

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY



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Report Number: 1 Designation : Chief Finance Officer

FOR CONSIDERATION

1 <sup>st</sup> Level – MANCO	
2 <sup>ND</sup> Level – Finance Co	15 May 2013
3 <sup>rd</sup> Level - EXCO	23 May 2013
4 <sup>th</sup> Level – Full Council	31 May 2013

SUBJECT : TABLING OF THE 2013/2014 ANNUAL BUDGET

DATE : 31 May 2013

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## Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	District Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care

PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
ITB	Ingonyama Trust Board
DGDS	District Growth Development Summit
DFA	Development Facilitation Act, 1995
NDP	National Development Plan

## 1. PART 1 – ANNUAL BUDGET

### 1.1 PURPOSE

The purpose of the report is to:

- 1.1 .1 Table the 2013 /2014 Capital and Operational Budget.
- 1.2 .2 Table for Consideration the proposed tariff increases

### 1.2 MAYORS REPORT

The District is in the second review of its third generation IDP(2011-2016) for the financial year 2013/14. The District understand triple challenges facing the country at large and this year's budget is trying to address those challenges.

The District has also advanced its corporate strategy from being water centric to citizen centric. The evidence to this was the successfully launching of two major LED projects under 2012/13 financial year. The two catalytic projects are Nelson Mandela Race as well District growth and development summit. The current leadership is steadily making noticeable changes to residents of the District at large and business communities. In 2013/14 financial year the District will launch the third catalytic project which will also become an annual event. The third project will be Jazz concert; the district is better positioned geographically to host the event of this magnitude.

In the current year we received STATS SA 2011 census data. We have used census data in compiling our budget. The population of the District increased from 932 121 to 1 017 763, the net % increase was 9.2%. The population of the province increased by 7%, the District had more that 2.2% increase compared to provincial increase. There are important focus area from STATS information 1. Service delivery backlog in terms of water and sanitation, 2. Majority of population being youth and unemployed.

The backlog for sanitation as per STATS is at 4% and after this budget the backlog will at 2%. The backlog for water is at 9% and after this budget the backlog will be 5%.

The budget for youth development has increased by 45% in view demographic profile as per STATS report. This should assist the youth to play active role in the mainstream economy.

### 1.3 COUNCIL RESOLUTIONS

In terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) consider for tabling of the annual budget of the municipality for the financial year 2013/ 2014 ; the Indicative estimates for the two projected outer years 2014/2015 and 2016/ 2017 and the multi-year capital appropriations:

The Total Income of R 625 131 442

The Operational Expenditure of R 543 901 278

The Capital Budget of R 334 504 645

The Proposed Tariff increases as set out on Annexure A

To approve the Amended Policies

### 1.4 BACKGROUND

The Municipal Finance Management Act, 2003, (MFMA) Section 16 (2), requires that the Mayor of the municipality table the annual budget at a Council meeting at least 90 days before the start of the budget year.

In addition, the MFMA Circular 28 dated 12 December 2005, National Treasury provides general guidance on the content and format for the municipal budget documentation while MFMA circular 54 ,55, 58 and 66 provides further guidance to municipalities and municipal entities for the preparation of their 2013 /14 Budgets and Medium Term Revenue and Expenditure Framework (MTREF).

On the 17 April 2009, the National Treasury gazetted the final municipal budget and reporting regulations in government gazette 32141. The regulations are applicable to all municipalities from the 2010/11 financial year; however, uMgungundlovu has complied since 2009/10.

The 2013/2014 medium term revenue and expenditure framework (MTREF) budget has been drafted taking into account the key focus areas as reflected by MFMA Circular 66. According to this circular issued on 24 January 2013, the key priorities for the local government are identified as the provision of basic services such as water and sanitation, human settlements development and local government infrastructure. The creation of employment opportunities remains a national priority; however Municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services more particularly to participate fully in the Expanded Public Works Programme Grant and by maximising contributions to job creation by:

- ✓ Ensuring the service delivery and capital projects use labour intensive methods
- ✓ Ensuring service providers use labour intensive approaches
- ✓ Supporting labour intensive LED projects
- ✓ EPWP
- ✓ Interns programmes to provide young people with on the job training

According to Circular 66 the inflation forecasts to be taken into consideration when preparing the budget are:

5.5 % - 2013

5.1 % - 2014

4.9 % - 2015

When compiling the budget, Municipalities are encouraged to have a cost reflective tariffs in order for the Municipal services to be able to sustain themselves taking into account the future repairs and maintenance cost related to the infrastructure that facilitate the service.

There continues to be an urgent need to promote the careful use of water, ensuring that water is correctly priced is one of the most effective means getting households and businesses to conserve water.

Given the on-going constraints on the revenue side, municipalities will again need to make some very tough decisions on the expenditure side this year and priorities what is important and directly affecting the service delivery.

Priority ought to be given to:

- ✓ Ensuring that drinking water meets the required quality standards at all times;
- ✓ Protecting the poor from the worst impacts of the slow recovery in the labour market;
- ✓ Supporting meaningful Local Economic Development (LED) initiatives that foster micro and small business opportunities and job creation;
- ✓ Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance; and
- ✓ Expediting spending on capital projects that are funded by conditional grants.

Municipalities must pay special attention to controlling unnecessary nice -to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities. The renewal and repairs and maintenance for infrastructure is important and should be budgeted for correctly to restore the infrastructure and improve the quality of services.

Section 18 of the MFMA requires that an annual budget must be 'funded and not budget for deficit. This section identifies three possible funding sources:

- (a) realistically anticipated revenues to be collected,
- (b) cash backed accumulated funds from previous years surpluses not committed for other purposes, and
- (c) borrowed funds, but only for the capital budget.

The above guidelines have been taken into account as much as possible by management in the compilation of the 2013/2014 medium term budget.

## Public Participation Meetings

The following points were raised during the meetings:

- ✓ High Tariff
- ✓ Lack of sufficient supply of water
- ✓ Lack of housing
- ✓ No clear contact details of UMDM
- ✓ Frequency of water tankering

The Municipality held 3 categories of Budget participation meetings. The categories are:

- i. Business Communities
- ii. Traditional Leadership
- iii. Communities with Ward Councillors

## 1.5 Executive Summary

**TABLE 1**

	Adjustments Budget	Budget Year	Budget Year	Budget Year
	2012/2013	2013 / 2014	2014 /2015	2015 /2016
	<i>R million</i>	<i>R million</i>	<i>R million</i>	<i>R million</i>
Total Revenue	657 233	625 131	620 648	758 751
Total Operating Expenditure	530 754	543 901	573 816	603 080
<i>(Surplus)/Deficit for the year</i>	126 480	81 230	46 832	155 671
Total Capital Expenditure	136 379	334 505	133 336	236 913
Loan Funding	225 000	225 000		
Internally Generated		28 275		

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-Term Revenue and Expenditure Framework:

Total operating revenue has decreased by 4.9 % for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. The Regional Bulk Infrastructure grant of R 41 million received in kind during the 2012 / 2013 financial year will not be received in the 2013 /2014 financial year which has resulted to the Income budget to seem as reduced.

Total operating expenditure has increased by 2.5% for the 2013/14 financial year when compared to 2012/2013 Adjustment budget.

The capital budget of R334 million for 2013/14 is 245 per cent more when compared to the 2012/13 Adjustment Budget. There is a change in spending patterns in the Sanitation function. The emphasis has shifted from the

construction of VIP toilets to waste water works and water works, there are some carry over grants that were not spent in this current financial year (2012 /2013) due to operational reasons, in the main being Corridor Development Grant.

**TABLE 2**

**DC 22 uMgungundlovu District Municipality – TABLE A1 Consolidated Budget Summary**

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	38,331	39,968	44,282	93,354	84,428	93,354	55,434	100,153	105,662	111,050
Investment revenue	7,147	4,802	16,688	5,000	17,719	5,000	12,534	12,000	12,660	13,306
Transfers recognised - operational	249,460	264,612	301,021	348,482	418,296	375,236	240,522	381,416	368,621	397,094
Other own revenue	42,291	9,097	68,537	411	411	411	8,958	22,057	369	388
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>337,229</b>	<b>318,480</b>	<b>430,528</b>	<b>447,247</b>	<b>520,854</b>	<b>474,001</b>	<b>317,448</b>	<b>515,626</b>	<b>487,312</b>	<b>521,838</b>
Employee costs	98,386	102,890	130,261	146,168	149,220	147,080	89,707	149,697	157,930	161,469
Remuneration of councillors	8,023	7,852	7,201	7,473	10,330	7,513	6,168	15,579	16,435	17,274
Depreciation & asset impairment	25,421	47,318	78,453	50,410	55,410	50,410	32,225	58,725	61,955	65,115
Finance charges	5,674	3,024	1,460	20,393	7,893	20,393	911	2,000	2,110	2,218
Materials and bulk purchases	41,244	39,680	43,385	52,800	52,800	52,800	32,676	90,489	95,466	100,335
Transfers and grants	-	-	-	7,468	-	7,468	-	9,232	9,740	10,237
Other expenditure	170,735	152,133	199,548	197,860	255,100	117,016	165,111	218,180	230,180	246,435
<b>Total Expenditure</b>	<b>349,483</b>	<b>352,897</b>	<b>460,307</b>	<b>482,572</b>	<b>530,754</b>	<b>402,680</b>	<b>326,798</b>	<b>543,901</b>	<b>573,816</b>	<b>603,080</b>
<b>Surplus/(Deficit)</b>	<b>(12,254)</b>	<b>(34,417)</b>	<b>(29,779)</b>	<b>(35,325)</b>	<b>(9,899)</b>	<b>71,320</b>	<b>(9,350)</b>	<b>(28,275)</b>	<b>(86,504)</b>	<b>(81,243)</b>
Transfers recognised - capital	70,593	43,463	85,514	147,895	136,379	120,142	72,565	79,918	133,336	236,913
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-

Surplus/(Deficit) after capital transfers & contributions	58,339	9,046	55,735	112,570	126,480	191,462	63,215	51,642	46,832	155,670
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	58,339	9,046	55,735	112,570	126,480	191,462	63,215	51,642	46,832	155,670
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	-	-	-	-	-	-	-	334,505	133,336	236,913
Transfers recognised - capital	70,593	43,463	101,771	147,895	136,379	147,895	-	79,918	133,336	236,913
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	225,000	-	-
Internally generated funds	-	-	-	-	-	-	-	29,587	-	-
Total sources of capital funds	70,593	43,463	101,771	147,895	136,379	147,895	-	334,505	133,336	236,913
<b>Financial position</b>										
Total current assets	60,838	71,332	91,657	216,247	312,026	397,542	106,173	524,509	531,754	601,339
Total non current assets	692,163	724,189	776,372	1,166,462	978,296	219,320	4,400	119,750	119,750	3,750
Total current liabilities	67,059	59,696	83,317	45,484	86,881	49,817	(5,417)	332,055	406,326	426,946
Total non current liabilities	24,089	21,209	13,993	58,395	209,170	34,324	18,506	240,469	-	-
Community wealth/Equity	692,973	714,617	770,719	1,175,779	980,664	803,085	56,109	51,642	46,832	155,670
<b>Cash flows</b>										
Net cash from (used) operating	5,505	92,942	181,735	112,570	126,480	129,316	63,333	160,584	125,798	292,026
Net cash from (used) investing	(44,107)	(41,654)	(131,196)	-	-	(72,580)	-	(342,779)	(133,336)	(236,913)
Net cash from (used) financing	(2,476)	(2,866)	(3,243)	412,000	312,000	-	312,000	223,500	(1,510)	(1,468)
Cash/cash equivalents at the year end	34,508	82,930	130,226	654,796	568,706	186,962	505,559	228,266	219,218	272,863
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	35,443	83,865	131,161	160,051	210,261	236,618	28,629	232,016	222,968	276,613



Application of cash and investments	13,938	10,518	56,484	(4,400)	(4,115)	(238,141)	(68,891)	221,923	231,102	180,551
Balance - surplus (shortfall)	21,505	73,347	74,677	164,451	214,376	474,759	97,519	10,093	(8,134)	96,062
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	25,421	47,318	78,453	50,410	55,410	50,410	58,725	58,725	61,955	65,115
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	49,674	49,674	49,674	52,886	52,886	55,795	57,022
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	7,468	-	7,468	9,232	9,232	9,740	10,237
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

## 1.6 OPERATING REVENUE FRAMEWORK

The Operational revenue reduced from R520 854 adjustment budget to R 515 626 or the net effect of 1% reduction as a result of the following reasons:

- i. The interest received from investments reduces by 32.2 % or R 5 719 as the Municipality will spend internal funding to finance some of its capital expenditure.
- ii. Transfers on operational grants reduced from R418 296 to R 381 416 or 8.8%
- iii. The increase in service charges to R 100 153 from R93 354. This is a result of the implemented revenue enhancement strategy that includes the meter audit exercise which has been completed in February 2013. This exercise will enhance billing information integrity and also, it is expected to improve revenue collection.

### Service Charges

The band structure has changed in terms of consumption volumes. The effective increase for the tariff is 11 %. The inflation cost drivers that motivated the increase includes taking into account the 8 % increase by the Bulk Water Service Provider – uMgeni Water, the 8 % Eskom increase and the 6.5 % staff salaries increases.

#### Equitable Share Split

The equitable share formula was reviewed during the 2012 /2013 financial year in consultation with all relevant stakeholders including Municipalities. The equitable share split as the funding source for the services is as follows:

**TABLE 3**

FUNCTION	AMOUNT
WATER	69 580 708
SANITATION	56 929 671
INSTITUTIONAL DEVELOPMENT, COMMUNITY SERVICES AND ENVIRONMENTAL HEALTH	21 599 333
INSTITUTIONAL COMPONENT GRANT	14 291 288
<b>TOTAL</b>	<b>162 401 000</b>

**TABLE 4**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	38,331	39,968	44,282	93,354	84,428	93,354	55,434	95,391	100,637	105,770
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	4,762	5,024	5,280
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		7,147	4,802	16,688	5,000	17,719	5,000	12,534	12,000	12,660	13,306
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised -		-	-	-	-	-	-	-	-	-	-

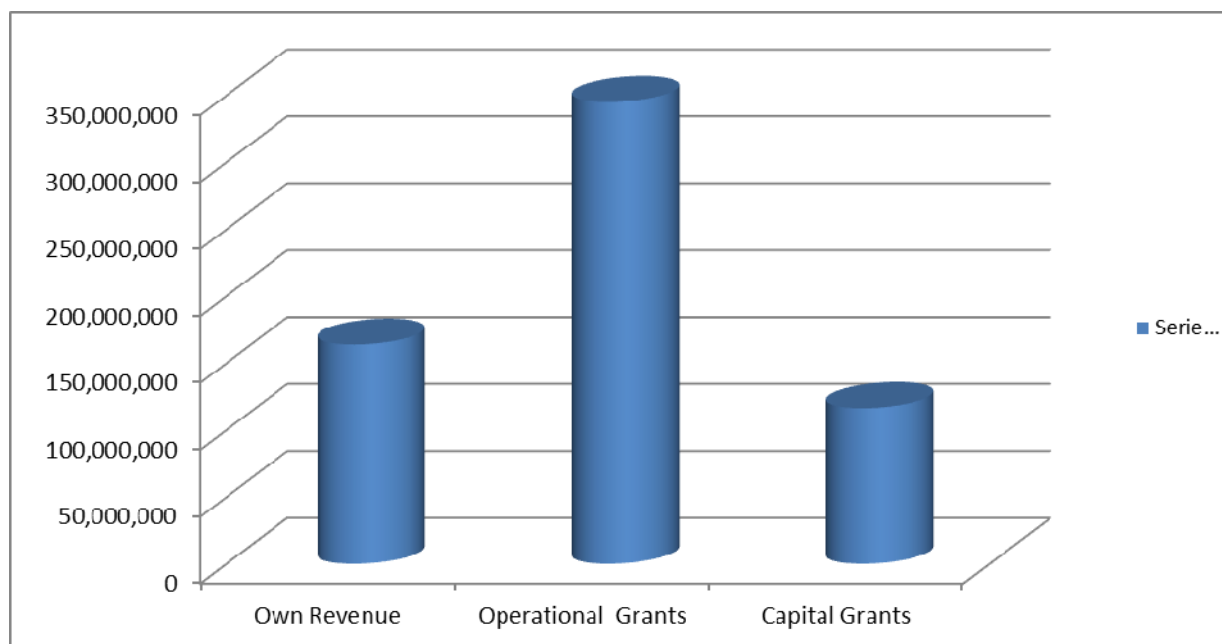
operational		249,460	264,612	301,021	348,482	418,296	375,236	240,522	381,416	368,621	397,094
Other revenue	2	42,291	9,097	68,537	411	411	411	8,958	22,057	369	388
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		337,229	318,480	430,528	447,247	520,854	474,001	317,448	515,626	487,312	521,838

The total income budget inclusive of Capital transfers and internal transfers for the 2013 /2014 financial year amounts to R625 131 442. For other revenue breakdown please refer to Table SA1

**TABLE 5**

INCOME	AMOUNT
Own Revenue	127 374 442
Operational Grants	381 416 000
Capital Grants	116 341 000
<b>Total</b>	<b>625 131 442</b>

**GRAP 1**



## 1.7 OPERATING EXPENDITURE FRAMEWORK

The operational expenditure have increased from R 530,066,020 to R 543 901 278. The meter audit exercise that started from the 2011/ 2012 financial year has been completed and is seen to be bearing some fruits. The reduction of Provision for doubtful debt, has been reduced as due to the fact that the data is more accurate with less errors that arises either through wrong meter numbers, faults and wrong addresses. The municipality has also reviewed its indigent policy, and has requested the communities to re apply for their indigent statuses, that way re evaluating every case on its merit . Previously, every customer was receiving the free 6 kl basic water supply.

The funding of the operational budget is mainly funded by the equitable share and service charges. The total allocation for the Equitable share is R 162 401 000 and the service charges to be raised for the year amounts to R 100 153 211.

The total operational budget including expensed capital expenditure for the assets that does not meet the fixed assets criteria amount to R 543 901 735. The amount is shared amongdt the votes / departments as follows:

**TABLE 6**

Department	Amount	% of Budget
EXECUTIVE AND COUNCIL	51 346 245	9.44
FINANCIAL SERVICES	21 114 136	3.88
TECHNICAL SERVICES	350 589 778	64.46
COMMUNITY SERVICES	67 226 735	12.36
CORPORATE SERVICES	53 624 384	9.86
<b>TOTAL</b>	<b>543 901 278</b>	

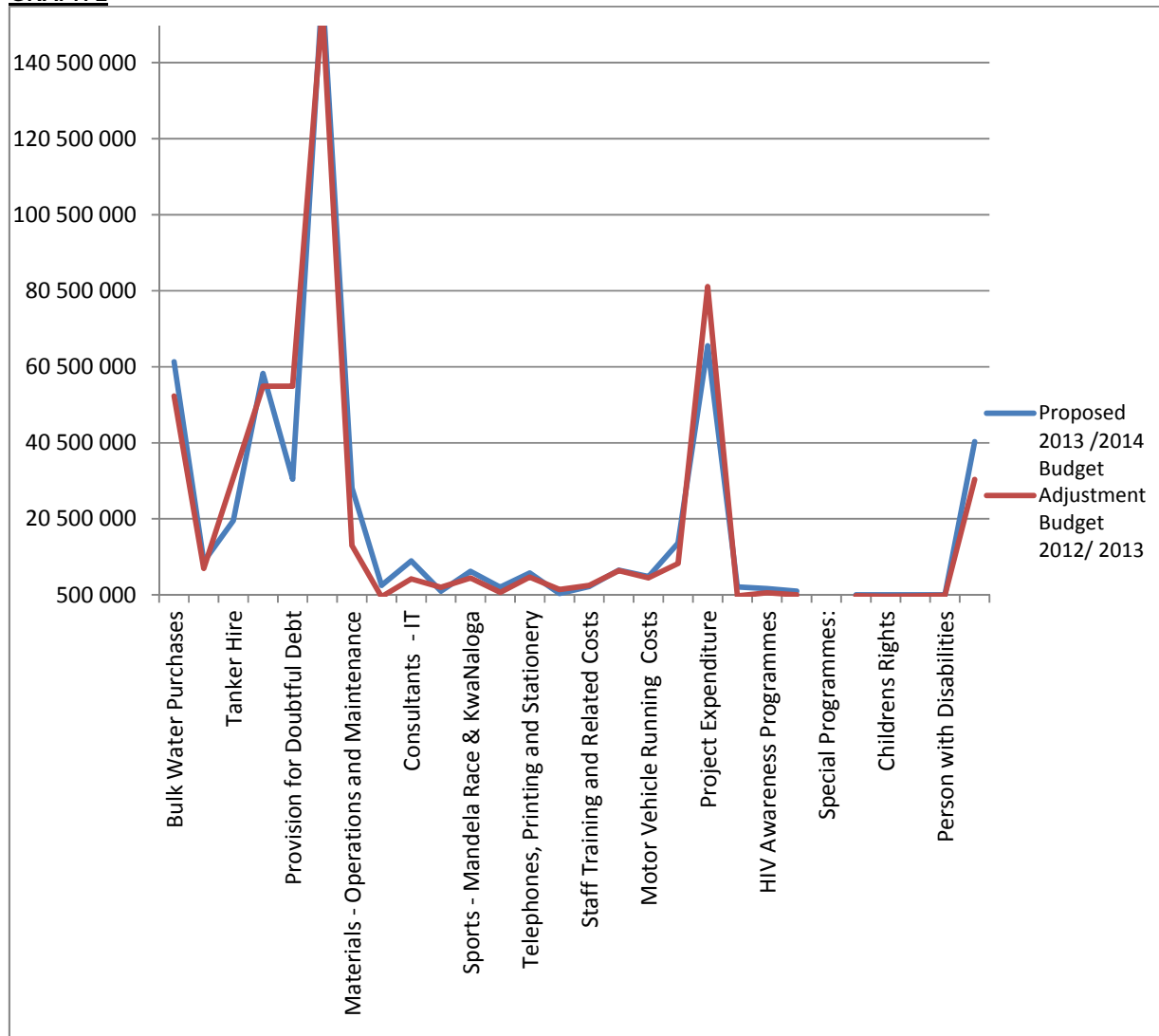
The major expenditure items are as follows: For Other expenditure breakdown please refer to Table SA1

**TABLE 7**

Operational Expenditure	Proposed 2013 /2014 Budget	Adjustment Budget 2012/ 2013
Bulk Water Purchases	61,800,000	52,800,000
Free Basic Services	9,232,188	7,468,320
Tanker Hire	20,000,000	31,255,196
Depreciation	58,724,950	55,410,167
Provision for Doubtful Debt	30,928,730	55,410,167
Salaries	165,275,539	154,834,118
Materials - Operations and Maintenance	28,688,970	13,437,196
Consultants - Restrictions and Disconnections	3,000,000	-
Consultants - IT	9,433,600	4,720,000
Communication	1,500,000	2,500,000
Sports & Culture	6,696,000	4,947,633
Water Quality Control Measures	2,554,000	1,188,797

Telephones, Printing and Stationery	6,258,117	5,164,570
Organisational Development Strategies	850,000	1,930,000
Staff Training and Related Costs	2,706,716	3,000,000
Security	7,000,000	6,866,812
Motor Vehicle Running Costs	10,280,000	5,000,000
Motor Vehicle Hire Costs	4,895,200	8,740,000
Project Expenditure	66,015,483	81,577,613
Organised Business Support	2,610,000	250,000
HIV Awareness Programmes	1,150,000	1,050,000
Youth Development	1,500,000	535,000
Special Programmes:		
Women's Rights	500,000	300,000
Childrens Rights	500,000	180,000
Senior Citizens	500,000	250,000
Person with Disabilities	500,000	400,000
Other	40,801,785	30,850,431
<b>TOTAL</b>	<b>543,901,278</b>	<b>530,066,020</b>

**GRAPH 2**



As can be seen from Table 3 and Table 6 the equitable share allocation for the Institutional Development , Community Services and Environmental Services is not enough to finance the Community services department which incorporated Environmental Health , Environmental Health Services, Fire and Disaster Services departments.

The deficit is as follows:

**TABLE 8**

Function	Expenditure- Allocation	Income / Funding	Deficit
COMMUNITY SERVICES	67 226 735	21 599 333	45 627 402

The deficit of R45 627 402 for running the Community Services Department will be funded by the RSC Levy Replacement Grant. This new component funds services for communities rather than households (which are provided for in the basic services component). It includes funding for municipal health services, fire services, municipal roads, cemeteries, planning, storm water, street lighting, parks and so on. In 2013/14, the allocation to district and metropolitan municipalities for municipal health and related services is R7 per household per month.

#### TRADING SERVICE

The repairs and maintenance for the Water and Sanitation amounts to R81 362 190 0 excluding revitalisation of assets which is capitalised. This amount , translate to 29% and is made up of Salaries, Spares and Materials and Operational Vehicles. The hiring of water tankers amounts to 6 % of the trading services department which is expected to be reduced as the implementation of projects increases over the years.

The cost structure for the trading service department is as follows:

**TABLE 7**

Spending Item	Amount		% of Allocation
	2013/2014	2012/2013	
<b>Technical Services</b>	<b>264,078,435</b>	<b>226,221,301</b>	
Repairs and Maintenance	<b>81,362,190</b>	<b>49,674,338</b>	
Staff Cost	52,673,220	36,237,142	19.4
Materials and Spares	28,688,970	13,437,196	10.5
<b>Operations</b>	<b>182,716,245</b>	<b>176,546,963</b>	
Bulk Purchases	61,800,000	52,800,000	22.7
Bad Debt Provision	30,928,730	28,341,600	11.4
Hire Charges: Water Tankers	20,000,000	31,255,196	7.4
Depreciation	58,724,950	55,410,167	21.6
Hire Charges: Bakkie Vans	10,258,697	8,740,000	3.8
Other	1,003,868		0.37

<b>Customer Care Centre Staff</b>			
Salaries	7,285,763	6,221,909	2.7
<b>Trading Service Total</b>	<b>271,364,198</b>	<b>232,443,210</b>	100

Income	2013/2014	2012/2013	% Change
Service Charges	100 153 211	84 354 000	19
Water allocation –Equitable Share	69 580 708	66 005 310	5.4
Sanitation Allocation – Equitable Share	56 929 671	56 575 980	0.6
<b>TOTAL</b>	<b>226 663 590</b>	<b>206 935 290</b>	<b>8</b>
<b>DEFICIT FOR THE TRADING SERVICE</b>	<b>44 700 608</b>	<b>25 507 920</b>	

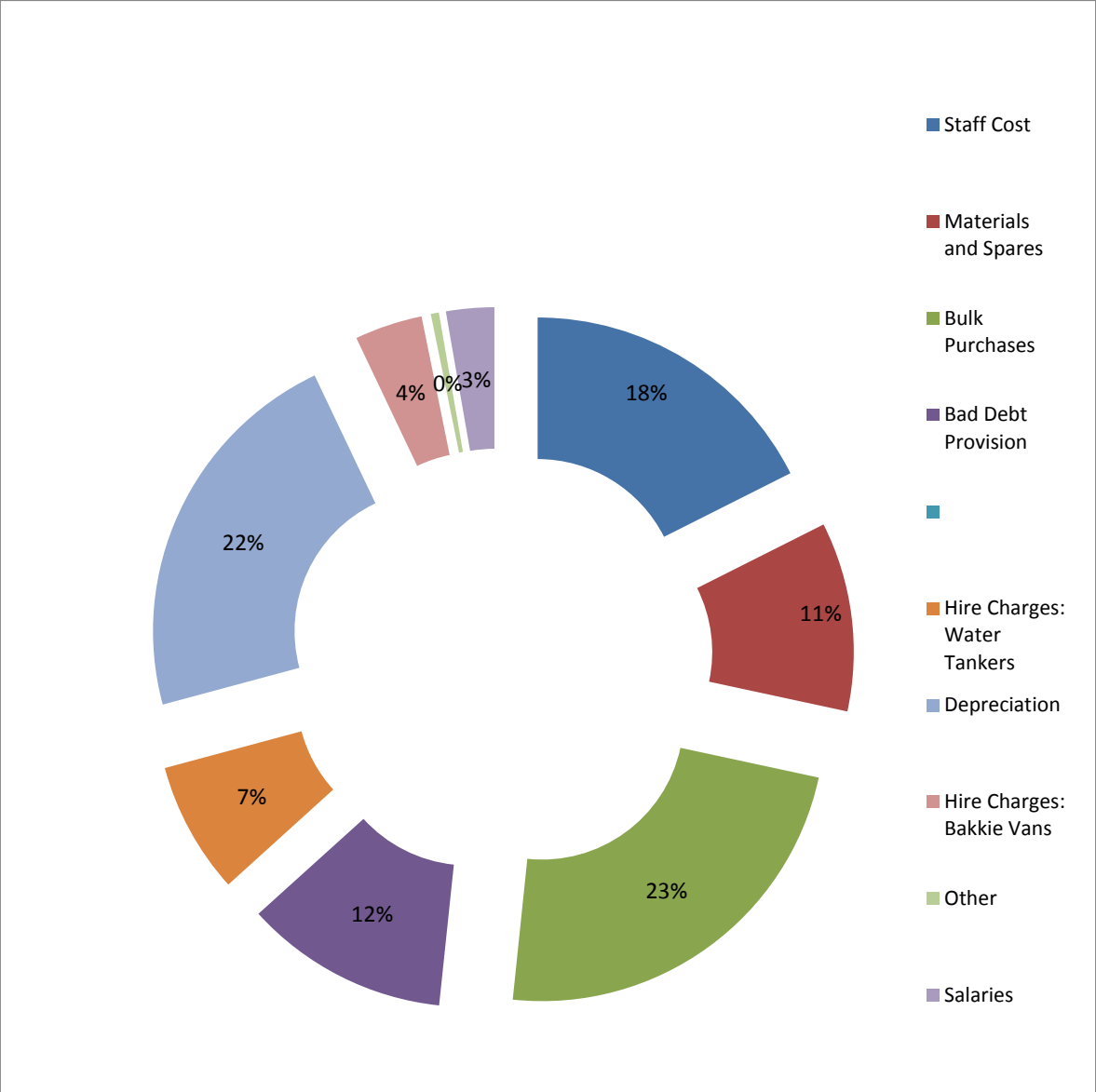
The Actual cost of running water amounts to R 38 p/kl. The current average tariff is R14.31, the deficit or the subsidy of R6.42 is to be finance by the RSC Levy Replacement.

A cost benefit exercise has been conducted in relation to the hire of bakkies for the Water and Sanitation Department. The following can be noted:

- The Municipality has entered into a operational lease with G Fleet for about 40 vehicles.
- The average cost per month for the hire of vehicles excluding running costs like petrol is R 365 435 and R9 135 per car
- Had the Municipality opted for an outright purchase of the vehicle it would cost R3 .6 million and if it was to be financed by at 9% the annu per annum , the monthly on average would be +\_R 13 200 per car on repayment.
- Because the cars are hired, the Municipality is saving on repairs for the vehicle and insurance. On average, the bakkie used for business purposes is covered by R 2 500 per month on insurance.

As a result, the option of car hire remains cost beneficial.





**CAPITAL EXPENDITURE**

The total proposed capital budget amounts to R400 520 129 inclusive of items to be expensed. Of that amount, R66 015 483 will be expensed as the assets do not meet the accounting definition of asset to be recognised. In line with the guidelines of Circular 66 which puts more emphasis on Municipalities to allocate more financial resources to Water and Sanitation projects, a total of more than 89% of the Capital Budget is meant to assist in eradicating backlogs in the water provision within our communities. Funding for the Capital budget is a combination of grants and internal funding from the Municipality’s accumulated surpluses.

The table below, gives a high level breakdown of grants to be received.

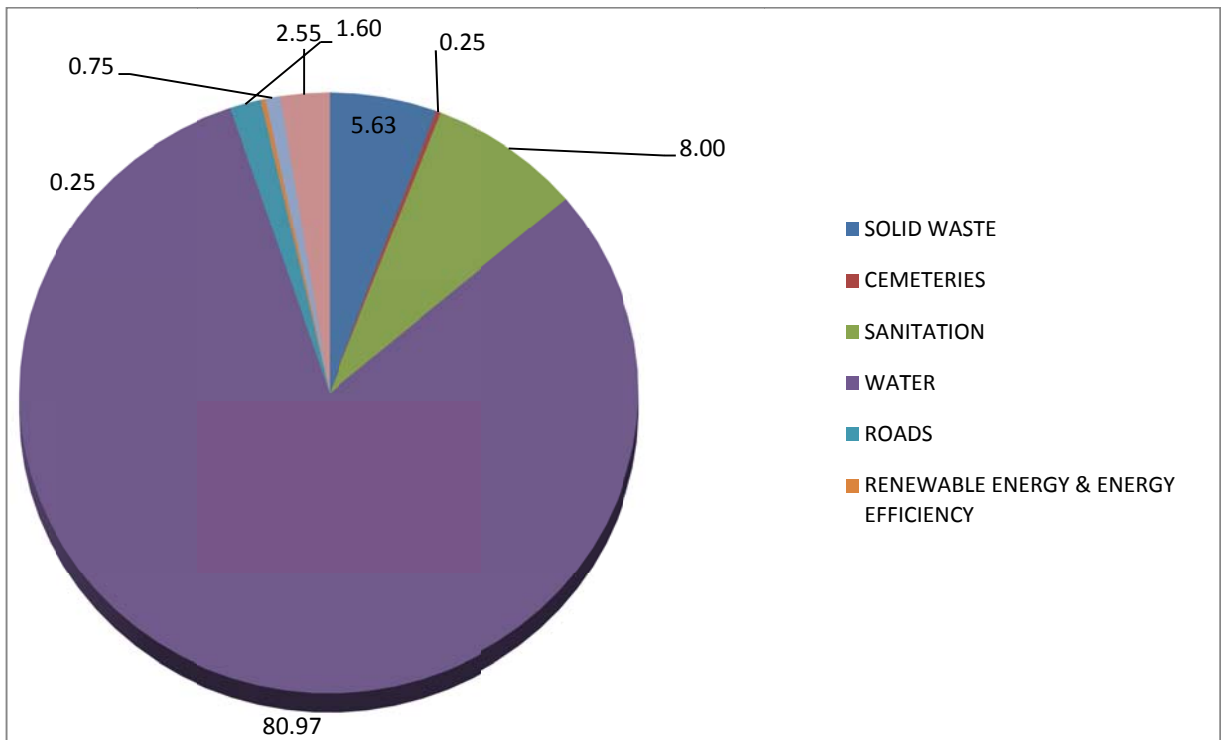
**TABLE 9**

GRANT NAME / FUNDING SOURCE	AMOUNT
MIG	98 872 000
MIG FRONT LOADING	225 000 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	15 000 000
MASSIFICATION	9 606 000
WASTE WATER WORKS	14 267 693
SPORTS GRANT	3 020 464
MATERIALS RECOVERY GRANT	19 553 972
INTERNALLY FUNDED	15 200 000
<b>TOTAL</b>	<b>400 520 129</b>

**TABLE 10**

SOLID WASTE	5.63	22,553,972
CEMETERIES	0.25	1,000,000
SANITATION	8.00	32,025,480
WATER	80.97	324,304,645
ROADS	1.60	6,415,568
RENEWABLE ENERGY & ENERGY EFFICIENCY	0.25	1,000,000
SPORTS	0.75	3,020,464
OPERATIONAL ASSETS	2.55	10,200,000
		<b>400,520,129</b>
<b>EXPENSED</b>		<b>66 015 483</b>
<b>TOTAL CAPEX</b>		<b>334 504 645</b>

**GRAPH 1**



The Municipality has secured a loan facility with DBSA which will be used as MIG front loading to accelerate the implementation of projects. The facility will be made available as and when finances are required through a draw down plan to be drafted with the bank in line with the implementation plan. The corridor development, massification and regional bulk grants are received as part of the strategy to eradicate bulk line backlog provision and improving infrastructure in the corridor between Mpofana Municipality adjoining uMngeni and Mkhambathini Municipalities.

### Capital Grants

The capital grants received from the National Treasury are to assist Municipalities with infrastructure backlogs and improvements to the already existing networks to improve service delivery. Capital Grants makes 19 % of the total income. Further to the operational deficit of the trading service, the Municipality will invest a further R10 200 000 for the purchase of plant machinery to improve the turnaround time and limit water losses.

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Finance portfolio committee chair.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the District IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The District plan is aligned with all seven local Municipalities (originally created by uMDM in July 2012)

The time table that was followed with key milestones is as follows:

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	Milestone 1 (IDP Preparation phase): Submission of 2012/2013 IDP Framework and Process Plans to DCOGTA	31 July 2012	All Municipalities DCOGTA	Submitted Framework and Process plans  PROGRESS: ACHIEVED✓
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	05 July 2012	All municipality	Attendance register and minutes
IDP-BUDGET-OPMS	Prepare 2013/2014 IDP / Budget /OPMS Process Plans	5 – 27 July 2012	All municipalities	Drafts FP-PPs completed
IDP	Provincial Planners Forum	CoGTA to confirm date	All municipalities	Attendance & minutes
IDP	Circulate the draft framework plan internally for preliminary comments and inputs	16 – 20 July 2012	District municipality-IDP office	Circulated draft
IDP	Submit Draft Framework/Process Plans to COGTA	31 July 2012	All municipalities	Letter of acknowledge
OPMS	Signed S57 Manager's Performance Agreements - S53 MFMA and S57 MSA	31 July 2012		

	Milestone 2 : IDP Phase 1 Analysis /Status Quo analysis	28 September 2012	All municipalities	Status quo analysis reportsPROGRESS: ACHIEVED✓
IDP	➤ MEC Panel assesses submitted 2012/2013-2016/2017 IDPs	31 August 2012	MEC Panel	Results of the assessment and response
IDP	➤ Planning Indaba/MEC Panel feedback	21 September 2012	COGTA, Sector Departments, Municipal representatives	Final IDP assessment results
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	20 September 2012	All municipalities and Department of Social Development-Population Unit	Draft status quo reports and data alignment
IDP	Collect data to review Status Quo of the Municipality	01 August 2012	All municipalities	Verified data
OPMS	Draft 2011 / 2012 Annual Performance Report – S46 MSA	31 August 2012	MM / PMS Manager	
IDP-INCORPORATING BUDGET AND OPMS	Submission of Draft Process Plan /FP to all relevant Council Committees	1-30 August 2012	All municipalities	Final drafts submitted
BUDGET	2012 / 2013 First Quarter Budget Review	12 October 2012	Finance	Budget review report
IDP	Advertise Process Plans	01 – 21 September 2012	District municipality/all municipalities	Copies of adverts
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on status quo of the	August – September 2012	All municipalities	Schedule of consultations

	district-one-on-one and Ward-based engagements			
IDP	Status Quo Report to District Coordinating Committee (MM's Forum)	13 September 2012	District Municipality	
IDP	Status Quo Report to District Mayors Forum	14 September 2012	District Municipality	
IDP	Status Quo Report to Exco /Council	20 September 2012	District Municipality/all	
	Milestone 3 Phase 2 & 3 of the IDP: Review Strategies & projects	30 November 2012	All municipalities	Reviewed strategies report PROGRESS: ACHIEVED✓
IDP	Review municipal strategies	1 – 15 November 2012	All municipalities	Report on reviewed strategies
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include the required budget for achieving those objectives	06 November 2012	Internal Departments	Reports /inputs in required format
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	
IDP-INCORPORATING BUDGET AND OPMS	Review sector plans and policies	1 – 15 November 2012	All municipalities	Updated table indicating reviewed strategies

IDP	Meeting with local municipalities to discuss strategies reports /sub cluster	09 November 2012	All municipalities	Alignment of strategies report
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on strategies and priorities of the district- a Representative Forum	16 – 30 November 2012	District municipality (joint engagement of all municipalities, registered stakeholders and service providers)	Aligned Programmes reports
IDP	Strategies Report to District MMs Forum and relevant Committees	11 October 2012	District Municipality	Item: submission of the reviewed strategies report
IDP	Strategies Report to District Mayors Forum	16 November 2013	District Municipality	Item: submission of the reviewed strategies report with MMs recommendations
IDP	Strategies Report to Exco/Full Council	22 November 2012	District / All Municipalities per Council calendars	Item: reviewed strategies report for approval
IDP	IDP Best Practice Conference	06 December 2012	All municipalities COGTA and stakeholders	Attendance and minutes/presentations
IDP	Prioritization of IDP projects	3– 10 December 2012	All municipalities	Projects prioritization lists integrated into the IDP
BUDGET	2012/2013 Budget Mid Term Review	15 January 2013	Finance	Budget Mid-Term review report
BUDGET-IDP	2013 /2014 Interdepartmental Budget Inputs	1 – 14 February 2013	Council Internal Departments	Completed templates aligned to IDP format
IDP-BUDGET	Alignment of IDP and	18- 21 February	All Municipalities / Departments	Completed templates



	Budget	2013		aligned to IDP format
OPMS	Mid-year budget and performance assessment – S72 MFMA	25 January 2013	MM / CFO / S57 Managers / PMS Manager	
OPMS	Schedule Performance Audit Committee meetings twice a year – Reg 14 PPMR	31 January and 31 July 2013	MM / Internal Audit / PAC	
	Milestone 4 Phase 4 & 5 of the IDP: Integration and approval/ Adoption and submission of Draft 2013/2014 IDPs to COGTA	28 March 2013	All municipalities DCOGTA	PROGRESS: ACHIEVED✓
BUDGET	2013 /2014 First Draft Budget	14 March 2013 29 March 2013	Finance Committee Full Council	First Draft Budget report
IDP	➤ Meeting: COGTA and Municipalities on IDP review process 2014/15	14 February 2013	COGTA and Municipal representatives	Updated KZN IDP management Plan
IDP	➤ Municipalities submit draft Reviewed 2013/14 IDPs to COGTA	29 March 2013	COGTA and all municipalities	Proof of submission of draft reviewed IDP
IDP	Representative Forum & Service Providers meeting	21- 22 February 2013	All municipalities, sector departments, Amakhosi and other registered Representative Forum members.	Integration of inputs on priorities, integration /alignment of service providers programmes.
IDP	Draft IDP Report to District Coordinating Committee (MM's Forum)	March 2013	District Municipality	Item: submission of draft IDP to MMs Forum
IDP	Draft IDP Report to District-wide Mayors'	March 2013	District Municipality	Item :submission of draft IDP to District-wide

	Forum			Mayors' Forum
IDP & BUDGET	Draft IDP Report to Exco 2013 /2014 First Draft Budget to EXCO	March 2013	District Municipality	Item :submission of draft IDP to EXCO
BUDGET	Grants Notification to Local Municipalities	15 March 2013	District Municipality	Grants Notification report circulated
IDP	Adoption of Draft IDPs by Councils	March 2013	All Municipalities	Item :submission of draft IDP to Full Council
IDP	Submission of Draft IDPs to COGTA	26 March 2013	All Municipalities DCOGTA	Proof of submitting the draft IDP on time to CoGTA
IDP & BUDGET	Advertise Draft IDPs and draft Budget for Public Comments	30 March – 20 April 2013	All Municipalities	Copies of adverts and directions
	Milestone 5: Assessment of Draft 2013/14 IDPs and self-assessment	26 March –22 April	All Municipalities DCOGTA Sector Depts.	To be achieved
IDP	Meeting with local municipalities –planning sub-cluster on IDP for self-assessment and planning for joint izimbizo. Also prepare for assessments	29-30 March 2013	All Municipalities	Circulated self-assessment tool and draft izimbizo contents. Finalize allocated roles for assessments presentations.
IDP	Analysis of draft IDPs based on IDP Assessment Framework	1 - 4 April 2013	National and Provincial Sector Representatives and Municipal Officials	Attendance by nominated representatives and reports
IDP	➤ IDP Assessment Feedback Session based on IDP Assessment Frameworks	5 April 2013	COGTA: Manager: Municipal Strategic Planning	Attendance by nominated representatives and

			Sector Departments Municipal representatives	reports
OPMS	Review PMS Policy and prepare draft PMS scorecard for inclusion into draft IDP (Ensure draft scorecard indicators are aligned to IDP objectives)	31 March 2013	S57 Managers / IDP Manager / PMS Manager	
IDP & BUDGET	Present Draft IDP/Budget to the community (IZIMBIZO) and all stakeholders	April 2013	All Municipalities jointly	Approved and published schedule of dates for izimbizo
	Milestone 6: Adoption and Submission of final 2013/14 IDPs to COGTA	9 July 2013	All Municipalities COGTA	To be achieved
IDP & BUDGET	Incorporate public comments on Draft IDP and Budget	April –May 2013	All Municipalities	Incorporated comments
IDP	Incorporate comments from the Assessment panel from COGTA	26 April -07 May 2013	All Municipalities	Response-table
BUDGET	Table Final Draft Budget Approve Final Budget 2013 / 2014	14 May 2013 31 May 2013	Finance Committee District Municipality	Council Resolution
IDP-BUDGET-OPMS	Address comments from the Auditor General on the	31 May 2013	All Municipalities	Response-table

	Annual Report of the previous Financial Year			
IDP	Present Final Draft Report to District Coordinating Committee-MM's Forum	07 June 2013	District Municipality	Item: final draft IDP
IDP	Present Final Draft Report to District Mayors Forum	02 August 2013	District Municipality	Item: final draft IDP
IDP	Present Final Draft Report to Exco	20 June 2013	District Municipality	Item: final draft IDP
IDP-OPMS	Adoption of 2013/2014 IDP and performance targets by Council	31 May-30 June 2013	District Municipality	Council Resolution
OPMS	Approved Departmental SDBIPs / Scorecards – S53 MFMA	28 June 2013	Mayor /MM	Report
OPMS-IDP	Approved Municipal / Organisational Scorecard – S44 MSA	30 June 2013	PMS Manager, IDP Manager &MM	Report
OPMS	Performance Reports twice a year – Reg 13 PPMR	25 January and 25 July 2013	Mayor / MM / PMS Manager / S57	Reports
IDP-BUDGET	Submit and publish adopted IDP/Budget to COGTA and Public	09 July 2013	All Municipalities COGTA	Copies of adverts and directions
IDP-BUDGET-OPMS	Prepare Service Delivery and Budget Implementation Plans (SDBIPs)	10 July 2013	All municipalities	Finalized SDBIPs
OPMS	Complete Datasheet and submit to DCoGTA – S47	31 August 2013	MM / CFO / S57 Managers / PMS	Portfolio of evidence on submission

	MSA		Manager	
OPMS	Draft 2011 / 2012 Annual Performance Report – S46 MSA	31 August 2013	MM / PMS Manager	Report
OPMS	Prepare 2011 / 2012 Performance Working Paper File and submit to AG after necessary approvals	31 August 2013	MM / PMS Manager / Internal Audit	Report
IDP	➤ MEC Panel assesses Reviewed IDPs	31 August 2013	COGTA-led panel	Results

### 2.2.2 Overview of budget assumptions

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability.

The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- District growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- Salary and wage collective agreement

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 67 been taken into consideration in the planning and prioritisation process.

### 2.2.3 Community Consultation

The draft 2013/14 MTREF will be tabled before Council on 28 March 2013 for community consultation will be published on the municipality's website.

Ward Committees were utilised to facilitate the community consultation process from 10 to 20 April 2013. The applicable dates and venues will be published in all the local newspapers and website.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the District strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the District response to these requirements.

DC22 uMgungundlovu - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Go al Code	R ef	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
Basic Service Delivery and Infrastructure Development	Efficient and functional infrastructure financially sound Municipality Systems Improvement			38,337	39,968	79,287	93,354	84,428	93,354	387,749	234,077	342,844	
Financial Viability and Financial Management				7,177	4,802	5,000	5,000	17,719	5,000	30,471	381,650	410,788	
Municipal Transformation and Institutional Development					320,053	308,075	431,433	496,378	554,675	495,378	51,345	-	-
Good Governance, Community Participation and Ward Committee Systems		Transparent, consultative municipality			42,294	9,097	429	411	411	411	98,803	2,618	2,746
Local Economic Development and Social Programmes		addressing poverty and creating a vibrant economy. Development of Special Social Programmes									27,176	2,303	2,373
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)			1	407,861	361,943	516,149	595,143	657,233	594,143	595,544	620,648	758,751	

DC22 uMgungundlovu - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

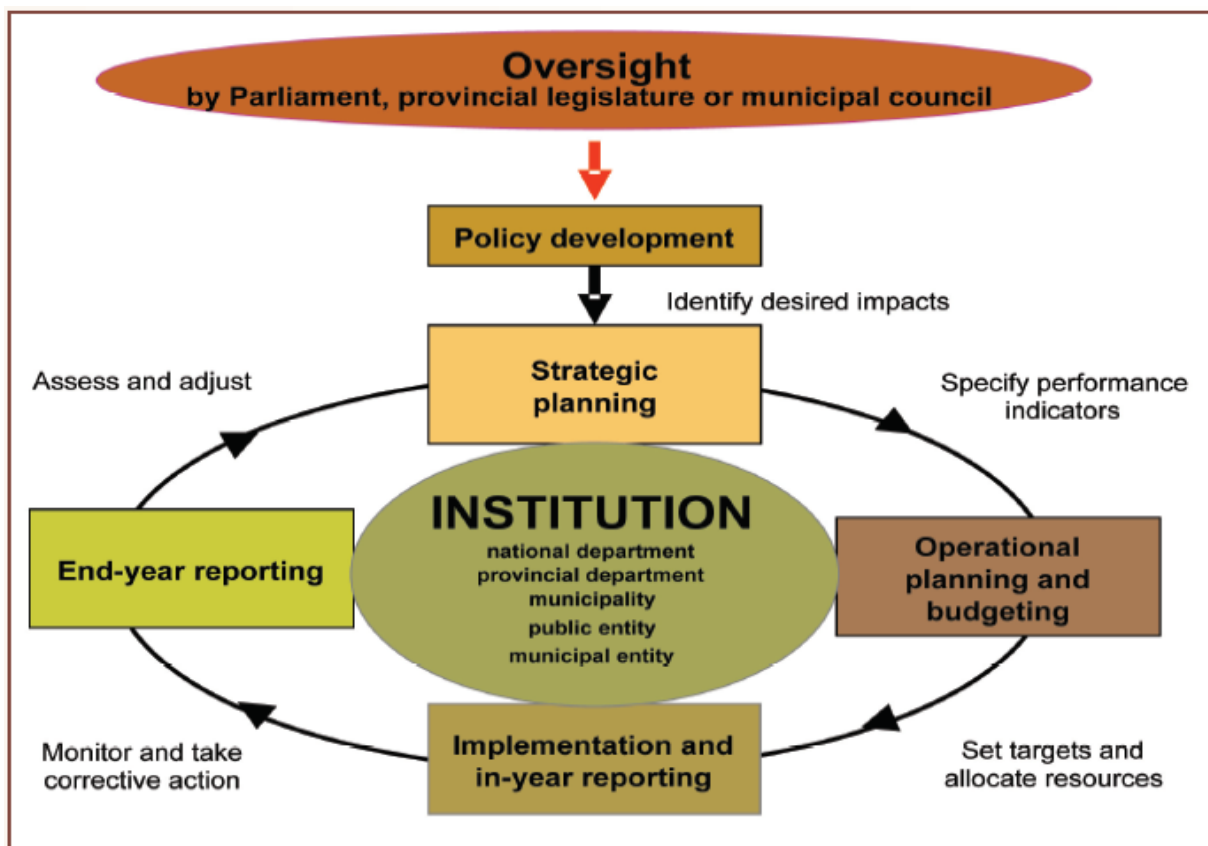
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Basic Service Delivery and Infrastructure Development	Efficient and functional infrastructure			271,159	251,559	248,559	259,273	281,675	286,282	350,590	371,872	390,838
Financial Viability and Financial Management	Gfinancially sound Municipality			24,097	26,097	29,097	43,549	45,988	48,471	21,114	22,275	23,411
Municipal Transformation and Institutional Development	Systems Improvement			42,797	45,797	45,797	65,410	69,073	72,803	40,038	42,096	44,243
Good Governance, Community Participation and Ward Committee Systems	Transparent, consultative municipality			45,021	45,021	45,021	50,897	53,748	56,649	64,933	68,504	71,998
Local Economic Development and Social Programmes	addressing poverty and creating a vibrant economy. Development of Special Social Programmes			35,335	36,244	36,244	63,443	69,500	73,288	67,227	69,069	72,590
Allocations to other priorities												
Total Expenditure			1	418,409	404,718	404,718	482,572	519,984	537,493	543,902	573,816	603,080



### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the District has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



### Figure 1 Planning, budgeting and reporting cycle

The performance of the District relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The District therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the District in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury:

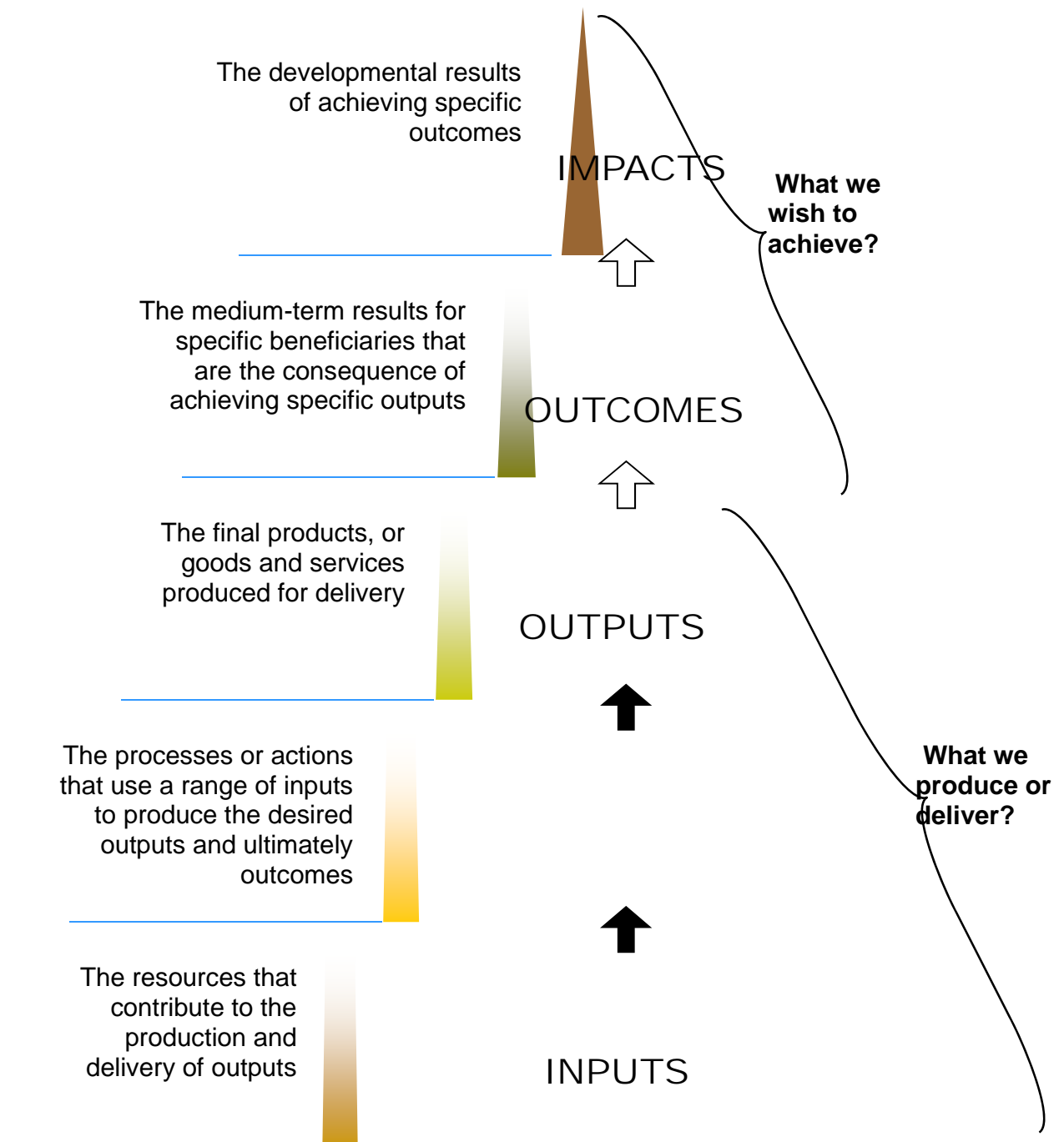


Figure 2 Definition of performance information concepts

## 2.4 Providing clean water and managing waste water

The District is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 95 per cent of the District's bulk water needs are provided directly by uMgeni Water in the form of purified water. The remaining 5 per cent is generated from the District own water sources, such as boreholes and small dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Umgeni Water and the District were awarded Blue Drop status in 2012/13 financial year, indicating that the District drinking water is of exceptional quality.

Waste water treatment works were awarded 38% in terms of risk of waste water in 2012/13, indicating that these plants consistently meet waste water treatment standards of exceptional quality. The plant was selected on random basis. In spite of positive result of the selected plants the majority of plants will require renewals/upgrading to meet the minimum Green Drop certification standards. This has been prioritised as part of the 2011/12 medium term capital budget.

The following is briefly the main challenges facing the District in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel; and
- The Technical Division is working in consultation with the Department of Water Affairs to address training needs.

Negotiations have started with uMgeni water with a view of completely outsourcing all waste water and water works maintenance. This will guarantee that the District is line for green and blue drop status in all our plants

## 2.5 Overview of budget related-policies

The District budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### 2.5.1 Review of credit control and debt collection procedures/policies

While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the account owner be always be responsible for property bills, Accounts will no longer be opened in the name of the tenant.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 70 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

The District embarked on meter audit and the ground is about 99% complete. Information obtained from physical site visit is now to be matched with data base on master file.

### 2.5.2 Asset Management, Infrastructure Investment and Funding Policy

Asset management was the only query raised by AG in 2011/12 audit. The policy review will cover stage of completion, review of useful lives and depreciated replacement cost.

### 2.5.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the District continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### 2.5.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007. An amended policy will be considered by Council on 31 May 2013 of which the amendments will be extensively consulted on.

### 2.5.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District system of delegations. The Budget and Virement Policy was approved by Council in August June 2010 and reviewed in May 2012.

### 2.5.6 Cash Management and Investment Policy

The District Cash Management and Investment Policy was approved by Council in September 2007. The aim of the policy is to ensure that the District surplus cash and investments are adequately managed, especially the funds set

aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

### 2.5.7 Tariff Policies

The District tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was approved on September 2007.

### 2.5.8 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2015. The salary increase for 2013/14 and 2014/15 are 6.95 % and 6.5% respectively.

### 2.5.9 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### 2.5.10 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 90 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2011/12 MTREF of which performance has been factored into the cash flow budget

## 2.6 Overview of budget funding

DC22 uMgungundlovu - Table A1  
Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	38,331	39,968	44,282	93,354	84,428	93,354	55,434	100,153	105,662	111,050
Investment revenue	7,147	4,802	16,688	5,000	17,719	5,000	12,534	12,000	12,660	13,306
Transfers recognised - operational	249,460	264,612	301,021	348,482	418,296	375,236	240,522	381,416	368,621	397,094
Other own revenue	42,291	9,097	68,537	411	411	411	8,958	22,057	369	388
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>337,229</b>	<b>318,480</b>	<b>430,528</b>	<b>447,247</b>	<b>520,854</b>	<b>474,001</b>	<b>317,448</b>	<b>515,626</b>	<b>487,312</b>	<b>521,838</b>
Employee costs	98,386	102,890	130,261	146,168	149,220	147,080	89,707	149,697	157,930	161,469
Remuneration of councillors	8,023	7,852	7,201	7,473	10,330	7,513	6,168	15,579	16,435	17,274
Depreciation & asset impairment	25,421	47,318	78,453	50,410	55,410	50,410	32,225	58,725	61,955	65,115
Finance charges	5,674	3,024	1,460	20,393	7,893	20,393	911	2,000	2,110	2,218
Materials and bulk purchases	41,244	39,680	43,385	52,800	52,800	52,800	32,676	90,489	95,466	100,335
Transfers and grants	-	-	-	7,468	-	7,468	-	9,232	9,740	10,237
Other expenditure	170,735	152,133	199,548	197,860	255,100	117,016	165,111	218,180	230,180	246,435
<b>Total Expenditure</b>	<b>349,483</b>	<b>352,897</b>	<b>460,307</b>	<b>482,572</b>	<b>530,754</b>	<b>402,680</b>	<b>326,798</b>	<b>543,901</b>	<b>573,816</b>	<b>603,080</b>
<b>Surplus/(Deficit)</b>	<b>(12,254)</b>	<b>(34,417)</b>	<b>(29,779)</b>	<b>(35,325)</b>	<b>(9,899)</b>	<b>71,320</b>	<b>(9,350)</b>	<b>(28,275)</b>	<b>(86,504)</b>	<b>(81,243)</b>
Transfers recognised - capital	70,593	43,463	85,514	147,895	136,379	120,142	72,565	79,918	133,336	236,913
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>58,339</b>	<b>9,046</b>	<b>55,735</b>	<b>112,570</b>	<b>126,480</b>	<b>191,462</b>	<b>63,215</b>	<b>51,642</b>	<b>46,832</b>	<b>155,670</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>58,339</b>	<b>9,046</b>	<b>55,735</b>	<b>112,570</b>	<b>126,480</b>	<b>191,462</b>	<b>63,215</b>	<b>51,642</b>	<b>46,832</b>	<b>155,670</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	-	-	-	-	-	-	-	334,505	133,336	236,913
Transfers recognised - capital	70,593	43,463	101,771	147,895	136,379	147,895	-	79,918	133,336	236,913
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	225,000	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-

	-	-	-	-	-	-	-	29,587	-	-
Total sources of capital funds	70,593	43,463	101,771	147,895	136,379	147,895	-	334,505	133,336	236,913
<b>Financial position</b>										
Total current assets	60,838	71,332	91,657	216,247	312,026	397,542	106,173	654,509	661,754	731,339
Total non current assets	692,163	724,189	776,372	1,166,462	978,296	219,320	4,400	119,750	119,750	3,750
Total current liabilities	67,059	59,696	83,317	45,484	86,881	49,817	(5,417)	332,055	406,326	426,946
Total non current liabilities	24,089	21,209	13,993	58,395	209,170	34,324	18,506	240,469	13,269	11,069
Community wealth/Equity	692,973	714,617	770,719	1,175,779	980,664	803,085	56,109	51,642	46,832	155,670
<b>Cash flows</b>										
Net cash from (used) operating	5,505	92,942	181,735	112,570	126,480	129,316	63,333	160,584	125,798	292,026
Net cash from (used) investing	(44,107)	(41,654)	(131,196)	-	-	(72,580)	-	(342,779)	(133,336)	(236,913)
Net cash from (used) financing	(2,476)	(2,866)	(3,243)	412,000	312,000	-	312,000	223,500	(1,510)	(1,468)
Cash/cash equivalents at the year end	34,508	82,930	130,226	654,796	568,706	186,962	505,559	228,266	219,218	272,863
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	35,443	83,865	131,161	160,051	210,261	236,618	28,629	362,016	352,968	406,613
Application of cash and investments	13,938	10,518	56,484	(4,400)	(4,115)	(238,141)	(68,891)	446,923	231,102	180,551
Balance - surplus (shortfall)	21,505	73,347	74,677	164,451	214,376	474,759	97,519	(84,907)	121,866	226,062
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	25,421	47,318	78,453	50,410	55,410	50,410	58,725	58,725	61,955	65,115
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	49,674	49,674	49,674	52,886	52,886	55,795	57,022
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	7,468	-	7,468	9,232	9,232	9,740	10,237
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



## 2.7 Expenditure on allocations and grants programmes

DC22 uMgungundlovu - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>	1, 2									
<b>- Operating Transfers and Grants</b>										
National Government: Local Government Equitable Share		249,460	264,567	300,018	399,513	415,302	375,236	380,424	368,621	397,094
EPWP Incentive		249,460	264,567	300,018	313,704	339,867	299,801	1,000	-	-
RSC Levy Replacement		-	-	-	-	-	-	176,427	192,306	206,602
Finance Management Municipal Systems Improvement		-	-	-	-	-	-	1,250	1,250	1,250
Municipal Infrastructure Grant - Operational		-	-	-	-	-	-	897	934	967
Provincial Government:		-	-	729	1,600	1,116	-	1,000	-	-
		-	-	-	-	-	-	1,000	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	729	1,600	1,116	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	249,460	264,567	300,747	401,114	416,418	375,236	381,424	368,621	397,094
<b>Capital Transfers and Grants</b>										
National Government: Municipal Infrastructure Grant (MIG)		70,593	43,463	83,781	100,572	105,142	104,142	77,449	130,718	234,167
Rural Transport Services and Infrastructure		-	-	-	-	-	-	60,431	88,415	93,381
		-	-	-	-	-	-	2,018	2,303	2,373

		-	-	-	1,700	1,000	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MWIG		70,593	43,463	83,781	98,872	104,142	104,142	15,000	40,000	138,413
Provincial Government:		-	-	-	-	-	-	2,469	2,618	2,746
Sports & Recreation		-	-	-	-	-	-	2,469	2,618	2,746
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	1,732	14,268	30,268	16,000	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	1,732	14,268	30,268	16,000	-	-	-
Total Capital Transfers and Grants	5	70,593	43,463	85,514	114,840	135,410	120,142	79,918	133,336	236,913
TOTAL RECEIPTS OF TRANSFERS & GRANTS		320,053	308,030	386,260	515,953	551,828	495,378	461,342	501,957	634,007

## 2.8 Allocations and grants made by the municipality

### Transfers and grants made by the municipality

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Cost of Free Basic Services</i>	5				7,468		7,468		2,232	2,355	2,475
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	7,468	-	7,468	-	2,232	2,355	2,475
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	-	-	-	7,468	-	7,468	-	2,232	2,355	2,475
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-

Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u> <i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u> <i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u> <i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	7,468	-	7,468	-	2,232	2,355	2,475

## 2.9 Councillor and board member allowances and employee benefits

### Councillor and staff benefits

Summary of Employee and Councillor remuneration  R thousand	R ef	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>	1									
Basic Salaries and Wages Pension and UIF Contributions		-	-	-	-	-	-	11,500	12,133	12,752
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	-	-	-	-	-	11,500	12,133	12,752
% increase	4		-	-	-	-	-	-	5.5%	5.1%
<b><u>Senior Managers of the Municipality</u></b>	2									
Basic Salaries and Wages Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	3	-	-	-	-	-	-	-	-	-
Long service awards Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b><u>Other Municipal Staff</u></b>										

Basic Salaries and Wages		62,777	66,772	79,577	101,358	80,238	79,038	88,707	93,231	97,986
Pension and UIF Contributions		10,882	13,786	20,230	19,661	20,954	20,014	12,455	13,600	14,294
Medical Aid Contributions		3,079	4,168	4,944	5,068	4,853	4,853	5,347	5,620	5,907
Overtime		2,197	2,643	2,898	549	972	972	579	608	639
Performance Bonus		4,875	5,436	6,195	6,779	19,416	19,416	7,152	7,517	7,900
Motor Vehicle Allowance	3	10,497	9,770	10,897	10,701	9,588	9,588	11,289	11,865	12,470
Cellphone Allowance	3	130	73	43	25	47	47	27	28	29
Housing Allowances	3	533	518	561	638	613	613	673	708	744
Other benefits and allowances	3	826	1,161	1,685	121	8,721	8,721	128	135	142
Payments in lieu of leave		3,207	(2,320)	2,011	-	1,800	1,800	-	-	-
Long service awards		573	883	1,220	1,267	2,018	2,018	1,337	1,405	1,477
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		99,576	102,890	130,261	146,168	149,220	147,080	127,693	134,716	141,588
% increase	4		3.3%	26.6%	12.2%	2.1%	(1.4%)	(13.2%)	5.5%	5.1%
Total Parent Municipality		99,576	102,890	130,261	146,168	149,220	147,080	139,193	146,849	154,339
<b>Board Members of Entities</b>			3.3%	26.6%	12.2%	2.1%	(1.4%)	(5.4%)	5.5%	5.1%
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-

<u>Senior Managers of Entities</u>										
Basic Salaries and Wages	-	-	-	-	-	-	-	-	-	
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-	
Medical Aid Contributions	-	-	-	-	-	-	-	-	-	
Overtime	-	-	-	-	-	-	-	-	-	
Performance Bonus	-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	
Payments in lieu of leave	-	-	-	-	-	-	-	-	-	
Long service awards	-	-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	
% increase	4	-	-	-	-	-	-	-	-	
<u>Other Staff of Entities</u>										
Basic Salaries and Wages	-	-	-	-	-	-	-	-	-	
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-	
Medical Aid Contributions	-	-	-	-	-	-	-	-	-	
Overtime	-	-	-	-	-	-	-	-	-	
Performance Bonus	-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	
Payments in lieu of leave	-	-	-	-	-	-	-	-	-	
Long service awards	-	-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	
% increase	4	-	-	-	-	-	-	-	-	
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		99,576	102,890	130,261	146,168	149,220	147,080	139,193	146,849	154,339

% increase	4		3.3%	26.6%	12.2%	2.1%	(1.4%)	(5.4%)	5.5%	5.1%
TOTAL MANAGERS AND STAFF	5,7	99,576	102,890	130,261	146,168	149,220	147,080	127,693	134,716	141,588

## 2.10 Monthly targets for revenue, expenditure and cash flow

### Consolidated budgeted monthly revenue and expenditure

Description	R e f	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	Aug ust	Sep t.	Oct obe r	Nov em ber	Dec em ber	Jan uar y	Feb ruar y	Mar ch	Apri l	May	Jun e	Bud get Year 2013 /14	Bud get Year +1 2014 /15	Bud get Year +2 2015 /16
<b>Revenue By Source</b>	-															
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		7,533	7,533	7,533	7,533	7,533	7,533	7,533	7,533	7,533	7,533	7,533	90,391	95,362	100,226	
Service charges - sanitation revenue		397	397	397	397	397	397	397	397	397	397	397	4,762	5,024	5,280	
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned - external investments		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,660	13,306	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - operational		28,6	28,6	28,6	28,6	28,6	28,6	28,6	28,6	28,6	28,6	28,6	345,	368,	397,	



	98	98	98	98	98	98	98	98	98	98	98	98	375	621	094
Other revenue	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	(8,129)	14,650	369	388
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>39,698</b>	<b>30,498</b>	<b>467,178</b>	<b>482,037</b>	<b>516,294</b>
<b>Expenditure By Type</b>															
Employee related costs	10,641	10,641	10,641	10,641	10,641	10,641	10,641	10,641	10,641	10,641	10,641	10,641	127,693	134,716	141,588
Remuneration of councillors	958	958	958	958	958	958	958	958	958	958	958	958	11,500	12,133	12,751
Debt impairment	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,410	28,929	30,520	32,076
Depreciation & asset impairment	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	4,644	55,725	58,790	61,788
Finance charges	167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,110	2,218
Bulk purchases	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,800	65,199	68,524
Other materials	167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,110	2,218
Contracted services	5,387	5,387	5,387	5,387	5,387	5,387	5,387	5,387	5,387	5,387	5,387	(919)	58,335	61,543	64,682
Transfers and grants	186	186	186	186	186	186	186	186	186	186	186	186	2,232	2,355	2,475
Other expenditure	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	15,214	113,194	119,315
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,617</b>	<b>38,618</b>	<b>463,408</b>	<b>488,790</b>	<b>512,748</b>
<b>Surplus/(Deficit)</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>(8,120)</b>	<b>3,770</b>	<b>(6,753)</b>	<b>3,546</b>
Transfers recognised - capital	9,863	9,863	9,863	9,863	9,863	9,863	9,863	9,863	9,863	9,863	9,863	9,863	118,359	133,336	236,913
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>10,944</b>	<b>1,744</b>	<b>122,129</b>	<b>126,583</b>	<b>240,459</b>
Taxation Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Surplus/(Deficit)	1	10,944	10,944	10,944	10,944	10,944	10,944	10,944	10,944	10,944	10,944	10,944	1,744	122,129	126,583	240,459
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### Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework							
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>																
Receipts																
Ratepayers and other		80,630	51,270	113,201	93,765	84,839	93,765	64,392	105,156	100,756	105,894					
Government - operating	1	249,460	264,567	300,747	348,482	418,296	375,236	240,522	345,375	368,621	397,331					
Government - capital	1	70,593	43,463	85,514	147,895	136,379	120,142	72,565	118,359	133,336	237					
Interest		7,180	4,802	16,688	5,000	17,719	5,000	12,534	12,000	12,660	13,306					
Dividends		-	-	-	-	-	-	-	-	-	-					
Payments																
Suppliers and employees		(343,815)	(352,032)	(458,847)	(462,179)	(522,861)	(382,287)	(325,769)	(456,761)	(561,503)	(417,217)					
Finance charges		(6,080)	(3,024)	(1,460)	(20,393)	(7,893)	(20,393)	(911)	(2,000)	(2,110)	(2,218)					
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-					
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>57,968</b>	<b>9,046</b>	<b>55,842</b>	<b>112,570</b>	<b>126,480</b>	<b>191,463</b>	<b>63,333</b>	<b>122,129</b>	<b>51,760</b>	<b>97,333</b>					
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>																
Receipts																
Proceeds on disposal of PPE		1,369	5,548	-	-	-	-	-	-	-	-					
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-					
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-					
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-					
Payments																
Capital assets		(44,638)	(47,203)	-	-	-	-	-	-	-	-					
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(43,269)</b>	<b>(41,655)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>																
Receipts																
Short term loans		-	-	-	-	-	-	-	-	-	-					
Borrowing long term/refinancing		-	-	23,785	412,000	312,000	312,000	312,000	128,415	-	-					

Increase (decrease) in consumer deposits		-	-	(85)	-	-	-	-	-	-	-	
Payments												
Repayment of borrowing		(2,476)	(2,866)	(1,568)	-	-	-	-	(2,000)	(2,110)	(2,218)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(2,476)</b>	<b>(2,866)</b>	<b>22,132</b>	<b>412,000</b>	<b>312,000</b>	<b>312,000</b>	<b>312,000</b>	<b>312,000</b>	<b>126,415</b>	<b>(2,110)</b>	<b>(2,218)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>12,223</b>	<b>(35,475)</b>	<b>77,974</b>	<b>524,570</b>	<b>438,480</b>	<b>503,463</b>	<b>375,333</b>	<b>248,544</b>	<b>49,650</b>	<b>95,115</b>	
Cash/cash equivalents at the year begin:	2	75,585	87,808	52,334	277,788	210,261	210,261	210,261	167,244	415,788	465,438	
Cash/cash equivalents at the year end:	2	87,808	52,334	130,308	802,358	648,741	713,724	585,594	415,788	465,438	560,552	

## 2.11 Annual budgets and service delivery and implementation plans

### Internal – departments

Office of the Municipal Manager to share R27 493 437 for service delivery.

The total allocation for this department including Executive and Council all inclusive is R47 656 276.

IDP Ref No.	Strategic Objective	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Quarterly Targets				Budget Required	Responsible official
								Q1	Q2	Q3	Q4		
Division / Programme: Performance Management: <b>R690 443</b>													
OMM	To transform the UMDM into a performance driven organisation	OPMS reviewed and implemented	Date of submission of SDBIPs				30-Jun				30-Jun	Nil	M: PM
OMM			No. of Municipal Performance Reports submitted	4	Nil	4	4	1	1	1	1	Nil	M: PM
OMM		IPMS iro Section 56 / 57 Managers reviewed and implemented	No. of Performance agreements signed	5	Nil	5	5	5	0	0	0	Nil	M: PM

OM M			No. of Section 56 / 57 employee appraisals conducted	5	Nil	5	5	0	0	5	0	Nil	M: PM
OM M		Annual Report developed and adopted	No. of Reports	1	Nil	1	1	0	0	1	0	100000	M: PM
OM M		Oversight Process facilitated and adopted	No. of Reports	1	Nil	1	1	0	0	1	0	30000	M: PM
		Mayor's Service Excellence Awards Ceremony held	Date of Ceremony				15-Dec		15-Dec			175000	

### KPA: GOOD GOVERNANCE OMM: IDP UNIT

Priority Area: Integrated Development Planning							Budget: R500 000						Budget / indicator (where available)
IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	
OM M	Preparation for IDP compilation or review	Development of the IDP-Budget-OPMS aligned Framework-Process Plan	Approved IDP-Budget-OPMS aligned Framework-Process Plan	Date of adoption				30 Sept	30 Sept				Part of R500 000
OM M	To facilitate and coordinate the compilation or annual	Internal resources will be used to comply with Legislation and	A credible IDP compiled or reviewed	Date of adoption of Draft IDP				31-Mar			31-Mar		Part of R500 000
OM M				Date of adoption of final				30-Jun			30-Jun	Part of R500 000	

	review of the IDP	minimum requirements		IDP									
OMM	To implement the approved IDP Framework Process Plan	A phased approach involving all Council structure and the Community	Each Phase's Report	Date of sign-off by the Municipal Manager or MANCO submission				5 phases or chapters	Phase 0 & 1 – Chapter 2	Phase 2 /Chapter 3	Draft IDP (All chapters)	Final Draft IDP or all Chapters as final	Part of R500 000
OMM	To involve the Community and Public in IDP processes	IDP Representative Forum and Mayoral Izimbizo co-ordination	A response matrix and action plan on the issues raised by Communities and the Public	Copy of advert and records of the actual events held				3		1		2	Part of the R500 000 and top-up from other relevant Units.
OMM	To compile and print the IDP popular version both in isiZulu and English	To make the IDP document to be more accessible and simplified.	Copies	Number of copies compiled and printed for distribution				2000				2000	As part of R500 000

IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Priority Area: Internal Audit							Budget: R13 565						
OMM 13	To provide reasonable assurance on the adequacy and effectiveness of the systems of internal control.	Capacitate the Shared Service	Approved Audit Plan implemented	Date of approval of Risk Based Annual Audit Plan by Audit Committee				30-Jun	30-Jun				Nil
OMM 14				No. of Audit Reports submitted	30	Nil	Nil	30	4	6	12	8	R 1,556,827.00

**KPA: GOOD GOVERNANCE -OMM: LEGAL ADVISORY SERVICES**

IDP Ref No.	Strategic Objective	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target					Budget Required	Responsible official	
								Q1	Q2	Q3	Q4			
Division / Programme: Legal and Compliance Services: <b>PART OF OMM</b>														
OMM	To provide legal support to the organisation, generally	Sound general legal advice & litigation control	Reduced claims against uMD M, increased enforcement of uMD M claims	100%	50%	50%	30-Jun					30-Jun	R1 million contingency for legal claims and costs	LA

OMM		Contract Management in collaboration with SCM unit	Draft & implement contract management Strategy, including procurement of contract management system	100%	0	100%	30-June	Draft Strategy	Approval of Strategy	Commence Implementation of Strategy	Procurement system	R250 000 for CMS	LA
OMM		Debt Collection support to Revenue Unit	Procure panel of attorneys, hand over matters and commence debt management strategy	100%	0	100%	30-June				30-June	R500 000 for attorney panel fees Notes: Policy and process to effected after write-off	LA
OMM		Labour Relations Law support to Corporate Services	Efficient and effective dispute resolution mechanisms	100%	60%	40%	30-June				30-June		LA





<p>metro with full ICT compliance.</p> <ul style="list-style-type: none"> <li>- Build a functional and high performing legislatively compliant ICT environment.</li> </ul>	<p>ICT DRP, BCP and backup strategies developed, tested and commissioned</p> <p>All ICT related AG queries addressed</p>	<p>Date of DRP and BCP reviewed, tested and commissioned.</p> <p>% of AG queries addressed fully.</p>	<p>100%</p>	<p>94%</p>	<p>6%</p>	<p>31-Mar</p> <p>100%</p>	<p>100%</p>	<p>100%</p>	<p>31-Mar</p> <p>100%</p>	<p>M:ICT</p>
<ul style="list-style-type: none"> <li>- Implement MSP projects in order to stabilize ICT and align it to business</li> <li>- Deployment of systems which improve Municipal business operations and administration</li> <li>- Smart Conne</li> </ul>	<p>GCIS aligned Website online with all legislative requirements met</p>	<p>% compliant website online</p>	<p>100%</p>	<p>?</p>	<p>?</p>	<p>100% compliant website that is online 24/7.</p>	<p>100% compliant website that is online 24/7.</p>	<p>100% compliant website that is online 24/7.</p>	<p>100% compliant website that is online 24/7.</p>	<p>M:ICT</p>



time loss														
Fully automated PMS system with monitoring and evaluation functions deployed and operational	Date of Service Provider appointed				30-Sep	30-Sep	Service provider appointed to implement EPMS	50% implementation of the system	100% Implementation of the system	100% Operational Electronic Performance Management System (PMS) implemented June 2014			R 1 million required to implement the system and to cascade it down to lowest level	M:I CT
Smart Connexion technology Week	Date of the Event	100%	0%	100%	100% Operational Electronic Performance Management System (PMS) implemented June 2014	1st Week of May			1st Week of May			R500000	M:I CT	

KPA: GOOD GOVERNANCE OMM: COMMUNICATIONS

Priority Area: Communications						Budget: R PART OF OMM										
ID P Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget required	Responsible official		
OM M 22	Provide effective communication to all stakeholders of the UMDM	A Service Provider will be appointed to provide this service	Finalise, Adopt and Implement Communications Strategy developed	Date of final completion of Communication Strategy 19 April				30-Jun				30-Jun		M:C		
			Corporate Communication: Internal & External	No. of External Newsletters produced and disseminated  Establish internal newsletter  Update Website  Quarterly staff information sessions	4	Nil	4	4	1	1	1	1				
			Corporate Identity	Produce Corporate Identity Manual		01 May										
			Events Management	Events Calendar to be approved by all Council structures												
			Stakeholder Management	Effective quarterly meetings with various stakeholders												

			Media Relations and Media Monitoring	Quarterly meetings with media										
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KPA : Good Governance and Public Participation

Department : Office of the Municipal Manager

Division: WSA (BUDGET PART OF TECHNICAL SERVICES-SEE CAPITAL INVESTMENT IN SECTION E)-

R2 306 992

IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Dem and	Base line	Back log	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
0mm	To trace areas with 3 categories of water and sanitation services backlogs(unserved, failing infrastructure, infrastructure reached its lifespan) in line with the WSDP	Monitor implementation of the WSDP	Documents detailing LM, wards and households with backlogs	WSDP review and community survey	47 wards	0	0	47	12	12	12	11	

OMM	To conduct an Indigent household registration	Analyse billing statements	Indigent Register	Distribution and collection of indigent register questionnaire( designed by DWA)	47 wards	0	0	47	12	12	12	11	
OMM	To ensure enforcement of WS bylaws in the provision of water services	Enforcement of bylaws	Reports of incidences where WS Bylaws were enforced	Call ins or detection of infringement of bylaws & enforcement process e.g. meeting minutes.	As and when								

Water Services Authority: Sanitation

KPA: GOOD GOVERNANCE: OFFICE OF THE MUNICIPAL MANAGER (OTHER BUDGET PART OF TECHNICAL SERVICES-SEE CAPITAL INVESTMENT IN SECTION E),

IDP Ref No.	Strategic Objective	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Quarterly Targets				Budget Required	Responsible official
								Q 1	Q 2	Q 3	Q 4		
Division / Programme: Water Services Authority: R2 306 992													
OMM 1	To provide access to sustainable quality drinking water and sanitation services												M: WSA
OMM 2		Households with access to basic (or higher) levels of sanitation	No of households	74 713	74 713	1390 6	35 00	8 7 5	8 7 5	8 7 5	8 7 5	MIG Funding	M: WSA

OMM 3		Households with access to free basic sanitation	No of households	Per Indigent Register											M: WSA
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**KPA: GOOD GOVERNANCE: OMM RESEARCH AND DEVELOPMENT**

IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget required	Responsible official
<b>Priority Area: Research and Development Total Budget R 1.600 000</b>														
OMM	To champion research and development that will form basis for informed planning	Conduct frontline service delivery monitoring of Customer Care Centres and reception	Frontline Service Delivery Monitoring Report produced	Frontline Service Delivery Monitoring Report	1	0	1	30-Jun				30-Jun	100 000	M:R &D
		To conduct Annual Client Satisfaction / Quality of Life Survey	Client Satisfaction/ QOL Report produced	Client Satisfaction/ QOL report	1	0	1	30 July 2013	30 July 2013				500 000	
OMM	To collaborate with relevant stakeholders in conducti	Conduct survey on profile of boys in the district	Profiling of Boy child in the district conducted	Report on Profile of Boys in the district	1	0	1	30 June				30 June	500 000	

OM M	ng research	Collaborate with UNICEF in monitoring implementation of Millenium Development Goals	DevInfo Software bought  Report on service delivery monitoring produced	Service Delivery Report	1	0	1	30 June				30 June	250 000	
OM M		Collaborate with UKZN in the usage of Research students and graduates	MOU signed	MOU	1	0	1	July 2013					0	
		Collaborate with the department of Social Development in conducting surveys in the district	MOU Signed	MOU	1	0	1	July 2013					250 000	

**KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (FOR ALLOCATED FUNDS: TO BE READ WITH SECTION E IMPLEMENTATION PLAMN-FIVE YEAR CAPITAL INVESTMENT FRAMEWORK). THE TOTAL ALLOCATED TO THIS DEPARTMENT FROM INTERNAL BUDGET IS: R273 526.005 IN 2013/2014**

The uMgungundlovu District Municipality (uMDM) is the Water Service Authority (WSA) and Water Service Provider (WSP) for six of the seven local municipalities within its jurisdiction, is therefore responsible for the provision of water and sanitation services within these areas. The Water Services Development Plan was reviewed and adopted in September 2010 and is updated annually.



**PROJECT PHASES FOR PROJECTS IN TECHNICAL SERVICES**

- |   |  |
|---|--|
| 1. Appointment service provider for feasibility study and business plan | 6. Project tender stage                                    |
| 2. Completion of feasibility study                                      | 7. Award of contract                                       |
| 3. Approval of project business plan and registration with MIG          | 8. Project Implementation as per Project Plan / GANT Chart |
| 4. Project preliminary design   | 9. Project Completion                                      |
| 5. Project detailed design  | 10. Project handed over to O&M                             |

**NB. SEE CAPITAL BUDGET IN SECTION E: IMPLEMENTATION PLAN**

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
<b>Priority Area: Water Provision</b>								<b>Budget: R ( includes Sanitation)</b>					
Te ch 1	To improve access to basic levels of water	MIG funding used and contractors to be appointed	uMshwathi: Lindokuhle&Mpolweni Water Supply	No. of project phases completed	10	8	2	1 phase: 9	9	9	9	9	SEE CAPITAL BUDGET
Te ch 2			Impendle: Nhlambamasoka, Nhlathimbe&Khathikhathi	No. of project phases completed	10	8	2	1 phase: 9	9	9	9	9	
ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Te ch 3			Impendle: Nkangala / Glen project	No. of project phases completed	10	7	3	3phase: 8-10	8	8	9	10	
Te ch 4			Impendle: Smilobha, NtokozweniLindokuhle&Fikesuthu Water Project	No. of project phases completed	10	8	2	3 phases: 8-10	8	8	9	10	
Te ch 6			Impendle:KwaNovukaWater Supply Scheme 2	No. of project phases completed	10	8	2	1 phase: 9	9	9	9	9	
Te ch 7			Impendle: LM Bulk Water Supply Project	No. of project phases completed	10	8	2	1 phase:8	8	8	8	8	

Te ch 8		Impendle: Enguga (Swampo) Phase 4 Water Supply	No. of project phases completed	10	7	3	3phase: 8-10	8	8	9	10	
Te ch 9		uMshwathi: Mpethu&Mbhava Water Supply	No. of project phases completed	10	7	3	2phase s8&9	8	8	8	9	

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Te ch 10			Richmond: Ephatheni project	No. of project phases completed	10	7	3	1 phase: 8	8	8	8	8	
Te ch 11			Gengeshe Water	No. of project phases completed	10	7	3	1 phase: 8	8	8	8	8	
Te ch 14			Mkhambathini: Greater Eston (Ukhalo)	No. of project phases completed	10	7	3	1 phase: 8	8	8	8	8	
Te ch 15			Hhaza, KwaChiefMashingeni Water Supply	No. of project phases completed	10	5	5	3 phases 6-8	6	7	8	8	
Te ch 16			Ebuhleni Water Project	No. of project phases completed	10	7	3	3 phases 8-10	8	8	9	10	
Te ch 17			Craigie burn Bulk Water Supply	No. of project phases completed	10	4	6	2 phases 5&6	5	5	5	6	
Te ch 18			Umshwathi Regional Bulk Supply	No. of project phases completed	10	2	8	1 phase: 3	3	3	3	3	

IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Tech 19			Umshwathi Slum Water	No. of project phases completed	10	2	8	1 phase: 3	3	3	3	3	Budget reflected in the attached Capital Works Plan
Tech 20			Dalton Cool-Air Water	No. of project phases completed	10	1	9	7 phases: 8	4	6	8	8	
Tech 21			Hilton N3 Corridor Development	No. of project phases completed	10	2	8	1 phase: 3	3	3	3	3	
Tech 22			CedaraKhanya Village Bulk Water	No. of project phases completed	10	2	8	1 phase: 3	3	3	3	3	
Tech 23			Muden Water Supply	No. of project phases completed	10	1	9	2 phases: 2&3	2	2	3	3	
Tech 24			Zwelethu Housing Development Bulk Water	No. of project phases completed	10	1	9	7 phases: 8	4	6	8	8	
Tech 25			Amanda's Hill Housing Development Bulk Water	No. of project phases completed	10	1	9	2 phases 2&3	2	2	3	3	
Tech 26			St Bernards Housing Development Bulk Water	No. of project phases completed	10	1	9	2 phases 2&3	2	2	3	3	
Tech 27			Enguga, Entshayabantu Mackian Phase 5 Abstraction	No. of project phases completed	10	7	3	3 phases 8-10	8	8	9	10	

IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
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ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Te ch 28			Maqongqo Phase 2	No. of project phases completed	10	7	3	1 phase:8	8	8	8	8	Budget reflected in the attached Capital Works Plan
Te ch 29			Maqongqo Phase 3	No. of project phases completed	10	7	3	1 phase:8	8	8	8	8	
			Maqongqo Phase 4	No. of project phases completed	10	7	3	1 phase:8	8	8	8	8	
			Howick AC Pipe Replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Merrivale AC Pipe replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Merrivale Heights AC Pipe Replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Hilton AC Pipe Replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Richmond AC Pipe Replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Rosetta AC Pipe Replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Mooi River AC Pipe Replacement	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	

ID P Re f No	Strategic Objective	Strate gies	Measurable Outputs	Perform ance Measure (KPI)	Dem and	Basel ine	Backl og	Annual Target	Q1 targ et 30 Sep	Q2 targ et 31 Dec	Q3 targ et 31 Mar	Q4 targ et 30 Jun	Budge t/ indica tor (wher e availa ble)
			Camperdown AC Replacement	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Wartburg AC Pipe Replacement	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Manzamyama Water Reticulation	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Manyavu Water Reticulation	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Nkanyezini Water Reticulation	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Construction of Reservoirs at Manyavu, Nkanyezini & Manzamyama	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Pumlas Water Reticulation	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Lions River Water Reticulation	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Burnam Wood Water Reticulation	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	
			uMngeni LM Pressure Management	No. of project phases complete d	10	3	7	3 phases: 4,5&6	4	4	5	6	

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
			uMshwathi LM Pressure Management	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Richmond Town Pressure Management	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Mooi River Pressure Management	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Swayimane Pressure Management	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
			Mkhambathini Pressure Management	No. of project phases completed	10	3	7	3 phases: 4,5&6	4	4	5	6	
<b>Priority Area: Sanitation Provision</b>									<b>Budget: R ( includes Water)</b>				
ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Te ch 30	To improve access to basic levels of sanitation	MIG funding used and contractors to be appointed	uMngeni: Hlaza Sanitation project	No. of toilets completed	1479	600	879	879	220	440	660	879	Budget reflected in the attached Capital Works Plan
Te ch 31													
Te ch 32			uMngeni: Mpophomeni Waste Water Works	No. of project phases completed	10	1	9	7 phases 2-8	3	6	7	8	

ID P Ref No .	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Tech 33			Mpofana: Muden VIP San project	No. of toilets completed	2237	1205	1437	1000	1050	1300	1550	1800	
Tech 34			Khayelisha Housing Project	No. of project phases completed	10	7	3	2 phases : 8&9	8	8	8	9	
ID P Ref No .	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Tech 35			Swayimane 11	No. of toilets completed	500	0	500	500	0	0	250	500	Budget reflected in the attached Capital Works Plan
Tech 36			Gengeshe Sanitation	No. of toilets completed	To co			500	0	0	250	500	
Tech 37			Mpolweni Sanitation	No. of toilets completed	0	3900	3900	500	0	0	250	500	
Tech 38			Appelsbosch Rehabilitation	No. of project phases completed	10	7	3	3 phases: 8-10	8	8	9	10	
Tech 39			Mpofana Rehabilitation	No. of project phases completed	10	7	3	3 phases: 8-10	8	8	9	10	
Tech 40			uMshwathi Slump Bulk Sewer	No. of project phases completed	10	2	8	1 phase: 3	3	3	3	3	
Tech 41			Dalton & Cool-Air Bulk Sewer	No. of project phases completed	10	1	9	7 phases: 8	4	6	8	8	

ID P Ref No .	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Tech 42			Mooi River Water Works Sewer	No. of project phases completed	10	1	9	2 phases 2-3	2	2	3	3	
ID P Ref No .	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Tech 43			Impendle: Enguga, Entshiyabantu & Maksam VIP Sanitation project	No. of toilets completed	1441	906	535	535	267	535	0	0	Budget reflected in the attached Capital Works Plan
Tech 45			Impendle: Smilobha Fikesuthi VIP Sanitation project	No. of toilets completed	1826	1112	714	714	714	0	0	0	
Tech 46			Mkhambathini: Waste Water Works project	No. of project phases completed	10	6	4	2 phases 7&8	7	7	8	8	
Tech 47			Richmond: Hopewell Ward 4 VIP Sanitation project	No. of toilets completed	4000	650	3350	1200	950	1250	1550	1850	
Tech 48			Craigieburn	No. of project phases completed	10	4	6	2 phases 5&6	5	5	5	6	
Tech 49			Richmond Waste Water	No. of project phases completed	10	2	8	4 phases 3-6	3	4	5	6	
ID P Ref No .	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)



ID P Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
TECH 50			iMpendle Village	No. of project phases completed	10	3	7	3 phases 4-6	4	4	5	6	Budget reflected in the attached Capital Works Plan

### SOLID WASTE MANAGEMENT, CEMETERIES, CLIMATE CHANGE ADAPTATION AND MITIGATION

Priority Area: Solid Waste Management						Budget: 10,000,000						Budget / indicator (where available)	
ID P Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
TECH	To develop a long term regional waste disposal facility within the UMDM	Obtain stakeholder approval for preferred site. Conclude purchase agreement with landowners. Obtain license and environmental authorisation for preferred site.	District Landfill Site	No of Project Phases Completed				Land Purchase Agreement approved EIA completed successfully Waste Management License obtained	Land Purchase Agreement approved and EIA starts	33% of EIA completed	66% of EIA Completed	EIA approved with Waste Management License	R1,000,000
TECH	Upgrade Richmond Landfill Site	Secure Funding Appoint Contractors as tender document complete	Upgraded Landfill Site	No of Project Phases Completed	10	5	5	10	6&7	8	8	8&9&10	R3,500,000
	Purchase Compact	Secure Funding Develop	Landfill Compacto	No of Project Phases	10	4	6	10	6&7	8	9	10	R 1,000,000

	tor for Mpofana Landfill Site	Tender Appoint Supplier	r										
TECH	Establishment and Operation of a Material Recovery Facilities, Source Separation Systems and Support to Small Recyclers	Construct MRFs Secure Supply and Markets for Recyclables Establish Recyclable Collection Systems for Small Recyclers Secure External Funding	MRFs Built  Increasing Recyclable Materials Recovered and Sold at Better Prices  Small Recyclers Market Share Improved	No of Project Phases and Recycling Rate	10	4	6	10 and 40% Recycling Rate	8	8	9&10	40% Recycling Rate	UMDM Co Funding R 3,000,000
TECH	Establishment of a Biodigester	Secure Internal and External Funding  Complete Feasibility Study Establish PPP with Multi Stakeholders  Undertake EIA process  Apply for 5 <sup>th</sup> Window of IPP for Renewable Energy License  Design Biodigester	Biodigester or Designed, Tendered and Built  Feedstock Secured	Funding Secured  Feasibility Study Completed  PPP Established  EIA process complete  Application for IPP license submitted and secured				Funding Secured Feasibility Study Completed PPP Process underway  IPP REBIDD ready for submission	Funding Secured	Feasibility Study on-going	Feasibility Study Completed  EIA process underway	PPP establishment process underway  EIA Process on-going  IPP REBID application prepared	R500,000
TECH	Establishment of a	Obtain EIA and Waste Management	Composting Facility Establish	EIA obtained Waste				EIA obtained Waste	EIA obtained	Waste Management	Funding Secured	Tender Awarded	R1,000,000

	Composting Facility	Secure capital funding Establish PPP Prepare Design and Tender Document	ed	Management License obtained Funding Secured Proposal Call undertaken for PPP PPP agreement				Management License secured Funding Secured for Capex PPP agreement Construction Begins for facility	Proposal Call for PPP	License obtained PPP appointed	Tender for Construction of Facility ready		
TECH													

## CEMETERIES

Priority Area: Cemeteries													Budget: 1000,000			
ID P Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)			
TECH	Establish a Cemetery at Mooi River	Secure Landowners Consent to sell Undertake Basic Assessment Design Cemetery and Associated Infrastructure Advertise Tender and Appoint Contractor	Cemetery for Medium Term Established	No of Project Phases	10	2	8	10	5 and Purchase Agreement Signed Basic Assessment Commences	6&7	8	8&9&10	R500,000			

TECH	Establish a Cemetery at Richmond	Obtain Landowners Consent to sell  Complete Basic Assessment  Advertise Tender and Appoint Contractor	Cemetery for Medium Term	No of Project Phases	10	2	8	10	5	6&7	8	8&9&10	R500,000
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### CLIMATE CHANGE MITIGATION AND ADAPTATION

Priority Area: Climate Change Mitigation and Adaption						Budget: R1,000,000							
IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
TECH	Adopt a climate change response strategy	Finalise climate change response strategy with multi stakeholders	Climate Change Response Strategy	Climate Change Response Strategies and Plans				Climate Change Response Plan adopted	Consultants submit final strategy	Plan Adopted by Council	Plan is communicated to citizens		R250,000
TECH	Implement Mitigation and Adoption Projects	Develop implementable and high Impact project Ideas  Develop proposals for funding and support  Secure Funding	Project Proposals and Fundraising Strategy	Project Proposals submitted to funders				Secure Funding for Mitigation and Adaption Projects	Submit proposals and secure partial funding	Implement Projects and Submit Proposals for Support	Implement Projects and Submit Proposals for Support	Implement Projects and Submit Proposals for Support	R750,000

DEPARTMENT OF COMMUNITY SERVICES:  
 EMERGENCY SERVICES (Community Services as  
 a Department: inclusively has R69 450 306 in  
 2013/2014)

Key Performance Area: Social  
 Development Services

Division / Programme: Disaster Management Services: R2 083 240													
IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Com	To engage communities and sector dept. to reduce disaster occurrences through mitigation strategies, sustainable	Conduct risk mapping with sector dept. towards infrastructural sustainable	Legal compliance with NDMF of 2005	8	1	7	8	1	2	2	2	R120,000	HODM

	development, education and awareness	development												
Com		emergency plan for schools	Promote safety at schools and environment	40	0	40	40	10	10	10		R50,000	HODM	
Com		social crime prevention with community safety and liaison	Reduced social crime activities(CPF)	7	0	7	7	1	2	2		R50,000	HODM	
Com		develop communicable diseases structures with HP's/health	exhibition reduce health hazard/epidemic	7	0	7	7	1	2	2		R1,5 MILLION	HODM	
Com		Roll out of education, awareness on fire/flooding weather patterns early warning system	Media slots and supplementary document seasonally	4	0	4	4	1	1	1		R200,000	HODM	
Com		Response to disaster through ICMS(software)	average response time	100%	72minutes								HODM	

### Fire Services

IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target	Q3 target	Q4 target 30 Jun	Budget / indicator (where available)

											31 Dec	31 Mar	
Priority Area: Emergency Services - Fire and Emergency								Budget: R3 171 345					
Com 1	To protect and save life and property from fire and other threatening hazards and to render humanitarian aid	Ensuring that Fire Fighters are highly trained by providing the required training	Effective handling of incidents by Fire Personnel	No. of Fire Fighters undergone specialized training	99	0	99	50	12	13	12	13	R640 000
Com 2		Leasing of Fire engines for	Availability of response vehicles in case of incident	No. of Fire engine leased	8	3	5	2	0	0	1	1	R1 400 000

		res po ndi ng pur po se											
Com 3		Fire Pre vent ion Pla n im ple me nte d	Less fire related incident s caused by Communi ties	No. of presentations made at schools  SANS standard	60	0	60	60	15	15	15	15	

**Key Performance Area: Social  
Development Services**

IDP Ref No.	Str ate gic Ob jec tiv e	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	An nu al Ta rg et	Quarterly Targets				B u d g e t  R e q u i r e d	Resp onsib le offic ial
								Q 1	Q 2	Q 3	Q 4		
Division / Programme: Environmental Health Services: R2 025 952													
Com 1	C on du ct fo od sa fet y m on ito rin g	legal compli ance of food premises	No of dairies inspected	7 LMs	2 L M s	5 LMs	25	6	6	6	7	R 6 0 0 0	M: SD



			No of food premises inspected	7 LMs	2 LMs	5 LMs	100	25	25	25	25	R	M: SD
Com 2	Conduct water and wastewater quality monitoring	test at polluted and suspected polluted sources conducted	No of tests conducted	7 LMs	2 LMs	5 LMs	48	12	12	12	12	R	M: SD
		test at waste water treatment plants conducted	No of tests conducted	7 LMs	6 LMs	1 LMs	48	12	12	12	12	R	M: SD
Com 3	Promote safe and pr	public educated and informed on proper waste management practices	No of training sessions conducted	7 LMs	2 LMs	5 LMs	4	1	1	1	1	R	M: SD

	op er w as te m an ag e m en t														
			No of education al pamphlets , posters and handbills distributed	7 LMs	2 L M s	5 LMs	10000	2500	2 5 0 0	2 5 0 0	25 00	R	M: SD	5 0 0 0	
Com 4	C on du ct the alt h ca re ris k w as te m on ito rin g	Audit of health care risk waste generators	No. of medical facilities audited	7 LMs	2 L M s	5 LMs	12	4	4	4	4	R	M: SD	1 0 0 0	
Com 5	E ns ur e sa fe ha nd lin g	Undertake rs and mortuaries audited for legal compliance	No of funeral undertaker s premises inspected	7 LMs	2 L M s	5 LMs	20	5	5	5	5	R	M: SD	1 0 0 0	

	and disposal of the dead																
Com 6	Preparation to deal with Vector and pest control	Problem sites treated with pesticide, rodent bait and larvicide	No of sites treated	7 LMs	2 LMs	5 LMs		12		4	4	4	4	R	M:	SD	50000

### HIV/AIDS PROGRAMME

Priority Area: HIV and Aids								Budget: R2 150 000						
ID P Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)	Responsible
														Off



	ps on LAC/WAC Coordination integrated with Operation Sukuma Sakhe.													
Com 20	To strengthen HIV/AIDS coordination work from the Ward AIDS Councils by offering each Local AIDS Council with a R10 000-project budget on condition that a Project Proposal is submitted & it incorporates the involvement of War Rooms, Local AIDS Council, Ward AIDS Councils.	Each Local AIDS Council will forward a Project Proposal integrating WAC/ War Room to the DAC Secretariat.	No. of Project Proposals submitted by each Local AIDS Council.	7	0	0	7		7					R 70 000
	Ensure greater involvement of PLWHIV on mainstream economic development	Increased number of PLWHIV on mainstream small economic development opportunities.	No. of PLWHIV offered business skills & start-up kits.	540	140	400	70			70				R 350 000

	opportunities by offering business related skills & business start-up kits.												
C o m 21	Offer training on Basic HIV/AIDS Counselling and Safety to Traditional Practitioners	Increased knowledge, awareness & safety practices and use of referral systems by the Traditional Practitioners.	No. of training courses completed	300	70	230	70					70	R300 000

**WOMEN, CHILDREN, ELDERLY AND DISABLED**

Priority Area: Women, Children, Elderly and Disabled								Budget: R2 000 000					Budget / indicator (where available)	Responsible official
ID P Ref No .	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (K	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun		

				P I )											
Co m 22 Q1	Enhance the Economic Status of women particularly the rural & urban poor with the view to reducing poverty & improving their quality of life & status	Work will be conducted in line with detailed Action Plans that are aligned to National and Provincial & District Programmes	Human rights of Women, promoted by means of an Implementation Plan	N o . o f s e s s i o n s h e l d	4	0	0	4	1	1	1	1	R130 000		
Co m 22 Q1	To provide recreational activities for promotion of healthy life style for the senior citizens	Work will be conducted in line with detailed Action Plans that are aligned to National and Provincial & District Programmes	Facilitate the implementation & promotion of healthy styles	N o . o f s e s s i o n s h e l d	4	0	0	4	1	1	1	1	R130 000		

Com 22 Q1	Ensure accessibility of public transport for persons with disabilities	As stated above		N o f s e s s i o n s h e l d	2	0	2	2	1		1			
Com 2 Q1	Child Survival	As stated above												
Com 23 Q2	To raise public Awareness on the Rights of women to reduce Gender Based Violence & other discriminatory attitudes & practices towards women	As stated ahead												



Com23 Q2	To provide recreational activities for promotion of healthy life style for the senior citizens													
Com23 Q2	To ensure descent employment through inclusive growth  Ensure equity for persons with disabilities at all levels													
Com23 Q2	Child Development													
IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)	Responsible official

				e M e a s u r e ( K P I )										
Com 24 Q3	To Publicise Gender Legislation		Gender advocacy and social mobilisation and nodal cross-cutting promoted	N o f s e s s i o n s h e l d	2	0	2	2		1		1		
Com 24 Q3	Coordinate Capacity Building on the Rights of Senior Citizens	Conduct capacity building workshops on the older persons Act, Regulations & Norms & standards Social Security Matters												

Com 24 Q3	Promote Community Promote Community Based Rehabilitation as a Human Rights and development issue	Workshop the District Disability Forum on Community Based Rehabilitation												
Com 24 Q3	Child Protection													
Com 25 Q4	To establish & maintain Gender Base-line data	Commission Gender Profile	Cooperative governance, intergovernmental relations and gender institutionalisation strengthened	No. of sessions held	2	0	2	2	1		1			
Com 25 Q4	Raising awareness & promote public participation by senior citizens	Monitoring of pension points & lobby for safety												

Com 25 Q4	Conduct research & compile Data Information on Status of Disability in the District	Compile District Disability Profile  Presentatio n of propo sal to Distric t Disabi lity Profil e & Qualit y of Life.  Launc h the Profil e											
Com 25 Q4	Child Participa tion												

OTHER SOCIAL PROGRAMME CONT...

Priority Area: Sports and Recreation								Budget: R5000 000					
Com 27	To promote sports and recreation throughout the District	Build instituti onal capacity	Sports and Recreati on Council establishe d to manage SALGA games	Date establishe d				31 Dec		31 Dec			
Com 28			Selected athletes for SALGA Games trained	Date of completion of training				01 Nov		01 Nov			
Com 29			Local sports associati ons promoted and establishe d	No. of local sports associati ons supported	7	2	5	5	5				
Priority Area: Arts and Culture								Budget: R					

Com 30	To promote arts and culture throughout the District	Build institutional capacity	Arts and Culture Council established	Date established				31 Dec		31 Dec			
IDP Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Com 31			Arts and culture competitions at local level revived	Date of various arts competitions revival				30 Jun				30 Jun	
Priority Area: Youth Development								Budget: R1 5000 000					
Com 32	To promote youth development in the District	Develop terms of reference, advertise, select, orientate and manage the process	District Youth Forum established	Date established				31-Dec		31-Dec			R750 000
Com 33			Youth Awareness Campaign implemented	No of events / initiatives implemented				25	6	9	7	3	

## National Key Performance Area (KPA): Economic Development Services

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)		
Priority Area: Local Economic Development								Budget: R15 470 999							
Com 34	To create a conducive environment for: - Rural development; and - Local economic development	Implementation of the LED development and support plan in partnership with other government departments and LMs	Economic Council established	Date of establishment				30-Jun				30-Jun			
Com 35			UMDM Business Expo	Date of the Expo				31-Mar		31-Mar			R650 000		
Com 36			District Growth and Development Plan	Approval of the Growth and Development Plan								30-Jun		COGT A FUNDED	
Com 37			SMME, Cooperative support programme	No. of workshops held	4	0	4	4	1	1	1		1	R500 000	
Com 38			Rural Development / Agriculture Support Programme	No. of workshops held	4	0	4	4	1	1	1		1	R600 000	
			LED Strategy Review	Reviewed LED Strategy	1					1					R400 000
			Agriculture Plan	Approved Agriculture Plan	1						1				R300 000
			District Industrial Hub Plan	An approved District Industrial hub Plan	1									1	DEDT Funded
			uMgungundlovu Development Agency	Formation of the Agency	1									1	R3 m
Com 39	Jobs created through the Municipality's LED activities		No of jobs	The District does not fund LED projects aimed at job creation, but cooperates with Provincial CoGTA on such projects. Short-term jobs created for events arranged by the District Municipality. A record will be kept of such jobs created.											

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)	
Priority Area: Tourism Development								Budget: R11 139						
Com 40	To develop an economically viable and tourist friendly District that increases tourism and job opportunities	Promote growth in arrivals from the domestic market and international market	Marketing Plan implemented	Date implemented				30-Jun				30-Jun		
Com 41			Mandela Day Marathon	% completion of preparation for the Mandela Day Marathon	1				1					R1 000 000
Com 42			Brochure Development	Development of a New Brochure	1								1	R350 000
Com			SMME/Capacity building workshops	Hosting of two workshop for tourism SMMEs	2					1			1	R100 000
Com			Exhibitions/Craft promotion/marketing		2					1			1	R100 000
Com			Opening of a District Tourism Office at Tourism Hub	Operating district tourism office	1					1				R500 000
Com 43														

## DEVELOPMENT PLANNING

Division / Programme: Development Planning: R1 076 000													
ID P R E F N O	Strategic objective	Measurable output	Performanc e Measure (KPI)	Dema nd	Baseli ne	Backl og	Ann ual Targ et	Q1 targ et 30 Sep	Q2 targ et 31 Dec	Q3 targ et 31 Mar	Q4 targ et 30 Jun	Budg et indica tor	Responsi bility
Co m	To ensure sustainab le and coordinat ed	Environme ntal Managem ent Framework developed.	Finalisation of EMF by June 2014	1	0	1	30- Jun	25%	25%	25%	25%	R600 000	M; DP
Co m	develop ment througho ut the District Municipal ity	Wall to wall Schemes for Lm's	Schemes be adopted by June 2014	1	0	1	30- Jun- 14	25%	25%	25%	25%	R250 000	M: DP
		District SDF implementa tion	Implementati on of the recommenda tions of the 2012/13 SDF Review process by 2018	100%		0%	20%	5%	5%	5%	5%	R250 000	M:DP
		Appointme nt of the Environme ntal Specialist	By 31 December 2013	1			31- Dec- 13					R450 000	M:DP
Co m		SEMP Implementa tion.	implementati on of the SEMP recommenda tions by 2018	100%		0%	20%	5%	5%	5%	5%	R200 000	M: DP



GEOGRAPHIC INFORMATION SYSTEMS (GIS)-

Division / Programme: Geographic Information System (GIS): R300 000													
ID P Re f N o.	Strategic Objecti ve	Strate gies	Measur able Output s	Perfor mance Measur e (KPI)	Dem and	Base line	Backl og	Annua l Targe t	Q1 target 30 Sep	Q2 tar get 31 Dec	Q3 tar get 31 Mar	Q4 tar get 30 Jun	Budget / indicator (where available)
Com	To support and maintain user Depart ments with GIS require ments	Users suppo rted	Turnaro und time for Call Out resoluti on	1 Hr	8 Hrs.	7 Hrs.	1 Hr	6 Hrs.	5 Hrs.	3 Hrs	1 Hrs	R 0	GIS Spec/DBA Admin
Com		System s maint ained	% Up- time	100%	90%	10%	100%	95%	95%	100 %	100 %	R 0	GIS Spec/DBA Admin
Com		Data Maint ained	Date of complet ion for the review and mainten ance of land use manag ement system s (LUMS) , town plannin g scheme s (TPS), Spatial Develo pment Frame works (SDF's)										
							31 July 2014				31 Jul y 201 4	R 250 000	GIS Spec/DBA Admin
							30 Sept ember 2014						GIS Spec
							30 Sept ember 2014					R 250 000	GIS Spec/DBA Admin
							31 Dec ember 2014		31 Dec ember 2014			R 75 000	GIS Spec/DBA Admin
							31 July 2014				31 Jul y 201 4	R 0	GIS Spec/DBA Admin
							31 July 2014				31 Jul y 201 4	R0	GIS Spec/DBA Admin

			<p>databases</p> <p>Date of completion for the review and maintenance update of raster data</p> <p>Date of completion for the review and maintenance of valuation rolls and cadastral updates</p> <p>Date of completion for the update and maintenance of Metadata &amp; publishing</p>									
Com		Software Maintained	<p>Renew ESRI Server and Desktop Licenses maintained annually</p> <p>Review and maintain valuation</p>			31 December 2014		31 December 2014			R 250 000	GIS Spec

			n rolls and cadastral updates										
Com		Hardware Maintained	Maintain GIS Operational Hardware for Shared Services				31 March 2014			31 March 2014		R 190 000	GIS Spec

CORPORATE DEPARTMENT PROGRAMMES: (this Department has an inclusive total of R52 620 844)

National Key Performance Area (KPA): Institutional Development and Transformation

ID P R e f N o.	Strategic Objective	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Bac klog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget required	R e s p o n s i b l e o f f i c i a l
Priority Area: Human Resource Management													
Corp 1	To become an employer of choice	Workplace Skills Plan (WSP) in line with the Employment Equity Plan (EEP) approved	Date of completion of Skills Audit				31 Dec 2013		31 Dec 2013			R3 000 000	
Corp 2			Date of WSP submitted				30-Jun 2014				30-Jun 2014		

Corp 6		Strategic Plan on the Approach to Employee Relations implemented	No. of quarterly milestones implemented									R165 000	
Corp 7		Career Development and Progression Plan in place	Date of adoption of Plan				30 Jun				30 Jun	R165 000	
Corp 8		Adopted Individual Performance Management Strategy	Date of the adoption				31 Mar				31 Mar	R165 000	
IDP Ref No.		Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)	
Corp 9		Adopted Diversity Management Programme	Date of adoption				30 Jun				30 Jun		
Corp 10		Reviewed Organizational Structure implemented	No of positions filled										
Corp 11	Strategic Objective	Reviewed HR Policies adopted	No. of reviewed HR policies adopted										Responsible official
Corp 12		Employee Wellness Programme	% compliance with the Employee Wellness				100%	100%	100%	100%	100%	R403 855.21	

		implemented	Programme as contained in the SLA											
Corp 13		Health and Safety Programme developed and implemented	Date of Programme developed				31 Dec		31 Dec				R7 629 384	
Corp 14		Reviewed HR Policies adopted	% of implementation of the Health and Safety Programme	100%	0	100%	100%	25%	50%	75%	100%			
IDP Ref No.		Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget Required		
Corp 15	Strategic Objective	UMDM's inputs for completion of the Job Evaluation process completed	No. of Job Descriptions submitted as per refined organogram											
Priority Area: Administration and Sound Governance														
Corp 16	To improve the standard of administrative and auxiliary support	Upgraded Records Management System implemented	No. of compliance checks conducted	4	0	4	4	1	1	1	1			Responsible





Fin 4			Compliance with prescribed dates of annual returns	annual return	1	1	0	1.00	1	1	1	1	
Fin 5			% of the capital budget actually spent on capital projects	% Spent (Total spending on capital projects / Total capital budget) x 100	100%	110%	-10%	100%	100%	100%	100%	100%	
Fin 6			Quarterly operational expenditure as a % of planned expenditure	% Achieved ( <i>Actual operational expend. for this quarter / Budgeted operational expend. for this quarter</i> ) x 100				100%	25%	50%	75%	100%	
ID P R e f N o.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Fin 7			Quarterly capital expenditure as a % of planned capital expenditure	% Achieved ( <i>Actual capital expend. for this quarter / Budgeted capital expend. for this quarter</i> ) x 100				100%	25%	50%	75%	100%	
Fin 8			% of operational budget spent on repairs and maintenance	% Achieved ( <i>Total repairs and maintenance expend. / Total operational budget</i> ) x 100				100%	25%	50%	75%	100%	



Fi n 9		Quarterly repairs and maintenance expenditure	Rand value				41,213	10,303	10,303	10,303	10,303	
Fi n 10		MIG expenditure as a % of annual allocation	% Achieved (Actual MIG expend. for the quarter/ Annual allocation) x 100				100%	25%	50%	75%	100%	

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Priority Area: Supply Chain Management								Budget: R					
Fi n 11	To improve the procurement system	Ensure that all the latest best practices in Supply Chain Management are incorporated into the Policy;	No. of days to place an order reduced	No. of days for requisition to be converted to a purchase order outstanding	3 days	5 days	2 days	3 days	3 days	3 days	3 days	3 days	
Fi n 12		Train staff in complying with all supply chain best practices	No. of days to finalize specification of Bid / Tender reduced	No. of days	5 days	8 days	3 days	5 days	5 days	5 days	5 days	5 days	
Fi n 13			No. of days to finalize evaluation of Bid / Tender reduced	No. of days from close of tender	5 days	15 days	10 days	5 days	5 days	5 days	5 days	5 days	
Fi n 14			No. of days between the evaluation process	No. of days	5 days	30 days	25 days	5 days	5 days	5 days	5 days	5 days	

		and the adjudication process reduced											
Fin 15		Legislative compliance (including completion of declaration of interest form by each employee ) improved	% of submission of declarations of interest forms completed by Cllrs and Staff	100%	0%	100%	100%	100%	100%	100%	100%	100%	
Fin 16		Assets that are obsolete disposed of	Date of disposal				30-Jun					30-Jun	

Budgeting and reporting

ID P Ref No	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Priority Area: Budgeting and Reporting								Budget: R					
Fin 17	To improve the budgeting and reporting processes	Constant updates from the National Treasury and the Office of the Accountant General; Use fully the integrated Financial Management System	Budget / IDP Process Plan adhered to	Date of Process Plan fully implemented				30-Aug	30-Aug				
Fin 18			Submission of all monthly returns	No. of returns submitted	12	12	0	12	3	3	3	3	
Fin 19			Submission of all quarterly returns	no of returns submitted	4	4	0	3	1	1	1	1	
Fin 20			Submission of all bi annual returns	no of returns submitted	2	2	0	2		1		1	
Fin 21			AFSs submitted on time	Date of submission					30-Aug	30-Aug			

Fi n 22			Fixed Asset Register reconciled with General Ledger	no of reconciliations	12	1	11	12	3	3	3	3	
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ID P Ref No.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicator (where available)
Priority Area: Income Control								Budget: R					
Fi n 23	To improve income control	Data Cleansing; Standardization of relevant policies with local municipalities; Implementing credit control policy; Implement Treasury instructions	Total No. customers - database	% of customers billed/Total No. of Customers - database	100% (29499 No. of customers)	87% (25894 / 29499)	13%	100%	100%	100%	100%	100%	
Fi n 24			Cash collected from customers	No. of days outstanding	30 days	+ 180 days	180 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	
Fi n 25			Debt Collection %	% of collection: Amount collected / sales raised	100%	53%	47%	70%	35%	40%	50%	70%	
Fi n 26			Suspense Account	Monthly reconciled Suspense Account with Analysis of Balance	12	1	11	12	3	3	3	3	
Fi n 27			Consumer Deposits Reconciliations	Monthly reconciled - New customers and Terminated	12	1	11	12	3	3	3	3	
Fi n 28			Daily Banking	Reviewed Daily Banking Report	250 days	52 Days	198 Days	250 Days	62 days	63 days	62 days	63 days	

Cont...

ID P Re f N o.	Strategic Objecti ve	Strateg ies	Measura ble Outputs	Performa nce Measure (KPI)	Dema nd	Baseli ne	Backl og	Annua l Targe t	Q1 targe t 30 Sep	Q2 target 31 Dec	Q3 targe t 31 Mar	Q4 targe t 30 Jun	Budget / indicat or (where availab le)
Fi n 29			Debt coverage ratio	Ratio [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital]	16:1	9:1	7:1	16:1	16:1	16:1	16:1	16:1	
Fi n 30			Outstand ing service debtors to revenue	No. of days debtors are outstand ing (Total outstand ing debtors / Actual revenue received for services) x 100	60 days	1307 days	1247 days	245	245	245	245	245	
Fi n 31			Cost coverage ratio	Ratio [All available cash at a particular time) + (Investme nts)- Conditiona l grants)]/ Monthly fixed operating expenditur e)	1:1	?	?	1:1	1:1	1:1	1:1	1:1	
Fi n 32			Quarterly collectio n rate on billings	% Collection rate ( <i>Total receipts for services/ Total</i> )	100%	56%	44%	75%	60%	65%	70%	75%	

ID P R e f N o.	Strategic Objective	Strategies	Measurable Outputs	Performance Measure (KPI)	Demand	Baseline	Backlog	Annual Target	Q1 target t 30 Sep	Q2 target 31 Dec	Q3 target t 31 Mar	Q4 target t 30 Jun	Budget / indicator (where available)
Fin 33			Percentage growth in revenue collected by the municipality as a % of projected revenue target	% Growth in revenue collected ( <i>Actual revenue collected for this quarter/ Targeted revenue collection for this quarter</i> ) - ( <i>Actual revenue collected previous quarter/ Targeted revenue collected previous quarter</i> ) x 100%	100	33%	77%	80%	50%	60%	70%	80%	
Fin 34			Grants as a % of revenue received	% Achieved ( <i>Total grants received/ Total revenue received</i> ) x 100	Nil	79% grants	21% own revenue	25% own revenue	28% own revenue	30% own revenue	32% own revenue	35% own revenue	
Fin 35			R debtors outstanding as a % of revenue received for services	% Achieved ( <i>Total outstanding debtors/ Actual revenue received for services</i> ) x 100	Nil	522	522	Nil	%	%	%	%	
Fin 36			% of debt over 90 days	% of debtors >90 days ( <i>Total</i>	100%	94,2%	5,8%	100%	94,5 %	94,8 %	95%	95,5 %	

ID P Re f N o.	Strategic Objecti ve	Strateg ies	Measura ble Outputs	Performa nce Measure (KPI)	Dema nd	Baseli ne	Backl og	Annua l Target	Q1 target 30 Sep	Q2 target 31 Dec	Q3 target 31 Mar	Q4 target 30 Jun	Budget / indicat or (where availab le)
Fi n 37			Debtors collected as a % of money owed to the municipali ty	% Debtors collection s ( <i>Actual revenue received for services/ Total outstandi ng debtors</i> ) x 100				100%	15%	20%	25%	30%	

## 2.11 Other supporting documents

Tariff Schedule

Schedule A

Policies

Detailed Capex

## 2.12 Municipal Manager's quality certificate

### Municipal Manager's quality certification

I, Terence Lancelot Sibusiso Khuzwayo, the Municipal Manager of the uMgungundlovu District Municipality, hereby certify that -

The annual budget report on the implementation of the 2013/2014 budgets and future year forecasts reflecting the financial state affairs of the municipality has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: \_\_\_\_\_

Municipal Manager: uMgungundlovu District Municipality

Signature: \_\_\_\_\_

Date: \_\_\_\_\_