

**2019/2020 SPECIAL BUDGET ADJUSTMENT REPORT BY HER
WORSHIP; MAYOR OF LEPELLE-NKUMPI LOCAL
MUNICIPALITY; CLLR MERIAM MOLALA**

15 JUNE 2020

VIRTUAL

Honourable Speaker, Councillor Ntsoane

Our Chief Whip, Councillor Thobejane,

Colleagues in the Executive Committee,

Fellow Councillors,

Our Traditional Leaders;

Leaders of Political Parties in Council;

Acting Municipal Manager, Ntate Gafane, Executive Managers and
Officials of our Municipality,

Comrades and Compatriots,

Ladies and Gentlemen

The Community of Lepelle-Nkumpi Municipality

Thobela, Re a lotsha

GOOD MORNING

Honourable Speaker and honourable house, it is a privilege to table
the special Adjustment Budget for the **2019/2020** financial year to
Council for consideration and approval.

We are acutely aware that the delivery of this special adjustment budget occurs during the Youth Month.

This year marks the 44th anniversary of the 16 June 1976 student uprising in Soweto when young people protested against imposition of Afrikaans by the apartheid regime as a medium of instruction.

The uprising ended tragically with hundreds of young people brutally killed. The class of 1976 became history makers as their actions had a profound change on the socio-political landscape of our nation.

This year National Youth Day and Youth Month will be celebrated under the theme: **“Youth Power; Growing South Africa Together In The Period of COVID-19.”** They will take place as the country undergoes a national lockdown to fight the spread of COVID-19, therefore Youth Month programme will be hosted virtually through various online platforms such as social media, Web-based seminars (Webinars), Virtual Masterclasses, Television and Radio.

Moreover, today's youth activism are also called to play a role in tackling the challenges of poverty, unemployment, HIV/AIDS, drug abuse and alcoholism, personal development, economic freedom and the development of our municipality and our country.

Honourable Speaker and Honourable House,

President Cyril Matamela Ramaphosa declared a nationwide lockdown, where all citizens, except those that form part of essential services, were ordered to stay home for a period of 21 days and this commenced on Thursday, 26 March 2020.

Municipalities were exempted from the timeline provisions in the MFMA, until such time that the national state of disaster declaration was lifted by the Minister of Co-operative Governance and Traditional Affairs.

It also provided for a special adjustments budget to address any expenditure relating to COVID-19 for the current municipal financial year ending 30 June 2020. Municipalities were expected to note that only one adjustment budget will be allowed between the date of the declaration of the national state of disaster and today, 15 June 2020, which is the date when it was envisaged to end in terms of the Disaster Management Act (DMA).

In terms of Section 28 (2)(b)(d) and (f) of the Municipal Finance Management Act and Municipal Budget Reporting Regulations, an adjustment budget may be tabled to council during a financial year and in addition if the Provincial or National budget allocates or transfer additional revenue to the municipality.

In this case the Mayor of the municipality must at the next available council meeting but within 60 days of the approval of the relevant Provincial or National adjustment budget, table an adjustment budget referred to in Section 28 (2) (b) of the MFMA to appropriate this additional revenue.

In addition to the above Act, Section 24 of the said Act indicates that an adjustment budget referred to in Section 28 must be tabled to the Council at the first opportunity after the unforeseen and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29 (3) of the Act.

In this regard Honourable Speaker, the municipality has received an amount of **R298 000.00** from National Treasury to deal with COVID-19 pandemic. The special adjustment budget for the **2019/2020** MTREF will be affected as follows:

- ✓ An additional **R298 000.00** has been received from Municipal Disaster Grant for COVID-19 relief,

- ✓ An amount of **R151 000.00** have been spend on overtime during level 5 and 4 of the lockdown,
- ✓ An amount **R81 000.00** have been spend on Travelling and Subsistence during level 5 and 4 of lockdown.

Due to COVID-19 pandemic we have received a correspondence from National Treasury requesting all the municipalities to make submissions of any uncommitted funds against the MIG on which may be utilised against the COVID-19.

Based on the correspondence from the National Treasury, we propose the following:

1. To move the following projects which were funded from own funding to be funded by MIG to improve the expenditure as we were unable to spend due to COVID-19 level 5 and 4 which restricted construction of projects:-

Development of Recreational Facilities at Makushwaneng in Ward 7	R320 000.00
Development of Recreational Facilities at Maijane in Ward 24	R1.3 million

2. To move MIG Projects which were approved in the MTREF Budget, i.e. **2020/2021** and **2021/2022** but not prioritised in the current financial year (**2019/2020**) to be prioritised:-

Upgrading of Mashite road from gravel to tar and storm water control in Ward 25 (Multi Year)	R1.9 million
Upgrading of Mogoto to Moshongo access road from gravel to tar and storm water	R1.9 million

control in Wards 9 and 11 (Multi Year)	
Upgrading of Dithabaneng access road from gravel to tar and storm water in Ward 21 (Multi Year)	R1.9 million
Upgrading of gravel to tar of Maijane/Makaung/Makaepea Access road in Wards 19 and 24	R1.9 million

3. To allocate budget to the following projects which were not rolled over from previous financial year **(2019/2020)** for payment of designs:

Mogotlane: Construction of storm water drainage in Ward 8	R1.3 million
Construction of storm water at Mathibela in Ward 8	R1 million

These adjustments will not change the total capital budget of **R115 million**.

Honourable Speaker, in this context, it is hereby recommended that municipal council consider and approves the special adjustments budget for the financial year **2019/2020** and indicative for the two projected outer years **2020/2021** and **2021/2022** as per the following tables as contained in the annexure to this report:

- a) MBRR Table B1 – Monthly Budget Summary
- b) MBRR Table B2 – Budgeted Financial Performance (revenue and expenditure by standard)
- c) MBRR Table B3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

- d) MBRR Table B4 – Budgeted Financial Performance (revenue and expenditure)
- e) MBRR Table B5 – Budgeted Capital Expenditure by vote, standard classification and funding source
- f) MBRR Table B6 – Budgeted Financial Position
- g) MBRR Table B7 – Budgeted Cash Flow
- h) MBRR Table B8 – Budgeted cash back reserve/ accumulated surplus/deficit
- i) MBRR Table B9 – Budgeted Assets Management
- j) MBRR Table B10 – Budgeted Service Delivery Measurement

2. That Council approves additional allocation of **R298 000.00** to be received from National Treasury as part of Municipal Disaster Relief Grant to assist in the response to COVID-19
3. That Council approves the special Adjustment Budget in line with Gazette No. 43181 issued on the 30 March 2020 on Local Government Municipal Finance Management Act of 2003 (Exemption from Act and Regulations which requires any action to be taken between the date of the publication of this notice and the date of the National Disaster lapses, or is terminated in terms of Section 27 (5) of the Disaster Management Act of 2002,
4. That Council approves the special Adjustment Budget to cover the expenditure linked to emergency to address COVID-19,
5. That Council provisionally approve the proposed adjustment budget on capital budget pending COGTA response for approval,
6. That Council approves the total budget increase of **R298 000.00**, and

7. The Council approves the adjustment budget as follows:

Budget	2019/20 Budget	2019/20 1 st Adjustment Budget	2019/20 2 nd Adjustment Budget	2020/21 Budget	2021/22 Budget
Total Revenue	R408,440,754.38million	R411,936,124.66million	R412,234,124.66million	R413,535,111.17million	R433,342,455.17million
Total Operating Expenditure	R304,274,814.03million	R296,608,224.27million	R296,906,224.27million	R316,776,861.35million	R337,456,255.17million
Total Capital Expenditure	R104,165,940.35million	R115,327,900.39million	R115,327,900.39million	R96,758,249.82million	R95,886,200.00million

Honourable Speaker, I accordingly move.

I thank you.



CLLR. MOLALA M.M

MAYOR