



Sundays River Valley Municipality

Final

Service Delivery & Budget Implementation Plan

Year: 2012/2013

FOREWARD BY THE MAYOR

"While the organization is wrapped in legislations and procedures the focus of the community is on service delivery as well as good governance. It is my duty to ensure that both objectives are achieved timeously and in harmony

The Service Delivery and Budget Implementation Plan (SDBIP) is likened to a complete ship with the ship or vessel being the administrator and the sails being indicative of the (SDBIP) objectives. In plain terms it will determine the direction in which we will travel. The map or course used to navigate these waters will be this document. The Captain being myself, as Mayor and my first mate being the Municipal Manager. The wind is the will of the people. The rudder is the IDP directing purposefully the services and projects to be delivered from consultation. The crew is the staff.

There is no doubt in my mind that the SDBIP could bring together the budget and the IDP as policy documents, subject to the availability of funds and commitment.

We are committed to success and I wish my crew good luck as the sea is rough but the destination is clear.

**MAYOR
MW KEBE**

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

These will be illustrated both tabular and graphically with comments

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
Directorate: Financial Service	
Directorate: Corporate Service	
Directorate: Technical 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 Council provides political leadership and directive.
2. The Ward Councillor
As representative of a certain sector of the population and as promoter of Ward Committee structure
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 INSTITUTIONAL ARRANGEMENTS

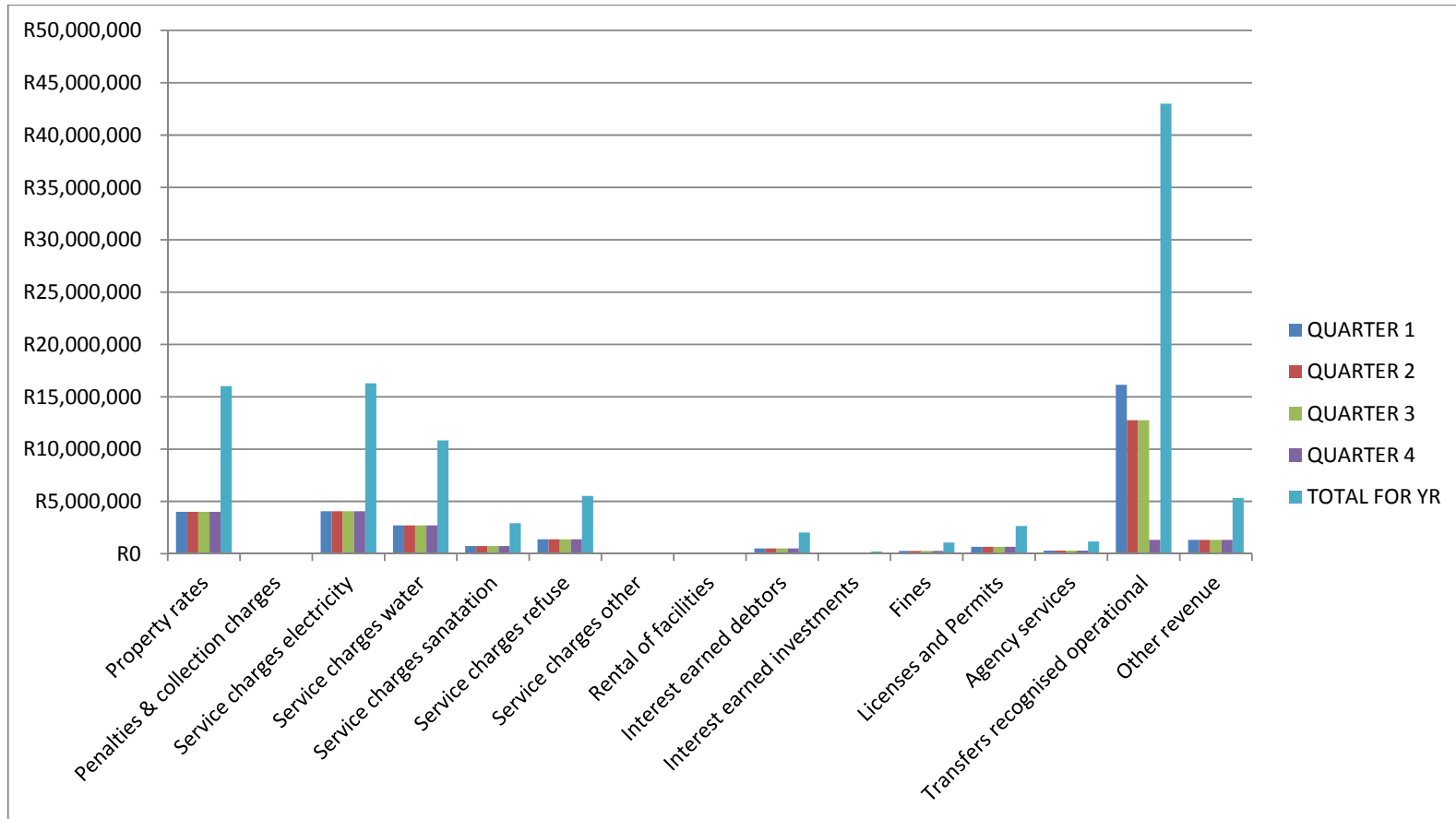
The organogram that depicts the structure of employees that supports and delivered the objectives of the organization. The budget is divided into activities together with the employees associated with it.

2. BUDGETED REVENUE BY SOURCE

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

BUDGET YEAR 2012/13													
Revenue By Source	July	August	September	October	November	December	January	February	March	April	May	June	Budget 2012/13
Property rates	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 224	R 1 335 228	R 16 022 692
Property rates - penalties & collection charges	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 924	R 1 929	R 23 093
Service charges - electricity revenue	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 1 356 350	R 16 276 204
Service charges - water revenue	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 902 609	R 10 831 314
Service charges - sanitation revenue	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 243 188	R 2 918 257
Service charges - refuse revenue	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 459 829	R 5 517 945
Service charges - other	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 7 348	R 88 171
Rental of facilities and equipment	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 5 711	R 68 530
Interest earned - external investments	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 17 657	R 211 886
Interest earned - outstanding debtors	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 169 371	R 2 032 447
Fines	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 89 400	R 1 072 798
Licences and permits	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 220 925	R 2 651 103
Agency services	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 97 757	R 1 173 080
Transfers recognised - operational	R 16 418 209				R 13 030 219				R 13 030 219			R 531 233	R 43 009 880
Other revenue	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 443 194	R 5 318 324
Total Revenue (excluding capital transfers and contributions)	R 21 768 695	R 5 350 486	R 5 350 486	R 5 350 486	R 18 380 705	R 5 350 486	R 5 350 486	R 5 350 486	R 18 380 705	R 5 350 486	R 5 350 486	R 5 881 728	R 107 215 723

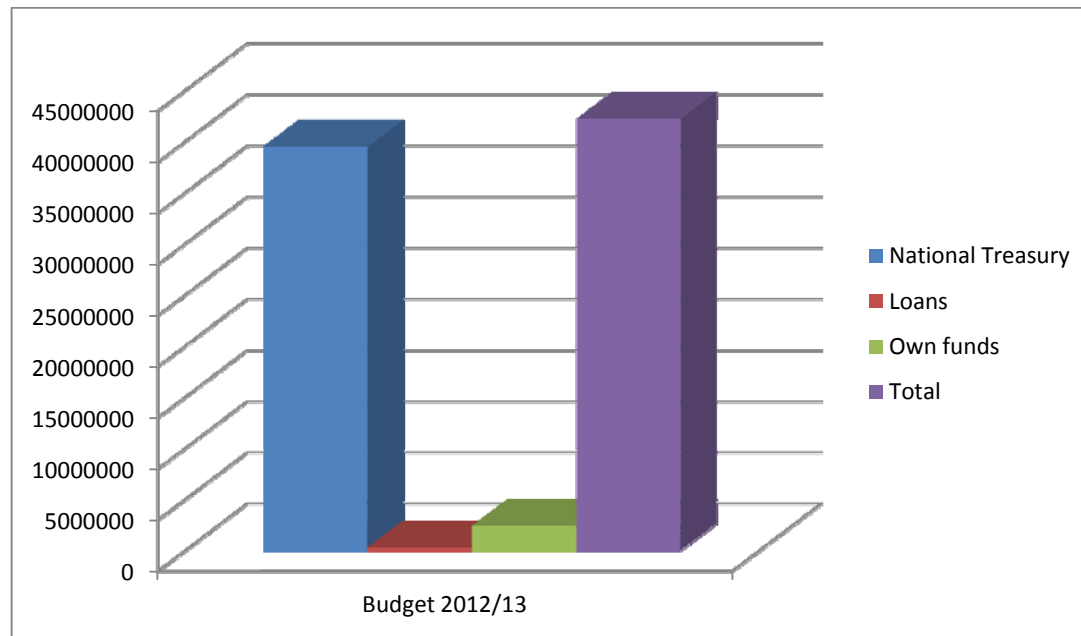
2.2. Quarterly projections of revenue to be collected for each source - Graph



2.3. Source of Capital Funding

Funded by Source	Budget 2012/13
National Government (Transfers recognised – capital)	R 39 476 050
Loans	R300 000
Internally generated funds	R 2 410 009
Total Capital Funding	R42 186 059

2.4. Source of Capital Funding – Graph

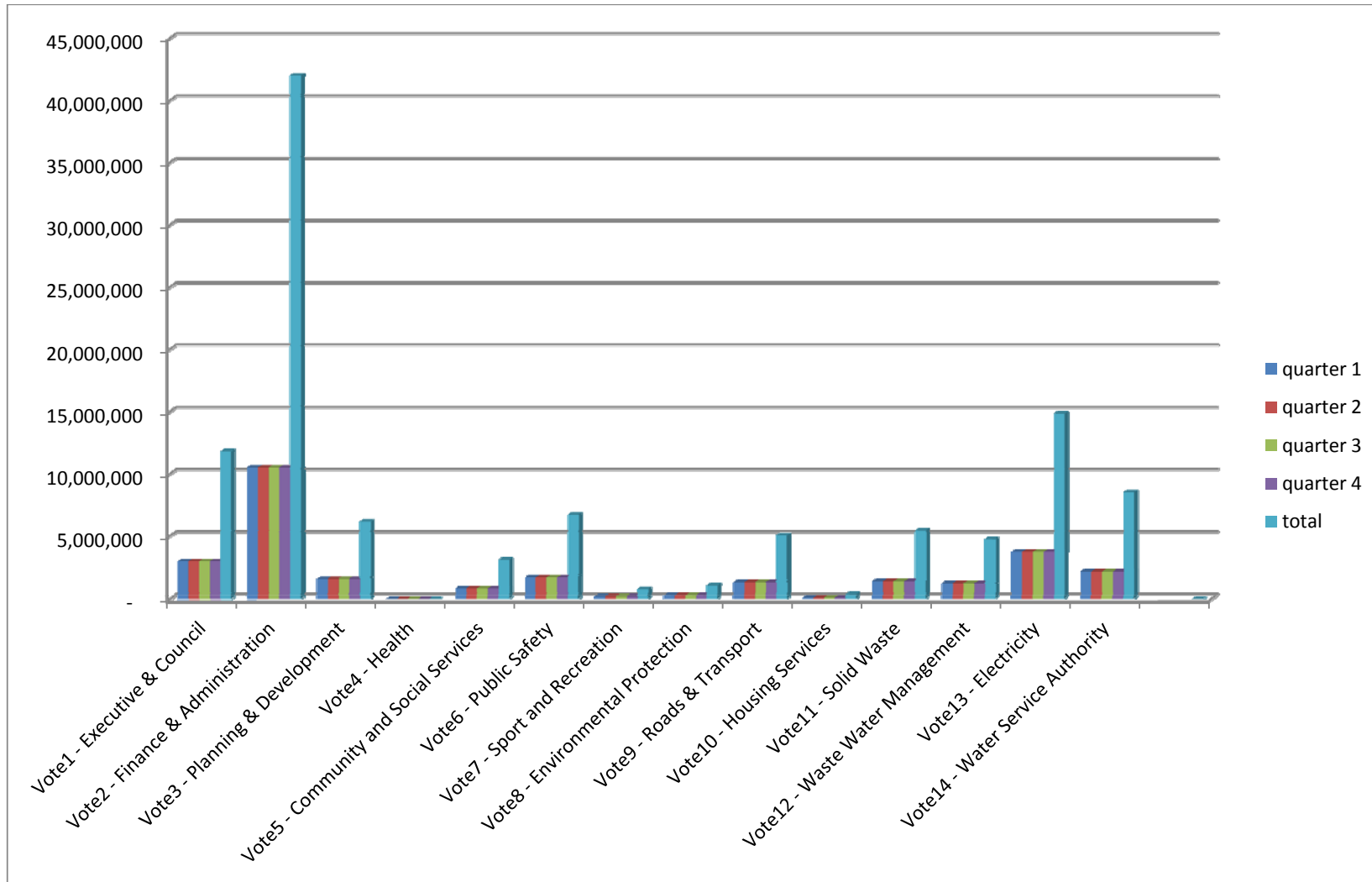


3. BUDGETED EXPENDITURE BY VOTE

3.1. Monthly projections of expenditure for each vote

Budget Year 2012/13													
Expenditure by Vote	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2012/13
Vote1 - Executive & Council	980 945	980 945	980 945	980 945	980 945	980 945	980 945	980 945	980 945	980 945	980 945	980 945	11 771 334
Vote2 - Finance & Administration	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	3 498 644	41 983 725
Vote3 - Planning & Development	511 419	511 419	511 419	511 419	511 419	511 419	511 419	511 419	511 419	511 419	511 419	511 419	6 137 030
Vote4 - Health													R 0.00
Vote5 - Community and Social Services	R 257 140	257 140	257 140	257 140	257 140	257 140	257 140	257 140	257 140	257 140	257 140	257 140	3 085 682
Vote6 - Public Safety	R 557 767	557 767	557 767	557 767	557 767	557 767	557 767	557 767	557 767	557 767	557 767	557 767	6 693 205
Vote7 - Sport and Recreation	R 58 594	58 594	58 594	58 594	58 594	58 594	58 594	58 594	58 594	58 594	58 594	58 594	703 122
Vote8 - Environmental Protection	R 86 244	86 244	86 244	86 244	86 244	86 244	86 244	86 244	86 244	86 244	86 244	86 244	1 034 930
Vote9 - Roads & Transport	R 420 182	420 182	420 182	420 182	420 182	420 182	420 182	420 182	420 182	420 182	420 182	420 182	5 042 186
Vote10 - Housing Services	R 29 086	29 086	29 086	29 086	29 086	29 086	29 086	29 086	29 086	29 086	29 086	29 086	349 030
Vote11 - Solid Waste	R 452 769	452 769	452 769	452 769	452 769	452 769	452 769	452 769	452 769	452 769	452 769	452 769	5 433 226
Vote12 - Waste Water Management	R 394 519	394 519	394 519	394 519	394 519	394 519	394 519	394 519	394 519	394 519	394 519	394 519	4 734 232
Vote13 - Electricity	R 1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	1 235 795	14 829 536
Vote14 - Water Service Authority	R 708 725	708 725	708 725	708 725	708 725	708 725	708 725	708 725	708 725	708 725	708 725	708 725	8 504 698
Total Expenditure by Vote	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	9 191 828	110 301 936

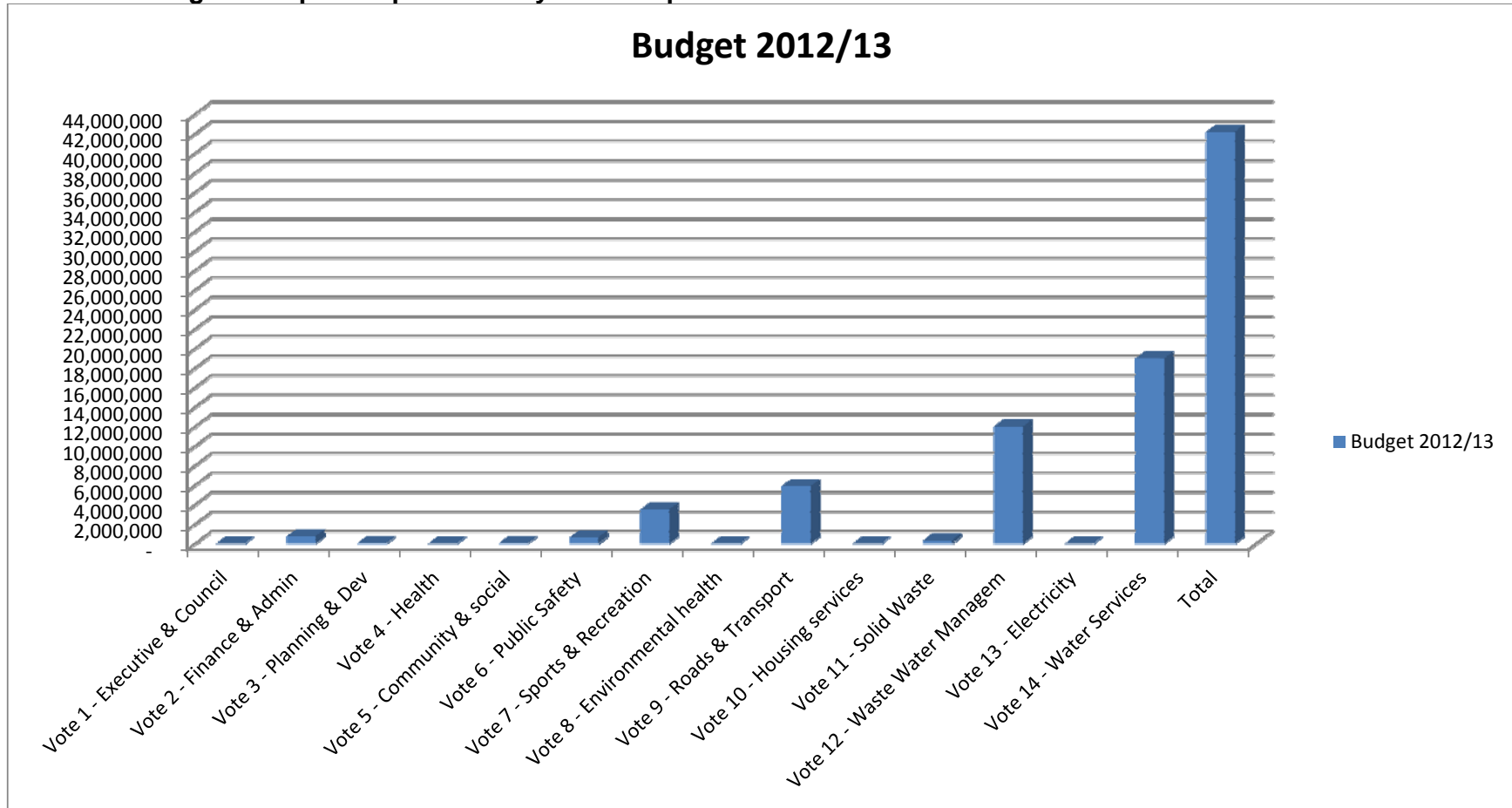
3.2. Quarterly projections of expenditure for each vote - Graph



3.3. Budgeted Capital Expenditure by Vote

Capital Expenditure - Vote	Budget 2012/13
Vote 1 - Executive & Council	RNIL
Vote 2 - Finance & Administration	R745 000
Vote 3 - Planning and development	R47 000
Vote 4 - Health	RNIL
Vote 5 - Community and social services	R45 720
Vote 6 - Public Safety	R636 289
Vote 7 - Sports & Recreation	R3 500 000
Vote 8 - Environmental health	R9 000
Vote 9 - Roads and Transport	R5 892 000
Vote 10 - Housing Services	RNIL
Vote 11 - Solid Waste	R335 000
Vote 12 - Waste Water Management	R12 000 000
Vote 13 - Electricity	RNIL
Vote 14 - Water Service Authority	R18 976 050
Total	R 42 186 059

3.4. Budgeted Capital Expenditure by Vote Graph

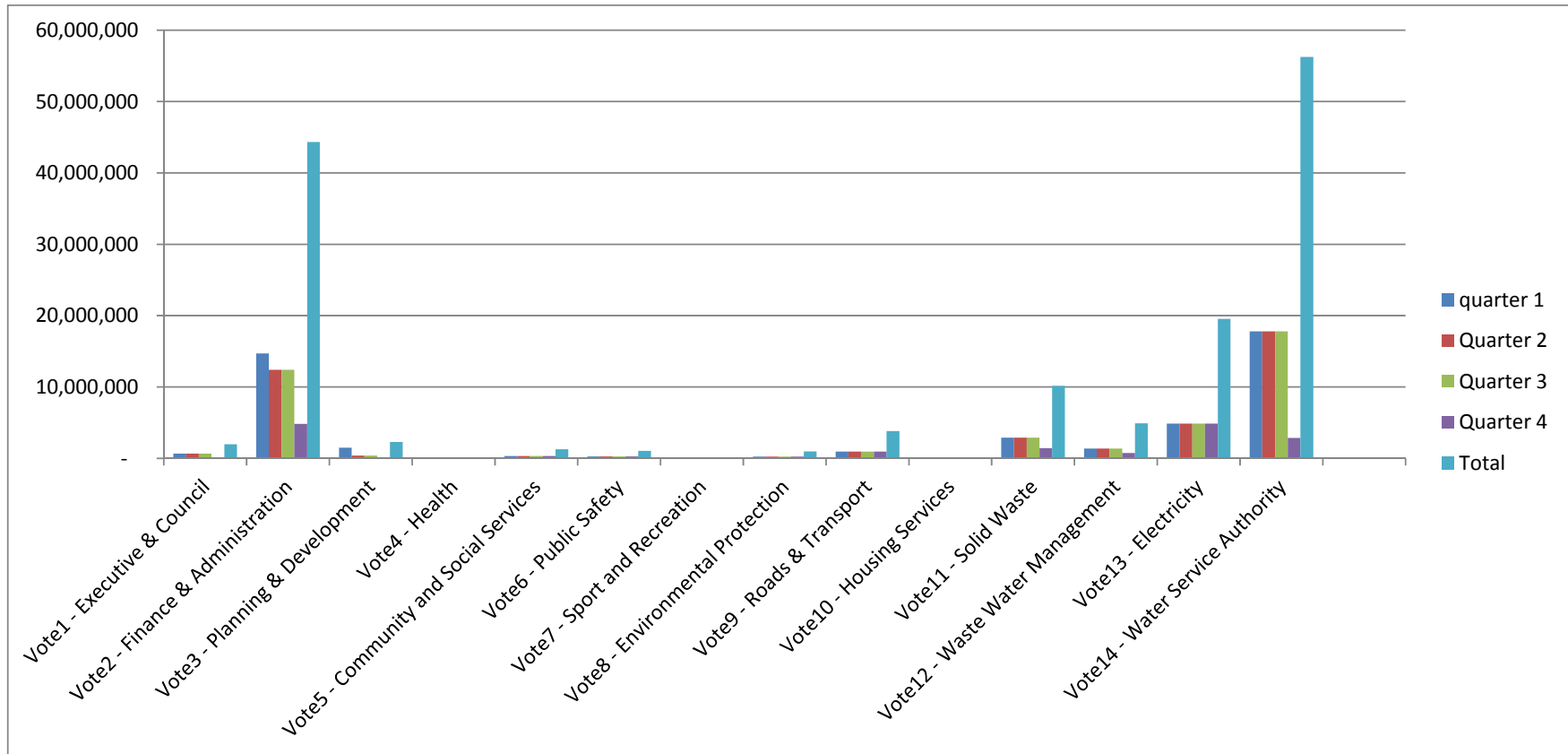


4. BUDGETED REVENUE BY VOTE

4.1. Monthly projections of revenue for each vote

Budget Year 2012/13													
Revenue by Vote	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2011/12
Vote1 - Executive & Council	664 333	-	-	-	664 333	-	-	-	664 334	-	-	-	1 993 000
Vote2 - Finance & Administration	11 490 964	1 606 023	1 606 023	1 606 023	9 190 964	1 606 023	1 606 023	1 606 023	9 190 964	1 606 023	1 606 023	1 606 022	44 327 096
Vote3 - Planning & Development	1 484 170	1 863	1 863	1 863	396 180	1 863	1 863	1 863	396 180	1 863	1 863	1 866	2 293 300
Vote4 - Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote5 - Community and Social Services	298 329	9 079	9 079	9 079	298 329	9 079	9 079	9 079	298 329	9 079	9 075	298 329	1 265 944
Vote6 - Public Safety	88 333	88 333	88 333	88 333	88 333	88 333	88 333	88 333	88 333	88 333	88 333	88 333	1 060 000
Vote7 - Sport and Recreation	631	631	631	631	631	631	631	631	631	631	631	631	7 572
Vote8 - Environmental Protection	242 049	64	64	64	242 049	64	64	64	242 049	64	64	242 049	968 703
Vote9 - Roads & Transport	319 229	319 229	319 229	319 229	319 229	319 229	319 229	319 229	319 229	319 229	319 229	319 229	3 830 751
Vote10 - Housing Services	7 241	7 241	7 241	7 241	7 241	7 241	7 241	7 241	7 241	7 241	7 241	7 241	86 886
Vote11 - Solid Waste	1 935 755	482 832	482 832	482 832	1 935 755	482 832	482 832	482 832	1 935 755	482 832	482 832	482 830	10 152 753
Vote12 - Waste Water Management	873 199	255 421	255 421	255 421	873 199	255 421	255 421	255 421	873 199	255 421	255 421	255 420	4 918 383
Vote13 - Electricity	1 629 645	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	1 629 663	19 555 937
Vote14 - Water Service Authority	15 893 486	950 110	950 110	950 110	15 893 486	950 110	950 110	950 110	15 893 486	950 110	950 110	950 109	56 231 449
Total Revenue by Vote	34 927 364	5 350 489	5 350 489	5 350 489	31 539 392	5 350 489	5 350 489	5 350 489	31 539 393	5 350 489	5 350 485	5 881 722	146 691 775

4.2. Quarterly projections of revenue for each vote - Graph



5. CAPITAL WORKS PLAN

Municipal Vote/Capital project R thousand	Program/Project description	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue &			Project information	
			Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Waste Water Management	Waterborne Sewerage (Phase 2)	17 536 620	1 828	142				MOSES MABIDA	NEW
Waste Water Management	Waterborne Sewerage (Phase 2)	12 869 531	5 680	286				EMSENGENI	NEW
Waste Water Management	Upgrading of waste water treatment works (Phase 1)	3 278 000	403					ENON & BEERSHEBA	RENEW
Waste Water Management	Upgrading of waste water treatment works (Phase 2)	1 917 446		6 433				ENON & BEERSHEBA	RENEW
Waste Water Management	Sewerage pump station	5 424 645.00		725				BERSHEBA	NEW
waste water management	Upgrading of Waste Water treatment works (phase1)	7 011 000		944	7 000	7 000	5 371	ADDO	RENEW
waste water management	Sewerage Pumps	500 000		500				ALL	RENEW
Waste Water Management	Sewerage pump station	2 800 000			1 500	1 300		Langbos	NEW
Waste Water Management	Paterson waste water	11 000 000			3 500	5 385	2 115	PATERSON	RENEW
Water	Upgrading of water supply		2 020	1 220				ENON & BEERSHEBA	RENEW
water	Upgrading of bulk water supply	8 949 000	1 000	7 809				ADDO	RENEW
water	Bulk Water Pipeline	36 000 000	12 084	16 000	17 000	6 466		PATERSON	NEW
water	Bulk water supply	21 633 000						ADDO	NEW
Water	Water pumps	500 000.00		500				ALL	RENEW
Water	Prepaid water meters	500 000.00		500				ALL	NEW
water	Bulk water	3 500 000			1 976	1 524		Langbos	NEW
Roads	Upgrade of gravel roads	19 700 000		970	5 000	5 000	9 474	ALL	RENEW
Sports & Recreation	Rehabilitation and upgrade of 7 sport fields (phase 1)	14 729 399			3 500	3 500	3 500	addo, enon, paterson & kwd	RENEW
Electricity	Community lightning	4 620 000					4 620		NEW
	Specialized vehicles	1 230 000		1 230	300			ALL	NEW
	Various (office equipment & furniture, etc)	633 000	611	633	1 680			ALL	NEW
Environmental health	other vehicles		93	1 600				KIRKWOOD	NEW
Executive & Council	Office buildings	650 000.00	346		730	-	-	KIRKWOOD	NEW
Parent Capital expenditure					42 186	30 175	25 080		

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
Technical Services	As per quarterly assessment

6.2.2. Departmental Performance Graph

