

2020/21

SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)

AMENDMENTS

RESOLUTION 2/2021 26 JANUARY 2021



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

AMENDMENT OF THE 2020/21 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) IN TERMS OF SECTION 54 (1) (C) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003)

1 INTRODUCTION

The purpose of this report is to propose amendments to the key performance indicators as contained in the 2020/21 Service Delivery Budget Implementation Plan (SDBIP).

2 LEGAL AND REGULATORY FRAMEWORK

Section 54 of the Municipal Finance Management Act, 56 of 2003 (MFMA) regulates budgetary control and the early identification of problems. Subsection (1) (b) and (c) provides interalia that;

- 1 "On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must;
 - b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
 - c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

Section 54 (3) provides that:

"3 The Mayor must ensure that any revisions of the Service Delivery Budget Implementation Plan are made public promptly"

MFMA Circular 13 provides that; "The top-layer of the SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). This council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance"

3 DISCUSSION

The Mid-Year Budget and Performance Assessment was compiled in terms of Section 72 of the Municipal Finance Management Act, 56 of 2003 (MFMA) and submitted to the Mayor on 25 January 2021 with the recommendation that an adjustment budget and SDBIP amendments be submitted to Council. The Mid-Year Budget and Performance Assessment and adjustment budget will be submitted to Council on 26 January 2021.

The Municipality's SDBIP comprises two distinct components, namely a financial and non- financial component. The financial component of the SDBIP comprises:

- Monthly projections of revenue by source and expenditure by type
- Monthly projections of expenditure and revenue (municipal Vote)

- Monthly capital expenditure per municipal vote
- Three-year capital works programme

The schedules comprising the financial information are contained in the adjustment budget,

The non-financial component comprises pre-determined objectives with key performance indicators and service delivery targets, which are coupled to the national key performance areas of local government and the strategic goals, and objectives of the IDP.

It has become necessary to make amendments and improvements to the Municipality's SDBIP as a result of minor administrative errors on the original, the prevailing pandemic, as well as lessons learnt from previous performance audits by the Auditor General specifically in relation to consistency between wording of KPI's and targets. It was furthermore necessary to realign the TL numbers with the system.

The proposed amendments to the SDBIP (Key performance indicators) are attached as **Annexure A** to this report. All amendments are in shaded blocks. The nature and reason for amendments is indicated in the amendment column.

MANAGEMENT RECOMMENDATION

- 1 That the amended 2020/21 SDBIP attached as **Annexure A** be approved in terms of Section 54(1)(c) and made public in terms of Section 54(3) of the Municipal Finance Management Act, 56 of 2003 (MFMA).

RESOLUTION 2/2021

- 1 That the amended 2020/21 SDBIP attached as **Annexure A** be approved in terms of Section 54(1)(c) and made public in terms of Section 54(3) of the Municipal Finance Management Act, 56 of 2003 (MFMA).

ANNEXURE A

Ref	National KPA	Strategic goal	Strategic Objective	KPI Name	Unit of Measure	Ward	Risk	Source of Evidence	Baseline	Annual Target	Revised Annual Target	Quarterly targets				AMENDMENTS	
												Q1	Q2	Q3	Q4	DESCRIPTION	REASON
TL1	Municipal Transformation and Institutional Development	To ensure institutional sustainability	To create an administration capable of delivering on service excellence.	The percentage of the municipality's personnel budget actually spent on implementing its Workplace Skills Plan by 30 June in terms of the WSDL Act. {{Actual amount spent on training/total personnel budget}x100}	% of the personnel budget spent on training	All		Report from financial system	1.00%	1.00%		0.00%	0.00%	0.00%	1.00%		
TL2	Good Governance and Public Participation	To ensure good governance	To create a culture of good governance	Implement 85% of the RBAP for 2020/21 by 30 June ((Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100}	% of audits and tasks completed in terms of the RBAP	All		Quarterly Internal Audit progress report to the MM and Audit Committee	81.10%	85.00%		10.00%	30.00%	50.00%	85.00%		
TL3	Local Economic Development	To promote local economic development in the Cape Agulhas Municipal Area	To create an enabling environment for economic growth and development	Create FTE's through government expenditure with the EPWP by 30 June	Number of FTE's created	All		Provincial report issued	118	100		0	0	0	100		
TL4	Municipal Transformation and Institutional Development	To ensure institutional sustainability	To create an administration capable of delivering on service excellence.	Number of people from employment equity target groups employed in vacancies on the three highest levels of management in compliance with a municipality's approved employment equity plan for the financial year	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management	All		Letter of appointment	1	1		0	0	0	1		

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TL5	Local Economic Development	To promote local economic development in the Cape Agulhas Municipal Area	To create an enabling environment for economic growth and development	Submit an Economic Recovery Plan to Council by 30 March 2020	Number of Economic Recovery Plans submitted	All		Council agenda	0	1		0	0	1	0	Replace the KPI and associated unit of measure and source of evidence in totality from hosting an economic development summit to promote the Cape Agulhas Municipal Area by 30 March to submission of an Economic Recovery Plan to Council by 30 March 2020	Given the current pandemic, it will be unwise to convene an economic development summit and such a virtual summit will be limited in terms of our facilities and will not achieve the purpose. An Economic Recovery Plan has become a much more pressing need.
TL6	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and billed for the service as at 30 June	Number of formal residential properties which are billed for water	All		Report generated from the financial system	8 805	8 805	9 149	8 805	8 805	9 149	9 149	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.

Ref	National KPA	Strategic goal	Strategic Objective	KPI Name	Unit of Measure	Ward	Risk	Source of Evidence	Baseline	Annual Target	Revised Annual Target	Quarterly targets				AMENDMENTS	
												Q1	Q2	Q3	Q4	DESCRIPTION	REASON
TL7	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June	Number of formal residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All		Report generated from the financial system	8 904	8 904	9 414	8 904	8 904	9 414	9 414	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.
TL8	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service (inclusive of septic tanks), irrespective of the number of water closets (toilets) and billed for the service as at 30 June	Number of residential properties which are billed for sewerage	All		Report generated from the financial system	8 982	8 982	9 416	8 982	8 982	9 416	9 416	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.
TL9	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June	Number of formal residential properties which are billed for refuse removal	All		Report generated from the financial system	8 960	8 960	9 395	8 960	8 960	9 395	9 395	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.
TL10	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Provide 6kl free basic water per month to all formal households during the financial year	Number of formal Households receiving free basic water	All		Report generated from the financial system	8 805	8 805	9 149	8 805	8 805	9 149	9 149	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.

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TL11	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Provide 50 kwh free basic electricity per month to registered indigent / poor households in terms of the equitable share requirements during the financial year	Number of registered indigent / poor households receiving free basic electricity in terms of Councils indigent policy	All		Report generated from the financial system on registered indigents.	3 001	3 001	3 380	3 001	3 001	3 380	3 380	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.
TL12	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Provide free basic sanitation and refuse to registered indigent / poor households in terms of the equitable share requirements during the financial year	Number of registered indigent / poor households receiving free basic sanitation and refuse in terms of Councils indigent policy	All		Report generated from the financial system on registered indigents.	3 001	3 001	3 380	3 001	3 001	3 380	3 380	Annual target and quarterly targets adjusted upwards.	Original target based on 2018/19 annual report. Revised target is aligned to the unaudited 2019/20 annual performance report actual.
TL13	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	The percentage of the municipality's capital budget actually spent on capital projects by 30 June {(Actual amount spent on projects / Total amount budgeted for capital projects)X100}	% of the municipal capital budget spent	All		Report generated from the financial system	95.48%	95.00%		20.00%	50.00%	75.00%	95.00%		
TL14	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue	% Debt to Revenue	All	484	Annual Financial Statements and calculation sheet	11.06%	15.00%		0.00%	0.00%	0.00%	15.00%	Deletion of quarterly targets for quarters 1,2 and 3.	Correction of administrative error. This KPI is only measurable at financial year end and the source of evidence for this KPI is the AFS which are only issued annually at year end..

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TL15	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Financial viability measured in terms of the outstanding service debtors as at 30 June (Total outstanding service debtors/ revenue received for services) (Target is maximum))	% Service debtors to revenue	All	484	Annual Financial Statements and calculation sheet	0.27%	10.00%		0.00%	0.00%	0.00%	10.00%		
TL16	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage	All	484	Annual Financial Statements and calculation sheet	3.66	1.5		0	0	0	1.5		
TL17	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Achieve a debtors payment percentage of at least 90% by 30 June {(Gross Debtors opening Balance + Billed Revenue - Gross Debtors closing Balance - Bad Debts Written Off)/Billed Revenue} x 100}	% debtors payment ratio achieved	All	484	Annual financial statements and calculation sheet	96.50%	90.00%		90.00%	90.00%	90.00%	90.00%		
TL18	Good Governance and Public Participation	To ensure good governance	To create a culture of public participation and empower communities to participate in the affairs of the Municipality	Spend 95% of the budget allocated for the implementation of the SMART CITY Concept by 30 June	% of the financial years project budget spent	All		Report generated from the financial system	95.00%	95.00%		5.00%	50.00%	55.00%	95.00%		

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												Q1	Q2	Q3	Q4	DESCRIPTION	REASON
TL19	Local Economic Development	To promote local economic development in the Cape Agulhas Municipal Area	To promote tourism in the Municipal Area	Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 December	Number of beaches for which full blue flag status is achieved.	5		Full Blue flag status certificate	1	1		0	1	0	0	Target moved from Q1 to Q2. Baseline amended from 0 to 1	Correction of administrative errors. Adjudication only takes place in the Q2.
TL20	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Spend 95% of the total approved management services capital budget by 30 June	% of management services budget spent	All		Report generated from the financial system	86.45%	2.00%	95.00%	2.00%	45.00%	62.00%	95.00%	Annual target amended from 2% to 95%. Quarterly targets realigned to read 2,45,62 and 95%	Correction of administrative errors.
TL21	Basic Service Delivery	To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	Development of sustainable vibrant human settlements	Revise the Human Settlement Plan, which includes the provision of serviced erven and submit to Council by 30 June	Revised Human Settlement Plan submitted to Council	All	485	Agenda of Council meeting where revised plan is submitted.	1	1		0	0	0	1		
TL22	Basic Service Delivery	To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	To promote social and youth development	Host a <u>virtual</u> youth summit for the youth of the Cape Agulhas Municipal Area by 30 March	Number of youth summits held	All		<u>Electronically generated</u> attendance register of participant	1	1		0	0	1	0	Target moved from Q2 to Q3. Amendment of wording of KPI and Source of evidence to make provision for the summit to be held virtually due to the Covid pandemic.	Administrative error - inconsistency between KPI wording and target. KPI requires achievement of target by 31 March.
TL23	Basic Service Delivery	To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	To create and maintain a safe and healthy environment	Submit quarterly reports to the Management Services Portfolio Committee on the activities of the Community Police Forums in all towns	Number of reports submitted	All	486	Agenda of Portfolio Committee agendas	4	1		1	1	1	1		

Ref	National KPA	Strategic goal	Strategic Objective	KPI Name	Unit of Measure	Ward	Risk	Source of Evidence	Baseline	Annual Target	Revised Annual Target	Quarterly targets				AMENDMENTS	
												Q1	Q2	Q3	Q4	DESCRIPTION	REASON
TL24	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the roads and storm water capital budget spent by 30 June {(Actual expenditure divided by the total approved roads and stormwater capital budget) x 100}	% of roads and storm water capital budget spent	All		Report from financial system	97.00%	95.00%		15.00%	60.00%	95.00%	95.00%		
TL25	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the approved refuse removal capital budget spent by 30 June{(Actual expenditure divided by the total approved refuse removal capital budget) x 100}	% of refuse removal capital budget spent	2 3 4 6	487	Report from financial system	95.00%	95.00%		0.00%	15.00%	15.00%	95.00%		
TL26	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the approved water capital budget spent by 30 June {(Actual expenditure divided by the total approved water capital budget) x 100}	% of water capital budget spent	All	488	Report from financial system	77.28%	95.00%		15.00%	70.00%	80.00%	95.00%		
TL27	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Limit unaccounted for water to less than 15% by 30 June {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified /100}	% unaccounted water	All		Annual Financial Statements, monthly water balance and calculation sheet	13.80%	15.00%		15.00%	15.00%	15.00%	15.00%		
TL28	Good Governance and Public Participation	To ensure good governance	To create a culture of good governance	95% of water samples comply with SANS241 micro biological indicators {(Number of water samples that comply with SANS241 indicators/Number of water samples tested)x100}	% of water samples compliant	All		Lab results	95.00%	95.00%		95.00%	95.00%	95.00%	95.00%		

Ref	National KPA	Strategic goal	Strategic Objective	KPI Name	Unit of Measure	Ward	Risk	Source of Evidence	Baseline	Annual Target	Revised Annual Target	Quarterly targets				AMENDMENTS	
												Q1	Q2	Q3	Q4	DESCRIPTION	REASON
TL29	Good Governance and Public Participation	To ensure good governance	To create a culture of good governance	65% average compliance of the Bredasdorp WWTW water quality to SANS 241 for the financial year	% average compliance of the quarterly waste water test results	All		Lab results	62.00%	50.00%	65.00%	50.00%	50.00%	60.00%	65.00%	Amend annual target to 65% in line with KPI wording and final target.	Inconsistency between KPI wording and annual target.
TL30	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Spend 95% of the available budget for the upgrade of the Bredasdorp WWTW by 30 June	% of project budget spent	2 3 4 6		Report from financial system	0	95		30	50	70	95		
TL31	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Limit unaccounted for electricity to less than 8% by 30 June {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} X 100}	% unaccounted electricity	All		Monthly account from Eskom, Report from the financial system and SYNTEL Ontec installations statistic report and sales statistics report	8.00%	8.00%		8.00%	8.00%	8.00%	8.00%	KPI wording corrected to reflect target as 8% and not 6.5%. Source of evidence to be amended from Syntel report to Ontec report.	Correction of inconsistency between KPI wording and target and correction of source of evidence to reflect name of current prepaid service provider.
TL32	Municipal Financial Viability and Management	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the electricity capital budget spent by 30 June {(Actual expenditure divided by the total approved capital budget) x 100}	% of electricity capital budget spent	All		Report from financial system	92.56%	95.00%		10.00%	60.00%	90.00%	95.00%		
TL33	Basic Service Delivery	To ensure access to equitable affordable and sustainable municipal services for all citizens	To provide community facilities and services	Spent 95% of the available budget (grant) for the implementation of the RSEP/ VPUU Programme by 30 June	% of grant allocation for financial year spent	3		Report from financial system	0.00%	95.00%		0.00%	0.00%	60.00%	95.00%		

