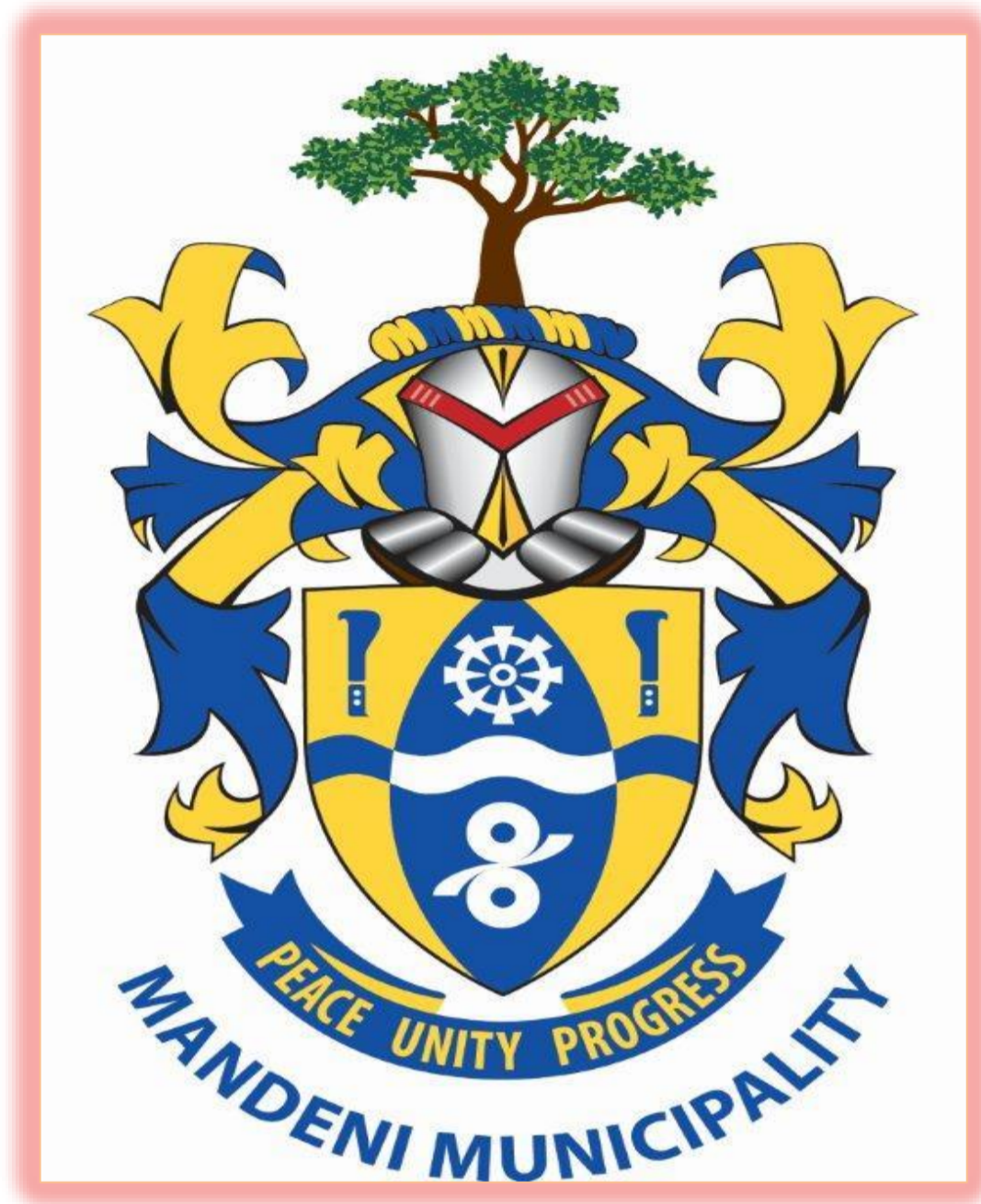


MANDENI LOCAL MUNICIPALITY



2021/22 TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN/ SDBIP ORGANISATIONAL SCORECARD



SUBMISSION OF 2021/22 TOP LAYER SDBIP

The Top Layer Service Delivery Budget Implementation Plan (SDBIP), indicating how the budget and the strategic objectives of the Council will be implemented, is herewith submitted in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), MFMA Circular No. 13 and the Budget and Reporting Regulation for the necessary approval.

The 2020/21 SDBIP and the financial information is derived from the Final 2020/21 MTREF budget schedules from National Treasury (Schedule A).

PRINT NAME: MR. S.G. KHUZWAYO

MUNICIPAL MANAGER OF MANDENI MUNICIPALITY

Signature: _____

Date: _____

CHAPTER/SECTION	TABLE OF CONTENTS	PAGE
CHAPTER 1	EXECUTIVE SUMMARY	5
1.1	Introduction	5
1.2	Legislation	5
1.3	Methodology and Content	6
CHAPTER 2	OVERVIEW OF ALIGNMENT TO THE IDP	9
2.1	Vision	9
2.2	Mission	9
2.3	Core Values	9
2.4	Goals Objectives & Strategies	9
2.5	Municipal High-Level Strategic Mapping	10
CHAPTER 3	SERVICE DELIVERY OBJECTIVES	10
CHAPTER 4	ORGANISATIONAL SCORECARD	12
4.1	NKPA/B2B 1: Basic Service Delivery And Infrastructure Development/(Service Delivery: Creating Conditions For Decent Living)	12
4.2	NKPA/B2B: Financial Viability And Management (Sound Financial Management)	13
4.3	NKPA/B2B: Good Governance And Public Participation (Good Governance And Public Participation: Putting People First)	13
4.4	NKPA/B2B: Local Economic Development (Service Delivery)	14
4.5	NKPA/B2B: Community Services and Social Development	14
4.6	NKPA/B2B: Municipal Transformation And Institutional Development (Building Institution And Administrative Capabilities	15
4.7	NKPA/B2B: Spatial Rational &Environmental Management Cross-Cutting Measures	16
CHAPTER 5	FINANCIAL REPORTING	16
5.1	Financial Summary Background	16
5.2	Projections of Revenue collected by Source	18
5.3	Monthly Operating Expenditure	19
5.4	Monthly Capital Expenditure	20
5.5	Reconciliation between IDP Strategic Objectives & Budgeted Revenue	23





As the Mayor of Mandeni Municipality in accordance with Section 53 (1) of the Municipal Finance Management Act 56 of 2003, I am pleased to approve and publish the Service Delivery Budget and Implementation Plan for 2021/22 Financial year.

Section 1 of the Municipal Finance Management Act (56 of 2003) defines the SDBIP as:

“A detailed plan approved by the Mayor of a Municipality’s delivery of services and execution of its annual budget and which must include (as part of the top layer) the following:

(a) Projections for each month of –

(i) Revenue to be collected by source and

(ii) Operational and Capital expenditure by vote;

(b) Service delivery targets and performance indicators for each quarter”.

In developing a good performance management tool for the municipality, the IDP, Budget and Service Delivery Budget and Implementation Plan are developed in order to put into effect the budget. The SDBIP is a monitoring and implementation tool that is vital link between the Mayor, Council and Administration as it facilitates the process for holding management accountable for its performance. The SDBIP quantifies the strategic objectives as highlighted in the budget to measurable outcomes. It is then that as monitoring tool the Mayor and Council are able to monitor the performance of Senior Managers and the community is able to monitor the municipality.

Our submission of the SDBIP is not mere legislative compliance. It serves as an instrument of enhancing accountability since it provides specific details for all oversight, institutions, the Council itself and community to track the relevance of what we do against our mandate. We will double on efforts in accelerating up service delivery to make the lives of our citizens better.

Date: _____

CLLR T.P MDLALOSE
THE MAYOR

STATEMENT BY THE MUNICIPAL MANAGER



As the Municipal Manager I duly submit to the Mayor the Final Service Delivery and Budget Implementation Plan. Section 69(1) of the local government: Municipal Finance Management Act No. 56 of 2003 states that the accounting officer of the respective municipality is responsible for the implementing the municipality's approved budget, including all reasonable steps to ensure:

- That spending of funds is in accordance with municipal budget and is reduced as necessary when revenue is anticipated to be less than the projected in the budget or in the service delivery budget and implementation plan
- That revenue and expenditure are properly monitored

Whilst the budget sets yearly service delivery and budget targets (revenue and expenditure per votes), it is imperative that in-year mechanism are able to measure performance and progress on a continuous basis. Hence, the end of year targets must be based on quarterly and monthly targets and the municipal manager must ensure that budget is built around quarterly and monthly information. Being a start of year planning and target tool, the SDBIP gives meaning to both in year reporting in terms of Section 71 (monthly) reporting; Section 72 being mid-year reporting and end of year reports all guided in terms of the Municipal Finance management Act 56 of 2003.

The SDBIP aims to ensure that managers are problem-solvers, who routinely look for unanticipated problems and resolve them as soon as possible and enables the Council to monitor the performance of the municipality against quarterly targets on service delivery.

We pride ourselves with achieving key deadlines and compliance issues when it comes to planning our service delivery programs and performance monitoring systems. This SDBIP for 2021/22 is based on the Final Municipal Integrated Development Plan (IDP) and influences the Municipal Budget which was tabled in Council on the 27th Day of May 2021. This Organisation Service Delivery and Budget Implementation Plan (SDBIP) combines and sets out the 2021/22 MTREF various components in the format required by National Treasury.

Date: _____

MUNICIPAL MANAGER
MR. S. G KHUZWAYO



CHAPTER 1: EXECUTIVE SUMMARY

1.1 INTRODUCTION

The development, implementation and monitoring of a Service Delivery and Budget Implementation Plan (SDBIP) is required by the Municipal Finance Management Act (MFMA). In terms of Circular 13 of National Treasury, “the SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA.”

As the budget gives effect to the strategic priorities of the municipality it is important to supplement the budget and the IDP with a management and implementation plan. The SDBIP serves as the commitment by the Municipality, which includes the administration, council and community, whereby the intended objectives and projected achievements are expressed in order to ensure that desired outcomes over the long term are achieved and these are implemented by the administration over the next twelve months.

The SDBIP provides the basis for measuring performance in service delivery against quarterly targets and implementing the budget based on monthly projections. Circular 13 further suggests that “the SDBIP provides the vital link between the Mayor, Council (Executive) and the Administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councilors, Municipal Manager, Senior Managers and the Community to measure progress in terms of implementation of the prioritized and budgeted projects under the 2019/20 Financial Year and will further give indication on areas for interventions and most importantly for Council to play its oversight role appropriately.”

The purpose of the SDBIP is to monitor the execution of the budget, performance of senior management and achievement of the strategic objectives set by Council. It enables the Municipal Manager to monitor the performance of Senior Managers, the Mayor to monitor the performance of the municipal manager, and for the community to monitor the overall performance of the municipality. In the interests of good governance and better accountability, the SDBIP should therefore determine and be aligned with the performance agreements of the Municipal Manager and Senior Managers.

The development, implementation and monitoring of a Service Delivery and Budget Implementation Plan (SDBIP) is required by the Municipal Finance Management Act (MFMA). In terms of Circular 13 of National Treasury, “the SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA.”

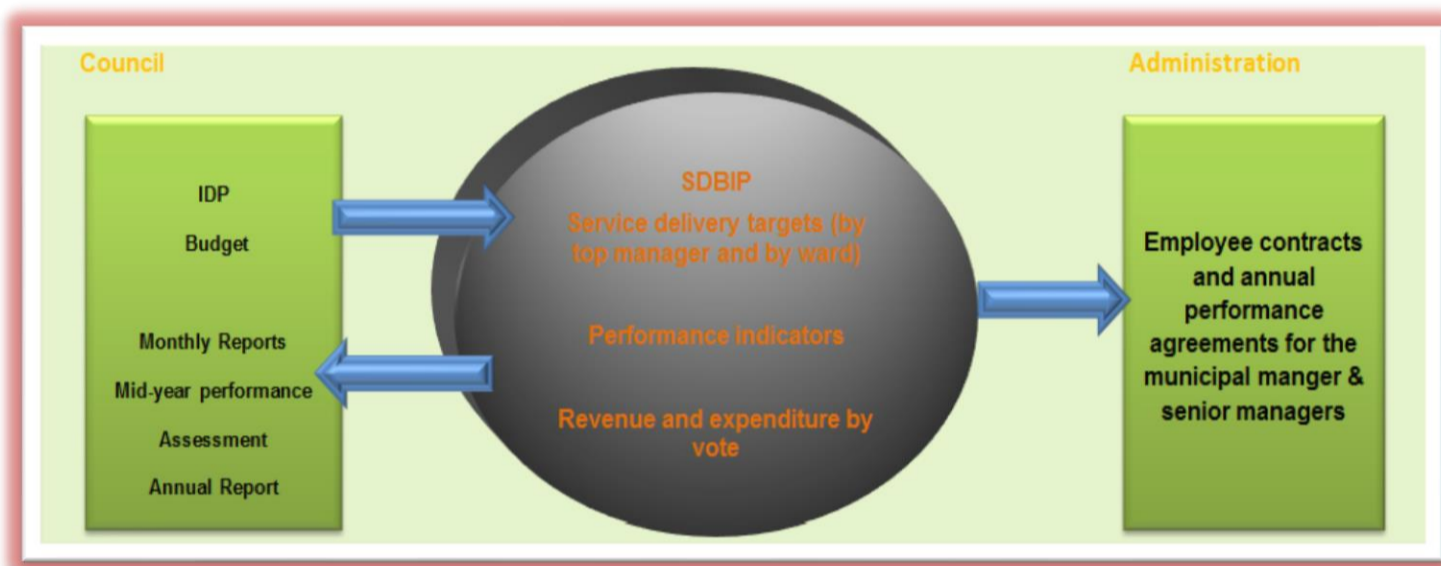


Figure 1: SDBIP “contract” diagram as depicted in the Circular No. 13 by National Treasury, MFMA

1.2 LEGISLATION

According to the Municipal Finance Act (MFMA) the definition of a SDBIP is: '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) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- Projections for each month of-
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote;
- Service delivery targets and performance indicators for each quarter

Section 53 of the MFMA stipulates that the Mayor should approve the SDBIP within 28 days after the approval of the budget. The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after their approval.

The following National Treasury prescriptions as minimum requirements that must form part of the SDBIP are applicable to the Mandeni Local Municipality:

- Monthly projections of revenue to be collected by source
- Monthly projections of expenditure (operating and capital) and revenue for each vote *
- Quarterly projections of service delivery targets and performance indicators for each vote

Section 1 of the MFMA defines a “vote” as:

- One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different
- departments or functional areas of the municipality; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

Table 1: Legislative Performance Reporting Framework

1.2.1 LEGISLATIVE PERFORMANCE REPORTING FRAMEWORK		
FREQUENCY AND NATURE OF REPORT	MANDATE	RECIPIENTS
Monthly reporting on actual revenue targets and spending against budget no later than 10 working days after the end of each month	Section 71 of the MFMA	National Treasury
Quarterly progress report	Section 41 (1) (e) of the Systems Act, Section 166 (2) (a) (v) and (vii) of the Municipal Management Finance Act (MFMA) and Regulation 7 of Municipal Planning and Performance Management Regulations.	1. Municipal Manager 2. Mayor 3. EXCO 4. Audit Committee 5. National Treasury
Mid-year performance assessment	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.	1. Municipal Manager 2. Mayor 3. EXCO 4. Council 5. Audit Committee 6. National Treasury 7. Provincial Government
Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.	1. Mayor 2. EXCO 3. Council 4. MPAC 5. Audit Committee 6. Auditor-General 7. National Treasury 8. Provincial Government 9. Local Community



1.3 METHODOLOGY AND CONTENT

National Treasury directives are clear on the contents and methodology to derive at the SDBIP. As a first step, the IDP objectives need to be quantified and related into key performance indicators. The budget is aligned to the objectives, projects and milestones to enable the SDBIP to serve as monitoring tool for service delivery. What gets measured gets done, therefore it should be noted, that in order to improve on certain processes and co-operation within the municipality, process indicators have been developed for measurement purposes during 2019/20 Financial year. The Mandeni Local Municipality has incorporated the following relevant components into their SDBIP, but has used the initiative to devise it as follows:

- *Monthly projections of Revenue by Source.*
- *Monthly projections Expenditure by (Department) Vote.*
- *Overview of alignment IDP.*
- *Quarterly projections of service delivery targets and performance indicators for each (Department) Vote.*
- *Capital Works Plan over three years.*

In the development of Mandeni Local Municipality's SDBIP cognisance was taken of the IDP Priorities, Objectives and Strategies ensuring progress towards the achievement thereof. The SDBIP of the Mandeni Local Municipality is aligned to the Key Performance Areas (KPAs) as prescribed by Regulations 805 of 2006 and the IDP Guidelines by COGTA for purposes of alignment to the Performance Agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager.

The Institutional Indicators will form part of the Performance Agreements and Plans of the Municipal Manager and Managers directly accountable to the Municipal Manager. Indicators are assigned quarterly targets and responsibilities to monitor performance. The SDBIP serves as a management, implementation and monitoring tool that will assist the Mayor, Councillors, Municipal Manager and Senior Managers in delivering services to the community. The SDBIP is described as a layered plan. The top layer deals with consolidated service delivery targets and time frames as indicated on this plan.

Top Management is held accountable for the implementation of the consolidated projects and Key Performance Indicators. In the Lower level SDBIP, Divisional Heads will be held accountable for the implementation of the projects for that department, although all Top Managers are on average held accountable for implementing their departments' projects within time and budget. From the consolidated information, Senior Management is expected to develop the next level of detail by breaking up outputs into smaller outputs and then linking and assigning responsibility to middle-level and junior managers and will be contained in the Lower SDBIP, which is not required to be approved by Council neither to be published. For 2019/20 financial year, the lower SDBIP will contain the responsibilities of the Divisional Managers. This lower SDBIP is a management tool for Top Management and need not be made public and is a separate document for each internal department.

1.3.1 PREPARATION OF THE SDBIP

"Section 69 (3) (a) of the MFMA requires the accounting officer (Municipal Manager) to submit draft SDBIP and annual performance agreements for the municipal manager and all senior managers, as required in terms of section 57 (1) (b) of the Municipal Systems Act. These should be submitted to the mayor not later than 14 days after the approval of the annual budget. The Mayor in accordance with section 53 (3) (a) & (b) of the MFMA must not later than 14 days after the approval of the SDBIP ensure that the revenue and expenditure projections for each month and service delivery targets and performance indicators for each quarter, as set out in the SDBIP are made public. In the light of this statement must also ensure that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are also made public. Copies of such performance agreements must be submitted to the Council and MEC for local government in the province".

These are the legal requirements and deadline limits to assist a municipality to comply with the law-however, best practice suggests that this be done earlier by municipalities, starting with senior managers to draw up their second layer departmental SDBIPs in the early stages of the planning and budget preparation process in line with the strategic direction set in the IDP. The mayor and municipal manager should lead this process.

The municipality should ideally publish its draft SDBIP with its draft budget, or soon after as supporting documentation to assist its budget hearings process normally held at the end of March or in April. As noted above, the SDBIP should be submitted to the Mayor by 1 May at the latest. If the draft SDBIP is to be provided for the budget hearings, the municipality may want to bring this date forward, or provide departmental SDBIPs as supporting information to the relevant committee around the end of March. In this case, the Mayor will need to approve such departmental or draft SDBIP by mid-March.

It should be noted that it is up to the municipality to determine extra detail, and whether they wish to bring forward their deadlines for submission and approval. A municipality could also opt to have a high level SDBIP complete with ward break-downs for tabling and publication, but may also in addition make available lower layer departmental SDBIPs and other information as requested by Council.

With careful planning of the budget process it may be possible for the Mayor to approve the SDBIP in less than 7 days after the council approves the budget. Legally, to take account of possible revisions to the budget, the Act allows for this to occur not later than 28 days after budget approval.

The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the municipal manager and all top managers, whose performance can then be monitored through Section 71 and 72 reports, and evaluated through the annual report process.

1.3.2 SDBIP PROCESS

The SDBIP process comprises the following stages, which forms part of a cycle:

Planning:

During this phase the SDBIP process Plan is developed, to be tabled with the IDP Process Plan. SDBIP related processes e.g. workshop schedules distribution of circulars and training workshops, are also reviewed during this phase.

Strategizing:

During this phase the IDP is reviewed and subsequent SDBIP programme and projects for the next 5 years based on local, provincial and national issues, previous year's performance and current economic and demographic trends etc.

Tabling:

Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget hearings and formal local, provincial and national inputs or responses are also considered in developing the final document.

Adoption:

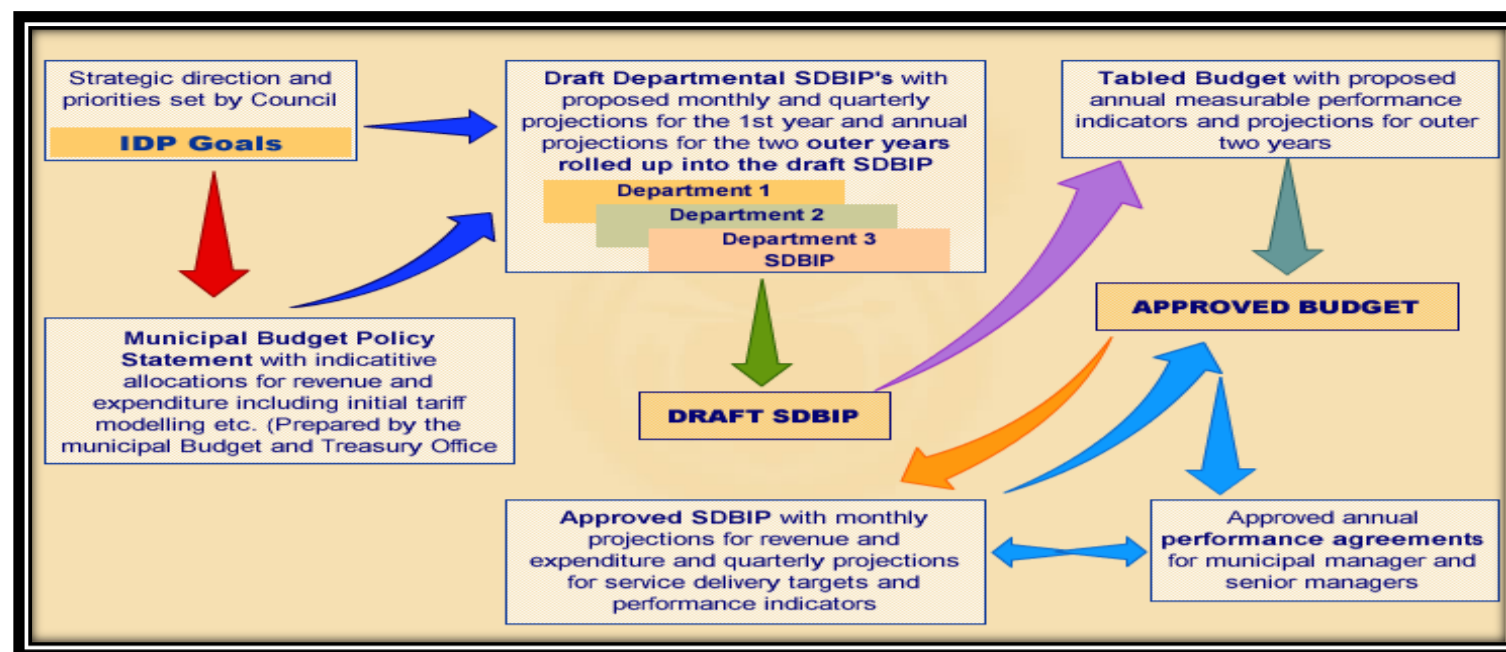
The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

Publishing:

The adopted SDBIP is made public and is published on the Council's website.



Figure 2: The process for preparing and approving the SDBIP, as depicted in the MFMA Circular No.13, is diagrammatically summarised as follows:



1.3.3 REPORTING ON THE SDBIP

This section covers reporting on the SDBIP as a way of linking the SDBIP with the oversight and monitoring operations of the Municipal Administration. Various reporting requirements are outlined in the MFMA and both the Mayor and the Accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports for which the MFMA requires. These reports then allow the Council to monitor the implementation of Service Delivery Programs and Initiatives across the Municipality boundaries.

1.3.3.1 Monthly Reporting

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the Accounting Officer of a municipality no later than 10 working days, after the end of each month.

Reporting must include the following:

- actual revenue, per source;
- actual borrowings;
- actual expenditure, per vote;
- actual capital expenditure, per vote;
- the amount of any allocations received

If necessary, explanation of the following must be included in the monthly reports:

- Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote
- Any material variances from the service delivery and budget implementation plan and;
- Any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain within the municipalities approved budget.

1.3.3.2 Quarterly Reporting

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

1.3.3.3 Mid-year Reporting

Section 72 (1) (a) of the MFMA outlines the requirements for mid-year reporting.

The Accounting Officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year considering:

- The monthly statements referred to in section 71 of the first half of the year;
- The municipalities service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan;
- The past year's annual report, and progress on resolving problems identified in the annual report; and,
- The performance of every municipal entity under the sole or shared control of the municipality, considering reports in terms of section 88 from any such entities.
- Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP.
- The SDBIP is also a living document and may be modified based on the mid-year performance review. Thus, the SDBIP remains a kind of contract that holds The Mandeni Municipality accountable to the community.

1.3.3.4 Annual Reporting

The Annual Performance Report is compiled in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 and 63 on annual reporting. This report covers the performance information of a Financial Year and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

The Mayor will be required to report to the full Council on the overall municipal performance. It is proposed that this reporting take place using the municipal scorecard in an Annual Performance Report format as per the Municipal Systems Act (MSA). The said Annual Performance Report will form part of the municipality's Annual Report as per section 121 of the Municipal Finance Management Act.



1.3.4. PRINCIPLES UNDER-PINNING OUR SDBIP

The Municipality commits to the following key principles in its implementation of the SDBIP. That the process:

- Must be used as a management tool and incorporated into existing ways of managing performance in the municipality.
- Measurement must be based on clearly defined targets and agreed timeframes.
- Must align strategic organizational development goals and budget prioritization linked to community needs and resource constraints.
- Must provide for measurement of progress against IDP commitments;
- Only focus on budgeted projects
- Must ensure measurement of performance against National KPIs
- Must promote use as an early warning system
- Must focus on outcomes (development impact achievements)
- Must provide clarity to all employees on their role in the achievement of municipal and departmental targets.

TER 2: OVERVIEW OF ALIGNMENT TO THE IDP

2.1 VISION

"TO BE A RELIABLE PEOPLE CENTERED AND SUSTAINABLE ECONOMIC HUB BY 2030"

2.2 MISSION

We will achieve our mission by:

- ✦ *Continuously striving for better*
- ✦ *Excelling in all key processes of service delivery*
- ✦ *Continuously listening and responding to our communities and all stake holders*
- ✦ *Remaining financially astute*

2.3 CORE VALUES

In keeping with the principles of Batho Pele our conduct will be guided by the following:

- ✦ *Honestly*
- ✦ *Transparency*
- ✦ *Integrity*
- ✦ *Inclusiveness*
- ✦ *Commitment*
- ✦ *Professionalism*

2.4 MUNICIPAL BACKGROUND

Mandeni Local Municipality is one of the four local municipalities under the jurisdiction of ILembe District Municipality in Kwa-Zulu Natal Province. It is divided into 18 wards and has 180 ward committee members. The municipality is led by a council of 35 elected councillors. The Mayor is the chairperson of the Executive Committee which is comprised of senior councillors and some of these Councillors serve as chairpersons of the municipality's Portfolio Committees. Mandeni Municipality (KZN 291) is a Category B Municipality. As determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998, the powers and functions listed below have been assigned to Mandeni Municipality.

Table 2: Powers and Functions of the Municipality as per the Constitution

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA	CORE/PRIMARY POWERS AND FUNCTIONS
SCHEDULE 4 PART B	The municipality has the authority to approve building plans in accordance with the National Building Regulations.
	Electricity and Gas Reticulation is partly done by the municipality together with Eskom, providing electricity in the licensed areas, with the remainder done by Eskom.
	Fire Fighting Services are outsourced.
	Municipal Planning: Development Planning receives applications, process them and recommends them to the portfolio committee for approval.
SCHEDULE 5 PART B	Storm water management systems are found in built-up areas; this is done according to the Municipal storm water master plan which guides municipal storm water management.
	Cemeteries – The municipality is currently undertaking a study to establish a regional cemetery.
	Cleaning – Municipal Halls, use food for waste, Zibambele and Community Works Programs for cleaning streets and other amenities.
	Municipal Roads – road maintenance and road construction.
	Refuse Removal, refuse dumps and solid waste disposal
	Street lighting- Municipality and Eskom.
Traffic and parking – performed by the municipality.	



2.5 MUNICIPAL HIGH-LEVEL STRATEGIC MAPPING

Table 3: Municipal High-level Strategic Mapping

NATIONAL KPA's	OUTCOMES 9	BACK TO BASIC PILLARS	IDP STRATEGIC ISSUES
Basic Infrastructure and Service Delivery	Improved Access to Basic Services	Service Delivery: Creating Conditions for Decent Living)	<ul style="list-style-type: none"> • Electricity • Access to roads and storm water • Telecommunications • Community and public facilities • Solid waste disposal • Housing • Land use management systems
Local Economic Development	Community Work Programme Implemented and Cooperatives Supported	Service Delivery	<ul style="list-style-type: none"> • Local Economic Development • Tourism Planning • Agricultural Development • Cooperatives and SMME's • Public Private Partnerships • Business Support and Development
Community Services and Social Development	Community Work Programme Implemented and Cooperatives Supported	Good Governance and Public Participation	<ul style="list-style-type: none"> • Education • Health • Social Security • Community Safety • Disaster Management • Gender, youth and people with disabilities • Sports and Recreation • HIV and Aids • Community and Public Facilities • Land Reform • Environmental Sustainability • Arts and Culture • Cemeteries and Crematoria
Municipal Financial Viability and Management	Improved Municipal Financial and Administrative Capability	Sound Financial Management	<ul style="list-style-type: none"> • Budgeting and Reporting • Revenue Enhancement • Expenditure Control • Financial Management
Municipal Institutional Development and Transformation	Differentiated Approach to Municipal Financing, Planning and Support	Building Capable Local Government Institution	<ul style="list-style-type: none"> • Batho Pele • Performance Management • Human Resources • Information Technology • Administration
Good Governance and Public Participation	Deepening Democracy Through Refined Ward Committee System	Good Governance and Public Participation	<ul style="list-style-type: none"> • Integrated Development Planning • Policy Development • Public Participation • Internal Audit • Anti-Corruption Strategy



CHAPTER 3

3. SERVICE DELIVERY OBJECTIVES

PERSPECTIVE	DEFINITION	LEADING QUESTION
CUSTOMER	The municipality must focus on how to meet services required by community.	Is the organization delivering the services Communities or its customers want?
FINANCIAL	The municipality must focus on how to meet service needs in an efficient manner.	Is the service delivered at a good price?
INTERNAL BUSINESS	The municipality needs to focus on those critical operations that enable them to satisfy citizens.	Can the organisation improve upon a service by changing the way a service is delivered?
INNOVATION, LEARNING AND GROWTH	The organization's ability to improve and meet citizen demands ties directly to the employees' ability to meet those demands.	Is the organisation maintaining technology and employee training for continuous improvement?

The section that follows contains the municipal service delivery objectives, key Performance Indicators and targets for the 2020/21 financial year.

The first part contains council's high-level objectives, which indicate what the municipality hope to deliver at the end of the financial year and how the organisation will look like to both the external and internal customers.

Mandeni Local Municipality utilises the Balanced Score Card as the model to plan, implement, monitor and evaluate performance. With an emphasis on "balanced", the Scorecard uses four perspectives to answer critical service delivery questions. This provides the balance that successful organizations seek in measuring performance: The perspectives of the balanced Score Card are depicted in the table below:

Table 4: Balanced Score Card: Municipal Strategic Objectives Aligned to Goals

MANDENI STRATEGIC OBJECTIVES ALIGNED TO GOALS		
1.	Goal 1	Universal access to basic services and infrastructure development by 2030
1.1	Strategic Objective 1	Improve access to all infrastructure and services
2.	Goal 2	To develop a sustainable and efficient municipality based on sound financial management.
2.1	Strategic Objective 1	Ensure a financially viable municipality
3.	Goal 3	To foster a culture of community involvement and good governance in the affairs of the municipality
3.1	Strategic Objective 1	Ensure participative, transparent and accountable governance in the municipality.
4.	Goal 4	Promoting and facilitating human development
4.1	Strategic Objective 1	Achieve a holistic human development and capacitation for the realization of skilled and employable workforce
5.	Goal 5	Facilitate the creation of job opportunities
5.1	Strategic Objective 1	Facilitate the creation of employment opportunities for skilled and employable people
6.	Goal 6	Providing and facilitating access to social services and facilities
6.1	Strategic Objective 1	Ensure that our people have access to community facilities and services.
6.2	Strategic Objective 2	Aspire to a healthy, safe and crime free area.
7.	Goal 7	Promoting and facilitating environmental protection and sustainable spatial planning
7.1	Strategic Objective 1	Realize a completely protected environment
7.2	Strategic Objective 2	Facilitate the creation of a disaster ready community
7.3	Strategic Objective 3	Ensure an integrated and aligned development planning
8.	Goal 8	Provision of effective, efficient, transparent and accountable leadership
8.1	Strategic Objective 1	Creating a conducive working environment



CHAPTER 4
4. IDP ALIGNMENT ORGANISATIONAL SERVICE DELIVERY SCORECARD

2021/22 TOP LAYER SDBIP								
IDP REF	STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGIES 2021/22	Budget	UNIT OF MEASUREMENT	KPI	TARGET	DEPARTMENT
BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT								
BSD 01	Universal access to basic services and infrastructure development by 2030	Improve access to all infrastructure and services	Facilitate access to electricity for all targeted households	R 1712060.08	Number	Number of households to be provided with electrification infrastructure (Dry Connections) in Dendethu / Wetane Project - Ward 5 and ready to be energised by 31 March 2022	170	TECHNICAL SERVICES AND INFRASTRUCTURE DEVELOPMENT
BSD 01				R 2339816.70	Number	Number of households to be provided with electrification infrastructure (Dry Connections) in Khenana Phase 5 Ward 10 and ready to be energised by 31 March 2022	100	
BSD 01				R 480 000	Number	Number of households to be provided with electrification infrastructure (Dry Connections) in eHlanzeni ward 7 and ready to be energised by 30 November 2021	100	
BSD 01					Number	Number of households to be provided with electrification infrastructure (Dry Connections) in Okhovothe Ward 12 and ready to be energised by 30 November 2021	100	
BSD 01					Date	Date of fencing of the substation in Mfolozi College Ward 3, by 30 September 2021	30-Sep-21	
BSD 02					Date	Date of construction of Nyoni Taxi Route phase 4 G5 layer to be completed by 31 March 2022	31-Mar-22	
BSD 02					Date	Date of construction of Community Hall in Ward 13 to practical completion stage by 31 March 2022	31-Mar-22	
BSD 02					Date	Date of registration of upgrade and Improvement of Bumbanani Road on MIG system by 31 December 2021	31-Dec-21	



BSD 02			R237120 8.20	Date	Date of upgrade of Rural Roads Phase 4(b) - in Ward 6 to practical completion stage by 30 June 2022	30-Jun-22
BSD 02			R249631 3.04	Date	Date of upgrade of Rural Roads Phase 4 (a) - in Ward 11 to practical completion stage by 30 June 2022	30-Jun-22
BSD 02			R1 200 000	Date	Date of Road rehabilitated at Stratton Circle in Ward 3 to practical completion stage by 30 June 2022	30-Jun-22
BSD 02			R1.500 000	Date	Date of Road rehabilitated at Richard Circle in Ward 3 to practical completion stage by 30 June 2022	30-Jun-22
BSD 02			R1.300 000	Date	Date of Road rehabilitated at Mathews in Ward 3 to practical completion stage by 30 June 2022	30-Jun-22
BSD 02			R2.500 000	Date	Date of completion of design report for reinstating of Manono and link road in Ward 12 & 15 in ward 3 by 31 December 2021	31-Dec-21
BSD 02			R 800 000	Number	Number of square metres of potholes repaired in Wards 2,3,4,7,10,12,13,14,15 on urban roads by 30 June 2022	2000m ²
BSD 02			R250 000	Number	Number of metres of guard rails to be constructed in Ward 4, 6 and 10 by 30 June 2022	300m
BSD 02			R400 000	Number	Number of metres of kerbs and concrete channel to be constructed in Wards 4,6 and 10 by 30 June 2022	250m
BSD 02			R250 000	Number	Number of headwalls to be constructed in wards 1 by 31 December 2021	10
BSD 02			R1.500 000	Number	Number of kilometres of rural gravel roads repaired and maintained in-house in wards 1,2,4,5,6,7,8,9,10,11,12,16,17,18 by 30 June 2022	250 Km

BSD 02			R 500 000	Date	Date of construction for Highview Park Stormwater modification in ward 3 in practical completion stage by 31 March 2022	31-Mar-22	
BSD02			R 400 000	Number	Number of speed humps constructed in wards 2,3,7,10,13, 14 and 15 by 31 December 2021	25	
BSD02			R 500 000	Date	Date of Installation of 30 road signs and repainting of 15km of road markings to completed in ward 3, 4, 7, 13, 14 and 15 by the 31 March 2022	31-Mar-22	
BSD02			R 2000 000	Date	Date of overlaying of top surface at Spar parking area in Ward 3 to practical completion stage by 30 June 2022	30-Jun-22	
BSD 03		Facilitate the reduction of the housing backlog		Number	Number of new RDP houses constructed in Wards 1,8, 10, 11, 12, 16,17 and 18 by 30 June 2022	600	ECONOMIC DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS
BSD03				Number	Number of Pre and Post 1994 units transferred in Ward 3,4,7, 10,13,14 and 15 by 30 June 2022	500	
BSD 04		Provide efficient waste collection and management service to all targeted household	R3 000 610	Number	Number of weekly waste collection in all 18 municipal Wards (262) by 30 June 2022	262	COMMUNITY SERVICES AND PUBLIC SAFETY
BSD 04			R3.300 000	Number	Number of m ² of monthly grass-cutting performed in all wards by 30 June 2022	7 100 458 m ²	

BSD 07	Providing and facilitating access to social services and facilities		Facilitate the provision of new community facilities	R1 476 414.12	Date	Date of completion of project documentation stage for the construction of sports field in Hlomendlini in Ward 4 by 30 June 2022	30-Jun-22	TECHNICAL SERVICES AND INFRASTRUCTURE DEVELOPMENT
BSD 07				R5000 000	Date	Date of completion of construction for DLTC phase 1 to practical completion stage by 31 December 2021	31-Dec-21	
BSD 07				R 610 00	Date	Date of establishment of Recycling Program in Ward 16 by 30 June 22	30-June-22	COMMUNITY SERVICES AND PUBLIC SAFETY
BSD07				R1.100 000	Date	Date of completion of Beautification of Access No.1 in Mandeni by 31 December 2021	31-Dec-21	
BSD 07				R 42 000	Date	Date of Arbor Month Celebration in all wards by 30 September 2021	30-Sep-21	
BSD 07				R 130 000	Number	Number of monthly clean-up campaign conducted by 30 June 2022	12	
BSD 07				Number	Number of monthly digital environmental Educational awareness campaigns conducted by 30 June 2022	12		
GOOD GOVERNMENT AND PUBLIC PARTICIPATION								
GGPP 01	To foster a culture of community involvement and good governance in the affairs of the municipality	Ensure participative, transparent and accountable Governance	Improve the public participation processes	R 350 000	Number	Number of monthly media slots acquired with the national and local radio stations by 30 June 2022	12	OFFICE OF THE MUNICIPAL MANAGER
GGPP 01				R 300 000	Number	Number of quarterly newsletters issued to general public by 30 June 2022	4	
GGPP 01				R 26 000	Number	Number of bi-annual disciplinary Board meetings co-ordinated by 30 June 2022	2	
GGPP 01				R100 000	Date	Date of presenting 2020/21 Annual Report to Community by 31 March	31-Mar-22	
GGPP 02			Ensure the existence and functionality of the public					



GGPP 02			participation structures	N/A	Number	Number of monthly EXCO meetings co-ordinated by 30 June 2022	12	
GGPP 02				N/A	Number	Number of monthly EXCO agendas issued as per council rules and orders by 30 June 2022	12	CORPORATE SERVICES
GGPP 02				R2.7 500 000	Number	Number of quarterly Ward Committees functionality reports submitted to Council by 30 June 2022	4	OFFICE OF THE MUNICIPAL MANAGER
GGPP 02				N/A	Number	Number of quarterly reports of cluster war-rooms submitted to EXCO by 30 June 2022	4	ALL THE DEPARTMENTS
GGPP 02				N/A	Number	Number of quarterly participations in district IGR meetings attended by 30 June 2022	4	
GGPP 02				N/A	Number	Number of quarterly Reports of Local Aids Council submitted to Council by 30 June 2022	4	OMM
GGPP 03				R120 000	Number	Number of monthly disaster awareness campaigns held in wards 1,2,4,6,7,8,9,11,12, 16,17 and 18 by 30 June 2022 (W	12	COMMUNITY SERVICES
GGPP 03			Ensure the municipal contribution to community safety	N/A	Number	Number of bi-annual Road Safety Awareness campaign (festive and Easter) held by 30 June 2022	2	
GGPP 03		Aspire to a healthy, safe and crime-free area		N/A	Number	Number of bi-monthly road blocks conducted by 30 June 2022	24	
GGPP 03				N/A	Number	Number of seasonal Fire-breaks conducted by 30 June 2022	4	
GGPP 04			Design and implement sports, arts and heritage celebration programmes	N/A	Number	Number of bi-annual sports forums conducted by 30 June 2022	2	COMMUNITY SERVICES
GGPP 04				R 25 000	Number	Number of artist development programme/talent search by 30 June 2022	2	
GGPP 05		Ensure that all legislated Council structures meetings seat.	Improve the public participation processes	N/A	Number	Number of monthly (July to November 2021 and February to June 2022) portfolio committee meetings held by 30 June 2022	10	ALL DEPARTMENTS
GGPP 05				N/A	Number	Number of quarterly MPAC meetings attended by All Senior Managers 30 June 2022	4	ALL DEPARTMENTS



GGPP 05				N/A	Number	Number of quarterly Disaster Advisory forum meetings held by 30 June 2022	4	COMMUNITY SERVICES AND PUBLIC SAFETY	
GGPP 05				N/A	Number	Number of bi-annual Education forum meetings held by 30 June 2022	2		
GGPP 05				N/A	Number	Number of quarterly Department performance reports submitted by all departments to respective Portfolio Committees by 30 June 2022	20	ALL DEPARTMENTS	
GGPP 01				N/A	Number	Number of annual portfolio committee agendas issued as per council rules and orders held by 30 June 2022	50	CORPORATE SERVICES AND OFFICE OF THE MUNICIPAL MANAGER	
GGPP 01				N/A	Number	Number of Council agendas issued as per council rules and orders by 30 June 2022	8		
GGPP 01				N/A	Date	Date of adopting the organisational structure aligned to the 2022/23 IDP and Budget by Council by 30 June 2022	30-Jun-22		
GGPP 01				N/A	Number	Number of Council meetings co-ordinated by 30 June 2022	8		
GGPP 01				R 218 500	Number	Number of quarterly Audit committee meetings co-ordinated by 30 June 2022	4		
GGPP 01				N/A	Number	Number of monthly MANCO meetings held by 30 June 2022	12		
GGPP 01				N/A	Number	Number of monthly Top MANCO meetings held by 30 June 2022	12		
GGPP 01				R 14 500	Number	Number of quarterly Municipal Public accounts committee meetings co-ordinated by 30 June 2022	4		OFFICE OF THE MUNICIPAL MANAGER
GGPP 05				N/A	Date	Date of adoption of the 2021/22 IDP, Budget and PMS Process Plan by 30 September 2021	30-Sep-21		EDPHS and OMM
GGPP 05				R 150 000	Date	Date of approval and adoption of the 2022/2023 IDP Council by 31 May 2022	31-May-22		
GGPP 05				R 300 000	Date	Date of conducting Strategic Planning for new Councillors and Management by 31 May 2022	31-May-22		

GGPP 05	To foster a culture of community involvement and good governance in affairs of the municipality	Aspire to a health, safe and free crime area	Design and implement sports, arts and heritage celebration programme	R 130 000	Date	Date of hosting Annual Heritage Parade and Fashion Design show by 30 September 2021	30-Sep-21	COMMUNITY SERVICES AND PUBLIC SAFET
GGPP 05				R 150 000	Number	Number of digital Mandeni Talent Search Events held by 30 June 2022	2	
GGPP 06	Implementation of risk mitigation strategies specific to the department	Implementation of risk mitigation strategies specific to the department	Improve the public participation processes	N/A	Number	Number of Risk Mitigation Strategies implemented by all HOD's by 30 June 2022	11	ALL DEPARTMENTS
				N/A	Number	Number Quarterly Reports on Implementation of Risk Management Action Plans submitted to Risk Management Committee by 30 June 2022	4	
FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY								
MFV M 01	To develop a sustainable and efficient municipality based on sound financial management	Ensure a financially viable municipality	Ensure a constant and accurate financial reporting	N/A	Number	Number of quarterly Risk Management Committee meetings co-ordinated by 30 June 2022	4	OFFICE OF THE MUNICIPAL MANAGER
				R 230 000	Date	Date of submission of 2020/21 Annual Financial Statements and Annual Performance Report to Auditor General by 31 August 2021	31-Aug-21	OFFICE OF THE MUNICIPAL MANAGER AND BUDGET AND TREASURY OFFICE
				N/A	Number	Number of monthly Section 71 reports compiled and submitted to treasury by 30 June 2022	12	
				N/A	Date	Date of Section 72 report submitted to Council by 25 January 2022	25-Jan-22	
				N/A	Number	Number of quarterly Section 52 reports compiled and submitted to council by 30 June 2022	4	
				R 300 000	Date	Date of submission of 2022/23 Mscoa compliant Budget to Council for adoption by 31 May 2022	31-May-22	
				N/A	Date	Date of tabling the 2022/23 Budget Process Plan to council by 31 August 2021	31-Aug-21	
				N/A	Ratio	Ratio of cost coverage: available cash plus investments divided by monthly fixed operating expenditure by 30 June 2022	1:3	
				1 850 00 (INEP) 4 872 000 37 232 00 (MIG) 4 214 000 (Library)	Percentage	Percentage of all departmental Conditional Grants capital Budget Spent (FMG, MIG, INEP, Library Grant) by 30 June 2022	100%	TSID, EDPHS, BTO AND CSPPS



				N/A	Ratio	Ratio of outstanding service debtors to annual revenue actually received for services (i.e. electricity and refuse) by 30 June 2022	Outstanding services debtors to revenue not greater than 0.5:1	BTO
				N/A	Number	Number of quarterly departmental meetings conducted by All Departments by 30 June 2022	24	ALL DEPARTMENTS
				N/A	Number	Number of monthly status reports on the implementation of the procurement plan submitted to management and FPC by 30 June 2022	12	BTO
				N/A	Number	Number of monthly reports submitted to Manco on the turnaround time to finalise formal tender awards by 30 June 2022	12	
			Improve the audit opinion	N/A	Number	Number of quarterly Progress Reports on Implementation of A.G Action Plan submitted to Council by 30 June 2022	4	OFFICE OF THE MUNICIPAL MANAGER AND ALL DEPARTMENTS
				N/A	Number	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2022	3 Days	
				N/A	Percentage	Percentage of audit queries effectively resolved within provided time frames by 30 June 2022	100%	
			Ensure the existence of updated finance management strategies	N/A	Date	Date of reviewed Budget Related Policies adopted by Council by 31 May 2022	31-May-22	
				N/A	Percentage	Percentage of reduction of irregular expenditure in the Finance directorate when compared to the 2020/21 financial year by 30 June 2022	10%	BTO AND OMM
				N/A	Number	Number of quarterly reports on unauthorized, irregular, fruitless and wasteful expenditure (UIFW) registers submitted to FPC, Council and EXCO by 30 June 2022	4	
				N/A	Percentage	Percentage of invoices paid within 30 days from the receipt by creditors by 30 June 2022	98%	
				R 600 000	Number	Number of quarterly physical assets verification performed and reconciliation by 30 June 2022	4	

MFV M 05			Manage and increase the municipal revenue base.	R 160 000	Date	Date of approved indigent debtors billed with allocation of free basic services by 31 May 2022	31-May-22	BTO
				R 500 000	Percentage	Percentage of revenue collected as billed amount by 30 June 2022	50%	
				R 50 000	Rand	Amount of Revenue collected on services provided by municipal departments by 30 June 2022	R60 000	ORGANISATIONAL
MFV M 06			Ensure that the municipality acquires goods and services in terms of supply chain regulations	N/A	Date	Date of approved procurement plans for 2022/23 by the MM by 30 June 2022	30-Jun-22	OMM
				N/A	Days	Improved average Turnaround time in days of tender procurement processes for tender within R30K - R200 000K by 30 June 2022	14 days	BTO
				N/A	Percentage	Percentage of tenders (above 200k) awarded within 90 calendar days from the closing date of receiving tenders by 30 June 2022	100%	
				R 200 000	Number	Number of quarterly contract and commitment register updates performed by 30 June 2022	4	
				N/A	Date	Date of completing draft Departmental Budget estimate document by 31 March 2022	31-Mar-22	ALL DEPARTMENTS
LOCAL ECONOMIC DEVELOPMENT								
LED 01		Achieve a holistic human development and capacitation for the realisation of skilled and employable workforce.	Improve the community skills base	N/A	Number	Number of community members funded to study skills development programmes utilising the LGSETA funds by 30 June 2022	20	CORPORATE SERVICES
LED 2				R 450 000	Date	Date of registration bursaries for matriculants and scholarship awards by 31 March 2022	31-Mar-22	COMMUNITY SERVICES
LED 03			Ensure the empowerment of youth, women and people living with disabilities.	R 2 435 000	Number	Number of EPWP participants on Various EPWP programs (Zimbabwe, Life Guards) recruited by 30 September 2021	250	COMMUNITY SERVICES
	R 300 000	Date		Date of youth SMME Support programmes workshops conducted by 30 June 2022	30-Jun-22			

				R 400 000	Number	Number of youthful drivers and education programmes by 30 June 2022	1		
				R 110 000	Number	Number of bi-annual programmes to support Youth Council and Ward Youth Forums by 30 December 2021	2		
				R 100 000	Date	Date of review of Mandeni Youth development strategy by 31 March 2022	31-Mar-22		
				R 85 000	Date	Date of youth month celebration programmes by 30 June 2022	30-Jun-22		
				R 105 000	Date	Date of Annual Youth Summit Workshop held by 30 June 2022	30-Jun-22		
LED 03				N/A	Percentage	Percentage of procurement awarded to designated sectors i.e. youth, women and disabled by 30 June 2022	10%	BTO	
LED 04				N/A	Number	Number of jobs created through municipality's LED initiatives, RDP Housing Projects and Capital Projects in the IDP by 30 June 2022	400	EDPHS/TSID	
				N/A	Number	Number of quarterly progress reports on jobs created submitted to EXCO by 30 June 2022	4	EDPHS	
LED 05	Facilitate the creation of job opportunities		Facilitate the implementation of the EPWP	R 1.600 000	Number	Number of quarterly reports on implementation of EPWP (CWP, Zibambele, Food for Waste, Life Guards) programs submitted to EXCO by 30 June 2022	4	CSPS	
LED 06				R 200 000	Number	Number of SMME's supported through various LED initiatives by 30 June 2022	50	EDPHS	
					N/A	Number	Number of Quarterly Business compliance inspections conducted by 30 June 2022	4	ALL
LED 07			Strategic planning for Local Economic Development	R 300 000	Number	Number of reports on the implementation of Vuthela LED programme submitted to EXCO by 30 June 2022	4	EDPHS	
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION									
MTID 01	Provision of effective, efficient, transparent and	Creating a conducive working environment	Maintain and improve the municipal policies	N/A	Date	Date of adopting the reviewed organizational policies by 30 June 2022	30-Jun-22	ALL DEPARTMENTS	

	accountable leadership			R 1 150 000	Date	Date of the development of the Building and Community Facilities maintenance plan by 28 February 2022	28-Feb-22	TECHNICAL SERVICES
MTID 02			Ensure effective and efficient human resource management	N/A	Date	Date of reviewed and adopted Organogram by council by 31 May 2022	31-May-22	OMM and CORPORATE SERVICES
				N/A	Date	Date of submission of the reviewed employment equity report to department of Labour by 31 January 2022	31-Jan-22	
				R 100 000	Number	Number of quarterly local labour forum meetings to be held by 30 June 2022	4	
				N/A	Percentage	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2022	100%	
				N/A	Number	Number of quarterly health and safety meetings/ trainings conducted by 30 June 2022	4	
				N/A	Number	Number of bi-annual workshops on collective agreements and applicable legislation conducted by 30 June 2022	2	
MTID 03			Ensure effective and efficient human resource development	R 150 000	Date	Date of submission of the Workplace Skills Plan/Annual Training Report to SETA by 30 April 2022	30-Apr-22	CORPORATE SERVICES
					Percentage	Percentage of municipal budget actuals spent on implementation of WSP by 30 June 2022	100%	
MTID 04			Improve performance	N/A	Number	Number of monthly progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2022	204	ALL THE DEPARTMENTS
				N/A	Date	Date of submission of managers performance plans to HOD's by 31 August 2021	31-Aug-21	
				N/A	Date	Date of advertising the Top Layer 2020/21 SDBIP 31 July 2021	31-Jul-21	OMM
				N/A	Date	Date of adopting the adjusted scorecards by 28 February 2022	28-Feb-22	

MTID 05			Improve information technology and document management systems	N/A	Number	Number of Quarterly Organisational PMS Assessment Reports/ Tools submitted to Provincial COGTA and Council by 30 June 2022	4	
				N/A	Number	Number of Performance Agreements for 2021/22 FY signed by 31 July 2021	6	OMM
				N/A	Number	Number of quarterly ICT Steering Committee meetings conducted by 30 June 2022	4	OMM, CORPORATE SERVICES
				R 300 000	Date	Date of upgrading of Disaster Recovery site by 31 December 2021	31-Dec-21	CORPORATE SERVICES
R 200 000	Date	Date of upgrading the municipal servers by 31 December 2021	31-Dec-21					
MTOD 06			Improve the municipal services in municipal vehicles, plant and equipment		Number	Number of implementing services to all municipal plants and equipment by 30 June 2022	18	TECHNICAL SERVICES
SPATIAL RATIONAL ENVIRONMENTAL MANAGEMENT/ CROSS-CUTTING MEASURES								
SREM 01	Promoting and facilitating environmental protection and sustainable spatial planning	CBD Regeneration	Creating government precinct with efficient space for public facilities and services	N/A	Percentage	Percentage of building plans less than 500m ² approved within 30 days from receipt	100%	EDPHS
SREM 01				N/A	Percentage	Percentage of building plans more than 500m ² approved within 60 days from receipt	100%	
SREM 03			Provide a framework for the spatial vision and form of Municipality	N/A	Date	Date of review and finalise the adoption of SDF by 30 September 2021	30-Sept 21	
SREM 03				N/A	Date	Date of adopted Disaster Management Framework by 31 December 2021	31-Dec-21	



SREM 02			R 300 000	Date	Date of preparation and submission of Dokodweni Beach EIA Report to EDTEA by 30 June 2022	30-Jun-22
			N/A	Date	Date of preparation and adoption of Estuary Management Plan by 31-Dec-2021	31-Dec-21
			N/A	Date	Date of review of Integrated Human Settlement Sector Plan by 30 June 2022	30-Jun-22
			R 800 000	Date	Date of adoption of Mandeni Nodal Development Plan in Wards 3,10, 17 by 30 June	30-Jun-22



CHAPTER 5: FINANCIAL REPORTING

5.1 FINANCIAL SUMMARY BACKGROUND

The Mandeni Municipality has adopted a MSCOA Adjustment Budget for the 2021/22 Financial Year.

Total operating revenue has increased by 6.8 per cent or R19.7 million for the 2020/21 financial year when compared to the 2019/20 Adjustments Budget. For the two outer years, operational revenue will increase by 8.8 and 6.3 per cent respectively, equating to a total revenue growth of R69.4 million over the MTREF when compared to the 2019/20 financial year.

Total operating expenditure for the 2020/21 financial year has been appropriated at R309,0 million and translates into a surplus budget of R37.3 million. Operational expenditure has decreased by 4.2 per cent in the 2020/21 budget and the outer years have increased by 5.2 and 2.9 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R64.9 million. The municipality has reprioritized its operational expenditure to be able to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R59.0 million for 2020/21 has increased by 22.7 per cent when compared to the 2019/20 Adjustment Budget. The capital programme decreases to R41.1 million from 2021/22 financial year and then decreases in 2022/23 to R38.0 million.

INCREASE/DECREASE IN REVENUE

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)									
Description	ReCurrent Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework					
	1	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Revenue By Source									
Property rates	2	49 509	16.93	52 479	16.82	54 893	16.17	57 418	15.91
Service charges - electricity revenue	2	31 879	10.90	33 865	10.85	45 134	13.29	48 164	13.35
Service charges - water revenue	2	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2	9 510	3.25	9 938	3.18	10 544	3.11	11 029	3.06
Rental of facilities and equipment		268	0.09	280	0.09	293	0.09	307	0.08
Interest earned - external investments		5 040	1.72	3 500	1.12	3 661	1.08	3 829	1.06
Interest earned - outstanding debtors		15 975	5.46	18 136	5.81	17 713	5.22	18 528	5.13
Dividends received		—	—	—	—	—	—	—	—
Fines, penalties and forfeits		445	0.15	449	0.14	470	0.14	491	0.14
Licences and permits		1 320	0.45	1 381	0.44	1 444	0.43	1 511	0.42
Agency services		—	—	—	—	—	—	—	—
Transfers and subsidies		177 264	60.63	191 346	61.32	204 792	60.32	218 999	60.68
Other revenue	2	1 166	0.40	689	0.22	583	0.17	610	0.17
Gains		—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and		292 375	100%	312 062	100%	339 526	100%	360 885	100%

Total revenue is R346.3 million in 2020/21 and escalates to R398.9 million by 2022/23. This represents a year-on-year increase of 6.5 per cent for the 2020/21 financial year and 6.2 per cent for the 2022/23 financial year.

Property rates are the second largest revenue source totalling to 16.8 per cent or 52.5 million and increases to R5.4 or 15.9 per cent by 2022/23. The third largest source is service charges from electricity revenue source totalling to 33.9 or 10.9 percent, contributing is the proposed increase of 6.22 per cent for municipal electricity tariffs for 2020/21 as approved guideline on municipal electricity price increase tariff.

Interest on outstanding debtors have increased from R15.9 million to R18.1 million with an increase of 13.52 per cent. The interest rate will be 2% however the debt in question will still increase and we anticipate that given the collection rate, the increase in the actual debt will result to an increase the interest category regardless of the decrease in the actual rate itself.

Licenses & Permits have been increased from R1.3 million to R1.4 million for 2020/21 financial year; increase of 4.5 percent is based on the current year's actual performance and level of demand for this source.

Fines have been increased from R445 thousand to R449 thousand; decrease of 0.8 percent, proposed budget for fines is based on the current year's actual performance for 2019/20 billing.

Operating grants and transfers totals R191.3 million in the 2020/21 financial year and steadily increases to R218.9 million by 2022/23. Note that there is an increase of 7.9 per cent for the 2020/21 financial year and the year-on-year growth is 7.0 per cent and then increase 6.9 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:



KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	119 705
Remuneration of councillors		10 990	12 666	13 023	13 762	13 762	13 762	13 762	14 087	14 721	15 413
Debt impairment	3	36 634	15 145	41 621	19 891	44 708	44 708	44 708	32 708	34 017	35 377
Depreciation & asset impairment	2	24 278	27 988	27 103	30 804	30 804	30 804	30 804	30 188	31 644	33 029
Finance charges		2 949	2 423	2 389	307	539	539	539	650		
Bulk purchases	2	10 984	16 565	22 907	25 856	25 856	25 856	25 856	29 201	29 209	30 523
Other materials	8	10 530	12 233		10 757	11 283	11 283	11 283	11 513	11 433	11 959
Contracted services		18 516	23 480	44 731	40 655	41 058	41 058	41 058	38 111	37 475	39 184
Transfers and subsidies		16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Other expenditure	4, 5	41 739	24 495	28 508	48 237	45 763	45 763	45 763	40 899	49 802	47 027
Losses		(99)	(17 575)	609		47	47	47			
Total Expenditure		244 916	194 799	267 162	297 943	322 280	322 280	322 280	309 016	324 986	333 992

The budgeted allocation for employee related costs for the 2020/21 financial year totals R110.0 million, which equals 35.5 per cent of the total operating expenditure. An annual increase of 4.5 and 4.4 per cent has been included in the two outer years of the MTREF.

Remuneration of Councillors has increased from R13.8 million to R14.1 million which reflects an increase of 2.4 per cent. Increase in remuneration of Councillors has considered the current year's performance as per Adjustment budget 2019/20 as we have taken into consideration the latest Notice of upper limits for Councillors No.43246 as issued by COGTA. With the mSCOA classification SDL expenditure is allocated under Other Expenditure.

Finance Charges: consists primarily of the repayment of interest on long-term borrowing (cost of capital) R650 thousand has been allocated for 2020/21 financial year, current year actual performance has been considered in determining the allocated budget.

Bulk purchases: are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Bulk purchases have taken into consideration 6.9 per cent as proposed in NERSA guideline for 2020/21 financial year as per guideline on municipal electricity price increase.

Other materials: comprise of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the Municipality's infrastructure.

Contracted Services for 2020/21 the appropriation against this group of expenditure has been decreased by 7.2 per cent (R38.1 million) and it has grown by 4.5 for the two outer years of which budget allocation is in excess of R39.1 million by 2022/23

Transfers & Subsidies: As part of compilation of the 2020/21 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced by annual reviewing of indigent register so as to ensure that deserving beneficiaries were qualifying.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Other expenditure has been decreased from R45.7 million to R40.9 million with a decrease of 10.7 per cent.



Table 6 below indicates a Consolidated Overview of the 2020/21 & MTREF

KZN291 Mandeni - Table A1 Budget Summary										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Total Revenue (excluding capital transfers and contributions)	245 773	233 315	250 197	301 780	292 375	292 375	292 375	312 062	339 526	360 885
Total Expenditure	244 916	194 799	267 162	297 943	322 280	322 280	322 280	309 016	324 986	333 992
Surplus/(Deficit) for the year	35 182	79 350	22 612	38 922	3 028	3 028	3 028	37 254	50 617	64 935
Capital expenditure & funds sources										
Capital expenditure	81 257	42 046	44 146	50 642	48 102	48 102	48 102	59 005	41 077	38 042

5.2 PROJECTIONS OF REVENUE TO BE COLLECTED BY SOURCE

Table 7: Summary of revenue classified by main revenue source

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	30 557	37 098	40 080	49 509	49 509	49 509	49 509	52 479	54 893	57 418
Service charges - electricity revenue	2	14 014	25 464	24 367	31 879	31 879	31 879	31 879	33 865	45 134	48 164
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	7 750	8 807	8 911	9 510	9 510	9 510	9 510	9 938	10 544	11 029
Rental of facilities and equipment		241	344	254	208	268	268	268	280	293	307
Interest earned - external investments		2 961	3 033	4 893	3 540	5 040	5 040	5 040	3 500	3 661	3 829
Interest earned - outstanding debtors		9 864	15 217	13 851	15 975	15 975	15 975	15 975	18 136	17 713	18 528
Dividends received											
Fines, penalties and forfeits		350	377	403	405	445	445	445	449	470	491
Licences and permits		1 175	1 197	1 133	1 320	1 320	1 320	1 320	1 381	1 444	1 511
Agency services											
Transfers and subsidies		146 925	141 080	155 280	188 769	177 264	177 264	177 264	191 346	204 792	218 999
Other revenue	2	31 935	697	737	665	1 166	1 166	1 166	689	583	610
Gains				288							
Total Revenue (excluding capital transfers and contributions)		245 773	233 315	250 197	301 780	292 375	292 375	292 375	312 062	339 526	360 885

5.2 PROJECTIONS OF EXPENDITURE BY TYPE

Table 8: Summary of expenditure classified by expenditure by type

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	119 705
Remuneration of councillors		10 990	12 666	13 023	13 762	13 762	13 762	13 762	14 087	14 721	15 413
Debt impairment	3	36 634	15 145	41 621	19 891	44 708	44 708	44 708	32 708	34 017	35 377
Depreciation & asset impairment	2	24 278	27 988	27 103	30 804	30 804	30 804	30 804	30 188	31 644	33 029
Finance charges		2 949	2 423	2 389	307	539	539	539	650		
Bulk purchases	2	10 984	16 565	22 907	25 856	25 856	25 856	25 856	29 201	29 209	30 523
Other materials	8	10 530	12 233		10 757	11 283	11 283	11 283	11 513	11 433	11 959
Contracted services		18 516	23 480	44 731	40 655	41 058	41 058	41 058	38 111	37 475	39 184
Transfers and subsidies		16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Other expenditure	4, 5	41 739	24 495	28 508	48 237	45 763	45 763	45 763	40 899	49 802	47 027
Losses		(99)	(17 575)	609		47	47	47			
Total Expenditure		244 916	194 799	267 162	297 943	322 280	322 280	322 280	309 016	324 986	333 992



Table 12: MBRR A5 - Budgeted monthly capital expenditure (municipal vote)

Vote Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand	1											
Single-year expenditure to be approved	2											
Vote 1 - Executive & Council		-	-	-	60	140	140	140	650	-	-	
Vote 2 - Finance & Admin		3 843	-	3 309	1 150	3 150	3 150	3 150	1 650	-	-	
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community and Social Serv		557	1 714	7 410	13 638	8 226	8 226	8 226	9 598	3 000	-	
Vote 5 - Sport and Recreation		87	-	280	-	-	-	-	-	-	-	
Vote 6 - Public safety		-	25	-	1 170	1 570	1 570	1 570	1 790	-	-	
Vote 7 -Housing		-	-	-	-	-	-	-	200	-	-	
Vote 8 - Planning and Development		8 103	9 818	9 132	6 901	6 671	5 921	5 921	15 351	19 798	11 500	
Vote 9 - Road transport		37 623	27 093	23 512	26 082	26 721	26 721	26 721	25 876	18 279	23 542	
Vote 10 - Energy sources		31 044	3 395	503	1 146	1 330	1 330	1 330	2 150	-	3 000	
Vote 11 - Waste Management		-	-	-	495	1 045	1 045	1 045	840	-	-	
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	900	-	-	
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	
Vote 14 - Stormwater		-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other (Tourism)		-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		81 257	42 046	44 146	50 642	48 852	48 102	48 102	59 005	41 077	38 042	
Total Capital Expenditure - Vote		81 257	42 046	44 146	50 642	48 852	48 102	48 102	59 005	41 077	38 042	

Table 13: MBRR SA29 - Budgeted monthly capital expenditure (Functional classification)

KZN291 Mandeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Re	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		388	388	388	388	388	388	388	388	388	388	388	(1 963)	2 300	-	-
Executive and council		54	54	54	54	54	54	54	54	54	54	54	54	650	-	-
Finance and administration		333	333	333	333	333	333	333	333	333	333	333	(2 017)	1 650	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	(15 688)	11 588	3 000	-
Community and social services		458	458	458	458	458	458	458	458	458	458	458	4 561	9 598	3 000	-
Sport and recreation		1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	(13 815)	-	-	-
Public safety		766	766	766	766	766	766	766	766	766	766	766	(6 634)	1 790	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	200	200	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	23 576	42 127	38 077	35 042
Planning and development		211	211	211	211	211	211	211	211	211	211	211	13 026	15 351	19 798	11 500
Road transport		1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	10 475	25 876	18 279	23 542
Environmental protection		75	75	75	75	75	75	75	75	75	75	75	75	900	-	-
Trading services		249	249	249	249	249	249	249	249	249	249	249	249	2 990	-	3 000
Energy sources		179	179	179	179	179	179	179	179	179	179	179	179	2 150	-	3 000
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		70	70	70	70	70	70	70	70	70	70	70	70	840	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	6 175	59 005	41 077	38 042
Funded by:																
National Government		2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	33 408	36 077	38 042
Provincial Government		81	81	81	81	81	81	81	81	81	81	81	81	972	-	-
District Municipality transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		2 865	2 865	2 865	2 865	2 865	2 865	2 865	2 865	2 865	2 865	2 865	2 865	34 380	36 077	38 042
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2 052	2 052	2 052	2 052	2 052	2 052	2 052	2 052	2 052	2 052	2 052	2 052	24 626	5 000	-
Total Capital Funding		4 917	4 917	4 917	4 917	4 917	4 917	4 917	4 917	4 917	4 917	4 917	4 917	59 005	41 077	38 042

