



**Zululand**  
District Municipality

**SERVICE DELIVERY AND BUDGET  
IMPLEMENTATION PLAN (SDBIP) FOR THE  
QUARTER ENDED 30 SEPTEMBER 2023**

**2023/2024**

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## **Introduction**

### **1.1. Background to the SDBIP**

In terms of Section 69 (3) (a) of the Municipal Finance Management Act, the Municipal Manager must submit the SDBIP to the Mayor within 14 days after the approval of the Budget. The mayor must subsequently approve the SDBIP within 28 days after the approval of the Budget in terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act. In terms of section 69 (1) (a) the accounting officer of a municipality is responsible for implementing the municipality's approved budget, including taking all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan. The Final Budget for the 2023/24 financial year was tabled to Council on the 26 of May 2023 for approval. The SDBIP for the Zululand District Municipality was approved by the mayor within 28 days after approval of budget as stated in S53 (1) (c) (ii) and it will be monitored and revised quarterly.

### **1.2. Purpose of the SDBIP**

The purpose of the SDBIP can be summarized as follows:

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

### **1.3. Importance of the SDBIP**

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

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

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

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#### **1.4. The Role of Council with regards to the SDBIP**

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

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

The Accounting Officer must:

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

#### **1.6. The key components of the 2023/24 SDBIP**

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

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

These components of the SDBIP are discussed below.

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## **2 MONTHLY PROJECTIONS OF REVENUE PER SOURCE**

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

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

One of the most important and basic priorities of a municipality is to collect all its revenue as budgeted for, failure to collect the revenue will undermine the municipality's ability to deliver services. The SDBIP contains the monthly projections of revenue to be collected per source for the 2023/24 financial year. The reason for the inclusion of this component of the SDBIP is to ensure that the municipality monitors revenue collected during the quarter as all expenditure to be incurred in terms of the approved Budget must be financed from realistically anticipated revenues to be collected.

The Accounting Officer must monitor the actual revenues received against those projected in the SDBIP and submit explanations of any remedial action to be taken to ensure that projected revenue and expenditure remain within the municipality's approved Budget. This type of information requires the municipality to take urgent remedial steps to ensure it improves on its revenue-collection capacity if it wants to maintain its levels of service delivery and expenditure. The revenue for the financial year 2023/24 is indicated below as follows:

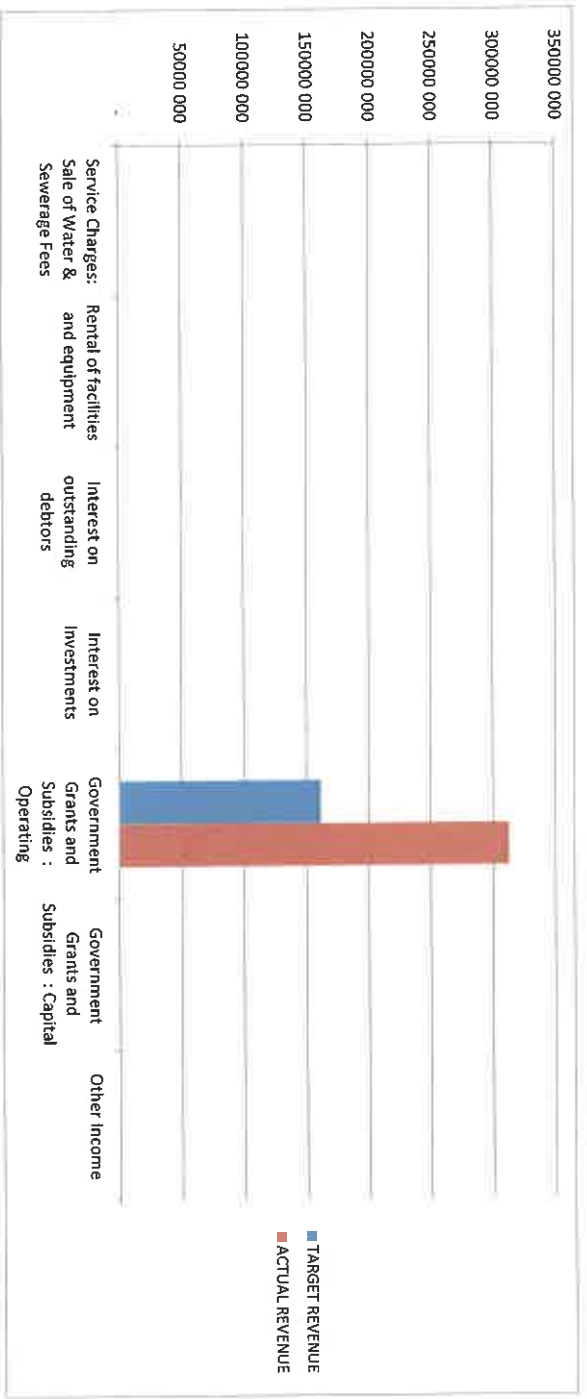
### **Monthly projections of total Revenue per Source**

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

**Monthly projections of Revenue by Source of  
Zululand District Municipality for the Quarter  
ended 30 September 2023**

Monthly Projections of Revenue by Source									
Revenue by Source		JULY		AUGUST		SEPTEMBER		Totals for Q_1	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Variance
Service charges - electricity revenue	-	6 713 261	-	2 905 718	-	5 428 575	-	15 047 554	-2 164 554
Service charges - water revenue	4 294 333	1 167 507	4 294 333	1 334 077	4 294 333	1 359 540	4 101 500	3 861 124	240 376
Service charges - sanitation revenue	1 367 167	45 030	1 367 167	-	1 367 167	134 043	250 125	179 074	71 051
Sale of Goods and Rendering of Services	83 375	-	83 375	-	83 375	-	-	-	-
Interest earned - outstanding debtors/ Receivables	43 417	21	43 417	39 351	43 417	37 428	130 250	76 798	53 452
Interest earned - external investments/Current & Non Asset	250 000	-	250 000	573 663	250 000	300 936	750 000	874 598	-124 598
Rental from Fixed Assets	41 667	34 541	41 667	44 957	41 667	44 957	125 000	124 454	546
Licences and permits	5 000	5 091	5 000	11 214	5 000	8 400	15 000	24 705	-9 705
Other revenue/ Operational Revenue	30 750	1 139	30 750	2 104	30 750	20 886	92 250	88 121	68 121
Fines, penalties and forfeits	83 333	19 574	83 333	64 190	83 333	79 017	250 000	162 781	87 219
Transfers and subsidies - Operational	53 654 917	263 196 000	53 654 917	49 480 207	53 654 917	60 614	160 964 750	312 736 821	-151 772 071
Gains/Losses	-	-	-	-2 437	-	2 437	-	-	-
TOTALS	59 853 958	271 182 165	59 853 958	54 453 043	59 853 958	7 476 830	179 561 875	333 112 039	-153 550 164

Q1 Chart - Monthly Projections of Revenue by Source



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### **3 MONTHLY PROJECTIONS OF EXPENDITURE PER SOURCE**

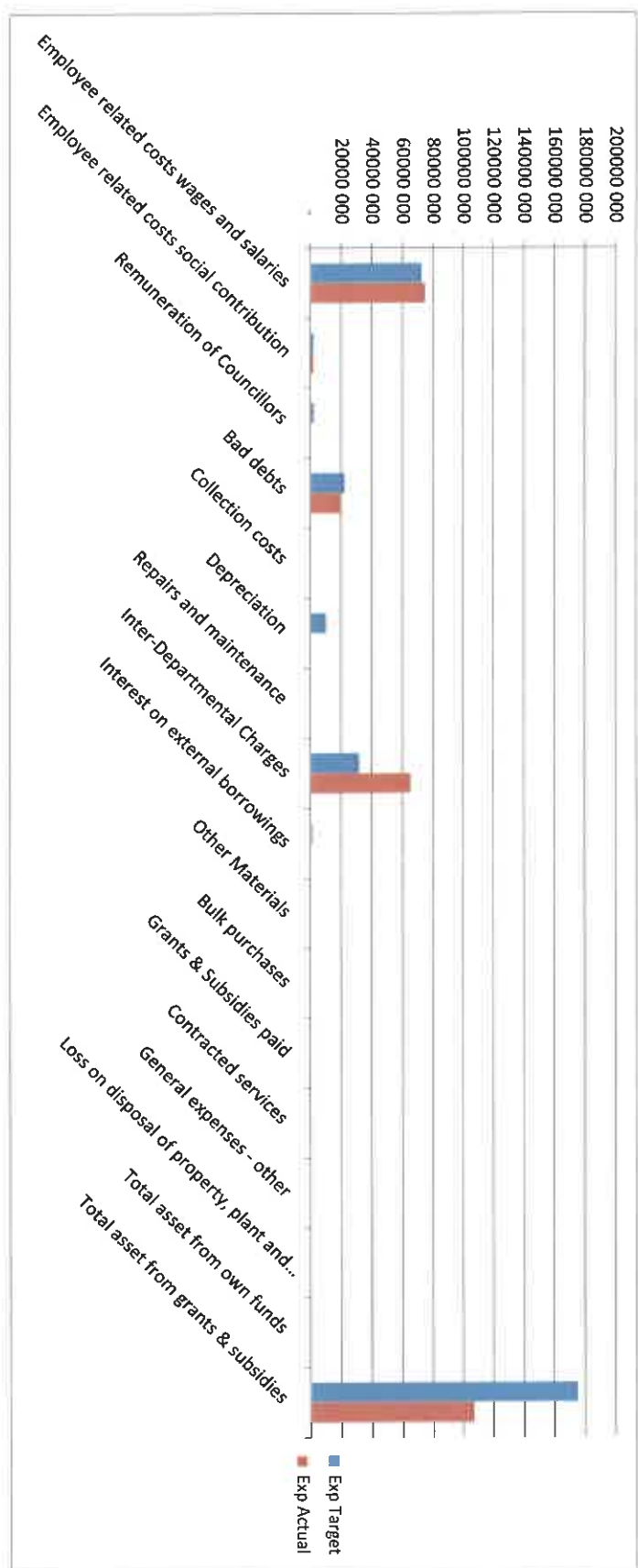
The monthly projections of expenditure per source is not included in terms of circular No 13 of the MFMA, but we as Zululand District Municipality have decided to add this component in order to see the movement of expenditure per source on monthly basis to be able to respond promptly and to initiate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



**Monthly Projections of Expenditure by Source of  
Zululand District Municipality for the Quarter ended 30 September 2023**

Monthly Projections of Expenditure by Source									
Expenditure by Source	JULY		AUGUST		SEPTEMBER		Totals for Q_1		Variance
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
<b>Operating Expenditure</b>									
Employee related costs	24 227 346	24 770 110	24 227 346	25 169 403	24 227 346	25 044 733	72 662 037	74 984 245	-2 302 208
Remuneration of councillors	790 494	728 141	790 494	758 073	790 494	784 810	2 371 482	2 271 025	100 457
Inventory consumed	3 510 833	90 745	3 510 833	117 641	3 510 833	68 121	10 532 500	276 508	10 255 992
Debt impairment	833 334	-	833 334	-	833 334	-	2 500 001	-	2 500 001
Depreciation & asset impairment	7 500 000	-	7 500 000	13 333 334	7 500 000	6 666 667	22 500 001	20 000 001	2 500 000
Interest	83 333	-	83 333	-	83 333	156 020	250 000	156 020	93 980
Contracted services	10 726 614	3 826	10 726 614	53 242 837	10 726 614	8 679 826	32 179 842	65 748 987	-33 569 145
Transfers and subsidies	500 000	-	500 000	49 500	500 000	-	1 500 000	49 500	1 450 500
Irrecoverable debts written off	-	27 867	-	-	-	-	-	27 867	-27 867
Operational costs	12 003 224	4 885 193	12 003 224	16 558 120	12 003 224	18 081 772	36 009 671	203 039 237	-18 998 260
<b>Total Operating Expenditure</b>	<b>60 176 176</b>	<b>34 328 380</b>	<b>60 175 178</b>	<b>109 228 908</b>	<b>60 175 178</b>	<b>59 481 949</b>	<b>180 525 534</b>	<b>203 039 237</b>	<b>-18 998 260</b>
<b>Capital Expenditure</b>									
Total asset from own funds	241 667	-	241 667	-	241 667	86 000	725 000	86 000	639 000
Total asset from grants & subsidies	58 380 652	-	58 380 652	57 911 289	58 380 652	49 190 550	175 141 957	107 101 839	68 040 119
Borrowing	7 246 377	-	7 246 377	-	7 246 377	-	21 739 131	-	21 739 131
<b>Total Operating Expenditure</b>	<b>65 868 696</b>	<b>-</b>	<b>65 868 696</b>	<b>57 911 289</b>	<b>65 868 696</b>	<b>49 276 550</b>	<b>197 606 088</b>	<b>107 187 839</b>	<b>90 418 249</b>
<b>TOTAL EXPENDITURE</b>	<b>126 043 874</b>	<b>34 328 380</b>	<b>126 043 874</b>	<b>167 140 197</b>	<b>126 043 874</b>	<b>108 758 499</b>	<b>378 131 622</b>	<b>310 227 076</b>	<b>71 419 959</b>

**Q1 Chart - Monthly Projections of Expenditure by Source**



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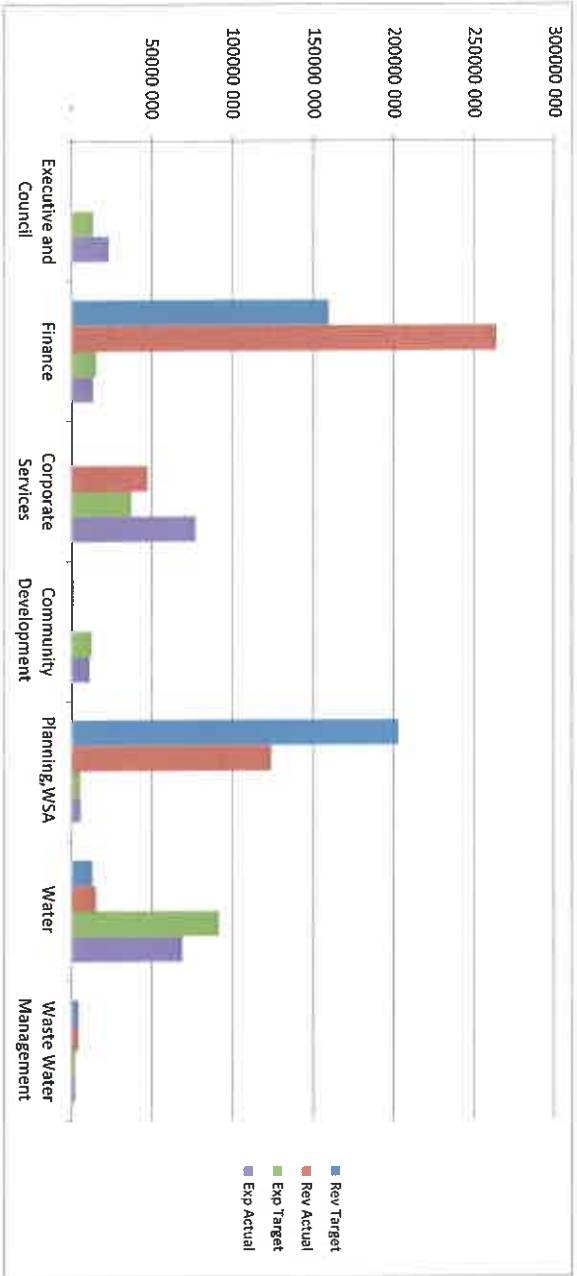
#### **4 ANNUAL PROJECTIONS OF REVENUE & EXPENDITURE PER VOTE**

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

**Monthly Projections of Expenditure & Revenue by Vote for Zululand District Municipality for the Quarter ended 30 September 2023**

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Q1 Chart - Monthly Projections of Revenue and Expenditure by Vote



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

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

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

TOP LAYER -SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) - ZULULAND DISTRICT MUNICIPALITY - 2023/2024

KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON- ACCUMULATIVES	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to Improve	PORTFOLIO OF EVIDENCE
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B2B PILLAR 2: BASIC SERVICE DELIVERY

KPA 1 : BASIC SERVICE DELIVERY = 04 indicators

KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON- ACCUMULATIVES	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to improve	PORTFOLIO OF EVIDENCE
1	HOD (PLANNING)												List of beneficiaries and GPS co-ordinates
2	HOD (TECH)	SO 1.2.1											Monthly production report
3	HOD (TECH)		Establishing and maintaining partnerships with government and private sector to accelerate provision of universal, equitable & consistent access to the municipal services that local communities are entitled to.										Lab results
4	HOD (TECH)	SO 1.1.1	Continuously managing all existing infrastructure capital assets to minimize the total cost of owning and operating these assets	Operations and Maintenance	The average time taken to fix spillages per quarter	Non - Accumulative	Hours	48Hrs average time taken to fix spillages per quarter	31Hrs average time taken to fix spillages				Job card summary report

B2B PILLAR 5: BUILDING CAPABLE LOCAL GOVERNMENT INSTITUTIONS

KPA2: LOCAL ECONOMIC & SOCIAL DEVELOPMENT = 06 indicators

KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON- ACCUMULATIVES	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to improve	PORTFOLIO OF EVIDENCE
5	HOD (COMMUNITY)	SO 2.1.1	Support SMMEs and create opportunities for growth	LED	Number of SMMEs / Co-operatives supported annually	Non - Accumulative	Number	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	List of supported SMMEs and signed distribution form
6	HOD (COMMUNITY)	SO 2.4.1	Promoting arts, culture and heritage	Tourism	Number of tourism awareness campaigns held per quarter	Accumulative	Number	1 tourism awareness campaigns held per quarter	1 tourism awareness campaign				OPF and Attendance Register

7	CDO	SO 2.2.1	Alleviate poverty and promote socio-economic development	Special Programmes	Number of Special Programmes implemented annually	Non - Accumulative	Number	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Programmes: Attendance registers and Pictures
8	HOD (FINANCE)				Number of implementation reports on Indigent Policy submitted to EXCO per quarter	Accumulative	Number	1 Implementation report on Indigent Policy submitted to EXCO per quarter	1 Implementation report on Indigent Policy submitted to EXCO	Due in Q4	Due in Q4	Due in Q4	Copy of Indigent Policy Implementation report and proof of submission
9	HOD (COMMUNITY)	SO 2.2.5	Supporting the well-being of vulnerable groups through short and long term initiatives	Reduction of poverty	Number of jobs created through the ZDM municipal EPWP initiatives including capital projects	Non - Accumulative	Number	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Due in Q4	Report retrieved from the EPWP system
10	HOD (COMMUNITY)				SO 2.1.1	Regulating, monitoring and evaluating compliance of service providers to municipal health standards	Health Awareness Campaigns	Number of ZDM Municipal Health awareness campaigns held per quarter	Accumulative	Number	5 ZDM Municipal Health awareness campaigns held per quarter	5 ZDM Municipal Health awareness campaigns held	Due in Q4
KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON-ACCUMULATIVE	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to Improve	PORTFOLIO OF EVIDENCE

**B2B PILAR 4: SOUND FINANCIAL MANAGEMENT**

KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT = 04 indicators													
11	HOD (FINANCE)	SO 3.1.1	Establishing and maintaining a sound and sustainable management of the fiscal and financial affairs of the municipality and its entities.	Debt Collection	Percentage of Collection Rate achieved per quarter	Non - Accumulative	Percentage	60% Collection Rate achieved per quarter	32% Collection Rate achieved	Not Reported	Collection depends on effective installation of meters we have plenty of pieces with no meters, yet consumers are consuming water therefore this has a negative impact on the collection rate.	The municipality is now billing all the consumers from the 1st Kiloliter, for instance, if there are over due payment, the municipality will disconnect water. The municipality has the incentive program that has been approved by the council which will improve the collection rate.	Copy of Collection Report
12	HOD (FINANCE)	SO 3.1.2	Apply sound financial management practises to keep a positive cash balance, coverage and liquidity ratios	Financial: Administration	Date Report on Sec 13 of the MFMA submitted to AG	Non - Accumulative	Date	Report on Sec 13 of the MFMA submitted to AG by 31 July 2023	Report on Sec 13 of the MFMA submitted to AG by 31 July 2023	Not Reported			Proof of submission and copy of Sec 13 report
13	HOD (FINANCE)	SO 3.1.3	Manage, monitor and review existing financial systems to support accurate and credible reporting, budget monitoring and compliance	On going process	Number of Sec 52 reports submitted to Council and Provincial Treasury per quarter	Accumulative	Number	1 Sec 52 report submitted to Council and Provincial Treasury per quarter	1 Sec 52 report submitted to Council and Provincial Treasury	Not Reported			Council Resolution and copy of Sec 52 report
14	HOD (FINANCE)	SO 3.1.4	Refine procurement systems and processes to respond to the demand for services	Revision of the SCM policy	Number of SCM quarterly reports submitted to EXCO per quarter	Accumulative	Number	1 SCM quarterly report submitted to EXCO per quarter	1 SCM quarterly report submitted to EXCO	Not Reported			Proof of submission and Copy of SCM Quarterly reports



KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON-ACCUMULATIVE5	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to improve	PORTFOLIO OF EVIDENCE
15	COO	SO 4.1.1	Effectively handling community enquiries and responding through an effective customer care service	On going process	Number of interpreted reports from customer care system submitted to EXCO per quarter	Accumulative	Number	3 interpreted reports from customer care system submitted to EXCO per quarter	3 interpreted reports from customer care system submitted to EXCO	Met Target			Copy of customer reports and Proof of submission
16	COO	SO4.1.2	Promoting transparent and accountable governance through regular community engagements and effective administration	Budget and IDP Roadshow	Number of Budget and IDP Roadshows held Bio annual	Accumulative	Number	Due in Q2 & Q4	Due in Q2 & Q4	Met Target			Minutes and Programme

B23 PILAR 3: GOOD GOVERNANCE

**KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION = 03 indicators**

KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON-ACCUMULATIVE5	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to improve	PORTFOLIO OF EVIDENCE
17	COO	SO 4.1.4	Monitoring, review and progressively improve service delivery performance through improvement of business processes and systems, performance auditing, risk management and oversight	Auditing	Number of reports tabled by the Audit Comm Chairperson to Council per quarter	Accumulative	Number	1 reports tabled by the 1 Audit Comm Chairperson to Council per quarter		Met Target			Council Resolution
16	COO	SO4.1.2	Promoting transparent and accountable governance through regular community engagements and effective administration	Budget and IDP Roadshow	Number of Budget and IDP Roadshows held Bio annual	Accumulative	Number	Due in Q2 & Q4	Due in Q2 & Q4	Met Target			Minutes and Programme

B23 PILAR 1: PUTING PEOPLE FIRST

**KPA 5: MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT = 02 indicators**

KPI NO.	PROGRAM DRIVER	IDP Strategic Objective Ref No.	STRATEGY	PROJECTS	INDICATOR	ACCUMULATIVE /NON-ACCUMULATIVE5	UNIT OF MEASURE	Q1 -Target 30.9.2023	Q1 Actual	Q1 Status	Reason for variance	Measure to improve	PORTFOLIO OF EVIDENCE
18	HOD (CORP)	SO 5.1.1	Investing in a workforce to meet service delivery demand through implementing a culture of continuous learning and improvement	Employee Assistance Programme	Number of EAP health awareness campaign conducted per quarter	Accumulative	Number	1 EAP health awareness campaign conducted per quarter	1 EAP health awareness campaign conducted	Met Target			Notice, OOP, Attendance register and Copy of Presentation
19	COO	SO 5.1.5	Establishing consistency and alignment between the district and locals by regular co-ordination of Integovernmental Relations		Number of Municipal Manager Technical ICR/DDM meetings coordinated per quarter	Accumulative	Number	1 Municipal Manager Technical ICR/DDM meeting coordinated per quarter	1 Municipal Manager Technical ICR/DDM meeting coordinated	Met Target			Notice, Agenda and Attendance Register

Spatial Planning & Environmental Management

**KPA 6: CROSS CUTTING INTERVENTIONS = 03 indicators**



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**6. DETAILED CAPITAL WORKS PLAN AND WARD INFORMATION**



[illegible]





TOTAL COMMITMENT LIABILITY			
Financial	2023/24	2024/25	2025/26
Total MIG Allocation	271 683 000.00	294 415 000.00	298 964 000.00
Total Committed	271 683 000.00	294 415 000.00	298 964 000.00
Total Variance	0.00	0.00	0.00

[illegible][illegible]

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[illegible]









	Investment cost	Interest	Repairs	Depreciation	Total
Initial cash requirement	\$170,000				\$170,000
Annual cash flows:					
- Cash inflows	217,800 per year				217,800
- Cash outflows	(60,000)				(60,000)
Total cash flows					157,800
NPV	0.00				\$1,941,619.42
IRR					59.67%

Table 1: MIG Registered Projects

[illegible]

[illegible]

Age Group	Male (%)	Female (%)
18-24	~85	~15
25-34	~75	~25
35-44	~65	~35
45-54	~55	~45
55-64	~45	~55
65+	~35	~65

04/10/2003

**APPROVAL OF THE ZULULAND DISTRICT MUNICIPALITY'S SERVICE DELIVERY  
AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR THE QUARTER ENDED 30  
SEPTEMBER 2023**

The Zululand District Municipality's final SDBIP for the year ending 30 September 2023 has been reviewed and approved by the Honourable Mayor: Cllr. T.D. Buthelezzi as said in S69 (3) (a) and S54 (3) of the Municipal Finance Management Act.

Date received:

13/10/23

Date Approved:

20/10/23

Signature:

