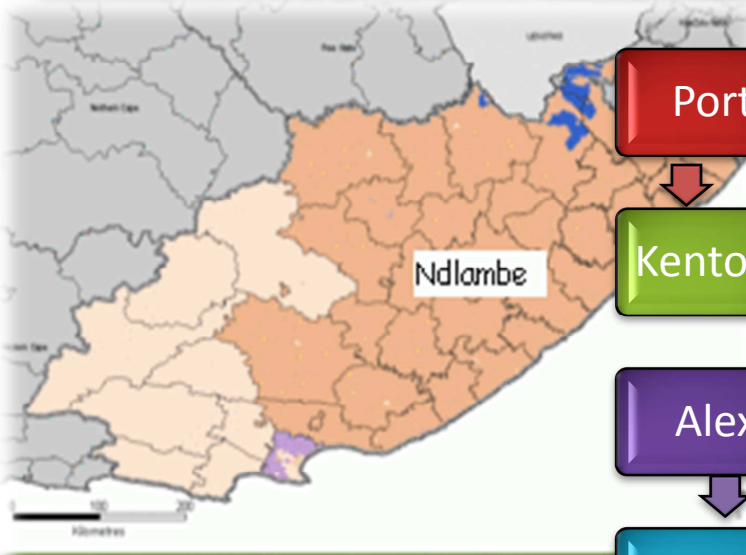


NDLAMBE MUNICIPALITY

TABLED ANNUAL BUDGET

2015/2016



Port Alfred

Kenton On Sea

Alexandria

Bushmans

Cannon Rocks

Boknes

Klienemonde

Bathurst



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VISION:

Ndlambe Municipality strives to be a growing and investment friendly region that provides sustainable, efficient, cost-effective, adequate and affordable services to all citizens in a healthy and safe environment by 2025.

MISSION:

To achieve our vision by enabling optimal performance within each of the five key performance areas of local government within the context of available resources.

VALUES:

- **Commitment**
- **Transparency**
- **Honesty**
- **Trustworthiness**
- **Care**



Part 1 – Annual Budget

1) Mayors Report:

TABLED BUDGET OF NDLAMBE MUNICIPALITY FOR THE 2015/2016 FINANCIAL YEAR

Madam Speaker, Councilors, Municipal Manager, Ladies and Gentlemen

The budget is the tool through which we manage the public funds in a manner that ensures that we improve the lives of all our citizens in Ndlambe.

The budget that is tabled for approval and to go out for public comment is as follows;

A Capital Budget of R74 016 875 consisting of R27 150 310 funded from grants and R44 866 565 funded from internal. However the internal capital will be reduced to R4 897 000 for 2015/2016 and the remainder of the capital budget will be shifted to outer years. Once again, to keep the increase at acceptable levels capital budgeted for from internal funds will be limited to R4 897 000.

The operating income budget of R308 464 000 is hereby tabled

The operating expenditure budget of R347 011 000 is hereby tabled

The deficit at present consists of mainly bad debt provision, depreciation and income foregone that have been included in the budget to satisfy the matter raised by the Auditor-General. It must however be noted that the budget included for these is still far too low as our assets age and condition requires a far higher depreciation budget that what is included here.

The increases to generate the income budgeted for is recommended as follows;

- Rates to increase by 12% that would be an assessment rate of 0.0050 Cents in the rand. Rebates per the policy of Council will be applied to the respective categories of ratepayers.
- Electricity increase of 12.2%
- Water increase of 5.5%
- Sewer increase of 5.5%
- Sanitation increase of 7%
- Refuse increase of 5.5%

- All other miscellaneous tariffs have been increased to cover the costs of providing the service and are included in the budget pack under supporting information.

All budget related policies are presented for comment.

The tabled budget needs now to be advertised for public comment. The tabled budget will be placed at all libraries, finance offices and municipal web-site for easy access by the public. I will be holding Mayoral Imbizos in all wards to interact with communities for both the IDP and budget.

I must also mention that a lot of work has been done to correct all the points raised by the Auditor-General one of which is the alignment of the IDP/Budget/SDBIP and performance management system. On this critical point I must indicate that a service provider is on site working with administration to correct this so that at the end we will have a credible IDP.

Attention must seriously be paid to our current cash flow challenge and the following needs to be addressed;

- Personal costs have to be looked at as a percentage of the budget
- Overtime paid to staff
- Fuel costs, including theft of fuel
- Telephone expenditure
- Evaluate all contract to ensure that the municipality is receiving value for money

Administration needs to take careful note of their operating budgets and ensure that they do not overspend on any budget item and only spend if the income budgeted for is received or the municipality will end in serious trouble.

The audit checklists, audit action plan and portfolio of evidence must in future be submitted by the Municipal Manager to Council at every meeting to satisfy Council that all work is being done in this regard.

HONOURABLE MAYOR

SIPHO TANDANI

2) RESOLUTION OF THE NDLAMBE MUNICIPAL COUNCIL APPROVING THE TABLED CAPITAL AND OPERATING INCOME AND EXPENDITURE FOR THE 2015/2016 FINANCIAL YEAR

RECOMMENDATION

IT IS RECOMMENDED THAT;

Operating Budget

1. That the draft consolidated operating revenue of R 308 464 000, operating expenditure of R 346 148 000, and operating grants and contributions of R75 832 000 for the Ndlambe Municipality for the financial year 2015/16, and the indicatives for the projected medium term period 2016/17 to 2017/18 be noted as set out in the following attachments:
2. That the supporting information contained in the 2015/16 – 2017/18 Tabled Medium Term Revenue and Expenditure Budget document as required in terms of Section 17(3) of the Municipal Finance Management Act (Act 56 of 2003) be considered in conjunction with this report.
3. That the Accounting Officer in accordance with chapter 4 of the Systems Act:
 - I. make public the annual consolidated operating budget and other documents referred to in section 17(3) of the MFMA;
 - II. invite the local community to submit representations in connection with the annual consolidated operating budget;
 - III. submit the annual consolidated operating budget in both printed and electronic formats to the National and Provincial Treasury and in either format to any prescribed national or provincial organs of state and to such other municipalities as may be affected by the budget.
4. That the annual consolidated operating budget, together with such representations received as a result of the processes followed in terms of paragraph 3.(II) above, be presented to Council for consideration and approval in terms of Sections 23(1) and 24(1) of the MFMA.

Capital Budget

1. That the draft capital budget of R 74 016 875 for the year 2015/16, R26 440 300 for the year 2016/17 and R33 378 800 for the year 2017/18 of the Ndlambe Municipality be considered in terms of Section 16 (3) of the MFMA as set out in the following schedules
2. That the Accounting Officer in accordance with chapter 4 of the Systems Act;
 - I. make public the annual consolidated operating budget and other documents referred to in section 17(3) of the MFMA;
 - II. invite the local community to submit representations in connection with the annual consolidated operating budget;
 - III. submit the annual consolidated operating budget in both printed and electronic formats to the National and Provincial Treasury and in either format to any prescribed national or provincial organs of state and to such other municipalities as may be affected by the budget.
3. That the annual consolidated capital budget, together with such representations received as a result of the processes followed in terms of paragraph 2.(II) above, be presented to Council for consideration and approval in terms of Sections 23(1) and 24(1) of the MFMA.

Tariffs

1. That the tariffs and charges for the 2015/16 budget, as tabled, be considered.
2. That the Accounting Officer in accordance with chapter 4 of the Systems Act;
 - I. make public the proposed tariffs and charges;
 - II. invite the local community to submit comments or representations in connection with the proposed tariffs and charges
3. That, in terms Section 22(b)(i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) a copy of the notice and documents be sent forthwith to the National and Provincial Treasury; MEC for Local Government; as well as other organ of state or municipality affected by the budget to solicit their views.
4. That the Accounting Officer in conjunction with the Chief Finance Officer, the Chairperson of the Budget Steering Committee in consultation with relevant departments and all interested parties, report on the comments received in terms of paragraph 2(II) above with recommendations on the final draft of the Tariffs of Charges for approval. [Annexure 1](#)

Budget/Finance Related Policies

1. That the budget/finance related policies for the 2015/16 budget, as tabled , be considered.
2. That the Accounting Officer in accordance with chapter 4 of the Systems Act;
 - I. make public the draft budget/finance related policies;
 - II. invite the local community to submit comments or representations in connection with the draft budget/finance related policies
3. That the Accounting Officer in conjunction with the Chief Finance Officer, the Chairperson of the Budget Steering Committee in consultation with relevant departments and all interested parties, report on the comments received in terms of paragraph 2(II) above with recommendations on the final draft of the budget/finance related policies for approval. [Annexure 4](#)

Service Delivery Standards

1. That the service delivery standards, as tabled, be considered.
2. That the Accounting Officer in accordance with National Treasury MFMA Circular No. 75;
 - I. make public the service delivery standards;
 - II. invite the local community to submit comments or representations in connection with the service delivery standards
3. That the Accounting Officer in conjunction with the Chief Finance Officer, the Chairperson of the Budget Steering Committee in consultation with relevant departments and all interested parties, report on the comments received in terms of paragraph 2(II) above with recommendations on the final draft of the service delivery standards for approval. [Annexure 5](#)

3) EXECUTIVE SUMMARY OF THE MUNICIPAL MANAGER, ROLLY DUMEZWENI, ON THE 2015/2016 TABLED BUDGET OF THE NDLAMBE MUNICIPALITY

The Ndlambe Municipality budget was a difficult budget to compile with the current economic pressures that are impacting on us. Although many say that the economy is slowly recovering we are not noticing the recovery or feeling the recovery in our revenue collection rates. It is critical that everything possible is done to collect outstanding debt due to the municipality but at the same time ensure that the costs of the services that we provide are affordable to the consumers.

The 2015/16 budget continues to focus on ensuring financial sustainability but also taking into account delivering on the programmes outlined in the Integrated Development Plan. The budget tabled reaffirms the commitment of the Ndlambe Municipality towards the prudent management of the municipal finances. In order to move back towards financial sustainability the Ndlambe Municipality has set parameters within which financial planning is to be done and that should result in an operating surplus to increase the level of internal capital spending.

The 2015/16 Budget is premised on the following principles:

- Changing the way we do things within limited resources;
- Increasing productivity by doing more with less and managing human resources effectively;
- Ensure that there is coordination of programmes between all offices and directorates;
- Customer focused; and
- Stabilising the revenue base.

The main challenges experienced during the compilation of the 2015/16 budget are similar to that of previous years and can be summarised as follows:

- The on-going difficulties in the local economy;
- The need to prioritize work, projects and expenditure within the expected revenue envelope;
- Salaries and allowance increases for municipal staff that continue to exceed consumer inflation;
- Availability of internal capital funding; and
- Increases of ESKOM and Amatola Water.

The challenge of balancing the need of the communities to the limited finance resources remains a serious concern and the municipality needs to look at short, medium and long term solution

Short-term

The focus for the 2015/16 Budget year must be financial sustainability of which a key component is to collect all debt due to the municipality and thus stabilize the revenue base. Vigorous implementation and enforcement of the debt collection policy is our number one priority. With the money due coming in the municipality will then be in the position to implement the IDP's key priority areas and improve service delivery.

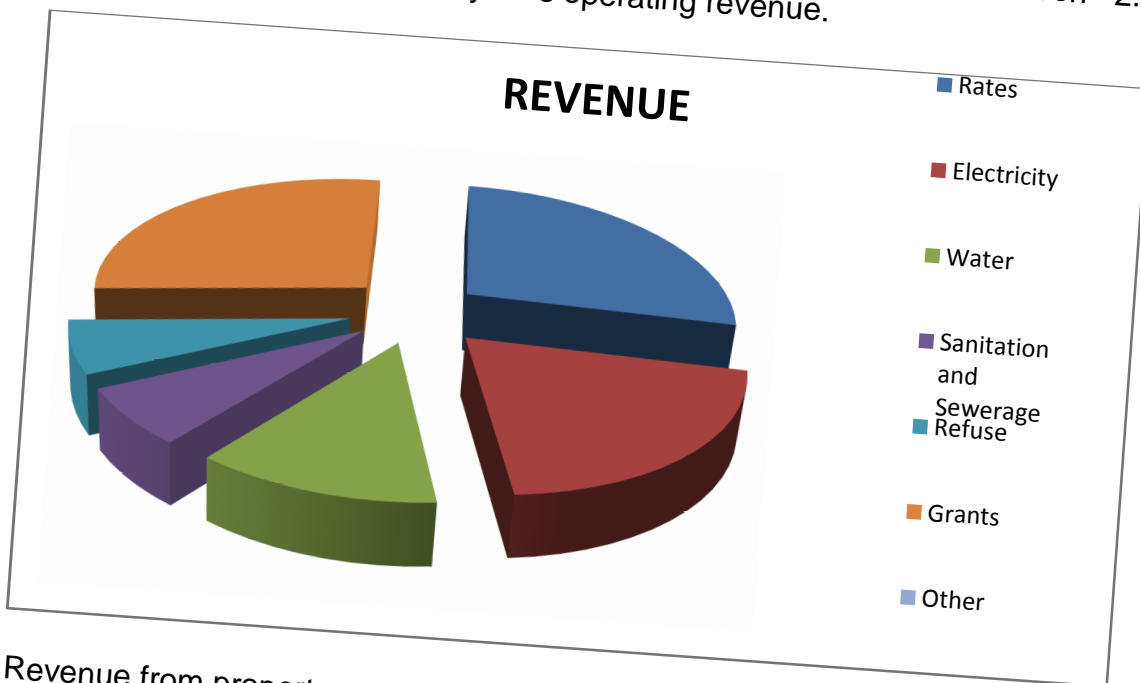
Medium-term

Over the medium- term budget, financial sustainability will continue to remains a focus however, through the improved financial position that is created through the short term initiative, the municipality will be in a position to accelerate the implementation of the IDP programmes and commit to excellent service delivery as a norm. Capital spending will be accelerated and the ability to spend will improve.

Long-term

Building a strong financial position will provide an option for increased spending towards capital infrastructure and responding adequately to the communities requirements.

The tabled budget put forward provides for total operating revenue of R 308 464 000 for the 2015/2016 financial year and this represents an increase between 2.7% and R300 325 000 on the current year's operating revenue.



Revenue from property rates is budgeted at R 74 490 000, a decrease of 1.30% on the current year's budget of R 75 468 000. Income from rates represents 24.15% of the total revenue operating budget. To achieve the budgeted income, rates have been increased by 12% for the 2015/2016 financial year. The rates percentage increase is higher than the trading services percentage increase and that is due to the trading services operating budget not over cross subsidizing services covered by rates.

Revenue from water is budgeted at R34 055 545, a decrease of 31% from the current year's budget of R 39 918 954. Income from water represents 11% of the total revenue operating budget. To achieve the budgeted income, water charges have been increased by 5.5% for the 2015/2016 financial year.

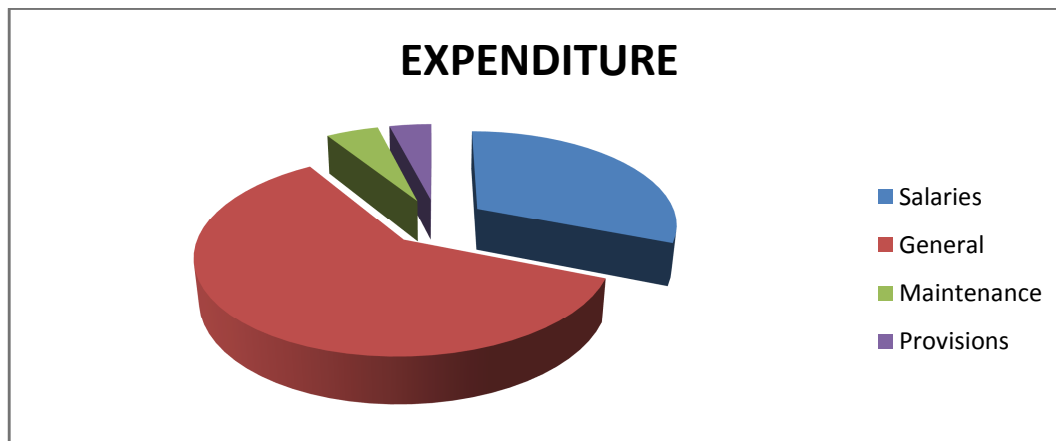
Revenue from electricity is budgeted at R 59 717 000 an increase 12% from the current year's budget of R 53 334 000. Income from electricity represents 19% of the total revenue operating budget. To achieve the budgeted income, electricity

charges have been increased by 12.20 % in line with NERSA's guidelines for the 2015/2016 financial year.

Revenue from sewerage and sanitation are budgeted at R18 441 187 an increase of 15.7% from the current year's budget of R15 935 527 . Income from sewerage and sanitation represent 6% of the total revenue operating budget. To achieve the budgeted income, sewerage and sanitation charges have been increased by 5.5% on sewerage and 7.0% on sanitation for the 2015/2016 financial year.

Revenue from refuse is budgeted at R17 771 746 an increase of 22% from the current year's budget of R14 572 050. Income from refuse represents 5.8% of the total revenue operating budget. To achieve the budgeted income, refuse charges have been increased by 5.5% for the 2015/2016 financial year.

The tabled budget submitted to Council for approval and to then go out for public consultation provides for total operating expenditure of R 347 011 000 an increase of 15.6% on the current year's operating expenditure of R 300 225 000



Expenditure on employee related costs has increased with 17% from R 91 203 000 to R 106 985 000. Employee related costs represent 31% of the total expenditure budget. There are new posts that have been added into the budget, in addition to the posts that existed in the 2013/2014 financial year have been budgeted for. Employee related costs include all employees of Ndlambe Municipality but excludes Councilors allowances.

Expenditure on general expenditure has increased by 68% from R 123 841 000 to R 208 566 000. General expenditure represents 60% of the total expenditure budget. General expenditure includes the bulk purchase of electricity and water as well as Councilors allowances. The Eskom electricity increases is one of the main contributing factor to the % increase in general expenditure.

Expenditure on repairs and maintenance has increased by 59% from R 10 574 000 to R 16 846 000. Repairs and maintenance represents 5% of the total expenditure budget. Although it is encouraging to see the increase in repairs of 59%, this is one area of the expenditure budget that needs to be increased over the next financial years to ensure that our assets are adequately maintained.

Ndlambe Municipality Tabled Budget 2015/2016

Expenditure on contributions to funds has increased from R 3 538 539 to R 14 614 000. This represents 4.2% of the total expenditure budget. The main fund to which a contribution is made is the provision for bad debts.

The capital budget is R 74 016 875 for the 2015/2016 financial year and represents an increase of 137% on the 2014/2015 capital budget of R 31 191 750. The capital budget is funded by grants in the sum of R27 150 306 and R46 866 569 from internal funds. Funding of grants from internal funds really needs to be addressed.

The capital projects for the 2015/2016 financial year are as follows;

Project Description	Capital Costs
Upgrading of Water Infrastructure in Bathurst	18 000 000
Upgrading of Sewerage Infrastructure in Marselle	5.500 000
Water Conservation and Water Demand Management	3.100 000
Construction of Marselle Sports Field	1 800 000
Paving of Municipal verges	1 000 000
Upgrading of Kenton On Sea Roads	1 000 000
Fencing of Cemeteries	500 000

4) Tabled Budget tables

[See attached](#)

PART 2 – SUPPORTING DOCUMENTATION

1) OVERVIEW OF THE ANNUAL BUDGET PROCESS

The annual budget process plan is attached below. The budget process plan indicated all the key deadlines that needed to be met to ensure that a credible budget was produced for presentation to Council on 31 March 2015.

NDLAMBE MUNICIPALITY

BUDGET TIMETABLE FOR THE 2015/2016 FINANCIAL YEAR

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
AUGUST 2014		
15 August 2014	Budget timetable, budget guidelines, budget instructions, budget schedules to be presented to the finance portfolio committee.	Budget Office
15 August 2014	Budget timetable, budget guidelines, budget instructions, budget schedules to be presented to all managers and directors.	Budget Office
30 August 2014	Budget timetable, budget guidelines, budget instructions, budget schedules to be presented to Council for adoption.	Budget Office
30 August 2014	Based on financial statements of the previous year and performance review, determine the financial position of the municipality and assess its financial capacity and potential impacts on future strategies and budgets.	All Managers / Directors
SEPTEMBER 2014		
4 September 2014	Advertise the budget process and schedules (Newspaper, noticeboards, web-site)	Budget Office
5 September 2014	Chairperson of the Budget Steering Committee to establish the budget steering committee. The committee must be representative of each office and directorate	Chairperson Budget Steering Committee
10 September 2014	Budget Steering Committee to meet and make suggestions on any structural changes to the budget.	Chairperson Budget Steering Committee

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
10 September 2014	<p>Budget Steering Committee to set parameters for the next 3 years based on marked trends and other information available.</p> <ul style="list-style-type: none"> ➤ Tariff increases ➤ Salary increases ➤ General expenses ➤ Repairs and maintenance ➤ Key changes to be reflected considering all strategies and studies (including institutional study) ➤ Develop priority areas ➤ Reflect on all factors that could potentially impact on future budgets. 	Chairperson Budget Steering Committee
10 September 2014	Confirm Councils existing and new policy priorities for next three years	Chairperson Budget Steering Committee
10 September 2014	Budget Steering Committee to determine the funding / revenue envelope potentially available for next three years.	Chairperson Budget Steering Committee
10 September 2014	<p>Each office and directorate to submit to the budget steering committee all funding available to the department for the next three years, from both National and Provincial (DORA). This could for example include :</p> <ul style="list-style-type: none"> ➤ Infrastructural Grants (MIG/EPWP/DWAF) ➤ Recurrent Grants (FMG/MSIG/) ➤ Equitable Share ➤ Other (LED) <p>NB – funding identified is to be as per local government financial year and not National financial year.</p>	Chairperson Budget Steering Committee All Managers / Directors
10 September 2014	Budget Steering Committee to determine the most likely financial outlook and identify need for changes to fiscal strategies.	Chairperson Budget Steering Committee
10 September 2014	Budget Steering Committee to review tariff structures, if necessary.	Chairperson Budget Steering Committee

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
17 September 2014	Managers / directors to have held a staff meeting with staff in their directorate responsible for compiling the budgets where the budget timetable, policies, guidelines, instruction and minutes of the budget steering committee are to have been discussed.	All Managers / Directors
17 September 2014	Chairperson of the Budget Steering Committee to have held a meeting with all ward councillors to discuss the budget timetable, policies, guidelines, instructions and minutes of the budget steering committee.	Chairperson Budget Steering Committee
30 September 2014	Ward councillors to have completed meetings with their ward committees to explain the budget process and documentation and to gather information and submit to the Chairperson of the Budget Steering Committee that is to be considered when offices and directorates do their capital / operational budgets and tariffs.	All Ward Councillors
OCTOBER 2014		
3 October 2014	Chairperson of the Budget Steering Committee to provide all offices and directorates with the input from Ward Councillors to consider when preparing their budgets and tariffs	Chairperson Budget Steering Committee
24 October 2014	Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation	All Managers / Directors
24 October 2014	Offices and Directorates to start to prepare draft capital and operational plans with cost and revenue estimates	All Managers / Directors
	Managers and directors to assess the Human Resources component of their operating budget for the next year and for the two following years and make submissions to the finance department. Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing.	All Managers / Directors

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
31 October 2014	The submission on all offices and directorates human resources requirements would then be considered by the Municipal Manager in consultation with each manager and director and to be facilitated by the Chairperson of the Budget Steering Committee.	
31 October 2014	The submission of the salary and allowance component of the budget to be provided to the Human Resources Department by all managers and directors. The Human Resources Department is responsible for determining the costs associated with the submissions. Once Human Resources Department has costed all salary and allowance budgets for all offices and directorates, this information is then to be submitted to the relevant office or directorate.	All Managers / Directors
31 October 2014	Human Resources Department to calculate required budget amount for the Leave Provision.	Dir. Corporate Services
NOVEMBER 2014		
28 November 2014	Offices and directorates are to scientifically determine operating income and through sound budgeting techniques determine operating expenditure / costs linked to the budget for the next three years under the budget categories : <ul style="list-style-type: none"> • Salaries and Allowances (As presented by the Human Resources Department) • General expenses • Repairs and maintenance • Capital outlay • Financing charges 	All Managers / Directors
28 November 2014	The finance department will assist offices and directorates where required in determining budget figures for : <ul style="list-style-type: none"> • Insurance • Depreciation • Provision for bad debts 	All Managers / Directors
28 November 2014	Offices and directorates are to complete the relevant capital request forms as provided by the finance directorate with all required information and to provide a summary of capital requirements for the next three financial years.	All Managers / Directors

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
28 November 2014	Income, expenditure and capital budgets together with all forms and supporting documents are to be consolidated to be submitted to the finance department in the format determined by the finance directorate for inclusion in a line item budget designed for three years.	All Managers / Directors
28 November 2014	Offices and directorates to finalise their SDBIP's for each cost / functional centre on what is contained in the operating budget that indicate what the key objectives / measurable outputs are. The SDBIP format provided by the finance department is to have been used.	All Managers / Directors
28 November 2014	Offices and directorates to review tariffs and charges and develop options for changes to be included in the budget to be tabled.	All Managers / Directors
DECEMBER 2014		
5 December 2014	Draft operational / capital budgets and tariffs to have been completed and submitted to the Budget Office together with detailed plans (SDBIP) on all expenditure / income to be incurred for the ensuing three years.	All Managers / Directors
9 December 2014	Chairperson of the Budget Steering Committee to confirm in writing to the Mayor that all required documentation (SDBIP's, Capital Budget, Operating Budget, Tariffs) has been submitted to the finance directorate for consolidation.	Chairperson Budget Steering Committee
12 December 2014	Chairperson of the Budget Steering Committee to advise the Mayor and Municipal Manager, in writing, of any office or directorate that has not submitted all budget related documentation to the finance directorate by 5 December 2014	Chairperson Budget Steering Committee
JANUARY 2015		
29 January 2015	All the submissions from offices and directorates are to be consolidated by the finance department with all working papers that would have been submitted in support of the proposed operating and capital budget.	BTO
29 January 2015	The finance directorate is to keep a central file on all budget related documents.	BTO

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
30 January 2015	The finance directorate to review all budget related policies with internal stakeholders and request written submissions on any proposed amendments from internal stakeholders.	All Managers / Directors
30 January 2015	Chairperson of the Budget Steering Committee to confirm in writing to the Mayor that all SDBIP's, Capital Budgets and Operating Budgets have been consolidated.	Chairperson Budget Steering Committee
30 January 2015	Finance directorate to incorporate any changes from National and Provincial Governments on three-year allocations in the budget.	BTO
30 January 2015	Finance directorate to review tariffs and charges and ensure that all costs of trading and economic services are covered by the tariff submitted by offices and directorates.	BTO
30 January 2015	Finance directorate to document all material changes in budgets from the previous financial year budget and report such changes to the Chairperson of the Budget Steering Committee.	BTO
30 January 2015	Budget Steering Committee to have met to discuss capital / operational budget to be tabled to Council, tariffs, draft SDBIP's and any material changes to the budget based on the previous year's budget. Also to ensure that anticipated expenditure meets parameters set out by National / Provincial Government.	Chairperson Budget Steering Committee Budget Steering Committee
FEBRUARY 2015		
17 February 2015	Budget Steering Committee Chairperson to have met with the ward councillors to discuss any anticipated changes to the operational / capital budget, tariffs and draft SDBIP's that are to be tabled to Council.	Chairperson Budget Steering Committee All ward councillors /
27 February 2015	Finance directorate to finalise detailed budget to be tabled in the formats issued by National Treasury.	BTO
27 February 2015	Finance directorate consolidates all comments on budget related policies and inserts budget policies with internal comments into the budget pack to be tabled to Council.	BTO
MARCH 2015		

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
12 March 2015	The capital/operating budget and draft SDBIP's and budget related policies presented to the Budget Steering Committee by the finance directorate and to include a high level summary and is supported by the budget forecasting model and reflects over a period of three years.	BTO
14 March 2015	Chairperson of Budget Steering Committee presents budget pack to Mayor with recommendations.	Chairperson Budget Steering Committee
31 March 2015	Mayor to have tabled budget, resolution, plans and draft SDBIP's to Council.	Executive Mayor / Budget Office
APRIL 2015		
1 April 2014	Submit tabled budget to National Treasury.	BTO
1 April 2014	Forward copy of budget to National and Provincial Governments and Cacadu District Municipality for review, both electronically and in printed format.	BTO
1 April 2014	Finance directorate to advertise the tabled budget approved by Council, inviting comments from all stakeholders.	BTO
18 April 2014	Ward Committee Chairpersons in their Ward Committees to debate the capital/operating budget, tariffs, SDBIP's and budget related policies and to then provide input and comments to the Budget Steering Committee Chairperson.	All Ward Councillors
21 April 2014	Mayor to have completed public hearings on the budget where managers and directors present their budget plans to the community.	Executive Mayor / All Managers / All Directors
23 April 2014	Budget Steering Committee to discuss and analyse additional inputs from community, ward committees, National/Provincial Governments and Cacadu District Municipality.	Chairperson Budget Steering Committee
	Managers and directors to incorporate feedback from community, ward committees, National/Provincial Governments, and if required, revise the budget previously tabled to Council in consultation with the Chairperson of the Budget Steering Committee.	All Managers / Directors
MAY 2015		

Ndlambe Municipality Tabled Budget 2015/2016

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
27 May 2014	Mayor to have presented final budget to Council for adoption and to have included operating / capital budget, resolutions, tariffs, capital implementation plans, operational objectives, changes to IDP and budget plans.	Executive Mayor / Budget Office
28 May 2014	Mayor to have published capital / operational budget and tariffs	Executive Mayor / Budget Office
28 May 2014	Capital / operating budget to have been presented to National Treasury and DPLG.	Budget Office
JUNE 2015		
20 June 2015	Publish tariffs for 2015/2016 in local newspapers.	BTO
20 June 2015	Publish approved budget, budget related policies, tariffs and forward copy of approved budget to National and Provincial Government.	BTO
27 June 2015	Complete all the budget annexures required by National Treasury and submit to the National Data Base and submit hard copies to National and Provincial Treasury	BTO
27 June 2015	Publish the budget, budget related policies and tariffs on the Council's official website.	BTO
27 June 2015	Finance to provide Mayor with the consolidated SDBIP for consideration	BTO
27 June 2015	Publish the Rates Tariff in the Provincial Government Gazette	Dep Dir Revenue

The following budget instructions were approved by Council and issued to all directorates and offices to assist them with the compilation of the 2015/2016 budget;

BUDGET INSTRUCTIONS : 2015/2016

The Budget plan for the 2015/2016 financial year has been developed to meet the requirements of Act No. 56 of 2003: Local Government Municipal Finance Management Act, 2003.

The main aims of the annual Budget plan are:

- Assist co-ordination of various areas of responsibility in implementing and reviewing the IDP and other long term plans of the Ndlambe Municipality.
- Provide medium term financial plans for each directorate which are linked to plans and not one year incremental budgets.
- Ensure that progress against the budget plans can be monitored and corrective action taken if necessary.
- Ensure that plans are reviewed on a continual basis in concert with the budget

in-year review.

The following documents are to be produced by each directorate:

- Directorates medium term budget policy statement. This document must set out the allocations for the next three years of both the capital and operating budget taking into account the strategic direction which the directorate intends taking over the next three years based on the current revenue collected.
- The IDP must give rise to the detailed plans that will be used to formulate the directorate's policy objective. All individual components of the policy objectives should be costed. Sufficient information is to be provided to allow priority rating.
- Functional operational plans must be drawn up which are to set out the operational plans for each section in a directorate per line item (SDBIP).

The above documents will influence budget allocations to each directorate so they are to be as detailed as possible.

High level strategic planning is to be undertaken while drawing up the Budget. The planning is to be long term (minimum three years) and must set out targets in terms of outcomes, levels of service delivery and general tariff policies. Service level requirements, demographics, backlogs, etc. are to be considered. Council and community consultation by directorates has to be undertaken during the time that the directorates are drawing up their budgets.

Some IDP projects may be individual projects but many will have a widespread impact across the operational budget. In this case it must be fully costed for a minimum period of three years. The costing must include capital outlay, increase or decrease in operational expenditure, and revenue that could be generated. Directorates should at this point also consider provincial and national government priorities.

Operation budgets are to be linked to plans (SDBIP). Each directorate must compile operational plans and capital plans. The plans must be for the current budget year and for at least two years into the future. The plans must detail service levels, initiatives, financial forecasts and non-financial indicators. While directorates will prepare budgets at line items only, summary level information will be incorporated in the budget. Directorates need to first complete their operational plans then use the plans as a base for completing each line item. This is to ensure that directors consider high level strategy and outcomes and output objectives and do not let previous year line items drive the budget process.

Directors are to prepare line item budgets as per their operation plans. This detail will not be incorporated in the budget document but must be available in the budget process for councillors, community and other stakeholders to use in deliberations. The detailed line item budgets are to be kept by the relevant director and must agree to the published summary budget. The detailed line item budgets will be used throughout the year to gauge performance during the budget review stages.

The budget to be published will include information from the IDP, each directorate's operational plans and budget summary. Detailed budgets will only be given to directors for distribution to their relevant sections.

The actual budget document will be compiled by the Finance Directorate and will contain functional operational plans of each directorate which would have been submitted for at least the next three years. Directorates further need to maintain a rolling plan which is to incorporate operational objectives and initiatives, financial projections, financial and non-financial performance measures and commentary on the directorates' past performance. The Finance Directorate will interrogate the directorates' detailed budgets and financial plans to ensure consistency and accuracy. From all directorates' rolling plans, an executive summary will be made in a format which will allow councillors and the community to gauge performance during the budget process.

The consultation part of the budget is very important as it is during this phase that the budget has to be fine-tuned to fit service delivery and outcome objectives of each Directorate within the economic realities of Ndlambe Municipality. It involves consultation with the community and Council and will require sensitive analysis of the budget and policy choices to fit in with the limited financial resources.

The IDP/ Budget has to be completed by the end of March and must be adopted and approved by the end of May. This will give directors sufficient time to pass the operational plans onto their sections prior to the start of the budget year. Regular IDP/Budget reviews are to be held between ward councillors and directorates to review the plans and determine the progress against the IDP and Budget objectives.

The following budget guidelines were approved by Council and issued to all directorates and offices to assist them with the compilation of the 2015/2016 budget;

BUDGET GUIDELINES – 2015/2016 BUDGET

1. A three-year budget is to be prepared.
2. Council's IDP is to be consulted throughout the budget process.
3. Salary increases are to be budgeted for by the relevant directorate / office with $\pm 7.5\%$ increase plus notch.
4. Noticeable changes and/or adjustments to income and expenditure are to be reported on.
5. Relevant documentation to be completed with regard to capital expenditure.
6. Expansion and/or restriction to any service to be reported on.
7. Request for posts to be filled during the next three budget periods to be handed to the human resources per the dates reflected on the budget timetable.
8. Average increase on the annual budget is to be limited as far as possible to the guidelines by the Department of Finance to 5.5% for 2015/2016, 5.5% for 2016/2017 and 5.5% for 2017/2018.
9. The NER is to be contacted for guidelines on the increase in electricity income.
10. Councillors and stakeholders are to be involved in the Budget process at all times.

INSTRUCTIONS

1. Consult all relevant legislation including circulars when completing your budget.
2. Clearly indicate the budget year on the working sheets. Use red ink for 2015/2016, blue for 2016/2017 and black for 2017/2018 to eliminate any confusion.
3. All items on the budget are to be budgeted for (including electricity/water, rates, insurance, etc.) - do not leave any gaps.
4. Tariff by-laws are to be consulted when calculating tariffs.
5. All amounts budgeted must be rounded off to the nearest R10,00.
6. The Budget timetable is to be strictly adhered to.
7. SDBIP has to be completed for all income / expenditure as per the attached circular from National Treasury and ensure that the SDBIP corresponds with the OPEX AND CAPEX.
8. The Budget co-ordinators are Ms N Matthews and Ms U Qinela.
9. The capital request forms A,B and C are to be completed in respect of every capital item placed on the budgets for the three years. If capital request forms are not completed the capital item will be removed from the capital budget.

The budget policies, guidelines, national treasury circulars, budget regulations and instructions were presented to all managers and directorates in August 2014 The new budget formats continue to be a challenge and submissions to Council and stakeholders will be improved on as we move forward.

2) OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN

Directorates aligned all operating and capital expenditure to the goals and actions as set out in the Integrated Development Plan. On the capital budget, the operating budget and the service delivery budget implementation plan directors have provided IDP numbers where possible to highlight the linkages. The budget is linked to the following main strategic goals and objectives as per the Integrated Development Plan;

- Basic Services Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public participation
- Cost effective and sustainable service delivery

Through the process of drafting the budget the key responsibilities of the Ndlambe Municipality were taken into account;

- Provide democratic and accountable government for all local communities of Ndlambe
- Ensure the provision of services to all the Ndlambe community in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage the involvement of all communities and community-based organizations in the matters of local government
- Maximizing of infrastructural development through the utilization of all available resources
- Implementation of effective management systems, internal controls and procedures
- Ensure we have a skilled, committed and motivated workforce
- Comply with the Batho Pele principles

3) MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Finance directorate

The finance budget was compiled considering the following main key performance areas and taking into account finances objectives and indicators set to meet the set objectives.

The finance directorate is a support directorate so all work done at finance impacts on all wards so no indicators are ward specific.

OBJECTIVE	INDICATOR
Ensure financial viability of the municipality	Improved revenue mechanisms to be implemented according to Municipal systems Act and the Municipal Finance Management Act.
	Supplementary valuation rolls, as prescribed by the Municipal Property Rates Act No 6 of 2004, on all improvements to properties, subdivisions and consolidations done in the financial year.
	Measures put in place to obtain a credit rating by independent rating agency
	% increase in revenue collection rate
	% expenditure spent on approved budget
	Compliance with budget preparation and budget related policies finalisation in accordance with the MFMA
	Number of in year budget performance reports as required by MFMA submitted on time
	Compliant budget adjustment approved by council in terms of all legislated requirements by 28th February 2015.
	Positive cash flow management according to MFMA & its regulations maintained
Ensure that the	Compliance with legislated SCM reporting requirement in line with SCM Policy and MFMA

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OBJECTIVE	INDICATOR
implementation of Supply Chain Management according to the SCM policy	Standard operating procedures operationalised in accordance with SCM policy and legislation.
	Steps taken to mainstream the implementation of SCM according to the policy and good practice
	Procurement Plans monitored in line with the SCM policy.
	% reduction of irregular expenditure related to procurement documentation in line with legislation and SCM policy
Ensure improved sound financial management	Annual financial statements that are 100% compliant to GRAP standards as per gazette issued by National Treasury
	Measures in place to monitor and control fruitless and wasteful expenditure
	% increase in the number of finance employees that are competent (SETA certification) on minimum competency levels as regulated.
Maintain and manage all municipal assets	% Increased budget provision for asset repairs and maintenance.
	Asset management system with Fixed Asset Register in place as prescribed by GRAP and the MFMA
	% reduction of Stock losses

The key areas that are to be looked at and that were taken into account when developing the finance objectives and indicators were;

- That no borrowing would take place during the 2015/2016 financial year due to the fact that it would not be possible to sustain additional loan repayments
- That maintenance should be increased to ensure the safety of our capital assets. Budget control will have to be a main focal point during the 2015/2016 financial year to ensure that money budgeted for maintenance is spent before “nice to have expenditure” is incurred.
- Budget control will also be a main focus point to ensure liquidity. With reserves been depleted, it is important that cash flow is managed to the optimum and that expenditure matches available cash
- The management of debtors and creditors is one of the most important objectives we need to give attention to. It is critical that debt is recovered and that current accounts payment levels are increased to 95% as a minimum.
- The mix of expenditure is to be monitored throughout the year to ensure a equitable mix. Available cash cannot fund only employee costs and other fixed costs. The cash flow must fund all parts of the expenditure budget
- Throughout the year we need to look at ways to maximize our revenue sources. We need to undertake extensive data cleansing exercises.
- Electricity and water losses need to be managed and all losses are to be accounted for. It is critical to know what our losses are and what is been done to minimize the losses.
- All issues raised by the Auditor-General are to be addressed
- The impact of SCOA and all SCOA related matters are to be attended to.

The revenue for finance on both operating and capital is predominantly from rates with a small percentage coming from grants. Finance does generate a small amount of revenue from providing services to the community but this revenue cannot be considered as a major revenue source.

In developing the finance objectives the integrated development plan was taken into account and a draft finance service deliver budget implementation plan was drawn up to meet the objectives during the 2015/2016 financial year. The finance directorate considered ways to assist with economic development initiatives that would lead to job creation and alleviate poverty.

The finance directorate is not a service delivery directorate but is critical in assisting the service directorates with budget control, providing cash resources and procurement. Here again the collection of debt is paramount so that the service delivery directorates have the cash resources to deliver on their mandates.

Community/Protection Services directorate:

The Community/Protection Services budget was compiled considering the following main key performance areas and taking into account Community/Protection Services objectives and indicators set to meet the set objectives.

The Community/Protection Services directorate is a service-delivery Department, so all work done at Community/Protection Services impacts on all wards so no indicators are ward specific.

<u>OBJECTIVES</u>	<u>INDICATORS</u>
Provide recreational and sport facilities to communities and ensure access to well-maintained facilities	Draft strategy and implementation plan for the provision of access to well-maintained sports and recreational facilities are in place Monitor implementation of maintenance of recreational and sports facilities against expenditure targets for this financial year
Ensure well maintained gravesites	Draft Maintenance plan in place for all cemeteries Monitor implementation of maintenance plan against expenditure targets for the current financial year
Provide sufficient and affordable solid waste disposal options to communities according to legislative frameworks	Submit business plan for funding to craft a revised integrated waste management plan in the next financial year. Monitor implementation against the current schedules relating to waste disposal objectives
Ensure sustainable utilisation of natural resources according to the existing available legislation and policies	Submit business plans for funding to craft various environmental management plans Obtain and maintain Blue Flag International standards of all Blue Flag Beaches Protection and management of all natural resources according to the targets set for each operational manager
Improve the environmental health of the area in accordance with environmental health legislation	Measure implementation against compliance with standards as provided in national legislation
Improve road safety in accordance with the National Road Traffic Act	Required traffic management measures are implemented according to legislation
Regulate the enforcement of by-laws	Measures taken to regularize the enforcement of by-laws
Provide fire and disaster management services in terms of National Disaster Management Act and applicable Fire Services legislation	Draft Fire Emergency implementation plan in place Monitor implementation against the Draft Fire and Emergency Plan

Infrastructural Development directorate

The Infrastructural development budget was compiled considering the following main key performance areas and taking into account Infrastructural development objectives and indicators set to meet the set objectives.

The Infrastructural development directorate is a service-delivery Department, so all work done impacts on all wards so no indicators are ward specific.

OBJECTIVE	INDICATOR
Ensure that water is supplied as per DWA Standards	Water Safety Plan in place and implemented
	The measurable % increase of indigent households having access to free basic potable water
	Supply sufficient potable water that meets national compliance standards.
	5% reduction in number of households without potable water
	10% increase in Blue Drop Status
Ensuring water conservation and water demand management.	Improved efficiency in municipal water usage by decreasing 5% water losses every year. Water conservation and water demand management business plan in place and implemented.
Ensure the availability of waterborne sewerage according to prescribed standards	Increase waterborne sewerage installation by 10% per annum
	Generating funding to provide for 10% increase in waterborne sewerage
	% increase of households with access to sanitation services
	% increase of indigent household with access to free basic sanitation services
	Waste Water Safety Plan in place
	Increase Green Drop status by 10%
Ensure development of integrated human settlements	Measure implementation against the Housing Sector Operational Plan for the year under review.
Improve the quality of roads and storm water.	Roads and Storm Water Management Plan in place. Measure implementation of roads and storm water against % of budget expended
Ensure access to electricity and/or alternative energy	Monitor the provision of electricity according to the existing electricity maintenance plan
	Measures put into place that explore the partnership mechanism with ESKOM
	% increase of households with access to electricity
	% increase of indigent households with access to basic electricity service
	% increase of indigent households with access to

OBJECTIVE	INDICATOR
	free alternative energy sources
Utilization and management of available land and buildings in a sustainable manner	Improved turnaround time on approval of land use applications within statutory frameworks
	Lease Register compiled and managed
	Reduction in number of land use practices/decisions that are not aligned with the applicable regulatory framework
Ensure that an effective fleet management system is in place	Fleet Management Policy in place.
	Fleet Maintenance Plan developed and implemented
	Improved turnaround time in the servicing and repairing of municipal fleet
Ensure a safe and healthy built environment	Improved turnaround time for approving qualifying building plans within statutory timeframes measured against meeting agenda and minutes of the Building Committee
	Improved law enforcement of buildings that are not complying to legislative requirements

Corporate Services directorate

The Corporate Services budget was compiled considering the following main key performance areas and taking into account Corporate Services objectives and indicators set to meet the set objectives.

OBJECTIVES	INDICATORS
Establish performance measurement and reporting mechanisms against IDP and SDBIP	% of the people employed must comply with the targets set in Employment Equity Plan for designated groups
	% of Municipal employees capacitated in order to enhance service delivery
	Increased wellness activities
	Sound employment relations maintained according to collective agreement
	Improve safe and healthy working environment
	Personnel structure aligned to legal requirements and strategic objectives
	Revised Annual HR Plan in place
	HR Strategy Framework with updated HR policies in place
	Mechanism for Job Evaluation put in place
	No. of external training and development opportunities created
Ensure provision of efficient administration and effective support service	Maintain mechanisms to render a secretarial Services to Council and its committees

Ndlambe Municipality Tabled Budget 2015/2016

	Maintain and implement Records Management Systems
	Number of increment of public access to libraries and information services
	Municipal buildings and community facilities well maintained
Improve public participation and interaction	No. of functional Ward Committees
Facilitate capacity development for Councillors	Percentage of councillors capacitated
Promote good corporate governance	Improved oversight role exercised of Council
	A Framework for Administrative Delegations of Authority in place as prescribed by the MSA
	Roles and Responsibilities Framework in place

4) BUDGET RELATED POLICIES

The Municipal Finance Management Act and Reporting Regulations require that all budget and budget related policies be reviewed, and where applicable, be updated on an annual basis. [See Annexure 4 for details](#)

The draft budget related policies are as follows:-

- ❖ Rates Policy
- ❖ Indigent Policy
- ❖ Budget Policy
- ❖ Creditors, Staff and Councilors Payment Policy
- ❖ Credit Control and Debt Collection Policy
- ❖ Funding and Reserve Policy
- ❖ Virement Policy
- ❖ Subsistence and Travel Policy
- ❖ Policy and Procedures for Irregular and Fruitless Expenditure
- ❖ Fixed Asset Policy
- ❖ Supply Chain Management Policy
- ❖ Write-off of Irrecoverable Debt Policy
- ❖ Loans Policy
- ❖ Tariff Policy
- ❖ Management of Accumulated Surplus and Bad Debt Policy

Stakeholders are requested to comment on the policies listed above before the budget is presented to Council for final adoption.

The following finance policies also have an impact on the budget;

- ❖ Banking and Investment Policy
- ❖ Imprest/Petty Cash Policy
- ❖ Entertainment Policy
- ❖ Unforeseen and Unavoidable Expenditure Policy

All of the above policies can be viewed on the Ndlambe Municipality website www.ndlambe.gov.za

5) OVERVIEW OF BUDGET ASSUMPTIONS

Numerous factors contributed to the 2015/2016 financial year's budget and again it has been one of the most difficult budgets to fund. The economic conditions in which we have had to operate over the past year have resulted in an increase in outstanding debtors and limited funds going to capital development and maintenance. The continued high increases imposed on electricity and the increases projected for outer years not only impacts on electricity purchased for re-sale but has a negative impact on operational budgets due to the electricity consumed by water and sewer treatment plants, municipal buildings, street lights and high mast lights to name a few. With the increase in electricity and the wage increase anticipated through the negotiations between Unions, SALGA and the South African Bargaining

Council it was impossible to remain within the growth parameters recommended by National Treasury in their budget circular.

Over the past few years Ndlambe Municipality has had no capital procured from internal funds and repairs and maintenance expenditure has been curbed to balance the budgets ensuring that the increases imposed were acceptable to all stakeholders.

Assumptions used in drawing up the operating budget were;

- Eskom increase of 14.4%
- Negotiated salary increase and notch increase totaling 8.5%
- Growth in local economy 0%
- Cost escalation 10%
- Increase in borrowing 0%
- Collection rate 85%
- Equitable Share use for basic services 100%
- Bulk purchase of water 10.5%

Using these assumptions and trying to keep the increase to consumers at affordable levels has once again impacted on both the capital and operating budgets.

6) OVERVIEW OF BUDGET FUNDING

The funding of the operating budget for the 2015/2016 budget is predominantly from rates, service and usage charges, grants and subsidies.

Of the income of R232 632 000 budgeted for from rates, service and usage charges, excludes R75 832 000 that comes from the equitable share and DORA operating grants.

The environmental operating budget is funded through subsidies by the Sarah Baartman District Municipality.

Operating Revenue

See Annexure 2 Tables A2, A3 and A4 attached

The expenditure can only be incurred if the cash flow permits and that will only happen if we increase our collection rate.

Capital Expenditure

See Annexure 2 Table A4 and Annexure 3 attached

From the capital expenditure table above it is clear that the Ndlambe Municipality internal reserves are totally depleted and that we are now reliant on government

grants and external funding. It is now essential that all projects are carefully considered and that the impact of the funded projects on the operation budget, infrastructure network and availability of water be taken into account before they are approved. It will be detrimental to continue with funded projects if our operational budget will not be able to carry them, the infrastructure network does not have the capacity to accommodate it and water is not available for the project.

Ndlambe Municipality has reached its borrowing capacity so external loans to fund capital expenditure should still not be considered at this point in time.

7) EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

See Annexure 2 Tables SA18 and SA19 attached

8) ALLOCATIONS AND GRANTS MADE BY NDLAMBE MUNICIPALITY

Tourism/Publicity Grant R400 000

The above are the only allocation and grants budgeted for by the municipality. During the financial year, Council may resolve to make further allocations or grants based on the merits of the applicant.

9) COUNCILOR ALLOWANCES AND EMPLOYEE BENEFITS

COUNCILLORS ALLOWANCE 2015/2016

See Annexure 2 Tables SA22 and SA23 attached

SECTION 57 EMPLOYEES BUDGET 2015/2016

See Annexure 2 Tables SA22 and SA23 attached

10) MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

See Annexure 2 attached

The monthly targets for revenue expenditure and cash flow is to be found under annual budget tables, section 4 of part 1, tables A7, SA25, SA26, SA27, SA28 and SA30 for the 2015/2016 financial year. Table SA 29 in the same section provides monthly projections for capital expenditure by vote.

From the information provided it is clear to note that expenditure can only be incurred if the revenue is in our bank account. Cash flow management is going to have to be a priority throughout the year and directors will only be permitted to incur expenditure if the revenue has been received.

11) CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The only contract that was identified by the directors that has a financial obligation of more than three financial years is the MANELEC contract. This contract deals with operations, management, maintenance and construction services in respect of the electricity undertakings of Port Alfred. The contract was signed in October 2000 and ends on 30 September 2015. The monthly cost of the contact to Council varies from month to month due to various factors including the electricity sold within a month.

12) CAPITAL EXPENDITURE DETAILS

Capital expenditure for the 2015/2016 financial year will be funded mainly by grants as follows;

See Annexure 3 attached for details

Capital Replacement Reserve (Internal)	CRR (INTERNAL)	44 642 870	2 223 699
Financial Management Grant	FMG	534 806	43 500
Municipal Infrastructural Grant	MIG	25 374 500	0
Expanded Public Works Programme	EPWP	1 000 000	0
Equitable Share	EQ SHARE	197 500	0
Total Capital Source Of Funding		71 749 676	2 267 199

The following are the top ten valued projects that will be undertaken by Ndlambe Municipality during the 2015/2016 Financial Year

See Annexure 3 attached

Project Description	Capital Costs
Upgrading of Water Infrastructure in Bathurst	18 000 000
Upgrading of Sewerage Infrastructure in Marselle	5.500 000
Water Conservation and Water Demand Management	3.100 000
Construction of Marselle Sports Field	1 800 000
Paving of Municipal verges	1 000 000
Upgrading of Kenton On Sea Roads	1 000 000
Fencing of Cemeteries	500 000

13) LEGISLATION COMPLIANCE STATUS

The Ndlambe Municipal Councilors and staff are committed to comply fully with all legislation impacting on local government. Section 195(1) of the Constitution sets the basic values and principles that local government must adhere to. To comply fully with all legislation, the municipality must also adhere to circulars issued in line with the legislation and all regulations promulgated to give effect to certain legislation.

The main pieces of legislation that Ndlambe Municipality needs to comply with are;

- The Constitution of the Republic of South Africa
- Local Government: Municipal Structures Act, Act 117 of 1998 with all amendments to date
- Local Government: Municipal Systems Act, Act 32 of 2000 with all amendments to date
- Local Government: Municipal Finance Management Act, Act 56 of 2004 with all amendments to date
- Local Government: Property Rates Act, Act 6 of 2004 with all amendments to date
- Electricity Act of 1987
- Labour Relations Act of 1995
- Financial and Fiscal Commission Act of 1997
- Intergovernmental Fiscal Relations Act of 1997
- Water Services Act of 1997
- Municipal Demarcation Act of 1998
- National Environmental Management Act of 1998
- Remuneration of Political Office Bearers Act of 1998
- Skills Development Act
- Preferential Procurement Policy Framework Act of 2000
- Intergovernmental Relations Framework Act of 2005
- Division of Revenue Act

Circulars and regulations are published from time to time to give effect to the stipulations of the legislation and these also need to be complied with. Certain circulars are however only to be complied with if adopted by Council.

At present the Ndlambe Municipality does not comply with all the existing legislation and the aim is to ensure that by the end of the 2015/2016 financial year all legislation is complied with. This matter has been pointed out in the report of the Auditor-General for the past few years and is in the process of been addressed.

14) SERVICE DELIVERY STANDARDS

The reporting on service delivery standards is a new initiative by the Ndlambe Municipality to make a commitment to the community and advise the community on the service delivery that they can expect from the municipality from the budget that is available. By documenting service delivery standards the community will have realistic expectations about the nature of the services being delivered. The community will know how often a service will be provided, how long it will take to receive a service, what level of service can be expected, how much the service will cost and be able to monitor performance against the set standards.

The service delivery standards are attached as [Annexure 5](#)

15) MUNICIPAL MANAGER'S QUALITY CERTIFICATION



QUALITY CERTIFICATE

I **Rolly Dumezweni**, Municipal Manager of **Ndlambe Municipality**, hereby certify that the budget and the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Rolly Dumezweni

Municipal Manager of Ndlambe Municipality (EC105)

23 MARCH 2015

DATE

PART 3

ANNEXURES

Attached please find the following annexures;

- | | |
|------------|--|
| Annexure 1 | Tariff Schedule 2015/2016 |
| Annexure 2 | Budget Schedules |
| Annexure 3 | Capital Budget 2015/2016 |
| Annexure 4 | Budget Related Policies / Finance Policies |
| Annexure 5 | Service Delivery Standards |