



Ikwezi Local Municipality

Draft Service Delivery & Budget Implementation Plan

Year: 2014/2015

Period: 1 July 2014 - 30 JUNE 2015

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 2014/15

The Municipality adopted its budget for 2014/2015 on 31st March 2014. 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

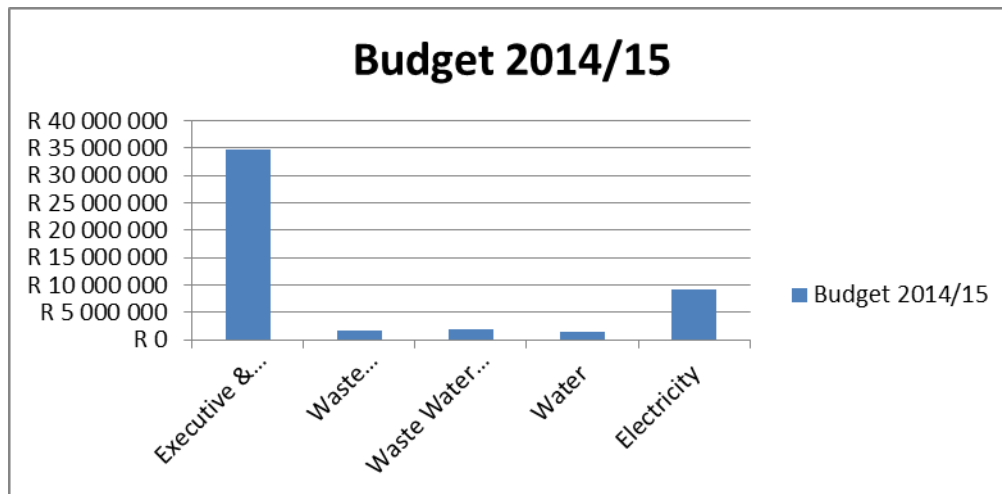
The Financial Services Department with the assistance of PMS and other department’s, played a major role in the production of this SDBIP. The detailed quarterly performance indicators and cash flow projections are contained in the SDBIP document.

2. INCOME - BUDGETS

2.1. Income Budget by Vote

Income Budget by Vote	Budget 2014/15
Executive & Council	R 34 793 772
Waste Management	R 1 571 248
Waste Water Management	R 1 829 397
Water	R 1 534 116
Electricity	R 9 281 336
Total Income Budget by Vote	R 49 009 869

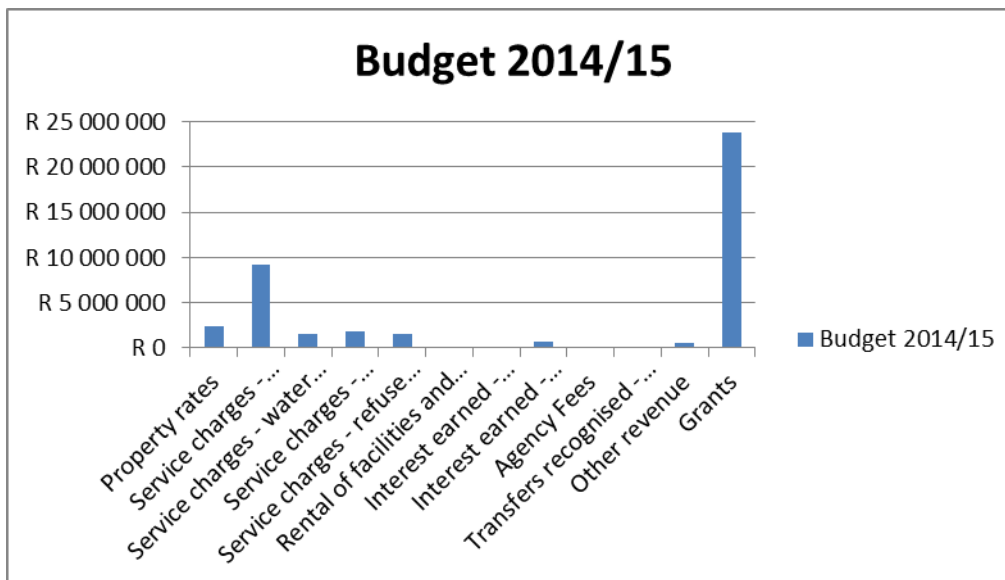
2.2. Income Budget by Vote Graph



2.3. Income Budget by Source

Income Budget by Source	Budget 2014/15
Property rates	R 2 417 551
Service charges - electricity revenue	R 9 281 336
Service charges - water revenue	R 1 534 116
Service charges - sewerage revenue	R 1 829 397
Service charges - refuse revenue	R 1 571 248
Rental of facilities and equipment	R 4 345
Interest earned - external investments	R 46 307
Interest earned - outstanding debtors	R 649 652
Agency Fees	R 122 651
Transfers recognised - operational	
Other revenue	R 554 267
Grants	R 23 765 000
Total Income Budget by Source (excluding capital transfers and contributions)	R 41 775 870

2.4. Income Budget by Source Graph

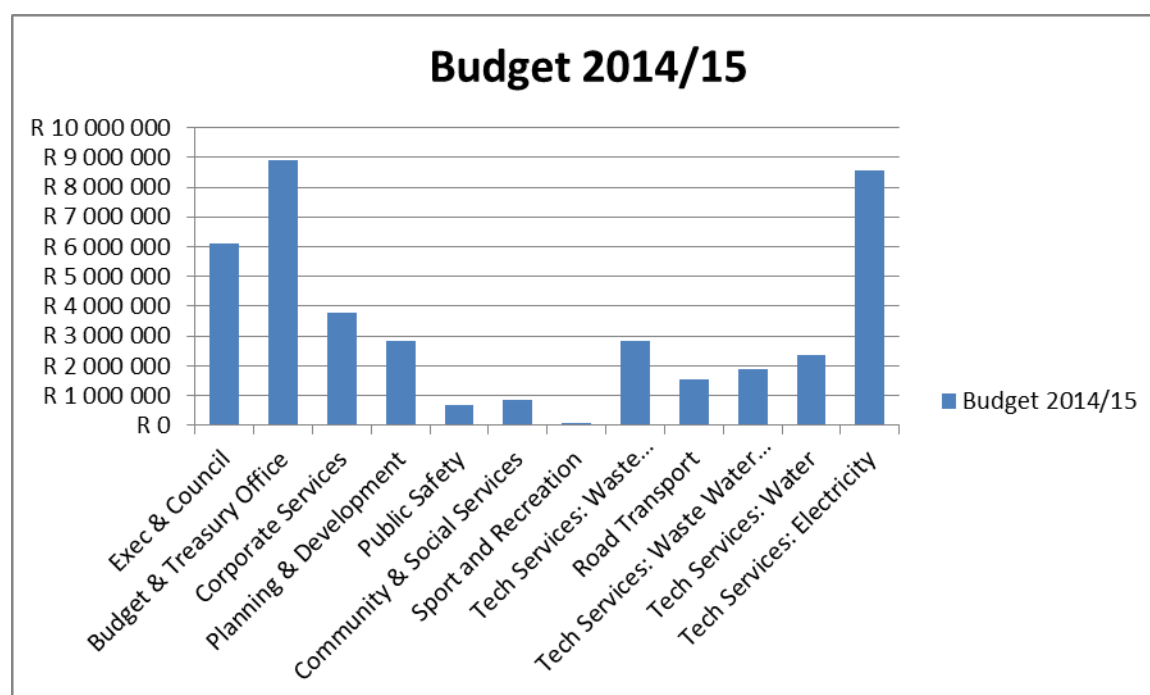


3. EXPENDITURE - BUDGETS

3.1. Expenditure Budget by Vote

Expenditure Budget by Vote	Budget 2014/15
Exec & Council	R 6 115 058
Budget & Treasury Office	R 8 916 224
Corporate Services	R 3 769 687
Planning & Development	R 2 836 467
Public Safety	R 677 102
Community & Social Services	R 850 415
Sport and Recreation	R 77 149
Tech Services: Waste Management	R 2 813 907
Road Transport	R 1 538 220
Tech Services: Waste Water Management	R 1 884 001
Tech Services: Water	R 2 358 648
Tech Services: Electricity	R 8 543 439
Total Expenditure Budget by Vote	R 40 380 317

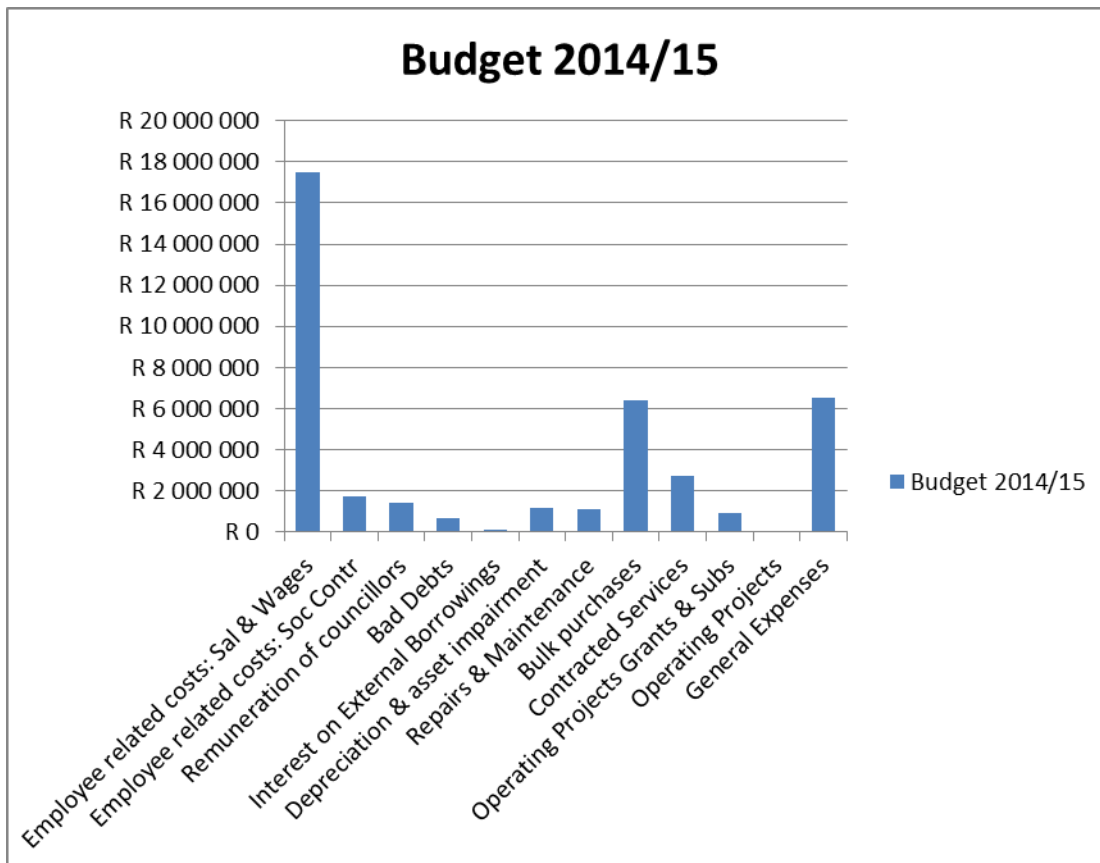
3.2. Expenditure Budget by Vote Graph



3.3. Expenditure Budget by Type

Expenditure Budget by Type	Budget 2014/15
Employee related costs: Sal & Wages	R 17 517 912
Employee related costs: Soc Contr	R 1 718 880
Remuneration of councillors	R 1 451 646
Bad Debts	R 645 217
Interest on External Borrowings	R 93 720
Depreciation & asset impairment	R 1 188 805
Repairs & Maintenance	R 1 112 942
Bulk purchases	R 6 409 268
Contracted Services	R 2 700 359
Operating Projects Grants & Subs	R 934 000
Operating Projects	R 70 000
General Expenses	R 6 537 568
Total Expenditure Budget by Type	R 40 380 317

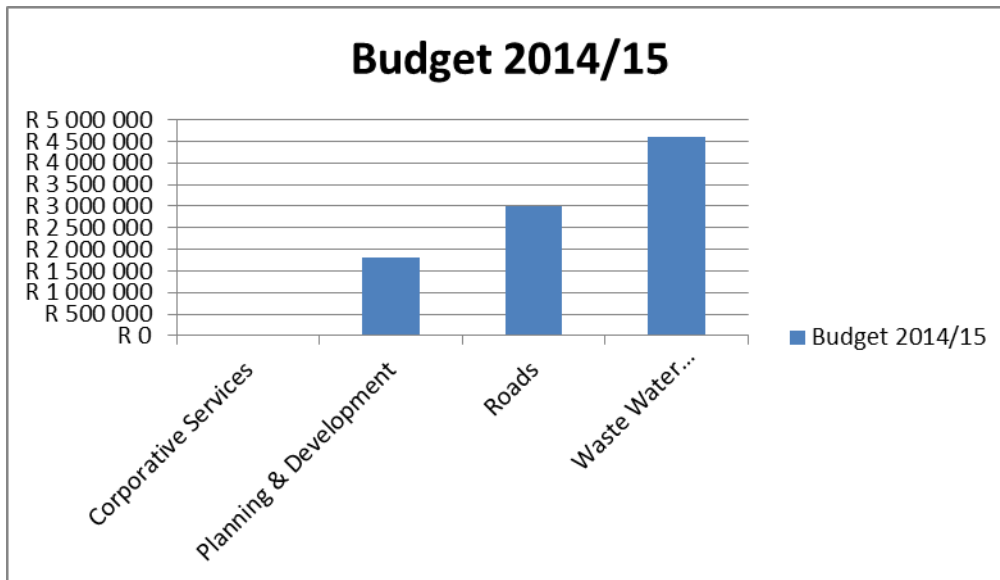
3.4. Expenditure Budget by Type Graph



3.5. Capital Budget by Vote

Capex by Vote	Budget 2014/15
Corporative Services	
Planning & Development	R 1 800 200
Roads	R 3 000 000
Waste Water Management	R 4 601 900
Unidentified Projects	
Total Capital Expenditure by Vote	R 9 402 100

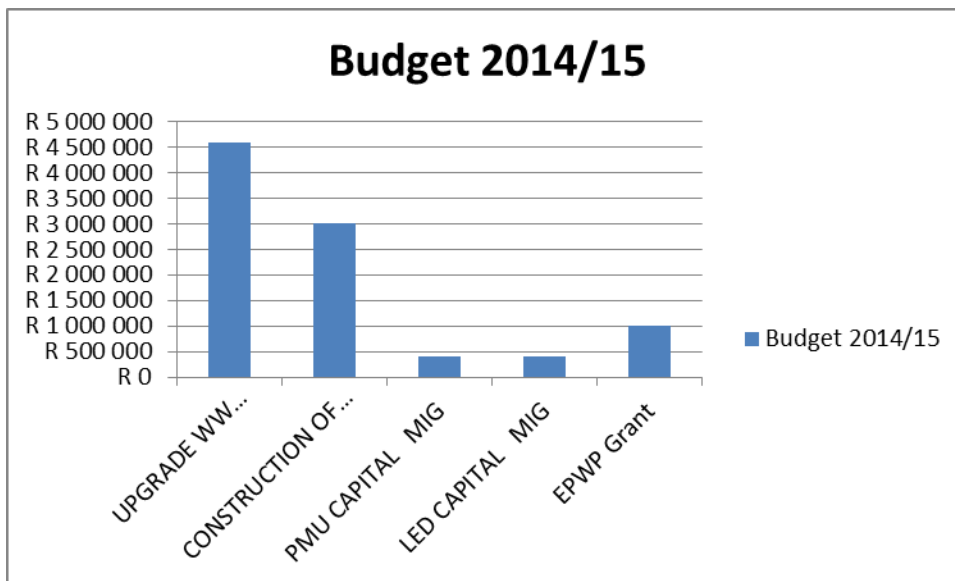
3.6. Capital Budget by Vote Graph



3.7. Capital Budget by Project

Capex by Project	Budget 2014/15
UPGRADE WW TREATMENT WORKS KLP	R 4 601 900
CONSTRUCTION OF PHUMLANI ROADS	R 3 000 000
PMU CAPITAL MIG	R 400 100
LED CAPITAL MIG	R 400 100
EPWP Grant	R 1 000 000
OTHER MIG PROJECTS	
Total Capex Budget	R 9 402 100

3.8. Capital Budget by Project Graph



3.9. Capital Budget Sources of Funding

Capital Budget Sources of Funding	Budget 2014/15
National Govt	R 9 402 100
Internal Funds	
Total Capital Budget Sources of Funding	R 9 402 100

3.10. Capital Budget Sources of Funding Graph

