

REPORT TO THE EXECUTIVE MAYOR: 25 JUNE 2014

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[Author: City Manager (AF)]

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) and
INSTITUTIONAL SCORECARD 2014/ 2015**

1. PURPOSE

The purpose of this report is to submit the *Service Delivery and Budget Implementation Plan [SDBIP] and Institutional Scorecard 2014/15* to the Executive Mayor for approval.

2. AUTHORITY

Executive Mayor

3. LEGAL/ STATUTORY REQUIREMENTS

- 3.1 Municipal Finance Management Act 56 of 2003
- 3.2 Circular 13 of the MFMA
- 3.3 Municipal Systems Act 32 of 2000 (as amended)
- 3.4 Municipal Structures Act 117 of 1998

4. BACKGROUND

Section 53 (1) (c) (ii) stipulates that: "*the Mayor of the Municipality must take all reasonable steps to ensure that the municipality's SDBIP is approved 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 municipality 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 measurable performance objectives approved with the budget and the service delivery and budget implementation plan; and
(cc) are concluded in accordance with section 57 (2) of the Municipal Systems Act.

In addition Section 53 (3) (a) states that "the revenue and expenditure projections for each month and the service delivery targets and performance indicators ,for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implantation plan".
and

(b) that the annual performance agreements as required in terms of section 57 (1)(b) of the Municipal Systems Act for the municipal manager ,senior managers and any other categories of officials as may be prescribed are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to council and the MEC for local government in the province.

5. EXPOSITION OF FACTS

5.1 SUBMISSION OF THE SDBIP

On the 28 May 2014, the Buffalo City Metropolitan Council approved the 2014/15 IDP and the MTREF Budget 2014/15 – 2016/2017. On the 11 June the **DRAFT SDBIP** was submitted to the Executive Mayor in terms of Section 69 (3) (a) of the Municipal Finance Management Act for scrutiny, it covered the following components:

- Monthly projections of revenue by source;
- Monthly projections of capital and operating expenditure and revenue by vote;

- Quarterly projections of service delivery targets and performance indicators by vote;
- Ward information for expenditure and service delivery; and
- A detailed capital works plan.

Each of the components of the SDBIP is discussed in further detail below.

5.1.1 Monthly Projections of Revenue by Source

Monthly projections of revenue by source relate to the actual cash expected to be collected from the various main sources as well as actual grant funding to be received over the next twelve months of the 2014/15 budget year. The revenue projections are influenced by seasonal consumption patterns for water and electricity and the quarterly disbursements of grants (equitable share) from National Government to the municipality. A monthly breakdown of revenue per source is contained in the SDBIP attached as Annexure A.

5.1.2 Monthly Projections of Capital and Operating Expenditure and Revenue by Vote

The monthly projections of how each directorate will spend their respective capital and operating budgets per vote, how they intend collecting or generating revenue as well as how disbursements of grant funding are going to be received. A monthly breakdown of capital and operating expenditure and revenue is contained in the SDBIP attached as Annexure A.

Operating expenditure and revenue for the majority of the directorates are allocated based on cash flow projection on the implementation of projects. However, for the Engineering Services revenue projections and operating expenditure related to bulk purchases of water and electricity are influenced by seasonal patterns.

5.1.3 Quarterly Projections of Service Delivery Targets and Performance Indicators for Each Vote

The SDBIP is a management, implementation and monitoring tool which assist the Executive Mayor, Councillors, Municipal Manager, Senior Managers and the community with the realisation of the municipality's strategic objectives contained in the Integrated Development Plan (IDP). It seeks to ensure the effective monitoring of the execution of the budget, performance of senior management and the achievement of the service delivery objectives set by Council. The SDBIP should therefore contain information in regard to performance indicators, service delivery targets as well as measurement source.

The SDBIP for the 2014/15 budget year per vote is informed by the institutional key objectives and strategies.

5.1.4 Ward Information for Expenditure and Service Delivery and Detailed Capital Works Plan

This section of the SDBIP provides service delivery information per ward and clearly indicates which projects will be undertaken in the different wards of the Buffalo City Metropolitan Municipality. The details are contained on Annexure A of the SDBIP.

5.2 MONITORING, REPORTING ON THE SDBIP

Monthly reports will be submitted by the City Manager to the Executive Mayor in terms of Section 71 (g) (ii) of the MFMA and Quarterly reports will be submitted by the Executive Mayor to Council in terms of Section 52 (d) of the MFMA indicating progress being made with the implementation of the SDBIP.

6. CHALLENGES

None at this stage

7. OTHER PARTIES CONSULTED

- The Executive Mayor was given an opportunity to comment on the Draft SDBIP; and
- All Directors and Acting Directors have contributed in the production of the final SDBIP

8. FINANCIAL IMPLICATIONS

All the service delivery targets and budget breakdowns contained in the SDBIP are funded from the 2014/15 approved IDP and Budget.

9. STAFF IMPLICATIONS

The Budget and Treasury office; and the Performance Management Unit would be responsible for the consolidation of performance reports on the approved SDBIP.

10. RECOMMENDATION

It is recommended that:

- 10.1 Executive Mayor approves the SDBIP 2014/2015 in terms of Section 53 (c) (ii) of the Municipal Finance Management Act.

A. FANI
CITY MANAGER

DATE: 25/06/14

APPROVED

NOT APPROVED


 Z.V. NCITHA
 EXECUTIVE MAYOR
 BUFFALO CITY METROPOLITAN MUNICIPALITY

DATE: 26/06/14

Annexure A: Service Delivery and Budget Implementation Plan
 Annexure B: Performance Agreements
 Annexure C: Institutional Scorecard