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# Thembelihle Local Municipality

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## **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 2025/2026.

### 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"**

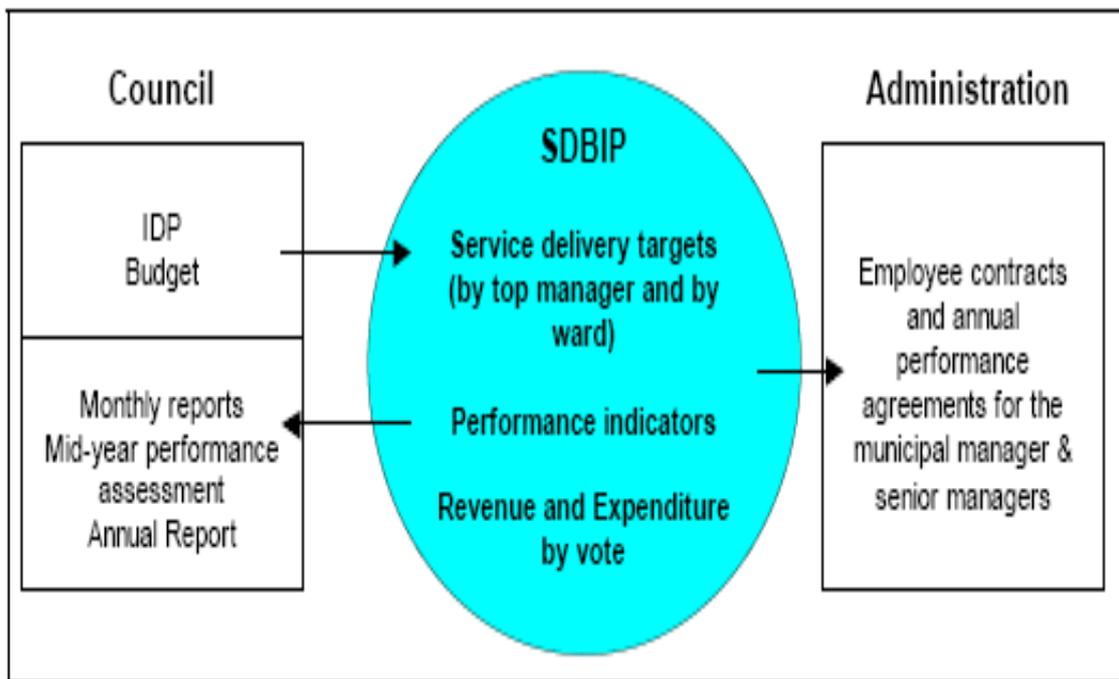
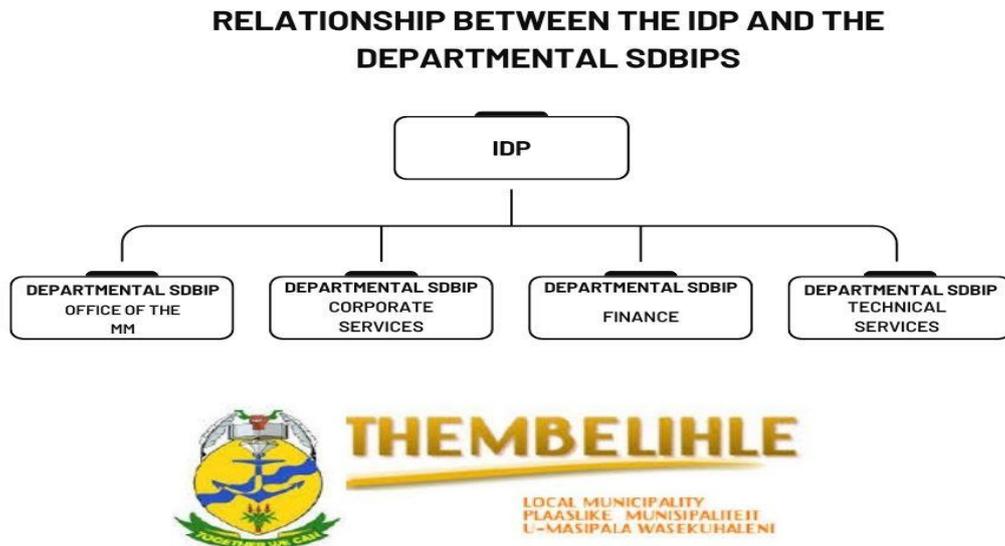


Diagram 2: Relationship between the IDP and the Departmental SDBIPs



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                           | 4             | 1                    | 1                    | 1                    | 1                    | Invitations to Intergovernmental Forums, Agendas and Attendance Registers                 |
|   |  |                          | Convene Quarterly Council meets the people meetings     | 5                           | 4             | 1                    | 1                    | 1                    | 1                    | Attendance Registers of All Councillors, Programmes, List of findings and Plan of actions |
|   |  |                          | Report quarterly on the functioning of Ward Committee's | 4                           | 4             | 1                    | 1                    | 1                    | 1                    | Quarterly Reports   |
|   |  |                          | Convene 4 General Council Meetings per year             | New                         | 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   | Monitoring and Reporting | Convene 4 Section 79 Committee Meeting per year         | 4                           | 4             | 1                    | 1                    | 1                    | 1                    | Agenda, Minutes and Attendance Register   |

|   |   |                          |   |     |   |   |   |   |   |  |
|---|---|--------------------------|---|-----|---|---|---|---|---|--|
|   |   |                          | Submit quarterly Internal Audit reports to the Audit Committee                  | New | 4 | 1 | 1 | 1 | 1 | Quarterly Internal Audit Reports, Acknowledgement of receipt |
|   |   |                          | Update and maintain the Municipal Website as per MFMA Calendar                  | New | 4 | 1 | 1 | 1 | 1 | MFMA Calander Checklist                                      |
|   |   |                          | Convene Strategic Session by 25 February 2026                                   | 1   | 4 | - | - | 1 | - | Minutes of resolutions                                       |
|   |   |                          |   |     |   |   |   |   |   |  |
| KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT | 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  |
|   | To improve communication and liaison with communities and stakeholders in order to  | Monitoring and Reporting | Compilation and submission of annual report 24/25 to council by 31 January 2024 | New | 1 | - | - | 1 | - | Annual Report and Council Resolution                         |

|  |   |   |  |     |   |    |   |   |   |  |
|--|---|---|--|-----|---|----|---|---|---|--|
|  |   |   | Develop a draft Integrated Development Plan and submit to council by 31 March 2026 | 1   | 1 | -  | - | 1 | - | Council Resolution and draft IDP Document      |
|  |   |   | Final approval by 31 May 2026  | 1   | 1 | -- | - | - | 1 | Final IDP by 31 May 2026                       |
|  |   |   | IDP Steering committee   | 1   | 4 | 1  | 1 | 1 | 1 | Minutes of the meeting                         |
|  |   |   | Approval of the IDP Process plan by 31 August 2025                                 | New | 1 | 1  | - | - | - | IDP/Budget Process Plan and council resolution |
|  | 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 | Improvement of Consequence Management in the Municipality | Contract Management Report   | New | 4 | 1  | 1 | 1 | 1 | Quarterly Report                               |

| 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 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  | New                         | 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                           | 4             | 1                    | 1                    | 1                    | 1                    | Updated reports on Labour Related Cases                          |
|   |   |                          | 4 x Local Labour Forum meetings                                      | 6                           | 4             | 1                    | 1                    | 1                    | 1                    | Agendas, Attendance Registers                                    |
|   | To improve poor performance and compromise service delivery thereby targeting low skills base within the municipality by developing and implementing a vibrant Workplace  |                          | Submission of the Workplace Skill Plan (WSP) Report by 30 April 2026 | 1                           | 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                           | 4             | 1                    | 1                    | 1                    | 1                    | Annual reports on commonage land                           |
|   |  |                          | Quarterly progress reports on implementation of Library business plan            | New                         | 4             | 1                    | 1                    | 1                    | 1                    | 4 Quarterly Reports  |
|   |  |                          | Quarterly progress reports on Housing activities within the municipal boundaries | New                         | 4             | 1                    | 1                    | 1                    | 1                    | Quarterly Reports  |
|   |  |                          | Development of an LED Strategy   | New                         | 1             | -                    | 1                    | -                    | -                    | Council approved LED Strategy                              |
| 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 | Quarterly progress reports on Traffic and Law Enforcement activities             | 12                          | 4             | 1                    | 1                    | 1                    | 1                    | Quarterly reports  |
|   |  |                          | Monthly reports on Building plan submissions and approvals                       | New                         | 12            | 3                    | 3                    | 3                    | 3                    | Monthly reports on Building plan submissions and approvals |

## Finance Department

| 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 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                                 | 12                          | 4             | 1                    | 1                    | 1                    | 1                    | NT submission status reports                              |
|   |   |                                | Progress report on the implementation of the audit action plan      | 2                           | 2             | -                    | -                    | 1                    | 1                    | Progress Reports  |
|   |   |                                | Report Quarterly on Spending of Conditional Grants                  | 4                           | 4             | 1                    | 1                    | 1                    | 1                    | Reports 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               | -               | -               | -               | 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               | -               | -               | -               | 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%                               | 12.2% | 20%                 | 5%              | 5%              | 5%              | 5%              | Reports on the reduction of irregular expenditure                  |
|   |   |                                       | Achieve a collection rate of 70% per   | 52%   | 70% collection rate | 70 (Percentage) | 70 (Percentage) | 70 (Percentage) | 70 (Percentage) | Calculation reports on the collection rate                         |
| KPA 4: MUNICIPAL TRANSFORMATION                             | To ensure a municipality that is stable and has organisational  | Improvement of discipline among staff | SCM Reports Submitted to MPAC  | New   | 4                   | 1               | 1               | 1               | 1               | MPAC Reports to Council  |

## Technical 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 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 | 10                          | 80%                          | 80%                  | 80%                  | 80%                  | 80%                  | Test Lab Results and reports  |   |
|  |  |  | Reduce water losses from 78% to 45%                          | 78%                         | 45%                          | -                    | 70%                  | 60%                  | 45%                  | Reports on Calculation of water losses, Summary of kilo litres purified, and amount of kilo litres sold |   |
|  |  | To improve the delivery of electricity to communities in an efficient and effective manner | Report on progress of electricity master plan                | New                         | 4 Quarterly progress reports | 1                    | 1                    | 1                    | 1                    | 1   | Progress reports on progress of electricity master plan |
|  |  |  | % progress on the implementation of the EEDSM project        | New                         | 100%                         | 25%                  | 50%                  | 75%                  | 100%                 | Quarterly reports on the EEDSM business plan  |   |
|  |  |  | Reduce Electricity losses from 42% to 20%                    | 42%                         | 20%                          | -                    | 35%                  | 28%                  | 20%                  | Reports on Calculation of Electricity losses, summary of billing reports                                |   |

|  |  |  |  |     |                     |     |     |     |      |  |
|--|--|--|--|-----|---------------------|-----|-----|-----|------|--|
|  |  | To improve the delivery of electricity to communities in an efficient and effective manner | % Expenditure on the implementation of the Hillside Electrification project  | New | 100%                | 25% | 50% | 75% | 100% | Reports of Expenditure on the implementation of the Hillside Electrification project |
|  |  | To provide an infrastructure asset management plan for asset operation and maintenance     | Develop an Infrastructure asset management plan by 30 June 2026              | New | 1                   | -   | -   | 1   | -    | Developed Plan and Council Resolution of approval                                    |
|  |  | To improve roads and stormwater quality and continuity of services to residents            | Develop an Operational and Maintenance plan by 30 June 2026                  | New | 1                   | -   | -   | -   | 1    | Developed Operational Plan   |
|  |  |  | Report on the maintenance of Road & Stormwater channels                      | 1   | 4 Quarterly reports | 1   | 1   | 1   | 1    | Quarterly reports on the maintenance of roads & stormwaters.                         |
|  |  | To provide a fully functional sanitation system and reduce pollution to the nearby streams | Report on the upgrading of the Hopetown Wastewater Treatment Works (Phase 2) | 3   | 4 Quarterly reports | 1   | 1   | 1   | 1    | Service provider appointment. 4 Progress reports                                     |

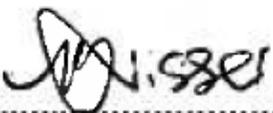
|  |   |   |  |     |   |   |   |   |   |   |
|--|---|---|--|-----|---|---|---|---|---|---|
| KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | To provide spatial framework for future developmental purposes. | To provide a fully functional sanitation system and reduce pollution to the nearby streams and underground networks               | Report on the upgrading of the Strydenburg Wastewater Treatment Works-Phase 2        | New | 3 | - | 1 | 1 | 1 | 3 Progress reports, completion certificate and snag list    |
|  |   | To monitor and control project performance  | Submit Quarterly Reports to Council on the Performance of External Service Providers | New | 4 | 1 | 1 | 1 | 1 | Quarterly Reports on External Service Providers Performance |
|  |   | To provide spatial framework for future developmental purposes.<br>Develop an operation and maintenance plan for the municipality | Quarterly progress report on the spatial framework                                   | New | 4 | 1 | 1 | 1 | 1 | Quarterly reports   |

## 4 : 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.

**APPROVED BY:**



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**Cllr M Visser**

***Mayor***

