

# WITZENBERG MUNICIPALITY

## SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN

*1ST QUARTER  
2014*

A Municipality that cares for the community, creating growth  
& opportunity.

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## INTRODUCTION

The Service Delivery and Budget Implementation Plans (SDBIPs) is a requirement under Municipal Finance Management Act (MFMA) and gives effect to the municipality's Integrated Development Plan (IDP) and annual budget.

The SDBIP is an expression of the objectives of the Municipality, in quantifiable outcomes that will be implemented by the administration for the financial period from 1 July 2014 to 30 June 2015. The SDBIP includes the service delivery targets and performance indicators for each quarter that should be linked to the performance agreements of senior management. These are integral to the implementation and entrenchment of our performance management system. The SDBIP facilitates accountability and transparency of the municipal administration and managers to the Council and Councillors to the community. It also fosters the management, implementation and monitoring of the budget, the performance of top management and the achievement of the strategic objectives as laid out in the IDP.

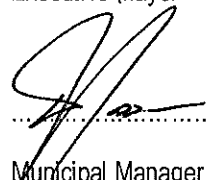
This 1<sup>st</sup> quarter report for the period 1 July 2014 to 30 September 2014.



.....  
Executive Mayor

24 October 2014

Date



.....  
Municipal Manager

24 October 2014

Date

## A. LEGISLATIVE REQUIREMENTS

In terms of Section 53 (1) (c) (ii) of the MFMA, the SDBIP is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following:

(a) Projections for each month of:-

(i) Revenue to be collected, by source;

(ii) Operational and capital expenditure, by vote

(b) Service delivery targets and performance indicators for each quarter, and (c) Other matters prescribed;

## B. REPORTING ON THE SDBIP

Reporting on the SDBIP is a way of linking the SDBIP with the oversight and monitoring operations of the Municipal administration.

Various reporting requirements are outlined in the MFMA, both the mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports for which MFMA requires.

The reports then allow the Witzenberg Local Council (Ward and PR Councillors) to monitor the implementation of service delivery programs and initiatives across the Municipality boundaries.

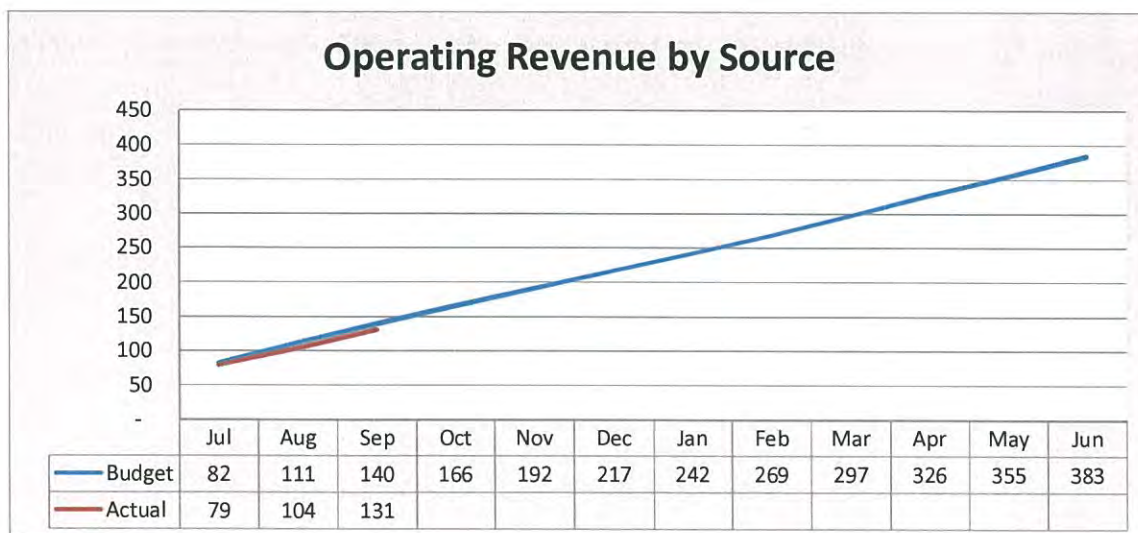
## C. QUARTERLY REPORTS

Section 52 (d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.



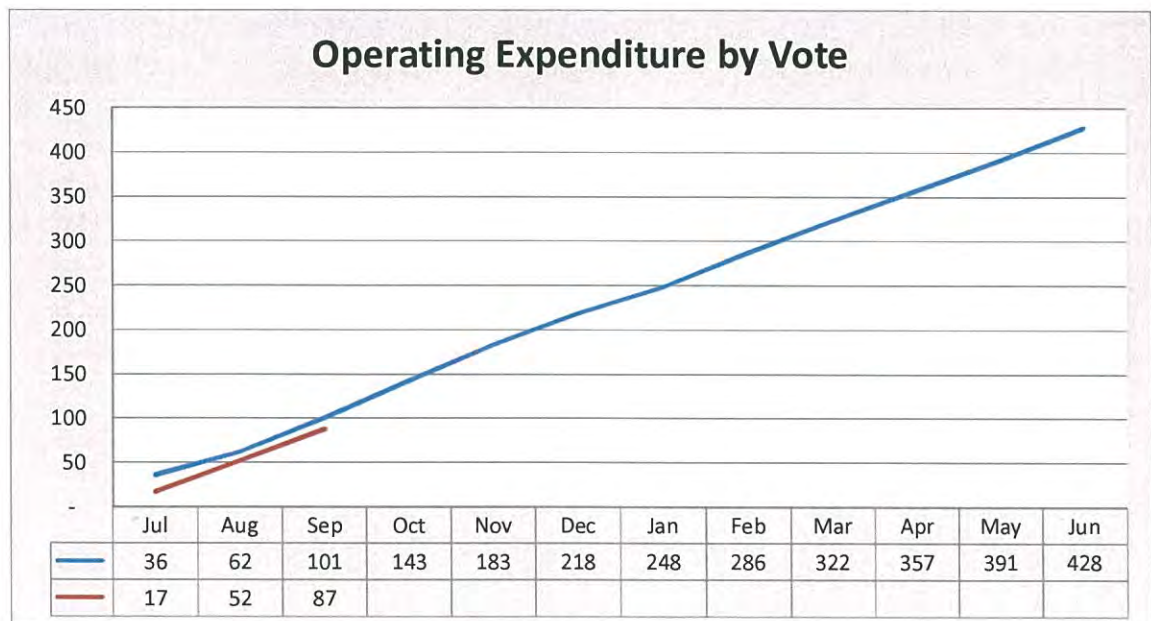
### D.1 Revenue by Source

Operating Revenue by Source	Original Budget for the year	Amended Budget for the year	July 2014 to September 2014		
	2014/2015	2014/2015	Budget	Actual	Variance
Property rates	50 347 050	50 347 050	51 833 102	51 542 091	-291 011
Property rates - penalties and collection charges	819 110	819 110	204 777	303 077	98 300
Service charges - electricity revenue	183 430 440	183 430 440	50 503 864	43 810 408	-6 693 456
Service charges - water revenue	64 900 652	64 900 652	16 229 412	12 071 257	-4 158 155
Service charges - sanitation revenue	15 259 682	15 259 682	3 615 852	5 831 509	2 215 657
Service charges - refuse revenue	35 100 734	35 100 734	9 017 972	9 667 347	649 375
Service charges - other	458 300	458 300	114 576	13 572	-101 004
Rental of facilities and equipment	7 217 450	7 217 450	1 801 562	1 854 499	52 937
Interest earned - external investments	2 199 230	2 199 230	549 807	662 564	112 757
Interest earned - outstanding debtors	7 826 460	7 826 460	1 956 615	2 761 129	804 514
Dividends received	-	-	-	-	-
Fines	5 236 900	5 236 900	1 309 227	294 443	-1 014 784
Licences and permits	274 380	274 380	68 595	69 151	556
Agency services	3 218 300	3 218 300	804 576	801 995	-2 581
Government Grants and Subsidies - Operating	283 999	283 999	49 998	15 170	-34 828
Other income	6 882 250	6 882 250	1 722 389	816 996	-905 393
Gains on disposal of PPE	-	-	-	-	-
<b>Total Operating Revenue by Source</b>	<b>383 454 937</b>	<b>383 454 937</b>	<b>139 782 324</b>	<b>130 515 209</b>	<b>-9 267 115</b>



## D.2 Operational Expenditure

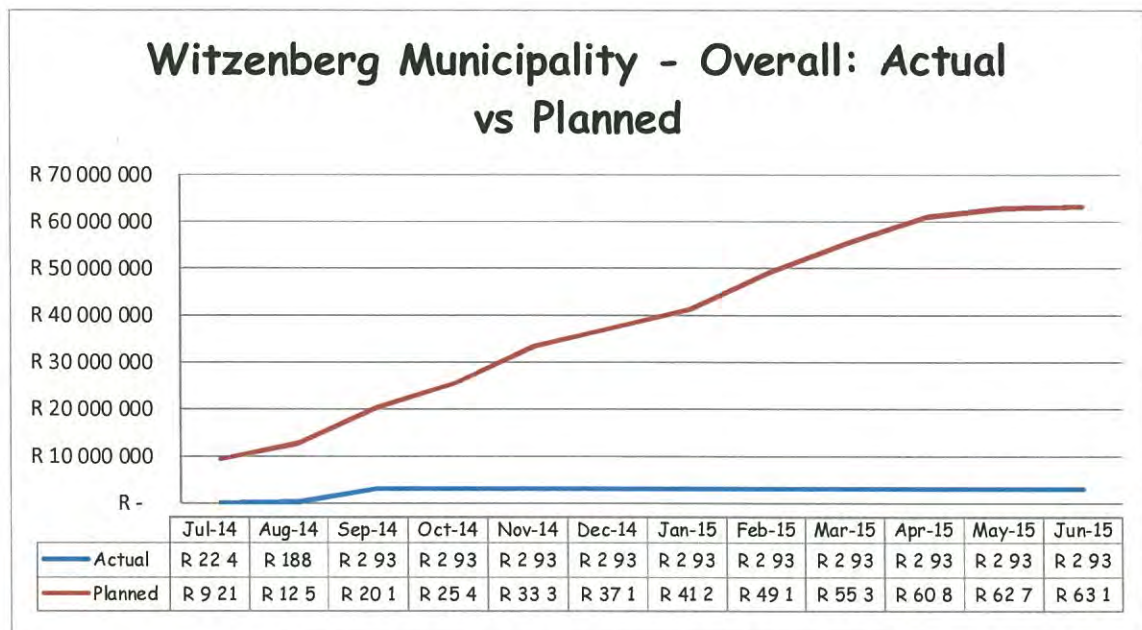
Operating Expenditure by Vote	Original Budget for the year	Amended Budget for the year	July 2014 to September 2014		
	2014/2015	2014/2015	Budget	Actual	Variance
Executive and council	22 150 178	22 150 178	11 341 483	4 841 069	6 500 414
Community and social services	16 136 639	16 136 639	8 478 183	3 685 614	4 792 569
Sport and Recreation	-	19 411 251	-	3 803 336	-3 803 336
Public safety	13 155 883	13 155 883	6 492 300	1 784 157	4 708 143
Housing	3 586 861	3 586 861	1 889 131	648 338	1 240 793
Environmental protection	1 092 034	1 092 034	630 756	220 752	410 004
Planning and development	8 168 992	8 168 992	4 246 760	1 809 105	2 437 655
Road transport	27 536 698	27 536 698	14 024 676	4 905 429	9 119 247
Electricity	167 838 129	167 838 129	83 594 488	42 229 643	41 364 845
Water	36 055 590	36 055 590	17 573 762	7 376 636	10 197 126
Waste water management	20 729 067	20 729 067	10 252 869	4 823 305	5 429 564
Waste management	47 542 582	47 542 582	25 237 834	9 937 358	15 300 476
Budget and treasury office	34 027 691	34 027 691	19 396 187	6 089 817	13 306 370
Corporate Services	29 638 928	29 638 928	15 083 045	7 059 191	8 023 854
Other	-	-	-	-	-
<b>Total Operating Expenditure by Vote</b>	<b>427 659 272</b>	<b>447 070 523</b>	<b>218 241 474</b>	<b>99 213 752</b>	<b>119 027 722</b>





### D.3 Capital Expenditure

<u>Directorate</u>	<u>14/15 Budget</u>	<u>Actual expenditure 30/09/2014</u>	<u>% Expenditure</u>
Financial Services	R 100 000	R -	0.0%
Community Services	R 8 795 581	R 817 487	9.3%
Corporate Services	R 1 500 000	R 26 275	1.8%
Technical Services	R 52 775 936	R 2 094 167	4.0%
<b>Total</b>	<b>R 63 171 517</b>	<b>R 2 937 929</b>	<b>4.7%</b>

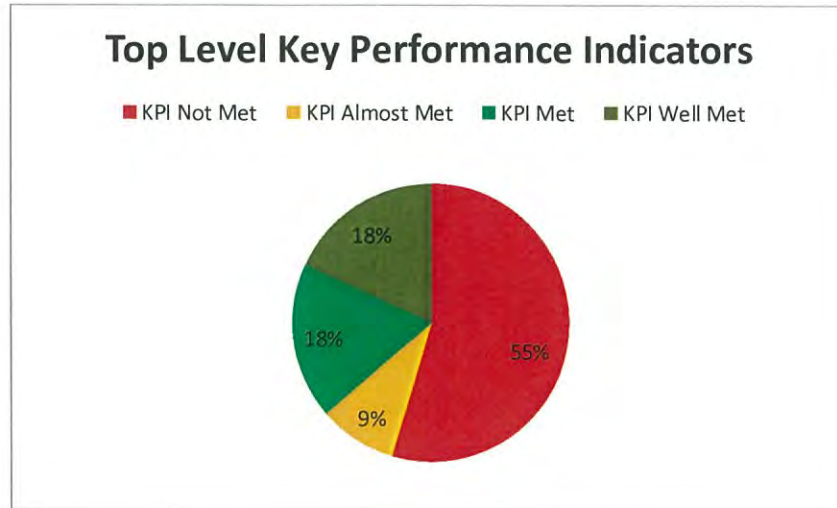


Reasons for poor performance on capital expenditure:

- The majority of projects is linked to the implementation of the low-cost housing programme. The approval for Vredebes & Bella Vista projects were only received in August and September. The contractor is in process to establish site.
- Project contractor awards related to bulk services for low-cost housing projects were delayed due to the extension of the advertising period. All tenders has closed and in the process of being awarded.

E. NON-FINANCIAL REPORTING FOR THE PERIOD

Top level Key Performance Indicators



See report below for detailed response.



**Witzenberg Municipality**  
**SDBIP 2014/2015: Top Layer SDBIP Report**

Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Annual Target	Year-To-Date As At September 2014			
							Target	Actual	R	Performance Comment
TL1	Technical Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	% Expenditure on Operational Budget by Technical Directorate	Percentage of budget spent	99%	25%	14%	R	Road network rehabilitation will only be done after winter.
TL2	Technical Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent	96%	10%	4%	R	Implementation delayed due to late project approvals.
TL3	Technical Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Percentage compliance with drinking water quality standards.	Percentage compliance	97%	97%	100%	G2	All tender contracts to be awarded in October.
TL4	Financial Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	2%	0%	0%	N/A	
TL5	Financial Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	2%	0%	0%	N/A	
TL6	Financial Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	2%	0%	0%	N/A	
TL7	Financial Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications	2%	0%	0%	N/A	
TL8	Technical Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Decrease unaccounted water losses.	Percentage water losses	26%	0%	0%	N/A	
TL9	Technical Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Decrease unaccounted electricity losses.	Percentage electricity losses	8%	0%	0%	N/A	
TL10	Technical Services	Sustainable provision & maintenance of basic infrastructure.	Essential Services	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	2.6	0	0	N/A	
TL11	Technical Services	Provide for the needs of informal settlements through improved services.	Essential Services	Number of subsidised serviced sites developed.	Number of serviced plots	485	100	0	R	Implementation delayed due to late project approvals.
TL12	Technical Services	Provide for the needs of informal settlements through improved services.	Essential Services	Provide basic services - number of informal areas with sufficient communal water services points (taps).	Number of informal areas	2	0	0	N/A	

Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Annual Target	Year-To-Date As At September 2014				Corrective Measures
							Target	Actual	R	Performance Comment	
TL13	Technical Services	Provide for the needs of informal settlements through improved services.	Essential Services	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas	2	0	0	N/A		
TL14	Technical Services	Provide for the needs of informal settlements through improved services.	Essential Services	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas	2	0	0	N/A		
TL15	Technical Services	Provide for the needs of informal settlements through improved services.	Essential Services	Number of subsidised electricity connections installed.	Number of connections	50	0	0	N/A		
TL16	Corporate Services	Support institutional transformation & development.	Governance	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent	99%	0%	0%	N/A		
TL17	Corporate Services	Support institutional transformation & development.	Governance	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	80%	0%	0%	N/A		
TL18	Financial Services	Ensure financial viability.	Governance	Financial viability expressed as Debt-Coverage ratio	Ratio	16	0	0	N/A		
TL19	Financial Services	Ensure financial viability.	Governance	Financial viability expressed as Cost-Coverage ratio	Ratio	1.6	0	0	N/A		
TL20	Financial Services	Ensure financial viability.	Governance	Financial viability expressed outstanding service debtors	Ratio	46%	0%	0%	N/A		
TL21	Financial Services	Ensure financial viability.	Governance	Opinion of the Auditor-General on annual financial statements of the previous year	Opinion of AG	1	0	0	N/A		
TL22	Financial Services	Ensure financial viability.	Governance	Increased revenue collection	Percentage revenue collected	96%	0%	0%	N/A		
TL23	Financial Services	Ensure financial viability.	Governance	Percentage of budget spent on repairs & maintenance	Percentage of budget spent	99%	25%	14.40%	R	Road network rehabilitation will only be done after winter.	Road network rehabilitation to start in January 2015.
TL24	Financial Services	Ensure financial viability.	Governance	Percentage spend of capital budget	Percentage of budget spent	96%	10%	4.60%	R	Implementation delayed due to late project approvals.	All tender contracts to be awarded in October.
TL25	Municipal Manager	To maintain & strengthen relations with international- & intergovernmental partners as well as the local community through the creation of participative structures.	Governance	Number of IDP community meetings held	Number of meetings held	14	0	0	N/A		



Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Annual Target	Year-To-Date As At September 2014			
							Target	Actual	R	Performance Comment
TL26	Community Services	To maintain & strengthen relations with international- & intergovernmental partners as well as the local community through the creation of participative structures.	Governance	Number of meetings with inter-governmental partners	Number of meetings held	10	3	3	G	
TL27	Community Services	Provide & maintain facilities that make citizens feel at home.	Communal Services	Customer satisfaction survey (Score 1-5) - community facilities	Score of survey	3	0	0	N/A	
TL28	Community Services	Provide & maintain facilities that make citizens feel at home.	Communal Services	% Expenditure on Operational Budget by Community Directorate	Percentage of budget spent	99%	25%	2%	R	Maintenance and repairs is plan for the second quarter at libraries, community halls and the Thusong centre.
TL29	Community Services	Provide & maintain facilities that make citizens feel at home.	Communal Services	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent	96%	10%	9%	O	
TL30	Community Services	Support the poor & vulnerable through programmes & policy.	Socio-Economic Support Services	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders	3,800	0	0	N/A	
TL31	Community Services	Support the poor & vulnerable through programmes & policy.	Socio-Economic Support Services	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	380	0	0	N/A	
TL32	Community Services	Support the poor & vulnerable through programmes & policy.	Socio-Economic Support Services	Number of social development programmes implemented	Number of programmes	17	4	4	G	
TL33	Community Services	Support the poor & vulnerable through programmes & policy.	Socio-Economic Support Services	Number of housing opportunities provided per year	Number of top structures	0	0	0	N/A	
TL34	Community Services	Support the poor & vulnerable through programmes & policy.	Socio-Economic Support Services	Number of Rental Stock transferred	Number of properties transferred	65	10	12	G2	
TL35	Corporate Services	Create an enabling environment to attract investment & support local economy.	Socio-Economic Support Services	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards	1st Phase implemented	1	0	0	N/A	

Ref	Directorate	Strategic Objective	Municipal KPA	Kpi	Unit of Measurement	Annual Target	Year-To-Date As At September 2014			
							Target	Actual	R	Performance Comment
TL36	Community Services	Create an enabling environment to attract investment & support local economy.	Socio-Economic Support Services	Compile & Implementation of LED Strategy	Approved LED Strategy	1	0	0		