



DRAFT

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

2012-2013

FOREWORD BY THE MAYOR

Municipalities are entrusted with a responsibility to realise the objects of local government as enshrined in the constitution of the republic of South Africa. These are:

- To provide democratic and accountable government of local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote safe and healthy environment and
- To encourage the involvement of communities and community organisation in the matters of local government.

As Nkonkobe Municipalities we have to confront a myriad of challenges in order to realise the above objects. These include inter-alia, rural nature of our municipality, the thin revenue base & Implementation of by-laws.

Nonetheless the municipality has got numerous strengths and opportunities which include inter-alia the following, heritage sites, Institutions of higher learning such as Fort Hare University, Lovedale FET College and Fort Cox Agricultural College.

Local Economic Development is the cornerstone of integrated development plans in rural municipalities.

Nkonkobe Municipality has developed the LED Strategy and it will be part of the IDP. As a consequence Nkonkobe Municipality takes Rural Development seriously and to this end the municipality has established technical unit to construct roads in rural areas & build community halls in house to minimize use of contractors.

This initiative is in line with the government priority of job creation. Province plays a key role in supporting municipalities with the implementation of LED strategy.

Expanded Public Work Programmes (EPWP) is crucial to addressing poverty in rural areas .Poverty eradication is still one of the biggest challenges facing our country. In this context our municipality has committed itself to the resolutions of the expanded public works summit to eradicate poverty.

Nkonkobe Municipality pride itself for being listed among financially viable municipality for the first time in its history. The Municipality has made a major breakthrough after it has been receiving disclaimers since its establishment. It has now moved to qualified audit opinion. We must ensure that we strive for unqualified audit opinion in 2012.

I can safely say our IDP is a credible IDP and our budget is aligned to our IDP.

Mayor A. Ntsangani

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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 2012 to 30 June 2013. 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 has reconfigured its clusters in line with 5 Key Performance indicators of Local government. Institutional Transformation and Organisational development and Good Governance and Public participation have been merged under one cluster because of the alignment and reporting purposes

These are:

1. Institutional transformation and Organisational development and Good governance and Public Participation
2. Service Delivery and Infrastructure Development
3. Local Economic Development
4. Financial Viability

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 talks 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 officer 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.

5. Three Year Capital Plan: 2012/2013-2014/2015

IDP PER STRATEGIC CLUSTER AND OBJECTIVE

CAPITAL BUDGET : 2012/2013-2014/2015

KPA 1: LOCAL ECONOMIC DEVELOPMENT				
PRIORITY AREA	OBJECTIVE	BUDGET 2012/2013	BUDGET 2013/2014	BUDGET 2014/2015
IDP & PMS	To ensure an effective developmental planning by 2017	R350 000	R371 000	R396 000
	Ensure effective performance monitoring and evaluation of municipal plans and programmes			
HIV AND AIDS	To facilitate the reduction of HIV infection by 2017	R650 000(SPU BUDGET)	R689 000(SPU BUDGET)	R737 230(SPU BUDGET)
UNEMPLOYMENT	To reduce unemployment by 750 by 2017	EPWP :R3000 000 & LED PROJECTS : R1 050 000 R1 050 000	EPWP :R3 180 000 & LED PROJECTS :R1,113 000	EPWP :R3 402 600 LED PROJECTS :R1 190 910
AGRICULTURE	To improve support to agricultural enterprises by 2017	R800 000(TRACTORS WITH IMPLEMENT S) R500 000(FENCING grazing lands and mielies fields)	R848 000 (TRACTORS WITH IMPLEMENT S) R 530 000 (FENCING FOR FARMERS)	R907 000 (TRACTORS WITH IMPLEMENT S) R567 100 (FENCING FOR FARMERS)
TOURISM	To promote Nkonkobe as a leading tourism destination in the Amathole Region by 2017	R 600 000	R 636 000	R 680 000

ENVIRONMENT	To conserve and improve ecological integrity of natural resources by 2017			
SMME DEVELOPMENT	To support and promote SMME and Cooperative development by 2017	LED PROJECTS : R1 050 000	LED PROJECTS : R1,113 000	LED PROJECTS : R1 190 910
PARKS AND OPEN SPACES	To improve the image and standard of municipality parks and open spaces in order to attract tourists by 2017	R1000 000(MIG) R200 000 (MUNICIPAL BUDGET)	R1 060 000(MIG) R212 000 (MUNICIPAL BUDGET)	R1 134 200(MIG) R224 720(MUNICIPAL BUDGET)
SPORT	To encourage sport participation by all communities in Nkonkobe by 2017	R800 000(MUNICIPAL BUDGET)	R848 000(MUNICIPAL BUDGET)	R907 360(MUNICIPAL BUDGET)
ARTS AND CULTURE	To promote traditional and ubuntu culture by 2017			
KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				
PRIORITY AREA	OBJECTIVE	BUDGET 2012/2013	BUDGET 2013/2014	BUDGET 2014/2015
ELECTRICITY	To facilitate electrification of all households by 2017			
ROADS	To ensure that communities have access to services through the road network by 2017	R1 000 000(MUNICIPAL BUDGET) Paving, culverts & regravelling :R5 700 000 Surfacing of F.B Town :	R1 060 000 (MUNICIPAL BUDGET) Paving, culverts & regravelling :R6 042 000 Surfacing of F.B Town :	R1 134 000 (MUNICIPAL BUDGET) Paving, culverts & regravelling : R6 464 940 Surfacing of F.B Town :

		R5 478 786 Balfour internal street : R1 000 000 Paving Debeneck : R1 200 000	R5 807 513 Balfour internal street : R1 060 000 Paving Debeneck : R1 272 000	R6 214 039 Balfour internal street : R1 134 200 Paving Debeneck : R1 361 040
LAND AND HUMAN SETTLEMENTS	To facilitate access to land and proper human settlements by 2017			
SANITATION	To facilitate that all households have access to basic sanitation services by 2014			
SOLID WASTE	To ensure access to an improved solid waste services by 2017	R2 000 000	R2 120 000	R2 268 400
CEMETERIES	To ensure all communities (households) have access to cemeteries by 2017	R500 000(MUNICIPAL BUDGET)	R530 000(MUNICIPAL BUDGET)	R567 100(MUNICIPAL BUDGET)
COMMUNITY FACILITIES :	To provide community facilities to all nkonkobe communities by 2017	Creche :R400 000 Community halls:R1 500 000 Council chamber : R7 000 000 Sportsfields : R600 000 Ngqolowa sportsfield: R1 190 464	Crèche :R424 000 Community halls: R1 590 000 Council chamber : R7 420 000 Sportsfield :R636 000 Ngqolowa sportsfield; R1 261 892	Crèche :R453 000 Community Halls: R1,701 ,300 Council Chamber : R7 ,939,400 Sportsfields: R680 520 Ngqolowa sportsfields : R1 350 224

		Multipurpose center : R6000 000 Chicken Abbatoir : R800 000	Multipurpose center : R6 360 000 Chicken Abbatoir : R848 000	Multipurpose center : R6 805 200 Chicken Abbatoir : R907 360
KPA 3 & 4 : INSTITUTIONAL TRANSFORMATION ,ORGANIZATIONAL DEVELOPMENT ,GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
PRIORITY AREA	OBJECTIVE	BUDGET 2012/2013	BUDGET 2013/2014	BUDGET 2014/2015
LAND	To establish land ownership within the jurisdiction of Nkonkobe by 2017			
CAPACITY BUILDING	To ensure all employees, councillors and ward committees acquire the necessary skills to perform their duties by 2017	R1000 000	R1 060 000	R1 134 200
INFORMATION, COMMUNICATION & TECHNOLOGY	To rebrand and communicate effectively with stakeholders by 2017	R2000 000	R2 120 000	R2 268 400
LAW ENFORCEMENT	To ensure effective law enforcement by 2017	Grade A testing Center :R1 000 000 DLTC: R1 450 000	Grade A testing Center: R1 060 000 DLTC: R 1 537 000	Grade A testing Center: R1 134 200 DLTC: R1 644 590
FLEET MANAGEMENT	To ensure effective management of municipal fleet by 2017	R250 000 (FLEET SYSTEM) R1000 000(VEHICLES)+R300	R265 000(FLEET SYSTEM) R1 060 000(VEHICLES)+R318 000	R283 550(FLEET SYSTEM) R1 134 200(VEHICLES)+R340 260

		000 Tools & Plants :R2 000 000	Tools & Plants :R 2 120 000	Tools & Plants :R2 268 400
RECRUITMENT AND SELECTION	To ensure sound and effective recruitment and selection system by 2017			
PUBLIC PARTICIPATION	To ensure involvement and effective participation of communities in decision making by 2017			
RENOVATIONS OF MUNICIPAL BUILDINGS	To ensure proper maintenance of municipal building by 2017	R1,000, 000	R1,060,000	R1,134 ,200
KPA 5: FINANCIAL VIABILITY				
PRIORITY AREA	OBJECTIVE	BUDGET 2012/2013	BUDGET 2013/2014	BUDGET 2014/2015
Expenditure Management	To ensure sound and effective expenditure management system by 2017.			
Debt Control and Revenue Management	Ensure optimum revenue collection by 2017	R210 000	R222 600	R238 182
Free Basic Services	To ensure all indigent households within Nkonkobe area are registered for free basic services by 2017	R4 500 000	R4 770 000	R5 103 900
Financial Reporting	To ensure timeous financial reporting and compliance with the legislation and treasury regulations			
Supply Chain Management	Ensure effective implementation of SCM policy and regulations.			
Asset Management	Effective control of municipal assets			
Internal Audit	To ensure effective internal audit unit by 2017			
Risk management	To ensure effective risk management strategy by 2017			

5. Revenue and Expenditure Projections

This section contains the financial information as required of the SDBIP

- Monthly projections of revenue collected by source
- Monthly projections of expenditure and revenue by vote(department)

6.1 Monthly Projections of Revenue by Source 2012/2013

Revenue Source	July 2012	Aug 2012	Sept 2012	Oct 2010	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Total
Equitable share	R 28,771,667				R 28,771,667					R 28,771,667			R86,351,000
MIG	R 4,385,833			R 4,385,833	R 4,385,833				R 4,385,833	R 4,385,833	R 4,385,833		R26,315,000
Property rates	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R 1,865,895.42	R22,390,745
Electricity	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R2,560,500	R30,726,000
Refuse	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R 525,000	R6,300,000
SDLClaims								R539,556					R539,556
Traffic Fines	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R25,000	R300,000
FMG & MSIG	R2,300,000												2,300,000
Agency fees	R550,000				R550,000				R550,000		R550,000		R 2,200,000

6.2 Monthly Projections of Expenditure by Vote (Department) 2012/2013

Department	Project/ Item	Jul 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Total
Municipal Managers Office	INFORMATION TECHNOLOGY	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R166 666	R2 000 000
	INTERNAL AUDIT : Ext audit committee	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3
Budget & Treasury Office	EXPENDITURE MANAGEMENT													
	DEBT CONTROL & REVENUE MANAGEMENT	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R17 500	R210 000
	FREE BASIC SERVICES:	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R375 000	R4 500 000
	FINANCIAL REPORTING:	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R3000 000
	SUPPLY CHAIN MANAGEMENT ASSET MANAGEMENT													
Corporate Services	LAND													
	CAPACITY BULIDING :	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R1000 000

	LAW ENFORCEMENT :													
	Traffic signs :	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R8 333	R100 000
	Testing center :	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R1000 000
	DLTC:	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R120 833	R1 450 000
	FLEET MANAGEMENT :													
	System:	R20 833,3	R20 833	R20 833,3	R20 833	R20 833	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R20 833,3	R250 000
	Vehicles:	R300 000												
	Repairs and maintenance :	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R833 3,3	R1000 000
	Tools &Plants :	R1 000 000												
	RECRUITMENT AND SELECTION													
	PUBLIC PARTICIPATION													
	RENOVATIONS OF HALLS:	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R1 000 000
	Project/ Item	Jul 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Total
Strategic	IDP & PMS:	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R29 166	R350 000

Planning & LED	HIV AND AIDS: SPU:	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R54 166	R650 000	
	UNEMPLOYMENT: LED Projects :	R87 500	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R1 050 000	
	EPWP:	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R250 000	R3 000 000	
	AGRICULTURE: Tractors with implements: Fencing of grazing lands and mielies field:	R400 000 R250 000						R400 000 R250 000						R800 000 R500 000	
	TOURISM:	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R600 000	
	ENVIRONMENT														
	SMME DEVELOPMENT (LED projects)														
	PARKS & OPEN SPACES:	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R1 000 000
	SPORT:	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R800 000

	ARTS & CULTURE													
Department	Project/ Item	Jul 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Total
Infrastructure Development	ROADS :Maintenance	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R100000
	Paving, culverts & regravelling :	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R475 000	R5700 000
	Surfacing of F.B Town :	R456566	R456566	R456566	R456566	R456566	R456566	R456566	R456566	R456566	R456566	R456566	R456566	R5 478 786
	Balfour internal street :	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R83 333	R100000
	Paving Debeneck :			R400 000			R400 000			R400 000			R400 000	R1 200 000
	ELECTRICITY:													
LAND & HUMAN SETTLEMENTS :														
SANITATION:														
SOLID WASTE :	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R166 667	R2 000 000
CEMETERIES:	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R41 666	R500 000

COMMUNITY AMENITIES:														
Creche :	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R33 333	R400 000
Community halls:	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R12 500	R1 500 000
Council chamber :	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R583 333	R7 000 000
Sportsfields :	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R50 000	R600 000
Ngqolowa sportsfield:	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R99 205	R1 190 464
Multipurpose center :	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R500 000	R6 000 000
Chicken Abattoir :	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R66 666	R800 000

Conclusion

The Nkonkobe municipal Draft 2012/2013 SDBIP has been prepared in accordance with the requirements of the MFMA.