



## **SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**2012-2013**

## **FOREWORD BY THE MAYOR**

Our service Delivery and Budget implementation Plan(SDBIP) commits Nkonkobe municipality to meeting specific service delivery and budget spending targets during the 2010/2011 financial year. It is a detailed outline of how we will implement the objectives set out in our integrated Development Plan(IDP).

The IDP is agreed upon between municipality and communities in the municipality, and is a plan to guide how we spend our budgets, where and what.

There are difficult choices that we need to make, for example, we have to match the amount of budget we receive from national government with the level of services needed in the municipality which are so huge.

Our IDP is guided by the Constitution, which gives specific powers and responsibilities to local government and the Municipal Systems Act which deals with all IDP processes. The municipality is responsible for services such as refuse removal, community amenities, electricity distribution in Fort Beaufort, traffic safety, by-law enforcement etc.

This division of responsibilities between different spheres of government is important to understand in order to avoid duplication. It is not the competence of the Nkonkobe Municipality to deal with education, national roads, water and sanitation etc. These are functions of the Provincial Government.

After doing careful study of the main challenges in the municipality, and after consulting widely with the public, the municipality decided that our main focus area for our IDP, and therefore our SDBIP should be infrastructure led economic growth. As a result, the municipality has set aside budget for the establishment of the technical unit.

The municipality sees improvement in infrastructure as a means of attracting investment. Investors create jobs and help to drive development. The main focus is the creation of jobs , especially for the poor.

If we don't invest now in better services and infrastructure, we will not be able to create new jobs that are needed. For this reason, our SDBIP and our IDP also focus on making our municipality a more efficient organization, with well managed human resources and enough staff capacity to deliver services in greater quantity and of better quality than ever before.

Approved by the Honourable Mayor

.....

A .W NTSANGANI

DATE:

## **Table of Contents**

1. Introduction

1.1. Legislative Imperative

2. Linking the IDP to the Budget
3. Reporting on the SDBIP
  - 3.1 Monthly Reporting
  - 3.2 Quarterly Reporting
  - 3.3 Midyear reporting
4. SDBIP Scorecard (Departmental Scorecard) Template
5. Three year capital plan 2010/2011-2012/2013
6. Revenue and expenditure Projections
  - 6.1 Monthly Projections of Revenue by source
  - 6.2 Monthly Projections of expenditure by vote(Department)
  - 6.3 Monthly Projections of Revenue by department(vote)
7. Conclusion

## **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 2010 to 30 June 2011( the municipality's financial year). 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 talk 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 25<sup>th</sup> 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 2010/2011-2012/2013

#### IDP PER STRATEGIC CLUSTER AND OBJECTIVE

#### CAPITAL BUDGET 2010/2011-2012-2013

DEPARTMENT	PRIORITY AREA	OBJECTIVE	BUDGET 2010/ 2011	BUDGET 2011/2012	BUDGET 2012/2013
<b>LED AND ENVIRONMENT</b>	IDP ANA PMS	To ensure an effective developmental planning, effective performance management , monitoring and evaluation	0.00	0.00	0.00
	Community Based planning	To enable community to participate in the municipal planning  By informing the communities of any new developments regarding implementation of	R1100 000		

		the CBP projects			
	Special Programmes	To ensure institutional plans and programmes have an impact on vulnerable groups	R600 000		
	Agriculture	To achieve greater agricultural output by 40% in 2011	R300 000		
	Tourism	To increase the number of tourists by 10% by 2011	R1862 166	R0.00	R949 572
	Environment	To improve ecological integrity of natural resources	R0.00	R0.00	R0.00
	SMME Development	To ensure maximum support to SMME	R0.00	R0.00	R0.00
<b>INFRASTRUCTURE</b>	Electricity	Provision of sustainable electricity supply to all Fort Beaufort households and to all other admin and the surrounding areas by 2014	R0.00	R0.00	R0.00
	Roads and	To maintain and upgrade 192 82 km	R6 262 000	R7 400 000	R7 878 786

	Storm water	unpaved and 500km paved roads by 2014			
	Housing	To facilitate the provision of 3820 new houses and defective houses by 2014	R0.00	R0.00	R0.00
	Land	To facilitate the access of five parcels of land for the needy communities to ensure that quality of lives to those communities is improved by 2014	R0.00	R0.00	R0.00
	Community Facilities	To provide six communities/villages with community halls by 2010	R2 957 785	R4 800 000	R9 057 572
<b>SOCIAL NEEDS</b>	Waste Management	Maintain sustainable, quality waste management practices so as to ensure clean and a healthy environment	R500 000		R300 000

	Parks & Recreation	To promote unity and healthy lifestyle in our communities			
	Traffic & Parking	To promote proper road usage and maintain law enforcement	R3 024 966	R1 000 000	R0.00
	Safety and Security	To facilitate the reduction of crime by 80% by 2014	R300 000	R0.00	R0.00
	Disaster Management	To co-ordinate and manage disasters and incidents	R1,128,192.50	R0.00	R0.00
	Social and Community Services	To provide community development services to all people of Nkonkobe	R 500 000	R500 000	R2 336 850
	Sport, Recreation, Arts and culture	To establish and maintain all sports facilities and promote participation of the community.	R0.00	R1500 000	1 318 850

<b>INSTITUTION &amp; FINANCE</b>	Capacity building	To ensure management meets competency levels in terms of national treasury regulations by January 2013	R982 322		
		To enhance capacity building of Cllrs, ward committees and officials of the municipality to be able to execute their functions by march 2011			
	Institutional Reparation	To ensure that all municipal properties are in an acceptable standard by 2010			
	Policies and By-laws	To enforce by-laws and implementation of policies by July 2010	R200,000		
	Fleet Management	To ensure effective fleet management by June 2010	R400,000		
	Communication	To ensure effective			

		communication with both internal and external stakeholders by 2010			
	Record Management	To ensure that the institution has a sound and effective record system by Dec 2010			
	Risk Management	To ensure that there is value, integrity and reliability in financial reporting system by 2011			
	Operation clean audit	To ensure that the institution is able to move away from disclaimers by 2011	R850 000		
	IT Function	To ensure a shift on heavy reliability on service providers			
	Revenue Collection	To ensure maximization of revenue collection by Dec 2010	R350, 000		







	5	5	1 1 5 . 2 5		5								
Refuse	337,65 1.5 0	337,65 1.5 0	3 3 7 , 6 5 1 . 5 0	337,651. 50	337,65 1.5 0	337,651. 50	337,651. 50	337,65 1.50	337,65 1.50	337,651 .50	337,651.5 0	337,65 1.50	R4,051,818
SDLC laims							R469 ,282						R469,282
E – Natis	R16 6,6 67		R 1 6 6 , 6 6 7	R166 ,667	R16 6,6 67	R166 ,667	R166 ,667	R166,6 67	R166,6 67	R166,66 7			R1,500,000

Traffic Fines	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	37,147.50	R445,770
FMG & MSIG	1,950,000												1,950,000
Agency fees	R1,650,000				R1,650,000					R1,650,000			4,950,000

6.2 Monthly Projections of Expenditure by Vote(Department) 2010/2011



	streets													
	Ndindwa Hall	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R878912.50
	Majware ni Hall	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R73242	R878912.50
	Alice town Internal Streets	R146833	R146833	R146833	R146833	R146833	R146833	R146833	R146833	R146833	R146833	R146833	R146833	R1762000
Commu nity services	Security Guard Room	R25000	R25000	R25000	R25000	R25000	R25000	R25000	R25000	R25000	R25000	R25000	R25000	R300000
	Waste Management	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R500000
	Fire station	R94016	R94016	R94016	R94016	R94016	R94016	R94016	R94016	R94016	R94016	R94016	R94016	R1128192.50
	Cemeteries	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R41666	R500000
	DLTC	R252080	R252080	R252080	R252080	R252080	R252080	R252080	R252080	R252080	R252080	252080	252080	R302966

Corporate services	Vehicle purchase										R955,000			R955,000
Corporate services	Park homes			R250,000										R250,000.
Corporate services	Furniture				R500,000									R500,000
Corporate services	Plant								R1,800,000					R1,800,000
BTO	CRR	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	R67,651.58	811,819

### 6.3 Monthly Projections of Revenue by department(Vote)

Source of Reven	Jul 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Total
-----------------	----------	----------	-----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	-------



Agency fees	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R353,61 5.50	R4,243, 386.
-------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

## 7. Conclusion

The Nkonkobe municipality's 2010/2011 SDBIP has been prepared in accordance with the requirements of the MFMA.