

# **MATATIELE LOCAL MUNICIPALITY**



## **2011/12 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

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## 1. INTRODUCTION

In terms of chapter 1(i) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA), the SDBIP is a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and its annual budget which must indicate:

- (a) projections for each month of-
  - (i) revenue to be collected by source; and
  - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed."

The MFMA Circular 13 also state that the SDBIP provides the vital link between the Executive Mayor, Council and the administration, and facilitates the process for holding management accountable for its performance. Furthermore it states that the goals and objectives set by the municipality must be quantifiable outcomes that can be implemented by the administration over the next twelve months.

In addition, the MFMA circular 48 provides further guidance for municipalities and municipal entities in preparing their budget and Medium Term Revenue and Expenditure Framework (MTREF).

Furthermore, in line with the new National Treasury Guidelines and Regulations, municipalities are required to prepare the SDBIP containing the following:

- Budget Implementation plan;
- Budgeted monthly revenue and expenditure;
- Budgeted monthly revenue and expenditure by municipal vote;
- Budgeted monthly revenue and expenditure by standard classification;
- Budgeted monthly Capital expenditure by municipal vote;
- Budgeted monthly Capital expenditure by standard classification;
- Consolidated Budgeted monthly cash flow
- Consolidate capital expenditure by asset class;
- Consolidated future implications of the capital budget;
- Consolidated detail capital expenditure; and
- Consolidated projects delayed from previous year.
- Service Delivery Breakdown
- Measurable performance indicators

Based on these requirements this document seeks to reflect the progress made by Matatiele Municipality toward the fulfillment of these requirements as indicates in this SDBIP for the 2011/2012 .

## 2. BUDGET IMPLEMENTATION PLAN FOR 2011/12

The Budget Implementation component of the SDBIP, circular 13 requires a breakdown by monthly projections of revenue for each source and monthly projections of capital expenditure and operational expenditure and revenue for each vote.

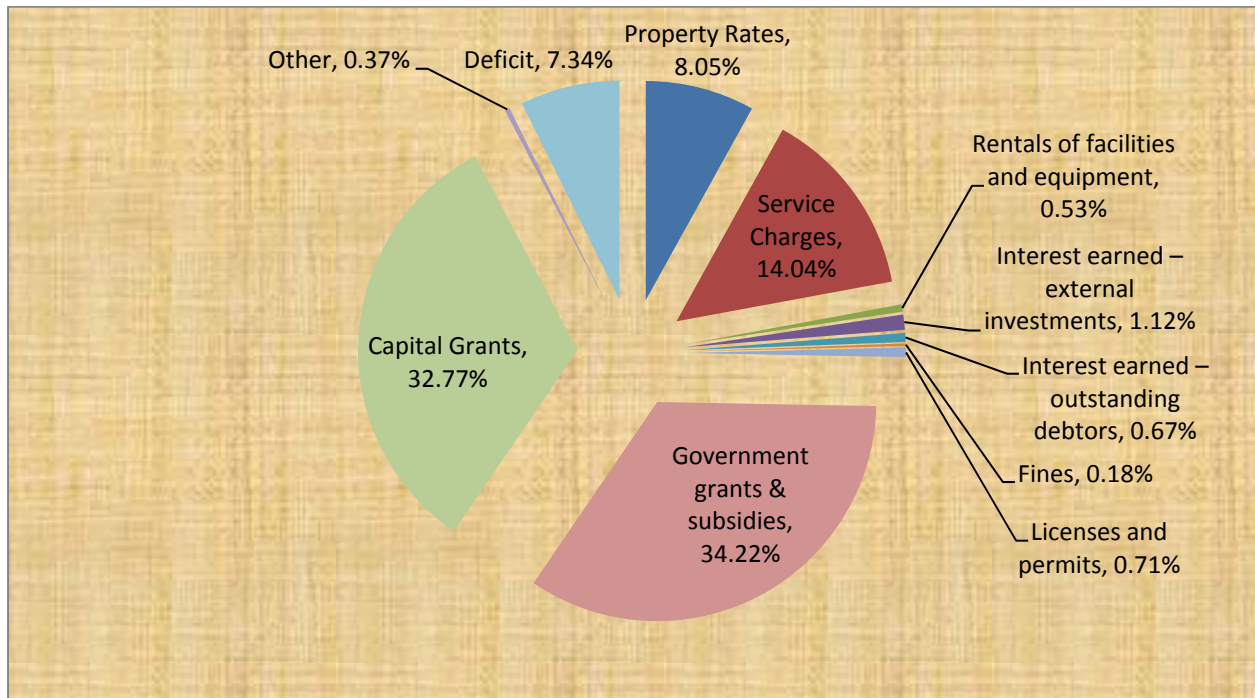
### Monthly projections of revenue for each source

The anticipated revenue for the 2011/12 financial year amounts to R29 billion (excluding capital grants received).

The table below reflects the split of revenue by source.

	BUDGET 2011/12	% OF TOTAL BUDGET
Property Rates	25 173 298	8.05%
Service Charges	43 331 139	14.04%
Rentals of facilities and equipment	1 183 382	0.53%
Interest earned – external investments	3 000 000	1.12%
Interest earned – outstanding debtors	1 785 000	0.67%
Fines	487 000	0.18%
Licenses and permits	2 154 484	0.71%
Government grants & subsidies	91 763 651	34.22%
Capital Grants	92 480 129	32.77%
Other	2 030 954	0.37%
Deficit		7.34%
<b>TOTAL OPERATING INCOME</b>	<b>263 389 037</b>	<b>100.00%</b>

From this table, the total Municipal operating income for the financial period 2011/2012 is depicted as R263 389 037. The following graph depicts a clearer picture of the spread of the income by source.



The above figure reflects the split of revenue by source. The graph depicts the grants and subsidies together with the capital grants as the largest sources of revenue each representing a thirty four comma two two percent (34,22%) and thirty two comma seven seven percent (34,77%) respectively. In essence both grants total of sixty eight comma nine nine percent (68,99%). The remaining sources of revenue (Licenses and permits, Fines, Interest earned in outstanding debtors, Interest earned on external investments, Rental of facilities and equipment, Property Rates, Deficit and Other Income) share the contribution to the remaining income contribution of thirty one comma zero one percent (31,01%)

Contribution. The challenge therefore becomes how the municipality progressively increases the latter part of the income contribution to meaningful proportions in order to make a substantial impact in its service delivery efforts.

### 3. BUDGETED MONTHLY REVENUE AND EXPENDITURE BY SOURCE

EC441 Matatiele - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	REF	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b><u>Revenue By Source</u></b>																
Property rates		2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	2,097,775	25,173,298	26,431,963	27,818,562
Property rates - penalties & collection charges		136,667	136,667	136,667	136,667	136,667	136,667	136,667	136,667	136,667	136,667	136,667	136,667	1,640,000	2,664,000	2,589,750
Service charges - electricity revenue		3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	3,105,558	37,266,695	39,428,163	41,714,997
Service charges - water revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service charges - sanitation revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service charges - refuse revenue		505,370	505,370	505,370	505,370	505,370	505,370	505,370	505,370	505,370	505,370	505,370	505,370	6,064,444	7,367,666	7,736,049
Service charges - other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental of facilities and equipment		98,615	98,615	98,615	98,615	98,615	98,615	98,615	98,615	98,615	98,615	98,615	98,615	1,183,382	1,242,301	1,304,156

Interest earned - external investments		250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000	3,150,000	3,307,500
Interest earned - outstanding debtors		12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	145,000	0	198,450
Dividends received		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fines		40,583	40,583	40,583	40,583	40,583	40,583	40,583	40,583	40,583	40,583	40,583	40,583	40,583	487,000	511,320	536,855
Licences and permits		179,540	179,540	179,540	179,540	179,540	179,540	179,540	179,540	179,540	179,540	179,540	179,540	179,540	2,154,484	2,262,208	2,375,319
Agency services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers recognised - operational		15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	15,217,892	182,614,701	167,082,780	185,199,850
Other revenue		168,830	168,830	168,830	168,830	168,830	168,830	168,830	168,830	168,830	168,830	168,830	168,830	168,830	2,025,954	2,179,152	2,286,856
Gains on disposal of PPE		417	417	417	417	417	417	417	417	417	417	417	417	417	5,000	5,000	6,000
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>21,813,330</b>	<b>261,759,958</b>	<b>252,324,553</b>	<b>275,074,344</b>
<b><u>Expenditure By Type</u></b>																	
Employee related costs		4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	4,379,116	52,549,390	53,062,037	55,665,967
Remuneration of councillors		1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	1,043,490	12,521,874	13,022,750	13,543,659
Debt impairment		166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	2,000,000	4,000,000	6,000,000
Depreciation & asset impairment		891,462	891,462	891,462	891,462	891,462	891,462	891,462	891,462	891,462	891,462	891,462	891,462	891,462	10,697,549	10,159,909	11,682,332

Finance charges		119,316	119,316	119,316	119,316	119,316	119,316	119,316	119,316	119,316	119,316	119,316	119,316	1,431,790	1,503,380	1,578,548
Bulk purchases		1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	1,967,988	23,615,855	24,796,648	26,036,480
Other materials		1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	1,303,583	15,643,000	16,360,950	17,177,751
Contracted services		794,993	794,993	794,993	794,993	794,993	794,993	794,993	794,993	794,993	794,993	794,993	794,993	9,539,917	10,012,073	10,507,642
Transfers and grants		1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	1,023,620	12,283,442	8,481,118	9,214,074
Other expenditure		2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	2,552,575	30,630,898	31,920,279	33,548,884
Loss on disposal of PPE		-17	-17	-17	-17	-17	-17	-17	-17	-17	-17	-17	-17	-200	-360	594
<b>Total Expenditure</b>		<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>14,242,793</b>	<b>170,913,515</b>	<b>173,318,783</b>	<b>184,955,931</b>
<b>Surplus/(Deficit )</b>		<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>90,846,443</b>	<b>79,005,770</b>	<b>90,118,413</b>
Transfers recognised - capital													0	0	0	0
Contributions recognised - capital													0	0	0	0
Contributed assets													0	0	0	0
<b>Surplus/(Deficit ) after capital transfers &amp; contributions</b>		<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>7,570,537</b>	<b>90,846,443</b>	<b>79,005,770</b>	<b>90,118,413</b>
Taxation													0	0	0	0
Attributable to minorities													0	0	0	0



Share of surplus/ (deficit) of associate														0	0	0	0
<u>Surplus/(Deficit)</u>	1	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	7,570,537	90,846,443	79,005,770	90,118,413
EC441 Matatiele - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)																	
Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
<u>Capital Expenditure - Standard</u>	1																
Governance and administration		118,531	118,531	118,531	118,531	118,531	118,531	118,531	118,531	118,531	118,531	118,531	118,531	1,422,366	0	0	
Executive and council		792	792	792	792	792	792	792	792	792	792	792	792	9,500	0	0	
Budget and treasury office		114,822	114,822	114,822	114,822	114,822	114,822	114,822	114,822	114,822	114,822	114,822	114,822	1,377,866	0	0	
Corporate services		2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	35,000	0	0	
Community and public safety		310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	3,730,000	0	0	
Community and social services		310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	310,833	3,730,000	0	0	
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Public safety		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Health		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic and environmental services		9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	9,879,892	118,558,703	0	0
Planning and development		906,877	906,877	906,877	906,877	906,877	906,877	906,877	906,877	906,877	906,877	906,877	906,877	10,882,521	0	0
Road transport		8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	8,973,015	107,676,182	0	0
Environmental protection		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trading services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Electricity		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste water management		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste management		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Capital Expenditure - Standard</b>	<b>2</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>10,309,256</b>	<b>123,711,069</b>	<b>0</b>	<b>0</b>

## 4. SERVICE DELIVERY BREAKDOWN

The Municipal Finance Management Act No. 56 of 2003 (MFMA) provides that a detailed Capital Works Plans to ensure, measure and monitor delivery of infrastructure projects on a ward basis. The Capital Works Plan is important to ensure sufficient details to measure and monitor delivery of infrastructure projects on a ward basis.

Also, the MFMA circular 48 provides further guides municipalities in the preparation of their budget and Medium Term Revenue and Expenditure Framework (MTREF).

This section highlights service delivery in respect of the key projects to be implemented in the city. This includes the City and region wide specific programmes and projects. This section also shows a detailed

### Capital projects

The IDP remains the strategic guiding plan that informs all the needs and strategies per Key Performance Area. Further, the following also act as a guide in allocating through the capital budgeting process:

- The Municipality's Spatial Development Framework (SDF)
- Addressing skewed development through focusing on wards that had the least service delivery informed by an audit.
- Identified Nodal areas where maximum economic impact will be derived for the greater benefit of the Matatiele community at large.

The following table reflect the breakdown of the capital expenditure across Matatiele. The capital

Capital Projects for 2011/2012

<u>WARD</u>	<u>PROJECT</u>	<u>AMOUNT</u>
1	Maluti Cemetry Steel Palisade Fence	1 000 000
1	Maluti Roads	1 665 153
1	Buy back centre at landfilsite	200 000
2	Khuthalani Sinosizo	1 000 000
2	Moliko Access road	417 900
2	Malubaluba Access Road	796 380
4	Rantshiki Access Road	4 200 000
5	Mzongwana - Vimba Access Rd	1 250 000
6	Khoapha community Facility	1 129 079
6	T69 – Khoapha Access Road	5 150 000
6	T69 - Pokolong Acc Rd	1 250 000
7	Ngcwengane to Esifolweni Bridge	1 930 000
7	Ngcwengane – Esifolweni Access Road	3 825 000
8	Tshita – Mabua Access Road	3 500 000
9	Sehlabeng Access Road	3 450 000
10	Sijoka Access Rd	1 250 000
10	Lunda Acc Rd	579 360
11	Felleng Access road	850 000
11	Diaho Access Road	900 100
12	T69 - Moghobi Access Road	1 545 400
13	Mahareng Pre-School	600 000
13	Thabang & St Bernard Acc Rd	1 250 000
14	Mandela Comm Facility	750 000

**Capital Projects for 2011/2012**

<b>WARD</b>	<b>PROJECT</b>	<b>AMOUNT</b>
14	Moiketsi Acc Rd	1 250 000
15	Mahlabathini-Lugada Access Road	1 351 773
15	Ntali Mohloli Comm facility	750 000
16	Berdivalle – Mahlahleng Access Road & Bridge	5 520 000
18	Qili Community Facility	750 000
19	Upgrade Pleasure dam	300 000
19	Various Equipment	430 000
19	Installation of traffic lights	1 000 000
19	Thina Sinako Balloon Taxi Rank	2 700 000
19	Sikhuliliwe Bawo	504 781
19	Greater Matatiele: Rehabilitaiton of roads and stormwater phase 1.	5 824 920
19	Smart Metring	7 600 000
19	Mountain View - ringfeed	574 000
19	Various Tools & Equipment	420 000
19	Weigh bridge at landfilsite	700 000
19	Electrification of landfilsite	750 000
20	Highmast lights for low cost housing	5 400 000
20	DOE; 583 houses electrification, HGP	6 996 000
21	Cedarville Cemetry Concrete Palisade Fence	1 000 000
21	Mokhosi Milling & Silos	600 000
21	Greater Cedarville: Rehabilitaiton of roads and stormwater phase 1.	913 117
21	DOE; Sandfontein electrification,	1 140 000
22	Lukholweni Acc Rd	1 250 000
Offices	Office Equipment & Furniture	1 442 366
Various	Household Infrastructure	4 500 000
Various	Integrated National Electrification Program	30 000 000
20	Access Road to Kuyasa Poultry Project Next to Masakala	1 557 800
	Sewer Connection to Mokhosi Milling Site	
20	Access Road to Mokhosi Milling Site in Harry Gwala Extension	
2	Road Leading to Khuthalani Sinosizo Poultry in Malubalube	
20	Septic Tank for Gwebindlala Piggery	
20	Fencing for 25ha Sites in Gwebindlala	
	<b>TOTAL</b>	<b>123 713 129</b>

## 5. DETAILED DEPARTMENTAL SDBIP's

The following section shows the detailed SDBIP's for the Municipal Departments viz:-

- 1) Budget & Treasury Office
- 2) Corporate Services
- 3) Community Services
- 4) Economic Development & Planning
- 5) Technical Services
- 6) Office of the Municipal Manager

## 6. CONCLUSION

As mentioned in section 1, the Municipal Finance Management Act, Act 56 of 2003 together with the National Treasury regulations provided the legal stipulations and guidelines for the preparation of the SDBIP's in Municipalities. The Matatiele SDBIP for 2011/2012 thus serves to fulfill these stipulations.

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**HIS WORSHIP THE MAYOR**  
**Hor. Cllr. N.S. SELLO**