

UGU DISTRICT MUNICIPALITY



**2015/2016 SERVICE DELIVERY AND BUDGET IMPLEMENTATION
PLAN**

SDBIP

MUNICIPAL MANAGER

6/14/2015

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1. Legislated Framework

The Municipal Finance Management Act (MFMA) No 56 of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration & community. It gives effect to the IDP and budget of the municipality. The municipal budget shall give effect to the strategic objectives contained in the IDP. The SDBIP shall contain details on the execution of the budget & information on programmes & projects. There should be regular reporting on progress on the programmes or projects hence the performance evaluation have been indicated in the document. The SDBIP intends to empower councillors to perform their oversight responsibility better.

Section 69(3)(a) of the Municipal Finance Management Act, Act 56 of 2003(MFMA) requires the Accounting Officer to submit a draft Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor: no later than 14 days after the approval of the Budget and drafts of the performance agreements as required in terms of Section 57 (1) (b) of the Municipal Systems Act, Act 32 of 2000. The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the Budget in accordance with section 53(1)(c)(ii) of the MFMA

Section 1 of the MFMA defines the SDBIP as:

“ a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include the following:

- Projections for each month
- Revenue to be collected by source; and
- Operational and capital expenditure by vote
- Service Delivery targets and performance indicators for each quarter.”

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality.

It is a contract between the administration, Council and community expressing the goals and objectives set by

Council as quantifiable outcomes that can be implemented by the administration over the next twelve months.

This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

The five necessary components are:

1. Monthly projections of revenue to be collected for each month
2. Monthly projections of expenditure (operating and capital) and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators
4. Ward information for expenditure and service delivery
5. Detailed capital works plan broken down by ward over three years

1.1 Purpose Of The SDBIP

The Service Delivery and Budget Implementation Plan (SDBIP) is a detailed annual financial plan for implementing services using the approved budget for 2015/2016. This annual service delivery plan called the SDBIP is based on the approved IDP and Budget. The SDBIP serves as a contract between the municipality and the community on the services that the municipality commits to deliver over the twelve (12) months. It also helps to hold the municipality and its management accountable for the performance on the mentioned programmes and projects.

1.2 Background

The MFMA prescribes that each municipality must compile its SDBIP. The Mayor of the municipality is required to approve the SDBIP within 28 days after the approval of the budget and table the same at a Municipal Council meeting and made public no later than 14 days after approval for information. National Treasury's MFMA Circular

No.13 further states that the SDBIP is a layered plan, once the top-layer targets have been set as in this document, the various departments of the municipality develop the next lower-level. The organisation of the SDBIP is in terms of the prescribed Key Performance Areas:

1. Service Delivery and Infrastructure
2. Municipal Transformation and Organisational Development
3. Local Economic Development and Social Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation
6. Cross-cutting Intervention

1.3 Monitoring And Evaluation

The Organisational Performance Management System (OPMS) Framework and Policy were approved by Council.

The performance management system makes provisions for the Quarterly and Mid-year performance reporting and reviews on the implementation of the SDBIP. The key focus areas and service delivery targets for the 2015/2016 are outlined in the departmental scorecards of this plan.

1.4 General Key Performance Indicators

The following key performance indicators will be complied with as prescribed in terms of Section 10 of the Local Government Municipal Planning and Performance Management Regulations, 2001:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to basic free services;

- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- The number of jobs created through the municipality's local economic development initiatives including capital projects;
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and Financial viability as expressed by the ratios in the gazette.

2. Strategic Objectives Per Key Performance Area

A. Municipal Transformation and Organisational Development

- To build and strengthen the administrative and institutional capability of the municipality

B. Basic Service Delivery

- To provide access to sustainable quality drinking water and sanitation services.

C. Local Economic Development and Social Development

- To create a conducive environment for economic growth and job opportunities

D. Good Governance and Public Participation

- To create a conducive environment or participatory development

E. Municipal Financial Viability and Management

- To develop and maintain a financially viable and sustainable organisation that achieves full compliance with legislation

F. Cross Cutting Issues

- To develop and promote an integrated sustainable environment

Government grants & subsidies	731 458 000	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833	60 954 833
TOTAL REVENUE BY SOURCE	1 155 241 121	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093	96 270 093

3.2 Monthly Projections of Revenue and Expenditure by Vote

Department Votes	JULY			AUGUST			SEPTEMBER		
	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex
Vote1 - Executive & Council	173 000	87 875	4 286 732	173 000	87 875	4 286 732	173 000	87 875	4 286 732
Vote2 - Finance & Administration	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093
Vote3 - Infrastructure & Economic Development	2 110 060	0	3 450 454	2 110 060	0	3 450 454	2 110 060	0	3 450 454
Vote4 - Water	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077
Vote5 - Waste Water Management	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200
Vote6 - Public Safety	563 488	250 000	311 359	563 488	250 000	311 359	563 488	250 000	311 359
Vote7 - Environmental Protection	1 413 888	0	1 438 880	1 413 888	0	1 438 880	1 413 888	0	1 438 880
Vote8 - Other: Markets	50 000	0	86 021	50 000	0	86 021	50 000	0	86 021
Vote9 - Sports & Recreation	15 000	0	0	15 000	0	0	15 000	0	0

Department Votes	OCTOBER			NOVEMBER			DECEMBER		
	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex
Vote1 - Executive & Council	173 000	87 875	4 286 732	173 000	87 875	4 286 732	173 000	87 875	4 286 732
Vote2 - Finance & Administration	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093
Vote3 - Infrastructure & Economic Development	2 110 060	0	3 450 454	2 110 060	0	3 450 454	2 110 060	0	3 450 454
Vote4 - Water	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077
Vote5 - Waste Water Management	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200
Vote6 - Public Safety	563 488	250 000	311 359	563 488	250 000	311 359	563 488	250 000	311 359
Vote7 - Environmental Protection	1 413 888	0	1 438 880	1 413 888	0	1 438 880	1 413 888	0	1 438 880
Vote8 - Other: Markets	50 000	0	86 021	50 000	0	86 021	50 000	0	86 021
Vote9 - Sports & Recreation	15 000	0	0	15 000	0	0	15 000	0	0

Department Votes	JANUARY			FEBRUARY			MARCH		
	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex
Vote1 - Executive & Council	173 000	87 875	4 286 732	173 000	87 875	4 286 732	173 000	87 875	4 286 732
Vote2 - Finance & Administration	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093
Vote3 - Infrastructure & Economic Development	2 110 060	0	3 450 454	2 110 060	0	3 450 454	2 110 060	0	3 450 454
Vote4 - Water	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077
Vote5 - Waste Water Management	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200
Vote6 - Public Safety	563 488	250 000	311 359	563 488	250 000	311 359	563 488	250 000	311 359
Vote7 - Environmental Protection	1 413 888	0	1 438 880	1 413 888	0	1 438 880	1 413 888	0	1 438 880
Vote8 - Other: Markets	50 000	0	86 021	50 000	0	86 021	50 000	0	86 021
Vote9 - Sports & Recreation	15 000	0	0	15 000	0	0	15 000	0	0

Department Votes	APRIL			MAY			JUNE		
	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex
Vote1 - Executive & Council	173 000	87 875	4 286 732	173 000	87 875	4 286 732	173 000	87 875	4 286 732
Vote2 - Finance & Administration	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093	13 228 658	2 193 333	9 190 093
Vote3 - Infrastructure & Economic Development	2 110 060	0	3 450 454	2 110 060	0	3 450 454	2 110 060	0	3 450 454
Vote4 - Water	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077	69 221 023	25 735 750	40 472 077
Vote5 - Waste Water Management	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200	9 494 976	4 730 785	7 295 200
Vote6 - Public Safety	563 488	250 000	311 359	563 488	250 000	311 359	563 488	250 000	311 359
Vote7 - Environmental Protection	1 413 888	0	1 438 880	1 413 888	0	1 438 880	1 413 888	0	1 438 880
Vote8 - Other: Markets	50 000	0	86 021	50 000	0	86 021	50 000	0	86 021
Vote9 - Sports & Recreation	15 000	0	0	15 000	0	0	15 000	0	0

3.3 Total Projections Of Revenue & Expenditure By Vote

DEPARTMENTAL VOTES	Revenue	Capex	Opex
Vote1 - Executive & Council	2 076 000.00	1 054 500	51 440 795
Vote2 - Finance & Administration	158 743 900	26 320 000	110 281 112
Vote3 - Infrastructure & Economic Development	25 320 715	0	41 405 442
Vote4 - Water	830 652 279	308 829 000	485 664 927
Vote5 - Waste Water Management	113 939 715	56 769 420	87 542 394
Vote6 - Public Safety	6 761 856	3 000 000	3 736 312
Vote7 - Environmental Protection	16 966 655	0	17 266 565
Vote8 - Other: Markets	600 000	0	1 032 256
Vote9 - Sports & Recreation	180 000	0	0
TOTAL PROJECTIONS OF REVENUE & EXPENDITURE	1 155 241 121	395 972 920	798 369 801