



**SERVICE DELIVERY AND
BUDGET IMPLEMENTATION
PLAN (SDBIP)**

2013/14

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DEFINITIONS OF CONCEPTS

CONCEPT	DEFINITION
Ablution facilities	Ablution facilities are the proposed public toilets provided in informal settlements as an interim form of sanitation before the residents are moved to Metro houses.
Baseline indicators	It provides quantitative and/or qualitative levels of performance as at the beginning of the monitoring period that the institution aims to improve on.
Business Incubator Programme	A program designed to support the successful development of entrepreneurial companies through an array of business support resources and services, developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Successful completion of a business incubation program increases the likelihood that a startup company will stay in business for the long term.
Co-operative	An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
Critical Skills	Refer to specific or generic skills within an occupation that are essential for performance in that occupation, e.g. literacy and numeracy skills, or "top-up" skills to fill a skills gap within an occupation, e.g. computer skills, technical work-related skills, etc.
Evaluation	An assessment of a planned, ongoing or completed intervention to determine its relevance, efficiency, effectiveness, impact and sustainability. It includes the assessment of progress to determine the extent to which objectives have been met, what outputs, outcomes and inputs have been produced, and at what cost.
Financial Viability: Cost Coverage Ratio	$A = \frac{B + C}{D}$ Where - "A" represents cost coverage "B" represents all available cash at a particular time "C" represents investments "D" represents monthly fixed operating expenditure.

(i)

CONCEPT	DEFINITION
Financial Viability: Debt Coverage Ratio	$A = \frac{B - C}{D}$ Where - "A" represents debt coverage "B" represents total operating revenue received "C" represents operating grants "D" represents debt service payments (i.e. interest + redemption) due within the financial year.
Financial Viability: Outstanding Service Debtors to Revenue	$A = \frac{B}{C}$ Where - "A" represents outstanding service debtors to revenue "B" represents total outstanding service debtors "C" represents annual revenue actually received for services.
Full-Time Equivalent Job	Is an equivalent of a paid work opportunity created for one person on an EPWP project for one year; one person year is equivalent to 230 person days of work.
Gap housing	Sector of housing not covered by subsidy, but also for which people cannot easily obtain credit from lending institutions/banks.
Impact indicators	Indicators that measure the marked effect or influence of achieving specific outcomes.
Informal settlements	The term used to describe housing that has been built illegally, without the consent of the proper planning authorities.
Integrated Development Planning	It is the Municipality's principal people-driven strategic developmental planning document. Importantly, it ensures close co-ordination and integration between projects, programmes and activities, both internally (between clusters and directorates) and externally (with other spheres of government).
Institutional performance review cycle	12 continuous months' period : 1 July to 30 June of the following year.
Key Performance Areas (KPAs)	Critical function/domain that is crucial to achievement of organisational goals.
Key Performance Elements (KPEs)	Focus areas linked to the identified Key Performance Areas.
Key Performance Indicators (KPIs)	Measures (qualitative and quantitative) that tell a person whether he/she is making progress towards achieving his/her objectives.

CONCEPT	DEFINITION
Input indicators	<p>An indicator that measures equipment, resources, economy and efficiency.</p> <ul style="list-style-type: none"> · Budget projection · % Capital Budget spent to provide water · Unit costs for delivering water to a single household · Amount of time/money/number of people it took the Municipality to deliver water to a single household.
- Output indicators	<p>Indicators that measure results. They are usually expressed in quantitative terms (i.e. number / %)</p> <ul style="list-style-type: none"> · Number of households connected.
- Outcome indicators	<p>Indicators that measure the impact of reaching the target.</p> <p>Percentage of households with access to water.</p>
Monitoring	<p>A continuous function that involves collecting and analyzing data on implementation processes, strategies and results.</p>
Municipal services	<p>Refer to the basic services that the residents of a town/city expect their town/city government to provide, in exchange for the rates and taxes they pay. Basic town/city services include water, sanitation (both sewer and refuse), roads and transportation, and primary health care.</p>
Non-revenue water (unaccounted for water)	<p>Portion of water that cannot be accounted for.</p>

CONCEPT	DEFINITION
Non-Section 57	All other employees who do not fall within the definition of Section 57 employees.
Performance Management	A strategic approach through which the performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards allowing for regular planning, monitoring, evaluating and reviewing and reporting of performance at both organizational and individual levels, effectively responding to inadequate performance and recognizing outstanding performance.
Peri-urban	The area existing between the urban edge and the boundary of the municipality. It is characterized by non-urban development, limited servicing, environmental and agricultural use.
Performance Management System (PMS)	A Municipality's Performance Management System entails a framework that describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players. The method used by the Nelson Mandela Bay Municipality is the balanced scorecard method that takes into account financial, internal business, customer and learning and growth perspectives.
Performance Plan	Plan of agreed key performance areas, objectives, key performance indicators and targets covering a specific financial year.
Performance targets	Quantifiable levels of the indicators that the organization wants to achieve at a given point in time.
Relays	Protection devices inside switchgear that operate during fault conditions to prevent damage to the switchgear.
Review	A comprehensive assessment of the economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the Municipality are concerned.

CONCEPT	DEFINITION
Risk Management Assessment Maturity Level 3	<p>Level 3 Maturity is achieved by adhering to the following criteria -</p> <ul style="list-style-type: none"> • The responsibility for co-coordinating and managing the ERM has been assigned to a specific individual within the municipality. • The Risk Management support delivered to the municipality is appropriate to give effect to Risk Management Implementation Strategy/Plan. • The Chief Risk Officer (CRO) or equivalent person has unfettered access to management, management platforms (such as meetings, planning sessions and committees), and documents. • A process has been undertaken to assess the residual risks in each of the strategic objectives (strategic risk). • Ownership for each strategic risk has been allocated to the respective manager to address the risk. • A process has been undertaken to assess the residual risks in each of the business functions (operational risks). • Ownership for each operational risk has been allocated to the respective manager to address the risk. • The Risk Management Committee is functioning in full compliance with their terms of reference approved by the municipal manager.
SANS 241	<p>The standard can be accessed at - https://www.sabs.co.za/webstore/SetaPDF/Demos/Encryptor/genpreview.php?stdsid=1400024664&pid=11440</p>
Scarce Skills	<p>In terms of the Nelson Mandela Bay Municipal Scarce Skills Strategy, it refers to those occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future, e.g. engineers, doctors, etc.</p>
Section 57 employees	<p>A person appointed as the municipal manager of a municipality, and a person appointed as a manager directly accountable to the municipal manager, subject to a performance agreement concluded annually.</p>
Street Islands	<p>Flower beddings on the middle and side of streets in non-residential areas.</p>
Stewardship	<p>Process of engaging private land owners who have extensive areas of land within biodiversity corridors of the Municipality, with the intention of setting their land aside for biodiversity conservation.</p>

CONCEPT	DEFINITION
Switchgear	includes circuit breakers, isolators, voltage transformers. This equipment is forms a major part of the electrical grid. Failure to maintain this infrastructure results in major outages.
Urban Edge	The area accepted by the Municipality as being the limit of urban development in accordance with its planning policies.
Water Demand Management (WDM)	Process whereby the water service is managed. Among others, WDM meets current and future water requirements, leak detection and repairs as well as the financial viability of the service.
Water Losses	Water losses are the sum of the real and apparent losses and are calculated from the difference between the total system input and the authorised consumption.
Work Opportunity	Refers to each incident where paid work is created for a single individual of an EPWP project for the period of time.

1. INTRODUCTION AND OVERVIEW

The Service Delivery and Budget Implementation Plan (SDBIP) is a mechanism that ensures proper alignment between the Municipality's Integrated Development Plan (IDP) and the Budget. It is central to the monitoring and evaluation of the performance of the Municipality in implementing its IDP and Budget.

The IDP is the Municipality's five-year principal strategic planning document. Importantly, it ensures close co-ordination and integration between programmes and activities, both internally and externally, with other spheres of government. The IDP therefore ultimately enhances integrated service delivery and development. The IDP priorities informs all planning and budgeting processes. The SDBIP consists of a one-year detailed performance plan, a three-year capital works plan, as well as financial projections of income and expenditure. It outlines Key Performance Indicators and Targets that are linked to Key Performance Areas derived from the IDP. Quarterly targets are identified in the SDBIP, and these are monitored and reported upon accordingly.

The SDBIP comprises two layers. The upper layer is the one that must be presented to the Executive Mayor for approval to Council. The lower layer applies to Directorates and forms the basis of their performance plans and agreements. This layer consists of additional indicators that support the indicators in the upper layer. The lower layer is the responsibility of Executive Directors and Directors, who develop it in consultation with their staff. The upper layer template and quarterly targets are reflected in the NMBMM Scorecard.

2. LEGISLATIVE FRAMEWORK

The Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) require municipalities to develop SDBIPs annually. According to Section 53(1)(c)(ii), 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.

The Executive Mayor is required to approve the SDBIP within 28 days after the approval of the IDP and Budget. It must be publicised within 14 days after the approval by the Executive Mayor.

3. SDBIP CYCLE

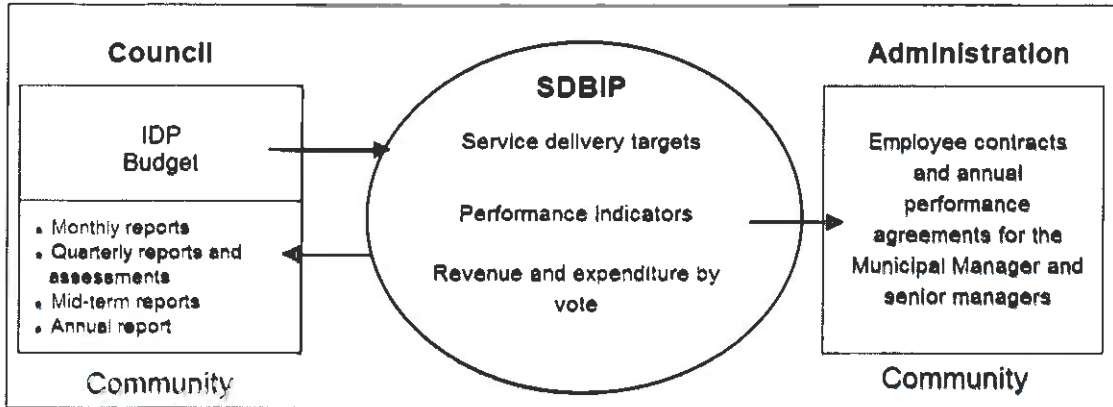


FIGURE 1

The SDBIP therefore constitutes a contract between the administration, Council and the community. It ensures that everyone is moving in the same direction, as mapped in the IDP. It provides a focus on outputs, outcomes and inputs. It enables senior managers to monitor the performance of their sub-ordinates; the Municipal Manager to monitor the performance of senior managers; the Executive Mayor to monitor the performance of the Municipal Manager; the Council to monitor the performance of the administration; and the community to monitor the performance of the Council. Therefore, it is a management and implementation plan (not a policy proposal).

4. PERFORMANCE REPORTING

To enhance performance assessment, accountability monitoring and evaluation, reporting requirements are outlined below:

Frequency and nature of report	Mandate	Recipients
Monthly reporting on actual revenue targets and spending against budget no later than 10 working days after the end of each month	Section 71 of the MFMA	National Treasury
Quarterly progress report	Section 41 (1) (e) of the Systems Act, Section 166 (2) (a) (v) and (vii) of the Municipal Management Finance Act (MFMA) and Regulation 7 of Municipal Planning and Performance Management Regulations.	<ol style="list-style-type: none"> 1. Municipal Manager 2. Executive Mayor 3. Mayoral Committee 4. Audit Committee 5. National Treasury

Frequency and nature of report	Mandate	Recipients
Mid-year performance assessment (assessment and report due by 25 January each year)	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.	1. Municipal Manager 2. Executive Mayor 3. Mayoral Committee 4. Council 5. Audit Committee 6. National Treasury 7. Provincial Government
Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.	1. Executive Mayor 2. Mayoral Committee 3. Council 4. Audit Committee 5. Auditor-General 6. National Treasury 7. Provincial Government 8. Local Community

5. NMBMM SCORECARD

The NMBMM Scorecard reflects the performance targets and indicators in line with the following key performance areas:

- Basic Service Delivery and Infrastructure Development
- Municipal Transformation and Organisational Development
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Special cross-cutting Projects

(see table 2)