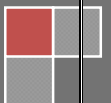


Ikwezi Local Municipality

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
2013/14





Ikwezi Local Municipality

Final Service Delivery & Budget Implementation Plan

Year: 2013/2014

Period: 1 July 2013 - 30 JUNE 2014

Department: All

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1. INTRODUCTION

A municipality of contrasts

The Ikwezi Local Municipality is located within the Eastern Cape Province, one of nine local municipalities located within the Cacadu District Municipality (CDM). Jansenville is bordered by the Sundays River south of the town. The R75 between Port Elizabeth and Graaff-Reneit dissects the town in a north / south direction. Klipplaat is dominated by pre-dominantly defunct railway lines and shunting yards whereas Waterford may be characterised as a small rural node historically established to serve the surrounding farming community

Size

Ikwezi include three main settlements namely Jansenville, Klipplaat and Waterford accommodating a population of 11 452 (2 576 households) and cover an area of 4,449.7 km². It is an area characterized by low population density and high levels of poverty. 76% of households earn less than R1 600 per month and the documented levels of unemployment are documented ranging from 33% to 71%. Economic studies generally describe the area as having very limited economic potential with all settlements rated as level 1 settlement hierarchy. (ABP 2009) The area is challenged with excessive bulk water constraints as well as very poor quality water.

Council and Administration

Ikwezi Municipality is being governed by a Council of 7 members who is also the fulltime Mayoral Committee. All members of the executive committee preside over a specific portfolio committee, which ensure active participation by councillors. Currently Ikwezi Municipality has four Section 56/57 departments namely:

- Office of the Municipal Manager
- Financial and Administrative Services
- Strategic Support
- Technical Services

Budget 2013/14

The Municipality adopted its budget for 2013/2014 on 26th March 2013. The budget gives effect to the strategic priorities of the Municipality and is not a management or implementation plan. The SDBIP therefore serves as 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 12 months. It provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.

The SDBIP is the link between the IDP, budget and performance agreements of management and it includes detailed information on how the budget will be implemented by means of forecast cash flows, service delivery targets and performance indicators. The SDBIP is a dynamic document that may be continually revised by the Municipal Manager and other top Directors, as actual performance after each month or quarter is taken into account.

COMPONENTS OF THE SDBIP

Section 1 of the MFMA defines the SDBIP as

“a detailed plan approved by the mayor of a municipality in terms of section 53(i)(c)(ii) for implementing the municipality’s delivery of municipal services and its annual budget, and 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.”*

OBJECTIVE OF SDBIP

It serves as supplementary support document to the approved budget represented as a policy document. It further serves as a record of the Key Performance Areas (KPA) with their corresponding Key Performance Indicators (KPI).

APPROVAL OF THE SDBIP

Chapters 7 and 8 of the MFMA deal with the approval of the SDBIP. Chapter 8 requires from the accounting officer (Municipal Manager) to submit a SDBIP within 28 days of the budget being approved as well as drafts of the annual performance agreements required in the Municipal Systems Act.

Chapter 7 of the MFMA requires the executive mayor to “take all reasonable steps” to ensure that the SDBIP is approved within 28 days after the approval of the budget and that the SDBIP is made public no later than 14 days thereafter.

IMPLEMENTATION OF THE SDBIP

The responsibilities of the executive mayor with regard to budgeting control and the early identification of financial problems is set out in section 54 of the MFMA.

When the executive mayor receives budget monitoring reports in terms of Sections 71 and 72 of the MFMA, he/she must check whether the budget is being implemented in accordance with the SDBIP.

If it is decided to amend the SDBIP, any revisions to the service delivery targets and performance indicators must be made with the approval of council following an adjustments budget. The revised SDBIP must be made available to the public.

THE SDBIP PROCESS IN IKWEZI

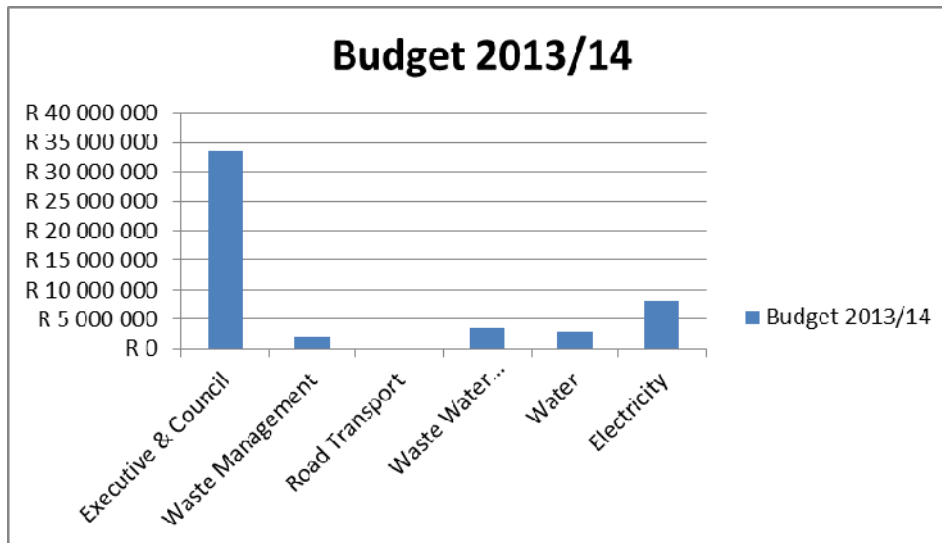
The Financial Services Department with the assistance of PMS and other department’s, played a major role in the production of this SDBIP. The detailed quarterly performance indicators and cash flow projections are contained in the SDBIP document.

2. INCOME - BUDGETS

2.1. Income Budget by Vote

Income Budget by Vote	Budget 2013/14
Executive & Council	R 33 492 928
Waste Management	R 2 129 533
Road Transport	R 0
Waste Water Management	R 3 613 842
Water	R 2 932 288
Electricity	R 7 973 753
Total Income Budget by Vote	R 50 142 344

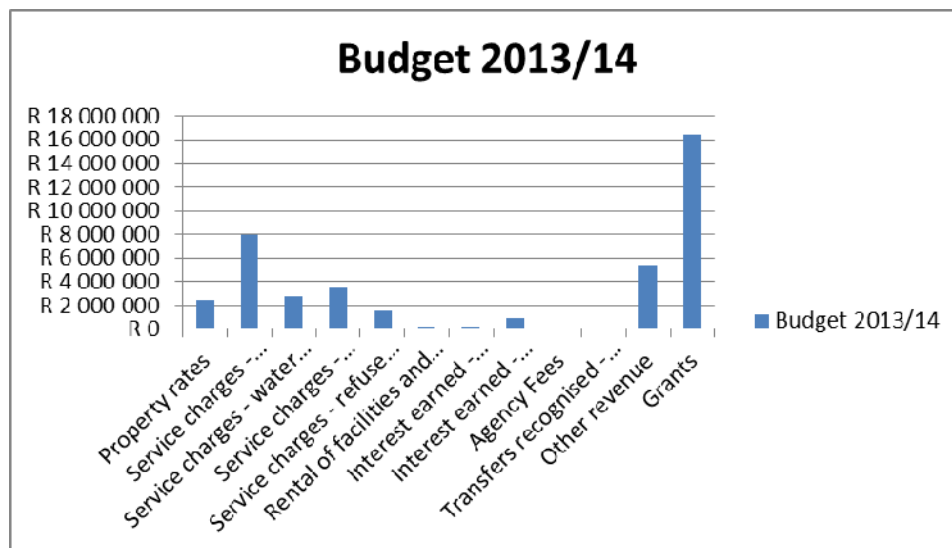
2.2. Income Budget by Vote Graph



2.3. Income Budget by Source

Income Budget by Source	Budget 2013/14
Property rates	R 2 428 503
Service charges - electricity revenue	R 7 955 497
Service charges - water revenue	R 2 766 818
Service charges - sewerage revenue	R 3 458 044
Service charges - refuse revenue	R 1 520 878
Rental of facilities and equipment	R 230 114
Interest earned - external investments	R 250 745
Interest earned - outstanding debtors	R 959 532
Agency Fees	R 0
Transfers recognised - operational	R 0
Other revenue	R 5 360 764
Grants	R 16 458 497
Total Income Budget by Source (excluding capital transfers and contributions)	R 41 389 394

2.4. Income Budget by Source Graph

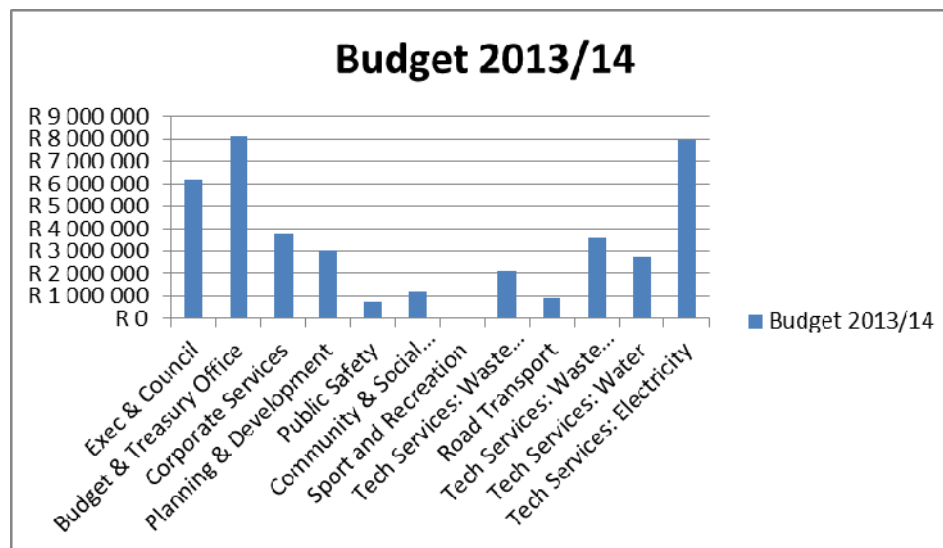


3. EXPENDITURE - BUDGETS

3.1. Expenditure Budget by Vote

Expenditure Budget by Vote	Budget 2013/14
Exec & Council	R 6 196 053
Budget & Treasury Office	R 8 123 673
Corporate Services	R 3 753 355
Planning & Development	R 3 083 355
Public Safety	R 746 487
Community & Social Services	R 1 199 600
Sport and Recreation	R 4 467
Tech Services: Waste Management	R 2 126 224
Road Transport	R 886 000
Tech Services: Waste Water Management	R 3 593 768
Tech Services: Water	R 2 729 223
Tech Services: Electricity	R 7 974 637
Total Expenditure Budget by Vote	R 40 416 843

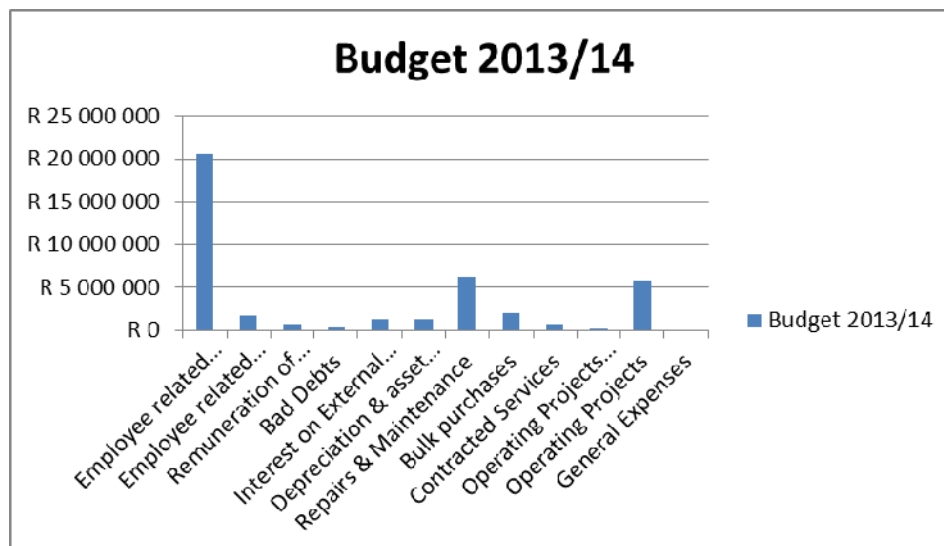
3.2. Expenditure Budget by Vote Graph



3.3. Expenditure Budget by Type

Expenditure Budget by Type	Budget 2013/14
Employee related costs: Sal & Wages	R 20 618 776
Employee related costs: Soc Contr	R 1 641 193
Remuneration of councillors	R 645 217
Bad Debts	R 343 381
Interest on External Borrowings	R 1 218 255
Depreciation & asset impairment	R 1 220 617
Repairs & Maintenance	R 6 191 000
Bulk purchases	R 1 914 734
Contracted Services	R 768 000
Operating Projects Grants & Subs	R 70 000
Operating Projects	R 5 785 670
General Expenses	
Total Expenditure Budget by Type	R 40 416 843

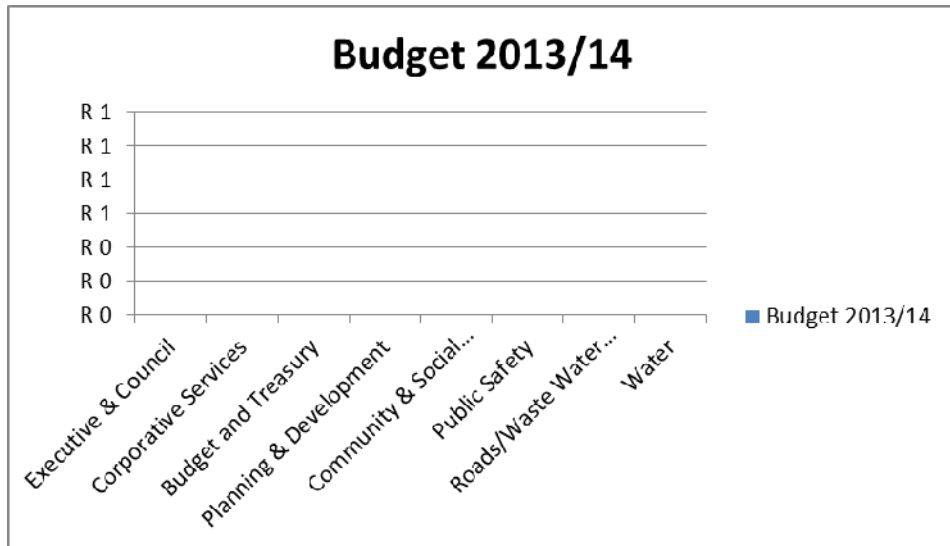
3.4. Expenditure Budget by Type Graph



3.5. Capital Budget by Vote

Capex by Vote	Budget 2013/14
Executive & Council	
Corporative Services	
Budget and Treasury	
Planning & Development	
Community & Social Services	
Public Safety	
Roads/Waste Water Management	
Water	
Electricity	
Total Capital Expenditure by Vote	R 0

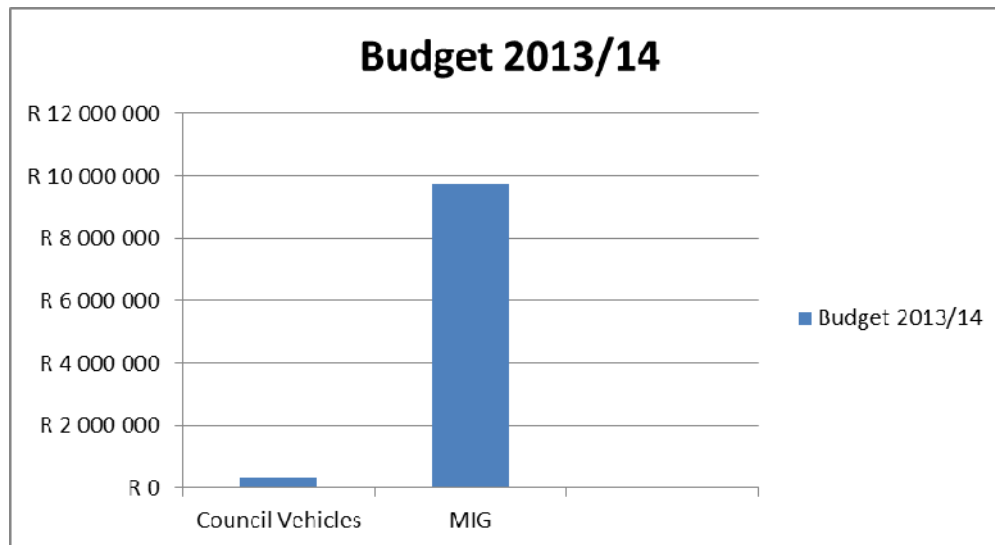
3.6. Capital Budget by Vote Graph



3.7. Capital Budget by Project

Capex by Project	Budget 2013/14
Council Vehicles	R 350 000
MIG	R 9 725 000
Total Capex Budget	R 10 075 000

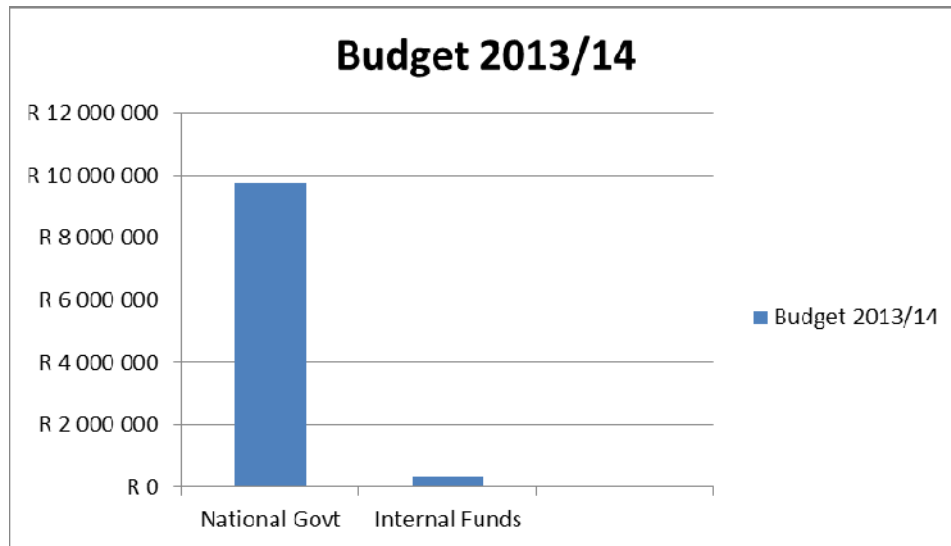
3.8. Capital Budget by Project Graph



3.9. Capital Budget Sources of Funding

Capital Budget Sources of Funding	Budget 2013/14
National Govt	R 9 725 000
Internal Funds	R 350 000
Total Capital Budget Sources of Funding	R 10 075 000

3.10. Capital Budget Sources of Funding Graph



4. NON FINANCIAL PERFORMANCE

4.1 Performance Targets by Departments

DEPARTMENT	NKPA	OBJECTIVE	KPI	ANNUAL TARGET	TARGET QUARTER 1	TARGET QUARTER 2	TARGET QUARTER 3	TARGET QUARTER 4	ACTUAL
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPMENT	To enhance the rural economic potential within Ikwezi	Number of jobs created through municipal / public work (s) – cleansing / roads / water projects	30	5	5	10	10	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPMENT	To enhance the rural economic potential within Ikwezi	Number of new jobs created in public - private partnerships	150	25	25	50	50	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPMENT	To enhance the rural economic potential within Ikwezi	Number of self employment opportunities created (SMME development) and Total of 17 sustainable initiatives by 2011/12.	5	1	1	1	2	

MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPME NT	To enhance the rural economic potential within Ikwezi	Hectares of land available for emerging farmers (allocated) and Total land to be redistributed: 372 151 ha	11%	2%	2%	3%	4%	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPME NT	To enhance the rural economic potential within Ikwezi	Number of innovative events to revitalize Ikwezi	2	n/a	1	n/a	1	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPME NT	To enhance the rural economic potential within Ikwezi	Number of Agricultural Value chain opportunities (Agri-processing) and Total: 12 sustainable initiative by 2011/12	3	n/a	1	1	1	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPME NT	To enhance the rural economic potential within Ikwezi	Number of households benefitting in poverty alleviation projects of social development	5% 107 h/h	26	26	26	29	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPME NT	To develop local economic competence	Number of people trained in priority sector agriculture, agri -	New: 6 16 Ostrich 8:	25%	25%	25%	25%	

		and technical skills	processing and tourism	C/Village					
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPMENT	To develop local economic competence and technical skills	Number of people trained in business skills (SEDA & Canada & Umsombvu) and Total of 88 listed beneficiaries require training	25	6	6	6	7	
MUNICIPAL MANAGER	LOCAL ECONOMIC DEVELOPMENT	To develop local economic competence and technical skills	Resource centre is available for market intelligence and services	70% Prepare for implementation	10%	10%	10%	40%	
MUNICIPAL MANAGER	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To strengthen community participation in government programmes	Number of community members trained in issues relevant to LG initiatives and programmes (<u>Education of citizens</u>)	Improved engagement HIV/AIDS	investigation into current issues	draft process plan	final plan	implement	

MUNICIPAL MANAGER	GOOD GOVERNANC E AND PUBLIC PARTICIPATIO N	To strengthen community participation in government programmes	Number of committees, councils, forums or community structures supported (Admin units / CBO committees / Special group committees & councils / business chamber) – organized partners and Where relevant: 10% = Establish 25% = Well trained leadership 50% = Regular meetings / valuable debates 70% = Action plans 85% = Securing own funding for initiatives 100% = Implementation of action plans	All member s of Admin Unit trained	25%	25%	25%	25%	
				Busines s Forum = 25%					
				HIV/AID S = 50%					
				IDP Forum = 100%					
				LED/ Tourism = 70%					
				Youth Forum – 25%					
				Woman' s Forum = 0%					
				Disabilit y Forum					

				= 5%					
MUNICIPAL MANAGER	GOOD GOVERNANC E AND PUBLIC PARTICIPATIO N	To strengthen community participation in government programmes	Number of stakeholder forum (planning and budget reviews / imbizo's / interest / lobby groups) - citizens / voters meetings / dialogues / feedback	4 per annum	1	1	1	1	
MUNICIPAL MANAGER	GOOD GOVERNANC E AND PUBLIC PARTICIPATIO N	To strengthen community participation in government programmes	% of Customer satisfaction with the services of the municipality (End-user)	55% - 60% satisfacti on rate	55%-60%	55%-60%	55%-60%	55%-60%	

MUNICIPAL MANAGER	GOOD GOVERNANC E AND PUBLIC PARTICIPATIO N	To strengthen community participation in government programmes	% Implementation of communication strategy – citizens / voters	Final	Review draft	submit council	final document	implement	
INFRASTRUC TURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure is sustained	% of implementation : Master Infrastructure maintenance and replacement plan	Revised water / sanitatio n Develop for roads & stormwa ter (8.2) Electricit y Plan (6.3)	25%	50%	75%	100%	
INFRASTRUC TURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure is sustained	% of budget allocated and spent on maintenance of infrastructure (Required R 5,016,085 - 5 % of the value of capital asset)	7%	1%	2%	2%	2%	
INFRASTRUC TURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure	Reduction in cost of unaccounted electricity distribution	15%	4%	4%	4%	3%	

		is sustained	(tampering)						
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure is sustained	% of water loss	Reduction in water loss % Leak Detection Programme	20% reduction	40% reduction	60% reduction	80% reduction and 1 programme	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure is sustained	Number of innovative service delivery options / mechanisms	5 Sustained 2 : new	1	1	1	4	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure is sustained	Response time to complaints / breakdown	Reduction in number of complaints not attended to by 50%	50%	50%	50%	50%	

INFRASTRUCTURE	BASIC SERVICE DELIVERY	To ensure the existing level of infrastructure is sustained	Duration of service interruptions	0% > 48% hrs 2% > 48 hrs 12% > 6 hrs	max 20%	max 20%	max 20%	max 20%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Increase % households with access to a basic level of water	100%	25%	25%	25%	25%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Increased number of households with metered water connections (Jansenville)	25%	5%	5%	5%	10%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Eradication of bucket system	100%	25%	25%	25%	25%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Increase % households with access to water borne sanitation	100%	25%	25%	25%	25%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the	Increase % households with access to a basic	95%	20%	20%	25%	30%	

		Ikwezi community	level of electricity						
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Increase % households with access to solid waste management	100%	25%	25%	25%	25%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Effective spending of MIG allocation	100%	25%	25%	25%	25%	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Reduce housing backlog (units)	0	n/a	n/a	n/a	n/a	
INFRASTRUCTURE	BASIC SERVICE DELIVERY	To provide for the basic needs of the Ikwezi community	Availability of middle income (bonded) housing	550	100	100	150	200	
FINANCE	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Strengthen the Institutional capacity of the Ikwezi Local Municipality	Amount of Investment in skills development of employees	R129 600	25%	25%	25%	25%	

FINANCE	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Strengthen the Institutional capacity of the Ikwezi Local Municipality	Reduction in number of managerial vacancies	0 vacancies	0	0	0	0	
FINANCE	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Strengthen the Institutional capacity of the Ikwezi Local Municipality	Draft IDP submitted to council by 31 March each year	100% compliance	20%	50%	100%	FINAL DOC	
FINANCE	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Strengthen the Institutional capacity of the Ikwezi Local Municipality	Institutional Scorecard (OPMS) and SDBIP performance reports available for IDP review process and September – 3 / 4th quarters of previous year and February – 1st 2 quarters of new year	100% compliance	100%	100%	100%	100%	

FINANCE	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Strengthen the Institutional capacity of the Ikwezi Local Municipality	Sector plans are monitored and reviewed annually (IWMP; IWSP; SDF; CIP; LED / Tourism)	SDF LED / Tourism CIP IWMP	25%	50%	75%	100%	
FINANCE	FINANCIAL VIABILITY	Ensure sound financial practice and advice to the organisation and the various departments as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations	Unqualified Audit Report	AG report for 2009 / 10: Unqualified	100%	100%	100%	100%	
FINANCE	FINANCIAL VIABILITY	Ensure sound financial practice and advice to the organisation and the various departments	Application of GAMAP / GRAP - compliance	100% as per Gazette 29 June 2007	100%	100%	100%	100%	

		as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations							
FINANCE	FINANCIAL VIABILITY	Ensure sound financial practice and advice to the organisation and the various departments as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations	Budget submitted to council as per circular 28 / Municipal budget regulations	Comply	100%	100%	100%	100%	

FINANCE	FINANCIAL VIABILTY	Ensure sound financial practice and advice to the organisation and the various departments as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations	Budget reports is submitted to council quarterly (circular 13 – SDBIP)	Comply	100%	100%	100%	100%	
FINANCE	FINANCIAL VIABILTY	Ensure sound financial practice and advice to the organisation and the various departments as regulated by the Municipal Finance Management Act 2000 and all related	Successful financial reporting on all capital projects as per grant conditions	Monthly reports	3	3	3	3	

		treasury regulations							
FINANCE	FINANCIAL VIABILITY	Ensure sound financial practice and advice to the organisation and the various departments as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations	Cash flow management maintains continuation of operations	Continued operations	100% effective	100% effective	100% effective	100% effective	
FINANCE	FINANCIAL VIABILITY	Ensure sound financial practice and advice to the organisation and the various departments	Number of municipal financial officials that meet the minimum competency profiles (As per unit standards in	2 + 2 (enrol) = 4	n/a	2	n/a	2	

		as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations	Gazette 29967 – June 2007 : Municipal finance management programme)						
FINANCE	FINANCIAL VIABILTY	Ensure sound financial practice and advice to the organisation and the various departments as regulated by the Municipal Finance Management Act 2000 and all related treasury regulations	Number of municipal officials (accounting officer + section 57) that meet the minimum competency profiles (As per unit standards in Gazette 29967 – June 2007 : Municipal finance management programme)	1 + 1(enrol) = 2	n/a	1	n/a	1	
FINANCE	FINANCIAL VIABILTY	Enhance mechanisms and strategies for revenue collection	General and interim valuations is reconciled	100 %	25%	50%	75%	100%	

FINANCE	FINANCIAL VIABILTY	Enhance mechanisms and strategies for revenue collection	Increase in revenue collection rate for services	60 %	10%	20%	30%	60%	
FINANCE	FINANCIAL VIABILTY	Enhance mechanisms and strategies for revenue collection	Indigent register reflect actual number of indigent households	1 200 h/h	300 h/h	300 h/h	300 h/h	300 h/h	
FINANCE	FINANCIAL VIABILTY	Enhance mechanisms and strategies for revenue collection	Number of business plans submitted to unlock streams of revenue	12	3	3	3	3	

