

REPORT TO THE EXECUTIVE MAYOR

File No.: 3/1/2

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SUBMISSION OF BUFFALO CITY METROPOLITAN MUNICIPALITY SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP), PERFORMANCE AGREEMENTS AND PERFORMANCE PLANS FOR MUNICIPAL MANAGER AND SECTION 56 MANAGERS FOR 2025/2026 FINANCIAL YEAR

1. PURPOSE

The purpose is for the Executive Mayor to APPROVE the 2025/2026 BCMM SDBIP report, Performance Agreements and Performance Plans of the Municipal Manager and Senior Managers appointed in terms of Section 56 of Local Government Municipal Systems Act.

2. AUTHORITY

The Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

- 3.1 The Constitution of the Republic of South Africa, 1996
- 3.2 The Local Government: Municipal Finance Management Act 56 of 2003;
- 3.3 Municipal Systems Act, Act 32 of 2000 and Regulations
- 3.4 Municipal Budget and Reporting Regulations, 2001
- 3.5 National Treasury Circular 88

4. BACKGROUND

Section 53 (1) © of the MFMA, states that:

“ the Mayor of a municipality must take all reasonable steps to ensure -

(ii) that the municipality’s service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

(iii) that the annual performance agreements as required in terms of section 57 (1)(b) of the Municipal Systems Act for the municipal manager and all senior managers –

(aa) comply with this Act in order to promote sound financial management;

(bb) are linked to the performance objectives approved with the budget and to the service delivery and budget implementation plan.”

Furthermore, section 53 (3) stipulates that:

“the Mayor must ensure that the revenue and expenditure projections for each month and service delivery targets and performance indicators for each quarter, as set out in the SDBIP are circulated or made public no later than 14 days after approval of the SDBIP.”

5. EXPOSITION OF FACTS

BCMM Integrated Development Plan and Budget for 2025/2026 was adopted by the Council on the 28 May 2025. Subsequent to that, the City has embarked in a process of developing the SDBIP 2025/2026. Series of engagements were held with all Directorates and that resulted to the development of a consolidated BCMM SDBIP. The contents of SDBIP are aligned with the set objectives and annual targets set in the IDP. The City has considered the budgeted items and ensured that they are included in the SDBIP 2025/2026. As a result, new key performance indicators and targets were incorporated into 2025/2026 financial year’s SDBIP. In addition to that, some targets were increased as compared to the previous financial year.

There were service delivery issues that were part of the IDP but were not adequately budgeted for. However, in the 2025/2026 financial year, the budget for some of these

service delivery priorities has increased and therefore targets increased compared to the previous financial years.

5.1. Amongst others, indicators and targets that were not part of the SDBIP during the previous year but are incorporated into 2025/2026 SDBIP are as follows:

- 5.1.1. Kilometers of Quenera Road to be constructed
- 5.1.2. Milestones towards the Construction of Gonubie Link Road Phase 3
- 5.1.3. Milestones towards the Construction of Harbour Arterial Road(Detail Designs)
- 5.1.4. Meters of roads upgraded to surface standards (Khiwane Resort)
- 5.1.5. Two (2) Pedestrian bridges to be constructed (Ward 14 & 48)
- 5.1.6. Upgrading and extension of Mdantsane Arts Centre
- 5.1.7. Upgrading of Sekunjalo Training Centre
- 5.1.8. Upgrading of Fresh Produce Market
- 5.1.9. Upgrading works to take place at the existing Mdantsane Swimming Pool
- 5.1.10. Public transport facility to be constructed (Dimbaza Taxi Rank)
- 5.1.11. Completion of fire station (Berlin fire station)
- 5.1.12. Establishment of Disaster Management Centre (Phase 1)
- 5.1.13. Development of Security Risks Analysis
- 5.1.14. Installation of fibre network (from Clements Kadalie to Mdantsane NU 6)

5.2. Indicators and targets that have been increased due to additional budget are as follows:

- 5.2.1. Upgrading of libraries has increased from 6 - 10 libraries to be upgraded during 2025/2026 financial year.
- 5.2.2. Upgrading of community halls has increased from 5 - 10 halls to be upgraded
- 5.2.3. Upgrading of sports facilities has increased from 2 - 5 sport facilities to be upgraded.

Therefore, it is for this reason that the BCMM Accounting Officer has developed and submitted BCMM Service Delivery and Budget Implementation Plan and the performance agreements of the Municipal Manager and section 56 managers to the Executive Mayor for **APPROVAL**.

6. CHALLENGES

Non alignment between the existing human capital and continuous IDP/PMS reforms introduced since 2016-2017 financial year. This compromises the ability of the team to deal with all compliance related requirements timeously.

Buffalo City Metro Municipality is not ready to implement the following indicators due to institutional readiness (technology and systems):

- 6.1. Percentage of municipal bus services 'on time'
- 6.2. Percentage of scheduled municipal bus trips that are universally accessible
- 6.3. KMs of new municipal road network

7. OTHER PARTIES CONSULTED

- 7.1 City Manager
- 7.2 All Heads Of Directorates
- 7.3. All General Managers
- 7.4. All Senior and Programme Managers

8. FINANCIAL IMPLICATIONS

None

9. STAFF IMPLICATIONS

None

10. RECOMMENDATIONS

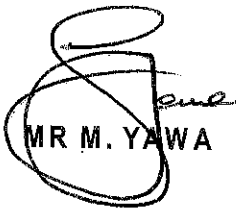
It is recommended that:

The Executive Mayor **APPROVES**:

10.1. Buffalo City Metropolitan Municipality Service Delivery and Budget Implementation Plan (SDBIP) 2025/2026,

10.2. Performance Agreements of the City Manager and Officials appointed in terms of section 56 of the local Government: Municipal System Act.

10.3. Performance Plans of the City Manager and Officials appointed in terms of section 56 of the local Government: Municipal System Act.


MR M. YAWA

CITY MANAGER: BUFFALO CITY METROPOLITAN MUNICIPALITY

DATE: 25/06/2025

APPROVED

~~NOT APPROVED~~


MS/P. FAKU

EXECUTIVE MAYOR: BUFFALO CITY METROPOLITAN MUNICIPALITY

DATE: 25/06/2025

ANNEXURES

Annexure A: 2025/2026 Performance Agreements and Performance Plans of Municipal Manager and Section 56 Managers

Annexure B: Quarterly projections of service delivery targets and performance indicators for each vote (SDBIP 2025/2026)

Annexure C: Monthly projections of Revenue to be collected by source

Annexure D: Monthly projections of expenditure (operating and capital) for each vote

Annexure E: Ward Information for expenditure and Service Delivery and Detailed capital works plan broken down by ward over 3 years