

BOJANALA PLATINUM DISTRICT MUNICIPALITY



**2010/11 REVISED INTEGRATED DEVELOPMENT PLAN AND
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

2010 -2013

EXECUTIVE SUMMARY

a) Introduction

BPDM has considered the following inflation forecasts in preparing the budget for 2010/11 and MTREF.

Fiscal Year	2008/09 Actual	2009/10 Estimate	2010/11	2011/12 Forecast	2012/13
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

Source :Budget Review 2010

Further BPDM has also taken into account the wage agreement SALGA concluded with municipal workers unions on 31 July 2009, comprising of a 10.5 percent increase and a 2.5 percent non-pensionable allowance.

On 17 April 2009 the Minister of Finance promulgated the Municipal Budget and Reporting Regulations (Government Gazette 32141). These regulations are applicable to all municipalities from 1 July 2010.

The most important element of the new regulations is that they prescribe the format for municipal budgets. National Treasury has produced an Excel based model to assist municipalities in the compilation of the new budgets.

Bojanala Platinum District Municipality has complied with these formats for the 2010/11 financial year and they are attached herewith, however certain of these forms are not applicable to us as per the powers and functions assigned to us.

Supporting Schedules not applicable to BPDM	
Table A10-Basic services delivery measurement	Not applicable to be BPDM as we do not offer the services listed
Table SA11-Property rates summary	Not applicable as BPDM does not implement property rates ACT
Table SA12&13-Property rates by category(budget year)	Not applicable as BPDM does not implement property rates ACT
Table SA14-Household bills	Not applicable as BPDM does not issue billing to households
TableSA17-Borrowing	Not applicable as BPDM has not engaged in borrowing
Table SA21-Transfers and grants made by the municipality	Not applicable as BPDM
Table SA31-Municipal does not have entities	Not applicable as BPDM does not have entities
Table SA32-List of external mechanisms	Not applicable as BPDM does not have service delivery contracts with service providers
Table SA33-Contracts having future budgetary implications	Not applicable as BPDM does not have contracts with future budgetary implications.

b) Overview of the Budget Process

In August 2009 Council approved the Process Plan and District IDP Framework as required by the Local Government: Municipal Systems Act No.32 of 2000.

In March 2010, Council noted, and approved for public comments both Drafts of the IDP and Budgets. This was followed by:

- The Advertisement in the local papers of the Draft IDP/Budget of the BPDM for comments – **1 – 9th April 2010;**
- Copies of the Draft IDP/Budget were placed at all five local Municipalities for the public to access the said documents for comments: **1 – 11 April 2010;**
- Consultation Forums/Sessions
 - District Technical Task Team was convened followed by meetings per each Local Municipality with the Technical Department of BPDM;
 - Municipal Managers' Forum was convened on the **19th April 2010;**
 - A Special District Intergovernmental Forum was held on the **22 April 2010.**
 - A workshop was convened for All Councillors on the New budget format from the National Treasury on the **03 of May 2010** in the Council Chambers;
 - Mayors/Executive Mayors of the District were convened through the Intergovernmental Relations forum, in the same meeting All Dikgosi/Traditional Leaders of the District were invited and participated. - **04th May 2010;**
 - Sector Departments and Local Municipalities – **6th May 2010;**
 - Interest Groups (incl. Youth, Representative Groups of Persons with Disabilities; Business Groups and other CBOs and NGOs – **7th May 2010;**
 - Convening of a District Imbizo (**20th May 2010**) in Moses Kotane.

- **Overview of alignment of annual budget and the IDP**

Strategic Objective	2010/11 Medium Term Revenue & Expenditure Framework		
	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand			
a) Basic Service delivery	196,697	206,728	218,921
b) Good Governance and Public Participation	51,126	54,296	57,500
c) Economic Development	19,482		
d) Municipal Transformation & Organizational Development	43,178	32,508	34,426
e) Municipal Financial Viability and Management	24,989	23,037	24,397
Total Revenue (excluding capital transfers and contributions)	335,472	331,951	351,531

f) 2010/2011 Capital Projects allocations

The Districts position on capital projects allocation to local municipalities is as per its council resolution and the conditions related to the capital budget being:

- That the projects must be linked to the IDP,
- That no counter funding will be funded by the District's capital budget and
- That the District will act as the implementing agent on all capital projects funded by the District.

Table 1 – NEW PROJECTS AND ROLL OVER PROJECTS TO BE FUNDED IN 2010/11

Projects	KPI	2009/10 Budget	2010/11 Budget
Upgrading of Water Treatment Works in Swartruggens	Completion of the upgrading of the capacity to 3.5ML (after tender closure, mechanical & Civil closed at R16m and electrical closed at R4m, professional fees at ECSA rates)	15'000'000	10 000 000
Upgrading of Sewer Treatment Works in Swartruggens	Completion of the capacity upgrade of the plant to 2.5 ML (after tender closure, mechanical closed at R14m and electrical closed at R4m,	26'085'293	18'914'707

	professional fees at ECSA rates. Civil works est. At R10m on outstanding civil works)		
Koster Fire Station	Completion of the Koster Fire Station (original scope was to renovate existing building, changed to construct a new building)	2'000'000	8'500'000
Ikemeleng – VIP Toilets	Completion of the Ikemeleng – VIP Toilets	0'00	4'500'000
Ikageng water supply	Completion of the Ikageng water supply	0'00	3'000'000
Bapong Water Supply	Completion of the Bapong Water Supply	0'00	4'500'000
Xanadu Pipeline	Completion of the Xanadu Pipeline	0'00	3'800'000
60 Medium Mast lighting connection	Completion of the High Mast lighting	0'00	1,000'000
Plant, Machinery and equipment	Purchase plant ,machinery and equipment for Moretele LM roads division	0,00	5,000,000
Water provision in Maubane	Provision and installation of 1628 water meters	0,00	3,000,000
Water provision in Skirlik	Provision and installation of communal stand pipes for 200 households	0,00	1,500,000
Construction of electrical line from Koster to Ratsegae	Completion of the electrical line from Koster to Ratsegae	0'00	800'000
2011/12 Infrastructure projects planning	Appointment of professional service providers for 2011/12	0'00	1 051 000
Sub total			65,465,707

Table 2 – ROLL OVER PROJECTS

Projects	KPI	09/10 Budget	Projected Expenditure (end June '10)	Balance Rollover
Water Reticulation in Lekgalong.	Completion of internal water reticulation communal stand pipes	9'590'128	300'000	9'290'128
Construction of 12ML reservoir in Moruleng	Completion of the 12ML reservoir in Moruleng. Joint funding with Bakgatla Ba Kgafela Administration (total project value ±R22m)	12'272'171	500'000	11'772'171
District Water and Sanitation Master Plan	Completion of Water and Sanitation Master plan	700'000	100'000	600'000
Roads gravelling programme	Completion of gravelling roads programme.	23'062'000	1'500'000	21'562'000
Development of District Roads and Storm water master plan	District Roads and Storm water master plan developed	1,500'000	0'00	1,500'000
Sub total				44,724,299
Total infrastructure				110,190,000

g) Budget related policies.

- **Travelling and Subsistence policy**

The policy provides guidelines wherein the compensation for travelling and subsistence costs incurred or deemed to be incurred by BPDM officials and councillors can be handles in

a practical, sensible, organised and effective manner. The policy provides for subsistence and travelling allowances as well as applicable tariffs for officials and councillors. This policy is currently under review and would be implemented once approved by council.

- **Supply Chain management policy**

Supply chain policy has been developed to comply with the provisions of Section 111 of the Municipal Finance Management Act (MFMA). The policy reflects on the systems, procedures as well as mechanisms set up to implement the supply chain management policy.

- **Internet, computer network and electronic appliance usage policy**

The policy provides guidelines in respect of the use of computer equipment, network equipment and other peripheral or related electronic appliance provided by BPDM for use by employees and specifically to indicate possible abuse and the consequences of such abuse.

- **Fraud and corruption prevention policy**

The policy is developed to provide guidelines for managing and combating fraud and corruption in BPDM. The policy is aimed at creating an environment where fraud and criminal activities of dishonesty are efficiently and effectively dealt with and managed.

- **Fixed asset management policy**

Fixed asset management policy is developed in compliance with the MFMA to provide for mechanisms and procedures for managing municipal fixed assets.

- **Policy on provisions**

The objective of this policy is to define provisions, identify the circumstances in which provisions should be recognised, how they should be measured and the disclosures.

- **Investment policy**

The purpose of the policy is to ensure that investment of surplus funds forms part of the financial system of the municipality and to ensure that prudent investment procedures are consistently applied. The policy also reflects processes and control measures that need to be followed and applied before money can be invested, as well as permitted investment institutions that BPDM can invest with.

- **Risk management policy**

Risk management policy outlines BPDM's position and approach to risk management. The policy is developed to determine the process and identify tools for the district to realise its objectives, minimise its risks and also maximise its opportunities.

- **Virement Policy**

The abovementioned policy is in the process of being finalised and will be approved by Council before the 30 June 2010.

- **Budget related Policy**

The abovementioned policy is in the process of being finalised and will be approved by Council before the 30 June 2010

Measurable objectives per vote

Project Name/Description	Key Performance Indicator	Projects status	2010/11
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Community bursary scheme	Number of tertiary study bursaries awarded.	Continuing	1 320 000
Letsema	Number of community programmes implemented	Continuing	300 000
Community Outreach Programmes	Number of structured community outreach programmes coordinated and supported	Continuing	660 000
Mayoral Imbizos	Number of Mayoral Imbizos coordinated	Continuing	1 430 000
Traditional Authority Support	Number of support initiatives for Traditional leaders	Continuing	440 000
Coordination of Land Use Management System	Development and roll out of land use management systems in local municipalities	Continuing Roll over	1 300 000
Support to sports Programmes	Number of sports programmes supported Bojanala Marathon held	Continues	2 100 000
Provision of basic sport equipment	Number of communities supported with basic sport equipment	New	1 000 000
Arts and Culture Support	Number of Arts and Culture programmes supported	Continues	1 400 000
Support to Gender Mainstreaming & HIV & AIDS Projects	Number of gender mainstreaming initiatives and HIV/AIDS projects supported.	Continuing	500 000
Support to Disability and elderly Projects	Number of disability and elderly Projects supported	New	R700 000

Support to Women, Youth and Children' Services	Number of Women, Youth and Children' Services supported	New	800 000
Total for Office of the Executive Mayor			11,950,000

Office of the Speaker

Projects	KPI	Projects status	Budget 2010/11
Councillors Training	Number of trainings conducted for Councillors	Continues	1 057 000
Ward Committee training	Number of trainings conducted for ward committees	Continues	1 057 000
Total for Office of the Speaker			2,114,000

Office of the Single Whip

Projects	KPI	Projects status	Budget 2010/11
Single Whip Support	Number of support initiatives for single whip	Continues	300,000
	Number of meetings and workshops convened	Continues	300,000

Total for Office of the Single whip	600,000
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Office of the Municipal Manager

Projects	KPI	Projects status	Budget ®
			2010/11
Review of the District Spatial Development Framework	Implementation of District Wide Geographic Information System	Continues	1 000 000
Implementation of shared services model	Shared services model implemented	Continues	792 750
Total for Office of the Municipal Manager			1,792,750

Budget and Treasury

Projects	KPI	Projects status	Budget ®
			2010/11
Supply Chain Management system	Improved supply chain management system	Continuing	500 000

Review of district wide finance policies	Number of policies reviewed <ul style="list-style-type: none"> ➤ Supply chain management ➤ Asset management ➤ S & T ➤ Overtime ➤ Leave ➤ Fraud and corruption ➤ Risk management ➤ Investment 	Continuing	739 900
Financial Support to Kgetlengrivier Local Municipality including MFMA implementation	Number of support initiatives provided to KLM <ul style="list-style-type: none"> ➤ Compilation of AFS ➤ Assist with queries raised by AG ➤ Implementation of policies ➤ MFMA implementation 	Continuing	1 426 950
Financial Support to Moretele Local Municipality including MFMA implementation	Number of support initiatives provided to Moretele Local Municipality <ul style="list-style-type: none"> ➤ Compilation of AFS ➤ Assist with queries raised by AG ➤ Implementation of policies ➤ MFMA implementation 	New	1 426 950
Development & Implementation of the Asset management plans	Asset management plan developed & implemented	New	1 796 900
Improvement to BPDM financial system	Improved BPDM financial system	New	1 500 000
Total for Budget and Treasury			7,390,700

Corporate Support Services

Projects	KPI	Projects status	Budget ®
			2010/11
BPDM Training and Development	Number of training Interventions introduced	Continues	1 000 000
Staff Study Bursaries	No of Staff Bursaries awarded	Continues	400 000
Internship training	Number of internship programmes	New	300 000

programme	conducted		
Development of the Retention Strategy	Retention Strategy developed and implemented	Continues	200 000
Employee Assistance Programme	No of employees assisted through EAP	Continues	200 000
Departmental Team Building Exercise	Team Building held for all Departments	New	800 000
Document management System	Compliance with the National Archives Act	Continues	1 000 000
Occupational Health and Safety Awareness programme	Number of Occupational Health and Safety Awareness programmes implemented	Continues	150 000
Total for Corporate Support Services			4,050,000

Economic Development, Agriculture & Tourism

Projects	KPI	Projects status	Budget ®
			2010/11
Facilitate the establishment of a Farmer Support Development Centre	Feasibility Study conducted	New	700 000
Facilitate the establishment of Essential oils project in Moretele municipality	Number of essential oils projects established in three villages.	New	500 000

(implementation planning)			
Facilitate the commercialization of small stock production.	Number of goats and piggery production Cooperatives and projects commercialised Number of Layer and broiler Projects commercialised	New	1 800 000
2010 District Tourism Branding, Promotion & Marketing	Number of District Tourism Branding, Promotion & Marketing initiatives implemented	New	500 000
Training and up-skilling of SMMEs	Number of training and up-skilling programmes for SMMEs	Continuing	1 700 000
Facilitate the establishment of Slate Beneficiation Production Cluster in Kgetlengrivier municipality	Number of Slate Beneficiation Cluster established	New	500 000
Facilitate the establishment of Granite Beneficiation Cluster in Rustenburg and Madibeng municipalities	Number of Granite Beneficiation Cluster established	New	500 000
Facilitate the Development of District Tourism Route from (Hartbeespoort to Sun City)	District Tourism Route developed	New	1 000 000
Upgrading of Hunting Camp in Mabalstad (Seed funding)	Financial support to the Hunting Camp	New	1 000 000
Coordination of a District EXPO	Number of SMMEs exposed to market	Continues	1 162 700
Resuscitation of Hiking Trails in Dwarsberg (EPWP linked)	Financial support to the upgrading of Hiking Trails	New	650 000
Review and alignment of LED Strategies for local municipalities	LED strategies reviewed and aligned	New	1 000 000

Land care programmes in rural areas	Number of land care projects implemented	New	500 000
Jericho Feedlot establishment	Jericho Feedlot established	Continuing	1 000 000
Construction of the 20 000 Chicks broiler structures	Chicks broiler structures constructed	Continuing	250 000
Mogwase Goat breeding scheme	Functional Goat breeding scheme	Continuing	200 000
Total for Economic Development, Agriculture & Tourism			11,763,900

Community Environmental Services

Projects	KPI	Projects status	Budget ®
			2010/11
Roll out of Air Quality Management Programmes	Number of air quality management programmes implemented	Ongoing	1 000 000
Climate Change Combat initiatives	Number of municipal initiatives to combat climate change	Ongoing	800 000
Implementation of Integrated Waste Management Plan (IWMP)	Number of interventions to local municipalities on waste management problems	New	2 000 000
Environmental Education and Awareness	Number of environmental education and awareness Programmes	On going	1 500 000

Programmes	Developed and Implemented		
Implementation of Municipal Health outreach Programmes	Municipal health Outreach Programmes implemented	Ongoing	600 000
Total for Community Environmental Services			5,900,000

Community Development Services

Projects	KPI	Projects status	Budget ®
			2010/11
Support to NPOs-NGOs	Financial and technical support to identified NGOs/NPOs	continuing	800 000
Support to Poverty Alleviation Projects	Number of poverty alleviation projects supported Number of food parcels issued to deprived households	continuing	2 200 000
Support the promotion of Community Safety initiatives	Number of Community Safety initiatives supported	Ongoing	900 000
Support the Provision of Transport Programmes	Transport Projects Supported	Ongoing	1 000 000
Establishment the capability of the standardised fire and rescue systems and equipments	Fire and rescue equipments , vehicles & personnel to ensure planning, coordination and standardisation	New	1 900 000
Support to Fire Protection Associations in Mogwase	Fire Fighting Equipments and communication equipments procured.	Continuing	500 000
Support to Fire Protection Associations in Bojanala	Fire belts for farmer protection	continuing	1,000 000

Renovation of the building for the Swartruggens fire station	Old Commando building renovated	New	1 000 000
Interventions to disaster incidents	Material and stock distributed to vulnerable communities during disaster incidents	Ongoing	2 500 000
Disaster awareness programme	Number of Disaster awareness programme rolled out	Ongoing	156 301
Total for Community Development Services			11,956,301

Budget per vote on special projects and infrastructure

Vote /Department	Allocated for	Amount allocated
Office of the Executive Mayor	special projects	9,950,000
Office of the Speaker	special projects	2,114,000
Office of the Single Whip	special projects	600,000
Office of the Municipal Manager	special projects	1,792,750
Budget and Treasury	special projects	7,390,700
Corporate Support Services	special projects	4,050,000
Economic Development, Agriculture & Tourism	special projects	11,763,900
Community Environmental Services	special projects	5,900,000
Community Development Services	special projects	13,956,301
Technical Services	Infrastructure projects	110,190,000

Total allocated to infrastructure special projects	special projects	167.707,651
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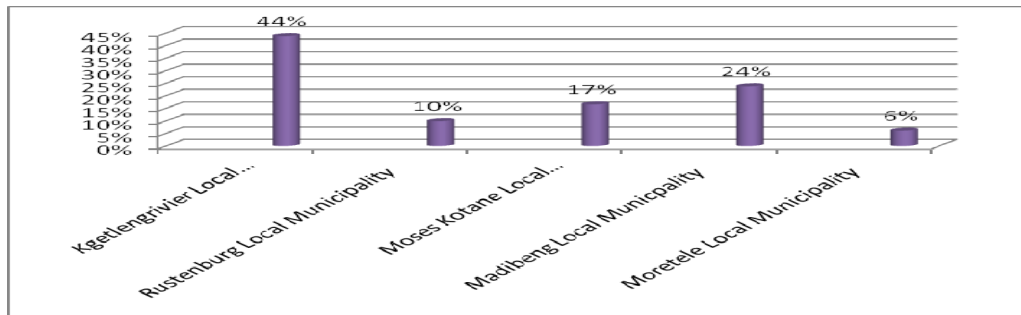
Budget allocation to operating expenses

Employee related costs	105,519,000
Remuneration of Councillors	8,673,000
Depreciation and asset impairment	9,245,000
Administrative expenses	44,438,157
Total allocated	167,875,157

Conclusion

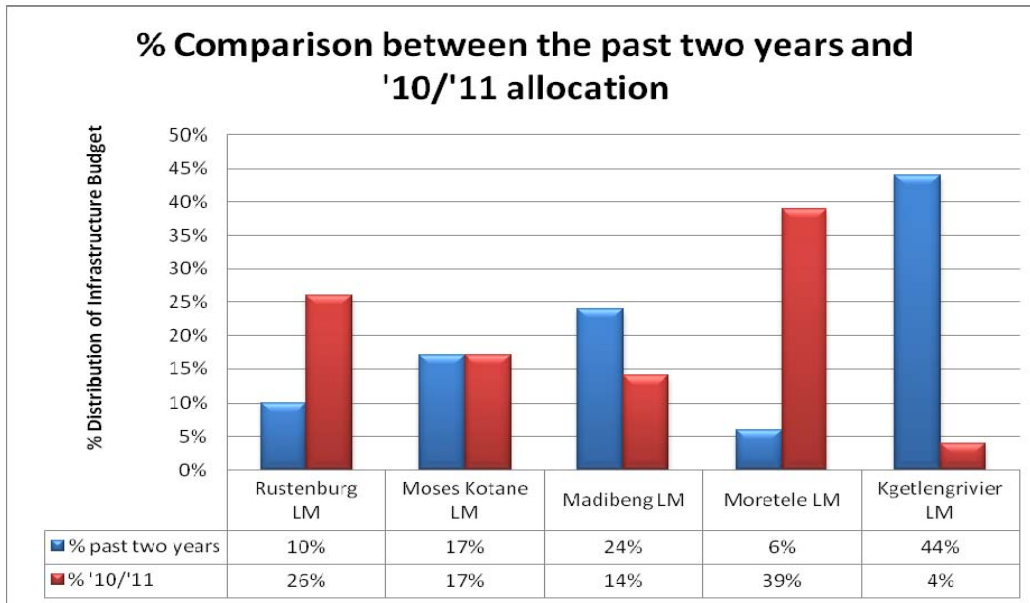
Analysis on the past two years District’s capital allocation

After doing an analysis on the past two years capital allocation to the local municipality, it can be summarized in the graph below:



It is clear that Kgetlengrivier LM received the largest portion of the allocation. This was due to the fact that at that time they had major bulk water and sewer crisis due to the drought and also after the intervention by the joint technical task team that was established by the Executive Mayor to collectively address these crises amongst Provincial DWAF, Magalies Water, BPDM and KRLM.

The graph below compares the distribution % between the past two years ('08/'09 and '09/'10) against the available '10/'11 capital budget.



h) Operating expenses

- Salaries increased by R29m from R85m allocated in the budget review to R114m in the 2010/11 draft budget. The main drivers been the anticipated filling of vacant positions in the Fire services sub votes of Community services and the full implementation of the community environmental services.
- Salaries ,wages and allowances amounts to 34% of the total revenue budget.
- Administrative expenses accounts for 15 % of the entire budget.
- Three percent has been appropriated to purchasing of new assets in the form of vehicles and office furniture as well as to repairs and maintenance of the existing assets.

Ashmar Khuduge

Acting Municipal Manager