

MBHASHE MUNICIPALITY



FINAL

SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN 2014/2015

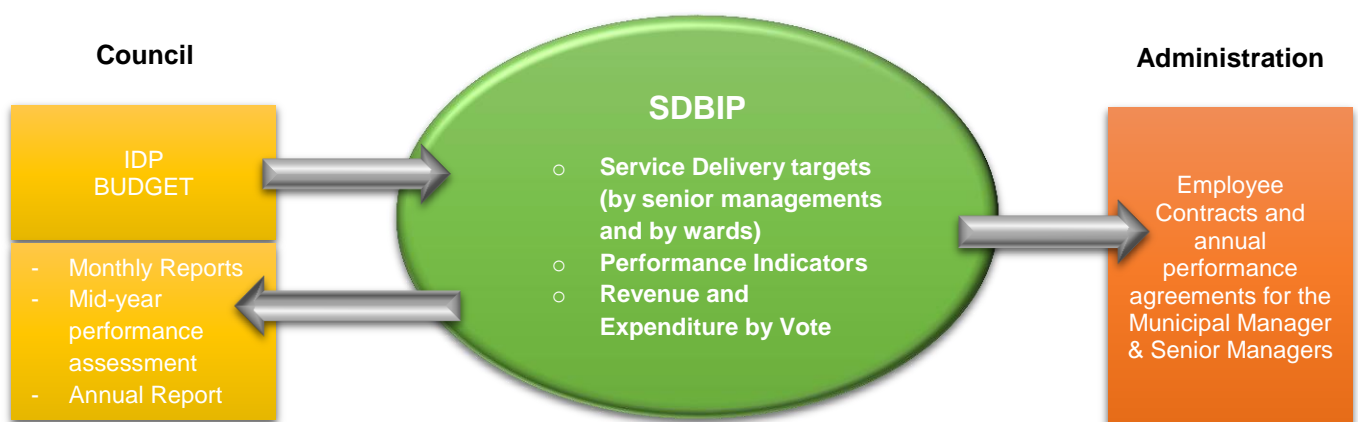
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1. INTRODUCTION

The purpose of the Service Delivery and Budget Implementation Plan (SDBIP) for 2014/2015 financial year is to present a one year detailed implementation/operations plan, of functions which Mbhashe Municipality is responsible to implement and, which gives effect to the implementation of the Integrated Development Plan (IDP) and the approved budget for 2014/2015 of the Municipality.

The SDBIP is a “contract” between the Administration, Council and Community expressing the goals and objectives set by Council as quantifiable outputs/targets to be implemented by the administration over the next twelve months. Furthermore, the SDBIP for 2014/2015 will not only ensure appropriate monitoring in the execution of the municipality’s budget and processes involved in the allocations of budgets to achieve key strategic priorities as set by the municipality’s IDP, but will also serve as the kernel of annual performance contracts for senior management and provide a foundation for the overall annual and quarterly municipal performance for the 2014/2015 financial year. This is illustrated in the diagram below:



1.1. Legislative Framework in terms of MFMA

The Municipal Finance Management Act (MFMA) No. 56 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 and are also aligned with their Integrated Development Plan Strategies.

Section 1 of the MFMA defines the “service delivery and budget implementation plan” as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for

implementing the municipality's delivery of municipal services and its annual budget and which must include the following:-

- a) *Projections of 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, and includes any revisions of such plan by the mayor in terms of section 54(1)(c).*

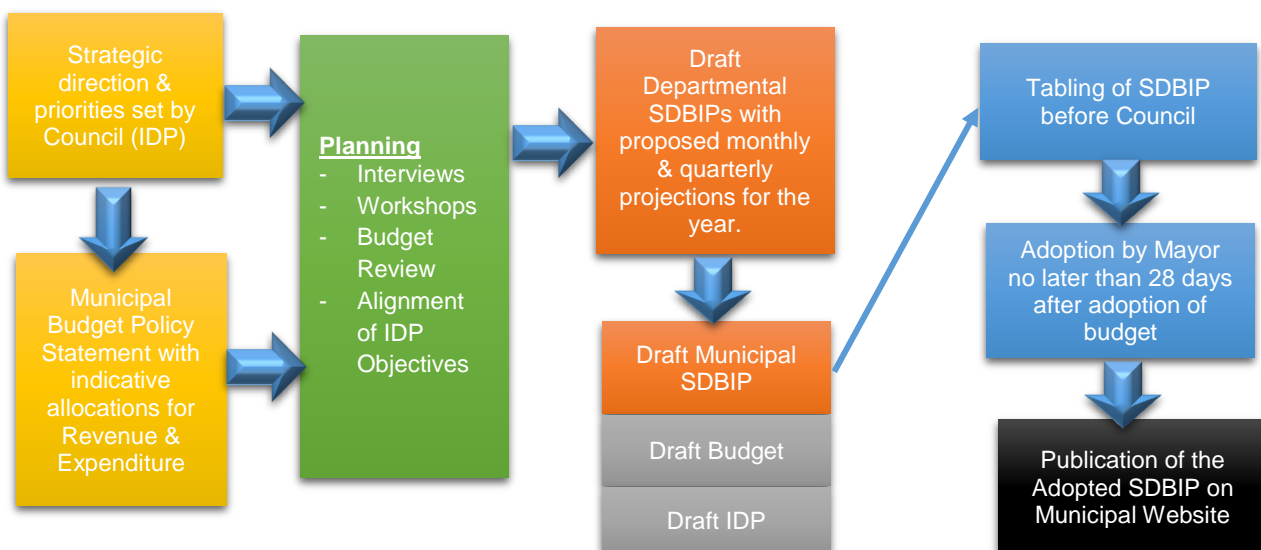
In terms of Section 53 (i)(c)(ii) of the MFMA, the SDBIP must be approved by the Mayor of a municipality within 28 days of the approval of the budget.

1.2. Objective

The primary objective of Mbhashe Local Municipality's SDBIP 2014/2015 is to implement the SDBIP as a budget management plan and tool for the municipality to strengthen its local accountability and governance and improve capital as well as operational planning, spending and service delivery.

1.3. SDBIP Process and Cycle

The SDBIP process for approving the SDBIP including its cycle from planning to adoption is illustrated in the diagram below:



2. ALIGNMENT TO THE IDP

Mbhashe Municipality identified some strategic focus areas based on inputs and comments from all stakeholders through the IDP process which are dealt with in the following Key Performance Areas:

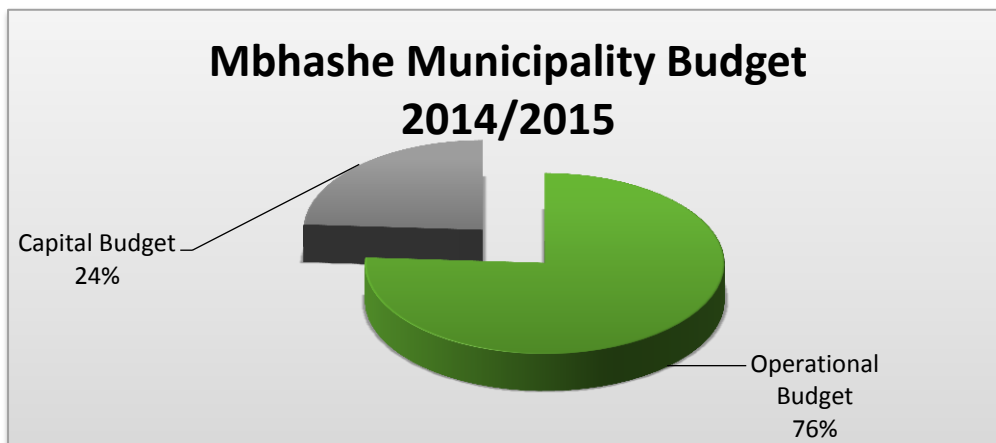
- a) Municipal Transformation and Organisational Development
- b) Basic Service Delivery
- c) Local Economic Development
- d) Financial Viability
- e) Good Governance and Public Participation

3. THE BUDGET FOR 2014/2015

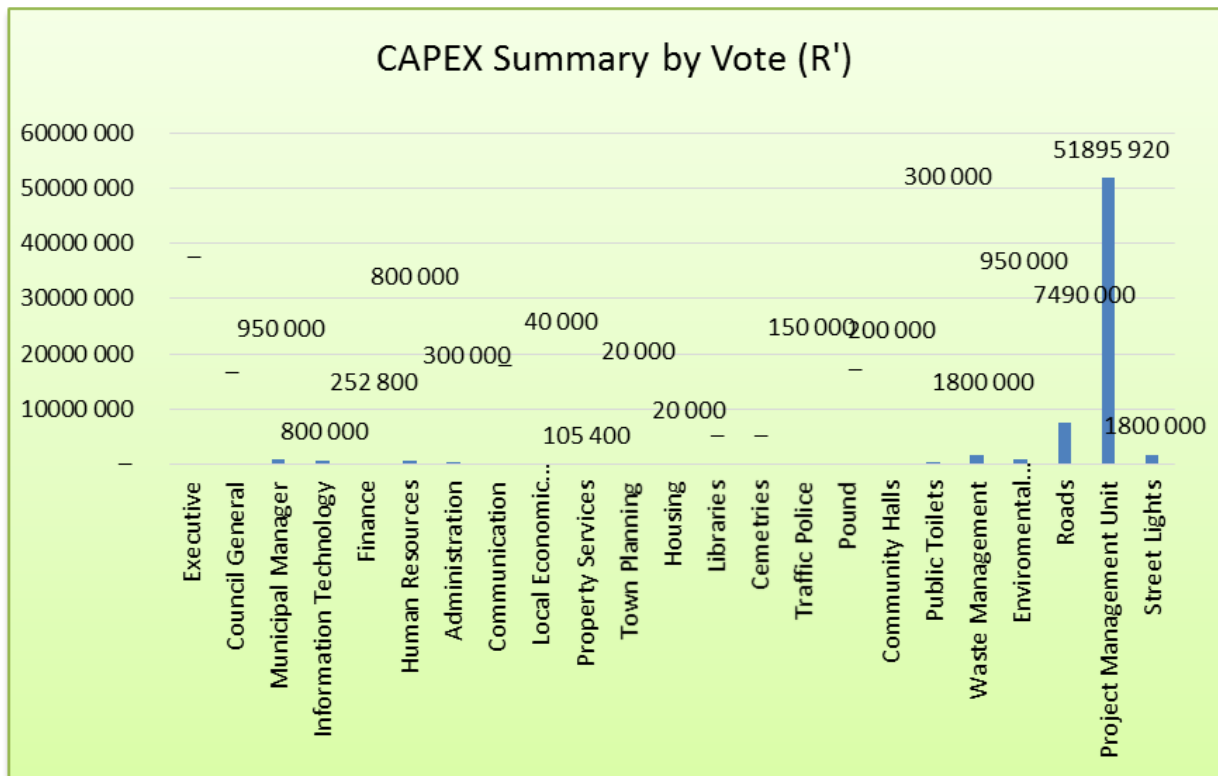
The tabling of the Draft budget and approval in principal by Council and was followed by extensive publication of the budget in order to involve citizens; they were also invited to public hearings. Various public participation and community consultative meetings were scheduled to receive representations and submissions from ward committees, residents, community organisations, organised business and other stakeholder formations.

In terms of the Municipal Systems Act and in conjunction with the Municipal Finance Management Act public hearings on both the Operating and Capital budgets were held during the period of 03 - 14 April 2014 as part of the process of consultation. Council evaluated all responses to the draft budget before finalisation and ultimate approval of the municipality's budget.

The following set of graphs outlines an overview of Mbhashe Municipality's overall budget for the 2014/2015 financial year which has been approved by Council.



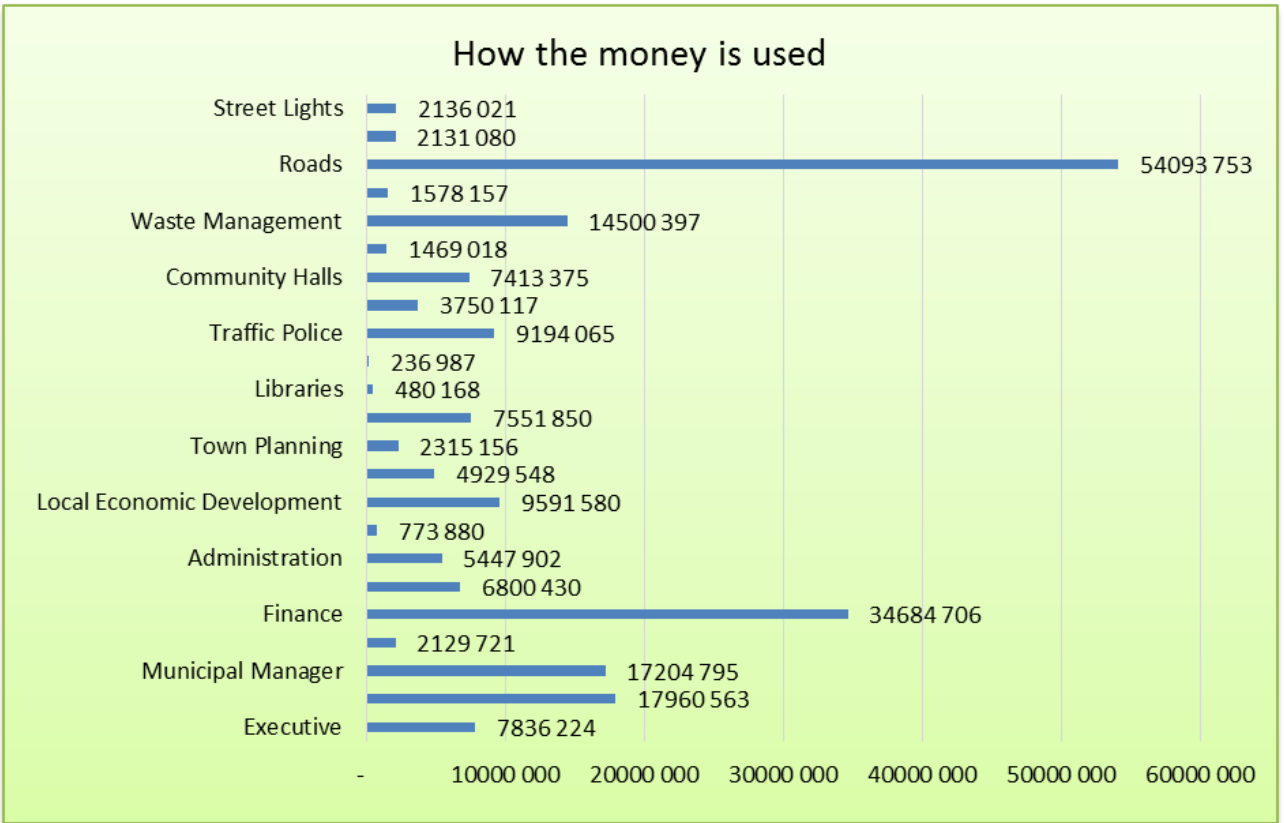
3.1. Capital Budget



The total capital expenditure budget for the 2014/2015 financial year is **R 67,874,120**

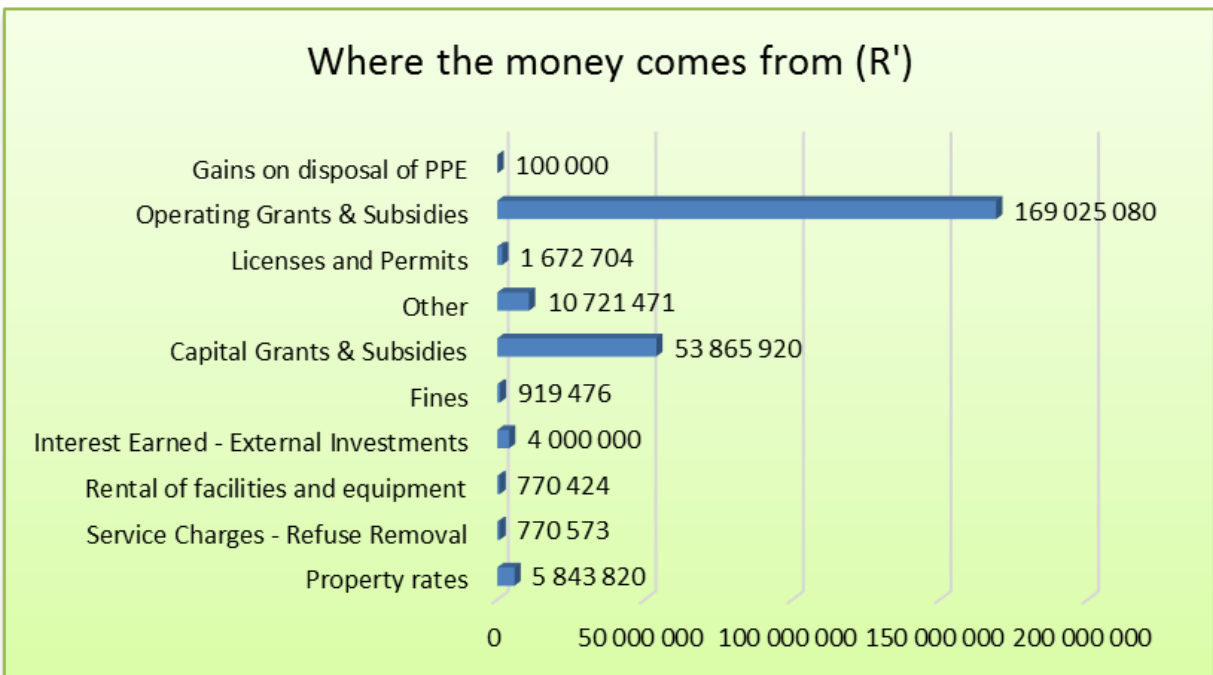
3.2. Operating Expenditure

Mbhashe Municipality has a total operating expenditure of **R 214,292,705** for the 2014/2015 financial year. The diagram below show how Mbhashe Municipality spends its operating budget.



3.3. Operating Revenue

Mbhashe Municipality has a total operating revenue of **R 247,689,467** for the 2014/2015 financial year. The diagram below show where Mbhashe Municipality is receiving its revenue.



4. SCHEDULES OF 2014/2015 BUDGET

4.1. Monthly Projections of Revenue to be collected by Source

Revenue Source	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"	"R'000"
Property rates	511	511	706	511	511	414	317	365	463	511	511	511
Service Charges - Refuse Removal	67	67	93	67	67	55	42	48	61	67	67	67
Rental of facilities and equipment	67	67	93	67	67	55	42	48	61	67	67	67
Interest Earned - External Investments	350	350	483	350	350	283	217	250	317	350	350	350
Fines	80	80	111	80	80	65	50	57	73	80	80	80
Government Grants & Subsidies	4 713	4 713	6 509	4 713	4 713	3 816	2 918	3 367	4 264	4 713	4 713	4 713
Other	938	938	1 296	938	938	759	581	670	849	938	938	938
Licenses and Permits	146	146	202	146	146	118	91	105	132	146	146	146
Operating Grants & Subsidies	14 790	14 790	20 424	14 790	14 790	11 973	9 156	10 564	13 381	14 790	14 790	14 790
Gains on Disposal of PPE	9	9	12	9	9	7	5	6	8	9	9	9
TOTAL REVENUE	21 673	21 673	29 929	21 673	21 673	17 545	13 417	15 481	19 609	21 673	21 673	21 673

4.2. Monthly Projections of Revenue and Expenditure by Vote

Vote	Jul-14			Aug-14			Sep-14		
	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue
Executive	658 461	-	-	658 461	-	-	658 461	-	-
Council General	1 509 186	-	922 513	1 509 186	-	922 513	1 509 186	-	1 273 946
Municipal Manager	1 445 680	63 333	-	1 445 680	63 333	-	1 445 680	95 000	-
Information Technology	178 955	53 333	-	178 955	53 333	-	178 955	80 000	-
Finance	2 914 479	16 853	15 251 018	2 914 479	16 853	15 251 018	2 914 479	25 280	21 060 930
Human Resources	571 425	53 333	32 813	571 425	53 333	32 813	571 425	80 000	45 313
Administration	457 775	20 000	-	457 775	20 000	-	457 775	30 000	-
Communication	65 027	-	-	65 027	-	-	65 027	-	-
Local Economic Development	805 959	2 667	9 800	805 959	2 667	9 800	805 959	4 000	13 533
Property Services	414 219	7 027	42 596	414 219	7 027	42 596	414 219	10 540	58 823
Town Planning	194 538	1 333	47 276	194 538	1 333	47 276	194 538	2 000	65 287
Housing	634 566	1 333	-	634 566	1 333	-	634 566	2 000	-
Libraries	40 347	-	190	40 347	-	190	40 347	-	263
Cemeteries	19 913	-	273	19 913	-	273	19 913	-	376
Traffic Police	772 557	10 000	226 625	772 557	10 000	226 625	772 557	15 000	312 959
Pound	315 114	-	17 203	315 114	-	17 203	315 114	-	23 756
Community Halls	622 929	13 333	13 997	622 929	13 333	13 997	622 929	20 000	19 330
Public Toilets	123 439	20 000	7 225	123 439	20 000	7 225	123 439	30 000	9 977
Waste Management	1 218 436	120 000	67 426	1 218 436	120 000	67 426	1 218 436	180 000	93 111
Environmental Management	132 609	63 333	30 625	132 609	63 333	30 625	132 609	95 000	42 292
Roads	4 545 378	499 333	27 589	4 545 378	499 333	27 589	4 545 378	749 000	38 099
Project Management Unit	179 070	3 459 728	4 727 363	179 070	3 459 728	4 727 363	179 070	5 189 592	6 528 263
Street Lights	179 485	120 000	-	179 485	120 000	-	179 485	180 000	-
TOTAL	17 999 547	4 524 941	21 424 531	17 999 547	4 524 941	21 424 531	17 999 547	6 787 412	29 586 257

Vote	Oct-14			Nov-14			Dec-14		
	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue
Executive	658 461	-	-	1 115 574	-	-	527 857	-	-
Council General	1 509 186	-	922 513	2 556 885	-	922 513	1 209 843	-	746 796
Municipal Manager	1 445 680	63 333	-	2 449 293	63 333	-	1 158 934	63 333	-
Information Technology	178 955	53 333	-	303 189	53 333	-	143 460	53 333	-
Finance	2 914 479	16 853	15 251 018	4 937 753	16 853	15 251 018	2 336 400	16 853	12 346 062
Human Resources	571 425	53 333	32 813	968 117	53 333	32 813	458 085	53 333	26 563
Administration	457 775	20 000	-	775 570	20 000	-	366 977	20 000	-
Communication	65 027	-	-	110 170	-	-	52 129	-	-
Local Economic Development	805 959	2 667	9 800	1 365 468	2 667	9 800	646 099	2 667	7 933
Property Services	414 219	7 027	42 596	701 776	7 027	42 596	332 059	7 027	34 483
Town Planning	194 538	1 333	47 276	329 588	1 333	47 276	155 952	1 333	38 271
Housing	634 566	1 333	-	1 075 090	1 333	-	508 702	1 333	-
Libraries	40 347	-	190	68 357	-	190	32 344	-	154
Cemeteries	19 913	-	273	33 737	-	273	15 963	-	221
Traffic Police	772 557	10 000	226 625	1 308 877	10 000	226 625	619 322	10 000	183 458
Pound	315 114	-	17 203	533 871	-	17 203	252 612	-	13 926
Community Halls	622 929	13 333	13 997	1 055 376	13 333	13 997	499 373	13 333	11 331
Public Toilets	123 439	20 000	7 225	209 131	20 000	7 225	98 955	20 000	5 849
Waste Management	1 218 436	120 000	67 426	2 064 293	120 000	67 426	976 763	120 000	54 583
Environmental Management	132 609	63 333	30 625	224 669	63 333	30 625	106 307	63 333	24 792
Roads	4 545 378	499 333	27 589	7 700 847	499 333	27 589	3 643 816	499 333	22 334
Project Management Unit	179 070	3 459 728	4 727 363	303 383	3 459 728	4 727 363	143 552	3 459 728	3 826 913
Street Lights	179 485	120 000	-	304 087	120 000	-	143 885	120 000	-
TOTAL	9 850 269	219 213	16 306 016	16 688 473	219 213	16 306 016	7 896 497	219 213	13 200 108

Vote	Jan-15			Feb-15			Mar-15		
	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue
Executive	723 763	-	-	593 159	-	-	593 159	-	-
Council General	1 658 857	-	571 079	1 359 514	-	658 938	1 359 514	-	834 654
Municipal Manager	1 589 054	63 333	-	1 302 307	95 000	-	1 302 307	95 000	-
Information Technology	196 703	53 333	-	161 208	80 000	-	161 208	80 000	-
Finance	3 203 518	16 853	9 441 107	2 625 439	25 280	10 893 584	2 625 439	25 280	13 798 540
Human Resources	628 095	53 333	20 313	514 755	80 000	23 438	514 755	80 000	29 688
Administration	503 175	20 000	-	412 376	30 000	-	412 376	30 000	-
Communication	71 476	-	-	58 578	-	-	58 578	-	-
Local Economic Development	885 889	2 667	6 066	726 029	4 000	7 000	726 029	4 000	8 866
Property Services	455 298	7 027	26 369	373 139	10 540	30 426	373 139	10 540	38 539
Town Planning	213 831	1 333	29 266	175 245	2 000	33 769	175 245	2 000	42 774
Housing	697 498	1 333	-	571 634	2 000	-	571 634	2 000	-
Libraries	44 349	-	118	36 346	-	136	36 346	-	172
Cemeteries	21 888	-	169	17 938	-	195	17 938	-	247
Traffic Police	849 174	10 000	140 292	695 939	15 000	161 875	695 939	15 000	205 042
Pound	346 365	-	10 649	283 863	-	12 288	283 863	-	15 564
Community Halls	684 707	13 333	8 665	561 151	20 000	9 998	561 151	20 000	12 664
Public Toilets	135 680	20 000	4 472	111 197	30 000	5 161	111 197	30 000	6 537
Waste Management	1 339 273	120 000	41 740	1 097 599	180 000	48 161	1 097 599	180 000	61 004
Environmental Management	145 761	63 333	18 959	119 458	95 000	21 875	119 458	95 000	27 709
Roads	4 996 160	499 333	17 079	4 094 597	749 000	19 707	4 094 597	749 000	24 962
Project Management Unit	196 829	3 459 728	2 926 463	161 311	5 189 592	3 376 688	161 311	5 189 592	4 277 138
Street Lights	197 286	120 000	-	161 685	180 000	-	161 685	180 000	-
TOTAL	19 784 626	4 524 941	13 262 806	16 214 468	6 787 412	15 303 237	16 214 468	6 787 412	19 384 100

Vote	Apr-15			May-15			Jun-15		
	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue
Executive	593 159	-	-	527 857	-	-	527 852	-	-
Council General	1 359 514	-	922 513	1 209 843	-	922 513	1 209 847	-	922 511
Municipal Manager	1 302 307	95 000	-	1 158 934	95 000	-	1 158 938	95 000	-
Information Technology	161 208	80 000	-	143 460	80 000	-	143 464	80 000	-
Finance	2 625 439	25 280	15 251 018	2 336 400	25 280	15 251 018	2 336 400	25 280	15 251 014
Human Resources	514 755	80 000	32 813	458 085	80 000	32 813	458 085	80 000	32 807
Administration	412 376	30 000	-	366 977	30 000	-	366 973	30 000	-
Communication	58 578	-	-	52 129	-	-	52 134	-	-
Local Economic Development	726 029	4 000	9 800	646 099	4 000	9 800	646 105	4 000	9 804
Property Services	373 139	10 540	42 596	332 059	10 540	42 596	332 064	10 540	42 595
Town Planning	175 245	2 000	47 276	155 952	2 000	47 276	155 948	2 000	47 281
Housing	571 634	2 000	-	508 702	2 000	-	508 696	2 000	-
Libraries	36 346	-	190	32 344	-	190	32 347	-	194
Cemeteries	17 938	-	273	15 963	-	273	15 967	-	271
Traffic Police	695 939	15 000	226 625	619 322	15 000	226 625	619 324	15 000	226 630
Pound	283 863	-	17 203	252 612	-	17 203	252 614	-	17 201
Community Halls	561 151	20 000	13 997	499 373	20 000	13 997	499 378	20 000	13 993
Public Toilets	111 197	30 000	7 225	98 955	30 000	7 225	98 953	30 000	7 228
Waste Management	1 097 599	180 000	67 426	976 763	180 000	67 426	976 763	180 000	67 421
Environmental Management	119 458	95 000	30 625	106 307	95 000	30 625	106 302	95 000	30 621
Roads	4 094 597	749 000	27 589	3 643 816	749 000	27 589	3 643 812	749 000	27 586
Project Management Unit	161 311	5 189 592	4 727 363	143 552	5 189 592	4 727 363	143 551	5 189 592	4 727 357
Street Lights	161 685	180 000	-	143 885	180 000	-	143 882	180 000	-
TOTAL	16 214 468	6 787 412	21 424 531	14 429 389	6 787 412	21 424 531	14 429 399	6 787 412	21 424 513