

GREATER TZANEEN MUNICIPALITY



FINAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2024/2025 FINANCIAL YEAR

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List of Acronyms

#	Number	MTREF	Medium Term Revenue and Expenditure Framework
%	Percentage	OtS	Office of the Speaker
CFO	Chief Financial Officer	PED	Planning and Economic Development Department
CORP	Corporate Services Department	PMS	Performance Management System
CSD	Community Services Department	SDBIP	Service Delivery and Budget Implementation Plan
EED	Electrical Engineering Department	SMME	Small, Medium and Micro Enterprises
EPWP	Expanded Public Works Programme	ToW	Transporter of Waste
ESD	Engineering Services Department	WSA	Waste Service Area
GTEDA	Greater Tzaneen Economic Development Agency		
GG	Good Governance		
GTM	Greater Tzaneen Municipality		
HR	Human Resource		
IDP	Integrated Development Plan		
IT	Information Technology		

KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	Kilo Watt Hour
LED	Local Economic Development
MFMA	Municipal Finance Management Act
MFVM	Municipal Financial Viability and Management
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MTOD	Municipal Transformation and Organisational Development

1. INTRODUCTION

The Service Delivery and Budget Implementation Plan is drafted in accordance with the Municipal Finance Management Act (Act. 56 of 2003). Section 53 (1) (c) (ii) of the MFMA specifies that the SDBIP must be approved by the Mayor within 28 days of approving the Budget. The SDBIP must include:

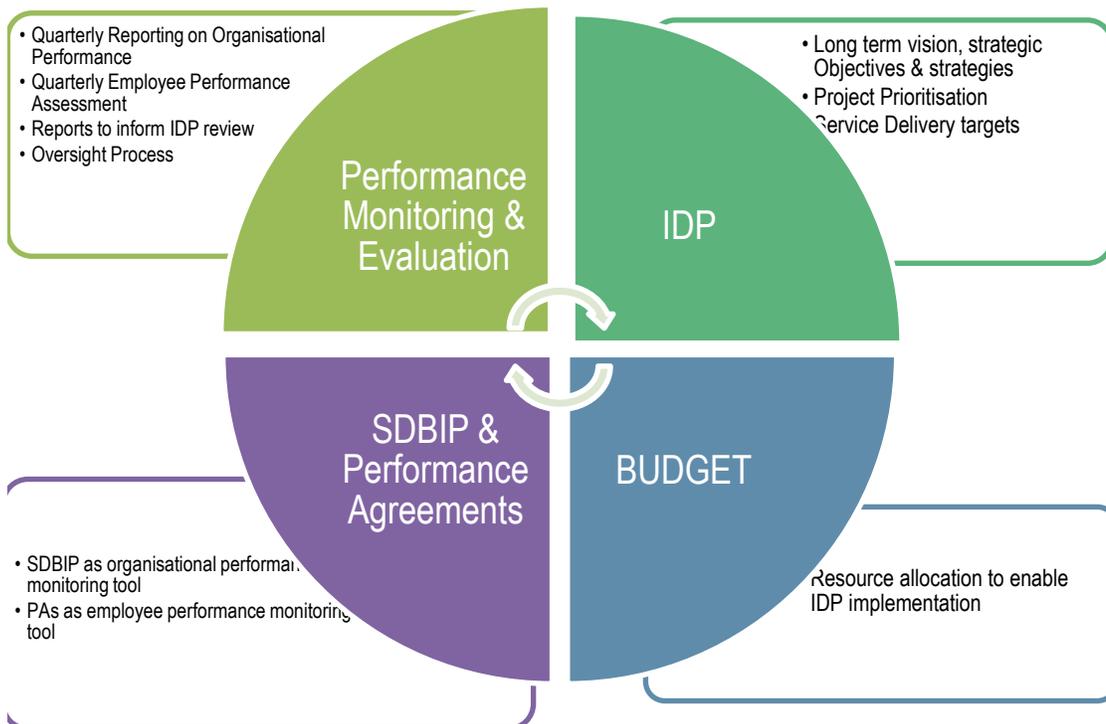
(a) projections for each month of

- (i) revenue to be collected, by source
- (ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter;

MFMA Circular 13, issued by the National Treasury, further adds that the SDBIP must further include a detailed capital works plan, per ward, covering a three year period.

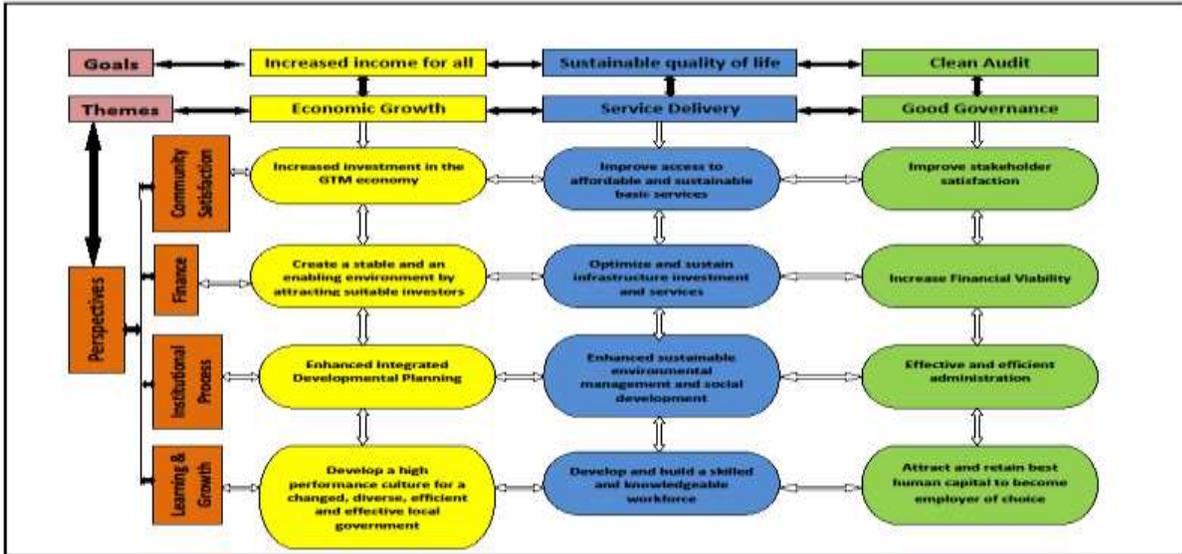
The SDBIP is one element of a continuous planning, implementation and reporting cycle. The aim of this process is to ensure that the vision of Council is achieved by implementing the activities planned in support of the strategic objectives contained in the Integrated Development Plan. The success of this cycle is dependant on the integration between the Budget, IDP and SDBIP and the process is presented below:



KPI Baselines: Year-end data for KPIs are not yet available for all measures since the 2024/06/30 financial year has not yet ended by the time the 23/24 SDBIP was concluded. These will be updated during the mid-year review process. (Refer to 7.1 of this plan)

Project planning: Quarterly Milestones for projects are allocated a percentage weighting in terms of the proportion of the work to be done for that quarter. These percentages then accumulates towards the 100% expected at year-end for a specific project. Note that in the case of multi-year projects the expected result at financial year-end may be only a portion of the physical progress of the total project. In these instances the Capital Works Plan should be consulted as this will give an indication as to when the project will be completed.

2. GTM Strategy Map for 2024/25



Municipal KPA alignment to National KPAs

National KPA	Municipal KPA	Strategic Objective Codes:	
Municipal Transformation and Organisational Development	Good Governance (GG)	LED 1:	Increased Investment in the GTM Economy
Good Governance and Public participation	Good Governance (GG)	LED 2:	Create a stable and an enabling environment by attracting suitable investors
Municipal Financial Viability and Management	Good Governance (GG)	LED 3:	Enhanced Integrated Developmental Planning
Basic Service Delivery	Service Delivery (SD)	LED 4:	government
Local Economic Development	Economic Growth (LED)	SD 1:	Improve access to sustainable and affordable basic services
Spatial Rational	Economic Growth (LED)	SD 2:	Optimise and sustain infrastructure investment and services
		SD 3:	Enhanced sustainable environmental management and social development
		SD 4:	Develop and build a skilled and knowledgeable workforce
		GG 1:	Improve stakeholder satisfaction
		GG 2:	Increased Financial viability
		GG 3:	Effective and Efficient Administration
		GG 4:	Attract and retain best human capital to become employer of choice

Revenue By Source	Total
Property rates	190,271,814
Service charges - electricity revenue	920,783,599
Service charges - water revenue	0
Service charges - sanitation revenue	0
Service charges - refuse revenue	43,979,397
Rental of facilities and equipment	1,737,990
Interest earned - external investments	22,764,459
Interest earned - outstanding debtors	35,734,777
Dividends received	0
Fines, penalties and forfeits	27,206,392
Licences and permits	1,229,000
Agency services	16,664,291
Transfers and subsidies	709,956,000
Other revenue	10,937,746
Gains	0
Total Revenue	1,981,265,465

Expenditure By Type	Total
Employee related costs	449,783,048
Remuneration of councillors	30,557,659
Debt impairment	106,277,000
Depreciation & asset impairment	118,167,597
Finance charges	16,084,886
Bulk purchases - electricity	560,012,325
Inventory consumed	110,531,217
Contracted services	99,732,861
Transfers and subsidies	49,128,048
Other expenditure	179,739,840
Losses	0
Total Expenditure	1,720,014,481

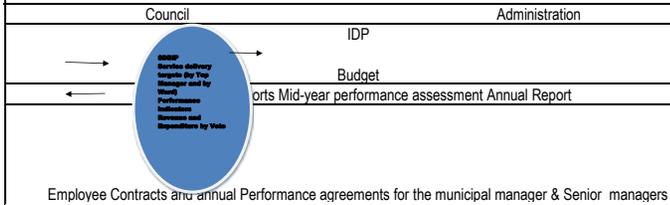
Vote	Total
Vote 1 - Executive & Council	0
Vote 2 - Planning and Economic Development	4,290,777
Vote 3 - Budget and Treasury	510,223
Vote 4 - Corporate Services	3,799,000
Vote 5 - Engineering Services	161,869,900
Vote 6 - Community Services	3,200,000
Vote 7 - Electrical Engineering	51,639,000
Vote 8 - Office of the Speaker	0
Total Capital expenditure	225,308,900

SERVICE DELIVERY AND IMPLEMENTATION PLAN 2024-25

1. INTRODUCTION

The Service Delivery and Budget Implementation Plan (SDBIP) seeks to promote municipal accountability and transparency and is an important instrument for service delivery and budgetary monitoring and evaluation. The SDBIP is a partnership contract between the administration, council and community which expresses the goals and objectives, set by the council as quantifiable outcomes that can be implemented by the administration over the next 12 months.

Diagram 1
SDBIP "contract"



2. LEGISLATION

Section 1 of the MFMA defines the SDBIP as : A detailed plan approved by the mayor of the 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 (as part of the top-layer) the following:

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

In terms of National Treasury Circular No. 13 the SDBIP must provide a picture of service delivery areas, budget allocations and enable monitoring and evaluation. It specifically requires the SDBIP to include;

- 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
- Information for expenditure and delivery; and
- Detailed capital works plan

In terms of Sections 69 (3) (a) and (b) of the MFMA the accounting officer of a municipality must submit to the Mayor within 14 days after the approval an annual budget, a draft SDBIP for the budget year and drafts of the annual performance plans as required in terms of Section 57 (1) (b) of the Municipal Systems Act (MSA) for the municipal manager and all senior managers. Furthermore, according to Section 53 (1) (c) (ii) and (iii) of the MFMA, the Mayor is expected to approve the SDBIP within 28 days after the approval of the budget.

The Greater Tzaneen Municipality's 2021/22 Medium- term Budget and Integrated Development Plan (IDP) have been approved by Council on 27 May 2021 in terms of the MFMA and the MSA respectively. The process leading to the draft Budget, IDP and business plans, which have an important bearing on the finalizations of the SDBIP, includes the following elements:

Departmental business plans/departmental SDBIPs. These departmental SDBIPs provide the details plans and targets according to which the department's performance will be monitored. The departmental SDBIPs contain performance plans of senior managers. The performance plans were formulated in terms of the IDP sector plans and the operational mandates relevant to each department. The performance plans forms the basis for the signing of the annual performance agreements of the Municipal Manager and Senior Managers. The SDBIP represents the key performance targets as captured across core departments.

Methodology and Content

The development of the SDBIP was influenced by the Priorities, Strategic Objectives, Programme Objectives and Strategies contained in the IDP ensuring progress towards the achievement thereof. The SDBIP of Greater Tzaneen Municipality (GTM) is aligned to the Key Performance Areas (KPA) Spatial Rationale as another KPA to be focused upon. The methodology followed by GTM in the development of the SDBIP is line with National Treasury Framework contained in the Framework for Managing Programme Performance Information.

