



# MAKANA LOCAL MUNICIPALITY



**MAKANA**  
MUNICIPALITY | EASTERN CAPE  
...a great place to be

*Makana Municipality  
strive to ensure  
sustainable, affordable,  
equitable and quality  
services in a just,  
friendly, secure and  
healthy*

## Service Delivery Budget Implementation Plan

2020 - 2021



## EXECUTIVE SUMMARY:

Our Service Delivery and Budget Implementation Plan (SDBIP) commits Makana Local Municipality to ensure that the organisation actually delivers on the Integrated Development Plan (IDP), budget (both capital and operational) spending and service delivery targets during the 2020/21 financial year. It is a continued commitment on how we will on quarterly basis implement and report on (service delivery) the objectives set out in our IDP. SDBIP gives operational expression to the developmental local government and the IDP.

The IDP is a strategic development plan which represents the driving force for making the Municipality more strategic, inclusive, responsive, and performance driven in character. The IDP therefore serves a contract between the Municipality and its residents in which it guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making. It is a plan for the entire municipal area and not just for specific areas.

It is in this context that our IDP, budget and SDBIP would assist the Municipality to be rebuilt in a way that the livelihoods of our people will improve and therefore contribute meaningfully in our open and transparent planning and implementation systems.

On 29 June 2020 Council approved the 2020/21 MTREF budget to reaffirm the Municipality's commitment to achieve its service delivery targets. Capital and operational budget were aligned to DoRA allocations and projected revenue collections. The Service Delivery Budget Implementation Plan was then drafted to be in line with the final budget.

It is envisage that the SDBIP will be used as tool as

1. Improve oversight by political arm of the Municipality
2. Improve Expenditure on Operational and Capital
3. Improve Monitoring and Evaluation
4. Prioritisation of the Activities
5. Improve allocation of funds
6. Improve Alignment between IDP and Budget

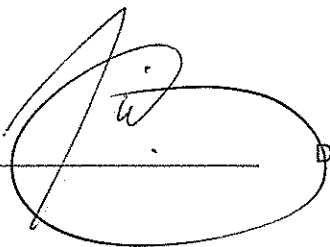
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## OFFICIAL SIGN-OFF

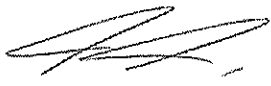
It is hereby certified that this Final Service Delivery Budget Implementation Plan :

1. Was developed with the supervision of the Executive Mayor of Makana Municipality and Management, as per the prescripts of the Municipal Finance Management Act No.56 of 2003 as guidance by MFMA Curcular 13.
2. Takes into account all the relevant Acts, legislations, policies and other mandates for which the South African Resources Agency is responsible; and
3. Reflects the strategic outcome orientated goals and objectives which the Makana Municipality will endeavour to achieve over the period 1 July 2020 – 30 June 2021.

**Mr. MA Mene**  
Municipal Manager

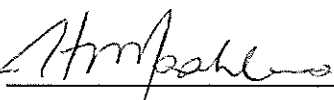
Signature:  Date: 2020/8/28

**Mr GJ Goliath**  
Chief Financial Officer

Signature:  Date: 28/08/2020

**APPROVED BY:**

**CIlr M.Mpahlwa**  
Executive Mayor

Signature:  Date: 28/08/2020

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## 1. STRATEGIC OVERVIEW:

The strategic direction that the Makana Municipality is undertaking is set out in its Integrated Development Plan (IDP). The plan has been reviewed for the 2020/21 financial year in conjunction with the stakeholders and community and the implementation of the Makana IDP is supported by the Medium Term Revenue and Expenditure Framework (MTREF) budget. The services that the Municipality provides and the investment in infrastructure will make the Municipality globally safe and attractive to live, work and invest. Investment supports and drives the development path and brings the opportunities of job creation that will ultimately improve social and economic livelihoods of the residents of Makana. The development of Service Delivery and Budget Implementation Plans (SDBIPs) is a requirement under Municipal Finance Management Act (MFMA) and gives effect to the municipality's Integrated Development Plan (IDP) and annual budget.

The SDBIP is an expression of the objectives of the Municipality, in quantifiable outcomes that will be implemented by the administration for the financial period from 1 July 2020 to 30 June 2021. The SDBIP includes the service delivery targets and performance indicators for each quarter that should be linked to the performance agreements of senior management. These are integral to the implementation and entrenchment of our performance management system.

The SDBIP facilitates accountability and transparency of the municipal administration and managers to the Council and Councillors to the community. It also fosters the management, implementation and monitoring of the budget, the performance of top management and the achievement of the strategic objectives as laid out in the IDP. The SDBIP 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 as each activity contains outputs, outcomes and timeframes. The SDBIP is compiled on an annual basis and includes a 3 year capital budget programme.

The SDBIP is yet another step forward to increasing the principle of democratic and accountable (local) government as enshrined in Section 152(a) of the Constitution. The Municipality agreed with five strategic priority areas from which are aligned to National Key Performance Areas will be cascaded to Directorates and Sub-directorates in a way of compilation of directorates SDBIPs (Scorecard) underpinned by various programmes and projects with necessary resource allocations.

Development objectives are will be measured through key performance indicators at every level, and continuously monitored throughout the year.

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The SDBIP is in essence the management and implementation tool which sets in-year information such as quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality. It further indicates the responsibilities and outputs for each of the senior managers and the top management team, the resources to be used and the deadlines set for the relevant activities.

The SDBIP is a layered plan, with the top layer dealing with consolidated service delivery targets, and linking such targets to top management (National Treasury MFMA Circular No. 13 of the Municipal Finance Management Act No. 56 of 2003). This is high-level and strategic in nature and is required to be tabled in Council. The strategic SDBIP is intended for the use by the general public and Councillors. Only this top layer of the SDBIP is published as the institutional SDBIP.

Such high-level information should also include ward information, particularly for key expenditure items on capital projects and service delivery which will enable each Ward Councilor and Ward Committee to oversee service delivery in their ward.

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 for, and breaking up such outputs into smaller outputs and linking these to each middle-level and senior administrator. Much of this lower layer detail 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.

MFMA legislative requirement In terms of Section 53 (1) (c) (ii) of the MFMA, the SDBIP is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal 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 and performance indicators for each quarter, and (c) other matters prescribed Being a management and implementation plan (not a policy proposal) the SDBIP is not required to be approved by the council. According to Section 53 of the MFMA, the Executive Mayor is expected to approve the SDBIP within 28 days after the approval of the budget.

This section requires him or her to take all reasonable steps to ensure that the SDBIP is approved within 28 days. In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are circulated or made public within 14 days after its approval.

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## 2. LEGISLATIVE FRAMEWORK IN TERMS OF MFMA

Section 1 of the Municipal Finance Management Act (MFMA) no 56 of 2003 defines the "service delivery and budget implementation plan" as the detailed plan approved by the Mayor of the municipality in terms of section 53 (1) ( c ) (ii) for implementing the municipality's delivery of municipal services and its annual budget and which must include the following :-

a) Projections of 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 and

c) Any other matters that may be prescribed and includes any revisions of such plan by the mayor in terms of section 54(i) ( c ).

The MFMA requires that municipalities develop a Service Delivery and Budget Implementation Plan as strategic financial management tool to ensure that budgetary decisions that are adopted by the municipalities for the financial year are aligned with their Integrated Development Plan Strategy.

In terms of section 53 (i) ( c ) (ii) of the MFMA the SDBIP must be approved by the Mayor of a municipality within 28 days of the approval of the budget.

## 3. LINKAGE WITH IDP AND BUDGET

Integrated Development Planning requires many different planning processes to be brought together and co-ordinated. In terms of linking service plans or service delivery and budget implementation plans of the individual directorate in the Municipality with the other planning processes in the IDP, the directorates should produce operational plans, capital plans, annual budgets, institutional and staffing plans, etc. to take the IDP forward. Clearly it is not feasible to include all of this detail within the IDP document.

The Makana Municipality identified six development priorities areas (SDPs) arising from the engagement between community, the elected leaders and municipal administration and interested stakeholders.

The (SDPs) are aligned within the Five Year Local Government Strategic Agenda which is a roadmap entailing developmental priorities and corresponding targets to be achieved by municipalities during this term (2017-2022); as well as the national 2016 electoral mandate

These are:

1. Institutional Transformation and Organisational Development
2. Basic Service Delivery
3. Local Economic Development
4. Financial Management and Viability
5. Good Governance and Public Participation

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The MTREF budget is allocated against these strategic focus areas at a municipal level. Corporate objectives with measurable key performance indicators (KPIs) and targets are identified. The municipal planning processes undertaken at directorate and sub-directorate levels yields objectives with indicators, targets and resource allocation (includes the budgets) at these various levels. The implementation of the SDBIP is categorised in terms of votes as prescribe by MFMA. The votes indicate budget allocations for Core Administration Makana are as follows;

- Vote 1: Infrastructure and Engineering
- Vote2: Corporate Services
- Vote 3: Financial Services
- Vote 4: Community and Social Services
- Vote 5: Executive Mayor
- Vote6 : Municipal Manager
- Vote7: Local Economic Development
- Vote 8: Technical and Infrastructure Housing
- Vote 9 : Technical and Infrastructure Electricity
- Vote 10: Technical and Infrastructure Water

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Key Performance Area	Predetermined Objective (DPP)	Ref	Indicator	Indicator Owner	Baseline	Source of Evidence	Budget	Projects	Annual Target	Quarter 1 Sep 2020	Quarter 2 Dec 2020	Quarter 3 March 2021	Quarter 4 June 2021
1. Basic Service Delivery and Infrastructure Development	A safe, efficient, functioning energy supply infrastructure that provide conducive environment for investment	1	Percentage of households with access to electricity	Director: Engineering and Infrastructural Services	95%	Billing System and Eskom Report against the total number of Household from the IDP	124 260 012	Provision of Basic electricity services	95%	N/A	N/A	N/A	95%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	2	Percentage of households with access to basic sanitation	Director: Engineering and Infrastructural Services	96%	StatsSA General Household Survey	28 000 004	Provision of Basic sanitation services	96%	N/A	N/A	N/A	96%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	3	Percentage of Makana Bulk Sewer Upgrade phase 1 completion	Director: Engineering and Infrastructural Services	New Indicator	Progress Reports	7 000 000	Makana Bulk Sewer Upgrade phase 1	70%	N/A	N/A	30%	70%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	4	Percentage of households with access to basic water supply	Director: Engineering and Infrastructural Services	91%	StatsSA General Household Survey	10 000 000	Provision of basic water supply	91%	N/A	N/A	N/A	91%
1. Basic Service Delivery and Infrastructure Development	Provide Quality Drinking water	5	Percentage of Drinking Water Compliance to SANS 241	Director: Engineering and Infrastructural Services	Revised Indicator	Laboratory test result IRIS System Reports	250 000	Water quality monitoring	100%	100%	100%	100%	100%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	6	Percentage of total water connections metered	Director: Engineering and Infrastructural Services	90.86%	Progress Reports	500 004	Water Conservation Water Demand Management Phase 2	100%	100%	100%	100%	100%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	7	Percentage progress of refurbishment of Belmont Valley Wastewater Treatment Works completed	Director: Engineering and Infrastructural Services	New Indicator	Detailed Excel Capital Report and progress report	2 755 630	Belmont Valley Wastewater Treatment Works Refurbishment	40%	N/A	N/A	15%	40%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	8	Percentage of asbestos pipes replaced	Director: Engineering and Infrastructural Services	Revised Indicator	Detailed Excel Capital Report and progress report	5 751 530	Replacement of Asbestos pipes in water reticulation network in Grahamstown	50%	N/A	N/A	20%	50%
1. Basic Service Delivery and Infrastructure Development	Sufficient water-sanitation infrastructure that provide conducive environment for development and investment	9	Percentage of Mayfield Gravity Sewer completed	Director: Engineering and Infrastructural Services	New Indicator	Detailed Excel Capital Report and progress report	4 962 150	Mayfield Gravity sewer	50%	N/A	N/A	30%	50%
1. Basic Service Delivery and Infrastructure Development	Upgrading and resurfacing of roads network	10	KMs of surfaced municipal roads which have been prepared (layer works)	Director: Engineering and Infrastructural Services	New Indicator	Progress Reports	6 573 560	Upgrade of Ncane Street (4KM)	4	N/A	N/A	4	

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KPA 2: Community and Social Development	To promote the well-being, health, safety and security of our community	11	Percentage of households with basic refuse removal services or better	Director: Public Safety and Community Services	91%	Performance Report	30 615 950	Provision of waste removal services	91%	N/A	N/A	N/A	N/A	1	1	91%
KPA 2: Community and Social Development	To promote the well-being, health, safety and security of our community	12	Percentage compliance with the required attendance time for structural firefighting incident	Director: Public Safety and Community Services	New Indicator	Quarterly Report	1 085 588	Turnaround time for structural firefighting incident	100%	100%	100%	100%	1	1	100%	
KPA 2: Community and Social Development	To provide reading and study material	13	Average number of library visits per library	Director: Public Safety and Community Services	42388(All)	Library registers	4 016 000	Library usage	2	N/A	1	1	1	1	1	
KPA 2: Community and Social Development	To provide reading and study material	14	Number of milestones achieved towards the mobilisation of a new mobile library	Manager Library Services	No Mobile library	Performance Report	650 000	Mobile Library	3	N/A	1	1	1	1	1	
KPA 2: Community and Social Development	To provide reading and study material	15	Number of library services awareness programme held	Assistant Director: Library Services	4	Report to Portfolio Committee	4 016 000	Number of library service awareness programmes held	2	1	1	1	1	1	1	
KPA 2: Community and Social Development	Provision and upgrading traffic law enforcement	16	Number of community road safety awareness programmes conducted	Manager: Traffic Officer	Revised Indicator	Traffic law enforcement Portfolio Committee Report Copy of the programmes Attendance Registers Photographs (dated)	Opex	Community road safety awareness programme	2	N/A	N/A	1	1	1	2	
KPA 2: Community and Social Development	To promote the well-being, health, safety and security of our community	17	Number of community and social service community engagement forum	Director: Public Safety and Community Services	2	Portfolio Performance Report	Opex	Community and Social Services community engagement	6	N/A	N/A	3	3	3	3	
KPA 2: Community and Social Development	To promote the well-being, health, safety and security of our community	18	Number of stray animal founded	Director: Public Safety and Community Services	Approved Stray animal control plan	Portfolio Performance Report	Opex	Stray animal control	One (1)	N/A	N/A	1	1	1	1	
	To promote the well-being, health, safety and security of our community	19	Number of community environmental education awareness initiatives held	Manager Environmental Management	3	Portfolio Performance Report	50 000	Community environmental education awareness	2	N/A	N/A	1	1	1	1	
KPA 3: Local Economic Development and Planning	Promote job creation initiatives	20	Number of work opportunities through EPWP, CWP and other related infrastructure programmes	Director LED and Planning		Report on the number of Job opportunities created Job contracts	N/A	EPWP & CWP		1ST QUARTER REPORT	2ND QUARTER REPORT	3RD QUARTER REPORT	4 QUARTER REPORT			
KPA 3: Local Economic Development and Planning	Promote and support investment attraction and business development	21	Number of initiatives supported by the LED Cluster	Director LED and Planning		Attendance Registers Reports on the events	N/A	LED SUPPORT		1ST QUARTER REPORT	1ST QUARTER REPORT	1ST QUARTER REPORT	3RD QUARTER REPORT			

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KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	22	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	Director: Engineering and Infrastructural Services	71%	AFS and Section 71 In-Year Monthly & Quarterly Budget Statement	41 260 653	Spend 90% of the Capital Budget by financial year end	90%	10%	30%	60%	90%
KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	23	Collection Rate	Chief Financial Officer	54%	Monthly Debtors Report submitted to the FAME Portfolio Committee compiled from MunSoft Financial System for each month	N/A	Achieve a Debtors collection rate of at least 85% by financial year end.	95%	50%	60%	70%	85%
KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	24	Creditors Payment Period	Chief Financial Officer	327	AFS and Section 71 In-Year Monthly & Quarterly Budget Statement	N/A	Improve the Creditors Payment Period to 30 days by 30 June 2020	30	300	200	100	30
KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	25	Service Debtors to Revenue	Chief Financial Officer	112%	Annual Financial Statements, supported by figures as per the Munsoft financial system	N/A	Reduce Service Debtors to Revenue percentage to 100%	100%	150%	140%	120%	100%
KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	26	Current Ratio	Chief Financial Officer	0.43	Annual Financial Statements, supported by figures as per the Munsoft financial system	N/A	Improve Current Ratio to at least 1:1 ratio	1	0.5	0.6	0.8	1
KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	27	Cost Coverage	Chief Financial Officer	0,42 months	Annual Financial Statements, supported by figures as per the Munsoft financial system	N/A	Improve Cash Coverage level to one month	1	1	1	1	1
KPA 4: Institutional Development and Financial Management	A financially viable and sustainable Municipality	28	Debt coverage	Chief Financial Officer	53.86	Annual Financial Statements, supported by figures as per the Munsoft financial system	R6,900,000	Maintain the Debt Coverage Ratio above 40	40	40	40	40	40
KPA 1: Basic Service Delivery and Infrastructure Development	To promote the well-being, health, safety and security of our community	29	The percentage of indigent households with access to free basic services	Chief Financial Officer	20.66%	Annual Financial Statements, supported by figures as per the Munsoft financial system	Opex	Indigent households with access to free basic services	20.66%	N/A	N/A	N/A	N/A
KPA 1: Basic Service Delivery and Infrastructure Development	A safe, efficient, functioning energy supply infrastructure that provide conducive environment for investment	30	Households receiving Free Basic Electricity as a percentage of all households with electricity connections	Chief Financial Officer	9.42%	Annual Financial Statements, supported by figures as per the Munsoft financial system	Opex	Householder receiving Free Basic Electricity	9.42%	N/A	N/A	N/A	N/A
KPA 4: Institutional Development and Financial Management	To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	31	Irregular, Fruitless and Unauthorised Expenditure/ Total Operating Expenditure	Chief Financial Officer	157%	Annual Financial Statements, supported by figures as per the Munsoft financial system	N/A	Reduce Unauthorised; Irregular; Fruitless & Wasteful Expenditure to 0%	0%	157%	150%	100%	0%

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XPA 5: Good Governance and Public Participation	Enhance administration and Council oversight	32	Number of Council meetings held	Director: Corporate and Shared Services	4	Agendas Attendance Registers Minutes	Opex	Ordinary Council meetings	4	1	1	1	1
XPA 5: Good Governance and Public Participation	Enhance administration and Council oversight	33	Number of Mayoral Committee meetings held	Director: Corporate and Shared Services	4	Agendas Attendance Registers Minutes	Opex	Mayoral Committee meetings	4	1	1	1	1
XPA 5: Good Governance and Public Participation	To communicate effectively and be responsive to the needs of the community	34	Percentage of Ward committees that are functional (meet four times a year, are quorate, and have an action plan)	Municipal Manager	8	Agendas Attendance Registers Minutes	Opex	Ward Committee functions	100%	3	3	3	3
XPA 5: Good Governance and Public Participation	Enhance administration and Council oversight	35	Number of MPAC meetings held	Municipal Manager	4	Attendance Registers Minutes of meetings	Opex	MPAC Meeting	4	1	1	1	1

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