UGU DISTRICT MUNICIPALITY

Ugu District Municipality

2017/2018 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

SDBIP

MUNICIPAL MANAGER
6/22/2017

Contents

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.”
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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 2017/2018. 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 2017/2018 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

3. 2017/2018 Monthly Financial Projections

3.1 Monthly Projections of Revenue by Source

Monthly projections of Revenue by Source	Total projections of revenue by source	July R'000	August R'000	Sept. R'000	October R'000	November R'000	December R'000	January R'000	February R'000	March R'000	April R'000	May R'000	June R'000
Service charges - water revenue	315 836	28 364	27 537	21 740	24 066	23 876	25 832	28 364	25 428	25 069	25 832	25 832	33 896
Service charges - sanitation revenue	113 236	9 446	8 837	9 984	8 162	9 755	9 498	9 446	8 995	8 955	11 308	9 498	9 351
Rental of facilities and equipment	1 160	59	125	45	138	46	153	59	105	125	44	153	109
Interest earned - external investments	20 813	1 754	2 875	1 972	1 984	1 809	2 320	1 754	1 195	1 127	1 250	1 320	1 451
Interest earned - outstanding debtors	3 848	1 107	312	257	107	25	383	107	303	314	275	383	277
Transfers and subsidies - operational	445 808	3 648	2 480	7 536	10 392	9 735	166 185	3 648	482	103 093	3 747	136 185	(1 323)
Transfers and subsidies - capital	279 116	69 713				69 713				69 713			69 978
Other revenue	11 977	355	1 300	1 305	1 322	1 514	1 355	355	524	1 374	350	355	1 867
Gains on disposal of PPE	–												–
Total Revenue by Source	**1 191 795**	**114 446**	**43 467**	**42 838**	**46 169**	**116 473**	**205 725**	**43 733**	**37 033**	**209 771**	**42 808**	**173 725**	**115 606**

3.2 Monthly Projections of Revenue and Expenditure by Vote

Department Votes	July			August			September		
	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Vote 1 - EXECUTIVE & COUNCIL	–	3 399	–	368	4 100	–	140	5 867	–
Vote 2 - FINANCE & ADMINISTRATION	46 589	10 985	59	2 346	15 489	–	1 530	13 106	12
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	8 978	2 944	–	2 137	5 247	98	6 799	6 613	10
Vote 4 - WATER	41 113	40 240	1 691	47 822	53 825	22 236	24 412	39 646	13 157
Vote 5 - WASTE WATER MANAGEMENT	10 405	4 906	276	8 782	7 201	2 600	9 941	8 738	4 889
Vote 6 - PUBLIC SAFETY	5 196	56		–	9		–	321	
Vote 7 - ENVIRONMENTAL PROTECTION	2 134	56	54	–	9	54	–	321	54
Vote 8 - OTHER: MARKET	14	91		–	94		–	94	
Vote 9 - SPORTS & RECREATION	18	33		12	33		18	33	
Total	**114 446**	**62 710**	**2 079**	**61 467**	**86 006**	**24 989**	**42 838**	**74 739**	**18 122**

Department Votes	October			November			December		
	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Vote 1 - EXECUTIVE & COUNCIL	30	4 638	–	391	4 375	626	196	5 604	–
Vote 2 - FINANCE & ADMINISTRATION	4 069	12 042	134	1 413	10 739	493	38 601	11 504	1 702
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	13 677	9 846	–	10 552	6 629	11	2 696	14 951	63
Vote 4 - WATER	20 248	36 734	23 812	92 288	57 958	13 197	142 977	45 784	26 371
Vote 5 - WASTE WATER MANAGEMENT	8 111	5 327	177	9 704	7 183	2 152	11 871	6 456	3 855
Vote 6 - PUBLIC SAFETY	–	207		108	261		691	1 077	
Vote 7 - ENVIRONMENTAL PROTECTION	–	207	54	–	261	54	3 652	1 234	54
Vote 8 - OTHER: MARKET	15	72		–	74		23	34	
Vote 9 - SPORTS & RECREATION	20	33		18	33		18	33	
Total	**46 169**	**69 104**	**24 177**	**114 473**	**87 513**	**16 533**	**200 725**	**86 677**	**32 046**

Department Votes	January			February			March		
	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Vote 1 - EXECUTIVE & COUNCIL	208	3 580	–	158	3 451	–	165	3 457	94
Vote 2 - FINANCE & ADMINISTRATION	1 387	12 656	2 102	2 336	10 327	862	2 506	10 343	10 947
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	2 425	6 167	38	64	5 323	–	2 073	5 143	
Vote 4 - WATER	30 240	42 186	8 847	25 280	37 060	6 582	195 810	39 264	27 990
Vote 5 - WASTE WATER MANAGEMENT	9 413	7 316	4 051	8 937	5 686	3 120	8 937	16 648	15 095
Vote 6 - PUBLIC SAFETY	–	685		238	639		238	739	
Vote 7 - ENVIRONMENTAL PROTECTION	28	1 176	54	–	1 416	54	–	1 418	54
Vote 8 - OTHER: MARKET	13	76		–	75		23	75	
Vote 9 - SPORTS & RECREATION	18	33		20	33		20	33	
Total	**43 733**	**73 876**	**15 092**	**37 033**	**64 010**	**10 619**	**209 771**	**77 120**	**54 179**

Department Votes	April			May			June		
	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure	Revenue	Operational Expenditure	Capital Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Vote 1 - EXECUTIVE & COUNCIL	225	17 902	94	158	3 451	94	318	18 821	94
Vote 2 - FINANCE & ADMINISTRATION	7 589	7 796	10 947	92 428	32 789	10 947	700	24 349	11 956
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	2 991	4 022		64	5 323		1 785	1 154	45
Vote 4 - WATER	24 641	41 510	27 990	80 807	19 167	27 990	60 417	15 689	28 890
Vote 5 - WASTE WATER MANAGEMENT	8 895	5 403	15 095	8 937	5 686	15 095	16 958	10 808	15 095
Vote 6 - PUBLIC SAFETY	28	541		238	839		790	3 059	–
Vote 7 - ENVIRONMENTAL PROTECTION	1 976	371	54	–	1 416	54	11 037	10 718	54
Vote 8 - OTHER: MARKET	56	101		–	75		21	588	–
Vote 9 - SPORTS & RECREATION	20	33		20	33		41	33	–
Total	**46 421**	**77 679**	**54 179**	**182 651**	**68 779**	**54 179**	**92 068**	**85 219**	**56 133**

3.3 Total Projections Of Revenue & Expenditure By Vote

	Revenue	Operational Expenditure	Capital Expenditure
	R'000	R'000	R'000
Vote 1 - EXECUTIVE & COUNCIL	2 356	78 645	1 000
Vote 2 - FINANCE & ADMINISTRATION	201 495	172 126	50 159
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT	54 239	73 364	265
Vote 4 - WATER	786 053	469 062	228 751
Vote 5 - WASTE WATER MANAGEMENT	120 891	91 356	81 500
Vote 6 - PUBLIC SAFETY	7 526	8 434	–
Vote 7 - ENVIRONMENTAL PROTECTION	18 827	18 602	650
Vote 8 - OTHER: MARKET	165	1 451	–
Vote 9 - SPORTS & RECREATION	241	390	–
Total	**1 191 795**	**913 432**	**362 325**