

Fezile Dabi

District Municipality

**2020/21 Top-Layer Service Delivery & Budget Implementation Plan
(SDBIP)**

Table of Contents

Municipal Manager's Accountability Statement	2
Approval Of The 2020/21 SDBIP By The Executive Mayor	3
Acronyms	4
1. Introduction and Background	5
2. Our Vision	6
3. Our Mission	6
4. Definition of Service Delivery And Budget Implementation Plan (SDBIP)	6
5. Framework of Fezile Dabi District Municipality's SDBIP	6
6. Components of the Top-Layer SDBIP	8
7. The SDBIP Model at Fezile Dabi District Municipality	9
8. SDBIP Reporting	11
Top-Layer SDBIP	12

Municipal Manager's Accountability Statement

Honorable Executive Mayor, it is with pleasure that I submit to you, in terms of section 69(3) of Municipal Finance Management Act 56 of 2003 (MFMA), the Service Delivery and Budget Implementation Plan (SDBIP) of Fezile Dabi District Municipality and draft annual performance agreements for the Municipal Manger and all Senior Managers for the period **1 July 2020 to 30 June 2021**.

As I present this SDBIP, it is important to highlight that, section 1 of MFMA describe a 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 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*
- (c) *Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c)"*

I have accordingly considered these and other legislative requirements and the relevant National Treasury Guidelines in preparation of this Service Delivery and Budget Implementation Plan.

This SDBIP therefore, serves as a binding mechanism to ensure that it becomes a vital tool for the Executive Mayor and Council to monitor in-year performance of the Municipal Manager and for the Municipal Manager to monitor the performance of all managers in the municipality in the ensuing financial year.

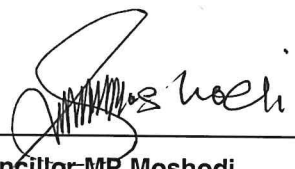


M L Molibeli
Municipal Manager

Date: _____

Approval of the 2020/21 SDBIP by the Executive Mayor

The Service Delivery and Budget Implementation Plan (SDBIP) for 2020/21 financial year for Fezile Dabi District Municipality as presented by the Municipal Manger is hereby approved in terms of section 53(1)(c)(ii) of the Municipal Finance Management Act 56 of 2003 (MFMA) by the Executive Mayor of Fezile Dabi District Municipality.



Councillor-MP Moshodi
Executive Mayor

Date: _____

Acronyms

CoGTA	Cooperative Governance and Traditional Affairs
CWP	Community Works Programme
DCoG	Department of Cooperative Governance
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
HSP	Housing Sector Plan
ICIP	Integrated Comprehensive Infrastructure Plan
IDP	Integrated Development Planning
IEP	Integrated Energy Plan
IHSP	Integrated Human Settlement Plan
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
KPI	Key Performance Indicators
LEDP	Local Economic Development Plan
LED	Local Economic Development
mSCOA	Municipal Standard Chart of Account
MSA	Municipal System Act
MFMA	Municipal Finance Management Act
MDGs	Millennium Development Goals
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
PMS	Performance Management System
SDF	Spatial Development Framework
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SMART	Simple, Measurable, Attainable, Realistic and Timely
SPLUMA	Spatial Planning and Land Use Management Act
WSDP	Water Services Development

1. Introduction and Background

Fezile Dabi District Municipality has successfully reviewed and amended its IDP in line with section 24 and 34 of Municipal Systems Act 32 of 2000 (the Systems Act). The IDP, together with the 2020/21 MTREF were approved by Council on 29 May 2020 and effectively sets in a new financial year, which will commence on 1 July 2020 and end on 30 June 2021.

In line with section 25 of the Systems Act, the approved IDP serves as a single, inclusive and strategic plan that:

- Link, coordinate and integrate all other plans of the municipality;
- Align resources and capacity of the municipality;
- Form the policy and budgeting framework for the municipality
- Comply with national and provincial development plans.

In order to give effect to the implementation of the IDP, section 69(3) of MFMA requires that the Accounting Officer must no later than 14 days of approval of the annual budget submit to the Mayor a draft SDBIP for the year and drafts of annual performance agreements for the Municipal Manger and all senior managers.

On the other hand, section 53(1)(c) of MFMA requires that the Mayor must take all reasonable steps to ensure that:

- a) the municipality approves its budget before the start of the budget year,
- b) the municipality's SDBIP is approved by the Mayor within 28 days after approval of the annual budget; and
- c) the annual performance agreements of the Municipal Manger and all Senior Managers complies with the MFMA in order to promote sound financial management, are linked to the measurable performance objectives approved with the budget and to the SDBIP, and are concluded in accordance with section 57(2) of the Systems Act.

With the foregoing legislative background in mind, Fezile Dabi District Municipality has thus compiled this SDBIP. This SDBIP is a one-year implementation and serves as an annual 'agreement' between the municipality and the community of Fezile Dabi District. It includes quantifiable outcomes specifying the work that the municipality's administration will undertake over the next year, and therefore it becomes a management tool to monitor the progress on the work and targets set to be achieved.

The Auditor General uses the SDBIP to evaluate the performance of the municipality against Predetermined Development Objective, as is required by the Public Audit Act, 2004 (Act No. 25 of 2004).

So, whilst the IDP sets the broad institutional strategy, vision and goals for the municipality, the SDBIP provides the annual action plan for how the municipality intends to reach these goals.

The framework for reporting on this SDBIP is outlined in the municipality's Performance Management Policy Framework, and this creates a clear alignment between the long-term programmatic focus and the annual delivery plans.

2. Our Vision

"Fezile Dabi District Municipality strives to be a leading Municipality in delivering effective, affordable and sustainable quality service to its communities".

3. Our Mission

In order to achieve the set vision of the municipality, the following mission statements have been identified:

- a) Promoting proper planning and implementation of projects and programmes;
- b) Setting standards;
- c) Being accountable;
- d) Communication;
- e) Capacity building of staff and communities;
- f) Having proper systems and processes; and
- g) Ensuring a sustainable, affordable and effective service delivery.

4. Definition of Service Delivery and Budget Implementation Plan (SDBIP)

Section 1 of the MFMA defines the SDBIP as follows:

"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 the following:

- (d) *projections for each month of:*
 - iii. *revenue to be collected by source; and*
 - iv. *operational and capital expenditure, by vote;*
- (e) *service delivery targets and performance indicators for each quarter*
- (f) *Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c)"*

5. Framework of Fezile Dabi District Municipality's SDBIP

The development of SDBIP is a requirement under MFMA. The SDBIP is a layered plan, with the top layer of the plan dealing with consolidated service delivery targets and in-year deadlines, and linking such targets to top management and the lower layer consisting of all the appropriate SDBIP supporting documentation. Only the top layer of the municipality's SDBIP is tabled to Council and published as the SDBIP of the municipality.

Once the top-layer targets are set, the top management is then expected to develop the next (lower) layer of detail of the SDBIP, by providing more detail on each output for which they are responsible, and breaking up such outputs into smaller outputs and linking these to each middle-level and junior manager. The lower layer details will not be made public nor tabled in council. Whilst the Municipal Manager has access to such lower layer detail of the SDBIP, it will largely only be the senior manager in charge who will be using such detail to hold middle-level and junior-level managers responsible for various components of the service delivery plan and targets of the municipality. Such high-level information should, where appropriate, also include per ward information, particularly for key expenditure items on capital projects and service delivery.

The following are the important provisions of MFMA that were taken into account in guiding the development of the municipality's SDBIP:

Subsection 53 (1)(a): The Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget;

Subsection 53(1)(b): The Mayor of a municipality must co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget;

Subsection 69(3): The Accounting Officer must no later than 14 days of approval of the annual budget submit to the Mayor a draft SDBIP for the year and drafts of annual performance agreements for the Municipal Manager and all senior managers;

Subsection 53(1)(c): The Mayor of a municipality must take all reasonable steps to ensure:

- (ii) that the municipality approves its annual budget before the start of the budget year;
- (iii) that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

Subsection 53(1)(c)(iii): the Mayor must take all reasonable steps to ensure to ensure 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:

- a) comply with this Act in order to promote sound financial management;
- b) are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan (SDBIP); and
- c) are concluded in accordance with section 57(2) of the Municipal Systems Act.

Section 53(2): the Mayor must promptly report to the Municipal Council and the MEC for finance in the province any delay in:

- a) the tabling of an annual budget,
- b) the approval of the SDBIP; or
- c) the signing of the annual performance agreements of the Municipal Manager and senior managers.

Being a management and implementation plan and not a policy document, the SDBIP is not required to be approved by the Council. It is however tabled before Council and made public for information and monitoring purposes.

6. Components of the Top-Layer SDBIP

In terms of MFMA Circular 13 issued by the National Treasury, the top-layer SDBIP should include the following information:

- (a) Monthly projections of revenue to be collected for each source
- (b) Monthly projections of expenditure (operating and capital) and revenue for each vote
- (c) Quarterly projections of service delivery targets and performance indicators for each vote
- (d) Ward information for expenditure and service delivery
- (e) Detailed capital works plan broken down by ward over three years

7. The SDBIP Model at Fezile Dabi District Municipality

7.1 The SDBIP as a Management & Implementation Tool

The SDBIP is a management and implementation tool which outlines in-year performance information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used.

The SDBIP indicates the responsibilities and outputs of each of the operational departments of the municipality, the inputs to be used, and the time deadlines for each output. The SDBIP therefore determines the performance agreements of the Municipal Manager and senior managers, including the outputs and deadlines for which they will be held responsible.

The SDBIP should be seen as a dynamic document that may (at lower layers of the plan) be continually revised by the Municipal Manager and other senior managers, as actual performance after each month or quarter is taken into account. However, the top-layer of the SDBIP and its targets cannot be revised without notifying the Council, and if there is to be any changes in service delivery targets and performance indicators, this must be with the approval of the Council, following approval of an adjustments budget as required by section 54(1)(c) of MFMA.

7.2 The SDBIP as a Monitoring Tool

In terms of section 53(2) of MFMA, the Mayor must ensure that:

- (a) 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
- (b) 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 SDBIP. Copies of such performance agreements must be submitted to the Council and the MEC for local government in the province.

The above stipulated legislative requirements therefore serves as mechanisms to ensure that the SDBIP becomes a vital tool for the Mayor and Council to monitor in-year performance of the Municipal Manager and for the Municipal Manager to monitor the performance of all managers in the municipality within the financial year.

This enables the Mayor and Municipal Manager to be pro-active and take remedial steps in the event of poor performance sooner.

As a monitoring tool, the SDBIP also empowers manager to be pro-active problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible. The SDBIP also enables the Council to monitor and oversee the performance of the municipality against quarterly targets on service delivery.

7.3 Linking the SDBIP and the Budget

As contained in this plan, the departmental performance objective and targets are based on the initial revenue and expenditure projections prepared as per the approved budget. These revenue and expenditure projections were prepared taking into account the strategic direction and priorities as set out in the IDP.

Reference was also made to the prior-year in-year reports and annual report in reviewing the municipality's IDP and the Budget in an effort to review any existing weaknesses or risks towards achieving the desired service delivery outcomes.

The objectives, goals and targets as set out in this SDBIP are therefore appropriately linked to specific programmes of the municipality as informed by the IDP and are fully funded in terms of the budget.

7.2 Budget Implementation

Section 69 of MFMA stipulates that the Accounting Officer of a municipality is responsible for implementing the municipality's approved budget, including taking all reasonable steps to ensure:

- a) that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan; and
- b) that revenue and expenditure are properly monitored.

Subsection (2) further stipulates that when necessary, the Accounting Officer must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the municipal council.

The Accounting Officer must no later than 14 days after the approval of an annual budget submit to the Mayor:

- a) a draft service delivery and budget implementation plan for the budget year; and

