
Thembelihle Local Municipality



SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

2025/2026

Chapter 1: Overview

Strategic Context of the Service Delivery and Budget Implementation Plan

1.1 Purpose

This document provides for the annual submission of the Service Delivery and Budget Implementation Plan (SDBIP) as required in terms of the Municipal Finance Management Act. It should be read in conjunction with Thembelihle Municipality's Integrated Development Plan (IDP), Budget; Departmental SDBIP's for the financial year 2023/2024.

1.2 Legislation

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

According to **Section 1** of the Act a service delivery and budget implementation plan means a detailed plan approved by the mayor of a 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 indicate—

(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 that may be prescribed and includes any revisions of such plan by the mayor in terms of **section 54(1) (c)**;

In terms of **Section 53 (3)** of the Municipal Finance Management Act (MFMA) No. 56 of 2003: The mayor must ensure —

(a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and

(b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

Diagram 1: Relationship between the IDP, Budget and SDBIP in the Municipality

It is important that the various Departmental SDBIPs must relate to the IDP of the municipality. The intention is that the SDBIPs for each of the Departments in the municipality must indicate how each specific section 56 & 57 managers (and his / her Department) intends on implementing the IDP. The Departmental SDBIP must also relate to the budget for the specific year, because the budget will determine how much funds are available to perform the anticipated projects in the SDBIP. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor.

Diagram 1
SDBIP "contract"

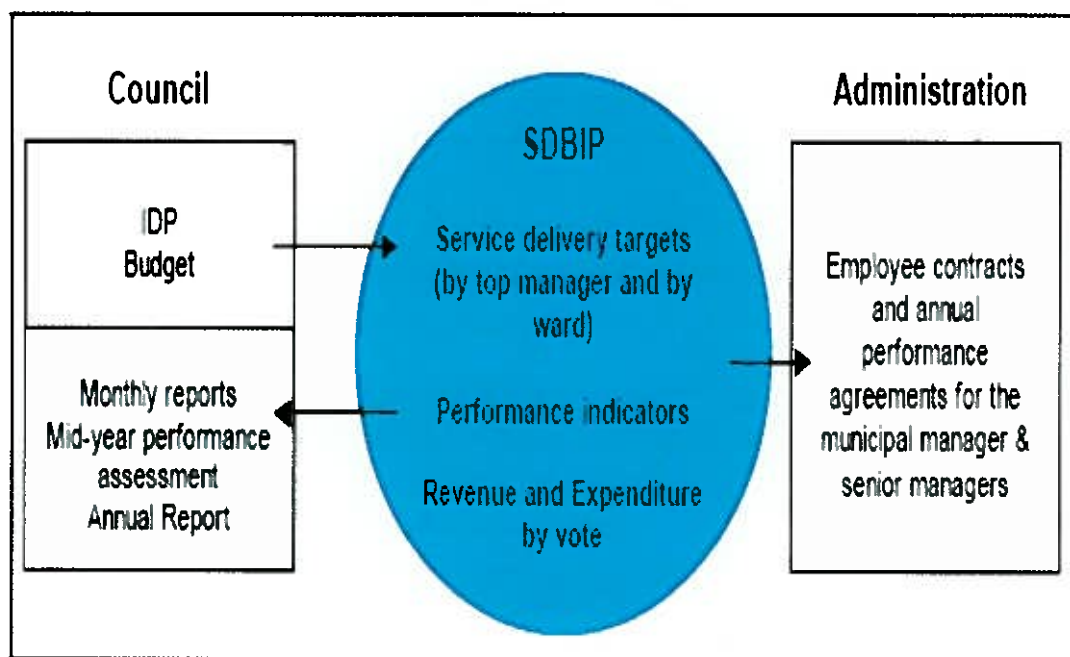
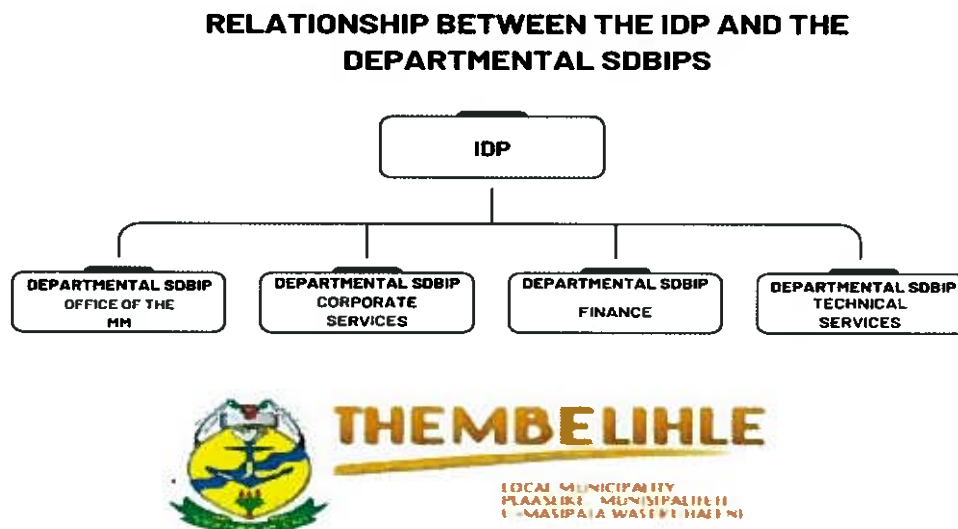


Diagram 2: Relationship between the IDP and the Departmental SDBIPs



The various Departmental SDBIPs inform the institutional (municipal) SDBIP. This (the municipal SDBIP) must be presented to the Council and public for noting and deliberations. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It 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.

Quarterly projections of Service Delivery Targets and Performance Indicators

Projections of Service Delivery Targets and Performance Indicators

Office of the Municipal Manager

National KPA	Strategic Objective	IDP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2025	Annual Target	Q1 Measurable Target	Q2 Measurable Target	Q3 Measurable Target	Q4 Measurable Target	Portfolio of Evidence
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Attend quarterly Intergovernmental Forums	4 Meetings	4	1	1	1	1	Invitation to Intergovernmental Forums, Agenda and Attendance Register
			Convene Quarterly Council meets the people meetings	1 Council meets the people meetings	4	1	1	1	1	Attendance Register of All Councilors, Programme, List of findings and Plan of action
			Report quarterly on the functioning of Ward Committees	12 Monthly reports	4	1	1	1	1	Quarterly Reports
			Convene 4 General Council Meetings per year	0	4	1	1	1	1	Agenda, Minutes and Attendance Register

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT									
To ensure a municipality that the municipality is self-sustainable and accountable financially by attaining clean audit	Monitoring and Reporting	Convene 4 Section 79 Committee Meeting per year	0	4	1	1	1	1	Agenda, Minutes and Attendance Register
			0	4	1	1	1	1	Quarterly Internal Audit Reports, Acknowledgement of receipt
			0	4	1	1	1	1	MFMA Calander Checklist
			New	4	1	1	1	1	Minutes of meeting Reviewed IDP
			New	4	1	1	1	1	Quarterly Reports
To ensure 100% service delivery planning within the municipality by developing all sector plans and thereby ensuring that the residents of the municipality are well serviced		Municipal Support Intervention Plan (Service Delivery Report)	New	4	1	1	1	1	Quarterly Reports

National KPA	Strategic Objective	IDP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2022	Annual Target	Q1 Measurable Target	Q2 Measurable Target	Q3 Measurable Target	Q4 Measurable Target	Portfolio of Evidence
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and reporting	Quarterly performance reviews	3 Performance reviews in place for 2024/2025	3	-	1	1	1	Reports on Quarterly performance reviews
			Develop the Employment Equity Plan	0	1	1	-	-	-	Developed Employment Equity Plan
			Quarterly Report on Legal & Labour Related Cases	4 Reports	4	1	1	1	1	Updated reports on Labour Related Cases
			8 x Local Labour Forum meetings	4 Local Labour Forum meetings convened	4	1	1	1	1	Agenda, Attendance Register
	To improve poor performance and targeting low skills base within the municipality by developing and implementing a vibrant Workplace		Submission of the Workplace Skill Pan (WSP) Report by 30 April	1 Workplace Skill Pan (WSP)	1	-	-	-	1	Proof of submission of the Workplace Skill Plan by 30 April 2026

COMMUNITY SERVICES

National KPA	Strategic Objective	IDP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2025	Annual Target	Q1 Measurable Target	Q2 Measurable Target	Q3 Measurable Target	Q4 Measurable Target	Portfolio of Evidence
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Reports on Use of commonage land	4 Reports	4	1	1	1	1	Annual reports on commonage land
			Quarterly progress reports on implementation of Library business plan	4 Quarterly Reports	4	1	1	1	1	4 Quarterly Reports
			Quarterly progress reports on Housing activities within the municipal boundaries	4	4	1	1	1	1	Quarterly Reports
			Development of an LED Strategy	0	1	1	1	1	1	Council approved LED Strategy
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that the municipality is self-sustainable and accountable	Monitoring and Reporting	Monthly reports on Traffic and Law Enforcement activities	12	4	1	1	1	1	Quarterly reports

Finance Department

National KPA	Strategic Objective	KP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2022	Annual Target	Q1 Measurable Target	Q2 Measurable Target	Q3 Measurable Target	Q4 Measurable Target	Portfolio of Evidence
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Data String Submission to NT Portal	4	12	3	3	3	3	NT submission status report
			Progress report on the implementation of the audit action plan	2	2	-	-	1	1	Progress Report
			Report Quarterly on Spending of Conditional Grants	4	4	1	1	1	1	Report on spending of conditional grants
			Report on Mid-year Budget and performance review by 31 January 2026	1	1	-	-	1	-	Mid-year budget and performance report tabled to council.
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Approval of Annual Draft Budget by 31 March 2026	1	1	-	-	1	-	Council approved Draft Budget
			Approval of Annual Budget by 31 May 2026	1	1	-	-	-	1	Approved Annual Budget
			Submit an application for approval of electricity tariffs to NERSA	1	1	-	-	-	1	Application submitted to NERSA and Approval letter

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Submission of Legislatively Compliant Annual Financial Statement	1	1	1	1	-	-	-	Proof of submission of AFS to the Auditor General and Compiled AFS
			Submission of Preliminary Annual Financial Statements to the Audit Committee	1	1	1	1	-	-	-	Draft AFS submitted to the Audit Committee
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget Control & monitoring	Reduce prior year irregular Expenditure by 20%	Prior year Irregular Expenditure reported	20%	5%	5%	5%	5%	5%	Report on the reduction of irregular expenditure
			Achieve a collection rate of 70% per	60%	70% collection rate	70 (Percentage)	70 (Percentage)	70 (Percentage)	70 (Percentage)	70 (Percentage)	Calculation report on the collection rate
KPA 4: MUNICIPAL TRANSFORMATION	To ensure a municipality that is stable and has organisational discipline among staff	Improvement of discipline among staff	SCM Reports Submitted to MPAC	New	4	1	1	1	1	1	MPAC Reports to Council

Technical Services

National KPA	Strategic Objective	IGP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2022	Annual Target	Q1 Measurable Target	Q2 Measurable Target	Q3 Measurable Target	Q4 Measurable Target	Portfolio of Evidence
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced	To improve water quality and continuity of water services to residents	80 Percentage of drinking water samples complying to SANS241	0	80%	80%	80%	80%	80%	Test Lab Results and report
			Reduce water losses from 78% to 45%	78%	0.3	-	70%	60%	45%	Report on Calculation of water losses, Summary of kilo litres purified, and amount of kilo litres sold
			Report on progress of electricity master plan	0	4	1	1	1	1	Progress report on progress of electricity master plan
			% progress on the implementation of the EEDSM project	0	100	25%	50%	75%	100%	Quarterly report on the EEDSM business plan
			Reduce Electricity losses from 42% to 20%	42%	20%	-	35%	28%	20%	Report on Calculation of Electricity losses, summary of billing report
		To improve the delivery of electricity to communities in an efficient and effective manner								

			0	100%	25%	50%	75%	100%	
	To improve the delivery of electricity to communities in an efficient and effective manner	% Expenditure on the implementation of the Hillside Electrification project	0	100%	25%	50%	75%	100%	Report of Expenditure on the implementation of the Hillside Electrification project
	asset management plan for asset operation and maintenance	Develop an Infrastructure asset management plan by 30 June 2025	1	1	-	-	1	-	Developed Plan and Council Resolution of approval
	To provide an infrastructure asset management plan for asset operation and maintenance	Develop an Operational and Maintenance plan by 30 June 2026	0	1	-	-	-	1	Developed Operational Plan
	continuity of services to residents	Report on the maintenance of Road & Stormwater channels	Nil	4 Quarterly reports	1	1	1	1	Quarterly reports on the maintenance of roads & stormwaters.
	To improve roads and stormwater quality and	Report on the upgrading of the Hopetown Wastewater Treatment Works (Phase 2)	0	4 reports	1	1	1	1	Service provider appointment. 4 Progress reports

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6: Conclusion

The SDBIP is a vital monitoring tool for the mayor and council to monitor in-year performance of the municipality. The SDBIP gives meaning to the budget and the IDP and will inform both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and section 46 (end-of-year annual reports). This enables the Mayor and Municipal Manager to be pro-active and take remedial steps in the event of poor performance.

The SDBIP provides the top layer of information for the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. The SDBIP aims to ensure that managers are problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible. The SDBIP also enables the council to monitor the performance of the municipality against quarterly targets on service delivery.

THEMBELIHLE LOCAL MUNICIPALITY : SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2025/26

APPROVED BY:



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MAYOR