



ZULULAND DISTRICT MUNICIPALITY
SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

INGOBUKELA PHAMBILI

NGOBUQO THO

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1. Introduction

1.1. Background to the SDBIP

In terms of Section 69 (3) (a) of the Municipal Finance Management Act, the Municipal Manager must submit the SDBIP to the Mayor within 14 days after the approval of the Budget. The Mayor must subsequently approve the SDBIP within 28 days after the approval of the Budget in terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act. The Annual Budget for the 2016/17 financial year was approved by Council on 25 May 2016. The SDBIP for the Zululand District Municipality was approved by the Mayor within 28 days after approval of budget as stated in S53 (1) (c) (ii) and it will be monitored and revised quarterly.

1.2. Purpose of the SDBIP

The purpose of the SDBIP can be summarized as follows:

1. It is a vital link between the Mayor and the administration of the municipality;
2. It facilitates the process for holding management accountable for its performance;
3. It is a tool for implementation, management and monitoring; and
4. It further serves as the basis for the performance measurement in service delivery against the year-end targets and the implementation of the budget.

1.3. Importance of the SDBIP

A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, and it:

- *Enables the Mayor to monitor the performance of the Municipal Manager,*
- *Municipal Manager to monitor the performance of the senior managers; and*
- *The community to monitor the performance of the municipality.*

It is the excellent mechanism that produces quarterly targets that are reported to ensure implementation of the IDP. The SDBIP will also empower all councillors specifically facilitating engagement at ward level and allow them to undertake the appropriate oversight and monitoring of programs. The SDBIP will also measure in-year progress in the implementation of the budget; under spending of budget will be dealt with at early stages because it is reviewed quarterly.

1.4. The Role of Council with regards to the SDBIP

It is vitally important for Council to note that the components of the SDBIP are primary indicators of the municipality's performance on the annual Budget. In this regard, Councillors are encouraged to scrutinize the various components of the SDBIP and to pose questions where it is deemed necessary. This form of in-year reporting should uncover major problems and is aimed at ensuring that the Mayor and the Municipal Manager take the corrective steps when any unanticipated problems arise.

1.5. Role of the Accounting Officer in respect of the SDBIP

The Accounting Officer must:

1. Implement the Budget;
2. Ensure that spending is in accordance with the Budget and ensure that the expenditure is reduced when revenue is anticipated to be less than projected in the Budget or the SDBIP
3. Ensure that revenue and expenditure is properly monitored;
4. Prepare an adjustments Budget when necessary; and
5. Submit the draft SDBIP and draft annual performance agreements for the Municipal Manager and all senior managers.

1.6. The key components of the 2016/17 SDBIP

In terms of Circular No. 13 of the MFMA No. 56 of 2003, the SDBIP must contain:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure by source (not required in terms of this Act);
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators of each vote;
- Detailed capital works plan broken down by ward over three years (Capital Plan – MIG)

These components of the SDBIP are discussed below.

2. MONTHLY PROJECTIONS OF REVENUE PER SOURCE

In terms of, Section 15 of the MFMA, a municipality may, except where otherwise provided in this Act,

- incur expenditure only in terms of the approved Budget; and
- Within the limits of the amounts appropriated for the different votes in the approved Budget.

One of the most important and basic priorities of a municipality is to collect all its revenue as budgeted for, failure to collect the revenue will undermine the municipality's ability to deliver services. The SDBIP contains the monthly projections of revenue to be collected per source for the 2016/17 financial year. The reason for the inclusion of this component of the SDBIP is to ensure that the municipality monitors revenue collected during the quarter as all expenditure to be incurred in terms of the approved Budget must be financed from realistically anticipated revenues to be collected.

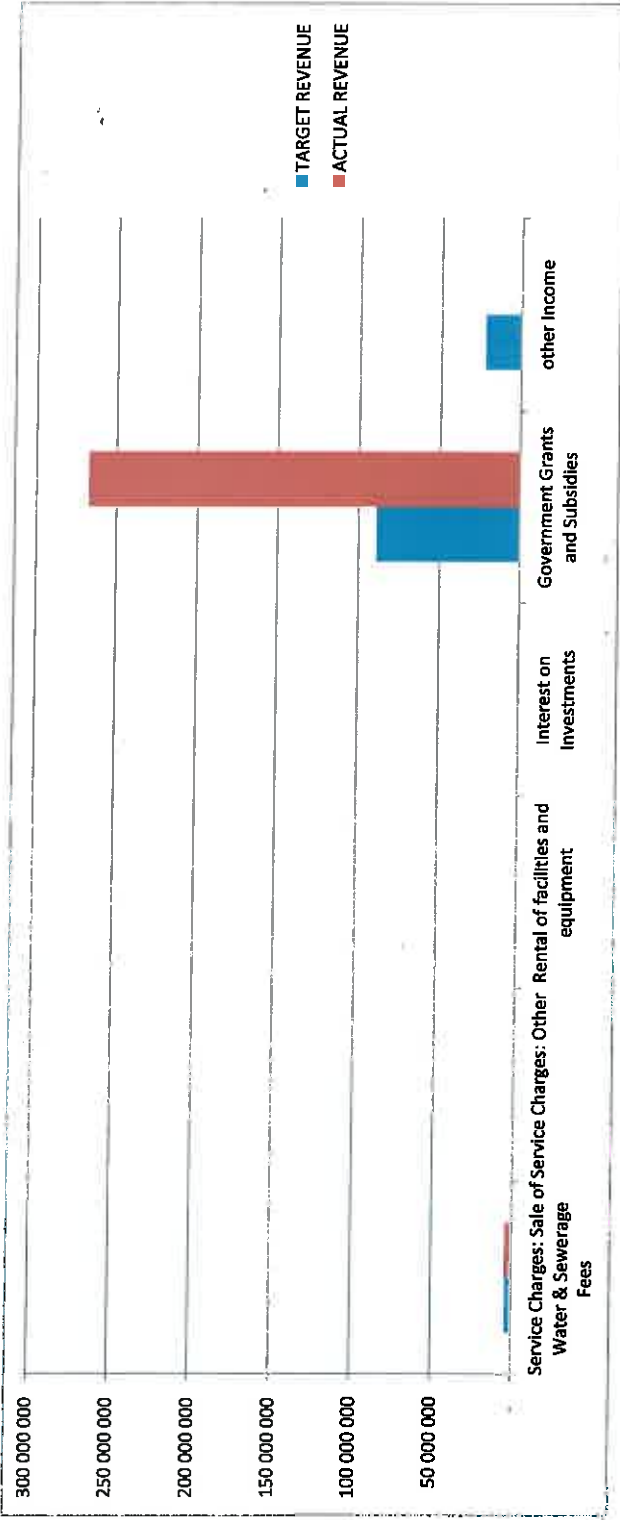
The Accounting Officer must monitor the actual revenues received against those projected in the SDBIP and submit explanations of any remedial action to be taken to ensure that projected revenue and expenditure remain within the municipality's approved Budget. This type of information requires the municipality to take urgent remedial steps to ensure it improves on its revenue-collection capacity if it wants to maintain its levels of service delivery and expenditure.

The revenue for the quarter ended 30 September 2016 is indicated below as follows:

Monthly projections of total Revenue per Source

The municipality must ensure that it has instituted measures to achieve monthly revenue targets for each revenue source. In order to ensure realistic revenue projections and ultimately balanced budgets, the Zululand District Municipality has to have comprehensive, coherent revenue policies that take into account appropriate service delivery levels, standards, ability to pay and collection efforts.

Q1 Chart - Monthly Projections of Revenue by Source



**Monthly projections of Revenue by Source of
Zululand District Municipality for the Quarter
ended 30 September 2016**

Revenue by Source	JULY		AUGUST		SEPTEMBER		Totals for Q. 1		Variance
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Charges: Sale of Water & Sewerage Fees	1 602 503.17	1 436 832	1 154 209.92	1 499 689	1 154 209.92	931 335	3 482 630	3 867 856	-405 226
Service Charges: Other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	7 333.33	-	7 333.33	-	7 333.33	-	22 000	-	22 000
Interest on Investments	166 666.67	-	166 666.67	691 222	166 666.67	66 860	500 000	758 082	-258 082
Government Grants and Subsidies : Operating and capital	29 584 916.67	209 934 000	29 584 916.67	56 162 000	29 584 916.67	1 129 000	88 754 750	267 225 000	-178 470 250
Other Income	7 308 963.25	62 512	7 308 963.25	91 224	7 308 963.25	36 697	21 926 890	190 432	21 736 457
Accumulated Surplus	-	-	-	-	-	-	-	-	-
TOTALS	38 670 363	211 433 344	38 222 090	58 444 135	38 222 090	2 163 892	114 666 270	272 041 370	-157 375 101

3. MONTHLY PROJECTIONS OF EXPENDITURE PER SOURCE

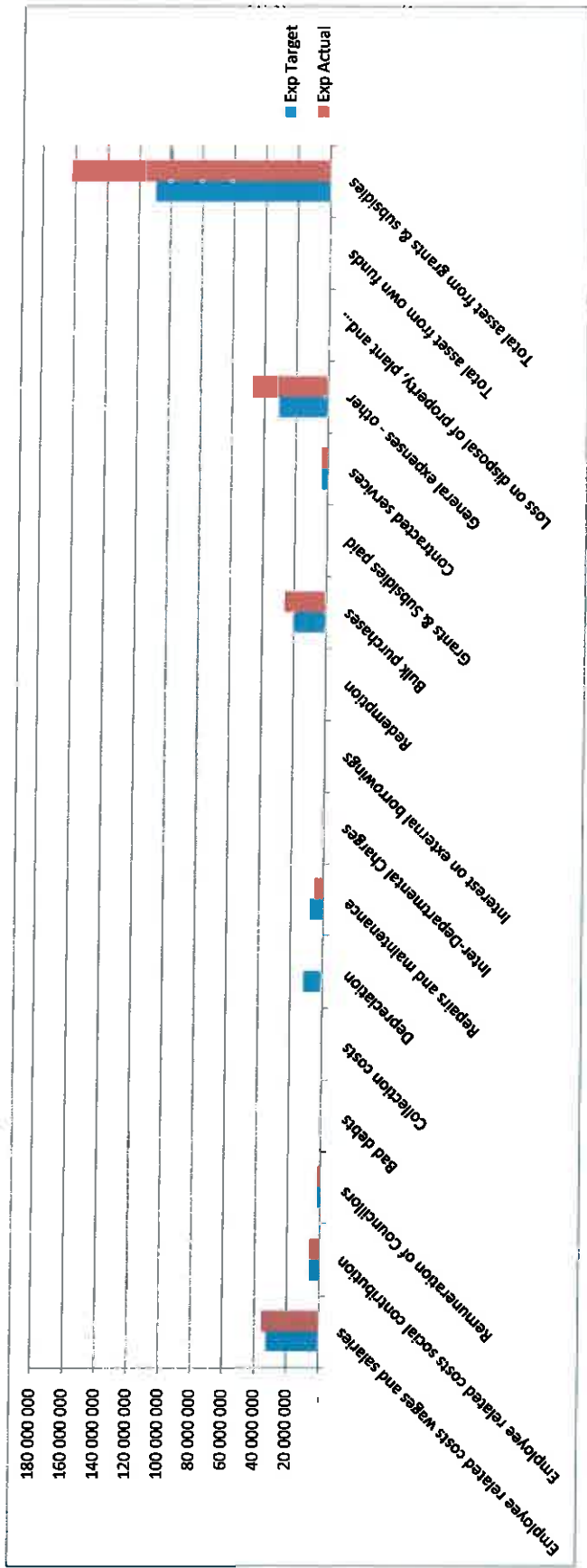
The monthly projections of expenditure per source is not included in terms of circular No 13 of the MFMA, but we as Zululand District Municipality have decided to add this component in order to see the movement of expenditure per source on monthly basis to be able to respond promptly and to initiate any remedial steps when necessary.

**Monthly Projections of Expenditure by Source of
Zululand District Municipality for the Quarter ended 30 September 2016**

Monthly Projections of Expenditure by Source

	JULY		AUGUST		SEPTEMBER		Totals for Q. 1		Variance
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Operating Expenditure									
Employee related costs wages and salaries	10 821 741	11 514 472	10 821 741	11 550 856	10 821 741	11 784 340	32 465 233	35 129 768	-2 664 546
Employee related costs social contribution	1 970 628	1 855 875	1 970 628	1 987 082	1 970 628	1 984 896	5 911 879	5 947 853	-35 974
Remuneration of Councillors	533 414	531 929	533 414	189 033	533 414	795 078	1 600 241	1 516 041	84 200
Bad debts	299 500	-	299 500	-	299 500	-	898 500	-	898 500
Collection costs	90 532	72 583	90 532	414 210	90 532	907	271 597	487 701	-216 104
Depreciation	3 813 384	-	3 813 384	-	3 813 384	907	11 440 152	11 440 152	-
Repairs and maintenance	2 716 417	1 343 666	2 716 417	2 086 336	2 716 417	1 981 875	8 149 250	5 421 679	2 727 571
Inter-Departmental Charges	223 917	72 817	223 917	605 535	223 917	289 887	671 750	948 249	-276 499
Interest on external borrowings	-	-	-	-	-	-	-	-	-
Redemption	-	-	-	-	-	-	-	-	-
Bulk purchases	6 855 426	5 540 739	6 855 426	-	6 855 426	8 732 821	19 966 279	25 728 885	-5 762 606
Grants & Subsidies paid	-	-	-	-	-	-	-	-	-
Contracted services	1 164 833	1 168 462	1 164 833	1 221 876	1 164 833	1 228 200	3 494 500	3 616 337	-121 837
General expenses - other (including abnormal expenses)	10 238 926	12 221 834	10 238 926	14 356 019	10 238 926	19 831 044	30 716 779	46 408 897	-15 692 119
Loss on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-
Total Operating Expenditure	38 528 716	34 422 400	38 528 716	44 186 153	38 528 716	48 586 858	115 586 149	125 205 411	-9 619 261
Capital Expenditure									
Total asset from own funds	141 667	1 599	141 667	80 391	141 667	1 615	425 000	83 605	341 395
Total asset from grants & subsidies	38 468 750	55 219 989	38 468 750	59 029 460	38 468 750	47 675 217	109 406 250	181 924 667	-52 518 417
Total Operating Expenditure	38 610 417	55 221 588	38 610 417	59 109 851	38 610 417	47 876 832	109 831 250	162 008 271	-52 177 021
TOTAL EXPENDITURE	75 139 133	89 643 989	75 139 133	103 286 003	75 139 133	94 273 690	225 417 399	287 213 682	-61 788 283

Q1 Chart - Monthly Projections of Expenditure by Source



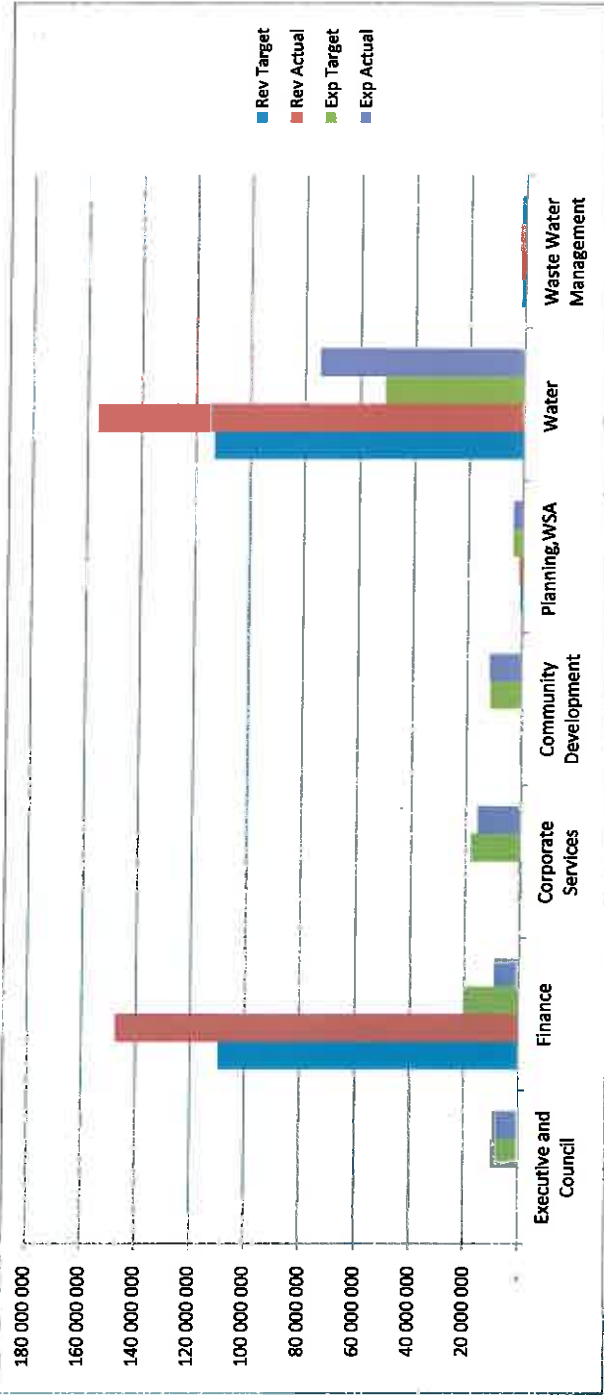
4. PROJECTIONS OF REVENUE & EXPENDITURE PER VOTE

It is important to view expenditure in relation to the revenue used to finance it. In this context, it is easy to see when expenditure exceeds Revenue and the necessary remedial steps can then be taken to correct this situation. Failure to monitor expenditure in relation to Revenue will seriously hamper the municipality's ability to achieve its strategic goals for the year.

Projections of Expenditure and Revenue per Vote

Compares the planned revenue and expenditure for the quarter ended 30 September 2016. It is clear that Zululand District Municipality will spend a lot in the provision of water to the community that it serves.

Q1 Chart - Monthly Projections of Revenue and Expenditure by Vote



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5. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS OF EACH VOTE

In terms of the SDBIP, Zululand District Municipality is required to provide non-financial measurable performance objectives in the form of service delivery targets and other performance indicators. Service delivery targets relate to the level and standards of service being provided to the community, and include targets for the reductions in backlogs of basic services.

The goals and objectives set by Council as quantifiable outcomes that should be implemented by the administration over the next financial year are indicated on the sheet below.

QUARTERLY PERFORMANCE REPORT - Entire District - Quarter 1 - 2016/2017

National KPA: Basic Service Delivery

Balance Scorecard Perspective: Customer

Program Driver	Objective	Indicator	KPI No	Quarter 1			Score	Reason for variance/ measures to improve	Annual Target				
				Target	Actual	Actual			1 - Not Acceptable	2 - Partially Achieved	3 - Effective	4 - Performance Significantly above Expectations	5 - Outstanding Performance
HOD (P)	Review and facilitate the District WSDP	Final 2017/2018 WSDP submitted to council for approval by specified date	1					30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017	
HOD (TS)	Provide free basic water	Percentage of households with access to basic level of water (as per WSDP) (Recalculation-new household connections)	2	0.17	0.08	1		0.63	0.70	0.76	0.82	0.89	
HOD (TS)	Improve access to free water	Percentage of households earning less than R1800 pm with access to free water (Note: Rudimentary)	3	0.06	1.97	5		0.18	0.24	0.31	0.37	0.43	
HOD (TS)	Improve water quality	Number of water quality tests as per the approved strategy	4	459.00				1816.00	1826.00	1836.00	1846.00	1856.00	
HOD (TS)	Provide free basic sanitation services	Percentage of households with access to basic level of sanitation (as per WSDP)	5	0.31	0.55	5		2.34	2.40	2.47	2.53	2.59	
HOD (TS)	Improve access to free sanitation	Percentage of households earning less than R1800 pm with access to free basic sanitation	6	0.31	0.55	5		2.34	2.40	2.47	2.53	2.59	
HOD (P)	Effectively monitor WSP's	Number of WSP Meetings scheduled per quarter	7	2.00	3.00	5		4.00	6.00	8.00	10.00	12.00	
HOD (TS)	Implement effective Customer Care	Notification of community on planned water supply interruptions	8	48.00	48.00	3		12.00	24.00	48.00	60.00	72.00	
HOD (Co), HOD (CS), HOD (F), HOD (P), HOD (TS)	Maximise the implementation of IDP identified projects	Capital budget actually spent on identified project	9	20.00 %	42.66 %	3		80.00 %	90.00 %	100.00 %	100.00 %	100.00 %	

	10	30/06/2016	19/06/2016	5	30/07/2015	15/07/2015	30/06/2015	15/06/2015	01/06/2015
Implementation	meetings scheduled by 30 Jun 2017			5					
HOD (Co)	Create awareness of hazards and disasters	Number of DM awareness campaigns scheduled per quarter	3.00	3	4.00	6.00	10.00	12.00	14.00
HOD (Co)	Review and facilitate the District Disaster Management Plan	Final Disaster Management Plan submitted to MM by specified date			30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017
HOD (Co)	Review and facilitate the municipal airport management plan	Airport plan submitted to MM by specified date			30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017

National KPA: Municipal Financial viability and management

Balance Scorecard Perspective: Finances

Program Driver	Objective	Indicator	KPI No	Quarter 1		Score	Reason for variance/ measures to improve	Annual Target					
				Target	Actual			1 - Not Acceptable	2 - Partially Achieved	3 - Effective	4 - Performance Significantly above Expectations	5 - Outstanding Performance	
HOD (F)	Improve revenue collection	Outstanding service debtors recovery rate to revenue per quarter	14	0.25	0.21	4	0.48	0.32	0.25	0.20	0.15		
HOD (F)	Improve supply chain application	Number of successful appeals per quarter	15	0.00			2.00	1.00	0.00				
HOD (F)	Process payments in time	Processing time of invoices per quarter	16	30.00 day(s)	30.00 day(s)	3	60.00 day(s)	45.00 day(s)	30.00 day(s)				
HOD (F)	Complete and submit accurate annual financial statements	Review and submit Financial Statements by specified date	17	31/08/2016	31/08/2016	3	30/10/2016	15/10/2016	31/08/2016	15/08/2016	01/08/2016		
Municipal Manager	Complete and submit accurate annual financial statements within the specified time period	Maintain unqualified audit opinion from the Auditor General	18					Qualified	Unqualified				
HOD (F)	Budget for ZDM annually	Final 2017/18 budget submitted to council for approval by specified date	19				30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017		

INDICATOR	DESCRIPTION	UNIT	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Regional Economic Development and training workshops scheduled per year	Number of tourism awareness	4.00	6.00	8.00	10.00	12.00				
HOD (TS)	Effectively co-ordinate LED in the district	Number of jobs created through LED initiatives and capital projects	100.00	150.00	200.00	250.00	300.00				
HOD (CS)	Effectively co-ordinate LED in the District	Number of LED ward projects implemented	100.00	150.00	200.00	250.00	300.00				
HOD (CS)	Plan and implement institutional measures that would reduce the impact of HIV/AIDS	HIV/AIDS Strategy 2017/2018 submitted to council by specified date	31/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017				
HOD (CS)	Create HIV/AIDS awareness and education	Number of HIV/AIDS awareness campaigns scheduled	8.00	12.00	16.00	20.00	24.00				
HOD (CS)	The social upliftment of the communities in ZDM	Number of schools/creches inspection reports conducted per quarter	30.00	45.00	60.00	65.00	70.00				
HOD (CS)	Access sufficient resources to implement youth and gender programmes	Reviewed Social Development strategy submitted to MM by specified date	30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017				
HOD (CS)	Strategically plan development and empowerment initiatives for youth and gender	Number of District youth council meetings scheduled per quarter	1.00	2.00	4.00	6.00	8.00				
HOD (CS)	Enable participation and create awareness of councils youth and gender programmes	Number of quality of life council meetings scheduled per quarter	1.00	2.00	4.00	6.00	8.00				
HOD (CS)	Reduce poverty by implementing community development projects	Number of people participating in ZDM community capacity building programmes by financial year end	70.00	200.00	240.00	260.00	280.00				
HOD (CS)	Implement food production compliance	Number of food production site inspection reports produced per quarter	24.00	36.00	48.00	60.00	72.00				
HOD (CS)	Enhance mortuary compliance	Number of mortuary inspection reports produced per quarter	24.00	36.00	48.00	60.00	72.00				

National KPA: Good Governance & Public Participation

Balance Scorecard Perspective: Learning and growth

		Quarter 1 - 2016/2017 - Performance			Annual Target							
Program Driver	Objective	Indicator	KPI No	Target	Actual	Score	Reason for variances/ measures to improve	1 - Not Acceptable	2 - Partially Achieved	3 - Effective	4 - Performance Significantly above Expectations	5 - Outstanding Performance
HOD (CS), HOD (F), HOD (P), HOD (TS)	HOD Spend grant funding	Percentage of allocated grant funds spent	42	20.00 %	40.10 %	3		80.00 %	90.00 %	100.00 %		
HOD (F)	Improve governance	Final fraud prevention strategy reviewed and submitted to MM by specified date	43					30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017
HOD (P)	Manage performance effectively	6 performance agreements signed by 56 section managers by specified date	44	6.00	6.00	3		4.00	5.00	6.00		
Municipal Manager	Maintain Institutional Capacity to render Municipal Services	Average number of vacancies in critical posts in relation to organogram by the end of the financial year	45	< 2.00	< 0.00	5		< 4.00	< 3.00	< 2.00	< 1.00	< 0.00
HOD (F)	Mitigate risks	Final risk management plan submitted to MM by specified date	46					30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017

National KPA: Municipal transformation and institutional development

Balance Scorecard Perspective: Internal Processes

		Quarter 1 - 2016/2017 - Performance			Annual Target							
Program Driver	Objective	Indicator	KPI No	Target	Actual	Score	Reason for variances/ measures to improve	1 - Not Acceptable	2 - Partially Achieved	3 - Effective	4 - Performance Significantly above Expectations	5 - Outstanding Performance
HOD (P)	Encourage participation in IDP process, ensure alignment with Local Municipalities	Number of stakeholder alignment meetings held by the end of the financial year	47	2.00	6.00	5		4.00	6.00	8.00	10.00	12.00
HOD (P)	Encourage participation in IDP process, ensure alignment with Local Municipalities	Date of submission of 2017/2018 IDP Framework Plan to Council for adoption	48	30/09/2016	28/09/2016	3		30/10/2016	15/10/2016	30/09/2016	15/09/2016	01/09/2016
HOD (P)	Effective spatial development	Reviewed Spatial Development Framework submitted to Council by specified date	49					30/07/2017	15/07/2017	30/06/2017	15/06/2017	30/05/2017

6. DETAILED CAPITAL WORKS PLAN

6. APPROVAL OF THE ZULULAND DISTRICT MUNICIPALITY'S SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR THE QUARTER ENDED 30 SEPTEMBER 2016.

The Zululand District Municipality's SDBIP for the quarter ending 30 September 2016 has been reviewed and approved by the Honourable Mayor: Cllr. E.M Buthelezi as said in S69 (3) (a) and S54 (3) of the Municipal Finance Management Act.

Date Approved: 31/10/2016

The Honorable Mayor E.M BUTHELEZI

Signature:

