

LEPELLE-NKUMPI LOCAL MUNICIPALITY

2016/17 MID-YEAR PERFORMANCE REPORT

COMPILED IN TERMS OF SECTION 72 OF THE MFMA (2003)

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"Motho ke motho ka batho"

Initial: Municipal Manager:

PM

Initial: Mayor:

ME

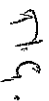
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Initial: Municipal Manager:



Initial: Mayor:



ACRONYMS

AFS	: Annual Financial Statements
CAPEX	: Capital Expenditure
CDM	: Capricorn District Municipality
CDW	: Community Development Workers
CFO	: Chief Financial Officer
EEP	: Employment Equity Plan
EM	: Executive Mayor
EPWP	: Expanded Public Works Programme
FBW	: Free Basic Water
HRM	: Human Resource Management
HRD	: Human Resource Development
ICT	: Information Communication Technology
IDP	: Integrated Development Plan
ISDF	: Integrated Spatial Development Framework
KPA	: Key Performance Area
KPI	: Key Performance Indicator
LED	: Local Economic Development
LM	: Local Municipality
MFMA	: Municipal Financial Management Act
MIG	: Municipal Infrastructure Grant
MIM	: Municipal Manager
LGMPMR	: Local Government Municipal Performance Regulation
PMS	: Performance Management Systems
SDBIP	: Service Delivery and Budget Implementation Plan
PTO	: Permission to Occupy
CSD	: Central Supply Database

Initial: Municipal Manager:

R.M.

Initial: Mayor:

M.G.

STRATEGIC OVERVIEW

Vision

"Be financially viable municipality, geared towards the improvement of quality of life of the people by providing sustainable services".

Mission

"To effectively provide quality services and thus make a significant contribution to social and economic development of the community.

Values

- Honesty
- Transparency
- Ubuntu
- Consultation
- Value for time and money
- Access to information
- Access to services

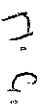
Municipal Powers and Functions

The provision and maintenance of child care facilities;	Administer cemeteries, funeral parlours and crematoria;
Development of local tourism;	Cleansing;
Municipal planning;	Control of public nuisances;
Municipal public transport;	Control of undertaking that sell liquor to the public;
Municipal public works;	Ensure the provision of facilities for the accommodation, care and burial of animals;
Storm water management systems;	Fencing and fences;
Administer trading regulations;	Licensing of dogs;
Provision and maintenance of water and sanitation;	Licensing and control of undertakings that sell food to the public;
Administer billboards and display of advertisement in public areas	Administer and maintenance of local amenities;

Initial: Municipal Manager:



Initial: Mayor:



Development and maintenance of local sport facilities;	Development and maintenance of municipal parks and recreation;
Develop and administer markets;	Regulate noise pollution;
Administer Pounds;	Administer street trading;
Development and maintenance of public places;	Provision of municipal health services.
Refuse removal, refuse dumps and solid waste disposal;	

The division of powers and functions between the district municipalities and local municipalities were adjusted by Limpopo MEC for Co-Operative Governance in terms of Sections 16 and 85 of the Municipal Structures Act, 1998 and published in Provincial Gazette No. 878, dated 07 March 2003. The following district municipal powers and functions were transferred to Lepelle-Nkumpi Municipality:

Solid waste disposal sites;	Promotion of local tourism; and
Municipal roads;	Municipal public works relating to any of the above functions or any other functions assigned to the local municipality.
Cemeteries and crematoria;	

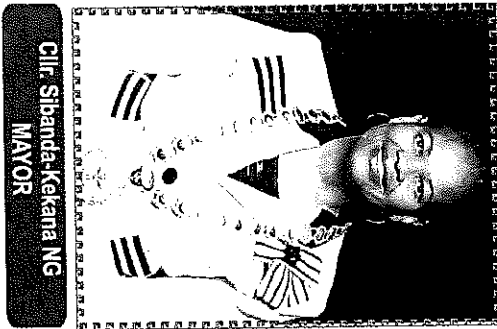
Lepelle-Nkumpi is one of the five local municipalities within the Capricorn District Municipality in Limpopo Province and is located in the southern part of Capricorn District. The municipality is pre-dominantly rural with a population of approximately 230 350 people. It covers 3,454.78 km², which represents 16% of the District's total land area and is divided into 29 wards which comprise a total of 93 settlements. About 95% of its land falls under the jurisdiction of Traditional Authorities.

Political and Administration

Initial: Municipal Manager: *RM*

Initial: Mayor: *T.G.*

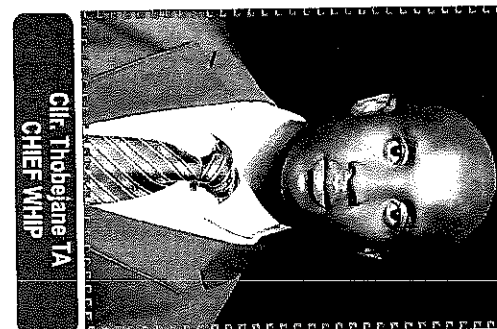
PMT MEMBERS



Cllr. Sibanda-Kekana NG
MAYOR

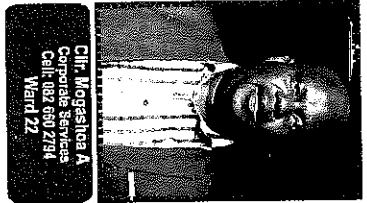


Cllr. Nisoame PB
SPEAKER

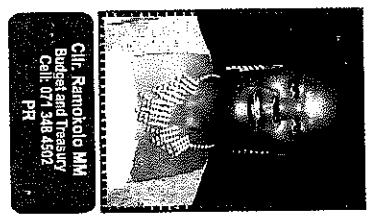


Cllr. Thobejane TA
CHIEF WHIP

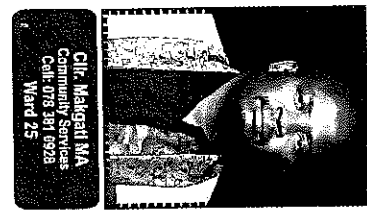
PORTFOLIO CHAIRPERSONS / EXGO



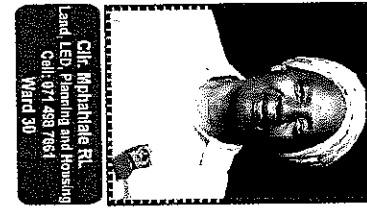
Cllr. Mogašiba A
Corporate Services
Cell: 082 660 2794
Ward 22



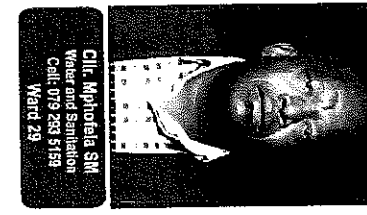
Cllr. Ramokolo MM
Budget and Treasury
Cell: 071 348 4502
PR



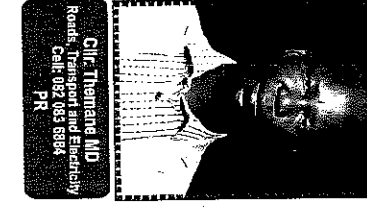
Cllr. Makgati MA
Community Services
Cell: 073 381 6928
Ward 25



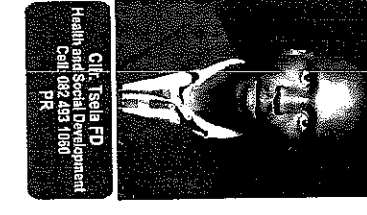
Cllr. Mphahlele RL
Land LED, Planning and Housing
Cell: 071 489 7681
Ward 30



Cllr. Mphahlele SM
Water and Sanitation
Cell: 019 233 5159
Ward 29



Cllr. Themane MD
Roads, Traffic and Electricity
Cell: 082 103 5884
PR



Cllr. Tšaba FD
Health and Social Development
Cell: 022 493 1060
PR



Cllr. Malulaka HD
Sports and Recreation
Cell: 078 034 2046
PR



Cllr. Mphahlele MTR
Chairperson without Portfolio
Cell: 072 258 4349
PR

Initial: Municipal Manager:

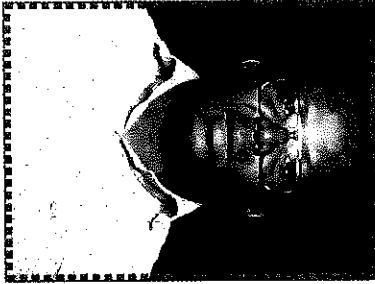
RM

Initial: Mayor:

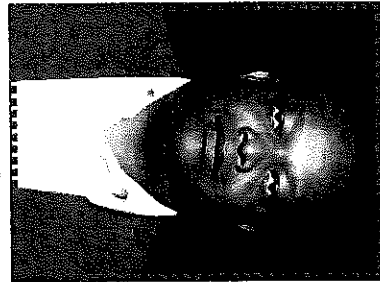
T. G.



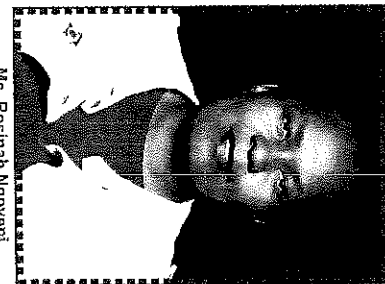
Ms. Lovoy Mofiba
Executive Manager: Community Services
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Office: 015 633 4576
E-mail: lovoy.mofiba@lepelle-nkumpi.gov.za



Mr. Obakeng Mashiane
Executive Manager:
Planning & Local Economic Development
Cell: 082 928 9781
Office: 015 633 4581
Email: obakeng.mashiane@lepelle-nkumpi.gov.za



Mr. Lesley Muroa
Executive Manager: Technical Services
Cell: 072 752 1559
Office: 015 633 4534
E-mail: lesley.muroa@lepelle-nkumpi.gov.za



Ms. Rosinah Ngoyani
CFO: Chief Finance Officer
Cell: 074 512 1876
Office: 015 633 4520
E-mail: rosinah.ngoyani@lepelle-nkumpi.gov.za



Executive Manager: Corporate Services



Municipal Manager

Initial: Municipal Manager:

EM

Initial: Mayor:

M.G.

FOREWORD BY THE MAYOR

Lepelle-Nkumpi municipality approved Service Delivery and Budget Implementation Plan in June 2016. In the last six months, much has taken place which has implications for government. There has been much speculations and expectations. As all these kept un-folding, government and its responsibilities on service delivery kept on moving from a lower level to a higher one.

Through the development and adoption of Integrated Development Plan of the municipality, as well as other concerted and sustainable programmes of action of Council , this municipality has managed to deliver services and implement its programmes in terms of the Council approved budget over the last two quarters of 2016/17 financial year.

Although some accomplishments can be evidenced in certain areas and we recognise that multitudes of the challenges still face our municipality and consequently communities serviced by this municipality. In relation to this, the financial challenges that face the municipality have led to the institution in adopting the conservative approach to spending. This means that other projects had to be delayed and others postponed to the next financial year. However, within these constraints, the administration has not compromised delivery in the key areas such as provision of basic services such as electricity and road infrastructure to bring about the quality of life to the municipality.

We have managed to tar various roads in some wards and repaired or maintained the existing ones. All our villages are electrified and our current electrification projects deal mainly with post connection extensions. Community halls have been built in addition to the ones constructed previously in various wards. Together with Provincial government we introduced Community Work Programme in some wards in order to create temporary relief for poverty stricken families through part time jobs. Private sectors have built two shopping malls which are now operational.

The mid-year performance report of the Lepelle-Nkumpi local municipality for the financial year 2016/17 reflects on the achievements and challenges confronting the municipality. based on these reflections ,it could be concluded that regardless of the challenges, through collective efforts the municipality is ascertain that is on a firm course of delivering on the targets that have been set at the beginning of the financial year.

I thank you.



Municipal Mayor

Her Worship Sibanda-Kekana NG

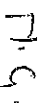
Date

25/01/2017

Initial: Municipal Manager:



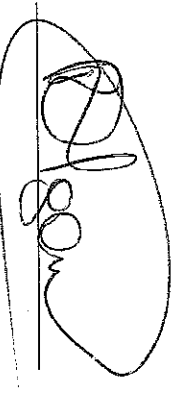
Initial: Mayor:



ACTING MUNICIPAL MANAGER'S OVERVIEW

The Municipal Finance Management Act of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan as an implementation and management tool to ensure that budgetary decisions that are adopted by the municipalities for the financial year are aligned with their Integrated Development Plan. Section 72 of the MFMA compels the Accounting Officer of a municipality to submit a Mid-Year Budget and Performance Assessment Report by 25 January of each year to the Mayor, National Treasury and the Provincial Treasury. The Council should reserve its oversight role over the performance at the end of the financial year when the Annual Report of the municipality is tabled. It is however, important that the in-year reporting should serve as an early warning indicator for poor performance and to give both the council and administration the opportunity to take corrective measures in those areas where poor performance is reported.

For the financial year 2016/17 the Lepelle-Nkumpi local municipality set itself targets which seek to ensure the realisation of the broader vision and mission of the municipality. In relation to this, various objectives were identified with specific performance indicators and the targets clustered together in relation to the Outcome 9 of the National Strategic Agenda highly aiming at achieving a "Responsive, accountable, effective and efficient local government system". Below is the executive summary of departmental performance from the 1st of July to 31 December 2016, in each Output identified in the Outcome 9.



Acting Municipal Manager

Mrs Ngoveni RM

25/01/2017

Date

Initial: Municipal Manager: 

Initial: Mayor: 

The Monthly budget statement for the financial year (Mid-year Performance): Monthly Projections of Revenue to be collected by Source: Year: 2016 AND 2017

Revenue by Source	Jul		Aug		Sep		Oct		Nov		Dec	
	projection	actual	projection	actual	projection	actual	projection	actual	projection	actual	Projection	actual
Consumer Debtors	1 673 822.22	404427.25	1 952 792.59	238275.95	2 231 762.96	202 140.04	1 813 307.40	458 670.48	2 092 277.77	518 081.89	2 510 733.33-	228 419.26
Grants	15 571 915.56	17 769 000.00	18 167 234.82-	2134000.00	20 762 554.08	0,00	16 869 575.19	0,00	19 464 894.45-	583 000.00	23 357 873.34-	19 333 000.00
Interest & Investment Income	668 942.43	1 114 053.88	780 433.84	968196.23	891 923.24	1 687 397.68	724 688.63	1 200 305.56	836 178.04	1 088 553.88	1 003 414.65	75 510.70
Rent of facilities & equipment	36 049.32	70 804.89	42 058.55	78078.58	48 066.77	85 840.86	39 053.43	101 974.20	45 062.66	63 658.40	54 074.99	68 658.40
Interest Earned on Outstanding Debtors	313 418.08	21 621.22	365 654.43	18419.65	417 891.77	6 888.78	339 536.25	1 744.41	391 773.60	22 889.75	470 127.12	10 179.70
Fines	506 775.57	26 020.00	591 237.00	36335.00	675 699.42	26 350.00	549 006.78	34 595.00	633 468.21	24 855.00	760 162.85	26 060.00
Licenses & Permits	-	142086.90	-	1201682.44	-	278 566.92	-	447 762.10	-	837 255.26	-	359 503.63
Other	7 958 377.48	33 802.67	9 284 774.73	62861.56	10 611 170.98	1 269 376.27	8 621 576.61	150 384.57	9 947 972.85	60 026.24	11 937 566.22	39 948.59
Total Revenue by Source (Balanced to Cash-flow)	25 204 115.26	19 581 821.81	29 996 039.14	R 4 737 849.41	33 605 488.02	R 3 042 614.81	27 304 459.20	R 101 974.20	31 505 145.07	R 583 000.00	38 809 587.54	R 20 141 280.28

Initial: Municipal Manager:

D. J. V.

Initial: Mayor:

Total projected revenue by source
 Total actual revenue
 Difference

R 59 956 090.52
 R 48 188 540.51
-R 11 767 550.01

Percentage actual revenue 80.37 %

Monthly projections of Revenue for each vote: (Mid-year performance)

Department	July		August		September		October		November		December			
	Rev	Actual	Rev	Actual	Rev	Actual	Rev	Actual	Rev	Actual	Rev	Actual		
Executive and Council	R -	R 3 919.08	R -	R 178.03	R -	R 508.35	R 9	R 9	R 10	R 1 919.08	R -	R 1 178.03	R -	R 2 179.33
Budget & Treasury	R 10	R 3 543 765.36	R 11	R 4 983 799.72	R 13 533	R 6 042 583.62	R 10	R 4 994 423.66	R 12 687	R 4 760 295.48	R 15	R 4 90 225 292.05	R 51	R 490 234.45
Corporate Services	R 13	R 46 440.83	R 1	R 440.83	R 17 449	R 78 736.32	R 14	R 68 558.96	R 16 359	R 4 675 928.00	R 19	R 46 759.28	R 19	R 46 759.28
Community & Social Services	R 936 777.85	R 614 716.33	R 1	R 1 841 345.14	R 1 249	R 871 340.39	R 1	R 1 264 842.67	R 1 170	R 1 039 520.02	R 1	R 405 766.78	R 1	R 173 640.55
Infrastructure Services	-	R 3 903 036.64	-	R 8 233 240.75	-	R 9 522 436.39	-	R 9 597 092.29	-	R 94 846 435.71	-	R 10 652 096.86	-	R 10 652 096.86
LED	R	R	R	R 301	R	R 119	R	R	R 12	R	R	R	R	R

Initial: Municipal Manager: *BM*

Initial: Mayor: *T.C.*

	10 054.33	21 744.18	11 730.06	966.94	13 405.78	709.54	10	279	567.92	195	15 081.51	39 730.82
	R 24 184	R 8 133	R 14	R 15 407	R 32 245	R 16 644	R 26 199	R 16 206	R 30 230	R 105 518	R 36 277	R 63 404
TOTAL	484.74	622.42	473 232.21	971.41	979.68	314.61	858.49	063.01	605.94	420.29	327.14	641.29

Total projected revenue by vote

R 163 611 488.20

Total actual revenue

R 225 315 033.03

Difference

R 61 703 544.83

Percentage actual revenue

137.71 %

Monthly projections of operating expenditure for each vote: (Mid-year performance)

Department	Jul		Aug		Sep		Oct		Nov		Dec	
	Opex R	Actual	Opex R	Actual	Opex R	Actual	Opex R	Actual	Opex R	Actual	Opex R	Actual
Executive and Council	R 2 093 531.02	R 2 389 755.05	R 2 442 452.86	R 2 431 264.54	R 2 791 374.69	R 2 898 661.19	R 2 267 991.94	R 2 950 026.49	R 2 616 913.77	R 3 253 998.47	R 3 140 296.53	R 3 186 482.82
Budget & Treasury	R 4 468 656.91	R 1 307 302.53	R 5 213 433.06	R 3 091 271.32	R 5 958 209.21	R 1 440 089.45	R 4 841 044.99	R 1 279 875.43	R 558 521.14	R 1 381 000.01	R 6 702 985.37	R 1 331 710.09
Corporate Services	R 7 972 724.94	R 1 689 092.26	R 9 301 512.43	R 2 675 188.55	R 10 630 299.92	R 544 696.51	R 8 637 118.68	R 3 047 486.14	R 9 965 906.17	R 3 093 559.50	R 11 959 087.41	R 4 704 645.63
Community & Social Services	R 1 016 822.22	R 1 613 888.46	R 1 186 292.59	R 2 450 729.40	R 1 355 762.96	R 3 169 488.18	R 1 101 557.41	R 3 231 994.05	R 1 271 027.77	R 2 482 007.34	R 1 525 233.33	R 2 471 238.13
Infrastructure	R 2 376	R 2 132	R 2 772	R 2 001	R 3 168	R 2 676	R 2 574	R 2 591	R 2 970	R 2 208	R 3 564	R 2 851

Initial: Municipal Manager: *EM*

Initial: Mayor: *T.G.*

Services	441.81	307.28	515.44	621.00	589.08	964.71	478.62	124.90	552.26	687.83	662.71	812.04
LED	R 113 960.64	758 855,48	R 132 954.08	R 809 523.18	R 1 451 947.52	R 1 070 401.36	R 123 457.36	1 029 958,61	R 142 450.80	R 1 032 165.77	R 170 940.86	R 1 786 769.52
TOTAL	R 18 042 137.54	R 9 132 345.58	R 21 049 160.46	R 13 459 597.99	R 25 356 183.38	R 11 800 301.40	R 19 545 649.00	R 13 100 507.01	R 17 525 371.91	R 13 451 418.92	R 27 063 206.21	R 16 332 658.23

Total projected expenditure by vote R 128 581 708.50


Total actual operating expenditure R 77 276 829.13

Difference R 51 304 879.37

Percentage actual operating expenditure 60.10 %

Monthly projections of Capital Expenditure for each vote: (Mid-year performance)

Department	Jul		Aug		Sep		Oct		Nov		Dec	
	projection	actual	projection	actual	projection	actual	projection	actual	projection	actual	projection	actual
Corporate Services	R 1 533 000.00	R 2 129 761.81	R 1 788 500.00	R 1 709 757.69	R 2 044 000.00	R 865 602.94	R 1 660 750.00	R 261 900.89	R 1 916 250.00	R 734 361.90	R 2 299 500.00	R 0.00
Community & Social Services	R 2 241 000.00	R 0.00	R 2 614 500.00	R 0.00	R 2 988 000.00	R 1 325 430.45	R 2 427 750.00	1 525 451.25	R 2 801 250.00	R 566 691.36	R 3 361 500.00	R 1 876 491.04
Infrastructure Services	R 5 879 400.00	R 1 350 841.93	R 6 859 300.00	R 4 996 023.92	R 7 839 200.00	R 4 158 216.17	R 6 369 350.00	R 5 083 420.76	R 7 349 250.00	R 7 715 856.12	R 8 819 100.00	R 10 456 948.12
LED	R 414 000.00	R 0.00	R 483 000.00	R 0.00	R 552 000.00	R 0.00	R 448 500.00	R 0.00	R 517 500.00	R 0.00	R 621 000.00	R 0.00
TOTAL	R 10 067 400.00	R 3 480 603.74	R 11 745 300.00	R 6 705 781.61	R 13 423 200.00	R 6 349 249.56	R 10 906 350.00	R 5 345 321.65	R 12 584 250.00	R 9 016 909.38	R 15 101 100.00	R 12 333 439.16

Initial: Municipal Manager: 

Initial: Mayor: 

Total projected expenditure R 73 827 600.00
 Total actual expenditure R 43 231 305.10
 Difference R 30 596 294.90

Percentage spending 58.56 %

MID-YEAR FINANCIAL PERFORMANCE ASSESSMENT (REVENUE AND EXPENDITURE)

Description	Budget year 2016/17		
	Original Budget	Year TD actual	% receipts to date
Revenue by Source			
Property rates	21,359,921	11,480,271.64	53.75
Service charges - refuse revenue	6,537,116	3,229,226.89	49.40
Rental of facilities and equipment	604,223	469,015.33	77.62
Interest earned - external investments	11,212,148	6,251,824.86	55.76
Interest earned - outstanding debtors	5,253,202	10,142,494.98	193.07
Fines	8,494,052	174,215	2.05
Agency services	10,068,591	31,720,621.18	315.05

Initial: Municipal Manager: *RMN*

Initial: Mayor: *F.G.*

Transfers recognised - operational	208,065,926	134,470,398.40	64.63
Other revenue	124,855,981	1,554,579.80	1.25
Transfers recognised - Capital	51,466,000	22,510,337.17	43.74
Total Revenue (excluding capital transfers and contributions)	447,917,160	222,002,985.25	49.56
Expenditure By Type			% spending to date
Employee related costs	88,311,649.28	36,844,178.96	41.72
Remuneration of councillors	19,505,009.00	8,784,671.06	45.04
Debt impairment	26,428,539.00	-	-
Depreciation & asset impairment	37,289,249.00	-	-
Finance charges	28,037.00	46,917.79	167.34
Other materials	15,745,912.72	8,820,886.13	43.32
Contracted services	28,355,244.00	4,460,541.63	15.73
Other expenditure	89,776,250.00	38,306,699.29	42.67
Total Expenditure	305,439,890.00	95,263,894.86	31.19

Initial: Municipal Manager:

EM

Initial: Mayor:

T. G.

1. OPERATING REVENUE

- Interest earned - external investments
 - Unspent grant and poor spending led to high interest return
- Interest earned – outstanding debtors
 - Interest is high due to high consumer debt, the budget will be adjusted accordingly due to adjustment budget.
- Fines

The budget for traffic fines is at R8 494 052.00 and is in line with GRAP standards were fines are disclosed on accrual basis and not on cash basis.

The provision of R6 586 310.00 is made for unpaid traffic fines.

The actual cash collected out of the tickets issued is R174, 215.00 which is 2.05% of the budgeted amount.

The reason for under performance is due to manual detection of unpaid traffic fines and shortage of staff.
- Other revenue

The budget for other revenue includes the accumulated funds received from the previous years of R120 905 195
- Agency services

The budget of R10 068 591 includes an amount of R 1,340,602.00 which is 20% commission on provision of Licensing services on behalf of department of transport and commission received on sale of water and sewerage from Capricorn District Municipality of the total budget of R8,187,607. The commission from sale of water and Sanitation services is recognized during year end and actual for year to date is R28,615,325.18 and for licensing is R3,105,296.00 for the month of December 2016. The original budget disclosed the commission on invoice as per the GRAP standards.
- Transfers recognised – operational

The operating grant includes all operating grants From National Treasury as per the DoRA and allocation from CDM. The CDM grants includes among others Integrated Transport plan of R500,000, waste management cleaning of R350,000 and Eradication of Alien Plant of R1,250,000.

All conditional grants from National Treasury are received as per the DoRA allocation and payment transfer schedule.

Initial: Municipal Manager:

EM

Initial: Mayor:

TC