

PLAN 8: FINANCIAL VIABILITY & SUSTAINABILITY

Plan Owner: DCM: Treasury

Votes: Finance

Operating Budget: R 2 164.4m

Capital Budget: R 104.4m

Strategic Focus Area	Programmes	Programme Driver	Projects	Project Managers	Subprojects	Operating Budget R'm	Capital Budget R'm	Annual Target	Q1- SEP 08	Actual for Q1	Q2-DEC 08	Actual for Q2	Q3-MAR 09	Actual for Q3	Q4- JUN 09	Actual for Q4
Strategic and sustainable budgeting	Produce and annually update the cities MTEF	Chris Nagooroo	Develop a budget for a long term infrastructure maintenance programme (LTIMP)	Adrian Peters				Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
			Produce and implement a 5-year affordable CAPEX in line with financial model/strategy	King Singh		7.6		Produce budget in line with finance model/strategy	25%	25%	75%	75%	90%	90%	100%	100%
	Budget according to IDP priorities	Chris Nagooroo	Review guidelines for the city's strategic budgeting process	Kay Naidoo		3.2		Review guidelines	25%	30%	50%	50%	100%	100%		Complete
			Alignment of operating budget to the IDP	Kay Naidoo				Operating budget aligned to the IDP	25%	28%	50%	50%	100%	100%		Complete
	Implementation of Municipal Property Rates Act	Keith Matthias	Enhance valuation roll in line with the MPRA principles	Graham Baillache		1.6		3 Supplementary rolls	Ongoing	30%	Ongoing	67%	Ongoing	Ongoing	Ongoing	Ongoing
			Develop and Implement Rates Policy in line with MPRA	Dhanjay Kassie		6.7		Revised policy approved by Council	25%	100%	50%	100%	100%	100%		Complete
	Budget for sustainability	Chris Nagooroo	Develop & implement Financial Model	Kay Naidoo / Chris Nagooroo / Jay Balwanth	Review alternatives for creation of a Financial Modeling system.			Fully operational Financial Model	25%	27%	50%	50%	75%	60%	100%	80%
			Align financial statements with GAMAP and GRAP principles	Yogeetha Rayan				Financial statements that are GAMAP and GRAP compliant	25%	60%	50%	100%	75%	80%	100%	100%
			Develop and implement Tariff Policy	Fathima Khan				Revised policy approved by Council	25%	Tariff register completed. Meeting held	50%	Revised policy approved (no changes)	100%	100%		Complete
	Reduce Council Debts	Louis Kruger	Credit Control and Debt Management Policy	Phillie Madonsela		57.1		% Collection Rate Bulk Electricity 95% Electricity 96% Water 91% Rates 97%	% Collection Rate Bulk Electricity 95% Bulk Electricity 93% Electricity 95% Electricity 96% Water 91% Rates 97%	Bulk Electricity 93% Electricity 95% Electricity 96% Water 91% Rates 97%	% Collection Rate Bulk Electricity 92% Electricity 95% Water 91% Rates 97%	Bulk Electricity 91% Electricity 92% Water 91% Rates 97%	% Collection Rate Bulk Electricity 97% Electricity 95% Electricity 96% Water 91% Rates 97%	Bulk Electricity 98% Electricity 97% Water 91% Rates 93%	% Collection Rate Bulk Electricity 97% Electricity 95% Electricity 96% Water 91% Rates 97%	Bulk Electricity 98% Electricity 95% Electricity 96% Water 91% Rates 95%
Maintain Cluster Assets	Malcolm Joshua	Upgrade of Lifts and Air conditioning in FMB	Joy Andrews		0.1		100 % Implementation	25%	0%	50%	75%	75%	Lifts upgraded. Chiller ordered & due June 09	100%	Lifts completed. Air con ordered in SA. awaiting installation	

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Grow and diversify our revenues	Effectively manage Credit control	Louis Kruger	Develop and implement a new Revenue System	Pud Maharaj/Peet Du Plessis	Billing	29.7	29.9	RMS Programme implemented	25%	Go live on a tricklefeed basis set for March 2009	50%	Go live on a tricklefeed basis set for March 2009	75%	On track for go live on tricklefeed basis in new fin year	100%	On track for go live by 1 July 2010		
	Seek alternative sources of funding	Jay Balwanth	Grant fund maximization	Bruce Parker	Publish RFP and source service provider			At least one new grant sourced by service provider	25%	100%	50%	100%	75%	100%	100%	No suitable service provider found		
			Borrowing / Investment optimization	Ebrahim Seedat	External vs internal funding exercise	0.4		Investment return to beat average 3 month NCD rate	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing		
Value for money expenditure	Reduce cost to the organisation		Major items of expenditure	Prakash Sital / Vela Mthali / Trevor Palmer / Bharthie Ranchoddas	Review key Items of expenditure	0.9		Implement savings measures with major impact	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing		
			Salaries and allowances expenditure	Bharthie Ranchoddas	Business process Re-engineering interventions to be implemented	1.7		2 Interventions implemented	25%	Commenced in all Departmental Accounting sections	50%	In progress	75%	50% reviews done	100%	Ongoing		
					Management of employee Sick Leave			Implementation of System to record data at Occupational Health Clinics	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing			
					Management of Overtime			Implementation of Shift system in Treasury	25%	Report at LLF	50%	In progress	75%	0% Require labour buy in	100%	0% Require labour buy in		
						Categorization of Overtime at Metro Police	25%	On hold until new HR system implemented	50%	On hold until new HR system implemented	75%	On hold until new HR system implemented	100%	On hold until new HR system implemented				
			Forming Partnership agreements	Vela Mthali	Establish partnerships in PRC	0.1		Implementation of 25/40 Parttime staff in PRC	25%	0%	50%	0%	75%	Project not implemented	100%	Not achieved. Implementation depends on P&C		
			Implement a city fiber based PABX system in the council	Joy Andrews	Installation complete by due date given.	3.7		Finalisation of cut over	25%	0%	50%	50%	75%	75%	100%	Completed installation in August 2009		
				Jacque Subban	Creation of Communications Backbone for Council (Broad Band and Diginet)			50%	0%	0%	0%	25%	0%	50%	0%			
			Efficient Fleet Management	Malcolm Joshua	Value for money -fleet	Brian Stokes	Implementation of Vehicle Tracking and Monitoring System	1.8		Improve vehicle utilisation and reduce the unauthorized usage of Council vehicles	10%	Organogram for vehicle monitoring centre completed and submitted to LLF	40%	Organogram approved. Consultant briefed to develop vehicle monitoring centre	70%	Job descriptions completed. Organogram approved. Consultant briefed to develop vehicle monitoring centres	100%	Vehicle monitoring Centre opened on 1 June 2009
							Reduce downtime of vehicles in workshops			Improved utilisation of vehicles	10%	In discussion with vehicle manufacturers on spare parts contracts	30%	Spare part proposal submitted. Dep 08 Contract will be awarded by 31 Mar 09	60%	SCM currently completing audit evaluation. Final report will be submitted to BAC by May 09	100%	Delay in response from SCM. Target date for report to BAC is 31 July 2009
Improvements of Workshop for optimal utilisation and improved service delivery	0.0	0.0					Planned maintenance leading to improved service delivery	10%	88%	40%	86%	70%	89%	100%	98%			
			Planned maintenance leading to improved service delivery for plant items			10%	73%	40%	73%	70%	75%	100%	48%					

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Value for money expenditure	Efficient Fleet Management	Malcolm Joshua	Reduce age of Vehicle		Replacement of vehicles not economical to repair	27.0	67.2	Maintain a reasonable fleet age	25%	R33m allocated for replacement of vehicles. Current fleet age 6.9 years.	50%	Current 2008/09 capital budget for vehicle replacement has been committed	75%	Current 2008/09 capital budget for vehicle replacement has been committed	100%	Current 2008/09 capital budget for vehicle replacement has been committed
			Improve effectiveness of operations	Brian Stokes	Standardization of vehicle fleet			Standardization of makes / models in various vehicle categories	25%	Report approved by DCM forum	50%	Recommendation on approved report implemented	75%	Recommendations on approved report implemented	100%	Recommendations on approved report implemented
			Disposal of vehicles on a quarterly basis			0.1		Sale of all replaced vehicles	25%	Auction took place on 23 July, 100 vehicles sold.	50%	Auction conducted in November 2008	75%	Auction planned for April 2009	100%	Auction conducted on 6 May 2009
Sound Financial Management & Reporting	Review Credit Control & Debt Management Policy	Louis Kruger	Workshop and review Credit Control & Debt Management Policy and ensure that it is in line with legislation	Phille Madonsela		57.1		Revised policy approved by Council	0%	0%	0%	In progress	0%	In progress	100%	Revised policy approved by Council
	Strategic and movable assets	Malcolm Joshua	Verify all strategic and movable assets	Joy Andrews		2.5		All assets verified and asset registers updated	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
	Investment Management	Jay Balwanth	Review Investment Policy	Ebrahim Seedat		1.5		Revised policy	0%	0%	0%	In progress	0%	100%	100%	100%
			Review borrowing rates for implementation of CAPEX principles	Ebrahim Seedat			Competitive borrowing rates	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	
	Deadline Monitoring	Jay Balwanth	Maintain and update deadline monitoring system	Patrick Chami		0.2		Updated and improved system with no deadlines being missed	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
	Delegated Authorities	Malcolm Joshua	Update authority levels of delegated authorised signatories	Vikash Deepal		0.4		Updated schedule of authorities and signatories at the correct level	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Financial Statements Compliancy	Chris Nagooroo	Align financial statements with GAMAP and GRAP principles	Yogeetha Rayan		4.2		Unqualified audit report	0%	Audit still to be completed	0%	100%	100%	100%	100%	100%	
Sub-total						207.6	97.1									
Balance of Treasury Support Costs						1 819.5	7.3	Note								
TOTALS						2 164.4	104.4									

Note

Balance of Operating Support Costs is made up of (R'm):

Real Estate	62.0
Finance	393.2
Assessment Rates	986.1
Miscellaneous	378.2
	<u>1 819.5</u>

Balance of Capital Support Costs is made up of (R'm):

Old Fort Complex	2.6
Depot Rationalisation	4.7
	<u>7.3</u>