

Reference No 90790/1  
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1.1.2 CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT  
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR  
2017/2018  
(From the Executive Committee: 12 June 2017 and the Mayoral Committee: 15  
June 2017)

1. PURPOSE

To table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to the Mayoral Committee as part of the suite of documents that supports the 2017/18 Medium-term Revenue and Expenditure Framework (MTREF).

2. STRATEGIC OBJECTIVES

2.1 Promote good governance and active citizenry

3. BACKGROUND

Section 1 of the Municipal Finance Management Act defines the Service Delivery and Budget Implementation Plan (SDBIP) as: "a detailed plan approved by the mayor of a municipality". In order to approve the Service Delivery and Budget Implementation Plan (SDBIP) the City will comply with the following sections of the Municipal Finance Management Act (MFMA) as outlined below:

*Section 69 (3) (a) 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".*

*Section 53(1) of the Municipal Finance management Act (MFMA) further states that: 'the Mayor of a municipality must*

*"(c) 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 approval of the budget."*

According to the Municipal Finance Management Act Circular No. 13, the top layer of the Service Delivery and Budget Implementation Plan (SDBIP) must focus on the following five necessary components:

- Monthly projections of revenue to be collected for each source
- Monthly projections of expenditure (operating and capital) and revenue for each vote

- Quarterly projections of service delivery targets and performance indicators for each vote
  - Ward information for expenditure and service delivery
  - Detailed capital works plan allocated by ward over three years
- Furthermore, the National Treasury MFMA Circular 13 stipulates that the SDBIP being a management and implementation plan (and not a policy proposal), is not required to be approved by Council – it is however tabled before council and made public for information and for purposes of monitoring.

As per National Treasury (NT) Circular No. 13, the SDBIP is a layered plan. Once the top-layer targets have been set, the various departments of the city are expected to develop the lower-level, and more detailed layer, of the SDBIP (i.e. departmental SDBIPs). The NT Circular No. 13 further clarifies that this lower level of the SDBIP need not be made public nor tabled in Council.

The SDBIP further serves as a contract between the administration, council and the 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.

The process plan approved by Council in August 2016 also guides the development of the SDBIP. The approval of the 2017/20 MTREF and the 2017/21 IDP served as a guideline towards the development and approval of the SDBIP.

Following the adoption of the 2017/21 IDP unanimously by Council on 25 May 2017, the 2017/18 SDBIP has been developed to support the implementation of year 1 of the adopted IDP as well as the 2017/18 financial year. The following extract from the approved process plan provide details of this step:

Table 1

ACTION	DETAILS OF THE ACTION	RESPONSIBILITY	TIMEFRAMES	Progress made
Approval of the Budget, IDP, BEPP/ CIF for 2017/18 inclusive of Municipal Owned Entities must finalise and submit their business plans also.	Final approval by Council of the IDP, Budget document and BEPP/CIF by resolution, setting municipal taxes and tariffs, changes to the IDP and budget related policies; measurable performance objectives and targets; revenue by source and expenditure by vote.	Council	May 2017	IDP and MTREF approved by Council on 25 May 2017
Approval of the 2017/18 SDBIP	Final approval of the SDBIP by the Executive Mayor.	Executive Mayor	June 2017	The purpose of this item is to deal with this step
Approval of 2017/18 Business Plan	Consolidated departmental plans including required resources to be approved, this include those of Entities	Mayoral Committee	July 2017	Future dated

This item addresses the approval of the 2017/18 SDBIP as contained in the process plan. The approval of the 2017/20 MTREF and the 2017/21 IDP served as a guideline towards the development and approval of the SDBIP. It provides details of the various service delivery targets in support of the approved 2017/18 Capital budget. It further provide details on the quarterly milestones for the approved capital projects.

## 4. DISCUSSION

### 4.1 CONTEXT FOR THE DEVELOPMENT OF THE 2017/18 SDBIP

The approved 2017/21 IDP is significant for the City in two ways. First, the document is first IDP adopted by the newly elected administration after the 3 August 2016 local government elections in terms of the Local Government: Municipal Local Government Structures Act (Act No. 117 of 1998). Second, this IDP provides a concrete plan towards realising the new vision of the City as envisaged in Tshwane Development Strategy 2030 currently being developed.

The new vision for the City is as follows:

*“Tshwane: A prosperous capital city through fairness, freedom and opportunity”*

The new vision of Tshwane capitalises on the City's position as South Africa's capital of opportunity and is embedded in the values of fairness, freedom and opportunity.

The IDP is further premised on the following five pillars:

- A City that facilitates economic growth and job creation
- A City that cares for residents and promotes inclusivity
- A City that delivers excellent services and protects the environment
- A City that keeps residents safe
- A City that is open, honest and responsive

The details on these pillars can be found in Chapter 2 of the council approved 2017/21 IDP. These pillars have been aligned to each of the Key Performance Areas in the IDP and the scorecard in the SDBIP 2017/18 reflect this.

It should be noted that in finalizing the draft SDBIP 2017/18, some of the wording of some key performance areas in the IDP scorecard as was approved by Council in May 2017, was refined to better align performance across plans:

- a) The Key Performance Area: Basic Service Provision should be amended to read *Provision of Basic Services and Maintenance (Formal)*;
- b) The Key Performance Area: Employee Satisfaction should form part of the KPA and therefore any IDP indicator reporting on this will be on the latter KPA *Institutional Governance*; and
- c) The Key Performance Area: Health should be amended to read *Health and Social Development* and should incorporate the former Health and Poverty and Inequality KPAs

The scorecard in the 2017/18 SDBIP has already been aligned to capture the above to allow for aligned reporting. These are not adjustments/ amendments to the IDP scorecard and they do not affect the targets set in the IDP document.

## 4.2 THE CITY'S APPROACH TO THE DEVELOPMENT OF THE INSTITUTIONAL SDBIP

The Institutional SDBIP is an attempt by the City to better align with the National Treasury requirements as contained in the MFMA Circular 13. This involves ensuring that the SDBIP becomes a reference document for the Mayor, Councillors, City Manager, senior managers and communities in order to manage and monitor progress as per the City's agreed annual targets.

The same Circular 13 of the MFMA refers to "supporting documents" to the Institutional SDBIP. In the case of the City these are departmental SDBIPs (Business Plans) which will be used to oversee the work of the departments in addition to their contribution to the IDP and SDBIP. These will be approved by Mayoral Committee in July 2017.

The implementation of the 2017/18 budget as approved by Council, is embedded in the City's Capex and Opex. The details on the capital projects have been captured as part of the SDBIP and these seek to implement the IDP. The project budget cash flows contained in the SDBIP have been aligned to the planned project milestones to ensure aligned and integrated reporting during the 2017/18 financial year

## 4.3 CONTENTS OF THE SDBIP

The SDBIP, being an annual implementation plan, focuses on the following:

Section 1: Introduction and Legislative Framework: introduces the SDBIP document in line with the legal framework on which it is premised. The key legal document shaping the document is the Municipal Financial Management Act and the subsequent Circular 13 and 48 of the same Act.

Section 2: Budget Implementation Plan 2017/18

This section provides details in terms of the City's revenue and expenditure. Funding sources for capital investment as well as the capital budget cash flows are provided. i.e.:

- Monthly projections of revenue to be collected for each source
- Monthly expenditure projections per source
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Budgeted monthly Capital Expenditure per vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Budgeted monthly cash flow

Section 3: Measurable performance indicators

This section measures the SDBIP scorecard's desired outcomes for the City. This has output indicators in relation to the actual work that the City will undertake in the 2017/18 financial year. It should be noted that the 2017/18 SDBIP contains two scorecards: one for indicators that drive performance on the IDP scorecard and the other for indicators that do not drive the performance on the IDP. These indicators have been assigned responsibilities re: departments and are aligned to the Strategic Pillars and KPAs in the IDP

#### Section 4: Service Delivery Breakdown

This section focuses on the capital projects as approved in line with the approved 2017/18 MTREF and IDP. These are seeking to also adhere to the Circular 13 requirements of ward information for expenditure and service delivery. This information will be used as a basis for measuring Capex and the project milestones for 2017/18.

### 5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

#### 5.1 COMMENTS OF THE CHIEF AUDIT EXECUTIVE

The following comments are provided:

Management should move the indicators not driving the 2017/18 IDP scorecard targets to departmental level in the interim to manage/develop the apposite process first before indicators are escalated to the SDBIP scorecard.

Management should avoid qualification that might arise from ineffectual and inadequate leadership.

#### 5.2 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognizance is taken of the contents of the report.

The purpose of this report is to table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to the Mayoral Committee as part of the suite of documents that supports the 2017/18 MTREF.

It is imperative that Strategic Units / Departments align their non – financial SDBIP targets with the City's long term strategic intent.

There are no negative financial implications emanating as a result of this report for the City.

#### 5.3 COMMENTS OF THE CHIEF OF EMERGENCY SERVICES

The purpose of the report is to table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to MayCo as part of the suite of documents that supports the 2017/18 MTREF.

The Emergency Services is in support of the contents of the report, the recommendation there-in, as well as the Annexure reflecting the Service Delivery and Budget Implementation Plan for 2017/2018.

#### 5.4 COMMENTS OF THE CHIEF OF POLICE

The Tshwane Metro Police Department takes note of the content of the report and its annexure.

The TMPD cannot commit to the key performance indicator: “% of issued search warrants on drug related matters executed” in its current format as captured under Pillar 4 of the Draft 2017/18 SDBIP. It may be necessary to discuss the subject and a new indicator can be considered in future.

*CSOPM Response on comments:*

*The indicator aims to measure the City’s response to drug related matters where an investigation is motivated through court warrants issued. This is a new indicator and it will allow the City to report on initiatives taken by the City to fight drug related crimes. MayCo need to advise on the matter of inclusion of the indicator in the SDBIP at this stage or to place it at departmental level for the first year.*

*It is proposed that the indicator and the target be retained.*

#### 5.5 COMMENTS OF THE GROUP HEAD: GROUP HUMAN CAPITAL MANAGEMENT

Cognisance of the contents of the report is taken.

Group Human Capital Management has initiated alignment of the 2017/8 SDBIP and Departmental Business Plan to ensure that the scorecard key performance indicators as prescribed by the Office of the Executive Mayor are achieved. The report is supported.

#### 5.6 COMMENTS OF THE GROUP HEAD: ROADS AND TRANSPORT

Cognisance is taken of the contents of the report.

The purpose of this report is to table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to the Mayoral Committee as part of the suite of documents that supports the 2017/18 MTREF.

Roads and Transport Department support the content of the report and the recommendations thereof.

#### 5.7 COMMENTS OF THE GROUP HEAD: UTILITY SERVICES

The Utility Services Department supports the report and its recommendation and submit the following for consideration:

- a) The department requests that under Table 3.3, “% of complete compliant small scale embedded generation applications approved” - that this indicator be removed as the department is not in control of the activity. Successful approval of the applications is totally dependent on the applicants therefore the department cannot be measured on something that they are not in control of.

*CSOPM Response on comments: This indicator will measure the approval process of complete and compliant applications for embedded generation. This will not necessarily contribute to the generation of energy itself after approval as it will*

*solely depend on the implementation of the project by the external party. It rather seeks to monitor the City's response to such applications.*

*It is proposed that MayCo consider the inclusion of the indicator in the SDBIP at this stage or to place it at departmental level for the first year.*

*It is proposed that the indicator and the target be retained.*

#### 5.8 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to MayCo as part of the suite of documents that supports the 2017/18 MTREF.

The report is aligned with Strategic Objective 4 which aims to promote good governance and active citizenry.

Section 51 of the Local Government: Municipal Systems Act 32 of 2000 places a duty on the Municipality within its administration and financial capacity to establish and organize its administration in a manner that would enable the Municipality to amongst others, be performance orientated and focused on the objects of local government as embodied in Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996.

The report further complies with the provisions of Section 11(3)(a)(h)&(n) of the Local Government: Municipal Systems Act 32 of 2000, whereby a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, preparing, approving and implementing its budget and also by doing anything else within its legislative and executive competence.

The report also complies with the provisions of section 68(1) of the Municipal Systems Act 32 of 2000, in terms of which the municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way.

In terms of Section 52 (c) of the Municipal Finance Management Act 56 of 2003, the Mayor of a municipality must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

In accordance with Section 69(1) of the Municipal Finance Management Act 56 of 2003, the accounting officer of a municipality is responsible for implementing the municipality's approved budget.

Section 69 (3) further provides that, 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.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal Services Department support the approval of the report and the recommendations thereof and submits that:

- the report and its Annexures be referred to the Mayoral Committee for their attention, decision and approval of the recommendations;

#### 5.9 COMMENTS OF THE GROUP HEAD: COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

The purpose of this report is to table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to the Mayoral Committee as part of the suite of documents that supports the 2017/18 MTREF.

The Community and Social Development Services Department takes note of the content of the report and its annexure and the report is supported.

#### 5.10 COMMENTS OF THE GROUP HEAD: CUSTOMER RELATIONS MANAGEMENT

The content of the report is noted. The following comments are provided:

The KPI "% of calls answered within 20 seconds towards international best standard of 80%" is a new indicator and it is requested that the targets for the four quarters be incrementally increase from 50% to 80% for the year.

The recommendations are supported.

*CSOPM Response on comments: The proposal to incrementally increase the target over the four quarters is supported as there are some operational issues that need to be resolved to achieve the 80% target. Setting an incremental target allows the department to resolve these issues and to incrementally demonstrate improvement quarterly.*

#### 5.11 COMMENTS OF THE GROUP HEAD: ENVIRONMENTAL AND AGRICULTURAL MANAGEMENT

While the Department supports the SDBIP, it has two concerns. These are

- In Table 3.1: IDP/SDBIP Alignment, it would have been better alignment with the IDP if the table was measuring the 40 actions that flow from the 18 priorities and 5 pillars. Then the indicators would help measure the extent to which the City is progressing towards achieving its 40 IDP actions that effect its 18 priorities that are in terms of the 5 pillars.
- The KPA and indicators in terms of Pillar 3 are focusing only on the service delivery part of the pillar. There is no KPA or indicator that talks to the part that is about protecting the environment. This could be a shortcoming than can be directly attributed to the above point regarding aligning with the IDP priorities and actions because these do talk to the environmental component of Pillar 3.

#### 5.12 COMMENTS OF THE GROUP HEAD: GROUP PROPERTY

The purpose of this report is to table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to MayCo as part of the suite of documents that supports the 2017/18 MTREF.



Group Property Management department hereby takes note of the content of the report and its annexures.

The report and its contents is supported.

#### 5.13 COMMENTS OF THE GROUP HEAD: HOUSING AND HUMAN SETTLEMENT

To table the City of Tshwane draft 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) to MayCo as part of the suite of documents that supports the 2017/18 MTREF

The Department takes cognisance of the report, and its recommendations, noting that the Key Performance Indicator on issuing of title deeds has been brought back. It is acknowledged that security of tenure is a key strategic area of delivery, however, the Department would like to emphasize that it remains the competency of Provincial Human Settlements to register title deeds for low cost houses. The City can only account on issuing of title deeds based on the number received from Province. The target indicated for 2017/18 is therefore dependent on title deeds received from the Province.

The Department has however made Opex provision to address the backlog of uncollected title deeds that are already kept in various Regional offices in the City.

#### 5.14 COMMENTS OF THE GROUP HEAD: REGIONAL OPERATIONS AND COORDINATION

Cognisance is taken of the report. The following comments is provided:

1. Regions are currently reporting differently on some of these KPI's, which makes the audit of the financial year almost impossible to succeed. Regions are differently resourced and have had to work differently in terms of their operations. Although the work done has been the same, operations and maintenance plans differs and getting this to be uniform will take some time. Though some work has already been done in this area to make the operations and maintenance plans uniform.
2. The IT Infrastructure in Regions 5 and 7 is not sustainable and that must be taken into account as it frequently creates disruptions on the planned maintenance activities.
3. Regions are entirely dependent on the commensurate resources and capacity to fulfill their maintenance plans, and the current status is unfavorable taking into account the elevation of the maintenance plans in the corporate level.

Regarding the KPI's themselves, please can the following amendments be made:

"% gravel roads bladed as per Maintenance plan" must be changed to "% adherence to maintenance plan for gravel roads bladed", as this is the way it is captured on the Regional Scorecard.

"Time taken to repair a single streetlight failure within 72 hrs" must be amended to "% of streetlight failures repaired within 72 hours"

The recommendations are supported.

*CSOPM Response on comments:*

*The comments are noted. The department must ensure that the relevant processes and systems are put in place to ensure consistent reporting across all regions on the indicators. The indicator which refer to the blading of gravel roads will remain as contained in the SDBIP as it adheres to SMART (Specific, Measurable, Achievable, Relevant and Time bound) principles.*

*The indicator is therefore proposed to be retained together with target.*

*The indicator referring to the repair of streetlights have been amended as requested as it allows for measurability of the indicator*

## 6. IMPLICATIONS

### 6.1 HUMAN RESOURCES

None.

### 6.2 FINANCES

The SDBIP is an implementation plan based on the approved budget and IDP. Performance against the SDBIP during the mid-year is one of the anchor determinants of the adjustment budget.

### 6.3 CONSTITUTIONAL AND LEGAL FACTORS

The development of the SDBIP is in line with the legislated provisions of the Municipal Finance Management Act (Act No. 56) of 2003.

### 6.4 COMMUNICATION

The approved 2017/18 Service Delivery and Budget Implementation Plan will be published on the City's website and will be distributed to national and provincial departments per the MFMA.

### 6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None.

## 7. CONCLUSION

The Municipal Systems Act and Municipal Financial Management Act ensures that the IDP and the budget preparation are coordinated, linked and executed in a closely integrated fashion with sequential but overlapping stages. The SDBIP 2017/2018 emerged from these two processes.

The SDBIP remains a firm commitment by the City on how the municipality intends to better the life of its residents given the resources at its disposal. As it results in the adoption of performance targets by the senior management of the city, it remains key that alterations to agreements cannot be concluded outside the ambit of the SDBIP commitments.

The next key steps to be implemented by the CoT will be:

- That the 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) be approved by the Mayoral Committee;
- Approval of departmental business plans (lower level SDBIPs in terms of National Treasury Circular 13).
- Finalization and publication of individual performance agreements for senior management.
- Monthly and quarterly performance monitoring and reporting against the SDBIP during the 2017/18 financial year.

For the City to deliver on the SDBIP, procurement/ supply chain processes that relates to the capital projects will need to be concluded by the end of Quarter 1 (September 2017) to allow for implementation to take place during the remainder of the financial year. Any exceptions to this provision will be dealt with by exception through the City Manager as the accounting officer.

It should also be noted that departments will develop Systems Descriptions that will allow the City to understand the process and the systems that will be used to track and measure the indicators. This is critical for reporting and auditing internally and externally. In instances where resources will be required to deliver on the indicators not driving the IDP, EXCO will ensure that this is prioritised, however it will be kept within the departmental allocations as was approved in the MTREF in May 2017.

#### ANNEXURE:

##### A. Draft 2017-18 SDBIP

#### **IT WAS RECOMMENDED (TO THE MAYORAL COMMITTEE: 15 JUNE 2017):**

That it be recommended to Council:

1. That the 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) be approved; and
2. That the 2017/18 SDBIP be tabled at Council for noting and be published on the City's website and be distributed to relevant national and provincial departments per legislation.

#### **IT WAS RESOLVED (BY THE MAYORAL COMMITTEE: 15 JUNE 2017):**

That the report be referred back to include the outstanding Stakeholder Departments' comments.

RESOLVED:

1. That the 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) be approved; and
2. That the 2017/18 Service Delivery and Budget Implementation Plan (SDBIP) be tabled at Council for noting and be published on the City's website and be distributed to relevant national and provincial departments per legislation.



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