

EMTHANJENI MUNICIPALITY (NC 073)

DRAFT 2009/2010 SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

SDBIP

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1. Introduction

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 the Municipality's Integrated Development Plan (IDP), Budget and Strategic Business Unit Business Plans for the financial year 2009/ 2010.

The SDBIP gives affect to the Integrated Development Plan (IDP) and budget of the municipality therefore the IDP and budget must be fully aligned with each other, as required by the MFMA. The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance.

The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.

2. Legislative Framework in terms of MFMA

The Municipal Finance Management Act (MFMA) of 2003 is aimed to secure sound and sustainable management of the financial affairs of municipalities and to establish treasury norms and standards through continually promoting transparency, participation and accountability of municipalities.

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 the year
 - (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;
- (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.

3. Budget breakdown in terms of the IDP

Key Performance Area	Priorities	Projects	Operating Expenditure 2009/2010	Capital Expenditure 2009/2010	Revenue 2009/2010	Surplus / (Deficit) 2009/2010
Basic Service Delivery	1	6	68 310 555	11 097 693	93 263 072	13 854 824
Municipal Institutional Development and Transformation	4	2	7 992 310	92 000	996 300	(7 088 010)
Local Economic Development (LED)	5	2	5 809 634	449 307	566 633	(5 692 308)
Municipal Financial Viability and Management	2	3	19 529 534	785 000	25 385 540	5 071 006
Good Governance and Public Participation	3	6	25 463 383	4 218 000	10 004 200	(19 677 183)
Total Budget			127 105 416	16 642 000	130 215 745	(13 531 673)

4. The SDBIP Concept

The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. It will facilitate the accountable role that managers hold to the Council and that Councillors hold to the community. It also fosters the management, implementation and monitoring of the budget, the performance of senior management and the achievement of the strategic objectives as laid out in the IDP.

Whilst the budget sets yearly service delivery and budget targets (revenue and expenditure per vote), it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-of-year targets must be based on quarterly and monthly targets, and the municipal manager must ensure that the budget is built around quarterly and monthly information. Being a start-of-year planning and target tool, the SDBIP gives meaning to both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and end-of-year annual reports.

5. Components of the SDBIP

./ Monthly projections of revenue to be collected for each source

./ Monthly projections of expenditure (operating and capital) and revenue for each vote

./ Quarterly projections of service delivery targets and performance indicators for each vote

a) Monthly projections of revenue to be collected for each source

The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of section 71 (1)(a) and (e) to ensure timeously remedial steps if necessary. Comprehensive financial policies will ensure realistic revenue projections by taking into account appropriate service and delivery levels, standards, ability to pay and collection efforts.

FINANCIAL AND BUDGET YEAR: 01 JULY 2009 – 30 JUNE 2010

REVENUE SOURCE	July R	August~ R	September R	October R	November R	December R	January R	February R	March R	April R	May R	June R)
Service charges – water etc	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924	4 817 924
Rates	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666	1 131 666
Interest earned – external investments	28 833	28 833	28 833	28 833	28 833	28 833	28 833	28 833	28 833	28 833	28 833	28 833
Interest earned – outstanding debtors	59 000	59 000	59 000	59 000	59 000	59 000	59 000	59 000	59 000	59 000	59 000	59 000
Other-	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520	1 535 520
Income from agency services	0	0	0	0	0	0	0	0	0	0	0	0
Grants	9 576 969	0	5 698 696	0	13 256 362	0	0	7 990 973	0	0	0	0
Transfer from reserves												
Total Revenue by source												

FINANCIAL AND BUDGET YEAR: 01 JULY 2009 – 30 JUNE 2010

EXPENDITURE SOURCE	July R	August~ R	September R	October R	November R	December R	January R	February R	March R	April R	May R	June R)
Employee related costs	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641	3 144 641
Remuneration of Councillors	295 205	295 205	295 205	295 205	295 205	295 205	295 205	295 205	295 205	295 205	295 205	295 205
Bad Debts	0	0	0	0	0	0	0	0	0	0	0	8 086 875
Collection costs	346 666	346 666	346 666	346 666	346 666	346 666	346 666	346 666	346 666	346 666	346 666	346 666
Depreciation	0	0	0	0	0	0	0	0	0	0	0	13 531 673
Repair and Maintenance	632 000	632 000	632 000	632 000	632 000	632 000	632 000	632 000	632 000	632 000	632 000	632 000
Interest paid	0	0	542 265	0	0	0	0	0	542 265	0	0	0
Bulk Purchases	2635797	2635797	2635797	1308196	1308196	1308196	1308196	1308196	1308196	1308196	2635797	2635797
Contracted services	15 833	15 833	15 833	15 833	15 833	15 833	15 833	15 833	15 833	15 833	15 833	15 833
Grants and subsidies	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613	2 144 613
General Expenses	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078	1 619 078
TOTAL EXPENDITURE FOR THE YEAR												

b) Monthly projections of expenditure (operating and capital) and revenue for each vote: 01 JULY 2009 – 31 DECEMBER 2010

EXPENDITURE, CAPITAL & REVENUE PER GFS VOTE	July 2009			August 2009			September 2009			October 2009			November 2009			December 2009		
	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R
Department: Municipal Manager																		
Vote: Executive & Council – Office of the Mayor																		
Vote: Executive & Council - Council Expenses																		
Vote: Executive & Council - Office of the Municipal Manager																		
Vote: Finance & Admin - Internal Audit																		
Department: Corporate & Community Services																		
Vote: Finance & Admin – Directorate Corporate Services																		
Vote: Finance & Admin – Corporate Services																		
Vote: Planning & Development – L E D																		
Vote: Planning & Development - I D P																		
Vote: Other – Tourism																		
Vote: Finance & Admin – Buildings																		
Vote: Community & Social Services – Libraries																		
Vote: Public Safety – Fire Protection																		
Vote: Public Safety – Traffic Services																		
Vote: Other – Continued Members																		
Vote: Road Transport – Vehicle Testing Station																		
Vote: Community & Social Services – Town Halls																		
Vote: Health Services – Health Services																		
Department Finance																		
Vote: Finance & Admin – Directorate Chief Financial Officer																		
Vote: Finance & Admin – Financial Services																		
Vote: Finance & Admin – Supply Chain Management																		
Vote: Finance & Admin – Assessment Rates																		
Vote: Road Transport – Motor Registration																		
Total Vote (Provisional Total)																		

b) Monthly projections of expenditure (operating and capital) and revenue for each vote : 01 JULY 2008 – 31 DECEMBER 2008

(continued)

EXPENDITURE, CAPITAL & REVENUE PER GFS VOTE	July 2009			August 2009			September 2009			October 2009			November 2009			December 2009		
	Opex R000	Capex R000	Rev R000	Opex R000	Capex R000	Rev R000	Opex R000	Capex R000	Rev R000	Opex R000	Capex R000	Rev R000	Opex R000	Capex R000	Rev R000	Opex R000	Capex R000	Rev R000
Department: Infrastructural Services																		
Vote: Planning & Development – Directorate Infrastructural Services																		
Vote: Planning & Development – Infrastructural Services																		
Vote: Housing Services – Housing Services																		
Vote: Sport & Recreation – Sport & Recreation																		
Vote: Sport & Recreation – Parks & Garden																		
Vote: Sport & Recreation – Swimming Pools																		
Vote: Sport & Recreation – Caravan																		
Vote: Road Transport – Streets																		
Vote: Road Transport – Workshop																		
Vote: Waste Water Management– Waste Water Management																		
Vote: Water – Water																		
Vote: Electricity – Electricity																		
Vote: Community & Social Services – Cemeteries																		
Vote: Solid Waste Management– Solid Waste Management																		
Vote: Community & Social Services – Town Commonage																		
Total by Vote																		

b) Monthly projections of expenditure (operating and capital) and revenue for each vote: 01 JANUARY 2010 – 30 JUNE 2010

EXPENDITURE, CAPITAL & REVENUE PER GFS VOTE	January 2010			February 2010			March 2010			April 2010			May 2010			June 2010		
	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R
Department: Municipal Manager																		
Vote: Executive & Council – Office of the Mayor																		
Vote: Executive & Council - Council Expenses																		
Vote: Executive & Council - Office of the Municipal Manager																		
Vote: Finance & Admin - Internal Audit																		
Total per Directorate																		
Department: Corporate & Community Services																		
Vote: Finance & Admin – Directorate Corporate Services																		
Vote: Finance & Admin – Corporate Services																		
Vote: Planning & Development – L E D																		
Vote: Planning & Development - I D P																		
Vote: Other – Tourism																		
Vote: Finance & Admin – Buildings																		
Vote: Community & Social Services – Libraries																		
Vote: Public Safety – Fire Protection																		
Vote: Public Safety – Traffic Services																		
Vote: Other – Continued Members																		
Vote: Road Transport – Vehicle Testing Station																		
Vote: Community & Social Services – Town Halls																		
Vote: Health Services – Health Services																		
Total per Directorate																		
Department Finance																		
Vote: Finance & Admin – Directorate Chief Financial Officer																		
Vote: Finance & Admin – Financial Services																		
Vote: Finance & Admin – Supply Chain Management																		
Vote: Finance & Admin – Assessment Rates																		
Vote: Road Transport – Motor Registration																		
Total per Directorate																		
Total Vote (Provisional Total)																		

b) Monthly projections of expenditure (operating and capital) and revenue for each vote : 01 JANUARY 2009 – 30 JUNE 2009

(continued)

EXPENDITURE, CAPITAL & REVENUE PER GFS VOTE	January 2010			February 2010			March 2010			April 2010			May 2010			June 2010		
	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R	Opex R	Capex R	Rev R
Department: Infrastructural Services																		
Vote: Planning & Development – Directorate Infrastructural Services																		
Vote: Planning & Development – Infrastructural Services																		
Vote: Housing Services – Housing Services																		
Vote: Sport & Recreation – Sport & Recreation																		
Vote: Sport & Recreation – Parks & Garden																		
Vote: Sport & Recreation – Swimming Pools																		
Vote: Sport & Recreation – Caravan																		
Vote: Road Transport – Streets																		
Vote: Road Transport – Workshop																		
Vote: Waste Water Management– Waste Water Management																		
Vote: Water – Water																		
Vote: Electricity – Electricity																		
Vote: Community & Social Services – Cemeteries																		
Vote: Solid Waste Management– Solid Waste Management																		
Vote: Community & Social Services – Town Commonage																		
Total per Directorate																		
Total by Vote																		

