



Zululand
District Municipality

**SERVICE DELIVERY AND BUDGET
IMPLEMENTATION PLAN (SDBIP) FOR THE
QUARTER ENDED 31 MARCH 2024**

2023/2024

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Introduction

1.1. Background to the SDBIP

In terms of Section 69 (3) (a) of the Municipal Finance Management Act, the Municipal Manager must submit the SDBIP to the Mayor within 14 days after the approval of the Budget. The mayor must subsequently approve the SDBIP within 28 days after the approval of the Budget in terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act. In terms of section 69 (1) (a) the accounting officer of a municipality is responsible for implementing the municipality's approved budget, including taking all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan. The Final Budget for the 2023/24 financial year was tabled to Council on the 26 of May 2023 for approval. The SDBIP for the Zululand District Municipality was approved by the mayor within 28 days after approval of budget as stated in S53 (1) (c) (ii) and it will be monitored and revised quarterly.

1.2. Purpose of the SDBIP

The purpose of the SDBIP can be summarized as follows:

1. It is a vital link between the mayor and the administration of the municipality.
2. It facilitates the process for holding management accountable for its performance.
3. It is a tool for implementation, management, and monitoring; and
4. It further serves as the basis for the performance measurement in service delivery against the year-end targets and the implementation of the budget.

1.3. Importance of the SDBIP

A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, and it:

- *Enables the Mayor to monitor the performance of the Municipal Manager,*
- *Municipal Manager to monitor the performance of the senior managers; and*
- *The community to monitor the performance of the municipality.*

It is the excellent mechanism that produces monthly targets that are reported to ensure implementation of the IDP. The SDBIP will also empower all councillors specifically facilitating engagement at ward level and allow them to undertake the appropriate oversight and monitoring of programs. The SDBIP will also measure in-year progress in the implementation of the budget; under spending of budget will be dealt with at early stages because it is reviewed quarterly.

1.4. The Role of Council with regards to the SDBIP

It is vitally important for Council to note that the components of the SDBIP are primary indicators of the municipality's performance on the annual Budget. In this regard, Councillors are encouraged to scrutinize the various components of the SDBIP and to pose questions where it is deemed necessary. This form of in-year reporting should uncover major problems and is aimed at ensuring that the Mayor and the Municipal Manager take the corrective steps when any unanticipated problems arise.

1.5. Role of the Accounting Officer in respect of the SDBIP

The Accounting Officer must:

1. Implement the Budget.
2. Ensure that spending is in accordance with the Budget and ensure that the expenditure is reduced when revenue is anticipated to be less than projected in the Budget or the SDBIP.
3. Ensure that revenue and expenditure is properly monitored.
4. Prepare an adjustments Budget when necessary; and
5. Submit the draft SDBIP and draft annual performance agreements for the Municipal Manager and all senior managers.

1.6. The key components of the 2023/24 SDBIP

In terms of Circular No. 13 of the MFMA No. 56 of 2003, the SDBIP must contain:

- Monthly projections of revenue to be collected for each source.
- Monthly projections of expenditure by source (not required in terms of this Act).
- Monthly projections of expenditure (operating and capital) and revenue for each vote.
- Quarterly projections of service delivery targets and performance indicators of each vote.
- Detailed capital works plan broken down by ward over three years.
(Capital Plan)

These components of the SDBIP are discussed below.

2 MONTHLY PROJECTIONS OF REVENUE PER SOURCE

In terms of Section 15 of the MFMA, a municipality may, except where otherwise provided in this Act,

- incur expenditure only in terms of the approved Budget; and
- Within the limits of the amounts appropriated for the different votes in the approved Budget.

One of the most important and basic priorities of a municipality is to collect all its revenue as budgeted for, failure to collect the revenue will undermine the municipality's ability to deliver services. The SDBIP contains the monthly projections of revenue to be collected per source for the 2023/24 financial year. The reason for the inclusion of this component of the SDBIP is to ensure that the municipality monitors revenue collected during the quarter as all expenditure to be incurred in terms of the approved Budget must be financed from realistically anticipated revenues to be collected.

The Accounting Officer must monitor the actual revenues received against those projected in the SDBIP and submit explanations of any remedial action to be taken to ensure that projected revenue and expenditure remain within the municipality's approved Budget. This type of information requires the municipality to take urgent remedial steps to ensure it improves on its revenue-collection capacity if it wants to maintain its levels of service delivery and expenditure. The revenue for the financial year 2023/24 is indicated below as follows:

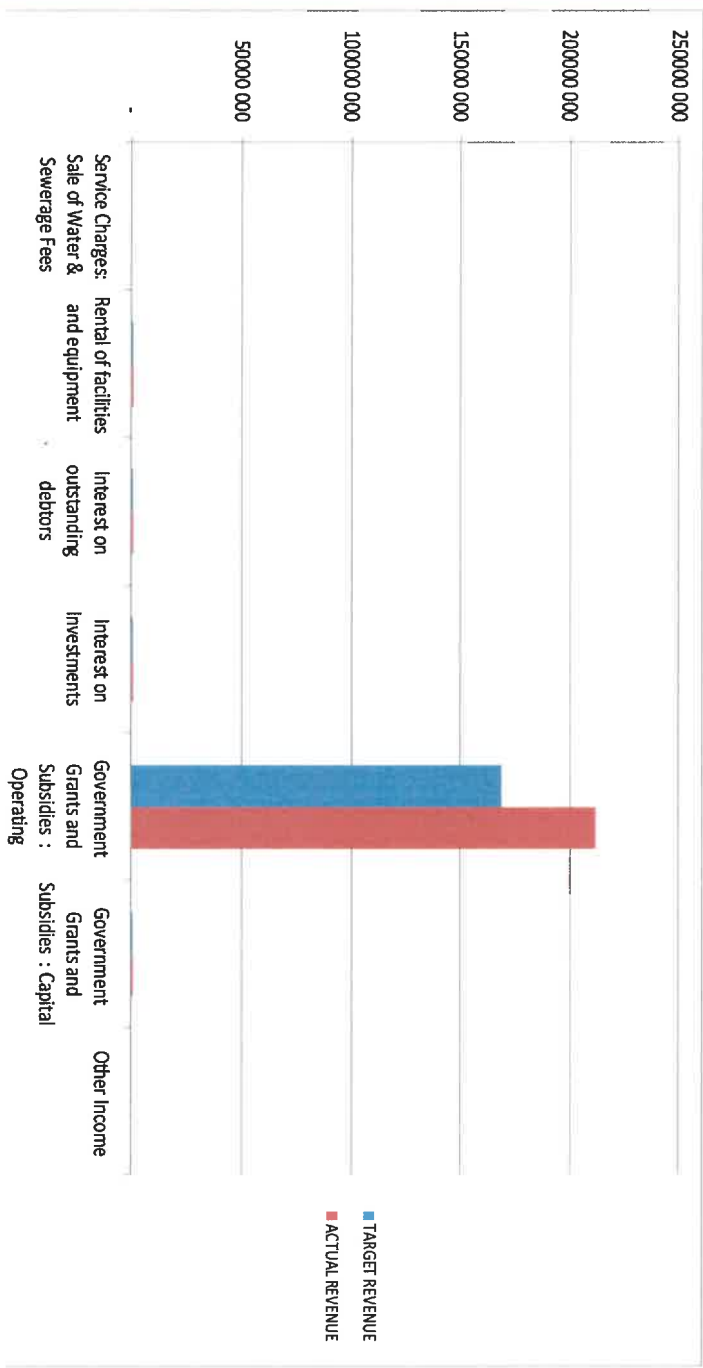
Monthly projections of total Revenue per Source

The municipality will ensure that it has instituted measures to achieve monthly revenue targets for each revenue source. In order to ensure realistic revenue projections and ultimately balanced budgets, the Zululand District Municipality has to have comprehensive, coherent revenue policies that take into account appropriate service delivery levels, standards, ability to pay and collection efforts.

**Monthly projections of Revenue by Source of
Zululand District Municipality for the Quarter
ended 31 March 2024**

Monthly Projections of Revenue by Source									
Revenue by Source	Target	JANUARY		FEBRUARY		MARCH		Totals for Q_3	
		Actual	Target	Actual	Target	Actual	Target	Actual	Variance
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	4 294 333	8 735 180	4 294 333	5 717 687	4 459 839	2 075 617	13 048 506	16 528 484	-3 479 979
Service charges - sanitation revenue	1 367 167	2 509 367	1 367 167	1 572 543	1 299 712	205 924	4 034 045	4 287 833	-253 788
Sale of Goods and Rendering of Services	83 375	147 685	83 375	30 028	62 899	20 000	229 649	197 693	31 956
Interest earned - outstanding debtors/ Receivables	43 417	56 232	43 417	57 341	65 371	56 950	152 204	170 523	-18 318
Interest earned - external investments/Current & Non Asset	250 000	1 311 147	250 000	692 977	625 000	4 483 715	1 125 000	6 487 839	-5 362 839
Rentals from Fixed Assets	41 667	71 409	41 667	35 704	38 182	-	121 515	107 113	14 402
Licences and permits	5 000	6 172	5 000	8 818	8 602	8 153	18 602	23 143	-4 541
Other revenue/ Operational Revenue	30 750	252 880	30 750	1 408	36 851	119 286	98 351	373 574	-275 223
Fines, penalties and forfeits	83 333	3 423	83 333	26 408	71 121	84 140	237 787	113 971	123 816
Transfers and subsidies - Operational	53 654 917	30 973 468	53 654 917	2 404 465	61 832 515	178 779 615	169 242 348	212 157 549	-42 915 200
Gains/Losses	-	253 304	-	42 440	-	-295 743	-	1	-1
TOTALS	59 853 958	44 320 247	59 853 958	10 589 818	68 600 091	185 537 658	188 308 008	240 447 723	-52 139 716

Q3 Chart - Monthly Projections of Revenue by Source



3 MONTHLY PROJECTIONS OF EXPENDITURE PER SOURCE

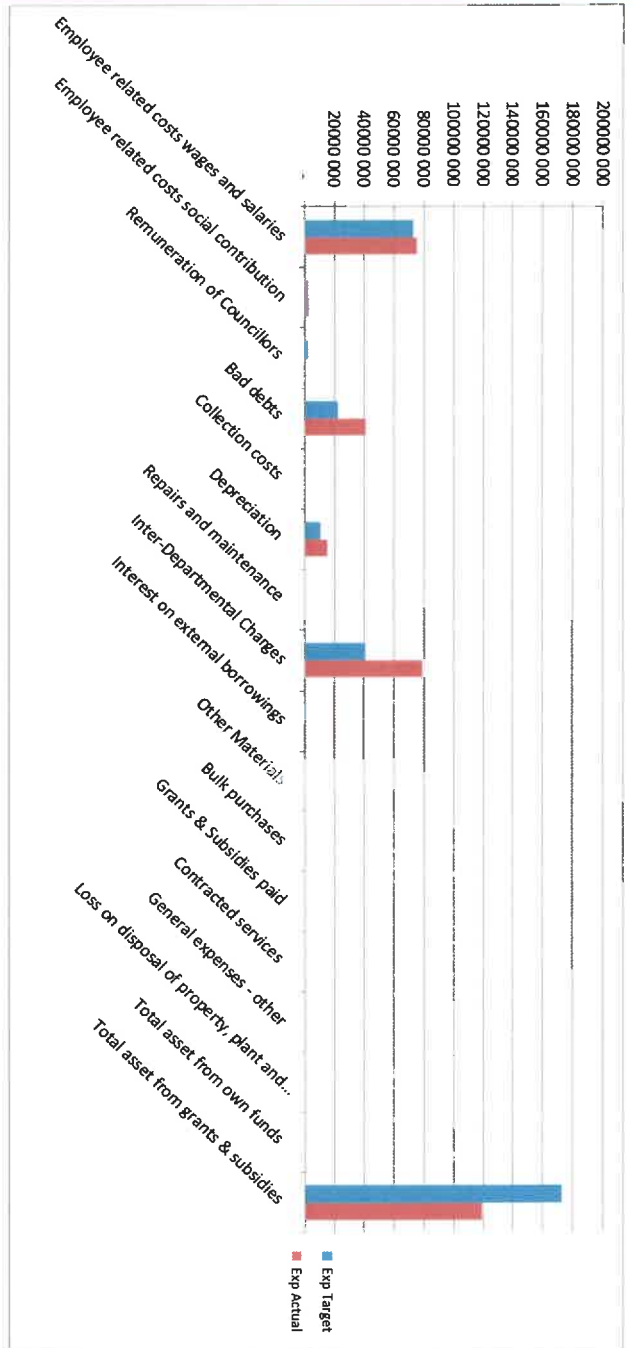
The monthly projections of expenditure per source is not included in terms of circular No 13 of the MFMA, but we as Zululand District Municipality have decided to add this component in order to see the movement of expenditure per source on monthly basis to be able to respond promptly and to initiate any remedial steps when necessary.

Monthly Projections of Expenditure by Source of Zululand District Municipality for the Quarter ended 31 March 2024

Monthly Projections of Expenditure by Source

Expenditure by Source		JANUARY		FEBRUARY		MARCH		Totals for Q. 3		Variance
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Operating Expenditure	24 227 346	25 164 504	24 227 346	24 406 520	24 468 011	25 567 123	72 922 703	75 156 146	-2 235 443	
Employment related costs	790 494	819 106	790 494	788 594	815 336	805 639	2 396 314	2 413 339	-17 025	
Remuneration of counsellors	3 510 833	476 481	3 510 833	3 111 700	3 708 221	11 406 004	10 729 887	14 964 195	-4 284 508	
Inventory consumed	833 334	-	833 334	-	833 334	-	2 500 001	-	2 500 001	
Debt impairment	7 500 000	8 513 713	7 500 000	8 550 125	7 500 000	24 406 677	22 500 001	41 470 515	-18 970 514	
Depreciation & asset impairment	83 333	-	83 333	234 855	83 333	10 732	250 000	246 587	4 413	
Interest	10 726 614	26 896 604	10 726 614	14 142 546	19 663 858	38 008 653	41 417 086	79 147 713	-38 030 627	
Contracted services	500 000	524 639	500 000	-	316 952	-	1 316 952	524 639	-791 522	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Intercurrent debts written off	-	-	-	-	-	-	-	-	-	
Operational costs	12 003 224	14 878 163	12 003 224	10 104 923	11 382 495	19 735 206	35 883 943	-	-	
Losses on Disposal of Assets	-	-	-	489 492	-	-	-	-	-	
Total Operating Expenditure	60 715 178	77 393 211	60 715 178	61 823 605	68 770 531	119 939 945	169 120 867	213 954 126	-50 222 162	
Capital Expenditure										
Total asset from own funds	241 667	-	241 667	-50 781	265 833	777 782	749 167	727 011	22 166	
Total asset from grants & subsidies	58 380 632	10 677 935	58 380 632	11 009 683	65 544 775	97 185 140	172 406 080	118 872 738	53 533 323	
Borrowing	7 246 377	-	7 246 377	-	7 246 377	-	21 739 131	-	21 739 131	
Total Operating Expenditure	65 868 696	10 677 935	65 868 696	10 959 902	63 156 986	97 962 931	194 894 377	119 599 768	75 294 609	
TOTAL EXPENDITURE	126 043 874	88 071 146	126 043 874	72 787 597	131 927 516	217 902 876	384 015 264	333 553 894	45 072 427	

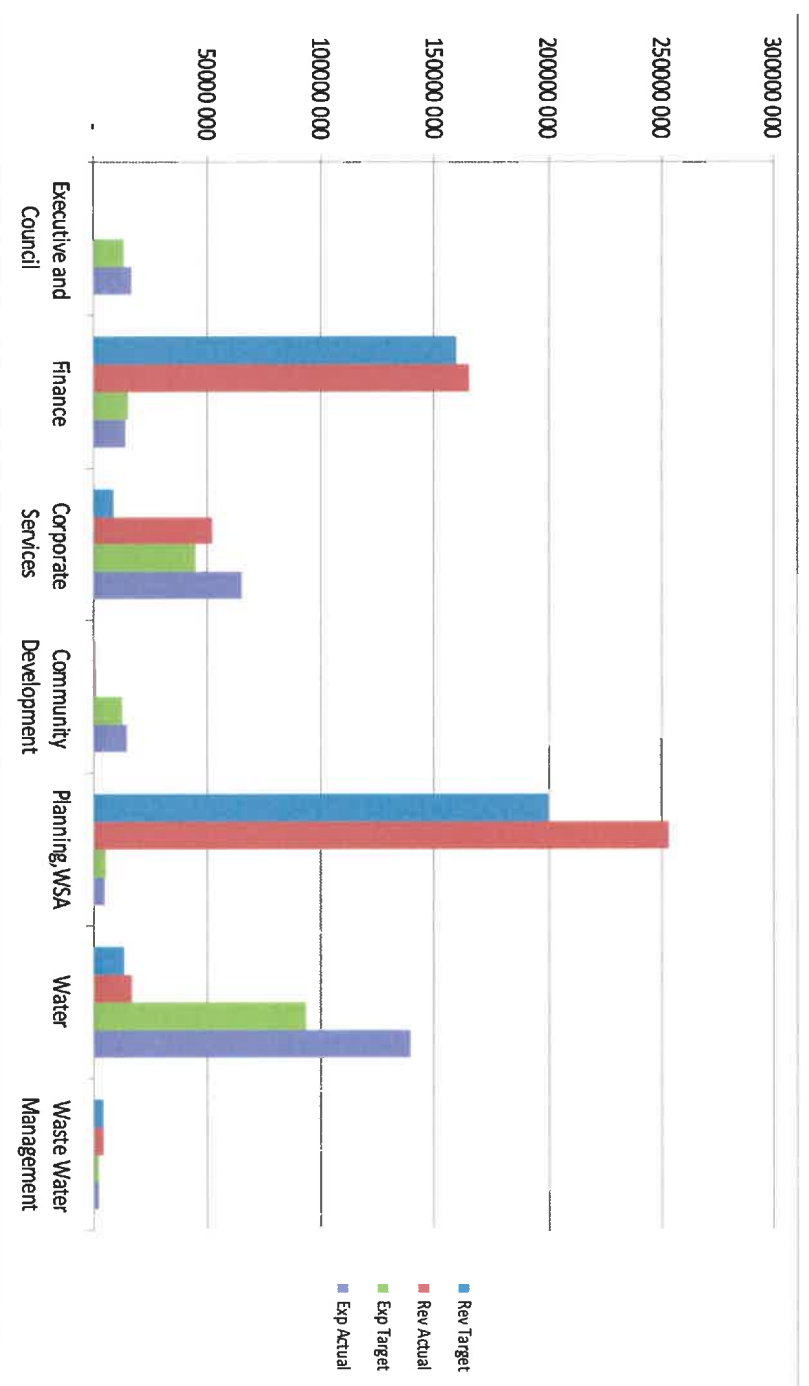
Q3 Chart - Monthly Projections of Expenditure by Source



4 ANNUAL PROJECTIONS OF REVENUE & EXPENDITURE PER VOTE

It is important to view expenditure in relation to revenue used to finance it. In this context, it is easy to see when expenditure exceeds Revenue, and the necessary remedial steps can then be taken to correct this situation. Failure to monitor expenditure in relation to Revenue will seriously hamper the municipality's ability to achieve its strategic goals for the year.

Q3 Chart - Monthly Projections of Revenue and Expenditure by Vote



5 QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS OF EACH VOTE

In terms of the SDBIP, Zululand District Municipality is required to provide non-financial measurable performance objectives in the form of service delivery targets and other performance indicators. Service delivery targets relate to the level and standards of service being provided to the community and include targets for the reductions in backlogs of basic services.

The goals and objectives set by Council as quantifiable outcomes that should be implemented by the administration over the next financial year are indicated on the sheet below.

TOP LAYER - SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) - ZWULAND DISTRICT MUNICIPALITY - 2023/2024

EB8 PILLAR 2: BASIC SERVICE DELIVERY

KPI NO.	PROGRAM DRIVER	OUTCOME	IDP Strategic Objective Ref No.	STRATEGY	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	Q3-Target 30.3.2024	Q3 Actual	Q3 Status	REASON FOR VARIANCE	MEASURE OF IMPROVEMENT	PORTFOLIO OF EVIDENCE
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KPA 1: BASIC SERVICE DELIVERY= 04 indicators

1	HOD (PLANNING)				Number of households within ZDM to be provided with access to water within RCP standard per quarter	800 households within ZDM to be provided with access to water within RCP standard by 30 June 2024	Number	200 households within ZDM to be provided with access to water within RCP standard per quarter	336	ON TRACK			List of beneficiaries and GPS co-ordinates
2	HOD (Tech)		SD 121		Percentage of bottles produced by ZDM water treatment plants per quarter	70% bottles produced by ZDM water treatment plants by 30 June 2024	Percentage	70% bottles produced by ZDM water treatment plants per quarter	72%	ON TRACK			Monthly production report
3	HOD (Tech)				Percentage of ZDM Water determinants that pass laboratory tests per quarter	85% ZDM Water determinants that pass laboratory tests by 30 June 2024	Percentage	85% ZDM Water determinants that pass laboratory tests per quarter	82%	ON TRACK			Lab results
4	HOD (TECH)	All categories of Municipal Infrastructure and resources are stable and maintained	SD 111	Continuously managing all existing infrastructure capital assets to minimize the total cost of owning and operating these assets	The average time taken to fix spillages per quarter	48hrs average time taken to fix spillages by 30 June 2024	Hours	48hrs average time taken to fix spillages per quarter	34HS	ON TRACK			Job card summary report

B2B PILLAR 3: BUILDING CAPABLE LOCAL GOVERNMENT INSTITUTIONS

KPA2: LOCAL ECONOMIC & SOCIAL DEVELOPMENT = 06 indicators

5	HOD (COMMUNITY)	The overall economic and social conditions of the district are conducive for the creation of employment opportunities	SD 211	Support SMMEs and create opportunities for growth	Number of SMMEs/Co-operatives supported annually	10 SMMEs/Co-operatives supported by 30 June 2024	Number	NA	Due in Q4	Due in Q4	Due in Q4	Due in Q4	List of supported SMMEs and signed distribution form
6	HOD (COMMUNITY)	The overall economic and social conditions of the district are conducive for the creation of employment opportunities	SD 211	Support SMMEs and create opportunities for growth	Number of tourism awareness campaigns held per quarter	4 tourism awareness campaigns held by 30 June 2024	Number	1 tourism awareness campaign held per quarter	1	Not yet held			DOP and Attendance Register
7	COO	Arts culture and heritage is preserved	SD 241	Promoting arts, culture and heritage	Number of Special Programmes implemented annually	2 Special Projects implemented by 30 June 2024	Number	NA	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Programmes, Attendance registers and Photos
8	HOD (FINANCE)	Effects of poverty is minimised	SD 221	Alleviate poverty and promote socio-economic development	Number of implementation reports on Indigent Policy submitted to EXCD per quarter	4 implementation reports submitted to EXCD by 30 June 2024	Number	1 implementation report on Indigent Policy submitted to EXCD per quarter	1	Not yet held			Copy of Indigent Policy implementation report and proof of submission
9	HOD (COMMUNITY)	Promoting and maximising social and economic development	SD 225	Supporting the well-being of vulnerable groups through short and long term initiatives	Number of jobs created through the ZDM municipal EPWP initiatives including capital projects	170 jobs created through the ZDM municipal EPWP initiatives including capital projects by 30 June 2024	Number	NA	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Report received from the EPWP system
10	HOD (COMMUNITY)	The health of Zululand communities and citizens is improved	SD 231	Regulating, monitoring and evaluating compliance of service providers to municipal health standards	Number of ZDM Municipal Health awareness campaigns held per quarter	20 ZDM Municipal Health awareness campaigns held by 30 June 2024	Number	5 ZDM Municipal Health awareness campaigns held per quarter	5	Not yet held			DOP and Attendance Register

KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT = 04 indicators

11	HOD (FINANCE)	The Municipality is financially viable with sound financial management	SO 3.11	Establishing and maintaining a sound and sustainable management of the fiscal and financial affairs of the municipality and its entities	Percentage of Collection Rate achieved per quarter	85% Collection Rate achieved by 30 June 2024	Percentage	85% Collection Rate achieved per quarter	45% (NOT ACHIEVED)	The procurement for new meters was not finalized as a result no new meters were installed consumers are still using interim and this affects the effectiveness of billing consumers, municipality could be supplying water without charging for such services which eventually has a negative impact on water loss by the municipality. Consumers are not paying on time for water bills as a control measure municipality has introduced debt incentive programme to encourage consumers to pay for water services. Improved performance was only noted in the month of March which was the last month of the programme. The SACCOS is working on obtaining a resolution to extend the programme till end of May 2024 so there will be no loss of income.	Section to motivate for extension on debt incentive programme till end of May 2024 this will open opportunity to sections like C. A. Uland local municipality which is due for disconnection. Improved collection for month of March SACCOS was as a result of disconnection households. Budget will also assist in reducing defaulters.	Copy of Collection Report		
12	HOD (CORP)				Percentage of budget spent on implementing VSP	80% of budget spent on implementing VSP by 30 June 2024	Percentage	N/A	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Expenditure report	
13	HOD (FINANCE)				SO 3.12	Apply sound financial management practices to keep a positive cash balance, coverage and liquidity ratios	Due Report on Sep 13 of the MPR to be submitted to AG	Report on Sep 13 of the MPR to be submitted to AG by 31 July 2023	Date	N/A	Completed in Q1	Completed in Q1	Completed in Q1	Proof of submission and copy of Sep 13 report
14	HOD (FINANCE)				SO 3.13	Manage, monitor and review existing financial systems to support accurate and credible reporting, budget monitoring and compliance	Number of Sep 12 reports submitted to Council and Provincial Treasury per quarter	4 Sep 12 reports submitted to Council and Provincial Treasury by 30 June 2024	Number	1 Sep 12 report submitted to Council and Provincial Treasury per quarter	1	1	1	Council Resolution and copy of Sep 12 report
15	HOD (FINANCE)				SO 3.14	Refine procurement systems and processes to respond to the demand for services	Number of SCM quarterly reports submitted to EXCO per quarter	4 SCM quarterly reports submitted to EXCO by 30 June 2024	Number	1 SCM quarterly report submitted to EXCO per quarter	1	1	1	Proof of submission and copy of SCM Quarterly reports
KPI NO.	PROGRAM DRIVER	OUTCOME	IDP Strategic Objective Ref No.	STRATEGY	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	Q3-Target 30.3.2024				PORTFOLIO OF EVIDENCE		

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION = 03 indicators

16	COO			Number of reports on legal functions submitted to MHM per quarter	4 report on legal functions submitted to MHM by 30 June 2024	Number	1	Report on legal functions submitted to MHM per quarter	1	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Proof of publication and report
17	COO	SQA.12	Promoting transparent and accountable governance through regular community engagements and effective administration	Number of Community engagements held Dis. based	8 Community engagements held Dis. based	Number	N/A	N/A	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Notes, ODP, And copy of report
18	COO			Number of reports tabled by the Audit Comm. Chairperson to Council based	4 reports tabled by the Audit Comm. Chairperson to Council by 30 June 2024	Number		Reports tabled by the Audit Comm. Chairperson to Council based	Due in Q2 & Q4	Due in Q2 & Q4	Due in Q2 & Q4	Due in Q2 & Q4	Due in Q2 & Q4	Due in Q2 & Q4	Due in Q2 & Q4	Council Resolution
19	HOD (COBP)	SO 4.14	Monitoring, review and progressively improve service delivery performance through improvement of business processes and systems, performance auditing, risk management and oversight	Number of MPAC meetings coordinated per quarter	4 MPAC meetings coordinated by 30 June 2024	Number	1	MPAC meeting coordinated per quarter	1	ACOM-10						Notes, Agenda and attendance register

KPA 5: MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT = 02 indicators

20	HOD (COBP)	SO 5.11	Investing in a workforce to meet service delivery demand through implementing a culture of continuous learning and improvement	Number of EAP health services campaign conducted per quarter	4 EAP health services campaign conducted per quarter by 30 June 2024	Number	1	TEAP health services campaign conducted per quarter	1	ACOM-10						Notes, ODP, Attendance register and Copy of Presentation
21	COO	SO 5.15	Establishing consistency and alignment between the district and local by regular coordination of intergovernmental relations	Number of Municipal Manager Technical IGRODGM meetings coordinated per quarter	4 Municipal Manager Technical IGRODGM meetings coordinated by 30 June 2024	Number	1	Municipal Manager Technical IGRODGM meeting coordinated per quarter	1	ACOM-10						Notes, Agenda and Attendance Register

20	HOD(COEP)		The municipality is adequately resourced with a skilled workforce capable of carrying out its developmental mandate. Strong career pathing is achieved.	SOC11	Investing in a workforce to meet service delivery demand through implementing a culture of continuous learning and improvement	Number of CEP Health awareness campaign conducted per quarter	4 CEP health awareness campaigns conducted per quarter by 30 June 2024	Number CEP health awareness campaign conducted per quarter	1	✓	Mobis DOP Attendance register and Copy of Presentation
21	CDO			SOC16	Establishing consistency and alignment between the district and locals by regular co-ordination of intergovernmental Relations	Number of Municipal Manager Technical CERDDM meetings coordinated per quarter	4 Municipal Manager Technical CERDDM meetings coordinated by 30 June 2024	Number Municipal Manager Technical CERDDM meeting coordinated per quarter	1	✓	Mobis, Agenda register and Minutes Register

KPA 6: CROSS CUTTING INTERVENTIONS = 03 indicators

22	Disasters are prevented and dealt with effectively where they occur	SO 6.13	To minimize the vulnerability of communities by building a culture of risk reduction (Disaster prevention in preparedness)	Number of lightning conductors installed in identified rural households within CDMA per quarter 2024	100 of lightning conductors installed in identified rural households within CDMA by 30 June 2024	Number	25 of lightning conductors installed in identified rural households within CDMA per quarter	0	100% (25/25)				Confidence of compliance and Benchmarking for the year 2024 (25/25) (100%)
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6. DETAILED CAPITAL WORKS PLAN AND WARD INFORMATION

[illegible]

[illegible]

2019/20												
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	2019/20

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[illegible]

Figure 1 consists of two horizontal bar charts. The left chart, titled 'No mobile phone', shows the percentage of respondents for various reasons for not owning a mobile phone. The right chart, titled 'Mobile phone but not used', shows the percentage of respondents for various reasons for not using a mobile phone. Both charts have a y-axis representing the percentage of respondents (0% to 100%) and an x-axis representing the reasons.

Reason	No mobile phone (%)	Mobile phone but not used (%)
No need	~45	~45
Too expensive	~35	~35
Not useful	~15	~15
Other	~5	~5

2

**APPROVAL OF THE ZULULAND DISTRICT MUNICIPALITY'S SERVICE DELIVERY
AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR THE QUARTER ENDED 31
MARCH 2024**

The Zululand District Municipality's final SDBIP for the year ending 31 March 2024 has been reviewed and approved by the Honourable Mayor: Cllr. T.D. Buthelezi as said in S54 (3) of the Municipal Finance Management Act.

Date received:

2024/04/12

Date Approved:

2024/04/25

Signature:

