



**SERVICE DELIVERY AND BUDGET IMPLEMENTATION
PLAN**

2011-2012

FOREWORD BY THE MAYOR

Our service Delivery and Budget implementation Plan(SDBIP) commits Nkonkobe municipality to meeting specific service delivery and budget spending targets during the 2011/2012 financial year. It is a detailed outline of how we will implement the objectives set out in our integrated Development Plan (IDP).

The IDP is agreed upon between local government and communities in the municipality, and is a plan to guide how we spend our budgets, where and what.

There are difficult choices that we need to make, for example, we have to match the amount of budget we receive from national government with the level of services needed in the municipality which are so huge.

Our IDP is guided by the Constitution, which gives specific powers and responsibilities to local government and the Systems Act which deals with all IDP processes. The municipality is responsible for providing roads, electricity distribution in Fort Beaufort, traffic safety, by-law enforcement etc.

This division of responsibilities between different spheres of government is important to understand. Local government cannot address problems in schools, hospitals, or in the South African police, to give just a few examples. These are under the control of the Provincial Government.

After doing careful studies of the main challenges in the municipality, and after consulting widely with the public, the municipality decided that our main focus area for our IDP, and therefore our SDBIP should be infrastructure led economic growth. As a result, the municipality has set aside budget for the establishment of the technical unit.

The municipality sees improvement in infrastructure as a means of attracting investment. Investors create jobs and help to drive development. The main focus is the creation of jobs for everyone, especially for the poor. We want to co-ordinate and strengthen cooperatives. Each ward must have functional and effective co-operatives.

If we don't invest now in better services and infrastructure, we will not be able to create new jobs that are needed. For this reason, our SDBIP and our IDP also focus on making our municipality a more efficient organization, with well managed human resources and enough staff capacity to deliver services in greater quantity and of better quality than ever before. We also devote our attention to alleviating poverty.

Approved by the Honourable Mayor

A.W. Ntsangani

Table of Contents

1. Introduction
- 1.1. Legislative Imperative
2. Linking the IDP to the Budget
3. Reporting on the SDBIP
- 3.1 Monthly Reporting
- 3.2 Quarterly Reporting
- 3.3 Midyear reporting
4. Monthly revenue and expenditure projections by vote
5. SDBIP Scorecard (Departmental Scorecard) Template
6. Three year capital plan 2011/2012-2013/2014
7. Conclusion

1.Introduction

The Service Delivery and Budget implementation plan (SDBIP) give effect to the IDP and the budget of the municipality. It is an expression of the objectives of the municipality, in quantifiable outcomes that will be implemented by the administration for the financial period from 1 July 2011 to 30 June 2012(the municipality's financial year). It includes the service delivery targets and performance indicators for each quarter which should be linked to the performance agreements of senior management. It therefore facilitates oversight over financial and non-financial performance of the municipality and allows the Municipal Manager to monitor the performance of the senior managers, the Mayor/Council to monitor the performance of the Municipal manager and the community to monitor the performance of the municipality.

The purpose of this report is to provide background into the role of the SDBIP and to guide the reader through the relationship between service delivery and the budget. It also provides the reader with the departmental scorecards setting out the departmental objectives with indicators and targets against which the municipality will be held accountable over this financial year.

The content of this document is high-level and strategic and is intended for consumption by the general public and councillors. The SDBIP is a layered plan, with the top layer of the plan dealing with consolidated service delivery targets and linking such targets to top management (MFMA Circular No.13).

1.1 Legislative Imperative

In terms of section 53(1)(c)(ii)of the MFMA, the SDBIP is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following:

- (a) Projections for each month of:
 - (i) Revenue to be collected, by source; and
 - (ii) Operational and capital expenditure, by vote
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed

According to section 53 of the MFMA, the Mayor is expected to approve the SDBIP within 28 days after the approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

2. Linking the IDP to the Budget

The municipality identified four strategic clusters

These are:

1. Institution & Finance
2. LED & Environment
3. Social Needs
4. Infrastructure

The budget is allocated against these strategic clusters. Municipal objectives with measurable Key Performance Indicators(KPIs) and targets are identified. Business plans are developed at departmental level which talk to the objectives of the municipality with indicators, targets and resources(including budget).

3. Reporting on the SDBIP

This section covers reporting on the SDBIP as a way of linking the SDBIP with the oversight and monitoring operations of the municipality.

A series of reporting requirements are outlined in the MFMA. Both the Mayor and the accounting office have clear roles to play preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports for which MFMA outlines very clearly. The reports then allow the Councillors of the Nkonkobe municipality to monitor the implementation of service delivery programs and initiatives across the municipality.

3.1 Monthly Reporting

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 working days, after the end of each month.

Reporting must include the following:

- i. Actual revenue, per source
- ii. Actual borrowings
- iii. Actual expenditure, per vote
- iv. Actual capital expenditure, per vote
- v. The amount of any allocations received

If necessary, explanation of the following must be included in the monthly reports:

- a. Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote
- b. Any material variances from the service delivery and budget implementation plan and;
- c. Any remedial or corrective steps taken or to be taken to ensure the projected revenue and expenditure remain within the municipalities approved budget.

3.2 Quarterly Reporting

Section 52(d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.

3.3 Mid-year Reporting

Section 72(1)(a) of the MFMA outlines the requirements for mid -year reporting. The accounting officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account-

- (i) The monthly statements referred to in section 71 of the first half of the year
- (ii) 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;
- (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if the actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP. The SDBIP is also a living document and may be modified based on the mid-year performance review. Thus the SDBIP remains a kind of contract that holds the municipality accountable to the community.

6. Three Year Capital Plan 2011/2012-2013-2014

IDP PER STRATEGIC CLUSTER AND OBJECTIVE

CAPITAL BUDGET 2011/2012-2013-2014

LOCAL ECONOMIC DEVELOPMENT								
DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	Ward	SOURCE OF FUNDING	BUDGET 2011/2012	
LED AND ENVIRONMENT	Strategic Planning	To ensure strategic development oriented planning process in line with legislation and local government key performance areas					R600 000	
	Community Based planning	To enable the community to participate in the municipal planning	CBP projects	Implementation of CBP Project	All 21 ward	Municipal Budget	R1 000 000	
	Special Programmes	To ensure institutional plans and programmes have an impact on vulnerable groups					R620 000	
			Nomzamo Disability Centre	Purchase of disability material				
	Agriculture	To improve the overall sector contribution of Nkonkobe local economy from 3,2 % to 4% by 2012	Fencing of farms /grazing camp/mielies field	Fencing of farms /grazing camp/mielies field				R1, 000 000
			LED Projects	Implementation of LED projects for 7 Wards in Alice	7 Ward in Alice	MIG		
			Irrigation schemes	Establishment of irrigation schemes	Ward : 11 & 16	MIG		
				Capacity building	Capacity building for farmers		Municipal budget	R100 000
			Tractors with implements	Purchasing of tractors with implements		Municipal budget	R1 500 000	

	Tourism	To increase the number of tourists in the area by in 3,5% 2011	Alice museum	Piloting museum in Alice	Ward 06 (alice town)	MIG	R800 000
			Traditional village	Construction of a traditional village	Ward 08 (Lowerblink water)	MIG	
			Tourism	Support for tourism events		Municipal budget	R250 000
			Maqoma Caves	Rehabilitation of Maqoma caves	Ward 09	MIG	
	Environment	To improve ecological integrity of natural recourses					R0.00
	SMME Development	To ensure maximum support to SMME		Support to SMME's and Cooperatives			R200 000

INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	WARD	SOURCE OF FUNDING	BUDGET 2011/2012
INFRASTRUCTURE	Electricity	Ensure Fort Beaufort households have adequate electricity infrastructure that is properly maintained by 2014 and facilitate the connection of electricity by Eskom in Nkonkobe units					R0.00
	Roads and Storm water	Provision and maintenance of surfaced and gravel roads by 2014	Bofolo Internal streets –	Surfacing of Bofolo Internal Street	Ward 3 & 21		R1 000 000
			Bofolo Internal streets –	Surfacing of Bofolo town Internal Street	Ward 02		
			Resurfacing of Alice Town	Resurfacing of Alice Town	Ward 05		R2 400 000

			(Temlett Street)	(Temlett Street)				
			Regravelling of Ntselamanzi Internal Road	Regravelling in Ntselamanzi Internal Road	Ward 06			R1 000 000
			Newtown internal streets –phase 2	Resurfacing of Newtown internal streets –phase 2	Ward 02			R2 000 000
			Balfour Internal Streets Phase 2	Surfacing of Balfour Internal Streets Phase 2	Ward 09			R1 000 000
	Housing	To facilitate provision of new houses and rectification of detective houses by 2014						R0.00
DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	WARD	SOURCE OF FUNDING	BUDGET 2011/2012	
INFRASTRUCTURE	Land	To facilitate and apply for provision of land for Nkonkobe Communities by 2014						R0.00
	Community Facilities	To provide community facilities to Nkonkobe Communities by 2014	Bhofolo, Community Hall Phase 2	Construction of Bhofolo, Community Hall Phase 2	Ward 21			R 800 000
			Oakdene Community Hall Phase 3	Construction of Oakdene Community Hall Phase 3	Ward 07			R 800 000
			Community Hall – Phase 1	Construction of Community Hall – Phase 1	ward 20			R 1 002 087.50
			Community Hall – Phase 1	Construction of Community Hall – Phase 1	(ward13			R 1 002 087.50
			Community Hall – Phase 1	Construction of Community Hall – Phase 1	Ward 10			R 1 002 087.50

			Community halls	Construction of community halls		Municipal budget	R5 600 000
			Community hall	Construction of 5 Alice community hall			
			Community halls	Construction of Community halls	Ward: 01,17,18 & 19		
			Middledrift Multipurpose Centre	Construction of Multipurpose Centre	Ward 16		R5 600 000
			Middledrift Chicken Abattoir	Construction of Chicken Abattoir	Ward 16		R1 000 000

INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	WARD	SOURCE OF FUNDING	BUDGET 2011/2012
SOCIAL NEEDS	Waste Management	Maintain promote and advocate for sustainable ,quality waste management practices so as to ensure a clean and a healthy environment	Land fill site	Construction of land fill site		Municipal Budget	R 2 000 000
			Cleansing	Cleansing	Alice	MIG	
	Parks & Recreation	To promote unity & healthy lifestyle in our communities					
	Traffic & Parking	To promote proper road usage & maintain law enforcement in all admin units	Drivers Licence Testing Centre	Construction of a Drivers Licence Testing Centre		MIG	R 1000 000
	Safety and Security	To facilitate a co -ordinate multi-sectoral collaborative approach to crime prevention in the Nkonkobe Municipal area					

	Fire fighting	To provide an effective and efficient fire fighting ,emergency rescue and fire safety service within the resources available					
	Disaster Management	To co-ordinate & manage disasters incidents					
	Sport, Recreation, Arts and culture	. To establish & maintain all sports facilities & promote participation of the community in Sport ,Arts and Culture	Sports fields	Construction of Sportsfields		MIG	R600 000
			Pre school	Construction of pre schools		Municipal budget	R400 000
				Construction of Sportsfields in : Balfour & Lowerblink water	Ward : 08 & 09	MIG	
			Country club	Renovation of a country club	Ward 02		
	Cemeteries	Establish, conduct and control facilities for the purpose of disposing human remains in the rural areas	Fencing of rural cemeteries	Fencing of rural cemeteries		MIG	R500 000

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	WARD	SOURCE OF FUNDING	BUDGET 2011/2012
INSTITUTION & FINANCE	Capacity building	To ensure management meets competency levels in terms of national treasury regulations by Jan 2013					R1 000 000
		To enhance capacity building of Cllrs, ward					

		committees and officials of the municipality to be able to execute their functions by march 2011					
	Institutional Reparation	To ensure that all municipal properties are well furnished and are in good condition.	Council chamber	Construction of Council Chamber		Municipal budget	R3 5 00 000
			Office equipment /furniture	Purchasing of office equipment /furniture		Municipal budget	R 500 000.00
	Fleet Management	To ensure effective fleet management and monitoring					
		To ensure proper allocation of vehicles to all departments for effective service delivery.	Plant and machinery	Purchase of plant and machinery		Municipal budget	R5 500 00
			Municipal vehicles	Purchasing of municipal vehicles		Municipal budget	R 400 000

FINANCIAL VIABILITY

DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	WARD	SOURCE OF FUNDING	BUDGET 2011/2012
	Revenue & Debt Management	To ensure enhancement of revenue.					
	Free basic services	To ensure that qualifying households in the wards of Nkonkobe are benefiting from the indigent subsidy.	Free Basic electricity	Provision of FBE to the indigent	All wards	Equitable share	R9 500 000
	Control environment	To ensure that the municipality has sound and effective internal controls.					
	Supply Chain Management	To ensure proper asset management in line with GRAP 17 standards.					
		To ensure effective functional unit and full centralization of SCM by June 2012.					
		To ensure adherence to SCM policy and controls.					

GOOD GOVERNANCE							
DEPARTMENT	PRIORITY AREA	OBJECTIVE	PROJECT NAME	PROJECT DESCRIPTION	WARD	SOURCE OF FUNDING	BUDGET 2011/2012
	Record Management System	To ensure that the institution has a sound and effective record by Dec 2011	Upgrade Mun. Admin	Upgrading of Mun. Admin		Municipal budget	R50 000
	Risk Management	To ensure that there is value, integrity & reliability in financial reporting system by 2012					
	Operation Clean Audit	To ensure that the institution is obtaining an unqualified audit					
	Communication	To ensure effective communication with both internal and external stakeholders by 2012				Municipal budget	R350 000
	Policies and By-laws	To facilitate the enforcement of by-laws and implementation of policies by July 2011					
	Employee assistance programme	Ensure maximum productivity in the workplace				Municipal budget	R150 000
	Extended Public Works Programme	To ensure job creation in all wards	Job creation	Job creation		Municipal budget	R7m
	IT Function	To ensure in-house control of all IT related infrastructure and systems.	IT function	To ensure in-house control of all IT related infrastructure and systems		Municipal budget	R60 000

7. Conclusion

The Nkonkobe municipality's 2011/2012 Draft SDBIP has been prepared in accordance with the requirements of the MFMA and Circular 13