



UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

**SERVICE DELIVERY AND
BUDGET IMPLEMENTATION
PLAN
2024/2025**

CONTENTS

FORWARD BY HER WORSHIP THE MAYOR.....	2
1. Introduction.....	3
2. Purpose of the SDBIP	3
3. LEGISLATIVE FRAMEWORK.....	3
5. UTHUKELA DISTRICT Municipality Performance Management Framework.....	6
6. VISION, MISSION & CORE VALUES.....	7
7. SDBIP CYCLE.....	8
Planning.....	8
Strategizing.....	8
Tabling.....	8
Adoption.....	8
Publishing.....	8
Implementation, monitoring and reporting.....	8
8. COMPONENTS OF THE SDBIP.....	9
MONTHLY PROJECTIONS OF REVENUE AND EXPENDITURE.....	11
REVENUE.....	11
EXPENDITURE.....	11
MONTHLY PROJECTIONS OF CAPITAL EXPENDITURE FOR EACH VOTE.....	11
CASH FLOWS.....	14
QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2024/2025.....	15
WARD (LOCAL) INFORMATION.....	16
DETAILED CAPITAL PROJECTS WORKPLAN.....	16
CONCLUSION.....	19

FORWARD BY HIS WORSHIP THE MAYOR

The purpose of this document is to present UThukela District Municipality Service Delivery and Budget Implementation Plan (SDBIP) for 2024/2025 financial year. The Municipal Finance Management Act (Act 56 of 2003) requires a municipality to develop, implement and monitor the SDBIP. The SDBIP is a management plan for implanting the IDP through the approved budget, it's a detailed one year plan of a municipality that gives effect to the IDP and the budget of the municipality. It is a commitment document for UThukela District Municipality to meet specific service delivery and budget spending targets. The targets contained in this document will specify how UThukela District Municipality will implement the objectives set out in the IDP.

In a nutshell the SDBIP will assist the executive, council, and the community in their respective oversight responsibility since it serves as an implementation and monitoring tool.

INKOSI NB SHABALALA

His Worship the Mayor

Submission to the Executive Mayor

The top layer service delivery budget implementation plan, indicating how the budget and the strategic objectives of the Council will be implemented, is herewith submitted in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), MFMA Circular No. 13 and the Budget and Reporting Regulation for the necessary approval.

LS JILI
Municipal Manager

Signature: 

Date: 03/08/2024

Section 53(1) (C) (ii) – Approval by the Executive Mayor

The top layer service delivery budget implementation plan is herewith approved in terms of Section 53(1) (c) (ii) of the Municipal Finance Management Act (MFMA), MFMA.

INKOSI NB SHABALA
HIS Worship Mayor

Signature: 

Date: 06/06/2024

1. INTRODUCTION

This document constitutes the Service Delivery and Budget Implementation Plan (SDBIP) of the uThukela District Municipality for the 2024/2025 financial year.

2. PURPOSE OF THE SDBIP

The SDBIP is a management, implementation, and monitoring tool. It enables the Municipality to give effect to its Integrated Development Plan (IDP) and Budget and can be seen as a “contract” between the Administration, Council and the Community that sets out the manner in which the Municipality will achieve its IDP goals and strategic objectives over the next twelve months.

3. LEGISLATIVE FRAMEWORK

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, Act No 53 of 2003, the Service Delivery Budget and Implementation Plan 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 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) Any other matters prescribed.

According to Section 53(c) (ii) of the Municipal Finance Management Act, the Mayor is expected to approve the Service Delivery Budget Implementation Plan within 28 days after the approval of the budget. In addition, the 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 Service Delivery Budget Implementation Plan are made public within 14 days after their approval.

In terms of the provisions of the MFMA the processes for the submission, approval, implementation and revision of the Service Delivery and Budget Implementation Plan (SDBIP) are as follows:

ACTION LEGISLATION

<p><i>Municipal Manager submit draft SDBIP to the Mayor within 14 days after the approval of the Budget Section</i></p>	<p>Section 69 (3) (a)</p>
<p><i>Mayor to take all reasonable steps to ensure that the Mayor approves the SDBIP within 28 days after the approval of the budget</i></p>	<p>53 (1) (c) (ii)</p>
<p><i>Mayor to take all reasonable steps to ensure that the annual performance agreements of the Municipal Manger and all Senior Managers are linked to the SDBIP and Performance Objectives of approved budget.</i></p>	<p>Section 53 (1) (c) (iii)</p>
<p><i>Mayor must ensure that the SDBIP be made public within 14 days after the approval of the SDBIP</i></p>	<p>Section 53 (3) (a)</p>
<p><i>Mayor must ensure that the Performance Agreements of the Municipal Manager and Senior Managers are made public within 14 days after the approval of the SDBIP and copies submitted to council and MEC for Local Government in the Province</i></p>	<p>Section 53 (3) (b)</p>
<p><i>Municipal Manager to implement the Budget and to adjust expenditure if revenue is not in accordance with the Budget of the SDBIP</i></p>	<p>Section 69 (1) (a)</p>

The Municipal Manager to report within 10 working days of the end of each month to the Mayor an explanation of any material variance from the SDBIP

Section 71 (1) (g) (ii)

The Municipal Manager, by 25 January, to assess the performance of the municipality for the first half of the year taking into account the service delivery targets and performance indicators set in the SDBIP and submit a report on it to the mayor, the National Treasury and the Provincial Treasury. The report must include recommendations as to whether an adjustment budget is necessary, and is necessary, recommendations of revised projections of income and expenditure.

Section 72

The Mayor must, upon receiving the reports listed in section 71 and 72, check whether the budget is implemented in accordance with the SDBIP and make revisions with council's approval for an adjustment budget and changes to the performance indicators in the budget and SDBIP, issue instructions to the Municipal Manager to ensure the Budget is implemented according to the SDBIP, submit the section 72 report to Council by 31 January of each year and make any revision to the SDBIP public promptly.

Section 54

5. UTHUKELA DISTRICT MUNICIPALITY PERFORMANCE MANAGEMENT FRAMEWORK

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service deliver and monthly budget targets, and links each service delivery output to the budget of the Municipality.

The SDBIP indicates the responsibilities and outputs for each of the senior managers in the top management team, the inputs to be used and the deadline for each output. The SDBIP will therefore determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible.

The SDBIP is a vital monitoring tool for the Mayor and Council to monitor in-year performance of the Municipal Manager and for the Municipal Manager to monitor the performance of all managers in the Municipality within the financial year.

The SDBIP is a layered plan, with the top layer of the plan dealing with the consolidated service delivery targets and in-year deadlines and linking such targets to top management. Only the highest layer of information of the SDBIP will be made public or tabled in Council.

The approved Top Layer SDBIP is the basis of the Municipality's Performance Management system. The SDBIP is a public document that comprises Key Performance Indicators (KPI's) with quarterly service delivery targets which derive from the IDP, legislation, regulations, risks and other critical aspects identified by the Municipal Council.

The Top-Layer of the SDBIP and its targets cannot be revised without notifying the Council, and if there is to be changes in the service delivery targets and performance indicators, this must be with the approval of the Council, following the approval of an adjustments budget (section 54(1)(c) of the MFMA).

Performance reporting on the Top-Layer SDBIP is done to the Executive Committee and Council on a quarterly, half-yearly (Mid-year Performance Assessment Report (S72 MFMA)) and annual basis (Annual Performance Report). Any amendments to the SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the Adjustment Budget. In addition to the above, Section 71 of the MFMA requires that monthly budget statements be compiled and submitted to the Mayor no later than 10 days after the end of each month.

The SDBIP is supported by the following administrative performance management tools which is reported quarterly to the Management Committee:

- (a) Departmental SDBIP's which contain operational Key Performance Indicators which are approved by the Municipal Manager.
- (b) KPI's assigned to individual employees in terms of Performance Plans

6. VISION, MISSION & CORE VALUES



7. SDBIP CYCLE

PLANNING

During this phase the SDBIP process plan is developed, to be tabled with the IDP process plan. SDBIP related processes eg. Workshop schedules, distribution of circulars and training workshops are also reviewed during this phase.

STRATEGIZING

During this phase the IDP is reviewed and subsequent SDBIP programs and projects for the next five years based on Local, Provincial and National issues. Previous year's performance and current economic and demographic trends etc

TABLING

SDBIP is tabled with the draft IDP and budget before Council. Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget hearings and formal local, provincial and National inputs or responses are also considered in developing the final document

ADOPTION

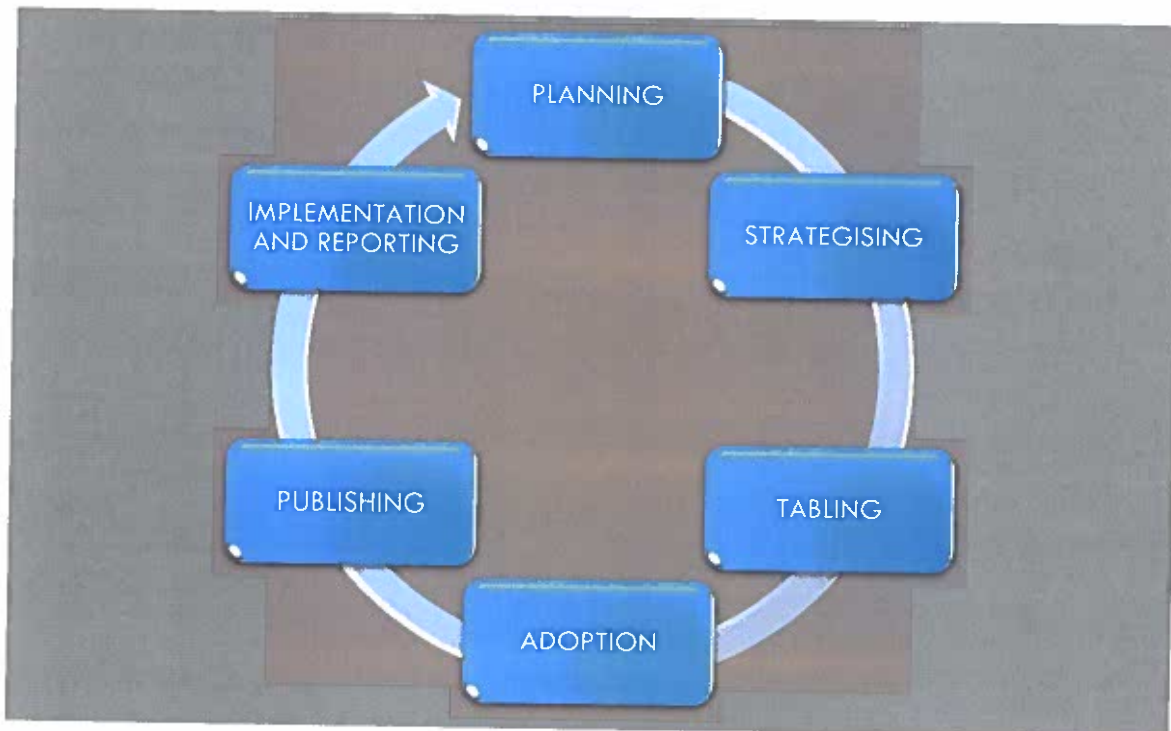
The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

PUBLISHING

The adopted SDBIP is made public and is published in the Municipal website

IMPLEMENTATION, MONITORING AND REPORTING

SDBIP projects are implemented and quarterly reporting takes place. Mid-year reporting is done to assess performance on the SDBIP, the document is amended, where applicable and adopted by Council.



8. COMPONENTS OF THE SDBIP

- ✚ Monthly Projections of Revenue to be collected for each Source
- ✚ Monthly Projections of Expenditure and Revenue for each Vote
- ✚ Quarterly projections of Service Delivery Targets and Performance Indicators for each Vote
- ✚ Detailed Capital Budget Broken Down by Ward over 3 Years

Monthly Projections of Revenue to be collected for each Source

The failure to collect revenue as budgeted will severely impact on UThukela District Municipality's ability to provide services to the community. The Municipality therefore has to institute measures to achieve its monthly revenue targets for each source. These measures will

enable the Municipality to assess its cash flow on a monthly basis with a view to undertaking contingency plans should there be a cash flow shortage or alternatively invest surplus cash. Furthermore, the effectiveness of credit control policies and procedures can be monitored with appropriate action taken if considered necessary.

Monthly Projections of Expenditure and Revenue for each Vote

The monthly projection of revenue and expenditure per vote relate to the cash paid and reconciles with the cash flow statement adopted with the budget. The focus under this component is a monthly projection per vote in addition to projections by source. When reviewing budget projections against actual, it is useful to consider revenue and expenditure per vote in order to gain a more complete picture of budget projections against actuals.

Quarterly Projections of Service Delivery Targets and Performance Indicators for each Vote

This component of the SDBIP requires non-financial measurable performance objectives in the form of service delivery targets and other indicators of performance. The focus is on outputs rather than inputs. Service delivery targets relate to the level and standard of service being provided to the community and include the addressing of backlogs in basic services. The approach encouraged by National Treasury's MFMA Circular No. 13 is the utilization of scorecards to monitor service delivery.

Detailed Capital Budget over Three Years

Information detailing infrastructural projects containing project description and anticipated capital costs over the three year period. The procurement process is an important component to ensure effective and timely infrastructure / capital service delivery

MONTHLY PROJECTIONS OF REVENUE AND EXPENDITURE

REVENUE

Classified by main revenue source

Summary of revenue classified by main revenue source

Description	Tabled Budget	Proposed Budget	Increase / (Decrease)	Year 1	Year 2	Year 3
R thousand	2024/25	2024/25	2024/25	2024/25	2025/26	2026/27
Revenue						
Exchange Revenue						
Service charges - Electricity						
Service charges - Water	286 647	316 389	29 742	316 389	335 372	355 494
Service charges - Waste Water Management	18 189	18 189	(0)	18 189	19 281	20 438
Service charges - Waste Management						
Sale of Goods and Rendering of Services	629	632	3	632	666	701
Agency services						
Interest						
Interest earned from Receivables	64 535	64 535	0	64 535	68 407	72 511
Interest earned from Current and Non Current Assets	10 483	10 483	-	10 483	10 966	11 459
Dividends						
Rent on Land						
Rental from Fixed Assets						
Licence and permits						
Operational Revenue	203	203	-	203	213	224
Non-Exchange Revenue						
Property rates						
Surcharges and Taxes						
Fines, penalties and forfeits	39	60	21	60	63	66
Licences or permits						
Transfer and subsidies - Operational	620 501	620 501	-	620 501	654 131	690 850
Interest						
Fuel Levy						
Operational Revenue						
Gains on disposal of Assets						
Other Gains						
Discontinued Operations	29 742	-	(29 742)			
Total Revenue (excluding capital transfers and co	1 030 968	1 030 992	24	1 030 992	1 089 098	1 151 743

The projected monthly revenue in terms of standard classifications follows:

Description	Year 1		Year 2		Year 3	
R thousand	2024/25		2025/26		2026/27	
Revenue						
Exchange Revenue						
Service charges - Water	316 389	31%	335 372	31%	355 494	31%
Service charges - Waste Water Management	18 189	2%	19 281	2%	20 438	2%
Service charges - Waste Management						
Sale of Goods and Rendering of Services	632	0%	666	0%	701	0%
Interest earned from Receivables	64 535	6%	68 407	6%	72 511	6%
Interest earned from Current and Non Current Assets	10 483	1%	10 966	1%	11 459	1%
Operational Revenue	203	0%	213	0%	224	0%
Non-Exchange Revenue						
Fines, penalties and forfeits	60	0%	63	0%	66	0%
Licences or permits						
Transfer and subsidies - Operational	620 501	60%	654 131	60%	690 850	60%
Discontinued Operations						
Total Revenue (excluding capital transfers and contributions)	1 030 992		1 089 098		1 151 743	

EXPENDITURE

MONTHLY PROJECTIONS OF CAPITAL EXPENDITURE FOR EACH VOTE

The monthly projections in terms of standard classification for capital expenditure follow:

Description	Tabled Budget	Proposed Budget	Increase / (Decrease)	Year 1	Year 2	Year 3
R thousand	2024/25	2024/25	2024/25	2024/25	2025/26	2026/27
Expenditure						
Employee related costs	389 971	363 137	(26 834)	363 137	363 137	363 137
Remuneration of councillors	7 151	6 155	(996)	6 155	6 155	6 155
Bulk purchases - electricity	-	-	-	-	-	-
Inventory consumed	65 500	51 060	(14 440)	51 060	53 409	55 866
Debt impairment	164 658	164 658	0	164 658	172 232	179 983
Depreciation and amortisation	79 231	73 910	(5 321)	73 910	77 310	80 789
Interest	525	-	(525)	-	-	-
Contracted services	244 932	171 931	(73 002)	171 931	179 074	187 311
Transfers and subsidies	11 000	5 830	(5 170)	5 830	6 098	6 379
Irrecoverable debts written off	-	-	-	-	-	-
Operational costs	167 163	130 551	(36 612)	130 551	136 557	142 774
Losses on disposal of Assets	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-
Total Expenditure	1 130 130	967 232	(162 899)	967 232	993 971	1 022 393

Capital Expenditure by vote, functional classification and funding

Description				
	R thousands	2024/25	2025/26	2026/27
Revenue - Functional				
<i>Municipal governance and administration</i>	691 476	731 039	772 254	
Executive and council	-	-	-	
Finance and administration	691 476	731 039	772 254	
<i>Community and public safety</i>	60	63	66	
Community and social services	-	-	-	
Health	60	63	66	
<i>Trading services</i>	630 984	680 326	731 867	
Energy sources	-	-	-	
Water management	630 984	680 326	731 867	
Waste water management	-	-	-	
Waste management	-	-	-	
<i>Other</i>	-	-	-	
Total Revenue - Functional	1 322 520	1 411 427	1 504 187	
Expenditure - Functional				
<i>Municipal governance and administration</i>	430 019	449 610	468 798	
Executive and council	51 120	54 895	57 090	
Finance and administration	378 898	394 714	411 707	
<i>Community and public safety</i>	58 078	60 749	63 499	
Community and social services	7 773	8 131	8 496	
Sport and recreation	-	-	-	
Public safety	-	-	-	
Housing	-	-	-	
Health	50 305	52 619	55 003	
<i>Economic and environmental services</i>	26 084	27 284	28 518	
Planning and development	26 084	27 284	28 518	
Road transport	-	-	-	
Environmental protection	-	-	-	
<i>Trading services</i>	453 052	456 328	461 578	
Energy sources	-	-	-	
Water management	453 052	456 328	461 578	
Waste water management	-	-	-	
Waste management	-	-	-	
<i>Other</i>	-	-	-	
Total Expenditure - Functional	967 232	993 971	1 022 393	
Surplus/(Deficit)	355 288	417 456	481 794	

CASH FLOWS

The monthly projected cash flow (reconciliation between cash receipts by source and cash payments by type) is indicated below. The SDBIP information on revenue and expenditure will be monitored and reported on monthly basis in terms of section 71 of the MFMA.

R thousands	Description	2024/25	2025/26	2026/27
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts		1 121 056	1 225 075	1 307 447
Property rates		-	-	-
Service charges		129 153	159 594	169 169
Other revenue		69 392	78 056	83 524
Transfers and Subsidies - Operational		620 501	654 131	690 850
Transfers and Subsidies - Capital		291 529	322 331	352 435
Interest		10 482	10 964	11 468
Dividends		-	-	-
Payments		(852 582)	(881 616)	(904 429)
Suppliers and employees		(846 752)	(875 518)	(898 050)
Finance charges		-	-	-
Transfers and Subsidies		(5 830)	(6 098)	(6 379)
NET CASH FROM/(USED) OPERATING ACTIVITIES		268 474	343 460	403 018
Payments		(308 529)	(340 113)	(371 036)
Capital assets		(308 529)	(340 113)	(371 036)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(308 529)	(340 113)	(371 036)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(40 055)	3 347	31 982
Cash/cash equivalents at the year begin:		(67 302)	(107 356)	(104 010)
Cash/cash equivalents at the year end:		(107 356)	(104 010)	(72 028)

QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2024/2025

The quarterly targets and quarterly projections of expenditure schedule is attached as **annexure A** to the SDBIP

WARD (LOCAL) INFORMATION

UTHUKELA DISTRICT

ALFRED DUMA

OKHAHLAMBA

INKOSILANGALIBALELE

1-37

1-15

1-24

DETAILED CAPITAL PROJECTS WORKPLAN

MIG Capital Projects

Projects Name	Local Municipality	Funder	Adjusted Budget		Total Budget 2023/24	Total Budget 2024/25	Total Budget 2025/26
			Direct Cost	Indirect cost			
Ntabamhlophe CWSS	Inkosi langalibalele	MIG	R4,399,574.00	R 535,479.47	R 4,935,053.47	R191 529 000.00	R 224,768,000.00
Kwanobamaba-Ezitendeni water supply	Inkosi langalibalele		R 988,488.22		R 988,488.22	R699 1000.00	R 27,451,433.53
Weenen Sanitation	Inkosi langalibalele		R 13,200,000.00	R 1,800,000.00	R 15,000,000.00	R 32,000,000.00	R 60,000,000.00
Bhekuzulu/Ephangwini water supply	Inkosi langalibalele		R 1,200,000.00	R 14,800,000.00	R 16,000,000.00	R 44,000,000.00	R 40,000,000.00
District Wide Sanitation	District wide sanitation		R 23,000,000.00		R 23,000,000.00	R 17,0105,200	R 22,102,068.80
Refurbishment and Upgrade of Water and Sanitation Infrastructure 3	District Wide		R 10,000,000.00		R 10,000,000.00	R 6113 350 00	
Ezakheni E Sanitation Phase 2	Alfred Duma		R 1,596,591.00		R 1,596,591.00		
Okhahlamba ward 2,3 and 14 Regional Bulk Water Supply and reticulation network	Okhahlamba		R 45,000,000.00	R 843,188.93	R 45,843,188.93	R 13,190,738.79	R 2,000,000.00
Fifty Park Sundays River Umhlumayo Extensions Phase 1 AFA	Alfred Duma		R 9,170,830.45		R 9,170,830.45	R 5,000,000.00	R 2,000,000.00
Ekuwukeni regional bulk water supply	Alfred Duma		R 10,000,000.00		R 10,000,000.00	R 30,000,000.00	R 17,000,000.00

Winterton Sanitation Supply Scheme : Planning	Okhahlamba		R 4,460,627.44	R 4,460,627.44		R 1,000,000.00
Winterton Water Supply Scheme :Planning	Okhahlamba		R 2,598,649.25	R 2,598,649.25		R 1,000,000.00
Design of Fitty Park/Mhlumayo Water Bulk Supply Infrastructure and Upgrade of the Tugela Estate Water Treatment Works, ward 7,27,28 &30	Alfred Duma	R 10,380,123.27		R 10,380,123.27		
KwaMkhize Bulk Water Supply and Reticulation Network	Inkosi langalibalele		R 944,597.29	R 944,597.29		
Upgrade of Bergville Water Treatment Works Bulk Water Supply Phase 2	Okhahlamba	R 28,000,000.00	R 275,455.15	R 28,275,455.15	R 20,000,000.00	R 20,076,097.67
Upgrade of Langkloof WTW and Bulk Water Supply within Ward 10 Phase 2	Okhahlamba	R 15,559,299.75	R 1,200,000.00	R 16,759,299.75	R 10,833,000.00	R 20,000,000.00
Colenso/ Rosboom Project	Alfred Duma					
MIG Topslice (PMU)	District		R 4,485,095.78	R 4,485,095.78	R 635711.21	R 12,138,400.00

Uthukela Impact	Environmental	District Wide												
Projects Name		Local Municipality	Funder	Direct Cost	Budget	Indirect cost	Total 2023/24	Budget	Total 2024/25	Budget	Total 2025/26	Budget		
RRAMS		District Wide	DOT	R 2,572,837.08			R 2,572,837.08	R 2,572,837.08	R 2,7,000,000	R 2,7,000,000	R 5,145,674.16			

CONCLUSION

As part of igniting excellence and taking service delivery to a higher level, the departmental performance monitoring will be done through the quarterly departmental SDBIPs which will also be cascaded down to the senior manager's performance agreements. The implementation of sound financial planning and budgeting will ensure sustainable service delivery that would result in growth for the municipality. These budgets and strategies have been developed to ensure that backlogs are addressed and that future financial problems are avoided and timeously corrected. It is also to ensure that projects are adequately funded and that future projects can be realistically planned and budgeted. UThukela District Municipality invites all the Stakeholders, to make this Service Delivery and Budget Implementation Plan (SDBIP) a reality