

- A conceptual framework for built environment reporting that will need to be to be completed, or progressively realised, over time

- A set of design principles for intergovernmental M&E systems to align to, individually and collectively
- A proposed set of criteria to ensure that we have quality indicators. All supported indicators will need to comply with all of these criteria.

These principles, criteria and conceptual framework are now complemented by a proposed systemic framework, institutional arrangements and responsibilities to complete a framework for built environment reporting for metropolitan municipalities.

2 Background

2.1 Constitutional mandate

Local government derives its mandate from Chapter 7 of the Constitution which sets out its establishment as the third sphere of government with its own powers and functions. As a sphere of government, local government is expected to function cooperatively with national and provincial government. Chapter 3 of the Constitution sets out the principles of cooperative governance that enable the three spheres of government to co-exist as “distinctive, interdependent and inter-related entities.

In addition, section 154 (1) of the Constitution provides for national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs, exercise the powers and perform their functions. To this end, the local government sector is constituted by the Department of Cooperative Governance; its 9 provincial chapters; and municipalities.

The constitution is written in the spirit of subsidiarity, embracing decentralisation and the idea that governance should take place as close as possible to the citizens. This is demonstrated in two ways. Firstly, it is made clear in the Constitution that national and provincial government may not interfere in local government without good reason. Secondly Section 156(4) provided that national or provincial government “must” assign certain functions to local government when certain specified conditions are met¹.

In accepting the concept of subsidiarity there is the recognition that the state is not the same in all places and that asymmetry or differentiation is warranted. Furthermore devolution in a developmental state means vigilant monitoring for malfunction and correction where necessary. In order to make rational adjustments, however there is need for an informed basis from which to act. Therefore, there is a need for good information on the state of local government broadly, and each municipality specifically, which needs to be generated through monitoring. The principle of subsidiarity and decentralisation makes necessary the need for good information and hence good monitoring practise.

2.2 The White Paper on Local Government, 1998

The White Paper on Local Government builds on the context for monitoring, support and intervention as set out in the Constitution and further describes the roles and

¹ Community Law Centre (2008) Institutional Subsidiarity in the Constitution: Slapstick asymmetry or “rights-based” approach to powers?

responsibilities of national and provincial government with respect to local government.

National Government's role

National Government's role includes providing an overall framework for municipal capacity-building and support as well as an overall framework for a system of monitoring and oversight within which other organs of state, particularly provincial governments will perform these functions.

The White Paper notes that whilst intervention into municipalities is primarily a provincial government responsibility, national government may need to intervene together with provincial government, or when provincial government fails to intervene.

2.3 Local Government Legislation

The Municipal Systems Act and the Municipal Finance Management Act further build on the policy imperative as enunciated in the White Paper on Local Government. These are further explained below:

2.3.1 Municipal Systems Act, 2000

The Municipal Systems Act has, been the key instrument in introducing both performance management and monitoring and evaluation practices with respect to local government.

The basis of reporting requirements for the Co-operative Governance are found in the in the Municipal Systems Act 32 of 2000. Section 38 of this Act requires that each municipality develop a performance management system that:

- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- Conduct an internal audit on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance²

Additionally a municipality must establish a mechanism to monitor and review its performance management system.

Sections 46, 47 and 48 of the Municipal Act set out the requirements for performance reporting.

Section 46 of the Municipal Systems stipulates that a municipality must prepare a performance report each financial year that reflects:

- a. the performance of the municipality and of each external service provider during that financial year;

² Local Government Municipal Systems Act 32 of 2000 section 38

- b. a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
- c. measures taken to improve performance.

This annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.³

The MSA, in section 47, requires the MEC for local government of a province to annually compile and submit to the provincial legislatures and the Minister a consolidated report on the performance of municipalities in the province. The report must:

- a. identify municipalities that under-performed during the year;
- b. propose remedial action to be taken; and
- c. be published in the *Provincial Gazette*.

A copy of this report must also be submitted to the National Council of Provinces.⁴

Lastly, section 48 of the Municipal Systems Act requires that the Minister for Local Government must annually compile and submit to Parliament and the MECs for local government a consolidated report of local government performance in terms of general key performance indicators. This report must be published in the *Gazette*.⁵

Performance management as laid out in the Municipal Systems Act creates an inherent challenge for monitoring local government performance. The system decentralising goal, indicator setting and monitoring in section 38, and require each municipality to establish its own indicators based on its IDP developed with extensive public participation. However, Section 47 reports by the MEC require a consolidated performance report of all its municipalities, each of which will have its own individual set of indicators. The problem is further compound for the Section 48 report by the Minister, where the legislation demands a consolidated report based on general key performance indicators prescribed in regulations.

2.3.2 Municipal Finance Management Act, 2003

The Municipal Finance Management Act 56 of 2003 (MFMA), Chapter 13, Section 71 of the Municipal Financial Management Act (initiated December 2004) designates the accounting officer of the municipality to submit monthly budget statements to Provincial Treasury, no later than 10 working days after the end of the month. The budget statements must state the actuals for that month, as well as the financial year to date. The budgetary information included is:

- Actual revenue per revenue source
- Actual borrowings
- Actual expenditure per vote
- Actual capital expenditure per vote
- Amount of any allocations received
- Actual expenditure of those allocations

³ Local Government Municipal Systems Act 32 of 2000 section 46

⁴ Local Government Municipal Systems Act 32 of 2000 section 47

⁵ Local Government Municipal Systems Act 32 of 2000 section 48

- Where necessary, an explanation of any variations from the projected revenue or expenditure

Provincial Treasury has then 22 working days after the end of the month to submit a consolidated statement to National Treasury for all the municipalities and municipal entities in their jurisdiction. Within 30 days of the end of each quarter, a consolidated statement must be released by the Provincial Treasury on the state of the municipalities and municipal entities' finances.

2.4 Monitoring Reporting and Evaluation Policy Context

2.4.1 Government-Wide Monitoring and Evaluation

The 2007 *Policy Framework for the Government-Wide Monitoring and Evaluation System*⁶ (GWM&E) set out the details of the GWM&E system, at an institutional level along with the roles and responsibilities for implementing the system.

While under review, the document remains the overarching policy framework for M&E in the South African government and provides the context for the supporting frameworks that act as the three pillars of GWM&E, the National Treasury's *Framework for Managing Programme Performance Information* and StatsSA's *South African Statistics Quality Assurance Framework* and DPME's *National Evaluations Policy Framework*, all reflected upon in subsequent sections.

The GWM&E is applicable to all entities across the spheres of government.

The framework outlines an M&E system as a set of organisational structures, management processes, standards, strategies and plans, indicators, information systems, reporting lines and accountability relationships that allow government institutions to discharge their M&E functions effectively. It specifies that the framework is not about IT systems but is a policy context in which IT systems will operate.

2.4.2 Framework for Managing Programme Performance Information

The *Framework for Managing Programme Performance Information* (FMPPI) released in 2007 makes National Treasury the primary responsible institution for performance information collected from government institutions in the process of fulfilling their mandates and implementing policies. This information includes details of outputs and outcomes. The aims of the FMPPI are to clarify standards for performance information and supporting non-financial audits; improve the structures systems and processes for managing performance information; define roles and responsibilities for performance information; and promote accountability through timely publication of performance information.⁷

The National Treasury is required to develop standards to implement the FMPPI; to develop formats for accountability reporting; to develop core sets of performance information in collaboration with sector departments to ensure uniformity of

⁶ The Presidency, 2007. *Policy Framework for the Government-wide Monitoring and Evaluation System*. The Presidency, Pretoria.

⁷ National Treasury, 2007. *Framework for Managing Programme Performance Information*. National Treasury, Pretoria.

information; and to develop guidelines on the use of performance information. In addition, the National Treasury, along with provincial treasuries, are required monitor the implementation of FMPPI by all institutions within their spheres; to provide training on the use of performance information; to provide inputs on the process for the selection of indicators; and to use the information generated by institution to report on the economy, efficiency, effectiveness, and equity in the use of resources.

Under the FMPPI national departments responsible for concurrent functions need to be directly involved in the development of systems and structures to collect performance information on these functions across the spheres. They need to play a role in supporting provincial departments in managing performance information as well as monitor performance information themselves and evaluate delivery of service in their sectors.

2.4.3 South African Statistical Quality Assessment Framework

The purpose of the South African Statistical Quality Assessment Framework (SASQAF) is to provide a structure for the assessment of statistical products for self-assessment, reviews by the Statistics South Africa, assessment by data users and assessment by international agencies.⁸

The SASQAF outlines the details by which statistics should be judged as being of good quality or not. In terms of the protocol for the designation of statistics the Statistician General will do so only if the statistics meet the SASQAF criteria for quality. The protocol also specifies that only official statistics will be used to inform the GWM&E system. The framework outlines 8 dimensions of quality: relevance, accuracy, timeliness, accessibility, interpretability, coherence, methodological soundness and integrity.

3 Current Planning and Reporting Instruments

A range of legislation has been passed governing strategic planning, monitoring and reporting for local government. How different planning documents relate to each other, and in particular their reporting formats and requirements, is critical for moving towards the operationalisation of all local government indicators within a results-based framework. The following sets out some of the basic reporting requirements in terms of key legislation, policy and guidelines that inform the different reporting and format requirements.

3.1 Integrated Development Plan

An Integrated Development Plan (IDP) represents the foundation of municipal planning as enshrined in the Municipal Systems Act (MSA) 32 of 2000 (as amended). The IDP makes clear the expectation that IDPs place clear responsibilities on the municipality to develop IDPs that include, amongst others: "an assessment of the existing level of development in the municipality, which must include identification of communities which do not have access to basic municipal services....the council's development priorities and objectives for its elected

⁸ Statistics South Africa, 2008. The South African Statistical Quality Assessment Framework First Edition. Statistics South Africa, Pretoria.

term...the key performance indicators and performance targets determined in terms of section 41” (RSA, 2000).

Section 41 of the MSA stipulates that a municipality must: “Set appropriate performance indicators as yardstick for measuring performance, including for outcomes and impact, with regards to the municipality’s development priorities and objectives set out in its IDP;

- Set measurable performance targets for each of those priorities and objectives;
- For each target, monitor and review performance at least once a year;
- Take steps to improve performance where targets are not met; and
- Establish regular reporting internally and to the public” (RSA, 2000).

There is a clear relationship between the IDP and the Performance Management System of a municipality, and MSA Section 38 requires that a municipality must “establish a performance management system that is-.... (iii) in line with the priorities objectives, and targets contained in its IDP” (RSA, 2000). This means that performance indicators and targets set in the IDP need to be consistent and integrated with the objectives and priorities set in the IDP.

Further, any performance management system applied by the municipality “must be devised in such a way that it may serve as an early warning indicator of under-performance,” both for individuals and the organisation as a whole.

The Local Government: Municipal Planning and Performance Management Regulations (RSA, 2001) set additional requirements for indicators, including that they should be “measurable, relevant, objective and precise” and that reporting to the municipal council occur at least twice a year, and include 12 prescribed indicators. Despite non-compliance with these regulations being regularly identified in Auditor-General findings as an area for improvement in many municipalities, these regulations appear to be increasingly disregarded.

Thus, there is a clear requirement for IDPs that indicators are set at “outcome and impact” level and should be reported on an annual basis. This is in line with reviews and updates to the IDP and that performance tracking should allow for “an early warning indicator of under-performance”.

3.2 SDBIP

The Service Delivery Budget Implementation Plan (SDBIP) was introduced and explained with the Municipal Finance Management Act (MFMA) Circular 13 of 2005 (NT, 2005). In it, the circular prescribes five components of the SDBIP, which include the following:

Item 1 Monthly projections of revenue to be collected for each source

Item 2 Monthly projections of expenditure (operating and capital) and revenue for each vote

Item 3 Quarterly projections of service delivery targets and performance indicators for each vote

Item 4 Ward information for expenditure and service delivery

Item 5 Detailed capital expenditure plan broken down by ward over three years

Only item 3 is the focus as it is the only element of the SDBIP related to the non-financial performance information. MFMA reporting requirements and the SDBIP Guidelines (NT, 2010) confirm that the performance information aspect of in-year reporting supports requirements “to provide an explanation of PI variances on a quarterly basis”.

Whereas there are monthly reporting requirements associated with the other items, performance information only need be reported on a quarterly basis, but this poses distinct challenges. For instance, compared to financial information, which is available within 10 days of month end, a lag of 2-3 months may ensue and it can be a challenge to determine “the appropriate and objective performance information for service delivery, and to measure the quality of service delivery. This is an art that will require managers to be more creative and innovative” (NT, 2010).

The MFMA SDBIP Guidelines (NT, 2010) also indicates that the SDBIP needs to provide for the monitoring of “inputs, outputs and outcomes for each senior manager (department) by vote and Standard Classification (GFS) sub-classification”. This creates the basis for linking individual performance with organisational performance, as well as tying it to budgeting.

Thus, in summary, the SDBIP (as it pertains to reporting formats and requirements) should logically follow from the performance objectives and targets set in the IDP, but with a short-term focus and the requirements of quarterly performance projections and reporting. This is expected to cover inputs, outputs and outcomes. However, in reality there are few examples of municipal-wide citizen outcomes which a municipality could source, collect, collate and report for on a quarterly basis, credibly, especially that of a metropolitan municipality. The reality is that SDBIPs better lend themselves to municipal service output measures.

3.3 Built Environment Performance Plan

The Built Environment Performance Plan (BEPP) was introduced for metropolitan municipalities as a condition stipulated in the Division of Revenue Act No.6 of 2011 where its development was included as a pre-requisite to receiving the Urban Settlements Development Grant (USDG). The USDG alluded to a ‘built environment performance framework’ initially and later a BEPP (in RSA, 2012) which should be “consistent with the IDP and SDBIP of metropolitan municipalities”. Later, the BEPP became an eligibility requirement for the Integrated City Development Grant (ICDG) in 2014/2015 (NT, 2013).

The City Support Programme (CSP) BEPP Guidance Note (NT, 2013) indicates that the BEPP is placed in between the Municipal Spatial Development Framework (MSDF) and IDP, “with an explicit focus on the social and economic infrastructure components of the built environment as it manifests in space”.

Despite multiple performance frameworks associated with the various draft iterations of the USDG policy framework, there was never a legally prescribed set of built environment performance indicators set for BEPPs. Reporting formats set out by the Department of Human Settlements changed over time, were inconsistently applied and comprised indicators mostly at the output level.

The CSP BEPP Guidance Note makes reference to MFMA and grant reporting requirements, reiterating that reporting built environment performance should be

integrated with existing reporting requirements and formats rather than impose additional reporting burden.

As part of the shift to linking the BEPP to the ICDG, a set of built environment indicators were to be developed by metros by March 2014 and included in section D of the BEPP. The indicators were intended to be incorporated into SDBIPs, with the 2014/15 financial year serving as the pilot year for incorporating the indicators into SDBIPs and integrating them within the existing planning framework (NT, 2013: 10).

The CSP BEPP Guidance note states that “Once incorporated into the SDBIPS, reporting on the performance of metro built environments becomes part of the general reporting of the metro in terms of the established regulations of National Treasury alongside section 71 Reports (due 10 days after the end of each month) and quarterly reporting against SDBIPS” (NT, 2013: 13).

The legislative and policy frameworks informing the built environment planning, monitoring and reporting requirements and formats should be understood in relation to municipal planning documents the IDP, SDBIP and BEPP. IDPs set out strategic municipal priorities and objectives that should be measured on an annual basis (MSA) or half-yearly (MSA Planning & Performance Regulations). In terms of the MFMA, indicators and targets set in the SDBIP are the subject of quarterly reporting of non-financial performance. The BEPP introduced a strategic spatial planning element that is meant to be situated between the MSDP and the IDP, but that does not impose significant new reporting burdens as it manifests in terms of a set of specified indicators integrated with the SDBIP.

The holistic picture is presented in the local government accountability cycle below

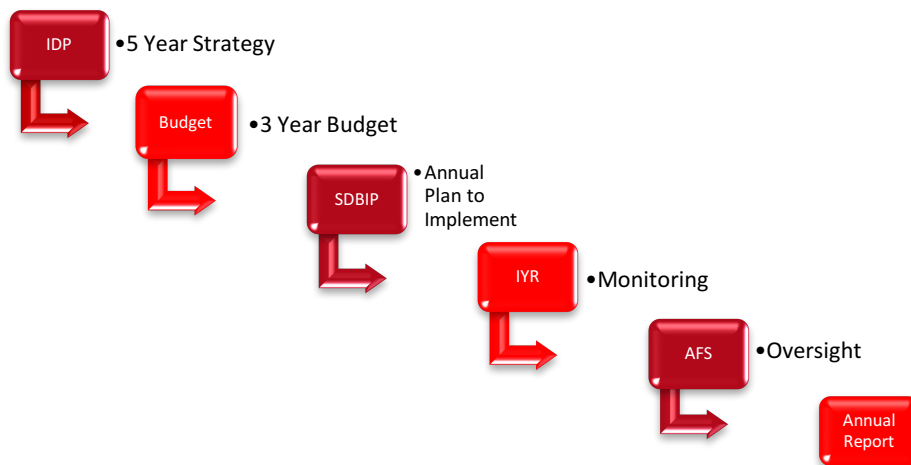


Figure 1: The local government accountability cycle (NT)

The planning instruments referred to above are in need of review and alignment. A Planning alignment task team has been established. There are significant implications that arise from this conceptual framework, principles and criteria that require review of the structure and purpose of SDBIPs and IDP’s in particular.

3.4 Auditability

There have been significant concerns on the part of municipalities regarding the introduction of outcomes measures, particularly in so far that the Auditor-General is

able to audit this data. It has been so far agreed that this reform process will ensure that we work collaboratively with the office of the AG in ensuring that auditing approaches suits the types and purpose of information used for outcomes reporting.

4 Problem Statement

4.1 Rationalisation of LG Data Collection Processes

In November 2007, National Treasury published a document on the Rationalisation of the Local Government Data Collection Processes. The research undertaken identified weak co-ordination and duplication in reporting, lack of alignment in reporting periods, inefficient technology being used for reporting, a burden of reporting (more than 80 questionnaires annually), limited capacity, skills and insight into how reporting is used.

4.2 DPME Study into State and Use of M&E

The Department of Planning, Monitoring and Evaluation (DPME) completed Research into the State and Use of M&E in Five Sectors. Local Government was treated as a sector, but so too were the Human Settlements and Water Services. The study of these three sectors provided insight into intergovernmental reporting done by local government. This research highlighted the following conclusions:

Appreciate complexity

There have been significant developments in M&E systems in the 20 years of democratic government in South Africa. During this time there has been much experience in M&E initiatives at all levels of the state. Our maturing intergovernmental system is far from where it needs to be and the complexity of implementing M&E in this developmental context needs to be fully appreciated.

Gap between systems and legal mandate

There is a significant gap between the M&E systems that exist and the legal mandates of departments, particularly with regard to their regulatory and supervisory roles. The systems to enable departments fulfil their core roles, rarely exist in more than a rudimentary form. However there are elements of initiatives and innovations, some of which are arguably proving successful. This holds particularly true for the local government, human settlements and water sectors.

Diverse types of systems

Government-wide approaches to M&E need to fully appreciate the different typologies of systems designed to meet unique sets of purposes. While supervisory accountability and regulation is arguably the main driver, different types of systems have been brought in to respond to other purposes. Other drivers for M&E include learning, support and improvement and citizen-based accountability. Systems have emerged in design to emphasise particular needs in M&E and have consequently realised different monitoring and reporting behaviours. For example, peer owned benchmarking systems, as well as vulnerability self-assessments, as found in the water sector, have resulted in vast voluntary information sharing as a result of a non-punitive intentions of these systems.

Need for coherent frameworks

Particularly the gap between legal mandates and M&E functionality, as well as the diversity of systems that exist in each department have emphasised the need for coherent frameworks for M&E.

While there are some departments with a department-wide M&E framework, these have been shown to be out of touch with the reality of systems that exist and the full mandate of the department. Where the work of the department cuts across all three spheres of government and includes a multitude of other agencies, such a sectoral framework for M&E becomes paramount.

These intergovernmental M&E frameworks need to give expression to the implications of the legal mandate of the department and other institutions operating in the sector, identifying the array of possibly different systems that facilitate the full set of M&E needs in the sector coherently and clearly identify the roles and responsibilities of the different institutions that need to make this happen.

Approach to M&E capacity

Previous approaches to M&E capacity, indicate that there is an emphasis on dedicated M&E capacity located within a centralised unit of a department. The research has shown that this dedicated and centralised M&E capacity has focused significantly on internal M&E and under-emphasising the sector. In departments that fulfil a role in monitoring, supporting, regulating other entities, intergovernmentally, the wealth of M&E resides in line functions and in programmes. Decentralised capacity in programmes, however, often relies on a small part of a senior official's time, or a larger part of a more junior official's time.

Universally, M&E capacity is in short supply, particularly when considering the right skills.

Data governance is poor

While there have been advances in M&E systems in government over the past two decades, data governance remains weak. Data governance is used here as a combined set of ideas.

The first set of ideas is about how data is, not just managed, but governed, requiring leadership in how data is planned for, used in planning, monitoring, reporting and evaluation processes with integrity. It is also concerned with how data is quality assured, co-ordinated, shared and made accessible, maximising its uses and making data collection efficient.

The research has shown that indicators are poorly specified, data needs are not well planned for and co-ordinated and there are huge inefficiencies and duplication in fragmented forms of data collection, particularly from entities like households and municipalities.

The second set of ideas is about how governance takes places. The term data governance emphasised the need to extend evidence-based policy-making to the ongoing activities of management and governance. How we use data or evidence in all the acts of governance requires attention.

It is argued that underlying poor data governance is a capacity and leadership problem. There is an insufficient appreciation of the hard skills required to efficiently respond to the data needs of government, managing the quality of information and its usefulness and uses in all the processes of governance.

This requires a culture shift, which requires the necessary leadership to champion good data governance in departments and sectors.

Co-ordination is weak

Related to the problem of poor data governance, is that the co-ordination of M&E systems and data needs is weak, across departments.

There is significant duplication and fragmentation in data being collected, where entities such as municipalities argue that they experience a burden of reporting that is uncoordinated and duplicative. The efficiencies and effectiveness that would be achieved by shared and co-ordinated approaches to M&E across departments are convincing and in need of better co-ordination. This co-ordination is not being achieved across departments currently.

A case in point relates to the much-needed data on access to services, particularly at household and community level. The development of an adequate results-based monitoring system for monitoring access to basic services infrastructure to households does not exist because the appropriate solution requires co-ordination across a number of departments. This means that in between the ten year census, there exists no commonly accepted system of information on which to monitor, manage and plan the results of R75bn of annual public expenditure on municipal infrastructure.

Co-operative Ethos & Feedback

Our constitution provides for three interrelated, interdependent yet distinct spheres of government, who are compelled to co-operate in governance. It is critical that in intergovernmental M&E there is respect for different spheres and that feedback obligations, whether explicit or implicit, are honoured.

Far too often, reporting entities complain that they are compelled to report in an ad-hoc urgent way, where a systematic approach could have been put in place pre-emptively, and they 'never' receive feedback regarding what they have reported, raising questions about whether their reports are read or used in any way.

It is important that in M&E systems that reporting entities are incentivised and rewarded with analytical, interpretive or comparative feedback that they will find useful and the reporting process is in itself also useful for them.

Co-operation is not only vertical but horizontal, requiring co-operation amongst departments in the same sphere.

4.2.1 Reporting Reforms Project

The CSP has, in the project charter for this project, argued that there are two main reasons for this project

- There are too many uncoordinated indicators and requests for data by national departments to metros. There is a need to review and rationalize these.

- The second is that indicators at the output and outcome level are underdeveloped.

5 Objectives

A coherent intergovernmental framework for built environment reporting by cities is needed to

- Reduce duplication and fragmentation in the reporting requirements
- Reduce inefficiencies in the collection of information
- Ensure that information collected is of strategic value and that reporting and monitoring enables devolution, asymmetry and appropriate supervision
- Ensure that all roles are co-ordinated and complementary
- Ensure that all roles reflect a meaningful allocation of responsibilities fit for the legislative mandate and design of the institution
- Maximise utilisation of information collected the means of reporting, by all stakeholders, including national, provincial and local governments as well as citizens and civil society.

The framework is thus intended to provide a multiple stakeholder consensus on how reporting should work, conceptually, based on a set of agreed principles that lie at the heart of the framework.

6 Conceptual Framework for Built Environment Reporting

This section proposes a framework for built environment performance reporting of performance. The framework provides a structure within which to ensure completeness, sufficiency and interrelatedness of indicators. It focuses on 'what' we should be measuring and reporting and is intended to be a framework that is completed over time.

6.1 The results frame

National Treasury's (2007) 'Framework for Managing Programme Performance Information' (FMPPi) introduces performance information as measures relevant to the performance of the state. The FMPPi (2007) explains that indicators are "...specified to measure performance in relation to inputs, activities, outputs, outcomes and impacts. The challenge is to specify indicators that measure things that are useful from a management and accountability perspective. This means managers need to be selective when defining indicators" (National Treasury, 2007: 6).

Thus, in arriving at a common understanding of an indicator as a measure that is tracked systematically over time to signal progress toward a target (Morra Imas and Rist, 2010: 117), it is helpful to unpack the different levels at which measurement can be tracked relevant to government intervention. The following provides definitions of the concepts that make up an intervention's sequential logic, and provides a useful set of ordinal concepts for showing comparable definitions from Morra Imas & Rist's 'Road to Results' (2010) text and the FMPPi (2007).

Concept	FMPPI (2007)	Morra Imas & Rist (2010)
Inputs	All the resources that contribute to the production and delivery of outputs. "What we use to do the work," including finances, personnel, equipment and buildings.	Resources that go into a project, program or policy (funding, staffing, equipment, curriculum materials, and so forth)
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".	What we do. Activities can be stated with a verb ("market," "provide," "facilitate," "deliver").
Outputs	The final products, or goods and services produced for delivery. Defined as "What we produce or deliver".	What we produce. Outputs are the tangible products or services produced as a result of the activities. They are usually expressed as nouns. They typically do not have modifiers. They are tangible and can be counted.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes are "what we wish to achieve".	Why we do it. Outcomes are the behavioural changes that result from the project outputs (quit smoking). Outcomes can be increased, decreased, enhanced, improved or maintained.
Impacts	The results of achieving specific outcomes, such as reducing poverty and creating jobs.	Long term changes that result from an accumulation of outcomes. Can be similar to strategic objectives

From the above there are clear synergies between existing policy and commonly accepted international definitions of the key concepts related to indicators. The international definitions do provide more detail, which when read in conjunction with the FMPPI are instructive in terms of the task at hand.

The FMPPI (2007) also provides for "direct" indicators, as well as indicator measures that span across the intervention levels mentioned above, including economy, efficiency, effectiveness and equity indicators, although these are less well defined. Nevertheless, the following figure captures well the various levels at which indicator measures can be found which can inform this discussion:

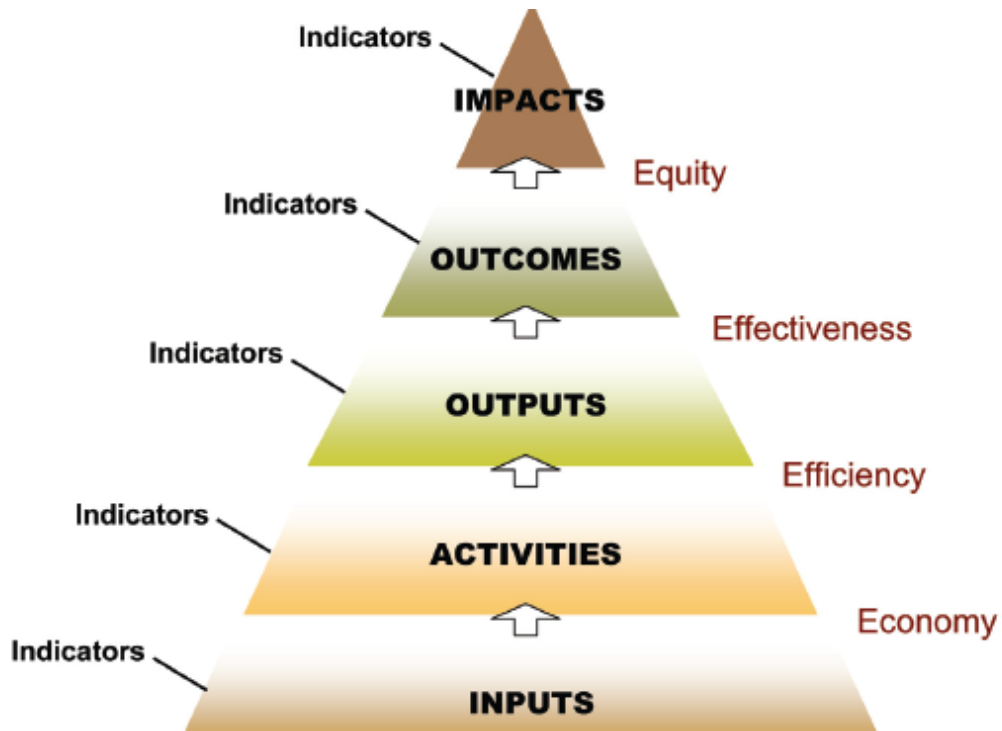


Figure 2: Indicator levels across an intervention and their orientation

6.2 The Results Framework at City Scale

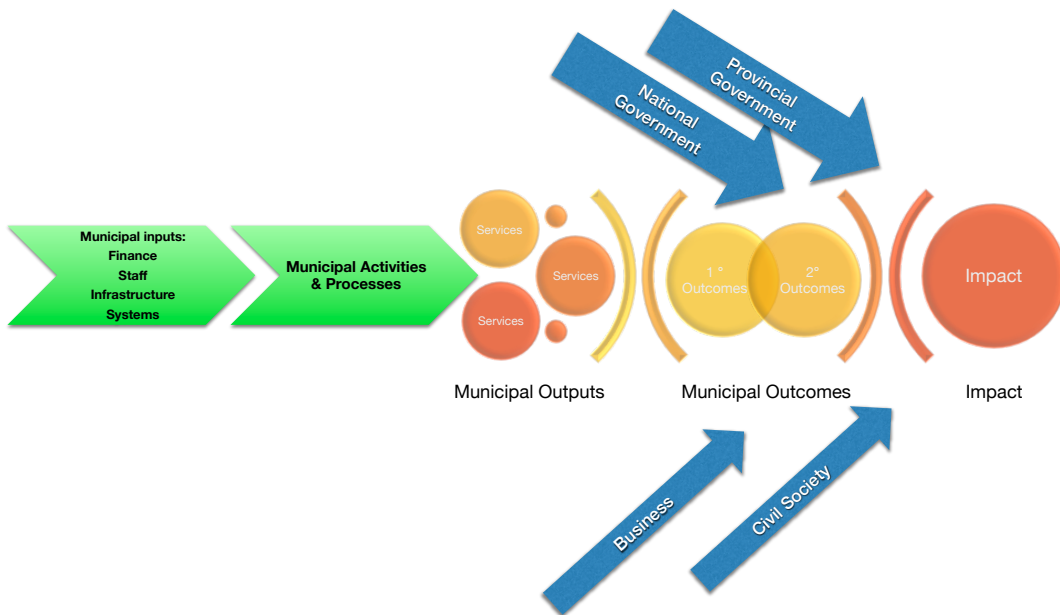


Figure 3: Results Framework at City Scale

The diagram above frames the results chain for the city administration, describing municipal inputs, which through municipal activities and processes are transformed into services. These interact on the external system, mainly people and communities and produce a layering of outcomes. The ultimate outcome is referred to as impact. Both outcomes and impact are not entirely attributable to city administration outputs, but are also influenced by externalities from national and provincial governments, business and civil society.

This results chain is unpacked further.

6.3 Unpacking the enablers

The following schematic proposes a structural framework for understanding the enablers for built environment functions: inputs, activities and processes and outputs.

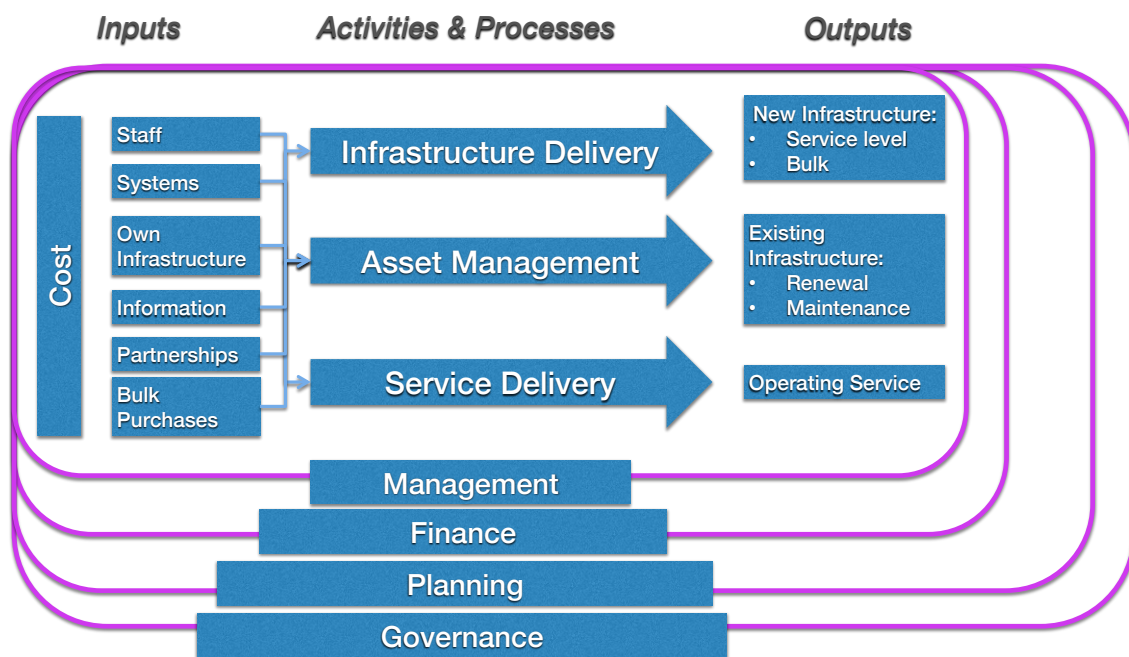


Figure 4: Framework for Built Environment Enablers

The schematic above suggests that cost is the underlying input beneath that of staffing, necessary systems, own infrastructure (buildings and vehicles), information, partnerships and bulk resources purchased. These are transformed through the following processes into outputs:

- Infrastructure delivery processes create new infrastructure
- Asset management processes renew and maintain existing infrastructure
- Service delivery processes ensure an operating service

Four sets of meta-activities hold this system together through management, financing, planning and governance. The latter two are focused on the broader results chain and are not confined to the input-output chain.

6.4 Unpacking outcomes for the built environment

Below is a proposed framework for outcomes that reflects the layering of outcomes in a hierarchy with regard to built environment services:

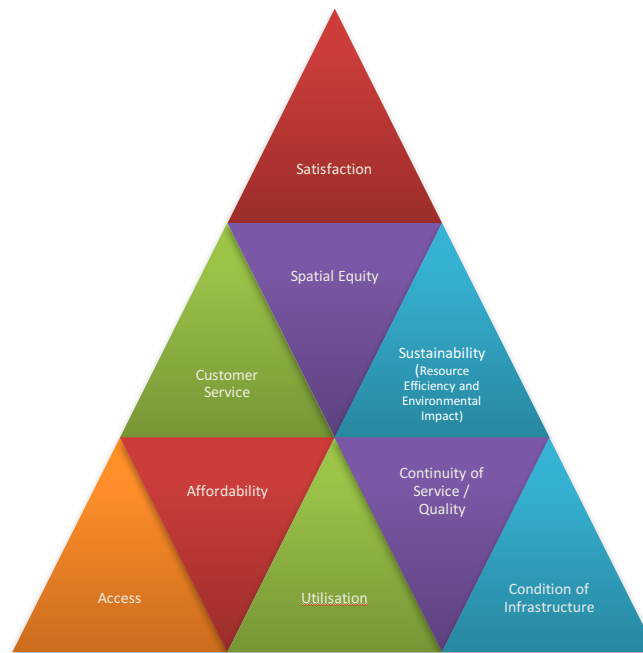


Figure 5: A Framework for layered outcomes for built environment services

The following is suggested as a framework for this:

- Access
- Utilisation
- Affordability (Tariff- & Levy-funded)
- Quality or Continuity of supply (system downtime)
- Condition of infrastructure
- Sustainability (Resource Efficiency & Environmental Impact)
- Customer service
- Citizen Satisfaction

6.5 Unpacking Impact

Impact for built environment services ultimately is about whether citizens' lives are improved. Longevity and prosperity are key dimensions of this and can be measure, on their own or through indices such as the human development index (HDI). However this framework for ultimate impact could also incorporate perceptions on quality of life, already being measured by cities, and potentially as some countries do, happiness.

7 Design Principles

This section intends to propose a set of key design principles that need to inform the ongoing development of each system and the 'system' as a whole. It is important that these principles are supported and that stakeholders and their individual systems align to these principles.

7.1 Background to the principles

In order to identify a set of principles to inform the selection and development of a set of indicators and the overall system for the built environment in South Africa's 8 metropolitan municipalities, it is important to firstly agree on what is meant by an indicator. This includes a description of the typologies and varieties, as well as the characteristics of good indicators. Much of the international literature in this area is borne out of drive to establish and implement results-based monitoring & evaluation systems. An identification of these principles therefore cannot be complete without first understanding the general overarching concepts, definitions and thinking around results-based M&E systems internationally, contextualising it locally within South African policy frameworks, and considering the intended application for built environment. A common set of principles will therefore be distilled to inform the selection and development of indicators for a rationalised, streamlined set of reporting arrangements for the built environment.

7.1.1 Defining an indicator

Kusek & Rist (2004) define indicators as "... the quantitative or qualitative variables that provide a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of an organization against the stated outcome" (Kusek & Rist, 2004: 65). They can exist on multiple levels, in any number of ways, all with different degrees of utility and relevance depending on the user. The following quote explains:

Indicators should be developed for all levels of the results-based M&E system, meaning that indicators are needed to monitor progress with respect to inputs, activities, outputs, outcomes, and goals. Progress needs to be monitored at all levels of the system to provide feedback on areas of success and areas in which improvement may be required (Kusek & Rist, 2004: 65).

1.1.1.1 Principles informing the selection of indicators

The selection of indicators within this system therefore need to abide by a common set principles as well since every piece of data transmitted within the system needs to be rationally determined and service a purpose. The indicators, when disaggregated, comprise the full set of data which flows through the performance monitoring and reporting system and it therefore imperative that they are selected in a manner that takes a whole system approach.

Work by the Leadership Council for Sustainable Development Solutions Network (LCSDSN, 2015) is helpful in setting out some broad principles in this regard. The following 10 principles have informed the working group on the draft set of indicators for the Sustainable Development Goals and the post Millennium Development Goals (MDG) agenda:

1. Limited in number and globally harmonized
2. Simple, single-variable indicators, with straightforward policy implications
3. Allow for high frequency monitoring
4. Consensus based, in line with international standards and system-based information
5. Constructed from well-established data sources
6. Disaggregated
7. Universal
8. Mainly outcome-focused

9. Science-based and forward-looking
10. A proxy for broader issues or conditions (LCSDSN, 2015)

These ten principles resonate with the same principles set out in the 'Guideline for Framing Performance Indicators for the Metros in South Africa' (National Treasury, 2013). It begins by foregrounding the strategic objectives, or in this case goals, and set out the following principles, all compatible with the above:

- In order to limit the administrative burden, the emphasis should be on *fewer* indicators clearly linked to spatial transformation, rather than *many* indicators that measure performance across a wide range of specific sectors of service delivery, housing or infrastructure;
- The emphasis should be outcome indicators, rather than inputs and outputs to give municipalities some flexibility and discretion to adapt their specific strategies to local conditions and local priorities, and avoid micro-management from above;
- Each indicator should not require undue original effort to collect the relevant data, and it should be feasible to repeat the exercise over time;
- Indicators should be reasonably simple, understandable and meaningful to the municipality;
- They should be replicable, i.e. independent of the actors using them. They should have an unambiguous definition and be capable of objective measurement;
- Indicators should be timely (i.e. record performance within a reasonable time-frame) and be capable of showing a trend over time;
- They should be sensitive to a change in performance, rather than broad-brush.
- Indicators should be 'action-worthy' (World Bank, 2012), i.e. help to answer the question "which direction is better?", thereby pointing to how decisions might be improved to achieve better urban development outcomes.
- They should be 'actionable', i.e. specific enough to point towards policy actions that can address the problem.
- The adoption of indicators should be incremental, to build on existing frameworks and systems, and allow time for measurement technologies to be introduced (National Treasury, 2013).

Where there is the possibility of tension between high-level, outcome indicator focussing on the urban form and built environment with those lower-level indicators (National Treasury, 2013: 27), the orientation should be towards the end user, namely the people of the metro, with recognition that lower level indicators may still be collected but do not make up the core data elements within this built environment performance monitoring and reporting system since it is expected to operate at a strategic level.

Thus, when we apply the above at metro level a broad set of principles should inform indicator selection overall. These customized principles include:

1. Limited in number and harmonized across metros
2. Mainly focused on the four built environment goals and associated results
3. Constructed from established data sources insofar as possible, with identification of new data sources as appropriate
4. Simple, single-variable indicators, with clear built environment policy implications

5. They should be scientifically-based, objectively measured, replicable and forward looking
6. They should allow for high frequency monitoring at regular intervals
7. They should be disaggregated by locality, allowing for measures of sensitivity in performance
7. Universal applicability for all metros that meet pre-conditions
8. Consensus-based, in line with local standards, regulations and reporting requirements
9. A proxy for other built environment issues or conditions (As adapted from LCSDSN, 2015).

7.2 Proposed Principles

The following are proposed principles for an integrated intergovernmental reporting system for cities. The word system is used here in a broad conceptual sense and does not imply one system. These principles are intended to apply to each constituent system as well as the aggregate holistic 'system'. The concept of systems referred to here are not concrete IT systems, but refer to a systematic way of defining, requiring, collecting, analysing and responding to performance data. IT systems may form a part of these.

7.2.1 Complementary

There currently is a plurality of systems and monitoring initiatives. This is not a bad thing. As they will often fulfil different purposes for different stakeholders, diversity in local government monitoring and evaluation should be valued, as opposed to putting all the M&E 'eggs in one basket'. However, duplication and fragmentation should be avoided through proper co-ordination and partnership by stakeholders in the sector to ensure that systems are complementary and that as much integration as possible can be realised, without compromising diversity. At the level of each indicator, there should be no duplicative reporting of indicators from local to national.

7.2.2 Fit-for-purpose

Purposes of individual systems will differ. Some are intended for exercising accountability, regulation and enforcement. Others are intended to foster learning and improvement. Individual systems within the national system need to be fit for purpose. Their mechanisms of agreement on indicators, collection of data, rigour in treating data, the publication and presentation of performance data and the resulting consequences need to be designed for purpose.

7.2.3 Results-based

While it will be necessary to measure inputs and activities, on aggregate the collective reporting system for cities should be results-based and ensure an adequate emphasis on outputs, outcomes & impact. Individual systems, owned by different stakeholders are likely to have a specific emphasis in the results chain that is appropriate to their purpose.

While it will still be necessary to measure inputs and activities, there needs to be clear line of sight to outputs, outcomes and to some extent impact.

Sufficient attention needs to be placed on outcomes in the system. This document proposes a framework for built environment indicators against the results chain.

Particularly for systems that prize accountability as its purpose, they need to adequately cater for the appropriate use of accountability in the results chain. An organisation's inputs, activities and the production of outputs are always within its control, by definition. This does not mean that accountability systems should avoid outcomes and impact. These systems still need to be outcome-based ensuring line-of-sight, in order to assess the ability to plan and lead. While it is difficult to hold individuals, like managers, accountable for outcomes, there are still some outcomes, sufficiently attributable, that it will be inappropriate for leaders to be let off the hook for. Achievement of outcomes is what leadership is needed for.

It will be important that the Office of the Auditor-General is brought on board in the appropriate treatment of these outcomes.

7.2.4 Simple but Sufficient

Simplicity is highly prized. The ability to focus on fewer, simply constructed indicators that can be used as a proxy for as many issues, is highly aspired to.

However, it is important that sets of measures are sufficient to assess performance and that the measures selected do not provide a skewed, selective and incomplete assessment of performance.

Where viable proxy indicators that are sufficiently relevant and attributable and provide a comprehensive picture of a range of issues, should be explored for simplicity.

7.2.5 Distinguish performance and capacities

If capacity is the 'means' to achieve goals (UNDP), then what is the relationship between capacity and performance (achievement of goals)? It is argued that both 'means' and 'will' are required in the achievement of goals. Leadership is defined here as behaviours that exercise the 'will' to achieve goals, while overcoming constraining conditions and circumstances. It is not only confined to leaders.

This definition of leadership places it in an important position of mediating capacity to realise performance as indicated diagrammatically below. It is treated as 'black – box' not often seen by the external world, difficult to codify, regulate or measure. It is generally apparent whether it is there or not, like when low capacity institutions perform well or conversely when high capacity institutions fail.



Figure 6: Distinction between performance and capacities

In the diagram above, human and organisational capacity are separated from that of institutional and societal capacity, as the latter set are outside the control of the organisation being viewed and form the external context which leaders and the organisations can influence, although indirectly and lagging over time.

It is important to conceptually distinguish city performance from human and organisational capacities (inputs) and institutional and societal capacities (context).

7.2.6 Powers and functions focused

Performance reporting for cities and local government in general should be guided by and focused on their authorised powers and functions. Some flexibility will need to be provided for functions that are in the process of devolution.

It is well known that all municipalities are not alike, and there is a diversity of contextual conditions and powers and functions, warranting differentiation e.g. Cities in this case.

However universal systems and approaches are also valued and systems should not be unnecessarily differentiated. Indicators and assessments systems should be as universal as possible, complemented by differentiation where necessary. Accepting extreme differentiation means that it is not possible to compare the performance of any two municipalities, as they are different. Many of the expectations of local government, irrespective of context are universal, rooted in our bill of rights and the rest of the constitution.

7.2.7 Triangulation and Balance

Triangulation refers to richness that a measurement or assessment process can have if it relies on utilising multiple sources that are as divergent as possible. Assessments that rely on data reported by managers provide a limited perspective. A richer assessment is provided when it involves data from politicians, staff, citizens, civil society, other spheres of government, academia and regulators. This is even further enriched when a variety of data collection methodologies is used that covers surveyed perspectives, direct measurement, and observation. In effect this principle underpins the point that diversity, of sources and methodologies, enrich and make more robust, the overall assessment.

7.2.8 International Alignment

Particularly for cities, which are emerging actors globally, there are common global expectations. It is important to be able to assess our cities in comparison with other cities, particularly with regards to emerging common expectations such as the Sustainable Development Goals to replace the Millennium Development Goals. International alignment at the same time needs to be complemented by home-grown indicators of domestic importance where these are not sufficiently addressed in universal global indicators.

7.2.9 Reciprocation

Respect, particularly intergovernmental respect is an important principle of these systems. Ad-hoc, urgent crisis and poorly designed reporting, exercised through hierarchical relationships, is a regular example of disrespect. So too is a lack of co-operation with well-conceived and introduced systems.

Reciprocation refers to the importance of giving back. Those that are reporting should find both the reporting process and its outcome valuable. At the very least they should receive feedback and preferably analytical and comparative feedback that adds value to their planning.

7.2.10 Open & Transparent

It is appreciated that there may be circumstances where performance information should not be made public, particularly where it concerns performance of individuals not in leadership positions. However the default should always be that performance information should always be publically shared or available, unless there is rational and justifiable reason why it would be unfair or prejudicial to do so.

7.2.11 Collection at most appropriate scale

Where similarly specified data needs to be collected at scale larger than cities or across all municipalities, this should ideally be done at higher scale on behalf and in partnership with local government. Particularly stats SA has a critical role to play of partnering with local government in collecting consistent household information for the measurement of outcomes of the built environment functions.

As far as is possible data should be collected in a way that it can be disaggregated below city scale. The most important disaggregation is spatially into spatial units below that of the city such as regions, integration zones, with wards and EA's being the most desired and basic form of spatial disaggregation. However disaggregation of data by vulnerable groups is also desired to ensure that achievement of targets at city scale is accompanied by similar achievement for vulnerable groups. Vulnerable groups here would be specific to the indicator. For example Average trip time in peak traffic, could be disaggregated for learners and for disabled people.

8 Criteria for a good performance indicator

The section proposes criteria for consistent selection of good indicators. Selected indicators will need to adequately comply with all criteria.

8.1 Background to the criteria

Existing policy is also a useful starting point in terms of a common set of principles for constructing a good performance indicator. The FMPPI (National Treasury, 2007: 7) set out that a good performance indicator should be:

Reliable: the indicator should be accurate enough for its intended use and respond to changes in the level of performance.

Well-defined: the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.

Verifiable: it must be possible to validate the processes and systems that produce the indicator.

Cost-effective: the usefulness of the indicator must justify the cost of collecting the data.

Appropriate: the indicator must avoid unintended consequences and encourage service delivery improvements, and not give managers incentives to carry out activities simply to meet a particular target.

Relevant: the indicator must relate logically and directly to an aspect of the institution's mandate, and the realisation of strategic goals and objectives (National Treasury, 2007: 7).

These principles are similar to another set of widely accepted international criteria applying the acronym CREAM. The CREAM of selecting a good performance indicator is the following recognized criteria (Schiavo-Campo, 1999 in Kusek & Rist, 2004: 68):

Clear- Precise and unambiguous

Relevant- Appropriate to the subject at hand

Economic- Available at a reasonable cost

Adequate- Provide a sufficient basis to assess performance

Monitorable- Amenable to independent validation (Kusek & Rist, 2004: 68).

This set of criteria is mostly consistent with the FMPPI, really just compounding reliability and verifiability into the more ambiguous 'monitorable'; both of which share similarities with StatsSA's eight dimensions of data quality in SASQAF (2010). StatsSA applies a similar set of principles used in the selection of statistics:

Relevance- extent to which it meets the needs of clients and sheds light on the issues most important to users

Accuracy- is the degree to which it describes the phenomena it was designed to measure. It is the closeness between the estimated and true (unknown) values. Measured by sampling error and non-sampling error.

Timeliness- refers to the delay between reference point to which the data pertains and the date on which it becomes available, as well as the frequency and punctuality.

Accessibility- refers to the ease with which it can be obtained from the agency, including the suitability of the form and medium, including cost considerations.

Interpretability- refers to the ease with which users can understand statistical information through the provision of metadata.

Coherence- reflects the degree to which it can be successful brought together with other statistical information in a broad analytical framework.

Methodological soundness- refers to the application of international, national or peer-agree standards, guidelines and practices for statistical outputs.

Integrity- refers to the values and related practices that maintain confidence in the agency producing statistics and ultimately the statistical product (StatsSA, 2010: 4).

The SASQAF data quality dimensions introduce a greater degree of technical rigour, unpacked across multiple indicators and levels for each of the above dimensions. However, they are useful for benchmarking purposes and help to take stock of the principles that all indicators should ultimately endeavour to meet on an individual basis.

Referring back to the FMPPI (2007), attempts to ensure that indicators used in government planning meet the originally proposed criteria are best reflected in proposed descriptions for performance information included in the 'Framework for Strategic Plans and Annual Performance Plans,' Annexure E- Technical indicator descriptions and examples (National Treasury, 2010). This definition outline assumes that by setting out the following, that the aforementioned principles would be observed:

Table 1: Technical indicator description (National Treasury, 2010: 42)

Indicator title	Identifies the title of the strategic outcome oriented goal, objective or programme performance indicator
Short definition	Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator
Purpose/importance	Explains what the indicator is intended to show and why it is important
Source/collection of data	Describes where the information comes from and how it is collected
Method of calculation	Describes clearly and specifically how the indicator is calculated
Data limitations	Identifies any limitation with the indicator data, including factors that might be beyond the department's control
Type of indicator	Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity
Calculation type	Identifies whether the reported performance is cumulative, or non-cumulative
Reporting cycle	Identifies if an indicator is reported quarterly, annually or at longer time intervals
New indicator	Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year
Desired performance	Identifies whether actual performance that is higher or lower than targeted performance is desirable
Indicator responsibility	Identifies who is responsible for managing and reporting the indicator

The above provides a sound starting point for an individual indicator description, but this should of course be amended as appropriate to ensure that the exercise of describing the indicator is itself sufficient for meeting the conditions on which an individual indicator should be judged.

8.2 Proposed criteria for good indicators

Thus, in agreeing on how to select a specific indicator for the purpose of a built environment performance monitoring and reporting system, the following distilled criteria are proposed:

- **Precise definition** - the indicator needs to have a clear, precise definition that is unambiguous
- **Verifiable** – indicators which are within the direct control of the municipality (inputs, activities and outputs) and come from established and trustworthy sources are verifiable by nature, yet outcome indicators have a broader range of factors which influence them and are not necessarily verifiable
- **Cost-effective** - the cost of sourcing and collecting the indicator must be commensurate with its utility within the system in relation to other indicators
- **Relevant** - the indicator must relate logically and directly to the overarching goals and results of built environment interventions for people in metros. It must be sufficiently, not necessarily entirely, **attributable** to the entity being assessed.
- **Accurate** - the indicator title, definition and means of sourcing the data must accurately reflect the phenomena it purports to measure. It should be as sensitive as possible to change in performance. However insensitive indicators such as yes/no compliance indicators are sometimes the most sensitive measures available and thus adequate.
- **Timeliness** - the indicator must be able to be collected at regular intervals without substantial delays interrupting the frequency with which the data is available. Timeliness is relative to the purpose that the indicator is being measured for.

- **Appropriate** - the indicator must be useful for guiding improvements in service delivery and have been formulated in a manner that mitigates the risk of unintended consequences or perverse incentives associated with its achievement, and complements the existing indicator set in relation to the overarching goal.
- Indicators must be a **meaningful** reflection of performance. This means that there must be a clear relationship between the indicator and performance. Improved or declining performance should directly related to movements in the indicator measurement.
- **Comparable** – Performance should be universally comparable across geographical space and over time. Indicators should be comparable across all municipalities or at least within a selected category of municipalities. Indicators that are a comparison with a municipality’s own target or previous performance are statistically not comparable across municipalities. Indicators should be comparable across time, thus enabling longitudinal trends. Event related indicators are not often comparable across time.

In this way indicators can take the form of simple indicators, even those that represent a binary state of compliance, or be sophisticated indices, composed of multiple components aggregated together. They can also be represented by trend-lines provided that horizontal data exists to provide a longitudinal view over time.

9 Protocols

There is extensive duplication in two areas in particular, which prompts the creation of a reporting protocol. A reporting protocol is a standardised set of indicators which are reported on, which are available to a number of different stakeholders. Standardised reporting protocols could significantly reduce the amount of reporting required, as well as create a standard, agreed upon, set of definitions that cities report on.

The areas in which these are particularly appropriate are in service delivery and job creation. There may be a case to create a reporting protocol for housing types and access, the Department for Human Settlements will need to pursue this further.

9.1 Service delivery to dwellings

There are a number of current indicators intended for tracking both access to services and provision of new services to dwellings. These are often required by a number of national departments with slightly different definitions. A single protocol is proposed for reporting on this below. Of note, dwelling are proposed to be the units to be used for accounting for access to services and new provided services.

The following two protocols are proposed for reporting on access to dwelling-based services and provision of new services to dwellings. It is intended to be applied to services such as:

- Water provision
- Sanitation
- Electricity provision
- Refuse collection
- Access roads

The actual Level of Service (LOS) and dwelling type which the reporting will be based upon will need to be determined by the appropriate department and StatsSA.

Table 2: State of access to service by dwellings in settlement type

	Urban Informal	Urban Formal	Rural	Traditional	Total
Number of dwellings with LOS1					
Number of dwellings with LOS2					
Number of dwellings with LOS3					
Number of dwellings with LOS 4					
Total					

Table 3: Newly provided service by dwellings in settlement type

	Urban Informal	Urban Formal	Rural	Traditional	Total
LOS1 – New Connections					
LOS2 – New Connections					
LOS3 – New Connections					
LOS4 – New Connections					
Total					

9.2 Job creation

Similarly many government programmes require reporting on job creation. The protocol proposed below will enable a standardised set of categories in which the job creation programmes will report on.

Table 4: Job creation reporting protocol

		Number of men	Number of women	Number of male youth (18-35)	Number of female youth (18-35)	Number of people with disabilities
Job opportunities created through EPWP	Unskilled					
	Semi-skilled					
	Skilled					
Job opportunities created through XXX	Unskilled					
	Semi-skilled					
	Skilled					

Each programme which focusses on job creation will require a separate set of rows. It is important to note that this is not necessarily an exhaustive list of all the options, but is a proposal for the Department who will be a custodian of this protocol to start with.

10 Technical indicator descriptions

In order for an indicator to be reported on consistently and accurately, there needs to be sufficient information available about the indicator for the entity or person who is reporting on the indicator. It is recommended that every indicator which is reported on has a technical indicator specification sheet.

A proposal for a technical indicator specification sheet is presented below. Not all of the fields will be filled in for every indicator.

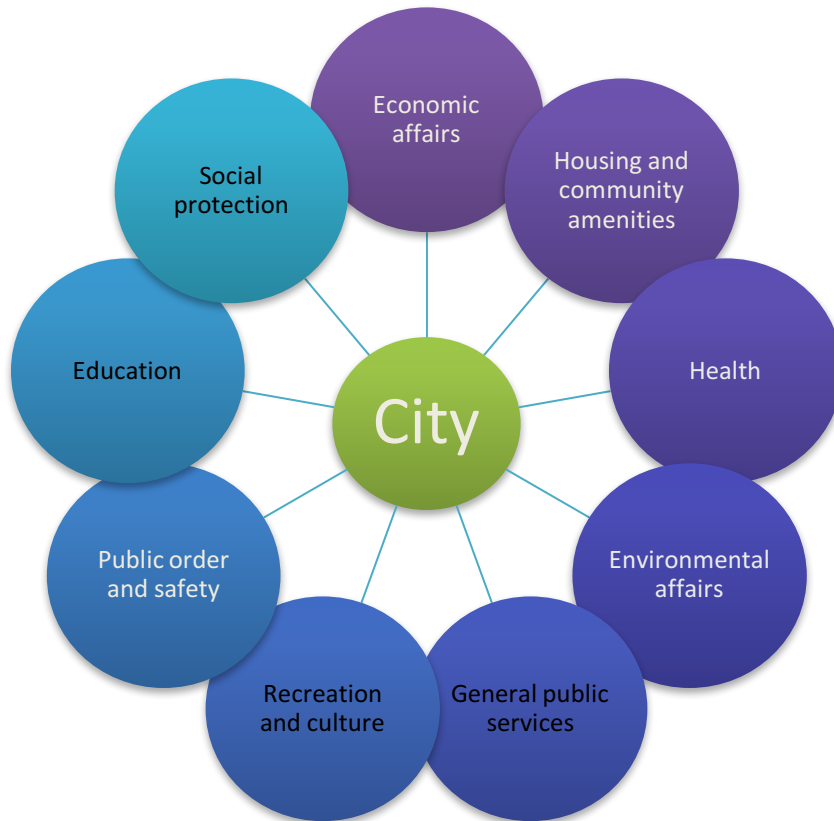
Table 5: Proposal for a technical indicator specification sheet

Technical indicator description sheet							
Indicator short name	Indicator title	Category	If the indicator forms part of a category within the reporting set, it is stated here	Rationale	Provides the logic behind the inclusion of the indicator as a reporting requirement		
		Sub-category	If the indicator forms part of a sub-category within a category, it is stated here		Definition	Provides a detailed explanation of what the indicator is intending to measure	
Code	If the indicator has a number or code it is shown here for reference purposes	Unit of measurement	Unit of measurement of the indicator	Indicator Formula	The formula used to calculate the indicator (should be stated in terms of the data elements below)		
Indicator origin	If this indicator is aligned to other sets of indicators, state its origin, particularly if part of an international reporting set			Frequency of reporting	The frequency that the data will need to be reported on		
Notes on calculation	Identifies whether the reported performance is an average over the time period, at the end of the time period or cumulative and further notes as to how the indicator is calculated			Additional notes	Other information which does not fit in another field		
Data Element 1	Data element title	Source	Likely source of the data element (Annual October Household Survey; Housing Subsidy System registered housing applications in the Cape Town metro; Valuation roll 2014, etc.)	Data Element 2	Data element title	Source	Likely source of the data element (Annual October Household Survey; Housing Subsidy System registered housing applications in the Cape Town metro; Valuation roll 2014, etc.)
Frequency of collection	The frequency that the data element will need to be collected in order to report on the indicator	Units	The units that the data element will be collected in (for example, households, kilolitres of water, tons, etc.)	Frequency of collection	The frequency that the data element will need to be collected in order to report on the indicator	Units	The units that the data element will be collected in (for example, households, kilolitres of water, tons, etc.)
Definition	Provides a detailed explanation of the definition of the data element			Definition	Provides a detailed explanation of the definition of the data element		
Notes	Any other notes which may be of importance to the data element. If the data element is collected by another entity, the details of the person responsible at the other entity should be reported here			Notes	Any other notes which may be of importance to the data element. If the data element is collected by another entity, the details of the person responsible at the other entity should be reported here		
Data Element 3	Data element title	Source	Likely source of the data element (Annual October Household Survey; Housing Subsidy System registered housing	Data Element 4	Data element title	Source	Likely source of the data element (Annual October Household Survey; Housing Subsidy System registered housing

			applications in the Cape Town metro; Valuation roll 2014, etc.)				applications in the Cape Town metro; Valuation roll 2014, etc.)
Frequency of collection	The frequency that the data element will need to be collected in order to report on the indicator	Units	The units that the data element will be collected in (for example, households, kilolitres of water, tons, etc.)	Frequency of collection	The frequency that the data element will need to be collected in order to report on the indicator	Units	The units that the data element will be collected in (for example, households, kilolitres of water, tons, etc.)
Definition	Provides a detailed explanation of the definition of the data element			Definition	Provides a detailed explanation of the definition of the data element		
Notes	Any other notes which may be of importance to the data element. If the data element is collected by another entity, the details of the person responsible at the other entity should be reported here			Notes	Any other notes which may be of importance to the data element. If the data element is collected by another entity, the details of the person responsible at the other entity should be reported here		

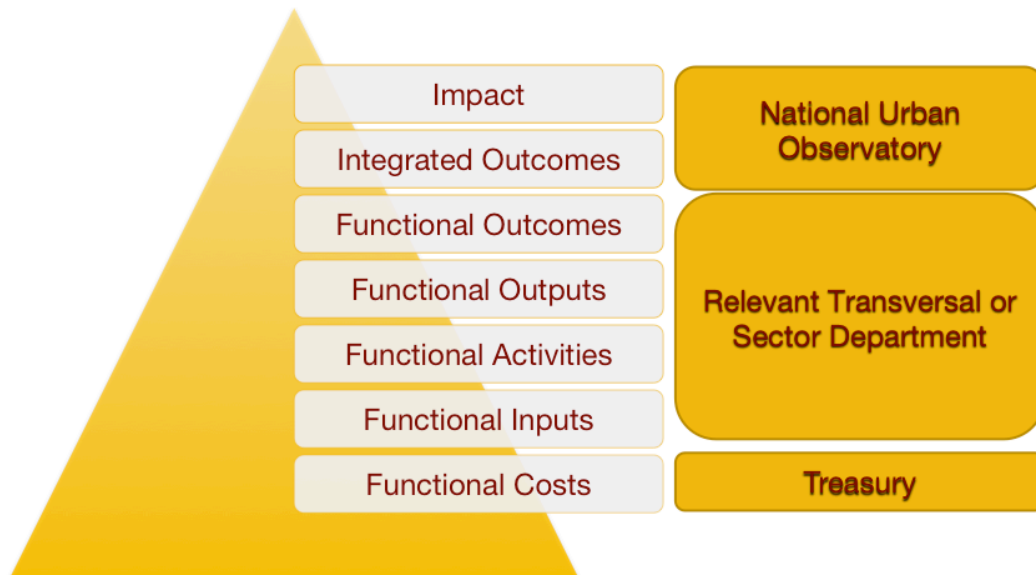
11 Recommendations on Reporting Platform

This section puts forward recommendations for institutional arrangements, systems and capacity for building a co-ordinated reporting platform.



All city functions can be described in terms of a function view provided above, although this is not an exhaustive picture of each function⁹.

11.1 Institutional Responsibilities



11.1.1 Functional Costs and associated concerns

It is expected that National Treasury will be primarily interested in costs per function and associated concerns related to value for money, efficiency and cost-effectiveness. As such National Treasury will continue to monitor budgeting and expenditure, going forward, against a Standard Chart of Accounts.

11.1.2 Functional Inputs to Outcomes

It is assumed that relevant transversal departments e.g. COGTA with reference to Governance, Administration and Planning and Treasury with regard to financial management as well as each sectoral department will be inclined to closely monitor functional inputs to functional outcomes. These departments will still remain the custodians and regulators of functional performance information.

11.1.3 Integrated Outcomes and Impact

Integrated outcomes and impact measures have traditionally not been measured. Over recent years the City Support Programme, the Department of Rural Development and Land Reform, and most recently through the IUDF, COGTA has indicated an interest in this set of indicators. To some extent this body of indicators has also been pursued by the South African Cities Network over the last decade, albeit in a non-regulatory capacity, in attempts to collect data for its State of the Cities publications.

⁹ This classification of services has been taken from the National Treasury's 2011 Budget Review: Structure of the Government Accounts (<http://www.treasury.gov.za/documents/national%20budget/2011/review/Annexure%20W2.pdf>)

The indicators required to adequately measure integrated outcomes and impact are most often outside administrative sets of data and municipalities are ill-equipped to measure and report on these regularly. The majority of data in this space revolves around people's lives and the functioning of society. Much of this information is best measured and researched in specific studies as well as measured through engagements with citizens and other stakeholders through surveys and other data collection methodologies. This document has earlier made the argument that where municipalities are to collect the same information from households, citizens or the labour force, consideration should be given to collecting this data at a higher scale, to achieve economies of scale and comparability.

While an argument is being made for a national urban observatory function to be carried by either an existing institution or new institution, it is clear that they would have to work closely with Statistics South Africa. As outcomes data is used to incentivise performance through the grant system, Stats SA will have to approve this data in terms of the National Statistical Act. There is thus strong grounds to explore how a National Urban Observatory might work together with Stats SA, in co-ordinating the collection of integrated outcomes data and acting as a repository of such information, not only for national departments, but municipalities themselves.

11.2 Reporting Platforms

There are two major choices for approaches to co-ordinated reporting, particularly on functional reporting.

11.2.1 Co-ordinated reporting on independent platforms

In this scenario, departments will continue to determine, regulate, collect data, and monitor municipalities independently, albeit in some manner that is better co-ordinated.

11.2.2 Shared platform for functional reporting

While maintaining the independence of departments to make policy, regulate and monitor municipalities in terms of specific requirements, a shared platform can bring significant efficiencies, co-ordination and integration of available data. A shared platform provides an opportunity to not only link different types of data closely such as budget data, input data such as staffing and service delivery data, but it is also possible to better manage ease-of-use for municipalities coupled with incentives from the grant system for ensuring good quality reporting. The shared platform could be established at an agency such as Stats SA, if need be. It need not function on a compulsory basis of all departments engaging with municipalities and could start with those willing to share a platform. The shared platform will need appropriate governance arrangement to ensure it is owned by all the departments who share the platform.

11.3 Co-ordination to be institutionalised

In order to ensure that reporting reforms are sustained and improved, co-ordination of local government reporting should be institutionalised. It is recommended that a Council for Local Government Performance Information is established. Its role will be to maintain the local government performance information system, by upholding the principles and criteria in this document as well as progressively realising the conceptual framework. Motivations for new reporting asked of local government would need to be approved by this council,

which will ensure adherence to the principles, criteria and framework. It could function in a similar way to that of the Health Research Advisory Council. Members of the council should be nominated by sector departments, SALGA and Cities Network. All members should be considered experts in local government reporting and indicators and be prepared to attend quarterly meetings.

12 Conclusion

In conclusion, the above sets out in broad terms a conceptual framework for performance indicators for the built environment, based on a set of principles for indicator and reporting systems, criteria for indicators and conceptual framework for built environment indicators. It is complemented by proposals for institutional arrangements and responsibilities in order to provide an intergovernmental framework for built environment reporting amongst cities.

13 References

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