



UMDONI MUNICIPALITY SDBIP 2012/2013

Umdoni Local Municipality 2010-2011
SDBIP

PO Box 19 SCOTTBURGH 4180

039 976 1202

039 976 2194

22/06/2010

This document serves to present the Service Delivery and Budget Implementation Plan for the Umdoni Municipality for the Financial Year 2012/2013. This Plan is to be read together with the Reviewed Council's Integrated Development Plan and the Budget for 2012/2013. This is the final document of which it is to be adopted 28 days after the adoption of the budget in terms of MFMA circular 13.

The draft was presented to the Mayor 14 days after the adoption of the budget on the 08 June 2012. Whereas the 12/13 budget was adopted on the 24 May 2012 together with the IDP.

TABLE OF CONTENTS

ARTICLE I.PURPOSE.....	3
ARTICLE II.BACKGROUND.....	3
SECTION 2.01 LOCATION	4
SECTION 2.02 LEGISLATIVE FRAMEWORK.....	5
SECTION 2.03 COMPONENTS OF THE SDBIP.....	6
SECTION 2.04 BUDGET PROCESS	6
SECTION 2.05 2010-11 BUDGET.....	8
(a) 2012-13 CAPITAL BUDGET.....	8
(b) 2012-13 OPERATING EXPENDITURE.....	10
ARTICLE III MONTHLY PROJECTIONS OF REVENUE TO BE COLLECTED FOR EACH SOURCE	ERROR! BOOKMARK NOT DEFINED.
ARTICLE IV. MONTHLY PROJECTIONS OF EXPENDITURE (OPERATING & CAPITAL) AND REVENUE FOR EACH VOTE	13
ARTICLE V.QUARTELY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS.....	13
SECTION 5.01 OFFICE OF THE MUNICIPAL MANAGER.....	ERROR! BOOKMARK NOT DEFINED.
SECTION 5.02 DEPARTMENT OF FINANCIAL SERVICES.....	ERROR! BOOKMARK NOT DEFINED.
SECTION 5.03 DEPARTMENT OF TECHNICAL SERVICES	ERROR! BOOKMARK NOT DEFINED.
SECTION 5.04 DEPARTMENT OF CORPORATE SERVICES.....	ERROR! BOOKMARK NOT DEFINED.
SECTION 5.05 DEPARTMENT OF COMMUNITY SERVICES.....	ERROR! BOOKMARK NOT DEFINED.
ARTICLE VI WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY	ERROR! BOOKMARK NOT DEFINED.
ARTICLE VII.DETAILED CAPITAL WORKS PLAN BROKEN DOWN BY WARD OVER THREE YEARS.....	ERROR! BOOKMARK NOT DEFINED.
ARTICLE VIII.CONCLUSION.....	16

Article I. PURPOSE

This document serves to present the Service Delivery and Budget Implementation Plan for the Umdoni Municipality for the Financial Year 2012/2013. This Plan is to be read together with the Reviewed Council's Integrated Development Plan and the Budget for 2012/2013.

Article II. BACKGROUND

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. The SDBIP indicates the responsibilities and outputs for each of the senior managers in the top management team, the inputs to be used, and the time deadlines for each output.

The SDBIP together with the OPMS will therefore determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. The SDBIP should also provide all expenditure information (for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this is possible, to support ward councillors in service delivery information.

The SDBIP is also a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and municipal manager to be pro-active and take remedial steps in the event of poor performance. The SDBIP aims to ensure that managers are problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible. The SDBIP also enables the council to monitor the performance of the municipality against quarterly targets on service delivery.

The 2012/2013 annual budget was approved at the Council Meeting held on 24 May 2012. The Budget was tabled in terms of Section 16 of the MFMA, Act 56 of 2003. The draft budget was approved by Council at its meeting held on 28 March 2012. Council resolved that the draft budget be taken to the community to ascertain their views. Several Budget Road shows were held and various issues were raised at these road shows. All these issues were considered and necessary changes were made. Several workshops and steering committee meetings were held with councillors prior to the adoption of the budget.

Section 2.01 LOCATION

Umdoni is one of the six local municipalities within Ugu, located along the coast it borders eThekweni, Vulamehlo and Umzumbe municipalities. It is approximately 60 km from Durban.

Umdoni hasten wards which are comprised of the following areas.

Ward no.	Ward councilor	Areas included
1	Cllr M.N Maphumulo	Amahlongwa
2	Cllr B.M Mthethwa	Amandawe, KwaCele
3	Cllr S. Bhoola	Umzinto, Ghandinagar, Alexandra
4	Cllr. M.O Zama	Amandawe, Scottburgh
5	Cllr. S.S.I Khwela	Scottburgh/ Amandawe
6	Cllr. T.H Ngcobo	Umzinto/Hazelwood/Asoka Heights
7	Cllr. G.H Nyuswa	Sezela, Ifafa, Umthwalume,
8	Cllr. B.J Mtolo	Malangeni , Esperanza
9	Cllr. L.N Mnyende	Malangeni, Park Rynie and Pennington
10	Cllr. K.K Armugam	Shayamoya

Section 2.02 LEGISLATIVE FRAMEWORK

The Municipal Finance Management Act (MFMA) of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan.

Section 69(3)(a) of the Municipal Finance Management Act, Act 56 of 2003(MFMA) requires the Accounting Officer to submit a draft Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor:

- ✓ no later than 14 days after the approval of the Budget and
- ✓ drafts of the performance agreements as required in terms of Section 57 (1) (b) of the Municipal Systems Act, Act 32 of 2000.
- ✓ The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the Budget in accordance with section 53(1)(c)(ii) of the MFMA

Section 1 of the MFMA defines the SDBIP as:

"A detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include the following:

- Projections for each month
- Revenue to be collected by source; and
- Operational and capital expenditure by vote
- Service Delivery targets and performance indicators for each quarter.

This Plan is therefore largely a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality.

It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

Section 2.03 COMPONENTS OF THE SDBIP

The SDBIP is a layered plan, with the top layer of the plan dealing with consolidated service delivery targets and in-year deadlines, and linking such targets to top management.

The top-layer of the SDBIP is the one that must be made public, and focuses on five components. Municipal Managers and Mayors are free to add on to these components and also to develop the lower layers of the SDBIP to the extent they believe will be useful. The five necessary components are:

1. Monthly projections of revenue to be collected for each source
2. Monthly projections of expenditure (operating and capital) and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators for each vote
4. Ward information for expenditure and service delivery
5. Detailed capital works plan broken down by ward over three years

Section 2.04 BUDGET PROCESS

The MFMA requires that Council submit a detailed plan of the budget process for the ensuing financial year for approval. Accordingly, a combined budget, IDP and PMS process plan scheduling key deadlines were approved by Council at its meeting in August 2012.

The alignment of the budget to the integrated development plan is crucial in order to ensure the effectiveness of any budget. Various internal consultative sessions were held with Councillors and officials in order to determine the strategic priorities for the municipality in the upcoming financial year. Both the IDP and the budget have incorporated these priorities and action plans and therefore assisted in their alignment.



Section 2.05 2012-13 BUDGET

(a) 2012-13 CAPITAL BUDGET

CAPITAL BUDGET BY DEPARTMENT, GFS CLASSIFICATION AND FUNDING FOR THE 2012/2013 FINANCIAL YEAR			
DESCRIPTION	2012/2013 BUDGET YEAR	2013/2014 BUDGET YEAR	2014/2015 BUDGET YEAR
<u>Capital Expenditure - by Department</u>			
Council General	45 400	6 000	-
Financial Services	10 400	125 000	-
Community Services	3 253 200	2 459 000	7 703 420
Technical Services	23 073 850	27 867 500	23 116 800
Strategic Development	614 000	-	-
Corporate Services	489 200	600 400	-
TOTAL CAPITAL BUDGET	27 486 050	31 057 900	30 820 220
<u>Capital Expenditure by GFS Classification</u>			
Executive and Council	45 400	6 000	-
Financial and Admin	3 019 100	941 400	204 000

Community and Social Services	715 700	8 925 000	6 970 000
Roads	19 550 487	13 246 500	13 352 300
Sport and recreation	1 116 863	2 090 000	200 000
Public Safety	2 003 500	984 000	6 983 420
Environmental Protection	10 000	-	10 500
Waste Management	160 000	4 730 000	3 100 000
Planning and Development	865 000	135 000	-
TOTAL CAPITAL BUDGET	27 486 050	31 057 900	30 820 220
<u>Capital Expenditure by Funding Source</u>			
MIG	15 027 850	15 836 500	16 752 300
MSIG	20 000	-	-
Revenue	4 938 200	15 221 400	14 067 920
Internal Reserves	2 000 000		
Ex Loan	4 500 000		
Cogta (Pound)	1 000 000		
TOTAL CAPITAL BUDGET	27 486 050	31 057 900	30 820 220

(b) 2012-13 OPERATING EXPENDITURE

SUMMARY FOR ALL DEPARTMENTS - PER CATEGORY								
	SAMRAS BUDGET	02 MAR 12 YTD ACTUAL	FULL YEAR FORECAST	FORECAST DIFFERENCE	2012/2013 BUDGET	VARIANCE	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET
<u>OPERATING REVENUE BY SOURCE:</u>								
Property rates	-52 418 016	-52 626 346	-52 626 346	208 330	63 542 303	-11 124 287	-70 786 530	-73 830 072
Property rates - penalties & collection charges	-3 000 000	-1 347 371	-2 021 057	-978 943	-1 500 000	1 500 000	-1 650 000	-1 732 500
Service charges - refuse removal	-7 050 000	-6 414 931	-6 501 551	-548 449	-7 530 000	-480 000	-8 283 000	-8 697 150
Rental of facilities and equipment	-3 928 369	-2 466 252	-3 699 378	-228 991	-4 012 922	-84 553	-4 414 214	-4 634 924
Interest earned - external investments	-3 404 100	-10 176	-3 404 100	-	-2 000 000	1 404 100	-2 400 000	-2 100 000
Fines and Penalty income	-1 418 247	-722 958	-1 084 437	-333 810	-1 410 000	8 247	-1 551 000	-1 628 550
Licences and permits	-5 974 210	-3 625 102	-5 437 653	-536 557	-5 975 288	-1 078	-6 572 817	-6 901 458
Government grants and	-41 444 795	-10 991 866	-41 436 701	-	-49 088 000	-6 643 205	-53 774 165	-57 805 848

subsidies								
Other income:	-5 614 985	-3 962 562	-5 939 895	363 689	-7 215 707	-1 600 722	-7 760 178	-8 148 187
Total Revenue by Source	-124 252 722	-82 167 564	-122 151 118	-2 054 731	-142 274 220	-17 021 498	-157 191 904	-165 478 689
<u>OPERATING EXPENDITURE BY TYPE:</u>								
Employee Related Costs	51 709 921	36 633 669	53 956 751	-2 319 716	56 108 626	4 398 705	59 155 545	62 014 097
Remuneration of Councillors	5 356 692	3 350 447	5 025 671	331 021	5 624 527	267 835	5 905 753	6 201 041
Depreciation	14 134 396	-	14 134 396	-	14 950 000	815 604	15 800 000	16 800 000
Repairs and maintenance	6 200 200	4 704 705	6 578 203	-378 003	8 568 000	2 367 800	8 546 800	11 402 015
Interest paid	469 000	109 155	191 637	277 363	1 000 000	531 000	1 000 000	1 000 000
Contracted services:	13 511 314	11 924 212	14 231 305	-919 991	14 486 800	975 486	14 509 632	15 340 624
Grants and subsidies paid	4 670 000	3 411 242	5 146 863	-476 863	5 920 000	250 000	5 202 000	5 462 100
General expenses:	19 819 695	15 497 978	21 422 478	-1 690 176	24 825 067	5 005 372	25 966 374	27 249 692
Contributions	8 380 609	215 758	8 443 246	-73 637	10 788 200	2 407 591	21 101 400	20 000 920
Total Operating Expenditure	124 251 827	75 847 167	129 130 551	-5 250 003	142 271 220	17 019 393	157 187 504	165 470 489
(SURPLUS)/DEFICIT	-895	-6 320 397	6 979 433	-7 304 734	-3 000	-2 105	-4 400	-8 200

Article III. MONTHLY PROJECTIONS OF REVENUE TO BE COLLECTED FOR EACH SOURCE

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source															
Property rates	4 995	4 795	15 886	4 945	5 145	5 295	4 945	5 295	3 795	3 295	2 095	3 055	63 542	70 787	73 830
Property rates - penalties & collection charges	86	91	141	106	101	86	147	97	107	137	106	291	1 500	1 650	1 733
Service charges - electricity revenue												-	-	-	-
Service charges - water revenue												-	-	-	-
Service charges - sanitation revenue												-	-	-	-
Service charges - refuse revenue	535	585	2 054	420	450	610	470	485	495	525	515	391	7 530	8 283	8 697
Service charges - other												-	-	-	-
Rental of facilities and equipment	304	365	367	363	383	394	344	304	334	385	170	302	4 013	4 414	4 635
Interest earned - external investments												2 000	2 000	2 400	2 100
Interest earned - outstanding debtors												-	-	-	-
Dividends received												-	-	-	-
Fines	108	110	256	128	100	125	90	82	97	92	103	117	1 410	1 551	1 629
Licences and permits	400	447	694	593	583	696	298	350	434	463	463	556	5 975	6 573	6 901
Agency services												-	-	-	-
Transfers recognised - operational												34 075	34 075	37 938	41 054
Other revenue	485	531	585	502	520	521	533	1 026	512	525	515	962	7 216	7 760	8 148
Gains on disposal of PPE												-	-	-	-
Total Revenue (excluding capital transfers and contributions)	6 912	6 924	19 982	7 057	7 282	7 727	6 827	7 639	5 774	5 421	3 967	41 748	127 261	141 355	148 726
Expenditure By Type															
Employee related costs	4 316	4 316	4 316	4 316	6 970	4 662	4 662	4 316	4 662	4 662	4 594	4 316	56 109	59 156	62 014
Remuneration of councillors	433	433	433	433	865	433	433	433	433	433	433	433	5 625	5 906	6 201
Debt impairment												2 050	2 050	2 000	2 000
Depreciation & asset impairment												14 950	14 950	15 800	16 800
Finance charges						500						500	1 000	1 000	1 000
Bulk purchases												-	-	-	-
Other materials												-	-	-	-
Contracted services	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	14 487	14 510	15 341
Transfers and grants	410	510	410	210	245	550	345	295	515	530	320	1 580	5 920	5 202	5 462
Other expenditure	2 025	2 015	3 795	4 265	4 295	2 095	3 225	2 045	3 295	4 265	5 295	5 514	42 131	53 615	56 653
Loss on disposal of PPE												-	-	-	-
Total Expenditure	8 391	8 481	10 161	10 431	13 583	9 447	9 872	8 296	10 112	11 097	11 849	30 550	142 271	157 188	165 470
Surplus/(Deficit)	(1 479)	(1 557)	9 821	(3 374)	(6 301)	(1 720)	(3 045)	(657)	(4 338)	(5 676)	(7 882)	11 198	(15 010)	(15 832)	(16 744)
Transfers recognised - capital												15 013	15 013	15 837	16 752
Contributions recognised - capital												-	-	-	-
Contributed assets												-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 479)	(1 557)	9 821	(3 374)	(6 301)	(1 720)	(3 045)	(657)	(4 338)	(5 676)	(7 882)	26 211	3	4	8
Taxation												-	-	-	-

Article III. MONTHLY PROJECTIONS OF EXPENDITURE (OPERATING & CAPITAL) AND REVENUE FOR EACH VOTE (ANNEXURE1)

Article IV. QUARTELY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

The quarterly projections of service delivery are attached as **Annexure A**

DETAILED THREE YEAR CAPITAL WORKS PLAN BROKEN DOWN BY WARD OVER THREE YEARS

The following section deals the financial framework plan, which is then linked into a three year implementation capital plan as aligned with the SDIP. The projects to be detailed here are only those projects that are to be undertaken by the municipality.

THREE YEAR CAPITAL WORKS PLAN				
WARD	NAME OF PROJECT	TOTAL YEAR 1 R	TOTAL YEAR 2 R	TOTAL YEAR 3 R
3	Upgrading of ShayamoyaCredche	R110 000	0	0
2	Upgrading of KwaceleSportsfield – Ablution Block	R120 000	0	0
1/2/4 & 5	Amahlongwa Mission Reserve Rural Housing Project	R29, 880, 000	R18, 120, 000	0
3 & 6	Umzinto Slums Clearance Housing Project	R 6, 000, 000	R 18, 000, 000	R 18, 000, 000
Ward 1	KwaCele – Converting Tracks to Gravel Road	0.40m	0	0
Ward 2	Gqolweni Road with access bridge	5.70m	12.50m	12.50m
Ward 3	ShayamoyaSportsfield	2.00m	2.20m	0
Ward 3	Gandhi Nagar Sportsfield Phase 2	0	1.2m	3.0m
Ward 4	AmandaweCreche	1.20m	0	0
Ward 4	Amandawe - Converting Tracks to Gravel Road	0.60m	0.35m	0.30m
Ward 5	Gqolweni Road	2.80m	12.50m	12.50m

THREE YEAR CAPITAL WORKS PLAN				
WARD	NAME OF PROJECT	TOTAL YEAR 1 R	TOTAL YEAR 2 R	TOTAL YEAR 3 R
Ward 6	UmzintoSportsfield Phase 2	0	3.80m	0
Ward 6	Umzinto Municipal Offices	2.40m	0	0
Ward 6	Social Development Offices	5.50m	5.50m	0
Ward 6	Rehabilitation of Hibiscus Block of Flats	0.98m	0	0
Ward 7	HumberdaleCremetorium Phase 3	4.00m	2.00m	2,50m
Ward 8	PhaphamaniCreche	1.2m	0	0
Ward 9	Malangeni Gravel Roads	1.20m	0.80m	0.85m
TOTAL				

Article V. CONCLUSION

The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP.

Together with the OPMS it determines the performance agreements for the municipal manager and all top managers, whose performance can then be monitored through section 71 monthly reports, and evaluated through the annual report process.

For this financial year the SDBIP has been compiled separate from the OPMS.