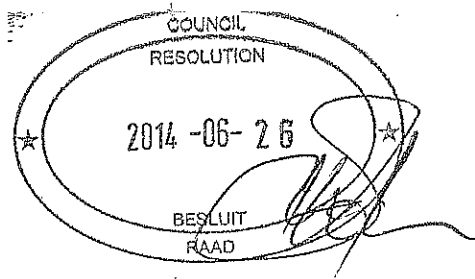


Mayor Maganlal (3832)
COUNCIL: 26 June 2014



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35. CITY STRATEGIES AND PERFORMANCE MANAGEMENT DEPARTMENT
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR
2014/2015
(From the Mayoral Committee: 18 June 2014)

1. PURPOSE

The purpose of the report is to seek approval of the 2014/15 SDBIP by the Executive Mayor in terms of Section 53(1)(ii) of the MFMA.

2. STRATEGIC OBJECTIVES

This report addresses strategic objective number 5, "Promote Sound Governance"

3. BACKGROUND

Section 1 of the MFMA defines the 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 municipality's services and its annual budget, and which must indicate 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 for and performance indicators for each quarter"

In terms of Section 69(3) of the MFMA the Accounting Officer is required to submit the draft SDBIP (by no later than 14 days after the approval of the Annual Budget) to the Executive Mayor. A copy of the draft 2014/15 SDBIP was submitted to the Office of the Executive Mayor on Friday, 13 June 2014.

Furthermore, Section 53(1)(c)(ii) stipulates that "the mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved within 28 days after the approval of the budget.

According to the MFMA Circular No. 13, the top layer of the 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

According to the National Treasury MFMA Circular 13, the SDBIP being a management and implementation plan (and not a policy proposal), is not required to be approved by the council – it is however tabled before council for information only and made public.

Furthermore, the Circular also indicates that, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around 1 March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). In order to comply with this provision the COT tabled a draft 2014/15 SDBIP with the draft reviewed 2014/15 IDP at Council on 27 March 2014.

Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days of the approval of the budget.

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). Circular No. 13 further clarifies that this lower level of the SDBIP need not be made public or 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.

4. CONTEXT FOR THE DEVELOPMENT OF THE 2014/15 SDBIP REVIEW

The development of the draft 2014/15 SDBIP, will respond to the 2014/15 IDP Strategic Objectives. These Strategic Objectives were aligned to the Tshwane 2055 Vision and Outcomes.

- Provide Sustainable Infrastructure and Human Settlement Management;
- Promote Shared Economic Growth and Job Creation;
- Ensure Sustainable, Safer Cities and Integrated Social Development;
- Promote Good Governance and Active Citizenry;
- Improved Financial Sustainability; and
- Continued Organisational Development, Transformation and Innovation.

The SDBIP contains annual targets aligned to the Council approved outcome indicators in the revised 2011/16 IDP approved on 31 May 2014. The project and financial projections are also aligned to the Annual Budget (revenue, capital and operational) as approved.

5. 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 2014/15

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 2014/15 financial year.

Section 4: Service Delivery Breakdown

This section focuses on the capital projects as approved in the 2014/15 IDP. This information will be used as a basis for measuring regional projects.

- Regional Scorecard : incorporates all 7 regional projects and quarterly indicators
- Regional Implementation plan
- Multi Regional Projects
- Tshwane Wide Projects

6. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

6.1 COMMENTS OF THE GROUP LEGAL COUNSEL

The purpose of the report is to obtain approval for the Service Delivery and Budget Implementation Plan (SDBIP) for financial year 2014/2015.

As such the SDBIP read with the IDP covers all of the seven strategic objectives of the Municipality and set clear targets for Performance management as required in terms of Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act of 2000).

The report is in compliance with the legislative requirements as referred to in the report and those referred to in the said Chapter 6.

This Group Legal Services Department therefore concludes that the report is legally in order.

6.2 COMMENTS OF THE CHIEF FINANCIAL OFFICER

The purpose of the report is to seek the approval of the Service Delivery and Budget Implementation Plan (SDBIP) for financial year 2014/2015.

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 on the City of Tshwane's budget.

7. IMPLICATIONS

7.1 HUMAN RESOURCES

Performance Agreements will be developed to be aligned to the SDBIP. These will be utilized to monitor individual performance of Section 56 employees.

7.2 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.

7.3 CONSTITUTIONAL AND LEGAL FACTORS

Compliance with the MFMA and Circular 13.

7.4 COMMUNICATION

The SDBIP will be made public through the City's website in terms of MFMA Circular 13.

7.3 PREVIOUS COUNCIL AND MAYORAL COMMITTEE RESOLUTIONS

None

8. CONCLUSION

The Municipal Systems Act and Municipal Financial Management Act legislation 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 2014/15 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.

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

- 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 2014/15 financial year.

The Mayoral Committee on 18 June 2014 resolved to recommend to Council as set out below:

ANNEXURE:

A: City of Tshwane SDBIP 2013/14

RESOLVED:

1. That the 2014/15 Service Delivery and Budget Implementation Plan (SDBIP) (attached as Annexure A) in terms of Section 53(1)(c) of the MFMA be approved.
2. That the 2014/15 SDBIP be tabled to Council for noting and be published for information in terms of MFMA Circular 13.

