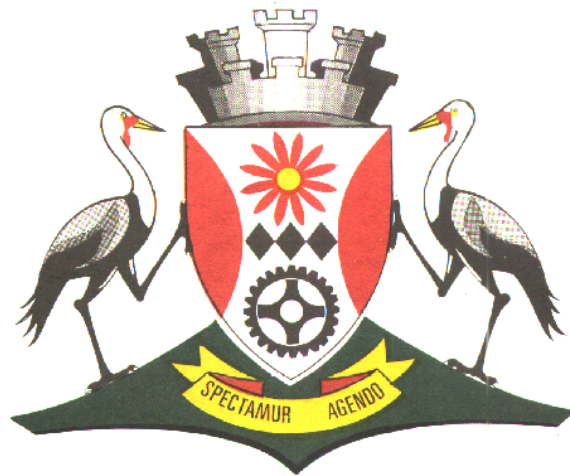


ANNUAL BUDGET
2010/2011, 2011/2012 AND 2012/2013



*Gert Sibande District
Municipality*

DC 30

Gert Sibande District Municipality

ANNUAL BUDGET 2010/2011, 2011/2012 AND 2012/2013

INDEX

<u>DESCRIPTION</u>	<u>PG NO/ Annexure</u>
<u>REPORT OF THE EXECUTIVE MAYOR</u>	3
❖ Background	3
❖ Overview of Budget Process	4
❖ Income Projections	5 - 6
❖ Expenditure Projections	7
❖ Indirect and Direct Allocations	8
❖ Administration of the Act	9
❖ Expenditure break downs / donations	10
❖ Financing of the Budget	11
<u>RECOMMENDATIONS OF EXECUTIVE MAYOR</u>	12-14
Direct Allocations	15-21
SDBIP Cash Flow	22-25
New budget format – prepared in terms of gazette number 32141 Municipal Budget and Reporting Regulations NBRR	Annexure A

ITEM C07/05/2010

FINAL BUDGET 2010/2011, 2011/2012 AND 2012/2013 FINANCIAL YEARS

4/1/2 – 2010/2011

REPORT OF THE EXECUTIVE MAYOR (CFO)

INTRODUCTION

The purpose of this report is to table the Final Budget for the 2010/2011, 2011/2012 and 2012/2013 financial years. Further, to inform Council of key aspects that have influenced the compilation of the above-mentioned budget and to consider recommendations on the financing and approval of this budget. Also to highlight the New Format Reform Initiatives Promulgated in terms of the Gazette No. 32141 Municipal Budget and Reporting Regulations (MBRR), that have to be taken into consideration when finalizing the budget thereby adhering to all Statutory disclosures as required by National Treasury as per annexure A.

BACKGROUND

In the compilation of the budget full compliance with the MFMA (Sections 21/23 and 53) were adopted. Further, there was compliance with the Municipal Budget and Reporting Regulations (MBRR) and the Notice 393 of 2009 Gazette No. 32141, the Local Government: Municipal Systems Act No. 32 of 2000 as amended and National Treasury – MFMA Circular No. 51 – being the latest guideline issued in February 2010.

Further, the MFMA requires that the Draft Budget be tabled before 1/4/2010 (GSDM's Draft Budget was tabled on 28/01/2010) to comply with the Regulations and the final budget is to be adopted by Council before 30th June 2010.

A Draft Budget for the 2010/2011 and the ensuing Financial Years was tabled and approved at a Council Meeting that was held on the 28th January 2010. Since this process, the details of the Budget were deliberated upon extensively at the respective Budget Consultation Workshops / Izimbizo, held with Communities and other Key Stakeholders. During the ensuing months since January 2010 the following Budget Workshops / Izimbizo were held in terms of the dates below (Govan Mbeki rescheduled) which ensured that consultation was conducted with the respective communities within the GSDM area of jurisdiction:

MUNICIPALITY	DATE OF IMBIZO	VENUE
Mkhondo	3 rd March 2010	Kempville Hall
Dipaleseng	4 th March 2010	Dipaleseng Town Hall
Pixley Ka Seme	18 th March 2010	Pixley Town Hall
Lekwa	25 th March 2010	Lekwa Town Hall
Msukaligwa	8 th April 2010	Msukaligwa Town Hall
Albert Luthuli	22 nd April 2010	Carolina Town Hall
Govan Mbeki	19 th May 2010	Lillian Ngoyi

The consultation meetings referred to on the previous page were well attended. In general, members of the community posed questions on Community upliftment, Service Delivery issues and these were taken into consideration, where practical, in the future budgetary process.

OVERVIEW OF THE BUDGET PROCESS AND THE ALIGNMENT OF THE ANNUAL BUDGET WITH THE IDP

It must be noted that the Integrated Development Plan (IDP) is reviewed annually and this process allows the District to re-examine plans and strategies to include additional issues in the IDP. Also, to ensure that these plans are strategies that informs Institutional and Financial Planning through the entire budget process.

Further, the final annual budget has been fully aligned to the IDP process and is linked to the seven main strategic goals and objectives, which are as follows:

- Poverty alleviation
- Good Corporate Governance
- Economic Growth and Development
- Good Co-operative Governance
- Financial viability
- Integrated Environmental, Social and Economic Spatial Planning
- Cost effective and sustainable Service Delivery

BUDGET FOR FINANCIAL YEARS ENDING 2010/2011 2011/2012 AND 2012/2013

Factors influencing the budget

The National Budget Review for 2010 reflects the current Global Economic Crisis that is being experienced and the future Economic position that is likely to occur. With regard to SA, the economy is recovering at a gradual pace with an expected economic growth of 2,3 per cent projected for 2010. During the past year inflation pressure eased and the headline CPI inflation rates that are recommended by National Treasury to be utilized in preparing the respective budgets are as follows:

<u>Year</u>	<u>Percentage</u>
2010/2011	- 5.7%
2011/2012	- 6,2%
2012/2013	- 5,9%

Hence, with the continuing public sector providing crucial investment in economic infrastructure this certainly provides a platform for the recovery of the economy. National Treasury has advised municipalities to adopt a conservative approach when

projecting income and corresponding expenditure needs. Hence, the District has to be prudent in its decision making processes when considering their 2010/2011 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It is considered appropriate where practical that priority must be given to:

- Ensuring that drinking water meets the appropriate quality standards at all times.
- Appropriate managing of all revenue streams and ensuring that grant funding is applied towards projects that would be of a sustainable manner.
- Protecting the poor from the worst impacts of the economic downturn.
- Supporting meaningful Local Economic Development (LED) initiatives that foster business opportunities and job creation.
- Securing the health of their asset base by monitoring the spending on repairs and maintenance
- Expediting spending on capital projects that are funded by conditional grants.

INCOME PROJECTIONS OVER THE ENSUING YEARS

As illustrated per the table below is the Revenue Earning Projections in terms of the DORA Allocations, as well as other funding options being contemplated.

REVENUE SUMMARY	MTREF		
	2010/2011 RM	2011/2012 RM	2012/2013 RM
Grants / National / Provincial	244,1	250,5	260,2
Interest / Other income	7,6	7,2	3,2
Loan income	35,0	-	-
Contribution accumulative surplus	34,6	-	-
TOTAL	321,3	257,7	263,4

The revenue replacement grant, which increases marginally on a year-on-year basis is applied, to fund material infrastructural project expenditure on behalf of the seven local municipalities, within the GSDM area of jurisdiction. The project expenditure referred to above mainly relate to Road, Water, Sanitation and Electricity Infrastructural Projects.

Other material income earnings that are to be taken into consideration in funding the overall expenditure commitments, relating to the budget, is the utilization of the accumulated surplus funds which is cash backed.

In addition, the District is in a position to attract material loan funding based on the strength of the financial position in terms of its balance sheet. There are certain key state owned governmental institutions that are willing to provide the much needed funding at extremely attractive interest rates. Also obtaining external funding which is deemed to be prudent in terms of the loan gearing funding principles that would simultaneously free up internal funding resources which may be applied towards Capital related Projects.

Further, the loan gearing ability will help fast track several key project initiatives and this will also result in major spin offs in the form of employment within the Gert Sibande District Municipality's area of jurisdiction ensuring that the much needed service delivery targets are achieved.

Proposed Loan Funding Requirements

The funding implications of the projects referred to below would amount to approximately R35 million.

The category of projects whereby loan funding may be applied are as follows:

- Regional Solid Waste / Landfill Sites
- Several key studies relating to potable water supply systems, Domestic Waste Water and Sewage Disposal Systems
- Refurbishment of Bulk Water Purification Plant and Sewer Treatment Plants
- Upgrading / provision of new Bulk Water Purification Plant and Sewer Treatment Plants
- Road / Storm Water / Bridges Construction Projects
- Rudimentary basic water and sanitation provision
- Water and Sanitation Distribution Networks
- Disaster Management Centre

Interest and Redemption Cost Implications

The cash flow outlay projections, over the ensuing years, relating to the servicing of the proposed loan obligation and relating to Capital and Interest are as follows:

FINANCIAL YEARS	INTEREST COST	REDEMPTION COST	TOTAL COST
	RM	RM	RM
2010/2012	Moratorium period refer below		
2011/2012	3,8	2,1	5,9
2012/2013	3,5	2,2	5,7

The proposed duration period of the above mentioned loan is recommended at this stage to be 10 years at an interest rate of 11% (this rate may be negotiated downwards with the respective Financial Institution) and payments are required to be

made bi-annually. During this period Council will be financially viable to service the loan amount of R35 million in terms of its interest and capital obligations. Further, in view of the onerous statutory procedures it is anticipated that the loan funding will be acquired during the latter part of the 2010/2011 year. In addition, loans of this nature, have a moratorium period of at least 12 months, which permits the borrower from deferring the initial payment commitment.

Legislative requirements

In terms of the Municipal Finance Management Act 46, the Council is required to fulfill certain legal obligations, regarding the raising of any proposed long term borrowing facility / debt requirements. Further, in terms of this legislation, the Council has to quantify the actual borrowing amount required to meet its funding requirements and invite the National Treasury, the relevant Provincial Treasury and the public to submit written comments or representations, to the council, in respect to the raising of any proposed long term borrowing debt.

Procedural Requirements

The council would also have to place a tender advertisement in the newspapers in terms of the Council's Supply Chain Management Policy calling for funding options relating to the above-mentioned R35 million proposed loan.

EXPENDITURE PROJECTIONS OVER THE ENSUING YEARS

Outlined below are the overall expenditure projections for the ensuing years:-

EXPENDITURE SUMMARY	MTREF		
	2010/2011 RM	2011/2012 RM	2012/2013 RM
DETAILS			
Project expenditure	134,2	124,3	123,7
Capital expenditure	87,0	43,0	43,0
Operating expenditure	89,9	91,1	96,5
Transitional Costs / donations	10,2	0,2	0,2
TOTAL	321,3	257,6	263,4

Further, expenditure is applied with a view to addressing backlogs in mainly service delivery type of projects.

ALLOCATIONS TO LOCAL MUNICIPALITIES

Outlined below as per the table is the Indirect and Direct Allocations over the three year MTREF period. With regard to the Direct Allocations these amounts relate to project expenditure financed on behalf of the seven local municipalities.

With regard to the Indirect Allocations funds were mainly applied towards people with disabilities, municipal health, co-operatives, LED and Tourism etc. ensuring that the above-mentioned mandate

The three year MTREF Budget Summary is illustrated below:-

INDIRECT AND DIRECT ALLOCATIONS

NO	DETAIL	Budget	Budget	Budget
		2010/2011	2011/2012	2012/2013
INDIRECT ALLOCATIONS - MM				
1	BURSARIES	1,500,000	2,000,000	2,000,000
2	TRADITIONAL AFFAIRS / PROJECTS	400,000	400,000	400,000
3	IDP - NEW AND UPDATE	250,000	250,000	250,000
4	PROMOTION OF THE DISTRICT/COMM	2,500,000	2,500,000	2,500,000
5	EMERGENCY / CONTINGENCIES	500,000	1,000,000	1,000,000
	SUB TOTAL CARRIED FORWARD	5,150,000	6,150,000	6,150,000
INDIRECT ALLOCATIONS - ITS				
8	UPDATE BULK WATER/SEWER REPORT	1,000,000	1,000,000	0
11	MAINTENANCE BOREHOLES	0	1,000,000	1,000,000
		1,000,000	2,000,000	1,000,000
INDIRECT ALLOCATIONS - CORPORATE				
12	REVENUE COLLECTION/DATA CLEANS	500,000	1,000,000	1,000,000
13	WOMEN'S DEVELOPMENT CAPACITY	300,000	300,000	300,000
14	RELIGIOUS AFFAIRS(MORAL REGENE	300,000	300,000	300,000
15	IT FOR THE REGION	500,000	1,000,000	1,000,000
16	CAPACITY BUILDING/COMM PARTICI	5,000,000	5,000,000	5,000,000
		6,600,000	7,600,000	7,600,000
INDIRECT ALLOCATIONS - IGR				
18	MAYORAL EXCELLANCE AWARDS	500,000	1,000,000	1,000,000
19	SPORT,ART AND CULTURE	500,000	500,000	500,000
20	CO-ORDINATION HIV AND AIDS	300,000	300,000	300,000
21	YOUTH DEVELOPMENT	500,000	500,000	500,000
22	DISASTER MANAGEMENT	500,000	1,500,000	1,500,000
23	OFFICE - RIGHTS OF THE CHILD	100,000	100,000	100,000
24	MUNICIPAL HEALTH & ENVIROMENT	1,500,000	1,000,000	1,000,000
25	PEOPLE WITH DISABILITIES	300,000	300,000	300,000
27	LED AND TOURISM	500,000	1,000,000	1,000,000
28	RURAL AND AGRI DEVELOPMENT SUPPORT	1,500,000	2,000,000	2,000,000
29	CO-OPERATIVES SUPPORT	500,000	1,000,000	1,000,000
		6,700,000	9,200,000	9,200,000
INDIRECT ALLOCATIONS - FINANCE				
31	DEPRECIATION AND LICENCES	3,201,100	3,360,170	3,794,291
32	OPERATION CLEAN AUDIT	1,000,000	3,000,000	3,000,000
		4,201,100	6,360,170	6,794,291
	TOTAL INDIRECT ALLOCATIONS	23,651,100	31,310,170	30,744,291
	ALLOCATION TO MUNICIPALITIES	108,500,000	93,000,000	93,000,000
	MULTI YEAR PROJECTS	2,000,000		

	LEKWA BULK WATER AND SANITATION			
	TOTAL PROJECTS	134,151,100	124,310,170	123,744,291

ADMINISTRATION OF THE ACT

Illustrated below is the Administration of the Act expenditure over the three year
MTREF period.

Detail	Budget 2010/2011	Budget 2011/2012	Budget 2012/2013
COUNCIL			
Mayor & Exec Committee	5,502,200	5,831,170	6,179,820
Speaker, Chief Whip & Councillors	5,228,170	5,541,870	5,874,370
Council Support	4,759,490	5,045,050	5,347,760
TOTAL: Council	15,489,860	16,418,090	17,401,950
MUNICIPAL MANAGER			
Municipal Manager	2,687,900	2,883,980	3,038,780
Communication, Marketing & Tourism	2,273,990	2,410,440	2,555,050
Internal Audit	4,103,620	4,349,840	4,610,840
IDP	2,046,310	2,169,090	2,299,230
TOTAL: Municipal Manager	11,111,820	11,813,350	12,503,900
CORPORATE SERVICES			
Building	1,964,600	2,166,850	2,289,860
IT	3,756,070	3,981,430	4,220,320
Legal	2,210,200	2,342,800	2,483,390
Human Resources	3,151,580	3,340,670	3,541,120
Administration	7,795,970	8,257,360	8,739,810
TOTAL: Corporate Services	18,878,420	20,089,110	21,274,500
FINANCE			
Finance	6,701,390	7,103,480	7,529,700
Supply Chain Management	1,448,050	1,534,050	1,625,170
Municipal Management & Support	1,281,030	1,357,890	1,439,370
MSIG	1,000,000	1,000,000	1,000,000
Carwash	628,475	681,160	717,785
TOTAL: Finance	11,058,945	11,676,580	12,312,025
MUNICIPAL INFRASTRUCTURE & SERVICES			
Planning, Implementation & Support	5,088,710	5,394,010	5,717,650
Infrastructure Maintenance	4,088,080	4,332,340	4,591,200
Water & Sanitation	8,184,240	4,435,310	4,701,430
Planning Services	1,882,960	1,995,940	2,115,690
TOTAL: Municipal Infrastructure and Services	19,243,990	16,157,600	17,125,970
INTERGOVERNMENTAL RELATIONS & DEVELOPMENT			
Intergovernmental Relations	4,364,860	4,624,660	4,899,950
Municipal Health Services	5,660,660	6,000,280	6,360,280
Disaster Management	4,138,910	4,387,250	4,650,490
TOTAL: Intergovernmental Relations and Development	14,164,430	15,012,190	15,910,720
GRAND TOTAL	89,947,465	91,166,920	96,529,065

EXPENDITURE BREAKDOWN – With reference to the Administration of the Act Allocations

As referred to below are the expenditure categories relating to the Administration of the Act Financial figures.

Detail	Budget 2010/2011	Budget 2011/2012	Budget 2012/2013
	R	R	R
Salaries and wages	47,340,420	50,196,150	53,203,995
Social Contributions	10,417,940	11,043,000	11,705,570
Councillor Allowances	8,676,390	9,196,980	9,748,790
Depreciation	2,055,210	2,251,140	2,360,530
Repair and Maintenance	907,820	962,030	1,019,480
Contracted Services	842,000	892,520	946,070
General Expenditure	19,707,685	16,625,100	17,544,630
Total	89,947,465	91,166,920	96,529,065

DONATIONS

During the course of the ensuing financial years applications are normally received for Council to consider whether assistance may be rendered toward community related projects in dire need of financial support.

During the course of the ensuing years the following amounts are recommended.

Year	Amount (R)
2010/2011	200,000
2011/2012	200,000
2012/2013	200,000

FINANCING OF THE BUDGET

Outlined below is a summary of the Revenue and Expenditure for the three year MTREF Financial Years.

Detail	Budget 2010/2011 R	Budget 2011/2012 R	Budget 2012/2013 R
<u>Revenue</u>			
Grants	244,147,955	250,492,000	260,259,000
Interest on investments	6,718,351	6,304,268	2,294,482
Other Income	843,630	880,822	919,874

Loan – Capital Projects	35,000,000		
Contribution Accumulated Surplus	34,588,629		
Total Income	321,298,565	257,677,090	263,473,356
Expenditure			
Allocations to Local Municipalities	108,500,000	93,000,000	93,000,000
Multi-Year Projects	2,000,000		
Indirect Allocations	23,651,100	30310,170	30,744,291
Building – Transitional Cost	10,000,000		
Administration of the Act	89,947,465	91,166,920	96,529,065
Donations	200,000	200,000	200,000
Capital Expenditure	87,000,000	43,000,000	43,000,000
Total Expenditure	321,298,565	257,677,090	263,473,356

CAPITAL BUDGET

The Capital Budget for the ensuing years are summarized as follows:

Detail	Budget 2010/2011 R	Budget 2011/2012 R	Budget 2012/2013 R
New Office Complex & Alterations	80,000,000	20,000,000	20,000,000
Lab equipment	1,000,000		
Disaster Centres - Mkhondo, Dipaleseng, Albert Luthuli	3,000,000	3,000,000	3,000,000
Landfill Site	0	10,000,000	10,000,000
Construction equipment / Vehicles	2,000,000	5,000,000	5,000,000
Office furniture and equipment	1,000,000	5,000,000	5,000,000
Sub-Total	87,000,000	43,000,000	43,000,000

RECOMMENDATIONS OF THE EXECUTIVE MAYOR

1. That the Draft Budget for 2010/2011, 2011/2012 and 2012/2013 tabled at the Council Meeting held on 28th January 2010 per item C03/2010, be noted.
2. That the final multi-year Annual Budget of Capital and Operating Expenditure as illustrated per the table below for 2010/2011, 2011/2012 and 2012/2013, be approved.

FINANCING: MULTI-YEAR BUDGET COMPARISONS

Detail	Budget 2010/2011 R	Budget 2011/2012 R	Budget 2012/2013 R
<u>Revenue</u>			
Grants	244,147,955	250,492,000	260,259,000
Interest on investments	6,718,351	6,304,268	2,294,482
Other Income	843,630	880,822	919,874
Loan – Capital Projects	35,000,000		
Contribution Accumulated Surplus	34,588,629		
<u>Total Income</u>	321,298,565	257,677,090	263,473,356
<u>Expenditure</u>			
Allocations to Local Municipalities	108,500,000	93,000,000	93,000,000
Multi-Year Projects	2,000,000		
Indirect Allocations	23,651,100	30310,170	30,744,291
Building – Transitional Cost	10,000,000		
Administration of the Act	89,947,465	91,166,920	96,529,065
Donations	200,000	200,000	200,000
Capital Expenditure	87,000,000	43,000,000	43,000,000
<u>Total Expenditure</u>	321,298,565	257,677,090	263,473,356

3. That the capital budget tabled below, be approved.

YEAR	AMOUNT R
2010/2011	87,000,000
2011/2012	43,000,000
2012/2013	43,000,000

4. That the Izimbizo which where advertised appropriately and the consultative meetings with the community was held as illustrated on the next page, be noted

MUNICIPALITY	DATE OF IMBIZO	VENUE
Mkhondo	3 rd March 2010	Kempville Hall
Dipaleseng	4 th March 2010	Dipaleseng Town Hall
Pixley Ka Seme	18 th March 2010	Pixley Town Hall
Lekwa	25 th March 2010	Lekwa Town Hall
Msukaligwa	8 th April 2010	Msukaligwa Town Hall
Albert Luthuli	22 nd April 2010	Carolina Town Hall
Govan Mbeki	19 th May 2010	Lilian Ngoyi

5. That the IDP Representative Forum Meetings that were held on the 16th July 2009, 29 October 2009, 26 February 2010 and 29 April 2010 and the alignment was undertaken with the Inter Departmental Programs and Projects with sector departments, be noted.
6. That the projects for the Local Municipalities for the 2010/2011 financial years, be noted.
7. That, the tables referred to in annexure A and attached to this report in terms of the New Budget Format and reporting regulations, be approved
 - 7.1 Table A1 - Budget Summary
 - 7.2 Table A2 - Budgeted financial performance by Standard Classification
 - 7.3 Table A3/A - Budgeted financial performance by vote
 - 7.4 Table A4 - Budgeted financial performance by revenue source & expen.type
 - 7.5 Chart A1 - Revenue by Municipal Vote Classification
 - 7.6 Chart A2/A - Expenditure by Municipal Vote
 - 7.7 Chart A3 - Revenue by Standard Classification
 - 7.8 Chart A4 - Expenditure by Standard Classification
 - 7.9 Chart A5/A - Revenue by source - major
 - 7.10 Table A5 - Budgeted Capital Expenditure by vote, Std Class and funds
 - 7.11 Chart A6 - Revenue by source - minor
 - 7.12 Chart A7 - Expenditure by type
 - 7.13 Chart 8 - Capital funding by source
 - 7.14 Table A6 - Budgeted financial position
 - 7.15 Chart A10 - Capital Expenditure by Municipal vote- minor
 - 7.16 Table A7 - Budgeted cash flow
 - 7.17 Table A8 - Cash back reserves/ accumulated surplus reconciliation
 - 7.18 Table A9 - Asset Management
 - 7.19 Chart A9 - Capital expenditure by Municipal vote
 - 7.20 Table A10 - Basic service delivery measurement
8. That the final Service Delivery and Budget Implementation Plan (SDBIP) for the 2010/2011 financial year as attached, be noted
9. That, the following budget related policies approved by Council, be noted:-
 - 9.1 Supply Chain Management Policy
 - 9.2 Cash Management and Investment Policy
 - 9.3 Budget Policy

10. That, the Municipal Manager be delegated to authorize the Quality Certificate relating to the Annual Budget and supporting documentation attached per **Annexure A**, be approved.
11. That the loan facility amounting to R35 million be secured from a recognized financial institution and the following legal requirements that need to be adhered to, be approved.
 - A tender be placed in the respective newspapers informing the financial institutions of the Council's intention to acquire a loan facility amounting to R35 million
 - The legal requirements in terms of Section 46 of the Municipal Finance Management Act be fully complied with.
 - The negotiations to secure the best interest rates and other qualitative matters with the respective financial institution.
 - The facility funding requirements secured be applied towards funding of the Council's core infrastructural projects as referred to in the report.

Gert Sibande District Municipality

DIRECT ALLOCATIONS

PROJECTS RELATING

TO THE SEVEN

LOCAL MUNICIPALITIES

FOR 2010/2011 AND

ENSUING YEARS

FINAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2010/2011 FINANCIAL YEAR

1. In accordance with Section 168 of the MFMA, Act 56 of 2003, the District must comply with the National Treasury published document – Municipal Budget and Reporting Regulations with effect from 1st July 2010.
2. In terms of the respective regulations the Draft Service Delivery and Budget Implementation Plan (SDBIP) for the 2010/2011 financial year must be included with the budget documentation to be tabled in May 2010.
3. After consulting with the various communities, and other relevant stakeholders, the Annual Budget and the Draft Service Delivery Budget implementation Plan (SDBIP) should be amended accordingly.
4. In terms of Section 69 of the MFMA the Municipal Manager must submit the Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor within 14 days after approval of the Annual Budget.
5. In terms of Chapter 1 of the MFMA this section defines the minimum information required to compile the SDBIP which is as follows:-

‘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 services and the execution of 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.

(c) any other matters that may be prescribed.”

6. In terms of National Treasury guidelines the compilation of the SDBIP’s through MFMA Circular No. 13 is further expanded to include all sections of the district.