

**BUDGET SPEECH BY THE MAYOR OF LEPELLE-NKUMPI, HER
WORSHIP, CLLR NAKEDI SIBANDA-KEKANA ON THE
APPROVAL OF THE INTEGRATED DEVELOPMENT PLAN AND
BUDGET FOR THE FINANCIAL YEAR 2018/19 DURING A
SPECIAL SITTING OF COUNCIL HELD ON 31 MAY 2018 @
LEBOWAKGOMO CIVIC CENTRE**

Honourable Speaker, Cllr Ntsoane

Chief Whip of Council, Cllr Thobejane

Members of Executive Committee

Chairperson of Oversight Committees

Honourable Councillors

Magoshi a rena

Executive Management Team led by Ntate Ben

Mothogoane

Ladies and Gentlemen

Thobela, Dumelang, Re a lotsha. Greetings to you all.

On 24 May 2018 the State of Municipal Address was delivered to the residents of Lepelle-Nkumpi under the theme; **“Making Your Future Better – Learning from Madiba”**

I highlighted to fellow residents of Lepelle-Nkumpi that the first responsibility of leadership is to be realistic, no matter how much unpleasant it may be to the majority of people. The second is to restore hope in the midst of uncertainty. After-all, leadership is about being servant of the people.

SOMA addressed the reality that faces our municipality and which negatively impacts on its ability to help our community to resolve social and economic challenges facing them. Leadership must give hope to the people by informing them about the strategies and programmes put in place to mitigate such challenges facing the institution, and consequently the area as a whole.

Honourable Speaker, we also declared that together we are walking into the **New Dawn** which will lead us to the golden age in which all problems will be solved and our wildest hopes will be fulfilled. We agree with President Ramaphosa that **“we have been given the responsibility to build a new nation, to confront the injustices of the past and inequalities of the present. We are called upon to do so under difficult conditions.”** Hence our responsibility to develop an IDP and allocate resources through the budget that speaks to the fulfilment of such declaration.

Honourable Speaker, I am required as the Mayor, in terms of section 24 of Local Government Municipal Finance Management Act 56 of 2003, whose supreme purpose is to secure sound and sustainable financial management in municipalities, to present before your good selves a budget for approval at least 30 days prior the commencement of the financial year.

It is from this MFMA mandate that we are meeting here today, to present the draft Integrated Development Plan and Budget for 2018/9 Financial year for Lepelle-Nkumpi Local Municipality.

This budget is guided by the practical prioritization determined by the realities of financial capacity and also information sourced from consultations held with our communities. The following budget principles and guidelines directly informed the compilation of the 2018/19 Medium Term Revenue and Expenditure Framework:

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and

provincial budget and have been gazette as required by the annual Division of Revenue Act;

- Guidelines issued by the National Treasury on the projected inflation adjustments upon which the budget is based.

Honourable Speaker, allow me to highlight a few pertinent issues regarding the budget;

Our total operating revenue for the financial year 2018/19 amounts to 578 million and declines to R530 million and R555 million respectively for the two outer years of the medium term revenue and expenditure framework. Just over 50% of the total budgeted operating revenue is from government grants. This is a clear indication of the municipality's over reliance on government grant funding.

Total operating expenditure stands at R368 million for the 2018/19 financial year and will, in line with declining operating revenue, decline to R351 million and R370 million over the MTREF period. Significant to the above figure is the employee related costs which stands at R98.6 million for the financial year in question. This represent just over 27% of the total operating budget. The municipality is well within the national benchmarks of 35%

Our capital budget for the 2018/19 financial year stands at R196 million of which R57 million is derived from Municipal Infrastructure Grant. The remainder of the capital expenditure will be funded through own funding of the municipality. A detailed breakdown of how the capital budget was appropriated is contained in the budget document.

Before I conclude Honourable Speaker, allow me to highlight the following notes which I would like Council to consider incorporating into the budget;

- Electrification of 10 households in Lebowakgomo Zone B be moved from the 2019/20 financial year to 2018/19 financial year with a budget of R600 000. The reprioritization be funded by a cumulative sum of R200 000 each reduction from the construction of crèches projects. Thus allocating each R800 000 instead of R1 million initially indicated in the budget document.
- Lebowakgomo Conference Centre – Zone A project be renamed to Lebowakgomo Auditorium Centre – ward 15, 16, 17 & 18
- Small access bridge: Makadikadi/Ireland which was erroneously located in ward 20 be relocated to ward 30

- Sehlabeng/Hlakano: Construction of Stormwater drainage (ward 11) be changed to also include ward 10
- Public lights projects in Mashushu be renamed to Public lights Mphaaneng in ward 28
- Upgrading of Hwelereng access road from gravel to paving blocks and stormwater control (multi-year) (ward 26) be renamed Upgrading of Hwelereng access road from gravel to tar and stormwater control (multi-year) (ward 13)
- Construction of hawker stalls in Moletlane ward 12 budget of R1, 025 million be removed from the budget. The saving shall be regarded as a surplus until a new project is identified in the 2020/2021 financial year.
- Upgrading of internal streets from gravel to block paving – Lebowakgomo Zone B be renamed to upgrading of internal streets from gravel to block paving Zone S (Ward 16) – Phase 1
- The three projects on the upgrading of access roads at meshate ya Ga-Kekana, Ga-Ledwaba and Ga-Mphahlele be renamed to upgrading of access roads at meshate ya Ga-Kekana, Ga-Ledwaba and Ga-Mphahlele to paving blocks.

Honourable Speaker, in the spirit of Thuma Mina, I hereby table the 2018/19 financial year IDP and Budget for

approval with the abovementioned amendments together with all budget related policies including the following:

- Final Tariff Structure,
- SCM Policy,
- Model SCM Policy for Infrastructure Procurement & Delivery Management 2018/19 Financial Year,
- Asset Management Policy,
- Final Credit Control & Debt Collection Policy,
- Final Bad Debts & Write-Off Policy,
- Final Tariff Policy,
- Budget & Virement Policy,
- Cash & Investment Management Policy,
- Indigent Policy and
- Property Rates Policy.

I accordingly move.

I thank you. Ke a leboga. A re romegegeng.



Cllr. Nakedi Sibanda-Kekana

Mayor