



## Koukamma Local Municipality

# Service Delivery & Budget Implementation Plan

Year: 2010/2011

## **FOREWORD BY THE MAYOR**

### **“MAKING LOCAL GOVERNMENT WORK BETTER FOR US”**

Honourable fellow Councillors, officials and stakeholders, the time has come again for us to re view how we have performed over the last period. We have started this year at a very fast speed with a lot of challenges, constraints and problems chasing us. The environment was further affected by many unfortunate and negative dynamics that were not conducive for us to operate effectively.

Most of us are aware that Koukamma is currently the subject of a section 139.1.b. intervention and the following areas have been placed under administration:

- i. Financial viability and management
- ii. Corporate Services (Human Resource/Administration)
- iii. Technical / Infrastructure & Disaster Management
- iv. Public Participation

The overall institutional challenge currently is compliance. We need to instill the commitment and discipline necessary to ensure stability in our Municipality.

We are able to say that we have achieved mixed results in performing our tasks as per our mandate. The intervention has brought some relief in the areas of infrastructure investment and public participation. These two areas reported success which was characterized by:

- i. Infrastructure investment of R177m for roads, housing, electricity
- ii. R13,9m – MIG for refurbishment of water and sanitation plants
- iii. Successful public participation by creating platforms and the establishing of ward committees

We are seriously putting all efforts in place to direct the Municipality towards financial recovery and institutional excellence. We are continuously addressing the challenges to bring municipal governance back on track. We want to bury the past and build on a better tomorrow for all people of Koukamma. The input is aimed at inviting you to become part of the rebuilding of the Koukamma of our dreams.

Lastly, many thanks to my fellow Honourable Councillors, Administrator and officials, workers and staff, political leadership and communities. Let me acknowledge the hand of God for his mercy upon us and His protection over us throughout the trying times.

### **“WORKING TOGETHER WE CAN DO MORE”**

**COUNCILLOR NOEL O’CONNEL  
(MAYOR/SPEAKER)**

## TABLE OF CONTENTS

FOREWARD BY THE MAYOR.....	2
1. INTRODUCTION .....	4
2. BUDGETED REVENUE BY SOURCE .....	10
2.1. Monthly projections of revenue to be collected for each source.	10
2.2. Projections of revenue to be collected for each source - Graph	11
3. BUDGETED EXPENDITURE BY VOTE.....	12
3.1. Monthly projections of expenditure by Vote .....	12
3.2. Projections of expenditure for each vote - Graph.....	13
3.2. Monthly projections of expenditure by Type.....	14
3.4. Budgeted Capital Expenditure by Vote .....	15
3.4. Budgeted Capital Expenditure by Vote Graph.....	16
4. BUDGETED REVENUE BY VOTE .....	18
4.1. Monthly projections of revenue for each vote.....	18
4.2. Projections of revenue for each vote - Graph .....	19
5. CAPITAL WORKS PLAN (Project Register) .....	20
6. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS .	
.....	21
6.1. Organisational Service Delivery Plan.....	21
6.2. Departmental Performance .....	22
6.2.1. Departmental Performance Table .....	22
6.2.2. Departmental Performance Graph .....	23

## 1. INTRODUCTION

### OBJECTIVE

The primary objective is to develop a 12 month plan within which the Municipality has to achieve the following:

- The services represented by the expenditure in the budget
- The income to fund the service delivery.

Circular 13 from National Treasury attempt to commitment all stakeholders to the agreement to work towards specific objectives. This is done within the framework of consultation as outline in Chapter 4 of the Systems Act.

The secondary objective is to reduce to writing the activities of the organization so that it may be subjected to assessment and benchmarking.

It serves as supplementary support document to the approved budget represented as a policy document. It further serves as a record of the Key Performance Areas (KPA) with their corresponding Key Performance Indicators (KPI) or Critical Success Factors (CSF).

### DEFINITION

S ----- SERVICE -----

THAT TANGIBLE AND INTANGLE GOOD(S) AND/OR SERVICE(S) THAT IS A PRODUCT OF OUR EXISTENCE BY MANDATE

D ----- DELIVERY -----

THE "VEHICLE" USE TO ACHIEVE THE SERVICE AT THE RIGHT TIME, PLACE , QUANTITY AND QUALITY

B ----- BUDGET -----

A POLICY DOCUMENT, THAT RECORDS REALISTIC INCOME AND EXPENDITURE AS WELL AS THE INTENDED ACTIVITIES

I ----- IMPLEMENTATION --

THIS REFERS TO THE CONSEQUENCE AND REALIZATION OF DELIVERY. THE ACTION OR EFFORT

P ----- PLAN -----

THIS IS THE SDBIP STRATEGY DOCUMENT SO AGREED BY THE STAKEHOLDERS.

Once the budget has been approved, at least one week before the commencement of the new financial year the SD&BIP must be presented to the Mayor by the Accounting Officer after consultations with Senior Manager and other Head of Departments.

Even though it is not a policy document like the IDP and the Budget it is a vital tool for planning and strategy development. The monitor capability of the PMS system is vitally important towards reporting and achieving service delivery. It is a vital tool for decision-making and contracting mandates from communities.

The layers of this document will see the objectives report by the following listed components as well as the comparisons to the Organizational Performance and in turn linked to the individual directors and their activities within their votes.

The major components of the SDBIP are:

1. Projections of budgeted income and actual income per vote and per activity
2. Projections of budgeted expenditure against actual per vote and per activity
3. Projections of the service (KPA) achieved against budget spending and comment.

These will be illustrated both tabular and graphically.

#### The procedure

The SDBIP was fundamentally divided in two sections namely:

a. *The Service Delivery Component(SD)*

*This is derived from the Performance Management System from which the KPA and it's score are extracted. Here we analyzed the purpose for the existence of the budget into the KPA and the corresponding KPI together with its delivery mechanism.*

b. *The Budget Implementation Plan (BIP)*

*Hereto we made use of controlled stationers to provide the detail associated with every line on the budget. This was to determine the justification for the budget as well as ascertain it directive in support of a KPA. Find filed behind each Departments budget the Budget Input Forms for every line item of expenditure.*

The following Departments exist are:

Main Vote	Sub Vote
Council	Special Programmes
Office of the Municipal Manager	IDP/LED/SPU
Directorate: Financial Service	
Directorate: Corporate Service	
Directorate: Infrastructure Services	
Directorate: Community Service	

The Concept

It is that spending will be indicative of service delivery as a major consideration of whether the KPA was achieved. It is supplemented by a overview report by the Director and endorsed by the Municipal Manager.

### **LEGISLATION**

The Municipal Finance Management Act 2004, Chapter 7, Section 53 (c)(ii), which states:

“take reasonable steps to ensure the Municipalities SD&BIP is approved by the Mayor within 28 Days after the approval of the budget and made public no later than 14 days after that”

Circular 13, from National Treasury provides the departure point for the SDBIP.

Chapter 8 of the MFMA stipulates that the Accounting Officer must submit a draft of the SDBIP to the Mayor within 14 days of the budget being approved as well as a draft of the annual performance agreements required by the Municipal Systems Act

Section 72 (1),(a),(ii) states “ the accounting officer of the municipality must by 25 January of each year-assess the performance of the municipality during the first half of financial year , taking into account-the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan”

These sections leads us to the budget monitoring requirements of section 71 and the rest of section 72 of the MFMA where it is stipulated that the Mayor must check whether the budget is being implemented in accordance with SDBIP.

It should be note that service delivery and its related expenditure is based on the ability to fund the budget. Should a shortage income realize an Adjustment Budgets, in terms of the MFMA, will be tabled.

The effect is that expenditure will be reduced in line with realistic income. This in turn means that service as contained in the SDBIP will then be reduced as well.

### **ROLEPLAYERS**

They include and their respective roles are:

1. The Mayor  
  
As head of the Plenary Council and to provide political leadership and directive. Section 21(a),(b)
2. The Ward Councillor/PR Councillor  
  
As promoter of Ward Committee structure or as representative of a certain sector of the population.
3. The Municipal Manager  
  
As Accounting Officer and administratively charged
4. The Chief Financial Officer  
  
As advisor to the AO and responsible for the administration of the budget. (Section 84, (1).  
  
Senior accountants for reporting and assistance. Delegation- MFMA
5. Senior Managers  
  
As appointed as head of department for the respective services. Section 78, (1).
6. Senior officials and Section Heads  
  
Reporting to Senior Managers and acting under delegation of their superiors.
7. Unions  
  
As recognized body for organized labour being SAMWU and IMATU.
8. External Parties
  - National Treasury- MFMA
  - Provincial Officers and Departments.-MFMA
9. Internal Documents
  - Integrated Development Plan
  - Spatial Development Plans

- Local Economic Development Plan

10. Other

### **ORGANOGRAM AND INISTITUTIONAL ARRANGEMENTS**

The organogram that depicts the structure of employees that supports and delivered the objectives of the organization. The budget is divided into activities together with the employees associated with it.

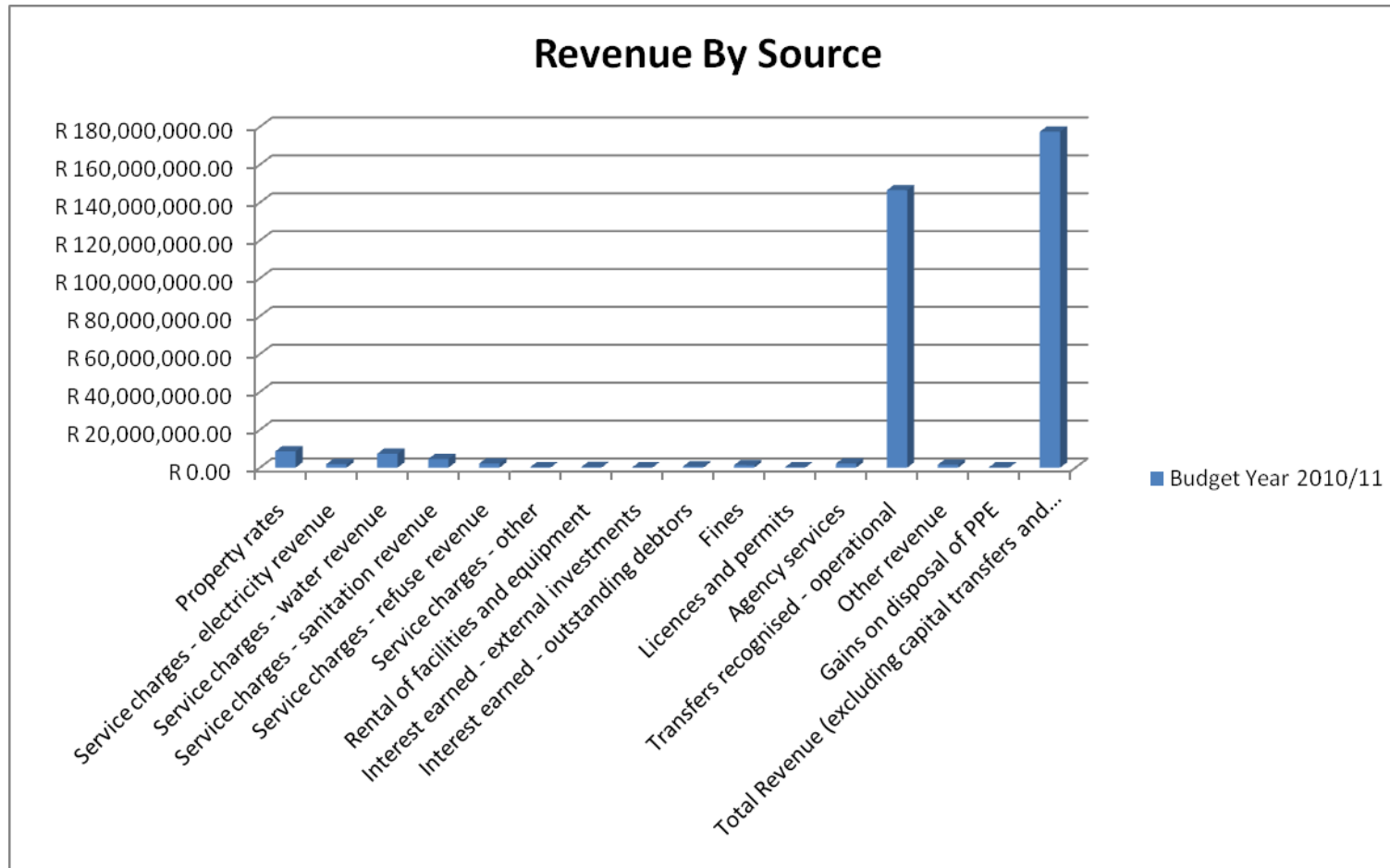




## **2. BUDGETED REVENUE BY SOURCE**

### **2.1. Monthly projections of revenue to be collected for each source**

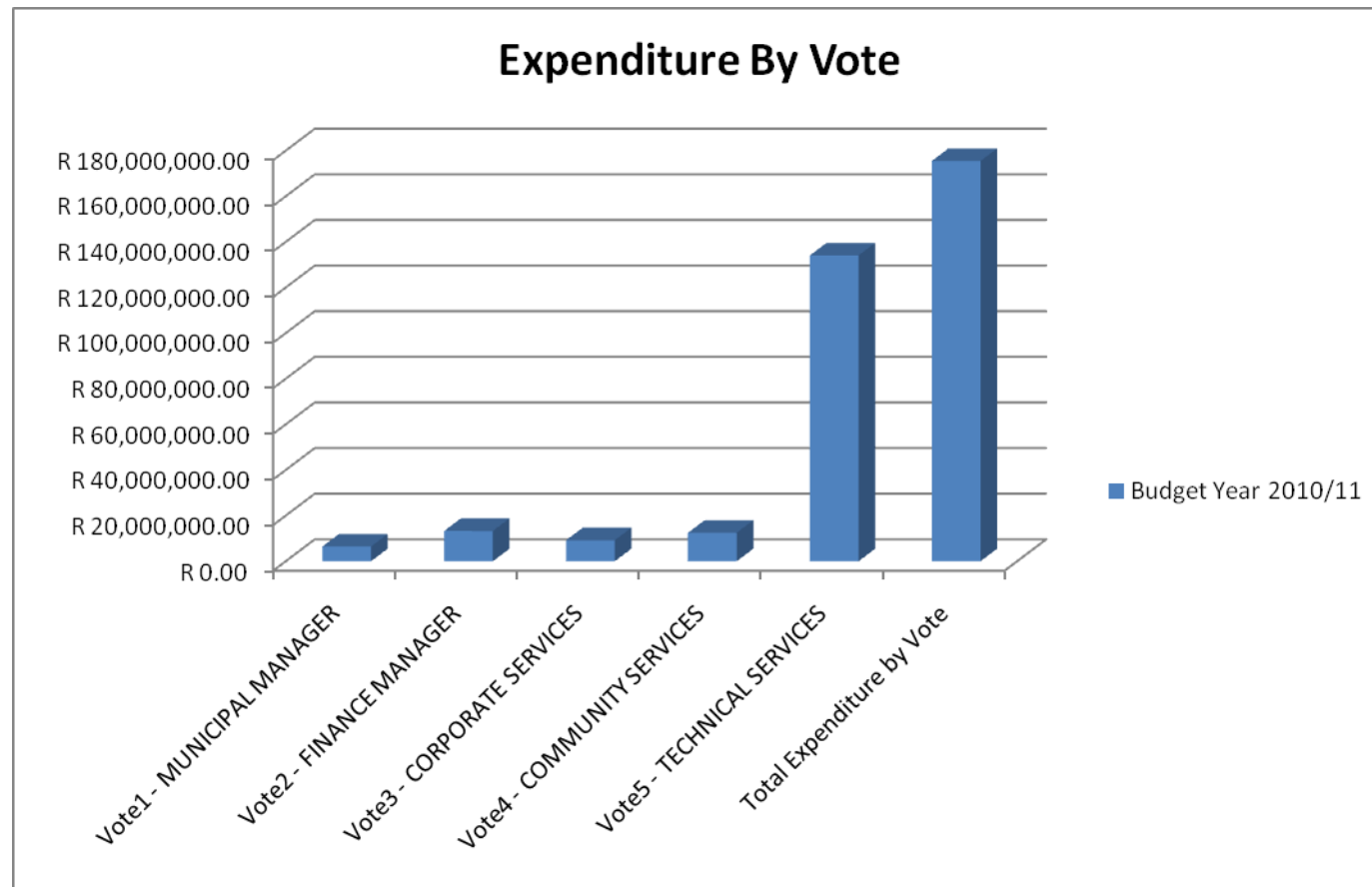
**2.2. Projections of revenue to be collected for each source - Graph**



**3. BUDGETED EXPENDITURE BY VOTE**

**3.1. Monthly projections of expenditure by Vote**

### 3.2. Projections of expenditure for each vote - Graph

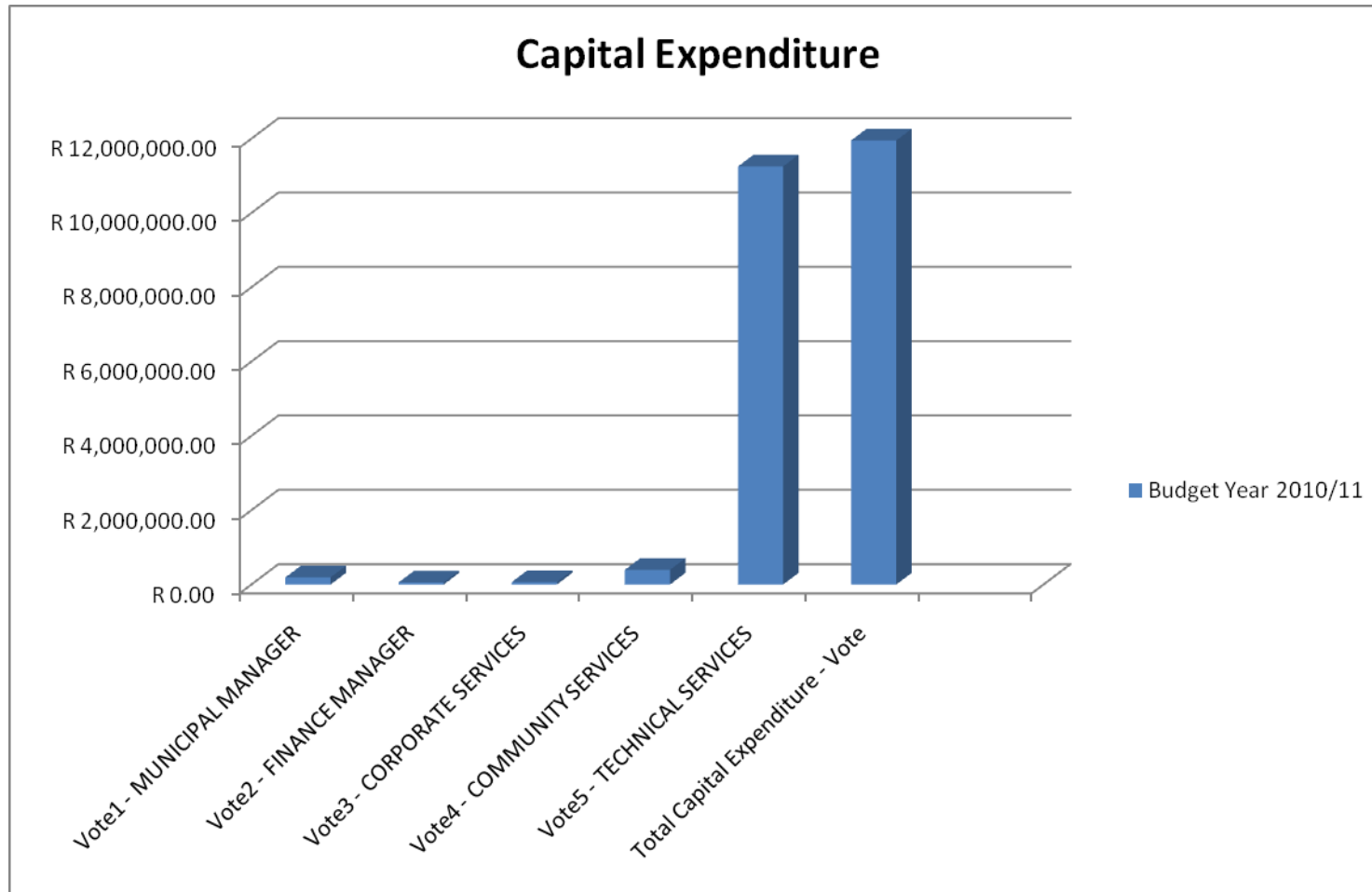


### **3.2. Monthly projections of expenditure by Type**

### 3.4. Budgeted Capital Expenditure by Vote

Capital Expenditure	Budget Year 2010/11
Vote1 - MUNICIPAL MANAGER	R 190 000.00
Vote2 - FINANCE MANAGER	R 53 269.80
Vote3 - CORPORATE SERVICES	R 62 636.00
Vote4 - COMMUNITY SERVICES	R 394 000.00
Vote5 - TECHNICAL SERVICES	R 11 251 384.44
<b>Total Capital Expenditure - Vote</b>	<b>R 11 951 290.24</b>

### 3.4. Budgeted Capital Expenditure by Vote Graph



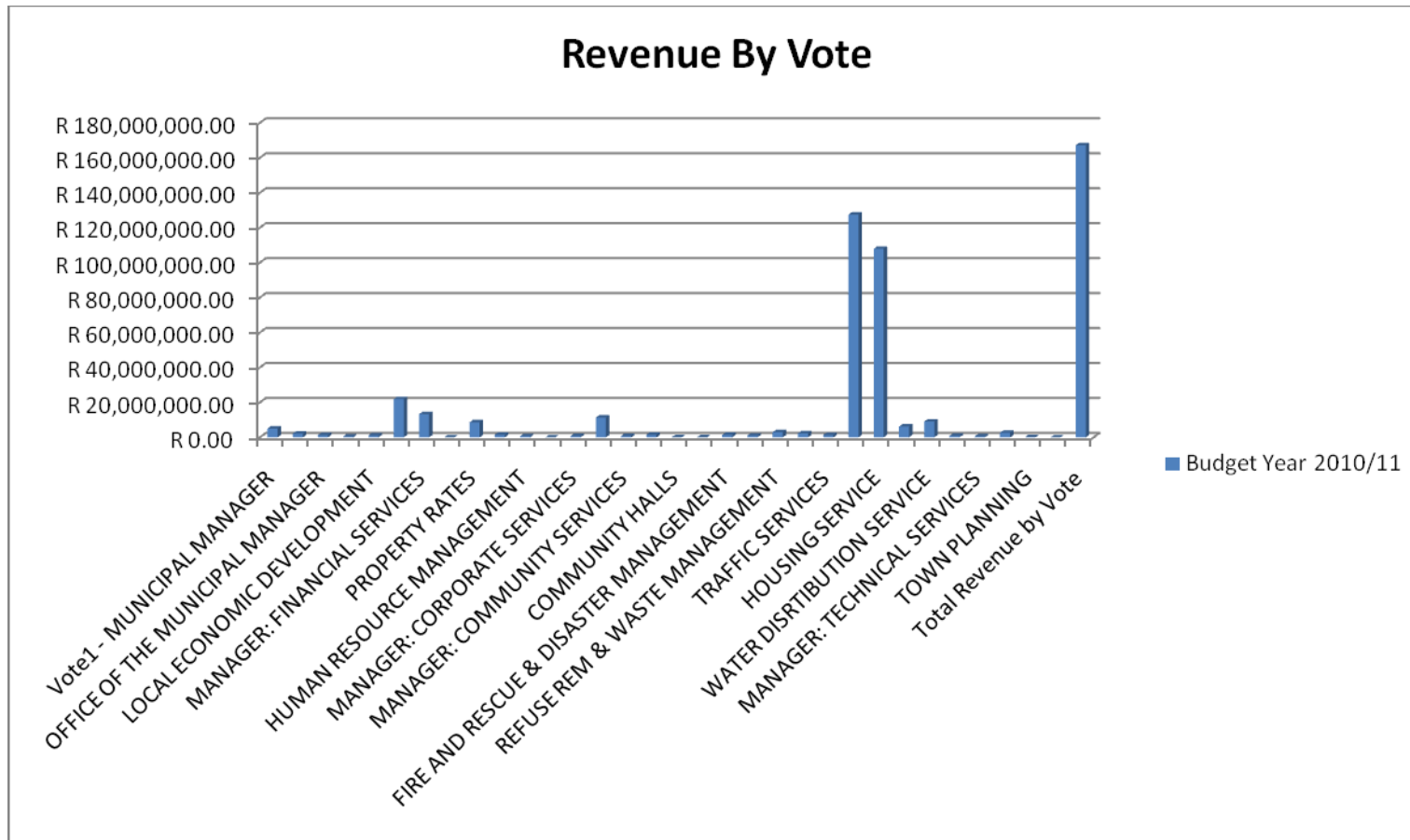




**4. BUDGETED REVENUE BY VOTE**

**4.1. Monthly projections of revenue for each vote**

4.2. Projections of revenue for each vote - Graph



**5. CAPITAL WORKS PLAN (Project Register)**

## **6. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS**

### **6.1. Organisational Service Delivery Plan**

## 6.2. Departmental Performance

### 6.2.1. Departmental Performance Table

Department	Score
Community & Social Services	As per quarterly assessment
Corporate Services	As per quarterly assessment
Executive & Council	As per quarterly assessment
Finance & Administration	As per quarterly assessment
Infrastructure /Technical Services	As per quarterly assessment

### 6.2.2. Departmental Performance Graph

