

# FINAL SDBIP 2023/2024



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**Municipality**

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**CERTIFICATE OF APPROVAL BY THE MAYOR**

I, **SOLETHU LUCAS**, in my capacity as the Mayor of Sundays River Valley Municipality, hereby approve the Service Delivery Budget and Implementation Plan for the 2023/2024 financial year, as is required in terms of the Local Government Finance Management Act Section 53 (C)(ii)

**06- July- 2023****CLLR. S LUCAS****MAYOR****QUALITY CERTIFICATE BY THE MUNICIPAL MANAGER**

I, **THABISO KLAAS**, the Municipal Manager submit the top later of the Service Delivery Budget and Implementation Plan (SDBIP) for the 2023/2024 financial year for approval by the Mayor. This SDBIP has been prepared in terms of the Municipal Finance Management Act Section 53 (C)(ii) and also the regulations thereto.

**06- July- 2023****T. KLAAS****MUNICIPAL MANAGER**

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## 1. Introduction

The purpose of the Service Delivery and Budget Implementation Plan (SDBIP) is to assist management to achieve service delivery targets, as well as spending the capital budget within the given time frames. The IDP and Budget are key documents informing the SDBIP. The Sundays River Valley Municipality's 5<sup>th</sup> generation IDP and budget documents were then considered in drawing up our SDBIP. This document is now brought before Council for adoption for the 2023/2024 financial year.

A Service Delivery and Budget Implementation Plan is defined in chapter 1 of the Act as a detailed plan approved by the Council for implementing the municipality's service delivery within the allocated budget. Essentially a business plan, the SDBIP is an integral part of the financial planning process. Although its approval is required after the budget its preparation has occurred in tandem with the budget process. The SDBIP is the connection between the budget and performance agreements of senior managers, it also includes detailed information on how the budget will be implemented – by means of forecast cash flows – and service delivery targets and performance indicators.

## 2. Executive Summary

The Municipality is required to produce a Service Delivery and Budget Implementation Plan to show the following.

- Monthly projections of revenue and expenditure for the operating and capital budgets
- Quarterly service delivery targets and performance indicators.

Each month the Municipal Manager must present the mayor with a report showing how income and spending is progressing against these projections. Every quarter the mayor must report to Council on the progress of the budget.

## 2. Legislative Framework for SDBIP and PMS

The need for a monitoring tool within municipalities comes from several legislative pieces, giving guidance and direction on the path to be followed when developing these systems. All this is done to ensure effective and efficient service delivery to our communities. The different pieces of legislation are discussed below.

### 3.1 The White Paper on Local Government (1998):

The White Paper on Local Government (1998) suggested that local government should introduce the idea of using monitoring tools to measure impact and performance. Therefore, the white paper further notes

that Performance management is critical to ensure that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently.

### **3.2 The Municipal Systems Act (2000):**

Government has taken this idea of measuring performance forward in chapter six of the Municipal Systems Act (32 of 2000) which requires all municipalities to:

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an annual report on performance for the councilors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
- Conduct an internal audit on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and the budget are fully aligned with each other as required by the MFMA (Act 56 of 2003)

### **3.3 Municipal Finance Management Act**

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 (as part of the top layer) 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.

According to Section 53(1)(c) ii of the MFMA (Act 56 of 2003) the mayor of the municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

Section 69 of the MFMA determines that the draft SDBIP and performance agreements must be submitted to the Executive Mayor within 14 days after the approval of an annual budget.

### **1. The Components of a SDBIP.**

The five necessary components of a SDBIP are

1. Monthly projections of revenue to be collected for each source
2. Monthly projections of expenditure (operating and capital) and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators for each vote
4. Ward information for expenditure and service delivery
5. Capital works plans

### **2. The SDBIP Concept**

National Treasury, in circular 13, outlined the concept of the SDBIP. It is seen as a contract between the administration, council and 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.

It is a management, implementation and monitoring tool that will assist the Mayor, councillors, Municipal Manager, senior managers, and community. It is also a performance monitoring tool that enables the Municipal Manager to monitor the performance of senior managers. The MFMA requires that the performance agreements of senior managers be linked to the measurable performance objectives in the SDBIP.

As a vital monitoring tool, the SDBIP should help enable the Mayor and Municipal Manager to be proactive and take remedial steps in the event of poor performance. The SDBIP is considered as a layered plan. Whilst only the top layer is made public at council, the budget and performance targets should be broken down into smaller targets and cascaded to middle-level and junior managers. Directorates should be producing their own SDBIP's which roll up into the municipality's SDBIP.

### **MFMA requirement**

#### **6.1 Approval of the SDBIP**

## 6.2 Implementation & monitoring

If it is decided to amend the SDBIP, any revisions to the service delivery targets and performance indicators must be made with the approval of council following an adjustments budget. The mayor must issue instructions to the accounting officer to ensure that the budget is implemented in terms of the SDBIP.

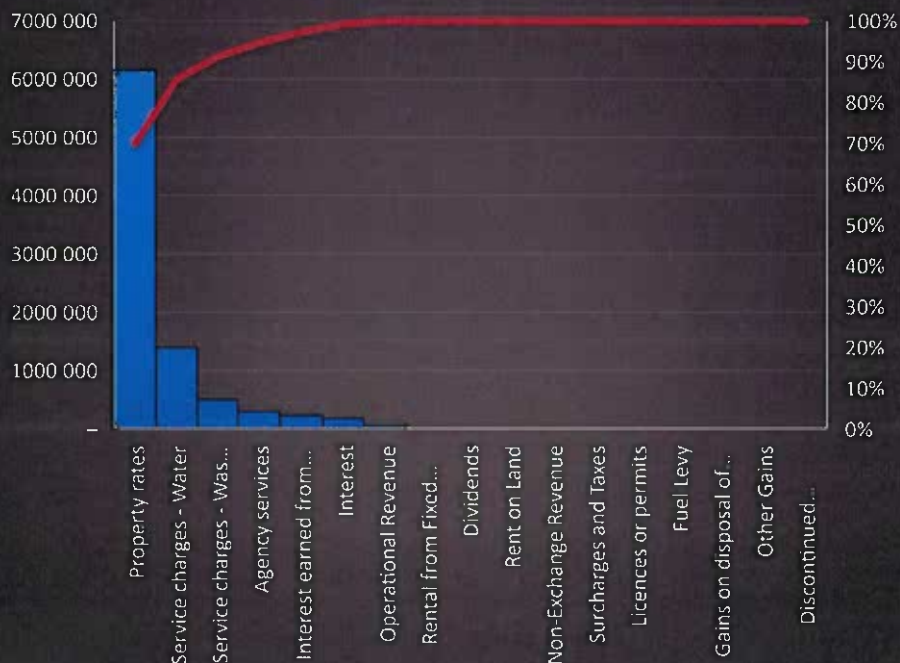
The production of the SDBIP in Sundays River is guided primarily by the Finance Department through the allocation of resources to the needs of the communities as reflected in the IDP.

[illegible]



Rent on Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	1	1	1	1	1	1	1	1	1	1	1	1	7
Licence and permits	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(1577)
Operational Revenue	65	65	65	65	65	65	65	65	65	65	65	65	783
Non-Exchange Revenue													0
Property rates	6 152	6 152	6 152	6 152	6 152	6 152	6 152	6 152	6 152	6 152	6 152	6 152	73 823
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(225)	(2 695)
Licences or permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(9 491)	(113 891)
Interest	177	177	177	177	177	177	177	177	177	177	177	177	2 127
Fuel Levy	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(4 664)</b>	<b>(55 964)</b>

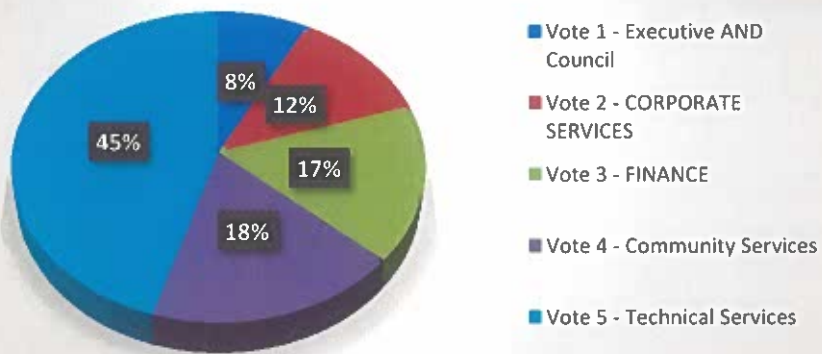
### Revenue by Source





Description Ref	Budget Year 2023/24												
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Total
expenditure by vote													
vote 1 - executive and council	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	15 980
vote 2 - corporate services	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	25 590
vote 3 - finance	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	33 982
vote 4 - community services	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	3 158	524,00
vote 5 - technical services	7 827	7 827	7 827	7 827	7 827	7 827	7 827	7 827	7 827	7 827	7 827	7 827	296,00
<b>Total Expenditure by Vote</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>17 282</b>	<b>207 393</b>

### Expenditure by Vote to be appropriated



<b>Funded by sources</b>	<b>Budget 2023/24</b>
National GOVERNMENT	R44 264131
BORROWING	R0
INTERNALLY GENERATED FUNDES	R74 000

Project Title	Registered MIG Funds 23/24
Upgrading of Roads & Stormwater in Enon and Bersheba – Phase 2	R 24 354 663,94
Construction of Multi- Purpose Sports Recreational Facility in Nomathamsanga in Addo	R 24 337 418,58
Construction of a New Community Hall in Moses Mabhida (Budget Maintenance)	R 23 480 697,00
Refurbishment of Enon and Bersheba Water Borne Sanitation	R 13 948 110,39
Infrastructure Asset Management	R 1 500 000,00
Emergency Flood Repairs at Vygie and Adams Street in Valencia	R 8 261 405,00
Construction of Roads and Stormwater in Paterson	R 14 875 965,00
Augmentation of the Water Reticulation Network in Paterson	R 16 572 000,00
Construction of Bulk and Water Reticulation in Molly Blackburn	R 20 994 000,00

