

Note to the PMU Manager:

- *Please use this document as guidance when developing your PMU business plan – this is one of many options to structure a PMU business plan – and serves as a support tool only*
- *It is helpful to complete and plan your PMU business over a period of at least 3 years. This plan can be revised on an annual basis, approved by your MM and submitted to dplg by not later than end February of each operational year.*
- *You are advised to incorporate a comprehensive financial plan as part of the PMU bplan, in using the 0.5 – 5.0 % of your annual MIG (DoRA) allocation to built capacity and resources within you PMU for Municipal Infrastructure planning and implementation.*
- *For additional support or assistance, call your provincial PPMU or the national dplg office of project management.*

PMU BUSINESS PLAN**ESTABLISHMENT OF A PROJECT MANAGEMENT UNIT FOR THE INFRASTRUCTURE GRANT (MIG) PROGRAMME**

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**“THE MUNICIPALITY”
PMU BUSINESS PLAN**

**ESTABLISHMENT OF A PROJECT MANAGEMENT UNIT FOR THE MIG (MUNICIPALITY
INFRASTRUCTURE GRANT) PROGRAMME**

Project Name: MIG Project Management Unit establishment
Purpose: Business Plan for approval to implement
PMU Manager:

Total DoRA allocation 2006/7: R

2007/8: R

PMU allocation / budget 2007/8: R (___%)

2008/9 : R (___%)

Date submitted:

Date approved by MM:

Date approved by dplg:

1. INTRODUCTION AND PURPOSE

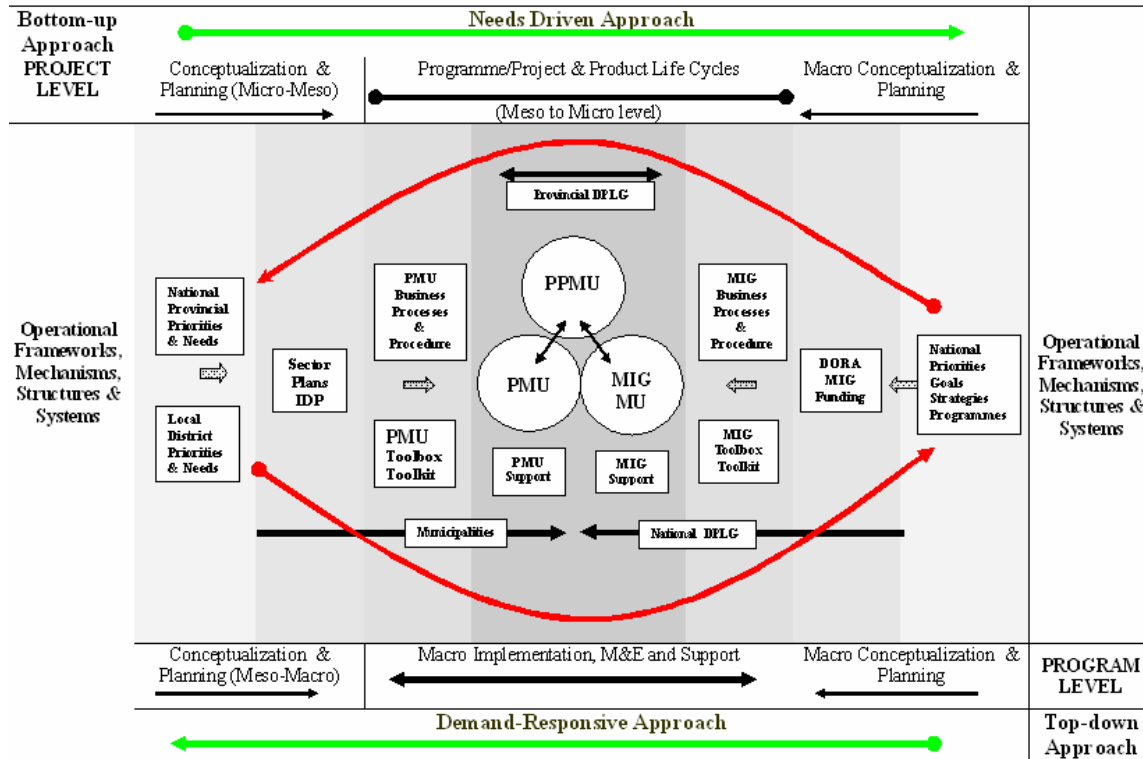
The Municipal PMU business plan documents how the Municipality aims to effectively and efficiently establish a Project Management Unit (PMU) to manage the MIG projects. The business plan is in alignment with the principles and objectives underpinning the design of the programme as contained in the MIG Policy Framework.

The Municipality confirms that the establishment process, as well as the operational outcomes of the Project Management Unit will:

- Acknowledge and adhere to all aspects contained within the business plan including all principles, objectives, sector conditions and outcomes contained within the MIG guideline document and the MIG policy framework document.
- Ensure adherence to the labour intensive objectives as detailed in the Expanded Public Works Framework document and the code of good practice for Special Public Works 25/01/2002.
- Ensure the integration of the MIG Programme and the other non-MIG funded programmes within the framework of the Municipality’s pre-existing Integrated Development Plan.
- Ensure the alignment of the approaches and processes of existing and new infrastructure programmes to those of MIG.

The purpose of the PMU is to manage the Municipality MIG-funded and ideally includes the management of the entire infrastructure funded projects and activities in order to adhere to the grant requirements as contained in the MIG policy framework document and relevant municipal infrastructure documents. The PMU is aware of the various interfaces in terms of national, provincial and local government, and incorporated these aspects in the planning of the PMU:

MIG Flow Process - The "Bigger Picture"



2. BACKGROUND

2.1 MIG GRANT

The Municipal Infrastructure Grant (MIG) has been established by Government for the purpose to augment Local government capital budgets in order to fund new infrastructure and to upgrade existing infrastructure. This financial assistance to Local government is primarily intended to provide all SA citizens with infrastructure that offer at least a basic level of service. A ten year period has been set to achieve the removal of the services backlog of the poor.

The MIG has been set up to merge the following funding programmes in a phased manner commencing in 2004/05:

- Consolidated Municipal Infrastructure Programme, in support of internal bulk, connector infrastructure and community facilities to poor households;
- Water Service Capital Fund, in support of bulk, connector and internal infrastructure for water services at a basic level;
- Community Based Public Works Programme, in support of the creation of community assets in rural, historically disadvantaged communities;
- Local Economic Development Fund, in support of planning, and implementation of job creation and poverty alleviation;
- Building for Sport and Recreation Programme, in support of promoting sport and recreation facilities within disadvantaged communities; and
- Electrification funding in support of addressing the electrification backlog of permanently occupied residential dwellings that are situated in historically under-supplied areas.

2.2. Municipality THREE YEAR CAPITAL PROGRAMME

This section describes the three-year capital plan on proposed spending for the 2006/07, 2007/08 and 2008/09 financial years as approved by the Council under item xxx (date xxx) and as required in terms of Section 11(3) for the Division of Revenue Act 2004 (Act no. 5 of 2004) (DoRA). A copy of the approved 2006/07 medium-term budget of the municipality has been submitted to National Treasury in July 2006, in terms of Section 5(7)(b) of DORA. The following tables indicate the IDP and capital plan for 2006/07 to 2008/09, with their relevant funding sources. Since the focus for service delivery will be executed within the fields of water, sanitation, roads and stormwater, housing, electricity, community facilities, solid waste management and sports facilities, a detailed capital budget for 3 years are attached as Annexure A.

Table 1: Consolidated summary of approved three-year capital plan

IDP PROJECT	2006/07	%	2007/08	%	2008/09	%
POLITICAL OFFICES						
MUNICIPAL MANAGER						
Strategic Services						
Marketing & Communication						
Internal Audit						
Public Safety						
TOTAL MM & DIRECTORATES						
SHARED SERVICES						
Financial Services						
Corporate Services						
Human resources						
TOTAL SHARED SERVICES						
SOCIAL ECONOMIC DEVELOPMENT						
Community Services						
Local Economic Development						
Rural Development						
TOTAL SOCIAL ECONOMIC DEVELOPMENT						
INFRASTRUCTURE MANAGEMENT						
Integrated Environmental Management						
Housing						
Water & Sanitation						
Xxx to be added						
Xxx to be added						
Infrastructure Services						
TOTAL INFRASTRUCTURE MANAGEMENT						
Total Municipality CAPITAL BUDGET						

Table 2: Funding sources

SOURCES OF FUNDING	ORIG 2006/7 BUDGET	ROLL-OVER PROJECTS TO 2007/08	ADD FUNDING CONFIRMED FOR 2006/07	NEW TOTAL 2006/07 CAPITAL BUDGET
Loan/Self financing				
Internally funded				
Land Trust Fund				
Finance Management Grant				
DORA				
Housing & Land Affairs				
Public Works				
SRAC				
Health				
Xxx District Municipality				
Others				
TOTAL FUNDING				

2.3 BREAKDOWN OF MIG ALLOCATION ACCORDING TO DORA:

According the “Policy Framework for the Introduction of MIG” (2004), the following formulae and percentage guide are used to determine the vertical division of funds:

$$MIG(F) = B + P E + N + M$$

where

B = Basic residential infrastructure (new and rehab) with proportional allocations as under column in Table 3.*

P = Public municipal service infrastructure (new and rehab)

E = Allocation for social institutions and micro-enterprises infrastructure

N = Allocation to all nodal municipalities

M = Negative or positive allocation related to past performance of each municipality relative to grant conditions

Table 3: Vertical division of funds as compared to the MIG requirements

CATEGORIES	2006/07 (actual%)	2005/06 (planned%)	2006/07 (planned%)	MIG guide (%)
B-BASIC RESIDENTIAL SERVICES				
Water and Sanitation				
Roads				
Electricity				
Other: Solid Waste				

P-PUBLIC MUNICIPAL SERVICES				
E-SOCIAL INSTITUTIONS & MICRO ENTERPRISE				
N-NODAL MUNICIPALITIES				
TOTAL (=96%)				
SMIF & MANAGEMENT (=4%)				

In accordance with DoRA, the total allocation to Municipality in terms of the dplg 2006/07 financial year amounts to R xxx, and increases to R xxx in the 2007/08/09 financial years. Table 3 contains the detail of the Municipal Infrastructure Investment Program for the Municipality with MIG funding, incorporating the formula based MIG allocations and projections for the 2006/07 to 2008/09 projects.

In terms of the MIG formulae, an additional category is identified namely, allocation to nodal municipalities (category N). Owing directly to the fact that this category is not of relevance to Municipality, the 5% allocation has been rolled-up into Category B. Also, Categories P and E did not have any allocated and/or approved projects and the associated 20% allocations were rolled-up into Category B as well.

2.4 MAINTENANCE AND OPERATIONAL BUDGETS FOR INFRASTRUCTURE

xxx Municipality is developing an Integrated Asset Management Strategy and Capital Investment Strategy, which will inform masterplans and the IDP in address backlogs in basic infrastructure service provision and maintaining existing infrastructure. The following breakdown provides figures to the O&M budget as approved for 2006/07, which allows slightly **more / less** than the industry indication of 7-10% allocation of O&M budget towards infrastructure (inclusive of housing, water, sanitation, electricity, roads, stormwater, parks and refuse removal.

Total Municipality O&M : R xxx
 Percentage towards Infrastructure : R xxx

3. SERVICES BY THE PMU

The PMU policy sets out the functions of a PMU, which are the following four strategic focus areas:

- Infrastructure Management
- Expanded Public Works Programme (EPWP)
- Project Management
- The Municipal Infrastructure funds (including MIG)

The primary governing legislation within which the PMU must adhere is as follows:

- Water Services Act 108 of 1997
- Public Finance Management Act 1 of 1999
- Division of Revenue Act no 5 of 2004

- Municipal Structure Act 117 of 1998
- Municipal Systems Act 32 of 2000
- Municipal Finance Act of 2003
- Preferential Procurement Framework Act 22 of 2000
- Disaster Management Act 57 of 2002
- Employment Equity Act 55 of 1998.

In addition, the following documented requirements to be adhered to are the following:

- MIG Policy Framework
- MIG Guideline Document
- Expanded Public Works Framework (Labour intensive objectives)
- Code of Good Practice for Special Public Works
- Municipality Procurement and Financial Policies, Regulations, Processes, and Procedures
- Municipality Integrated Development Plan

The PMU will be responsible for the following key MIG functions and outputs at an operational level:

3.1 FINANCIAL MANAGEMENT:

The PMU will be responsible for the financial administration of MIG funds, within the Municipal and National accounting systems – as relating to infrastructure projects within Municipality.

3.2 PROJECT IDENTIFICATION / FEASIBILITY PROCESS.

Projects identified through the IDP process will be submitted to the PMU with the assistance of the technical staff from all the Departments within the Municipality. In this process, IDP officials and provincial sector Departments will be involved to ensure the alignment with the Provincial plans. The PMU will liaise very closely with the technical and planning Departments.

3.3 SPECIAL MUNICIPAL INFRASTRUCTURE FUND (SMIF)

Application of SMIF projects will be coordinated and monitored through the PMU, with the technical support and assistance of the technical Departments – who will identify and motivate these projects to PMU.

3.4 CONTRACT ADMINISTRATION

The coordination of the administration of service agreements and contracts with contractors, consultants and service providers for each project, including feasibility and backlog studies.

3.5 PROGRAMME / PROJECT MANAGEMENT

The PMU will be responsible for the management of the Municipality infrastructure programme, as well as physical project implementation activities while ensuring that:

- All projects meet overall planning objectives and specific key performance indicators as per approved business plan to the MIG unit.

- The coordination of regular progress meetings at local level and the presentation at the Provincial and National Progress meetings.
- The associated project management and administrative functions as required as from project registration, evaluation and deviations reporting/motivations through to final project completion reports.

3.6 MONITORING DATABASE

The PMU will be responsible for the management of the monitoring database and the preparation of all necessary reports to municipal and relevant Provincial and National Departments.

3.7 PROJECT MONITORING AND EVALUATION

The PMU will be responsible for;

- Socio-economic impact assessments detailing how the MIG programme has impacted on the communities and Municipality in terms of skills development, community involvement, municipal partnerships, local economic development, and service delivery.
- Facilitation of backlog studies and environmental impact assessments of projects when necessary.

3.8 OTHER CAPITAL WORKS FUNDING

Capital works funded from other sources will be included within the competence of the PMU.

3.9 PROJECT BASED CAPACITY BUILDING

The PMU will be responsible for the co-ordination of project-based capacity building and developmental initiatives. The capacity building component of MIG is only concerned with projects and the arrangements relating to the effective delivery of municipal infrastructure. Hence, capacity building will be targeted in the following manner:

➤ Communication / Community Liaison

The objective of the above programme is to address issues of non-payment for Municipal Services and Unaccounted Water and Electricity to ensure the continuation of services provision to the targeted communities on a financially sustainable basis. The Communication/Community Liaison process should ensure “buy-in” from the targeted communities/customers and acceptance of the processes becomes a critically important milestone to be achieved as fore-runner to many other programmes.

➤ Project Management Training

The objective of the above programme is to enroll and support municipal project managers in an advanced accredited project management course. The theoretical component will be directly linked with practical implementation of an existing and specific MIG or non-MIG capital project/programme. All aspects of advanced project management will be addressed, to include project planning, implementation and after-care (operations and maintenance). In addition, officials need to attend CETA EPWP courses to prepare and executed in accordance with the EPWP guidelines. These courses will be identified and attendance coordinated by the PMU. Of essential need is the EPWP required NQF 5 and 7 training, and introductory and advanced project management.

➤ *Community Capacity Building*

The community will be trained through specific pre-identified projects by involvement on the project planning and construction. The small contractor development initiative of the Municipality will also be part of this programme. Community-based organizations, SMMEs and/or individuals will be identified for training and possible future operations and maintenance programmes. Training will either constitute of accredited or non-accredited training.

3.10 OPERATION AND PLANNED MAINTENANCE

It is the responsibility of the PMU to ensure that the Municipality allocate the necessary resources to fulfill the operations and maintenance obligations associated with all the capital projects. The PMU will assist wherever possible with regard to the planning and implementation of the O&M programmes, directly and indirectly, and implement a monitoring and evaluation process.

3.11 ISMIS (INTEGRATED SPATIAL MANAGEMENT INFORMATION SYSTEM (aka GIS)

Though the functions of the GIS will be based at the provincial offices (dplg MIS), xxx Municipality intends to incorporate the MIG related projects into the municipal systems. GIS is recognized for the huge importance that it plays in connecting and manipulating different data sources. Currently, each department manages their data independently to some extent, which is not a fully productive manner of data management and utilisation. All software and programming will be channeled into a system where the benefits of input can be shared by all stakeholders and hence, the objectives of the ISMIS will be: strengthening and effectively manage and implement Municipality IDP process; improve the quality and cost effectiveness of serviced delivery; improve revenue collection; manage the municipal assets and improve utilization of the municipal human and other resources. Hence, the ISMIS will be used as a tool to plan, maintain, operated, monitor performance, development asset registers, etc and the municipal GIS will be integrated and linked to the financial and infrastructure management software.

4. PMU STRUCTURE

4.1 STAFF STRUCTURE AND COSTING

Part of the PMU will be funded through the MIG grand allocation made to the Municipality to the value of 0.5 to 5.0% of the total annual allocation. All measures were taken into consideration to ensure the cost effectiveness of the PMU.

The PMU will be responsible for the work schedule as scoped above, and will be guided by strategic and policy contributions from the provincial MIG Programme Manager (PPM). The PMU will be managed on a full time basis by a dedicated PMU Manager (with a technical/engineering background) and assisted on a full-time basis by an administrative assistant. A 20% time allocation was done for support services by the Director of Financial Management department of the Municipality.

The resources to be used in the PMU comprise of a mix of dedicated full-time and internal municipal staff that will be seconded to the PMU on a part-time basis. A time-cost allowance is

also made for consultants or professional/specialist service providers (PSP) over a period of 3 years – these will be procured and available from a draw-down list of PSPs. The following schedule reflects the human resource component required to operate the PMU. The personnel composition is representative of a fully inclusive PMU team, which could change depending upon capacity constraints and personnel turnovers within the Municipality from time to time. The total billing per month amount to R xxx

Table 4: PMU management and implementation team

RESOURCE DISCRPTION	PERSON APPOINTED / ALLOCATED	EMPLOYMENT STATUS	TIME COST RATE	CHARGE OUT RATE / month	TOTAL BILLING/ MONTH
*PMU Manager					
*Secretariat					
Departmental coordinators					
Project Managers					
*Financial / Legal Services					
Administration OH&S Auditing staff					
Infrastructure Management					
IT / GIS technician Data capturer					
CLO's / community workers					

4.2 STAFF OPERATIONAL RESPONSIBILITIES / OUTPUTS

PMU MANAGER (Q: NQF 7 – ENGINEERING/TECHNICAL)

- The project manager will coordinate, project manage and financially administer the MIG in municipal area of jurisdiction.
- Ensure project compliance with all applicable legislation, policies and conditions applicable to MIG.
- Project performance and cash flow reviews.
- Liaison with the provincial and the Senior MIG Manager as well as other line function departments through formal regular evaluation / progress meetings and on an adhoc basis.

- Submission of monthly, quarterly, biannual, annual and adhoc reports to DPLG as determined in applicable legislation or required by the MIG Management Unit.
- Responsible for the management of the PMU unit and their respective outputs.
- The PMU manager or delegated coordinator will be reporting to the Executives: Strategic and Municipal Infrastructure on all the MIG related matters.
- The delegated appointed coordinator for the Municipality will perform this function.
- Ensuring that the MIG program are fully reflected and aligned with the Integrated Development Plan of the Municipality, and updated annually.

SECRETARIAT

The already existing secretariat functions in technical offices will be utilized for this function in the interim, to be transferred with the additional appointment of a full time administrator.

PROJECT MONITORS (Community members who had formal Project management training)

The project monitors who are already functional within the municipality will be utilised for this function. These include the existing IDP-, Performance Management-, EPWP and Human Resource designated Managers, who will allocate 20% of their time towards MIG monitoring and reporting. Two additional community liaison coordinators will need to be recruited through the MIG management funds as they are not the full time employees of the Municipality but will be appointed on renewable five years contract. A municipality is divided into very distinct rural and urban/semi-urban areas. Due to the number and magnitude of projects taking place in these areas, two monitors are required per area for the effectiveness of monitoring.

The functions of the project monitors will be;

- To monitor the project with regards to outputs as planned on the registration form.
- To ensure the community involvement in the projects from inception to completion stage.
- To ensure the adherence to the EPWP framework and guidelines on projects and report on such.
- Monitor other municipality projects funded from other grants and internal funds and benchmark Municipality against these best practices and performances.
- Liaise with the community and the communication office on the project launches within the Municipality.

DEPARTMENTAL COORDINATORS (Professionals from all relevant Departments)

The functions of the Departmental Coordinators will be;

- Compiling technical business plans, provide technical support and evaluation of proposed projects in alignment with the respective Municipal IDPs, and the regional and provincial growth and developmental plans.
- Project-manage the labour intensive projects in line with the EPWP framework and the related reporting requirements.
- Project-manager other capital projects in accordance with quality criteria and national guidelines applicable to the industry.
- Arrange regular project progress meeting.
- Ensure compliance of all legal aspects and conditions required from the different spheres of government.
- Conduct site visits / meetings to ensure compliance to business plan conditions.

- Manage cash flows and committed project expenditure.
- Verify payment certificates and preparation of monthly payment schedule documentation.
- Maintain project performance data on national database.
- Assist with other related municipal infrastructure programmes.

FINANCIAL / LEGAL

The Financial Services Manager duties will be as follows:

- Final compilation of monthly, quarterly, bi-annual and annual reports to the MIG manager.
- Monitor the consolidated cash flow performance reports on each project and the regional programme collectively.
- Verify and reconcile quarterly transfers from National to the municipality.
- Compile all financial reports (DORA).
- Audit compliance of all legal conditions required from different spheres of the government.
- Audit and administer the monthly claims and expenditure.

ADMINISTRATION / OH&S AUDITING

Administrative person will be identified from the departmental team and be seconded to the PMU.

- Administrative duties required by the PMU team.
- Processing of related correspondence and assistance in report generation.
- Data audits
- Register maintenance: site-visit reports, OH&S register, etc.

DATA CAPTURER / IT Capabilities / GIS

The existing GIS manager will coordinate and manage the MIG outputs in terms of GIS requirements, using the existing GIS system. The services of a data capturer will be procured for utilization by the PMU to:

- Manage and maintain the National monitoring database.
- Liaise with the provincial and National IT specialist on related issues.
- Provision of quality control of data and information technology.
- Manipulation of data for the preparation of all necessary reports to the municipal and the relevant provincial and national departments.

COMMUNITY OFFICER / COMMUNICATIONS

The Municipal communications office will be used to coordinate MIG communication activities:

- Design and implement communications strategy in line with the provincial and national objectives.
- Prepare and implement a MIG capacity building business plan in alignment with the municipal Communication's policies.
- Facilitate community liaison linkages to ensure full community participation at all stages of the project's life cycle.
- Conduct bi-annual socio-economic impact assessments on selected projects as required by the MIG unit.

- Coordinate the project based capacity building.
- Monitor and report on implementation of capacity building initiatives.

Note: The Municipality, in conjunction with DPLG and the provincial department, reserve the right to expand or reduce the scope of the work as the circumstances may dictate.

5. IMPLEMENTATION PHASES

5.1 STAFF APPOINTMENTS

As per detailed staff requirements, staff with the appropriate qualifications will be appointed either by internal transfers / secondments where the capacity is available or externally for the vacancies indicated under PMU Manager, Project Managers, Administrative and Data Capturing. The unit will function from the already existing Municipality Performance Management System, where the PMU Manager reports directly to the Municipal Manger. This team will be fully recruited and functional by xxx (date).

5.2 OFFICE ENVIRONMENT AND EQUIPMENT

Most of the equipment, furniture, office space and other resources as required by the PMU will be provided by the Municipality, with the exception of procuring the following essential equipment:

- xx laptop computers
- xx scanner
- xx copier/faxer/ scanner
- xx destops
- xx MSProjects and licences
- xx GPS
- xx furniture
-

The office will be equipped in terms of the required logistics, computer hardware and software requirements including necessary environment, equipment and data linkages in support of the National Information Data System. Upon procurement of the above, further contact will be made with Province or DPLG to advice the Municipality as to what the requirements is.

5.3 TRAINING

Training needs will be identified with time and wherever the need may be, training requirement will be addressed either through the Municipality, Provincial or National Departments. Training will either be of management, technical or legal nature. Training for all the technical staff will be arranged with the CETA to ensure that all the supervisors and managers conform to the requirements of the Department of Public Works (NQF 5 & 7). The following training is earmarked for 2006/07

- 15 Damelin project management (accredited)
- 5 NQF 5
- 3 NQF7
- 15 MSProjects
- 7 MSWord and Excell

5.4 IMPLEMENTATION OF MIG MANAGEMENT SYSTEMS

The MIG management system developed by National MIG management will be established within the municipal systems by the PMU. National DLG, who will advise the Municipality as to when this will be implemented, will coordinate all the required systems. The time frames for this will depend solely on the finalization of the systems by National dplg, but the following delivery is planned for FY 2006/7:

- Incorporate EMIS (Engineering MIS software)
- Link of financial system with EMIS and municipal GIS
- Link with national MIS.

6. CONCLUSIONS

6.1 GENERAL

It is the intension of the Municipality to serve the community and ensure that the backlog is eradicated with regard to the provision of basic and essential services. Several studies are being undertaken by the Municipality to determine the backlog with respect to services and informal settlements. Thus far the Municipality has relied on Statistics SA 2001 to provide indicators and baselines, but this study is considered out-dated and not representative of the actual figures and circumstances of our population. The Municipality can therefore not rely on this as a planning tool. Hence, there is a need to verify and consolidate this data and present it as accurate and user friendly as possible. The verification should include the physical site visits and where possible physical counts. The current Water Services Development Plan (WSDP), rural water and sanitation and master planning projects include such visits, surveys and counting exercises, which will systematically be used to build a representative database, which can be used in benchmarking comparatives. These planning documents will also focus on a single implementable strategy to phase out the backlog, as one outcome. An expansion of the existing WSDP content will be done to complete the backlog and strategy component, which will serve to fast-track the establishment of concrete baselines and measure and predict/plan progress from these- and against available benchmarks. Also, the WSPD will incorporate an integrated asset management plan.

6.2 FINANCIAL SUMMARY

CAPITAL / OPERATION COSTS

The PMU allocation will be used to acquire and equip the necessary offices, equipment and furniture for the PMU team and in the interest of optimal PMU functionality. The Municipality will be liable and responsible for all additional operational costs to sustain the PMU. The "Guide for the Establishment of a PMU by Municipalities (2004)" specifies that PMUs will be funded from the MIG allocation and will be subject to a minimum of 0.5% and a maximum of 5% of the total grant allocation for the PMU area. From the accumulated total under *Cash Flow Projections* below, the final PMU will require an allocation of R xxx for FY 2007/8, which amounts to xxx % of the total grant (R xxx), thereby within the MIG guidelines. The plans for the concurrent financial years are indicated as follows:

April 2006 – March 2007:

• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx

Allocation (R)**TOTAL:****R xxx****April 2007 – March 2008:**

• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx
• Item / Expense	xx

TOTAL:**R xxx****CASH FLOW PROJECTIONS**

The cash flows are projected with the assumption that the submitted PMU business plan will be approved by February 2006 for which claims will be processed and submitted according to cashflow projections, with an actual expenditure with proof of expense to be attached to the monthly report:

Cash flow projections: April 2006 – March 2007

April 06	May 06	June 06	Jul 06	Aug 06	Sept 06
R xxx					

Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07
R xxx					

April 07	May 07	June 07	Jul 07	Aug 07	Sept 07
R xxx					

Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08
R xxx					

- Annual cost 2006/07: Total = R xxx
(2006/7 costed at current rates and tariffs)
- Annual cost 2007/08: Total = R xxx
(2007/08 escalated at 10).

6.3 KEY OUTCOMES / DELIVERABLES PARTICULAR TO Municipality XXX

Municipality will through the MIG programme be able to address key issues of:

- ✓ Good Governance
- ✓ Economic growth and development
- ✓ Environmental responsibility
- ✓ Training and capacity building
- ✓ Integrated asset planning, development and management

The above high-level outcomes are addressed in alignment with the respective Key Performance Areas and Indicators as per the existing Performance Agreements in the respective municipal departments and per PMU member. Once the consolidation of the backlogs has been done and specific baselines established, a strategy with objectives and benchmarks, with comparative progress indicators will be finalised.

6.4 IMPLEMENTATION TIMELINE:

There are some external factors that will directly influence the time frames, and which are planned for as part of the dependencies and “risk”:

- Approval of PMU business plan by dplg
- Transfer of MIG funds by month end to cover PMU expenses
- Availability expertise in open market / sector
- Internal capacity to execute PMU business plan (procurement of goods, etc)

6.5 RECOMMENDATIONS

Xxx Municipality herewith recommends that the PMU Business Plan for the Municipality be approved by the National Programme Manager as outlined.

PMU Manager:

Date

Chief Financial Officer:

Date

Municipal Manager:

Date

**Municipality
PMU BUSINESS PLAN**

ANNEXURE A:

Capital Programme for Municipality – Service Delivery Focus Areas / Departments

**Municipality
PMU BUSINESS PLAN**

ANNEXURE B:

Operating Budget 2004/05 – Infrastructure O&M