



**SERVICE DELIVERY AND BUDGET
IMPLEMENTATION PLAN**

2023/2024

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1. INTRODUCTION

The purpose of this document is to present the draft Service Delivery and Budget Implementation Plan (SDBIP) of the Amajuba District Municipality for the year 2023/2024. The SDBIP is the basis for the municipality's reporting.

The development, implementation and monitoring of a SDBIP is a requirement of the Municipal Finance Management Act 56 of 2003. The SDBIP is a key management, implementation, and monitoring tool, which provides operational content to the end-of-year service delivery targets set in the Budget and IDP. The SDBIP provides a credible information management plan to ensure service delivery targets and other performance management indicators are achieved. It is the mechanism that ensures that the IDP and Budget are aligned. The focus of the SDBIP is the creation of both financial and non-financial measurable performance objectives in the form of service delivery targets.

The SDBIP is not only to ensure appropriate monitoring in the execution of the budget and processes involved in the allocations of budgets to achieve key strategic priorities as set by the municipality's Integrated Development Plan (IDP), but also serves as part of annual performance plans for senior management (Section 54 and 56 Managers) and provide a foundation for the overall annual and quarterly organization performance. The SDBIP determines the performance agreements for the municipal manager and all top managers, whose performance can then be monitored through Section 71 monthly reports and evaluated through the annual report process.

The SDBIP also assists the executive, council and the community in their respective oversight responsibilities since it serves as an implementation and monitoring tool.

2. LEGISLATIVE FRAMEWORK

According to the Municipal Finance Act, 56 of 2003 (MFMA) the definition of a SDBIP is: 'service delivery and budget implementation plan (SDBIP)' means a detailed plan approved by the Mayor of a municipality in terms of MFMA Section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- Projections for each month of-
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote;
- Service delivery targets and performance indicators for each quarter

Section 53(1)(c)(ii) of the MFMA stipulates 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(3)(a) further states that the accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor a draft service delivery and budget implementation plan for the budget year and drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act (MSA) for the municipal manager and all senior managers.

Section 53(3)(a)(b) of the MFMA further states that the mayor must ensure 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 SDBIP, are made public no later than 14 days after the approval of the SDBIP; and that the performance agreements of 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 the council and the MEC for local government in the province. Section 54(1)(a)(b)(c) of the MFMA states that on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must consider the statement or report; check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan; consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget.

The SDBIP serves as the commitment by the Municipality, which includes the administration, council and community, whereby the intended objectives and projected achievements are expressed in order to ensure that desired outcomes over the long term are achieved and these are implemented by the administration over the next twelve months. The SDBIP provides the basis for measuring performance in service delivery against quarterly targets and implementing the budget based on monthly projections.

Circular 13 of the MFMA on SDBIP suggests that "the SDBIP provides the vital link between the mayor, council and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councillors, Municipal Manager, Senior Managers and the Community to assess performance towards achieving intended goals and strategic objectives.

The purpose of the SDBIP is to monitor the execution of the budget, performance of senior management and achievement of the strategic objectives set by Council. It enables the Municipal Manager to monitor the performance of Senior Managers, the Mayor to monitor the performance of the Municipal Manager, and for the community to monitor the performance of the municipality.

3. SDBIP AS A KEY MANAGEMENT, IMPLEMENTATION AND MONITORING TOOL

The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and Integrated Development Plan (IDP). The SDBIP as a management, implementation, monitoring and evaluation tool assists the Mayor, Councillors, Municipal Manager, Senior Managers and Community to continuously monitor and evaluate implementation of the IDP. A properly formulated SDBIP ensures that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by Council.

Development of the SDBIP is coordinated in the Office of the Municipal Manager Performance Management System Unit. The departments submit the departmental SDBIPs. From there, the OMM PMS Unit extracts indicators for the purpose of the development of the Top Layer SDBIP which is utilised to evaluate organisational service

delivery performance. The departmental SDBIPs inform the performance plans of the Section 54 and 56 Managers (Top Management).

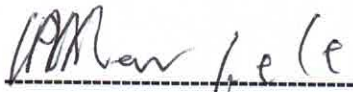
The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators. The SDBIP provides the vital link between the mayor, council and administration, and facilitates the process for holding management accountable for its performance. The SDBIP determines (and be consistent with) Performance Agreements between the Mayor and the Municipal Manager well as the Municipal Manager and Senior Managers at the start of financial year.

This SDBIP will be assessed quarterly thereby enabling the Municipal Manager and Senior Managers to monitor organizational performance. SDBIP quarterly assessments will be forwarded to the Executive Committee/Council and respective departmental Portfolio Committees.

4. SUBMISSION OF FINAL SDBIP TO THE MAYOR

The 2023/2024 Budget was approved by Council on the 25th of May 2023. The Draft SDBIP for the year 2023/2024 was approved by the Mayor on 07 June 2023. The Final SDBIP is herewith submitted to the Executive Committee for approval by the Mayor in terms of MFMA Section 53(1)(c)(ii) and MFMA Section 69(3)(a).

Submitted by:



Mr P.M. Manqele
Municipal Manager

14-06-2023

Date

Approved by:



Cllr M.N. Zulu
Honourable Mayor

22.06.23

Date