



2016 / 2017 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

SDBIP

MUNICIPAL MANAGER

3/24/2016

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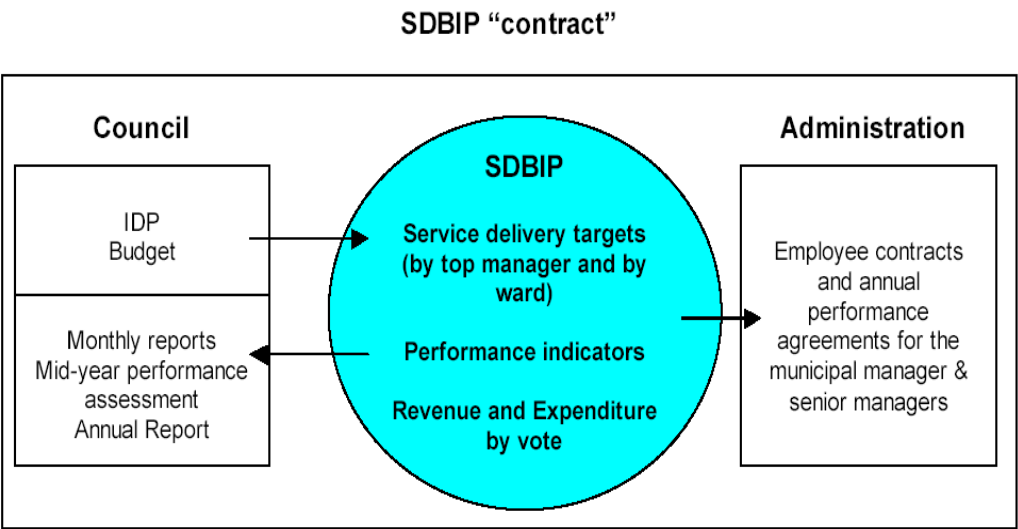
1.1. Purpose of the SDBIP

The purpose of this document is to present the Service Delivery Budget Implementation Plan (SDBIP) of the new Ugu District Municipality for the financial year 2016 / 2017. It was developed on the basis of the Council approved 2016 / 2017 IDP Review and MTREF and will reflect the implementation of service delivery goals. The Service Delivery and Budget Implementation Plan (SDBIP) 2016 / 2017 is a detailed plan for implementing the delivery of services and the budget for the 2016 / 2017 financial year according to the Municipal Finance Management Act.

This SDBIP therefore serves as a contract between the administration, council and the community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP facilitates the process of holding management accountable for their performance. It provides the basis for measuring performance in the delivery of services.

1.2. Legislated Framework

The Municipal Finance Management Act (MFMA) requires the municipalities to prepare a Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP gives effect to IDP and budget of the municipality and will only be possible if the IDP and the budget are fully aligned with each other as required by the MFMA. The SDBIP can therefore be seen as the "contract" between the administration, council and the community expressing goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This then provides basis for measuring performance in service delivery against end – of – the year targets and implementing the budget. The diagram below best illustrates this:



The SDBIP is a management, implementation and monitoring tool that provides a vital link between the mayor, council (executive) and the administration, and facilitates the process of holding the management accountable for its performance. If properly formulated, the SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

1.3. The SDBIP Process

The Municipal Finance Management Act and the guiding MFMA circular requires the following to be included in the SDBIP of a municipality:

- i. Monthly projection of revenue to be collected for each source
- ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
- iii. Quarterly projections of service delivery targets and performance indicators for each vote
- iv. Ward information for the delivery of a specific service

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:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Cross Cutting Interventions

1.4. 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 2016 / 2017 are outlined in the departmental scorecards of this plan.

1.5. 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:

No.	Compulsory Key Performance Indicators
1	Percentage of households with access to all basic household services
2	Percentage of households with imputed expenditure of less than R1 100 per month that have access to basic services
3	Percentage of capital budget spent on projects identified in terms of the IDP.

4	Number of jobs created through local economic development initiatives supported by the municipality.
5	Percentage achievement of approved employment equity plan within the first three layers of management.
6	Percentage of skills levy received in rebate as a measure of the municipality's investment in human resource development.
7	Financial Viability: Ratios - Debt Coverage; Outstanding debtors to revenue; and Cost Coverage

1.6. Strategic Outcomes

Ugu's vision and mission statement gives directives to what the municipality wants to achieve in terms of its medium and long term developmental goals.



Attempts were made to ensure that the Ugu 2012/2013 to 2016/2017 IDP priorities are aligned to the National, Provincial and District family's priorities. The table reflects the alignment of all the priorities.

9 Priorities	6 Strategic Objectives	Prioritised PGDS Goals (10.03.15)	Confirmed/ Emerging Priorities/
1. Infrastructure Investment (Roads, Water, Sanitation, Electricity, Housing)	To provide access to sustainable quality drinking water and sanitation services	2. Strategic Infrastructure	Identified areas of need for water and sanitation
2. Economic and Sectoral Development (Job Creation, Employment, LED Projects, Tourism, Agriculture, Rural development)	To create a conducive environment for economic growth and job opportunities	1. Job Creation	<ul style="list-style-type: none"> • Catalytic projects • Boosting of investor confidence

Ugu District Municipality 2016 / 2017 SDBIP

9 Priorities	6 Strategic Objectives	Prioritised PGDS Goals (10.03.15)	Confirmed/ Emerging Priorities/
3. Financial Viability (Clean Audit, Corruption)	To develop and maintain a financially viable and sustainable organization that achieves full compliance with legislation		Revenue Collection Water Losses Clean Audit
4. Education and Skills Development (Skills Development, Education)		4. Community & Human Development	Skills Development (internal and external)
5. Institutional Integration and Coordination (Institutional Development, review of Organogram, Workforce, Principles development)	To build and strengthen the administrative and institutional capability of the municipality	3. Governance & Policy	Maximize returns on personnel costs , Outcomes based planning and Monitoring & Evaluation
6. Collaborative planning		5. Spatial Equity	IGR; Joint prioritization between LMs and District, LAP- peri-urban areas
7. Reduce HIV & Aids		4. Community & Human Development	
8.Clean Environment	To develop and promote an integrated sustainable environment		
9. Peace and Stability	To create a conducive environment for participatory development	3. Governance & Policy	People centeredness- public participation

1.7. Revised Adjusted 2015/2016 Monthly Financial Projections

1.7.1.Monthly Projections of Revenue by Source

Monthly projections	Total projections	Jan	Feb	Mar	Apr	Ma y	Jun e	Jan	Feb	Mar	Apr	Ma y	Jun e
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Service charges - water revenue	426 884 524	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711	35 573 711
Service charges - sanitation revenue	112 280 817	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735	9 356 735
Rental of facilities and equipment	1 249 170	104 098	104 098	104 098	104 098	104 098	104 098	104 098	104 098	104 098	104 098	104 098	104 098
Interest earned-external investments	15 000 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000	1 250 000
Interest earned-outstanding	3 801 593	316 799	316 799	316 799	316 799	316 799	316 799	316 799	316 799	316 799	316 799	316 799	316 799

Monthly projections	Total projections	Jan	Feb	Mar	Apr	Ma y	Jun e	Jan	Feb	Mar	Apr	Ma y	Jun e
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
debtors													
Other income	6 122 818	510 235	510 235	510 235	510 235	510 235	510 235	510 235	510 235	510 235	510 235	510 235	510 235
Government grants & subsidies	711 790 000	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833	59 315 833
Total Revenue By Source	1 277 128 922	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410	106 427 410

1.7.2.Total Projections of Revenue & Expenditure by Vote

Departmental Votes	Revenue	Capex	Opex
Vote1 - Executive & Council	2 188 000	2 640 000	64 169 694
Vote2 - Finance & Administration	179 835 723	44 055 000	154 730 541
Vote3 - Infrastructure & Economic Development	29 442 939	0	49 837 998
Vote4 - Water	920 796 386	238 417 788	582 270 270
Vote5 - Waste Water Management	119 471 538	82 444 212	87 862 843
Vote6 - Public Safety	7 099 948	1 000 000	6 099 948
Vote7 - Environmental Protection	17 789 987	0	18 458 324
Vote8 - Other: Markets	250 000	0	1 160 373
Vote9 - Sports & Recreation	254 400	0	0
Total Projections of Revenue & Expenditure	1 277 128 922	368 557 000	964 589 991

Ugu District Municipality 2016 / 2017 SDBIP

1.7.3.Monthly Projections of Revenue and Expenditure by Vote

Department Votes	July			August			September			October			November			December		
	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex	Revenue	Capex	Opex
Vote1 - Executive & Council	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475
Vote2 - Finance & Administration	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212
Vote3 - Infrastructure & Economic Development	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167
Vote4 - Water	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523
Vote5 - Waste Water Management	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904
Vote6 - Public Safety	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329
Vote7 - Environmental Protection	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194
Vote8 - Other: Markets	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698
Vote9 - Sports & Recreation	21200	0	0	21200	0	0	21200	0	0	21200	0	0	21200	0	0	21200	0	0
	January			February			March			April			May			June		
Vote1 - Executive & Council	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475	182 333	220 000	5 347 475
Vote2 - Finance & Administration	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212	14 986 310	3 671 250	12 894 212
Vote3 - Infrastructure & Economic Development	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167	2 453 578	0	4 153 167
Vote4 - Water	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523	76 733 032	19 868 149	44 022 523
Vote5 - Waste Water Management	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904	9 955 962	6 870 351	7 321 904
Vote6 - Public Safety	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329	591 662	83 333	508 329
Vote7 - Environmental Protection	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194	1 482 499	0	1 538 194
Vote8 - Other: Markets	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698	20 833	0	96 698
Vote9 - Sports & Recreation	21200	0	0	21200	0	0	21200	0	0	21200	0	0	21200	0	0	21200	0	0

ANNEXURE A: 2016 / 2017

SDBIP SCORECARDS