

# GOVAN MBEKI MUNICIPALITY



## VISION:

A Model City of Excellence

## MISSION:

To Serve Our Community by:

- Providing Sustainable, quality services
- Provide safe and secured environment
- Enabling diversified local economic development and job creation
- Ensuring the financial sustainability of the Municipality
- Working together with our stakeholders
- Empowering our workforce
- Ensuring sound corporate governance

## CORE VALUES:

Team Work,  
Integrity,  
Accessibility  
Responsiveness,  
Accountability  
Transparency and  
Creativity

2023-2024

**Draft**

# Municipal High-Level Scorecard (Top Layer)

## Service Delivery Budget Implementation Plan (SDBIP)

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# LIST OF ACRONYMS AND ABBREVIATIONS

LIST OF ACRONYMS AND ABBREVIATIONS			
<b>IDP</b>	: Integrated Development Plan	<b>#</b>	: Number
<b>KPA</b>	: Key Performance Areas	<b>BSD</b>	: Basic Service Delivery
<b>KPI</b>	: Key Performance Indicators	<b>EPWP</b>	: Extended Public Works Programme
<b>LED</b>	: Local Economic Development	<b>IT</b>	: Information Technology
<b>MFMA</b>	: Municipal Financial Management Act	<b>kWh</b>	: Kilowatt-hour
<b>MSA</b>	: Municipal Systems Act	<b>LED</b>	: Local Economic Development
<b>MTEF</b>	: Medium Term Economic Framework	<b>R&amp;M</b>	: Repairs and Maintenance
<b>PDP</b>	: Personal Development Plan	<b>MIG</b>	: Municipal Infrastructure Grant
<b>PMS</b>	: Performance Management System	<b>SANS</b>	: South African National Standards
<b>POE</b>	: Portfolio of Evidence	<b>SO</b>	: Strategic Objective
<b>SDBIP</b>	: Service Delivery and Budget Implementation Plan	<b>WWTW</b>	: Waste Water Treatment Works
<b>SMART</b>	: Specific, Measurable, Achievable, Realistic, Time-frame		
<b>TL SDBIP</b>	: Top Layer Service Delivery Budget Implementation Plan		
<b>WPSP</b>	: Work Place Skills Plan		
<b>MEC</b>	: Member of the Executive Council		

# GLOSSARY

**Adjustments Budget:** Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations: Money** received from Provincial or National Government or other municipalities.

**Budget: The** financial plan of the Municipality.

**Budget Related Policy:** Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

**Capital Expenditure:** Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Equitable Share:** A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**IDP: Integrated** Development Plan. The main strategic planning document of the Municipality

**KPI: Key** Performance Indicators. Measures of service output and/or outcome.

**MFMA: The** Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF:** Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating Expenditure:** Spending on the day to day exp

**Quarterly:** Period made up of three months July - September, enses of the Municipality such as salaries and wages.

October - December, January - March and April - June.

**Rates:** Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP:** Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives:** The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Vote:** One of the main segments into which a budget is divided, usually at directorate / department level.

# 1. SDBIP INTRODUCTION

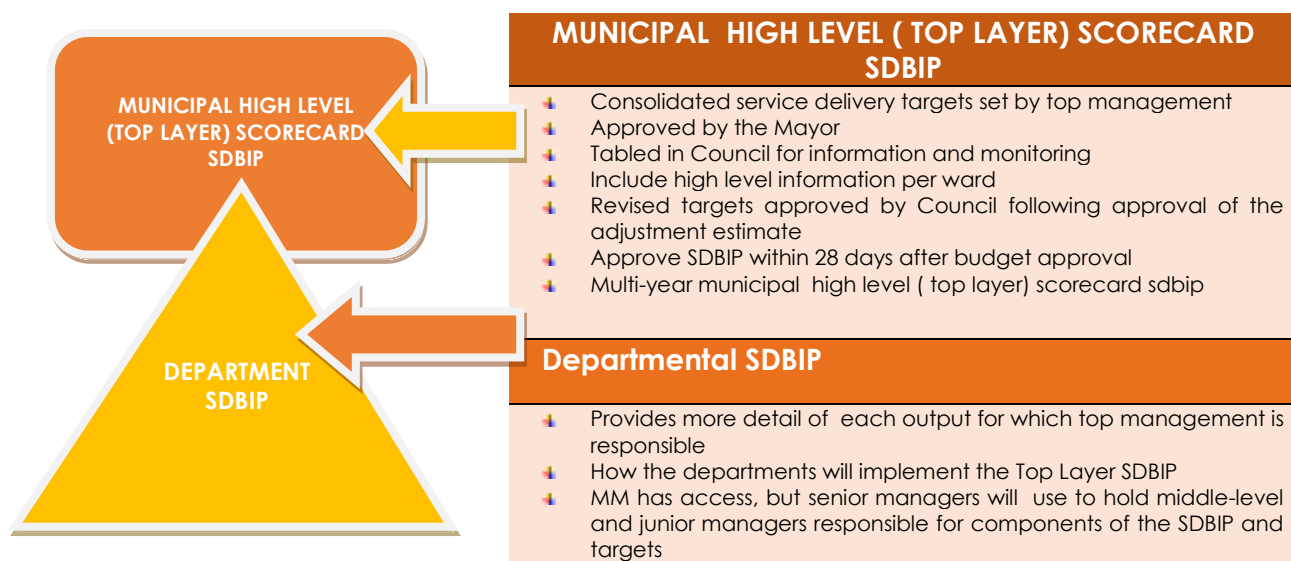
Performance management within a municipal environment is institutionalised through the legislative requirements on the performance management process for Local Government. The Municipal Finance Management Act (MFMA) of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy.

The Service Delivery and Budget Implementation Plan (known as the SDBIP) is a detailed plan as approved by the Mayor for implementing the municipality's delivery of municipal services and its annual budget. It is an expression of the objectives of the Municipality, in quantifiable outcomes, that will be implemented by the administration for the municipal financial year which includes the service delivery targets and performance indicators for each quarter that should be linked to the performance agreements of senior management. The SDBIP must be submitted to the Executive Mayor within 14 days after the budget has been approved.

The Executive Mayor needs to consider and approve the SDBIP within 28 days after the budget has been approved. The Service Delivery Budget Implementation Plan (SDBIP) is one element of the continuous planning, implementation and reporting cycle that aims to achieve Council's Vision and Mission as well as the strategic objectives contained in the Integrated Development Plan (IDP).

The SDBIP is a management, monitoring and implementation tool for all stakeholders. It assists the Municipal Manager to monitor the performance of Senior Managers, the Mayor to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality as a whole. One key function of the SDBIP is that it holds management responsible and accountable to its objectives.

## The SDBIP Concept: A Practical Perspective



The overall performance of the municipality is managed and evaluated by the Municipal High-level Scorecard (Top Layer) Service Delivery Budget and Implementation plan (SDBIP) at organisational level and through the detailed Departmental Service Delivery Budget Implementation Plan (SDBIP) at Departmental levels through which the organisational performance will be evaluated.

It is of a high-level nature, as it's dealing with consolidated service delivery targets set by Council and linking such targets to top management. It therefore provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities and also facilitates the oversight over financial and non-financial performance of the municipality.

## 2. LEGISLATIVE REPORTING REQUIREMENTS

The Municipal Finance Management Act (MFMA) 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 are aligned with their Integrated Development Plan.

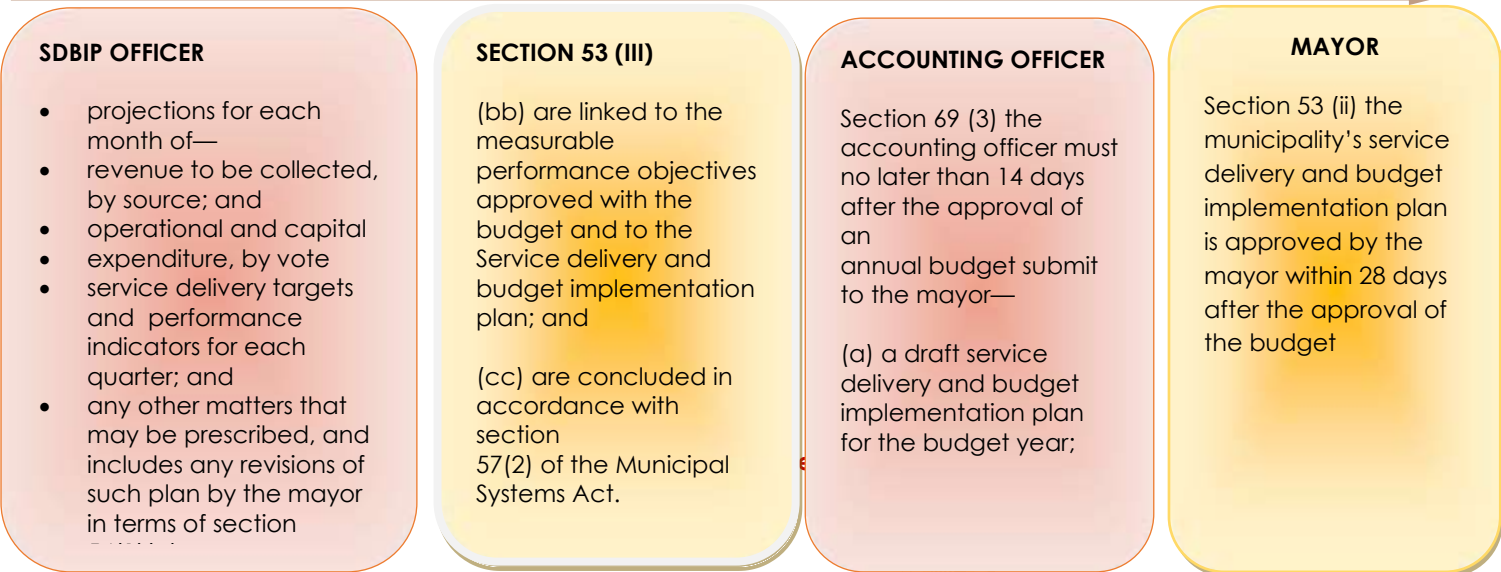
### **EXTRACT: MUNICIPAL FINANCE MANAGEMENT ACT NO. 56 OF 2003 (MFMA)**

#### **DEFINITION:**

*“Service Delivery and Budget Implementation Plan” means a detailed plan approved by the Mayor of a municipality in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA) for implementing the municipality’s delivery of municipal services and its annual implementing the municipality’s delivery of municipal services 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) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of Section 54(1) (c) of the MFMA.*

## MFMA SDBIP APPROVAL PROCESS 2023/2024



## Important note:

The Executive Mayor should review the document for compliance, alignment and adherence to the Council's Agenda as Municipal Manager and Directors will use the scorecard as a basis for reporting on performance to the Executive Mayor, Council and the public. The performance agreements of the senior management team will also be based on this document.

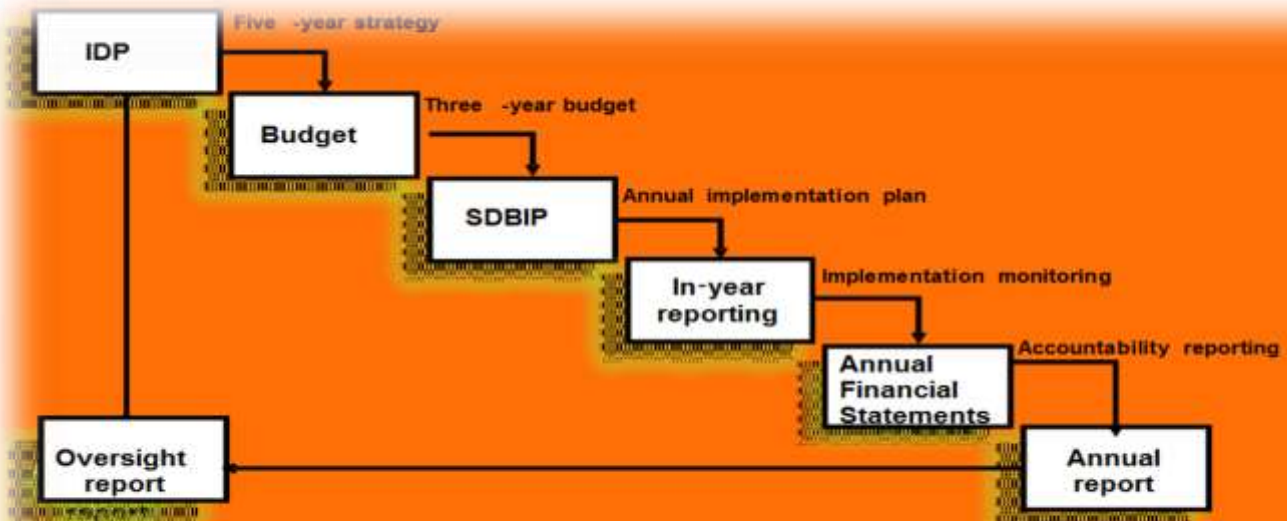
### 3. PLANNING AND REPORTING CYCLE

Municipal strategic planning forms an integral part of the Municipality's annual IDP review and alignment, and budget preparation processes. In turn these processes, in essence, are part of the broader system of performance management within the municipality. Section 38 (a) of the Local Government: Municipal Systems Act, No. 32 of 2000, requires Municipalities to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, regarding the community development priorities and objectives set out in its Integrated Development Plan (IDP).

Section 9(1) of the Municipal Planning and Performance Management Regulations to this Act maintains in this regard, that a Municipality must set key performance indicators, including input indicators, output indicators and outcome indicators in respect of each of the development priorities and objectives.

Annually, as required by Section 12 (1) of the Regulations to the Systems Act, the Municipality also sets performance targets for each of the key performance indicators. The IDP process and the performance management process must be integrated seamlessly as the Performance Management System serves to measure the performance of the Municipality on meeting its development objectives is contained in its Integrated Development Plan.

The process for linking planning, budgeting, implementation, monitoring and reporting are illustrated as per the below diagram:

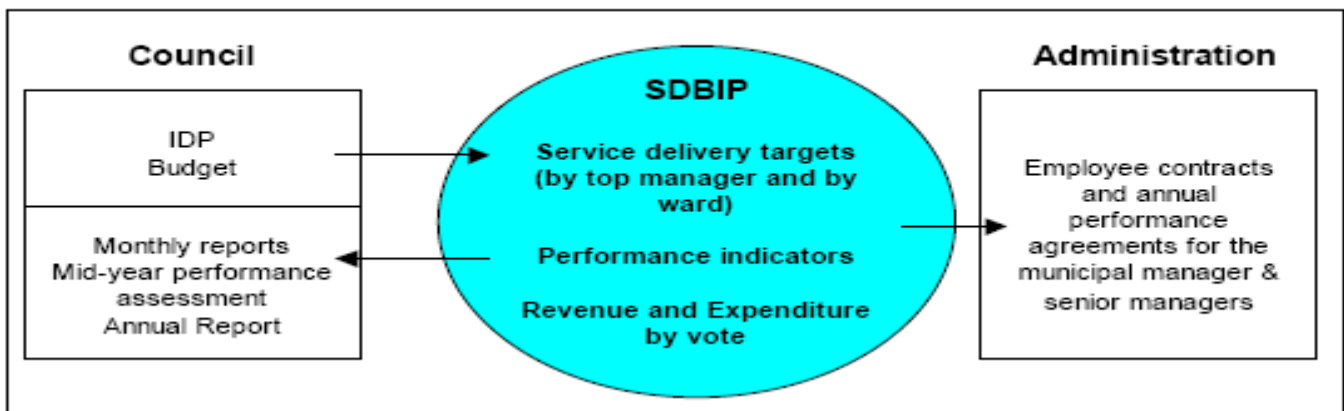


The SDBIP is also a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year.

This enables the mayor and municipal manager to be pro-active and take remedial steps in the event of poor performance. To ensure that the budget is achieved, the SDBIP serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months.

This provides the basis for measuring performance in service delivery against end-of-year targets and the implementation of the budget. One key function of the SDBIP is that it holds management responsible and accountable to its objectives.

**SDBIP “contract”**



Performance Planning ensures that the strategic direction of the Municipality more explicitly informs and aligns the IDP with all planning activities and resource decisions. This is the stage where Key Performance Areas and Key Performance Indicators are designed to address the IDP objectives, national policy and targets are set.

The SDBIP gives effect to the IDP and budget of the municipality. The achievement of the SDBIP will be possible if the IDP and budget are fully aligned with each other, as required. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.





Adoption /Approval of **The Draft Municipal High-Level Scorecard (Top Layer) Service Delivery and Budget Implementation Plan (SDBIP) 2023/2024**, is a legislative prerequisite that requires the Executive Mayor to approve the SDBIP within 28 days after the final approval of the budget.

**SUBMISSION OF DRAFT 2023/2024 MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP BY THE MUNICIPAL MANAGER**

I herewith **SUBMIT** in terms of Section 69(3b) of the Municipal Finance Management Act (MFMA) and MFMA Circular No.13, to the Executive Mayor, the **DRAFT Municipal High-Level Scorecard (Top Layer) Service Delivery Budget and Implementation plan (SDBIP)** for the **financial year 2023/2024** for approval and acceptance.

SIGNATURE:   
MR. EN MASEKO  
MUNICIPAL MANAGER

DATE: 06/06/2023

**ADOPTION/APPROVAL OF DRAFT 2023/2024 MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP BY THE EXECUTIVE MAYOR**

The **DRAFT** Municipal High-Level Scorecard (Top Layer) Service Delivery and Budget Implementation Plan (SDBIP) for the **financial year 2023/2024** is hereby **ADOPTED/APPROVED** in terms of section 53(1) (c) (ii) of the MFMA by the Executive Mayor of Govan Mbeki Municipality,

SIGNATURE:   
NG ZUMA  
EXECUTIVE MAYOR

DATE: 07/06/2023



4. 2023/2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

**GOVAN MBEKI MUNICIPALITY  
FINANCIAL YEAR 2023-2024  
DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP**

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY								TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024					
		Strategic objective(SO)	IDP linkage IDP strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#) / Etc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024	
<b>KPA 1 : FINANCIAL SUSTAINABILITY</b>																			
1	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of Debtors Payment rate by 30 June 2024	Percentage of debtors payment rate over 12 months rolling period calculated per quarter	Director: Financial Services (CFO)	Monthly and Quarterly Report Revenue enhancement plan	All	66% Debtors payment rate	Operational Budget	Outcome	%	85% Debtors payment rate per quarter by 30 June 2024	30-Jun-24	85% Debtors payment rate	85% Debtors payment rate	85% Debtors payment rate	85% Debtors payment rate
2	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of Debt book Reduction by 30 June 2024	Debt book reduction	Director: Financial Services	Monthly and Quarterly Report Revenue enhancement plan	All	0% reduction Debt Book	Operational Budget	Activity	%	10% reduction of Debt book by 30 June 2024	30-Jun-24	2% reduction	2% reduction	3% reduction	3% reduction
3	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) Of Operating Service Debtors to Revenue coverage ratio calculated as follows: (Total outstanding services debtors/ Annual service Revenue received for services x 100) by 30 June 2024	Financial Viability measured in terms of outstanding services debtor Service Debtors to Revenue	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	43.54% of Outstanding service debtors to revenue	Operational Budget	Outcome	#	40% of outstanding service debtors to revenue by 30 June 2024	30-Jun-24	10% of outstanding service debtors to revenue	20% of outstanding service debtors to revenue	30% of outstanding service debtors to revenue	40% of outstanding service debtors to revenue



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY								TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024					
		Strategic objective(SO)	IDP linkage IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024	
4	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) Of Debt coverage ratio calculated as follows: (Total revenue received - Total grants)/debt service payments due within the year x 100)by 30 June 2024	Financial Viability measured in terms of debt coverage ratio for 2023/2024 financial year	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	0.01% Debt coverage calculated as per the ratio determined	Operational Budget	Outcome	#	> 100% Debt coverage calculated as per the ratio determined by 30 June 2024	30-Jun-24	n/a	n/a	n/a	> 100% Debt coverage calculated as per the ratio determined by 30 June 2024
5	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Cost coverage ratio calculated as follows: (Available cash at particular time + investments)/ Monthly fixed operating expenditure x 100)by 30 June 2024	Financial Viability measured in terms of Cost coverage ratio for 2023/2024 financial year/	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	1,47% Cost coverage ratio calculated	Operational Budget	Outcome	# Months	3,0% cost coverage ratio calculated by 30 June 2024	30-Jun-24	n/a	n/a	n/a	3,0% cost coverage ratio calculated by 30 June 2024
6	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of the Municipality's capital budget spent on capital projects identified in the IDP, measured as Total Actual Capital Expenditure/Approved Capital Budget x 100 (All Funding excl. MIG) by 30 June 2024	CAPEX: The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the financial year	Director: Financial Services (CFO)	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed Municipal Capital projects identified in terms of the Municipality's own capital budget excluding MIG	All	56% Capital spending	Capital Budget ( Internal funding by the municipality)	Output	%	50% of capital budget spent by 30 June 2024	30-Jun-24	5% Capital spending	15% Capital spending	30% Capital spending	50% Capital spending
7	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.		Percentage (%) of spending on MIG funds by 30 June 2024	CAPEX:The percentage of a municipality's capital budget spent on capital projects in terms of MIG Funds	Director: Financial Services (CFO)	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed MIG projects identified in terms of MIG funds	All	88% of MIG spent	65932000	Output	%	100% of spending on MIG funds by 30 June 2024	30-Jun-24	25% MIG spending	50% MIG spending	80% MIG spending	100% MIG spending



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY								TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024					
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget			Type of Indicator	Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
8	FINANCIAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of spending on INEP funds by 30 June 2024	CAPEX: (INEP), The Percentage of INEP Spending as determined by the b {(Actual expenditure divided by the total approved budget) x 100}	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed INEP projects identified in terms of INEP funds	All	75% spending of INEP funds	15000000	Outcome	%	100% spending of INEP funds by 30 June 2024	30-Jun-24	n/a	50% INEP spending	75% INEP spending	100% INEP spending
9	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of operational budget spent on repairs and maintenance by 30 June 2024	Provision for repairs and maintenance	Director: Financial Services	Proof spending on maintenance / reports	All	46% of Repairs and maintenance budget spent	Operational Budget	Outcome	%	100% of Repairs and maintenance budget spent by 30 June 2024	30-Jun-24	5% of Repairs and maintenance budget spent	35% of Repairs and maintenance budget spent	70% of Repairs and maintenance budget spent	100% of Repairs and maintenance budget spent
10	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Submit the Adjustments budget to Council by 28 February 2024	Adjustment budget submitted to Council by 28 February 2024	Director: Financial Services (CFO)	Council resolution/ 1 X Approved draft Budget and 1x Approved budget per annum	All	1X Adjustments budget approved per annum	Operational Budget	Output	#	1X Adjustments budget to Council by 28 February 2024	28-Feb-234	n/a	n/a	1X Adjustments budget to Council by 28 February 2023	n/a
11	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Approval of the Main MTREF Budget (FY2024/2025) by Council by 31 May 2024	Submit the Main MTREF budget as compiled to council for approval by the legislative deadline	Director: Financial Services	Council resolution/ 1 X Approved draft Budget and 1x Approved budget per annum	All	1X Budget approved per annum	Operational Budget	Output	#	1X Approved Main MTREF Budget (FY2024/2025) by Council by 31 May 2024	31-May-24	n/a	n/a	1X Approved Draft MTREF Budget (FY2024/2025) by Council	1X Approved Main MTREF Budget (FY2024/2025) by Council



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY								TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
12	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Number of Physical verifications for movable assets conducted by 30 June 2024	Physical verifications for Movable Assets Conducted Quarterly	Director: Financial Services (CFO)	Director: Financial Services (CFO)	All	1x Physical verification for movable assets conducted	Operational Budget	Activity	#	1X Physical verifications for movable assets conducted by 30 June 2024	30-Jun-24	n/a	n/a	n/a	1x Physical verification for movable assets conducted
13	FINANCIAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Annual procurement plans approved by Council 30 June 2024	Signed Annual procurement plan as approved by Council	Director: Financial Services	0X Annual procurement plan approved by Council	All	1X Annual procurement plan	Operational Budget	Activity	#	1X Annual procurement plan approved by Council by 30 June 2024	30-Jun-24	n/a	n/a	n/a	1X Annual procurement plan approved
<b>KPA 2: SUSTAINABLE PHYSICAL INFRASTRUCTURE AND IMPROVE CUSTOMER CARE SERVICES</b>																			
14	FINANCIAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy-Effic.	PI&EE2.1	Number of indigent households provided with access to basic services 30 June 2024	Supply free basic services to Indigent households	Director: Financial Services (CFO)	Indigent Register	All	11515 x Indigents household supply with free basic services	Operational Budget	Outcome	#	15000 Indigents household supply with free basic services quarterly 30 June 2024	30-Jun-24	15 000 Indigents household supply with free basic services	15 000 Indigents household supply with free basic services	15 000 Indigents household supply with free basic services	15 000 Indigents household supply with free basic services
15	COMMUNITY SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy-Effic.	PI&EE2.1	Percentage of proclaimed erwen receiving a weekly refuse removal services as per the refuse collection schedule by 30 June 2024	Provision of refuse removal for proclaimed erwen receiving a weekly refuse removal service within GMM	Director: Community Services	s	All	100% of proclaimed erwen/ stands receiving a weekly refuse removal services	Operational Budget	Outcome	#	100% of proclaimed erwen receiving a weekly refuse removal services as per the refuse collection schedule by 30 June 2024	30-Jun-24	100% of proclaimed erwen receiving a weekly refuse removal services as per the refuse collection schedule	100% of proclaimed erwen receiving a weekly refuse removal services as per the refuse collection schedule	100% of proclaimed erwen receiving a weekly refuse removal services as per the refuse collection schedule	100% of proclaimed erwen receiving a weekly refuse removal services as per the refuse collection schedule



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY										TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024			
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator	Type-Nr (#)/ Perc			Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
16	PLANNING AND ECONOMIC DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic. Infra. & Energy. Effic.	PI&EE2.1	Percentage (%) of land development applications( LDA) finalised within 90 working days by 30 June 2024	Finalisation of Land development applications (excluding township establishments and applications with objections) in terms of the set service standards.	Director: Planning and Economic Development	Land Development Application Register, (BizAgi reports/Electronic System) Report generated in excel format (Referred to as the Land Development application register).	All	71% finalisation of land development applications in terms of the set service standards	Operational Budget	Activity	%	100% of land development applications (LDA) finalised within 90 working days by 30 June 2024.	30-Jun-24	100% of land development applications (LDA) finalised within 90 working days	100% of land development applications (LDA) finalised within 90 working days	100% of land development applications (LDA) finalised within 90 working days	100% of land development applications (LDA) finalised within 90 working days
17	PLANNING AND ECONOMIC DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic. Infra. & Energy. Effic.	PI&EE2.1	Percentage (%) Building Plans finalised in line with the approved service standards by 30 June 2024	Finalisation of Building Plan in line with the approved service standards . As Follows: 1. Building plan application where the area of a building is less than 500m2, the application should be approved within 30 days. 2. Building plan application where the area of a building is 500m2 or larger, the application should be approved within 60 days of receipt of the application.	Director: Planning and Economic Development	Building Plan Application Register, (BizAgi reports/Electronic System) Report generated in excel format (Referred to as the BPA application register).	All	66% Finalisation of Building Plan Applications in terms of the set service standards quarterly	Operational Budget	Activity	%	100% of Building Plans finalised in line with the approved service standards by 30 June 2024	30-Jun-24	100% of Building Plans finalised in line with the approved service standards	100% of Building Plans finalised in line with the approved service standards	100% of Building Plans finalised in line with the approved service standards	100% of Building Plans finalised in line with the approved service standards



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY										TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024			
		Strategic objective(SO)	IDP linkage IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator	Type-Nr (#)/ Perc	Target Qtr 1 September 2023			Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024	
18	CIVIL ENGINEERING	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage Reduction of Water losses as per previous year end actual water losses recorded by 30 June 2024	Monitoring and Implementing measures to reduce Water losses based on financial figures as per previous losses recorded	Director: Civil Engineering	Invoices from Rand Water and Financial year Water Balance Report	All	0% x Reduction of Water	Operational Budget	Outcome	%	10% x Reduction of Water losses as per previous year end actual water losses recorded by 30 June 2024	30-Jun-24	n/a	n/a	n/a	10% x Reduction of Water losses as per previous year end actual water losses recorded
19	ELECTRICAL AND MECHANICAL ENGINEERING	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) reduction of Energy losses as per previous year end actual energy losses recorded by 30 June 2024	Monitoring and Implementing measures to reduce Energy Losses educe Water losses based on financial figures as per previous losses recorded	Director: Electrical and Mechanical Engineering	Invoices from Eskom and Financial year Energy Balance Report	All	9% x Reduction of energy losses	Operational Budget	Outcome	%	30% x Reduction of Energy losses as per previous year end actual energy losses recorded by 30 June 2024	30-Jun-24	n/a	n/a	n/a	30% x Reduction of Energy losses as per previous year end actual energy losses recorded
20	CIVIL ENGINEERING	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Square metres (m2 ) of tarred roads repaired and maintained by 30 June 2024	Tarred roads repaired and maintained	Director: Civil Engineering	Signed Monthly Report/ Photos	All	17814,08 m2 of tarred roads repaired and maintained	Operational Budget	Output	#	10000m2 of tarred roads repaired and maintained by 30 June 2024	30-Jun-24	1500m2 of tarred roads repaired and maintained	1500m2 of tarred roads repaired and maintained	2000m2 of tarred roads repaired and maintained	2000m2 of tarred roads repaired and maintained
21	CIVIL ENGINEERING	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Kilometres (KMs) of Gravel Roads maintained 30 June 2024	Gravel Road maintenance	Director: Civil Engineering	Signed Monthly Report/ Photos	All	290,35 Kilometres( Kms) of Gravel Roads maintained	Operational Budget	Output	#	200 Kilometres( Kms) of Gravel Roads maintained by 30 June 2024	30-Jun-24	50Kilometres( Kms) of Gravel Roads maintained	50Kilometres( Kms) of Gravel Roads maintained	50Kilometres( Kms) of Gravel Roads maintained	50 Kilometres( Kms) of Gravel Roads maintained



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
<b>KPA 3: ECONOMIC GROWTH AND DEVELOPMENT</b>																			
22	PLANNING AND ECONOMIC DEVELOPMENT	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ. Grow.&Devel.	E&DEV4.1	Number of SMME Compliance workshops held by 30 June 2024	Facilitate and Conducting of SMME Workshops	Director: Planning and Economic Development	Notice / Attendance registers/ Program	All	new	Operational Budget	Outcome	#	5X SMME Compliance workshops held by 30 June 2024	30-Jun-24	1xSMME Workshop held	1xSMME Workshop held	1xSMME Workshop held	2xSMME Workshops held
23	PLANNING AND ECONOMIC DEVELOPMENT	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ. Grow.&Devel.	E&DEV4.1	Number of Local Economic Development Forum meetings facilitated by 30 June 2024.	Facilitate LED Forum meetings	Director: Planning and Economic Development	Minutes and Attendance registers	All	new	Operational Budget	Outcome	#	2x Local Economic Development Forum meetings facilitated by 30 June 2024.	31-Jan-24	n/a	1x Local Economic Development Forum meeting facilitated	1x Local Economic Development Forum meeting facilitated	1x Local Economic Development Forum meeting facilitated
24	OFFICE OF THE EXECUTIVE MAYOR	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ. Grow.&Devel.	E&DEV4.1	Number of job opportunities to be created through EPWP by 30 June 2024	Recruitment and appointment of beneficiaries through EPWP	EPWP Ordinator	Appointment letters/ Reports	All	348 x Job opportunities to be created through EPWP by 30 June 2022		Outcome	#	270 x Job opportunities to be created through EPWP by 30 June 2024	30-Jun-24	n/a	n/a	n/a	270x Job opportunities to be created through EPWP by 30 June 2024





# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY										TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024			
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator	Type-Nr (#)/ Perc			Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
25	OFFICE OF THE EXECUTIVE MAYOR	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Number of job opportunities to be created through CWP by 30 June 2024	Recruitment and appointment of beneficiaries through CWP / Siyathuthuka	EPWP Ordinator	Appointment letters/ Reports	All	new		Outcome	#	1100 x Job opportunities to be created through CWP by 30 June 2024	30-Jun-24	n/a	n/a	n/a	1100 x Job opportunities to be created through CWP
26	OFFICE OF THE EXECUTIVE MAYOR	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Number of job opportunities to be created through Siyathuthuka by 30 June 2024	Recruitment and appointment of beneficiaries through CWP / Siyathuthuka	EPWP Ordinator	Appointment letters/ Reports	All	new		Outcome	#	30 x Job opportunities to be created through Siyathuthuka by 30 June 2024	30-Jun-24	n/a	n/a	n/a	30 x Job opportunities to be created through Siyathuthuka
<b>KPA 4: INSTITUTIONAL TRANSFORMATION</b>																			
27	MUNICIPAL MANAGER/ COUNCILLOR	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Percentage % of Approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2024	Filling of approved vacancies within 6 months	Director: Corporate Services	Appointment Schedule	All	75% of approved vacancies	Operational Budget	Outcome	%	100% of approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2024	30-Jun-24	n/a	100% of approved vacancies filled within 6 months of approval by The Municipal Manager	n/a	100% of approved vacancies filled within 6 months of approval by The Municipal Manager



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator	Type-Nr (#)/ Pctg			Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024	
28	OFFICE OF THE MUNICIPAL MANAGER/ CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Number of Agendas issued for Local Labour Forum meetings by 30 June 2024	Support for the Local Labour Forum	Director: Corporate Services	Agenda and Minutes of LLF meetings	All	6x meeting Local Labour Forum supported	Operational Budget	Outcome	#	9x Agendas issued for Local Labour Forum meetings by 30 June 2024	30-Jun-24	3x Agendas issued for Local Labour Forum meetings	2 x Agendas issued for Local Labour Forum meetings	2 x Agendas issued for Local Labour Forum meetings	2 x Agendas issued for Local Labour Forum meetings
29	OFFICE OF THE MUNICIPAL MANAGER/ CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by 30 June 2024	Number of people employed (newly appointed) 'Appointments made in line with Employment Equity targets on the three highest levels of management	Director: Corporate Services	Employment Equity report /Employment Equity Plan and Workforce Profile	All	6 x People from employment equity target groups employed in the three highest levels of management	Operational Budget	Outcome	#	5x People from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by 30 June 2024	30-Jun-24	n/a	n/a	n/a	5x People from employment equity target groups employed in the three highest levels of management
30	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Submission of Workplace Skills Plan to LGSETA by 30 April 2024	WSP submitted annually to LGSETA by 30 April	Director: Corporate Services	WSP Acknowledgement Report	All	1 x Workplace Skills Plan submitted to LGSETA	Operational Budget	Output	#	1 x Workplace Skills Plan submitted to LGSETA by 30 April 2024	30-Apr-24	n/a	n/a	n/a	1 x Workplace Skills Plan submitted to LGSETA



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
31	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Percentage (%) of the allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2024	Monitor training interventions/ training budget as per the Workplace skills plan WSP	Director: Corporate Services	Financial and Training reports	All	23% % of the allocated budget spent on the implementation of the Workplace Skill	Operational Budget	Output	%	100% of the allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2024	30-Jun-24	Procurement	25% of the allocated budget spent on the implementation of the Workplace Skill	75% of the allocated budget spent on the implementation of the Workplace Skill	100% of the allocated budget spent on the implementation of the Workplace Skill
<b>KPA 5: SPATIAL INTEGRATION AND SAFE PROTECTED ENVIRONMENT</b>																			
32	PLANNING AND ECONOMIC DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic. Infra. & Energy. Effic.	PI&EE2.1	Number of Spatial Development Framework( SDF) of Govan Mbeki drafted to be SPLUMA compliant for submission to Council by 30 March 2024	Re-write of the Spatial Development Framework( SDF) of Govan Mbeki Municipality to be SPLUMA compliant	Director: Planning and Economic Development	Spatial Development Framework( SDF)/ Council resolution	All	1x SDF	Operational Budget	Activity	%	1X of Spatial Development Framework( SDF) of Govan Mbeki drafted SPLUMA compliant for submission to Council by 30 March 2024	31-Mar-24	n/a	n/a	n/a	1X of Spatial Development Framework( SDF) of Govan Mbeki drafted to be SPLUMA compliant for submission to Council by 30 March 2024
33	COMMUNITY SERVICES	To develop spatially integrated, safe communities and a protected environment	Safety&Env.	S&ENV5.1	Review the Disaster Management Plan and submit to Council for approval by 31 May 2024	Disaster Management Plan reviewed	Director: Community Services	Reviewed Disaster Management Plan and Council resolution	All	1X Reviewed Disaster Management Plan	Operational Budget	Output	%	1x Reviewed Disaster Management Plan to Council for approval by 31 May 2024	31-May-24	s	n/a	n/a	1XReviewed Disaster Management Plan



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024			
		Strategic objective(SO)	IDP linkage IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator	Type-Nr (#)/ PctC			Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
34	COMMUNITY SERVICES	To develop spatially integrated, safe communities and a protected environment	Safety&Env. S&ENV5.1	Percentage (%) of fire fighting response attended to in compliance to Service Standards response time Quarterly by 30 June 2024	Attend to fire fighting response in compliance to Service Standards response time	Director: Community Services	Quarterly report on response to fire fighting response	All	84% Adherence to fire fighting response	Operational Budget	Outcome	%	80% of Fire Fighting response attended to in compliance to Service Standards response time by 30 June 2024	30-Jun-24	80% of Fire Fighting response attended to in compliance to Service Standards response time	80% of Fire Fighting response attended to in compliance to Service Standards response time	80% of Fire Fighting response attended to in compliance to Service Standards response time	80% of Fire Fighting response attended to in compliance to Service Standards response time
<b>KPA 6: GOVERNANCE AND STAKEHOLDER PARTICIPATION</b>																		
35	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Parr. GOV&SP1.1	Percentage (%) of council resolutions implemented by 30 June 2024	Implementation of Council resolutions by Departments	Municipal Manager	Council resolution register and supporting documents	All	98% of council resolutions implemented	Operational Budget	Outcome	%	100% of council resolutions implemented by 30 June 2024	30-Jun-24	100% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented
36	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Parr. GOV&SP1.1	Percentage (%) Implementation of the Audit Plan by 30 June 2024	Execution of Audits as per the Audit plan	Municipal Manager	Quarterly Internal Audit Report and Minutes of Audit Committee meetings	All	60 % Implementation of All the audit activities were implemented as per the audit plan	Operational Budget	Output	%	100 % Implementation of the Audit Plan by 30 June 2024	30-Jun-24	100 % Implementation	100 % Implementation	100 % Implementation	100 % Implementation



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
37	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Number of Strategic Risk registers reviewed by 30 June 2024	Reviewed the Strategic Risk Register by June annually	Municipal Manager	Reviewed Strategic Risk register / RMC minutes	All	1X Strategic Risk register	Operational Budget	Output	#	1X Strategic Risk register reviewed by 30 June 2024	30-Jun-24	n/a	n/a	n/a	1X Strategic Risk register reviewed
38	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Percentage (%) Mitigation of Strategic Risk register by 30 June 2024	Monitoring Risk Register	Municipal Manager	Progress report on risk management and Minutes of Risk Committee	All	50% of Strategic Risk mitigated	Operational Budget	Output	%	60 % of Strategic Risk mitigated by 30 June 2024	30-Jun-24	60 % of Strategic Risk mitigated	60 % of Strategic Risk mitigated	60 % of Strategic Risk mitigated	60 % of Strategic Risk mitigated
39	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Percentage (%) of Audit Committee recommendations implemented by 30 June 2024	Implementation of Audit Committee Recommendations by departments	Municipal Manager	Minutes of Audit committee meetings, Audit Committee Recommendations register and supporting documents	All	75% of recommendations have been implemented	Operational Budget	Output	%	100% of Audit Committee recommendations implemented by 30 June 2024	30-Jun-24	100% of Audit Committee recommendations implemented	100% of Audit Committee recommendations implemented	100% of Audit Committee recommendations implemented	100% of Audit Committee recommendations implemented
40	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Number of Signed performance agreements of Section 56/57 managers finalised for financial year 2023/2024 by 31 July 2023	Facilitate and ensure timeous development and signing of Performance agreements for Section 56/57 Managers as signed within 30 days in terms of prescribed legislation	Municipal Manager	Signed performance agreement 2023/2024 for S56/S57 Managers	All	6 X Signed Performance Agreements for appointed S54A and S56 Managers	Operational Budget	Output	#	6 X Signed performance agreements of Section 56/57 managers finalised by 31 July 2023	31-Jul-23	6 X Signed performance agreements of Section 56/57 managers finalised	n/a	n/a	n/a



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
41	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of Formal Performance reviews conducted for section 56/ 57 employees by 30 June 2024	Evaluate the performance of Section 56/57 managers in terms of their signed agreements	Municipal Manager	Evaluation sheets completed and Attendance Register	All	1x Formal Evaluation for S54A and S56 Managers	Operational Budget	Output	#	2x Formal Performance reviews conducted for section 56/ 57 employees by 30 June 2024	30-Jun-24	1x Formal Performance review conducted for section 56/ 57 employees	n/a	1x Formal Performance review conducted for section 56/ 57 employees	n/a
42	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Municipal High Level Scorecard (Top Layer ) SDBIP 2024/2025 approved by the Mayor within 28 days after the Budget has been approved by 30 June 2024	Compilation of Municipal High Level Scorecard (Top Layer ) SDBIP 2024/2025	Municipal Manager	Approved Municipal High Level Scorecard (Top Layer ) SDBIP	All	1X Municipal High Level Scorecard (Top Layer ) SDBIP	Operational Budget	Output	#	1X Municipal High Level Scorecard (Top Layer ) SDBIP 2024/2025 approved by the Mayor within 28 days after the Budget has been approved by 30 June 2024	30-Jun-24	n/a	n/a	n/a	1X Municipal High Level Scorecard (Top Layer ) SDBIP (2024/2025) approved
43	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ward committee meetings held by 30 June 2024	Ward committee support as per the ward schedule meeting . 32 wards x 3 monthly meetings within a quarter	Municipal Manager	Agenda, Attendance Register and Minutes of each ward committee meeting held	All	61x Ward Committee Meetings held	Operational Budget	Output	#	384 X Ward committee meetings held by 30 June 2024	30-Jun-24	96 x Ward committee meetings hedl	96 x Ward committee meetings hedl	96 x Ward committee meetings hedl	96 x Ward committee meetings hedl
44	FINANCIAL SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Review and updating of the Indigent register by 30 June 2024	Annual review and update of the Indigent Register	Director: Financial Services (CFO)	Updated Reviewed Indigent Register and Council resolution	All	1x Indigent register reviewe	Operational Budget	Activity	#	1x Indigent register reviewed and updated by 30 June 2024	30-Jun-24	n/a	n/a	n/a	1x Indigent register reviewed and updated



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
45	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Submit the Annual Financial statements ( AFS) 2022/2023 to the Office of the Auditor-General by 31 August 2023	Submit the Annual Financial statements ( AFS) to the Office of the Auditor-General annually by 31 August	Municipal Manager /CFO	Acknowledgement Letter by AG on submission of the Financial statement ( AFS)	All	1XAnnual Financial statements ( AFS)	Operational Budget	Output	#	1XAnnual Financial statements 2022/2023 submitted to the office of the Auditor General by 31 August 2023	31-Aug-23	1XAnnual Financial statements ( AFS) submitted to the Auditor General	n/a	n/a	n/a
46	Municipal Manager	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Submit the Audited 2022/2023 Annual Report (Section 121 MFMA ) to Council by 31 January 2024	Audited Annual Report (Section 121 of MFMA ) submitted annually to Council by January	Municipal Manager	Audited Annual Report(Section 121 of MFMA ) / Council resolution	All	1X Annual Report	Operational Budget	Output	#	1X Audited 2022/2023 Annual Report (Section 121 MFMA ) submitted to Council by 31 January 2024	31-Jan-24	n/a	n/a	1X Audited 2022/2023 Annual Report (Section 121 MFMA ) submitted to Council	n/a
47	FINANCIAL SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Unqualified audit opinion on AFS 2022/2023 by 30 November 2023	Prepared AFS for submission to the Auditor General annually by August for auditing	Director: Financial Services (CFO)	Auditor General Report 2022/2023	All	1x Qualified AFS Opinion	Operational Budget	Outcome	#	1x Unqualified AFS Opinion 2022/2023 by 30 November 2023	30-Nov-23	n/a	1x Unqualified AFS Opinion 2022/2023	n/a	n/a
48	PLANNING AND ECONOMIC DEVELOPMENT	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SPI.1	Submit the Final reviewed IDP to Council for approval and adoption by 31 May 2024	IDP reviewed and approved by Council by 31 May 2024	Director: Planning and Economic Development	Council resolution/ Approved IDP	All	1X IDP approved by Council	Operational Budget	Output	#	1X Final Reviewed IDP submitted to Council for approval and adoption by 31 May 2024	31-May-24	IDP Process plan	Public Consultation	Public Consultation	1X Final Reviewed IDP submitted to Council for approval and adoption



# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Perc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
49	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to Auditor General by <b>31 August 2023</b>	Comply and Submit Annual Performance Report to the Auditor General by 31 August annually	Municipal Manager	Acknowledgement Letter by AG on submission of the Annual Performance Report (MSA Sec 46) report	All	1x Annual Performance Report	Operational Budget	Output	#	1X Annual Performance Report in terms of Section 46 of the Municipal Systems Act submitted to the Auditor General by 31 August 2023	31-Aug-23	1X Annual Performance Report in terms of Section 46 of the Municipal Systems Act submitted	n/a	n/a	n/a
50	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Adoption of Oversight report by Council by <b>31 March 2024</b>	Facilitate the adoption of the <b>Annual Oversight report 2022/2023</b> annually by council by March (Section 129 of MFMA)	Municipal Manager	Council Resolution / Oversight report	All	0X Oversight report adopted	Operational Budget	Output	#	1 X Oversight report adopted by council by 31 March 2024	31-Mar-24	n/a	n/a	1X Oversight report adopted	n/a
51	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ordinary council meetings agendas facilitated per annum by 30 June 2024	Effective functioning of council measured by the functionality on the number of ordinary council meetings per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of each council meetings held	All	9x Ordinary council meetings agendas facilitated	Operational Budget	Outcome	%	10X Ordinary council meetings agendas facilitated annum by 30 June 2024	30-Jun-24	3 X Ordinary council meetings agendas facilitated	2 X Ordinary council meetings agendas facilitated	2 X Ordinary council meetings agendas facilitated	3 X Ordinary council meetings agendas facilitated
52	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of Mayoral Committee meetings agendas facilitated held per annum by 30 June 2024	Effective functioning of the committee system measured by the functionality on the number of Exco or Mayoral meetings held per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of committee meeting held	All	9 X ExCo or Mayoral Executive meetings agendas facilitate	Operational Budget	Outcome	%	10x Mayoral Committee meetings agendas facilitated per annum by 30 June 2024	30-Jun-24	3 X Mayoral Committee meetings agendas facilitated	2 X Mayoral Committee meetings agendas facilitated	3 X Mayoral Committee meetings agendas facilitated	2 X Mayoral Committee meetings agendas facilitated





# GOVAN MBEKI MUNICIPALITY FINANCIAL YEAR 2023-2024 DRAFT MUNICIPAL HIGH-LEVEL SCORECARD (TOP LAYER) SDBIP

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK		MUNICIPAL DELIVERY									TARGETS FY 2023/2024	Target Date	QUARTERLY TARGETS YEAR 2023/2024				
		Strategic objective(SO)	IDP linkage	IDP Strategy	KEY PERFORMANCE INDICATORS ( KPI's)	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2023	Annual Budget	Type of Indicator			Type-Nr (#)/ Patc	Target Qtr 1 September 2023	Target Qtr 2 December 2023	Target Qtr 3 March 2024	Target Qtr 4 June 2024
53	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of MPAC meetings agendas facilitated per annum by 30 June 2024	Effective functioning of the committee system measured by the functionality on the number of MPAC committees meetings held to ensure oversight and accountability per annum	Municipal Manager	Agenda, Attendance Register and Minutes of committee meeting held	All	new	Operational Budget	Outcome	%	4 X MPAC meetings agendas facilitated per annum by 30 June 2024	30-Jun-24	1 X MPAC meeting agenda facilitated	1 X MPAC meeting agenda facilitated	1 X MPAC meeting agenda facilitated	1 X MPAC meeting agenda facilitated



## 5. CONSOLIDATED OVERVIEW BUDGET 2023/2024 (MTREF)

### 5.1 Executive Summary 2023/2024 Budget and Medium-Term Revenue and Expenditure Framework (MTREF)

The preparation of the **2023/2024** Budget and Medium-Term Revenue and Expenditure Framework (MTREF) is based on the guidelines contained in the MFMA **Circular No.122 and 123** issued by National Treasury.

The other fundamental principles underlying the preparation of this draft budget is the application of sound Financial Management to ensure Financial Viability, and that municipal services provide sustainable, economically and equitable to all communities.

**The main challenges experienced during compilation of the annual budget 2023/2024 MTREF can be summarized as follows:**

- Cash flow constraints
- The increased cost of bulk purchases (due to increases imposed by Rand Water and Eskom).
- The need to re-prioritise expenditure within the existing resource given the cash flow realities and declining cash position.
- Unavailability of own-funding for capital budget; and
- Inability to raise capital/borrowing.

**The following principles and guidelines will directly inform the annual budget 2023/2024 MTREF:**

- The budget of 2023/2024 budget was used as baseline and was appropriate as upper limits.
- CPI guidelines from National Treasury except where specific sector increases are prescribed.
- Ensuring that drinking water always meets the required quality standards
- Identification of inefficiencies and elimination of no-priority spending
- Securing health of the assets by increasing the spending on repairs and maintenance
- Developing strategies in reducing water and electricity losses
- Developing tariffs that are cost reflective
- Maintaining a long financially sustainable environment
- Protect the poor from the worst impacts of the economic downturn at all times
- Job creation and poverty reduction

For the municipality to be able to deliver efficient and effective public services within the existing fiscal purse, tough decisions will have to be taken on the expenditure side. Priority ought to be given to the following areas:

- A performance culture where all the people are held accountable for their actions, accompanied by clear, measurable outcomes related to key developmental priorities.
- Limit outsourcing of work
- Procurement reforms
- Limit wastage and inefficient systems
- Strengthen the collection to reduce the debt book

The budget has been prepared with a vision of sustaining the financial capability of the municipality in the long term. A special effort was taken to improve the credibility of the budget. The tariffs have been set in line with tariff policy and the following factors were considered:

- The current collection rates
- The affordability of the community
- The social package
- The direct cost drivers

## 5.2 2023/2024 MTREF Policy statements and guidelines

The IDP is the primary point of reference for preparation of the MTREF. Accordingly, the budget addresses the following strategic objectives:

- Provide basic services, roads and storm water.
- Economic growth and development and job creation.
- Sustainable communities with clean, healthy and safe environments and integrated social services.
- Participatory democracy and Batho Pele.
- Promote sound governance.
- Ensure financial sustainability.
- Organisational development and transformation.

The 2023/24 MTREF reflects the reality of the current budgetary pressures. The following budget guidelines directly informed the compilation of the budget;

- Scale down on baseline allocation as indicated by National Government.
- Approve a balanced budget and create cash surplus over the Medium-term.
- The budget must be funded in accordance with the funding compliance procedure set out in MFMA Circular 42 and the Funding Compliance Guideline.
- Reprioritise competing needs within the allocations.
- Ensure the timely delivery of the capital programmes (eliminate under spending of capital budget).
- Tariff and Property Rate increases should take into account the need to address infrastructure backlogs and other strategies and affordability of services.
- The percentage salary increases according SALGA guideline
  - 2023/24 Financial Year –5.3%
- Special attention needs to be given to efficiency gains and the principle of value for money.
- Filling of vacancies should be reviewed within the available budget.

The municipality is implementing the inclining block tariffs on electricity and water. The IBT for the electricity is in-line with the NERSA guidelines. The water tariffs are also designed using the inclining block model to promote conservative approach to the domestic consumers.

The municipality will still ensure that the poor are protected through the indigent support scheme as per the indigent policy and debt collection strategy. The threshold for increasing free basic services for a household will be reviewed. The increase on the package indicates the municipality's commitment to protect the poor and to ensure that those who cannot afford to pay are not burden with the unpaid accounts.

The council is committed in creating employment and reducing poverty as part of National Initiative, through meaningful local economic developmental initiatives and labour-intensive projects.

Furthermore, the municipality will on the continuous basis engage with the service providers to ensure that labour intensive approaches are utilized. The municipality will also ensure that it implements the intern programs to provide the young people with on-the-job training.

A conservative approach in spending will be adopted to ensure financial sustainability. As a municipality we should also all pay serious attention to managing revenue and any cash streams effectively through revenue management processes and procedures.

The budget has been prepared in terms of guidelines as contained in Circular 122 and 123 of the MFMA. The contents and format of the budget are in line with the requirements of the Municipal Budget and Reporting Regulations and any applicable legislation.

The 2023/2024 budget comprises of **R 3.01 billion** for operating expenditure and **R 172 million** for capital investment programs.

The total operating income budget is **R3.08** billion resulting in an operating surplus of **R 67 million**.

Municipal revenues and cash flows are expected to remain under pressure as we continue to have low-income revenue growth with a continued increase in expenditure.

## CONSOLIDATED OVERVIEW OF THE 2023/2024 BUDGET

Description	ORIGINAL BUDGET 2022-2023	DRAFT BUDGET 2023-2024	FINAL BUDGET 2023-2024	BUDGET 2024-2025	BUDGET 2025-2026
<b>Total Operating Revenue</b>	2 828 607 868.00	2 938 244 410.92	3 087 553 478.71	3 383 477 453.51	3 706 299 630.06
<b>Total Operating Expenditure</b>	2 775 339 629.00	2 938 826 818.53	3 019 754 703.48	3 315 321 427.29	3 612 800 277.29
<b>Surplus /( Deficit) for the year before capital grants</b>	<b>53 268 239.00</b>	<b>-582 407.61</b>	<b>67 798 775.22</b>	<b>68 156 026.22</b>	<b>93 499 352.77</b>
<b>Add Capital Transfers(Grant revenue)</b>	96 048 475.00	96 048 475.00	108 056 550.00	94 924 000.00	99 181 000.00
<b>Surplus /(Deficit)for the year</b>	<b>149 316 714.00</b>	<b>95 466 067.39</b>	<b>175 855 325.22</b>	<b>163 080 026.22</b>	<b>192 680 352.77</b>
<b>Total Capital Expenditure</b>	198 260 882.00	118 326 550.00	172 676 550.00	132 041 140.00	133 250 679.73
<b>Net Surplus/(Deficit)</b>	<b>-48 944 168.00</b>	<b>-22 860 482.61</b>	<b>3 178 775.22</b>	<b>31 038 886.22</b>	<b>59 429 673.04</b>

### Operating budget

The operating budget deals with day-to-day operations of the municipality to ensure that service delivery is sustained.

The operating budget has increased to R3.01 billion compared to the current budget of R2.7 billion.

The trend is that the operating expenditure has been increasing over the years driven by:

- salary increments
- the need to repair infrastructure
- the need to adequately budget for debt impairment and depreciation,
- Inflation

### Capital budget

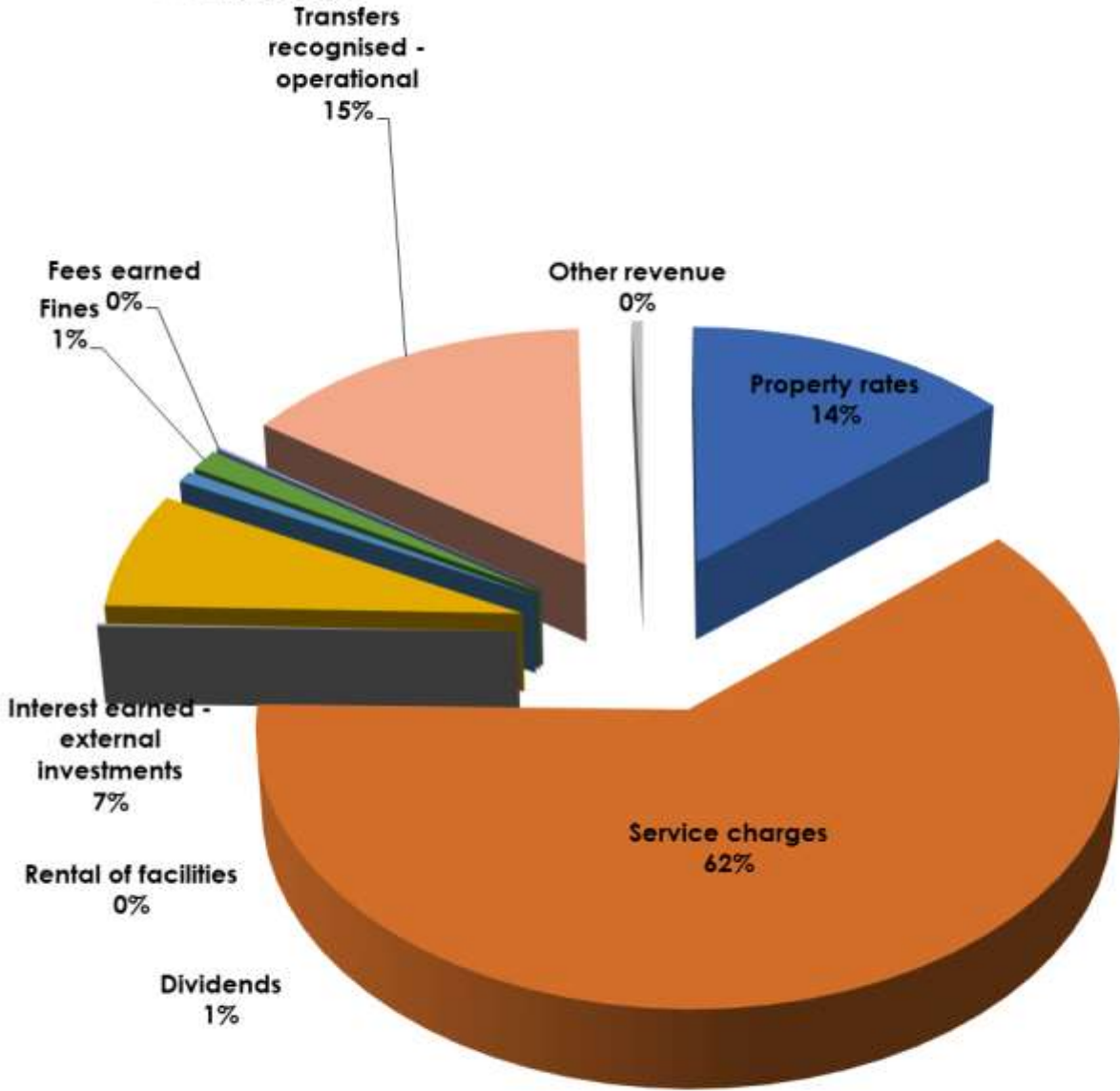
An amount of R172 million has been allocated for the capital investment program for 2023/2024 financial year. This is a decrease from the R198 million of the current budget for 2022/2023. The main reason for this decrease is no adequate internal funding is available for capital program.

TOTAL REVENUE					
Description	ORIGINAL BUDGET 2022-2023	DRAFT BUDGET 2023-2024	FINAL BUDGET 2023- 2024	BUDGET 2024-2025	BUDGET 2025-2026
<b>Exchange Revenue</b>	<b>1 947 868 429.00</b>	<b>2 039 415 062.28</b>	<b>2 141 993 205.44</b>	<b>2 358 899 468.90</b>	<b>2 601 591 186.27</b>
Interest Dividend and Rent on Land	208 223 162.00	218 006 467.73	219 258 989.59	230 879 716.03	243 116 340.98
Operational Revenue	11 057 279.00	11 576 971.11	11 643 314.79	12 260 410.47	12 910 212.23
Rental from Fixed Assets	5 158 332.00	5 400 773.60	5 431 723.60	5 719 604.95	6 022 744.01
Sales of Goods and Rendering of Services	4 864 785.00	5 093 429.90	5 122 618.61	5 394 117.39	5 680 005.61
<b>Service Charges</b>	<b>1 718 564 871.00</b>	<b>1 799 337 419.94</b>	<b>1 900 536 558.87</b>	<b>2 104 645 620.05</b>	<b>2 333 861 883.44</b>
Electricity	766 361 609.00	802 380 604.62	882 082 211.96	1 015 276 625.96	1 168 583 396.49
Waste Management	162 987 661.00	170 648 081.07	171 626 007.03	180 722 185.41	190 300 461.23
Waste Water Management	160 789 660.00	168 346 774.02	172 527 305.18	185 121 798.46	198 635 689.75
Water	628 425 941.00	657 961 960.23	674 301 034.69	723 525 010.23	776 342 335.97
<b>Non-exchange Revenue</b>	<b>870 739 439.00</b>	<b>896 329 348.63</b>	<b>943 060 273.27</b>	<b>1 021 945 484.61</b>	<b>1 101 936 421.30</b>
Fines Penalties and Forfeits	37 803 158.00	39 579 906.43	39 806 725.37	41 916 481.82	44 138 055.36
Interest Dividend and Rent on Land	20 596 044.00	21 564 058.07	21 687 634.33	22 837 078.95	24 047 444.14
Property Rates	403 088 237.00	422 033 384.14	424 451 913.56	446 947 864.98	470 636 101.82
Transfers and Subsidies <b>(Operational)</b>	409 252 000.00	413 152 000.00	457 114 000.00	510 244 058.86	563 114 819.98
<b>Gains &amp; Losses</b>					
Disposal of Fixed and Intangible Assets	10 000 000.00	2 500 000.00	2 500 000.00	2 632 500.00	2 772 022.50
<b>TOTAL OPERATIONAL REVENUE</b>	<b>2 828 607 868.00</b>	<b>2 938 244 410.92</b>	<b>3 087 553 478.71</b>	<b>3 383 477 453.51</b>	<b>3 706 299 630.06</b>



# Revenue 2023-2024

- Property rates
- Rental of facilities
- Dividends
- Fees earned
- Other revenue
- Service charges
- Interest earned - external investments
- Fines
- Transfers recognised - operational



## The property rates

The property rates amount to R 424 million for the 2023/2024 financial year. This revenue stream has been increased by 5.3%. Property rates increase as a result of expected increase in supplementary valuations and yearly tariff increases.

## Service charges

Service charges include electricity, refuse, sewer, and water. The service charges for 2023/2024 amount to R 1 900 billion, 2024/2025 R 2 104 billion and 2025/2026 amounts to R 2 333 billion. The R 1 900 billion is made up of the following, water R 674.3 million, Refuse R 171.6 million, Sewerage R 172.5 million and electricity R882.0 million. The service charges contribute 62% of the operating revenue.

## Rental income

The rental income amounts to R5.4 million. The stream contributes 0.2% of the total revenue.

## Fines

The revenue estimates for the fines have been increased from R 37 million to R 39 million, this was done to make a provision as required by iGRAP1.

## Grants and Subsidies – operating

The grants subsidies refer to the Division of Revenue Act allocations in the 2023/24 financial year, the operational grants allocations are as follows:

Source of funding	Budget 2023/24	Budget 2024/25	Budget 2025/26
Equitable Share	426 701 000.00	473 238 000.00	528 732 000.00
Expanded Public Works Programme Integrated Grant	2 713 000.00	2 856 789.00	3 008 198.82
Financial Management Grant	2 100 000.00	3 518 000.00	3 656 000.00
Infrastructure Skills Development Grant	24 000 000.00	25 520 000.00	26 500 000.00
LG Seta	1 000 000.00	1 000 000.00	1 000 000.00
Pre-capacity	150 000.00	100 000.00	50 000.00
Energy Efficiency and Demand Management	0.00	4 000 000.00	0.00
<b>TOTAL</b>	<b>456 664 000.00</b>	<b>510 232 789.00</b>	<b>562 946 198.82</b>

## Grants and Subsidies – capital

The grants subsidies refer to the Division of Revenue Act allocations in the 2023/24 financial year, the capital grants allocations are as follows. The grants are allocated to serve specific purpose to the community which is improvement and/or construction of infrastructure.

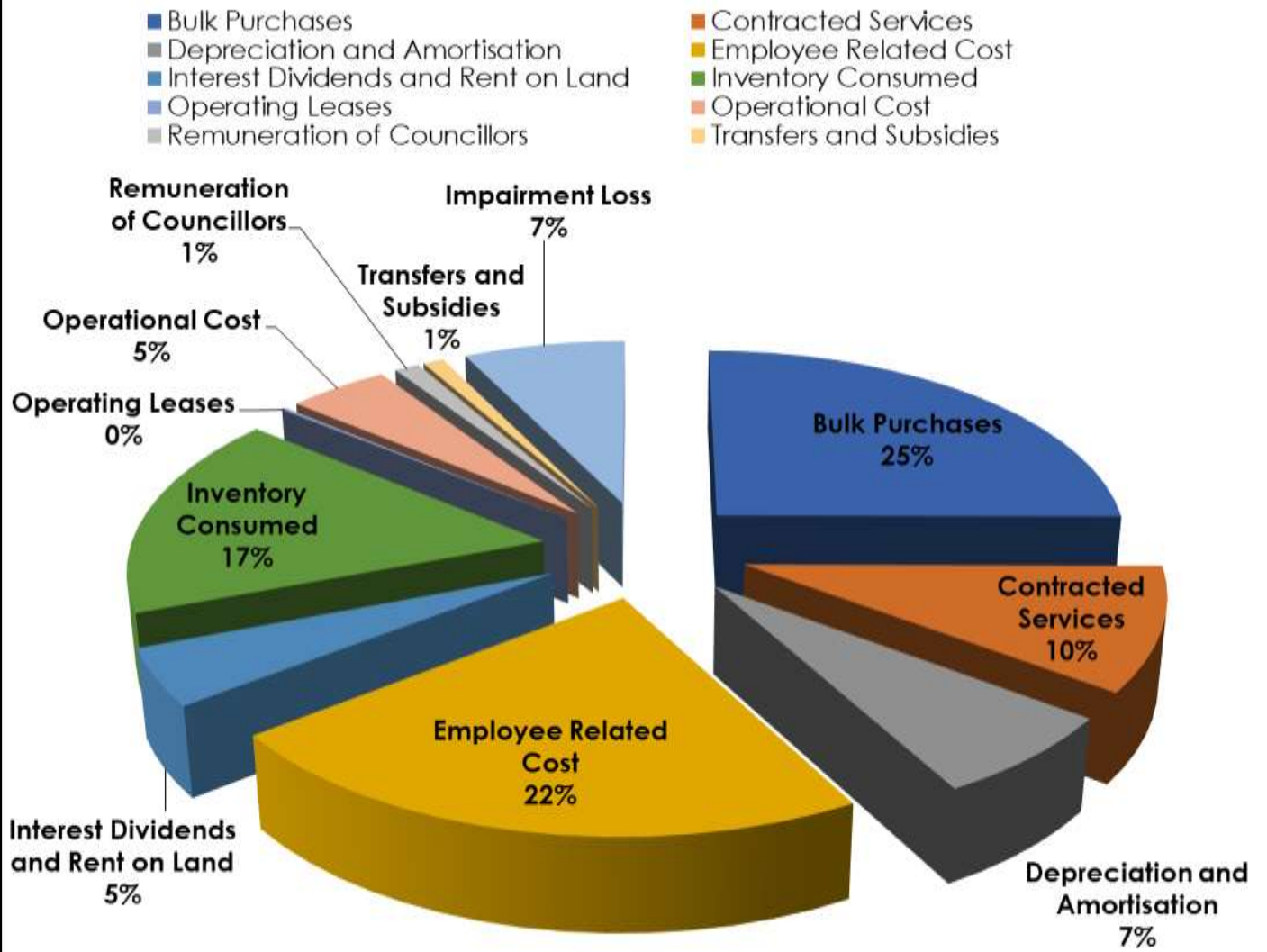


## Operating Expenditure

Description	ORIGINAL BUDGET 2022-2023	DRAFT BUDGET 2023-2024	FINAL BUDGET 2023-2024	BUDGET 2024-2025	BUDGET 2025-2026
Bulk Purchases	639 492 592.00	669 548 743.82	757 734 772.26	897 839 931.65	1 063 850 535.01
Contracted Services	280 332 644.00	306 035 852.93	305 024 567.96	327 119 596.83	342 542 217.88
Depreciation and Amortisation	196 589 490.00	205 829 196.03	205 829 196.03	215 503 168.24	225 631 817.15
Employee Related Cost	665 215 667.00	700 419 579.69	680 419 579.69	737 541 806.41	776 631 522.15
Interest Dividends and Rent on Land	133 798 180.00	140 086 694.46	140 086 694.46	146 670 769.10	153 564 295.25
Inventory Consumed	473 254 076.00	494 320 940.49	504 571 715.67	539 269 119.69	576 399 026.62
Operating Leases	7 936 160.00	8 309 159.52	6 000 000.00	8 699 690.02	9 108 575.45
Operational Cost	108 444 758.00	131 071 358.39	137 647 020.87	144 215 881.96	150 970 528.42
Remuneration of Councillors	32 120 097.00	33 629 741.56	33 822 462.14	35 615 052.63	37 502 650.42
Transfers and Subsidies	27 882 768.00	28 510 647.05	28 460 647.05	29 693 597.46	31 089 196.54
Impairment Loss	210 273 197.00	221 064 904.59	220 158 047.36	233 152 813.29	245 509 912.40
<b>TOTAL EXPENDITURE</b>	<b>2 775 339 629.00</b>	<b>2 938 826 818.53</b>	<b>3 019 754 703.48</b>	<b>3 315 321 427.29</b>	<b>3 612 800 277.29</b>



## EXPENDITURE 2022-2023



## **Employee related costs**

The employee related costs and remuneration of councillors indicate a percentage of 22% of the total operating budget. The average salary increases 5.3%. The overtime will have to be controlled and filling of vacant positions will have to be fast tracked.

## **General expenditure**

In a bid to cut cost and ensure the funding of the overall budget was increased to R137 million. The transport cost still needs to be controlled. General expenditure takes 5% of the total operating expenditure.

## **Bulk purchases: Electricity**

The bulk purchases for electricity amounts to R 757 million, which contributes 25% of the operating budget. The Eskom will increase the bulk purchases to the municipality by 18.49%

## **Depreciation**

Depreciation constitutes 7% of the budget. The budget increase was informed by historical trends as well as budgeted and forecasted additions. With the introduction of the new system (MSCOA requirements), assets depreciation was aligned to the individual assets hence the increase.

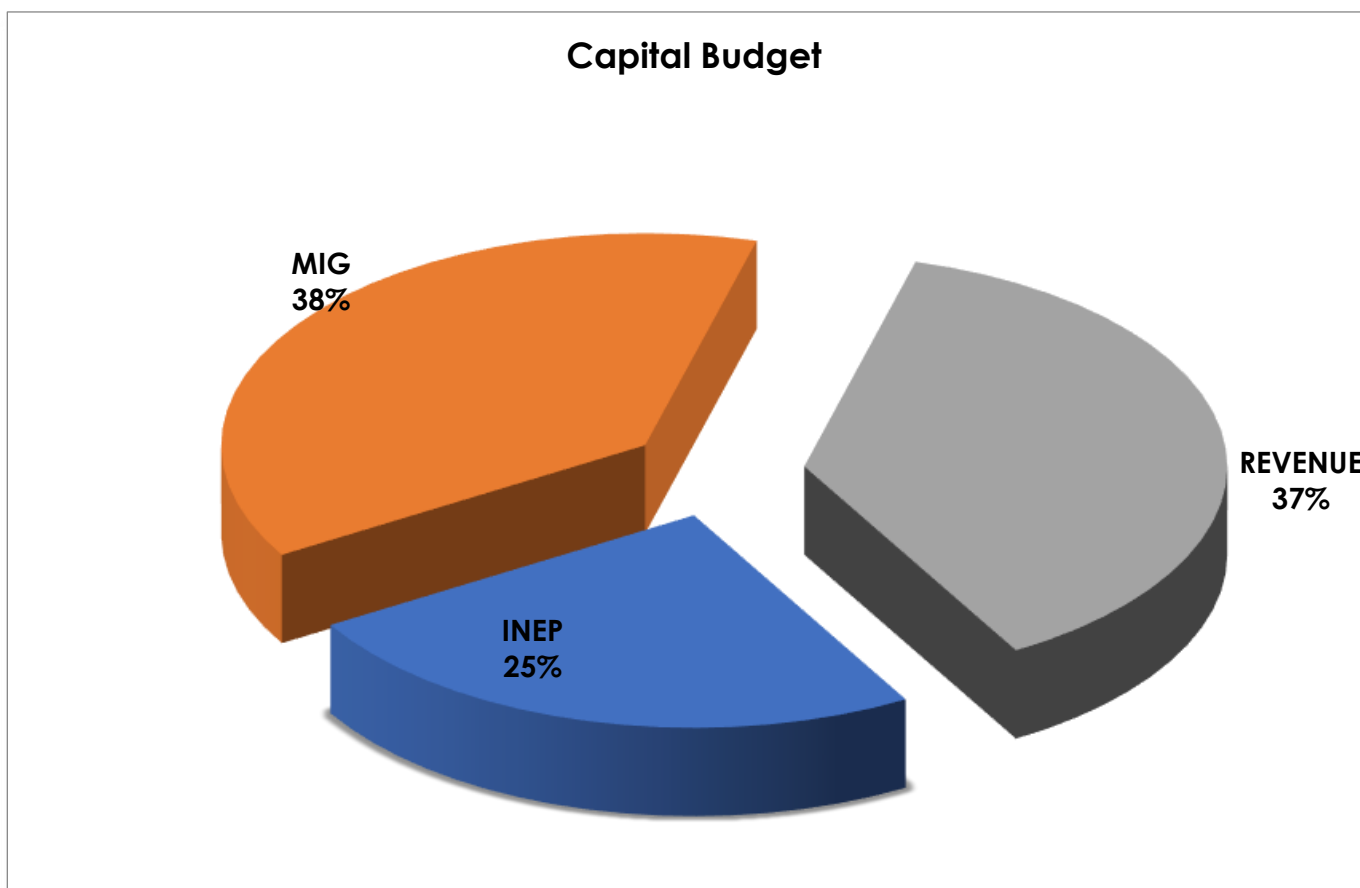
## **Inventory Consumed**

Inventory consumed is inclusive of Bulk purchases for water which amounts to R422.4 Rand water will increase bulk purchases to municipality by 7.3%. More materials especially water and electricity meters need to be purchased for ensuring functional metering and improving service delivery and cash flows.

## 6. REVENUE BY SOURCE 2023/2024

### Capital Expenditure per source

Source of funding	Budget 2023/24	Budget 2024/25	Budget 2025/26
INEP	42 650 000.00	15 795 000.00	16 376 000.00
MIG	65 406 550.00	68 426 526.00	71 493 581.00
REVENUE	64 620 000.00	43 646 590.00	43 826 129.73
<b>TOTAL</b>	<b>172 676 550.00</b>	<b>127 868 116.00</b>	<b>131 695 710.73</b>



## 7. CASHFLOW STATUS 2023/20254

<b>BUDGET CASH-FLOW STATUS 2023/2024</b>		
<b>Funding status</b>	<b>Reference</b>	<b>Amount</b>
Total Expenditure	A	3 019 754 703.48
Add back non-cash items		
Depreciation	B	205 829 196.03
Interest	C	140 086 694.46
Impairment Loss	D	220 158 047.36
Add: Capital Expenditure		172 676 550.00
<b>Total Cash Expenditure</b>	<b>E= (A+B+C+D)</b>	<b>3 758 505 191.33</b>
Payment rate	F	75%
Actual Total Revenue	G	2 522 382 928.71
Grants(Operational and Capital)	H	565 170 550
<b>Total revenue</b>		<b>3 087 553 478.71</b>
Actual Cash i.e 75% payment expected	I = (G x F)	1,891 787 196.53
Actual cash receivables	J = (H + I)	2 456 957 746.53
<b>Cash surplus /(deficit)</b>	<b>K</b>	<b>3 178 775.22</b>

Based on the above table the submitted budget's cash flow status is not favourable and it also means that the budget is unfunded.

Budget 2024 cannot be unfunded budgets, if unfunded the following are minimal requirements must be met:

Cash Flow (A7) should have positive cash flows - the cashflow status is negative as a result the expenditure needs to be revised before the final budget submission on the 31 May 2023.

Develop a plan to turnaround the situation – the municipality already have a plan (Financial Recover

### **BUDGET ASSUMPTIONS**

The budget assumptions are determined before the budget process, guided by the economic outlook, movements in terms of the markets and by the national treasury guidelines.

The assumptions are devised in such a way that they support the short and long term finances and strategy of the municipality.

### Key Financial indicators

The growth parameters set by National treasury are set between 3 and 6 percent which are also target range for the inflation rate. All steps have been taken to be in line with these National Treasury guidelines however the following factors affect the municipal operations and the budget accordingly:

- Anticipated high fuel prices
- Higher salaries
- Increase by Eskom and Rand water
- Job creation and protecting the poor

The 2023/2024 budget has been guided by the following inflation forecast:

Fiscal Year	2021/22 Actual	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Real GDP Growth	4.91%	1.7%	0.9%	1.8%	1.8%
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

### Credit Rating

The municipality has not had a credit rating and with National Treasury support, the municipality will have to undertake it.

### Borrowing and Investment of funds

The municipality does not have external loans.

The investments amount to R 279 million and due to negative cash flow, the municipality is unable to build more reserves.

Rates, tariffs, charges, and timing of revenue collection

Accounts for rates, refuse, electricity, water, and sanitation are issued on a monthly basis and are due and payable before the 7<sup>th</sup> of the month. Recovery procedures for non-payment may be commenced within 7 days of payment default.

The electricity supply is cut and water supply is restricted when a client defaults. The municipality is committed in ensuring that collection levels are improved and that credit control will be enforced on those who can afford and not honouring their municipal accounts.

### **Collection rates for each revenue source**

The collection rate for all the services is expected to be 75% average throughout; this is due to credit control actions that are taken against the defaulters. Where ESKOM is a service delivery agent, consumers who are not paying will be restricted water.

### **Price movements on specifics**

The cost of bulk purchases amounts to R1 180 billion for both electricity and water. The projections are informed by the increases from the Rand water and Eskom. Eskom has advised there will be an increase across the board of 18.49% on the bulk purchases of electricity.

The increase on both electricity and water tariff has been pegged at 18.49% and 7.3% respectively per NERSA and Rand Water.

### **Average salary increases**

Circular issued by National Treasury was considered in budgeting for employee related costs it recommends an increase of average CPI.

### **Changing Demand characteristics**

The demand for services is increasing yearly as the municipality is expected to deliver services to the indigent and pressure to reduce poverty.

Ability to the municipality to spend and deliver on programs

The 2023/2024 operating budget will be spent in line with the cost curtailment policy and all expenditures will be in line with the service delivery projects and deliverables. The challenges are still there in terms of maintaining the infrastructure and managing the breakaways of vehicles especially revenue generating.

## 8. ALIGNMENT OF BUDGET TO THE INTEGRATED DEVELOPMENT PLAN

### **IDP Review and stakeholder participation**

The IDP has been prepared for the medium term to 2023/24. In the current financial year, the IDP has /undergone the review as required by the Municipal Systems Act and MFMA. Community needs and inputs were sought and the stake holders were consulted.

The IDP takes cognizance of the National, provincial and district priorities. The key focus and IDP priorities are:

- To provide, improve and sustain infrastructure
- To promote socio economic development in rural and urban areas
- To enable and speed up institutional transformation
- To strengthen democracy and good governance
- To improve and sustain financial management

### **IDP link to the budget**

In compliance with Systems Act of 2000 and the Municipal Finance Management Act the budget is informed and aligned to the IDP priorities. The budget will be fully aligned to the IDP.



## 9. CONCLUSION NOTE

Planning for performance simply means developing and reviewing the IDP annually in preparation for continuous implementation. Municipal performance planning is part of the IDP strategic planning processes. The IDP process and the performance management process are seamlessly integrated. Integrated development planning fulfils the planning phase of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process.

The IDP delivers a number of products that translate to the formulation of the municipal budget, the development of an annual Service Delivery and Budget Implementation Plan (SDBIP) and an organizational performance scorecard for the municipality. In a nutshell, the IDP process should deliver the following products in relation to performance management.

