

LEPELLE-NKUMPI **LOCAL MUNICIPALITY**

Postal Address

Private Bag X07
CHUENESPOORT
0745

www.lepelle-nkumpi.gov.za

Physical Address

170 BA Civic Centre
LEBOWAKGOMO, 0737
Tel : (+27)15 633 4500
Fax : (+27)15 633 6896

2023-2024 MTREF BUDGET EXECUTIVE SUMMARY

1. Legislative requirements : Compilation of the 2023/2024 MTREF Budget

In terms of Section 16 of the Municipal Finance Management Act, Act of 56 of 2003, the Council must for each financial year approve an annual budget for the municipality before the start of the financial year.

In order to comply with the above subsection, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In section 17 it is further said that the budget must be a schedule in this prescribed format:

- a) Setting out realistically anticipated revenue for the budget year from each revenue source;

- b) Appropriating expenditure for the budget year under the different Votes of the municipality;
- c) Setting out indicative revenue per revenue source and projected Expenditure by vote for the two financial years following the budget year;
- d) Setting out estimated revenue and expenditure by vote for the current year; and
- e) Actual revenue and expenditure by vote for the financial year Preceding the current year.

The 2023/2024 Budget has been laid out in the prescribed format outlined by the enabling act.

The MFMA section 24 further states that -:

- a) the municipal council must at least 30 days before the start of the budget year approve its annual budget;
- b) the budget must be approved together with the adoption of resolution as may be necessary –
 - i. imposing any municipal tax for the budget year;
 - ii. setting any municipal tariffs for the budget year;
 - iii. approving measurable performance objectives for revenue from each vote in the budget;
 - iv. approving any changes to the municipality's integrated development plan; and
 - v. approving any changes to the municipality's budget – related policies.

It is therefore in accordance to the legislative requirements that the Budget of 2023/2024 is submitted to the Council by the Executive Committee for approval. The Budget summary, budget documents and related resolutions are thus outlined in this document.



Part 1 – Annual Budget

1.1 Mayor's Report

**2023/2024 APPROVED IDP/BUDGET SPEECH BY HER WORSHIP; MAYOR OF
LEPELLE-NKUMPI LOCAL MUNICIPALITY; CLLR MERRIAM MOLALA**

31 May 2023

Our Speaker, Honourable Mme Joyce Nkobela;

Our Chief Whip, Ntate Given Sello;

Executive Mayor of Capricorn District Municipality, Honourable Councillor Mamedupi Teffo;

Executive Mayor of Polokwane Municipality, Honourable Councillor Makoro John Mpe;

His and Her worships, Mayors of our Local Municipalities present today;

Speakers and Chief Whips of our District and Local Municipalities present today;

Colleagues in the Executive Committee;

Chairpersons of Section 79 Committees;

Fellow Councillors;

Our CDW'S

Our ward committees;

Our Traditional Leaders;

Leadership of our Churches;



Members of our Business Fraternity;

The Leadership of my Organization, The ANC and The Leadership of our Alliance Structures;

The Leadership of ANCWL and ANCYL;

The Leadership of opposition parties;

Our Municipal Manager, Mme Adelaide Monyepao

Executive Managers and Officials of our Municipality;

Fellow Citizens;

Distinguished Guests;

Comrades and Compatriots;

Honourable Speaker, allow me to take this opportunity to convey my sincere, warm greetings to everyone present here today, including all residents of Lepelle-Nkumpi Municipality who are with us here today and to all who are listening to these proceedings on various platforms.

Silotshile! Good afternoon! Thobela!

Madam Speaker, I am tabling 2023/2024 Integrated Development Plan and the Budget today few days after the brutal killing of one of our resident Mme Nurse Betty Hlabela at Matome village Ward 08. I am deeply disappointed and very emotional about the increasing cases of Gender -Based Violence in our Municipality.



Madam Speaker, violence against women and children must come to an end. Together, we can and must do more to prevent violence against women, and ensure that perpetrators are punished.

Gender-based violence reflects inequalities between men and women and compromises the health, dignity, integrity, security and autonomy of its victims. It encompasses a wide range of human rights violations, including sexual abuse of children, rape, domestic violence, sexual assault and harassment, trafficking of women and girls and several harmful traditional practices.

Any one of these abuses can leave deep psychological scars, damage the health of women and girls particularly their reproductive and sexual health, and in most instances, resulting in death.

Madam Speaker, every woman and girl should be free from gender based violence. Every woman and girl should live in a home where she is free from the threat of violence.

Madam Speaker, can we all rise up and have a moment of silent in honour of the late Mme Nurse Betty Hlabela who was brutally murdered at Matome village Ward 08.

Honourable Speaker, as we will be entering the youth month, we have more responsibility to create more jobs for the youth of our Municipality. We must commit ourselves today that creating jobs for our youth should be a priority for all of us. We also commit that we must have program to assist young graduate to find their way into our system.

Honourable Speaker, we are also here today few days after 60 years since the leaders of 32 independent African Nations met in Addis Ababa to establish the organisation of African Unity (OAU) the precursor to the African Union. We must continue to celebrate our African culture, heritage and pride ourselves to be Africans.

Madam Speaker, The President of our Country, His Excellency President Cyril Ramaphosa delivered the State of the Nation address on the 9th of February 2023. On his address the President outlined the new plans and the full programme of government.

The President focused on most key important issued which are currently affecting and concerning our people, Load-shedding, Unemployment, poverty and the rising cost of living, crime and corruption.



Culminating from the State of the Nation Address, the Honourable Premier of our Province, Ntate Stanley Chupu Mathabatha on his State of the Province address on the 23rd of February 2023, emphasised on what the President said, " if we work together and act boldly and decisively leaving no one behind, we will be able to resolve our challenges.

The Premier said we must focus on building a capable and ethical developmental state, transforming the economy of the Province to meaningfully include participation of previously disadvantaged groups and create more jobs, expansion of access and improvement of quality of our education and health outcomes and Delivery of reliable basic services (such as water, housing, electricity and sanitation). Need to focus on implementation and completion of planned projects. Use of alternative methods for funding (private sector investments, donor funding application and intra-governmental funding)

Madam Speaker, we cannot undo the mistakes that were made in the past, the capacity which was not build, the damage that was done by our officials in the past, the lack of leadership which was not provided.

What we can do is to fix the problem today, to give services to our people and for generations to come.

Madam Speaker " You may not control all the events that happen to you, but you can decide not to be reduced to them", " I've learned people will forget what you said, people will forget what you did, but people will never forget how you made them feel" **Maya Angelou.**

Thank you once again for affording me the opportunity to table 2023/2024 Integrated Development Plan and the Budget.

The process of planning is mandated by various legislative imperative majorly founded on the:

*** Constitution of the Republic, Act No. 108 of 1996, Sections 152 and 153** which give municipalities the responsibility to provide basic services and municipal planning.

The Constitution further prescribes that municipalities must run their business through community involvement.

*** Sec 16 (1) of the MFMA, municipality which states that each year approve an annual budget before the start of the financial year.**

*** Municipal Systems Act, No 32, of 2000 Section 34(a)** that provides for annual review of the Integrated Development Plan, while **Section 29** indicates that a municipality must use means that can enable it to consult with its communities.



The municipality has embarked on its 2023/24 IDP/Budget journey which has culminated in this IDP/Budget adopted. What a journey. We appreciate the commitment displayed by everyone in this project.

Investment attraction in the farming, tourism, property development, ICT and agro-processing/ manufacturing activities is important. (Zebediela Estates and Lebowa Kgomo Chicken Abattoir and Broiler are receiving requisite support from Provincial Government).

Building a Smart Municipality, a draft concept document has been developed awaiting Council adoption.

Regularization of informal sector/hawkers has led to the drafting of an MOU that was exchanged with them for inputs and signing-off. Budget is also made available for the development of an area close to the CBD for informal trading.

Creation of 1500 direct jobs through municipal programmes prioritises hiring of local labour in its infrastructure projects.

650 EPWP temporary workers are currently employed. 1268 temporary workers are employed through CWP.

The Municipality hopes to absorb more people as it expands its Operations and Maintenance teams for roads, electricity and facilities maintenance.

Job creation by private sector is not validated but the municipality is planning to integrate jobs created by the sector in future.

The municipality is planning to achieve in the shortest time the development of the Business Area commonly known as BA, whereby economic supporting infrastructure will be installed.

Based on the current potential investments, BA will serve as a springboard for the municipality to realise its Smart Municipality aspirations.

The Smart Municipality Framework is already in place and in its final stages to be presented to Council for adoption.

The municipality is in the process of securing the handing over of the Remainder Voorspoed by Rural Development to create a prime Smart Municipality hub in that area. We dare not fail on that one.

It must be noted that there is an urgent need to bring the whole of Lepelle-Nkumpi Community on board regarding the aspired development, hence, the call to administration to start working on developing some sort of a Development Charter to be signed by all stakeholders with interest to take Lepelle-Nkumpi forward.

The support to the informal sectors such as hawkers is a call for all of us to work together in re-organising their trading space.



Engagements are in progress whereby the municipality gave them an MOU to input. This will curve a clear path to the type of infrastructure needed by the sector which should include busses and taxis.

Madam Speaker, there is a need to finalise on internal processes for Council to declare Unit C (That include Jackieland) as an Urban Intervention area. It must be noted that the invasion of this piece of land created huge problems for the municipality and for us to rework it, Unit C must be re-designed, hence, the need to have it re-surveyed.

For the 2023/24, the municipality will be moving with speed to attract investors through various LED programs that include putting in correct economic infrastructure such as clean water, good roads, good connectivity using the broad-band platform, excellent waste management etc.

The urge to monitor performance and improve on the current audit opinion remains our top priority.

I know the current attention the municipality is attracting due to its regressed audit opinion is a very difficult albatross to everybody who intends to work for a better and improved municipality.

We have no choice but to work harder and make it. An improved Audit opinion is a must.

On the municipal socio-economic profile, we note that the Municipality's population is dominated by women and young people, with low households' income levels and high unemployment rate, hence, various economic programs to attract investors into Lepelle-Nkumpi.

There are huge service delivery backlogs, though progress is noted with regard to water provision.

Waste collection, which is the only basic service municipality is actually responsible for, has backlog of more than 70% and we aspire to improve on that.

There is potential for economic growth and job creation due to municipality's close proximity to the Provincial Growth Points, presence of strategic routes traversing the area, mining, agriculture, tourism sectors and beneficiation/ value adding of produce.

There are also emerging opportunities brought about by property and the Fourth Industrial Revolution (4IR).

Madam Speaker, the Council has in line with the Municipal Finance Management Act and relevant Treasury regulations, approved a total budget of **R778,057,841**

for the Financial year 2023/2024.



The Executive Summary

The Budget for the 2023/2024 MTREF is outlined below:

LIM355 Lepelle-Nkumpi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand							
Revenue							
Exchange Revenue							
Service charges - Waste Management	7,120,609	7,122,609	7,122,609	6,217,032	7,500,107	7,867,612	8,237,390
Sale of Goods and Rendering of Services	112,986,603	113,093,603	113,093,603	371,351	199,931,548	156,128,301	147,156,597
Agency services	40,615,498	44,727,020	44,727,020	11,073,566	47,097,552	49,405,332	51,727,383
Interest earned from Receivables	3,367,178	3,867,178	3,867,178	4,020,520	4,072,138	4,271,673	4,472,442
Interest earned from Current and Non Current Assets	13,169,720	26,169,720	26,169,720	23,346,957	27,556,714	28,906,994	30,265,623
Rental from Fixed Assets	334,006	334,006	334,006	245,682	351,708	368,942	386,283
Licence and permits	4,734	4,734	4,734	-	4,984	5,229	5,474
Operational Revenue	18,743,479	19,000,933	19,000,933	843,472	20,007,982	20,988,376	21,974,828
Non-Exchange Revenue							
Property rates	34,373,881	37,473,881	37,473,881	35,660,344	39,459,996	41,393,536	43,339,032
Fines, penalties and forfeits	12,061,306	12,063,806	12,063,806	76,059	12,703,188	13,325,644	13,951,949

Licences or permits Transfer and subsidies - Operational	1,633	1,633	1,633	592	1,720	1,804	1,889
Interest	310,408,898	305,408,898	305,408,898	304,304,918	339,638,763	350,717,000	338,583,000
Operational Revenue	12,054,351	14,554,351	14,554,351	15,443,030	15,325,731	16,076,692	16,832,297
Gains on disposal of Assets	70,000	70,000	70,000	-	73,710	77,322	80,956
Total Revenue (excluding capital transfers and contributions)	565,311,896	583,892,372	583,892,372	379,456,734	713,725,841	689,534,457	677,015,143
Expenditure							
Employee related costs	134,714,216	118,793,372	118,793,372	90,984,276	142,196,313	149,163,916	156,174,628
Remuneration of councillors	22,394,173	22,394,173	22,394,173	21,673,453	23,603,450	24,736,531	25,899,147
Inventory consumed	8,167,811	5,796,349	5,796,349	1,273,220	9,328,945	9,639,064	9,959,101
Depreciation and amortisation	37,699,942	37,699,942	37,699,942	25,728,725	39,698,037	41,643,244	43,600,473
Interest	153,613	50,000	50,000	-	52,650	55,230	57,826
Contracted services	127,041,777	82,242,576	82,242,576	41,011,539	110,885,238	122,242,212	126,455,059
Irrecoverable debts written off	54,242,089	92,303,581	92,303,581	28,035,371	87,043,801	85,607,698	88,201,734
Operational costs	54,380,527	54,374,239	54,374,239	48,814,021	65,353,081	65,027,856	68,089,144
Total Expenditure	438,794,148	413,654,232	413,654,232	257,520,604	478,161,515	498,115,751	518,437,112
Surplus/(Deficit) Transfers and subsidies - capital (monetary allocations)	126,517,748	170,238,140	170,238,140	121,936,129	235,564,326	191,418,706	158,578,031
	61,628,000	61,435,087	61,435,087	31,651,884	64,332,000	67,209,000	70,208,000
Surplus/(Deficit) for the year	188,145,748	231,673,227	231,673,227	153,588,013	299,896,326	258,627,706	228,786,031

OPERATING BUDGET.

The operating budget deals with day to day operations of the municipality to ensure that service delivery is sustained.

The final operating budget has increased to R778 million compared to the current adjusted budget of R645 million.

The trend is that the operating expenditure has been increasing over the years driven by:

- ✚ salary increments
- ✚ the need to repair infrastructure
- ✚ the need to adequately budget for debt impairment and depreciation,
- ✚ CPI Inflation outlook.

Grants and Subsidies – operating

The grants subsidies refer to the Division of Revenue Act allocations in the 2023/24 financial year, the operational grants allocations are as follows: -

LIM355 Lepelle-Nkumpi - Supporting Table SA18 Transfers and grant receipts					
Description R thousand	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:					
<u>Operating Transfers and Grants</u>					
National Government:	309,709,000	309,709,000	338,945,000	350,717,000	338,583,000
Local Government Equitable Share	301,329,000	301,329,000	319,605,000	339,313,000	326,658,000
Expanded Public Works Programme					
Integrated Grant	1,380,000	1,380,000	2,440,000	-	-
Integrated National Electrification Programme					
Grant	5,000,000	5,000,000	14,900,000	9,404,000	9,825,000
Local Government	2,000,000	2,000,000	2,000,000	2,000,000	2,100,000



Financial Management Grant					
Provincial Government:	699,898	699,898	699,898	-	-
Capacity Building and Other Grants	699,898	699,898	699,898	-	-
District Municipality:	-	-	-	-	-
Specify (Add grant description)	-	-	6,135	-	-
	-	-	6,135	-	-
Total Operating Transfers and Grants	310,408,898	310,408,898	339,638,763	350,717,000	338,583,000
<u>Capital Transfers and Grants</u>					
National Government:	61,628,000	61,435,087	64,332,000	67,209,000	70,208,000
Integrated National Electrification Programme Grant	-	5,000,000	-	-	-
Municipal Infrastructure Grant	61,628,000	56,435,087	64,332,000	67,209,000	70,208,000
Total Capital Transfers and Grants	61,628,000	61,435,087	64,332,000	67,209,000	70,208,000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	372,036,898	371,843,985	403,970,763	417,926,000	408,791,000

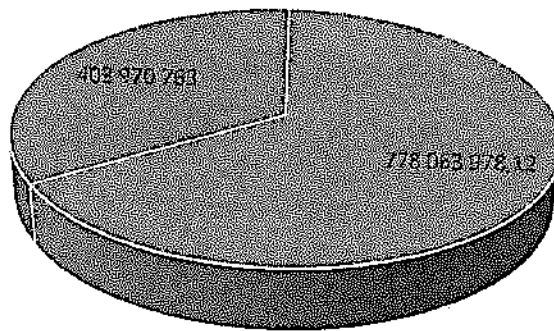


Municipality highest allocation in terms of DoRA is Equitable Share which is at 79.12% the second highest is Municipal Infrastructure Grant ((MIG) is at 15.92%, Integrated National Electrification Programme (INEP) at 3.69% Expanded Public Works Programme (EPWP) 0.60% and Finance Management Grant (FMG) at 0.57% respectively.

GRANTS DEDPANDACY LEVEL

TOTAL REVENUE	778,063,978.12
TOTAL GRANTS & SUBSIDIES	403,970,763

GRANTS DEDPANDACY LEVEL



• TOTAL REVENUE • TOTAL GRANTS & SUBSIDIES

Honourable Speaker, our communities have since identified their developmental top priorities during Ward Consultation meetings and IDP/Budget Mayoral Imbizos as,

Roads and Storm Water,

Water and Sanitation,

Housing,

Electricity, and

High Mast Lights.



In the financial year 2023/24, the following Projects will be implemented,

Project Name	MTEF Budget		
	2023/24	2024/25	2025/26
KPA: BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT			
ROADS AND STORM WATER PROJECTS			
To provide sustainable basic services and infrastructure development.			
Construction of Kliphuiwel road and storm water control: Phase 3 (0,52 km) (Ward 01)	3 000 000		Nil
Construction of Makgophong to Ga-Molapo Bridge (Ward 1)	Nil	-	12 000 000
Construction of Khureng road from gravel to tar	Nil	20 568 564	13 341 836
Construction of Mathibela storm water drainage- 3 km (Ward 08)	6 018 541.36	3 360 450 + 13 300 000	Nil
Storm water Rakgoatha (Ward 14)		15 340 436	
Construction of Mogotlane storm water drainage (Ward 10)	Nil	-	8 000 000
Upgrading of Mogoto to Moshongo access road from gravel to Tar and storm water control. (2.5km) (Phase 1&2) (Ward 9 and 11)	Nil	Nil	Nil
Upgrading of Ledwaba to MEC Residences road (1 km) (Ward 13)	8 000 000	Nil	Nil
Tarring of road from Majaneng to Mawaneng and storm water (ward 12)	-	-	15 340 436
Construction storm water drainage systems (Ward 14)	Nil	15 000 000	Nil
Resealing of internal street from gravel to tar at Zone B ward 15 (next to clinic) (1.5km)	6 500 000,00	6 500 000	Nil
Construction of Zone F Storm Water (0.5km)	1 500 000,00	Nil	Nil
Upgrading of internal street from gravel to block paving Zone S ward 16 (2km)		Nil	Nil



Construction of Lebowakgomo Zone S and R internal roads- 1 km (Ward 16)	2 968 271,27	10 000 000	5 000 000
Construction of Lebowakgomo Zone H internal roads- 1 km (Ward 17)	2 968 271,27	10 000 000	5 000 000
Construction of Lebowakgomo Zone A internal roads- 1 km (Wards 18)	7 468 271,27	10 000 000	5 000 000
Resealing of internal Street Zone A Ward 18 (3km)	Nil	Nil	Nil
Upgrading of Gravel to Tar of Majjane/Makaung/ Makaepa Access Road (Ward 24 and 19) 4.8km multi-year funded: Phase 2	4 000 000		Nil
Upgrading of Gravel to Tar of Majjane/Makaung/ Makaepa Access Road (Ward 24 and 19) 4.8km multi-year funded: Phase 3	8 000 000,00	4 600 000	
Upgrading of Mamaolo road from gravel to tar Ward 22 (2km)	7 000 000,00	8 000 000	3 510 400
Upgrading of Dithabaneng road from gravel to tar and storm water control (1 km)	Nil	Nil	7 123 000
Upgrading of Phalakwane road (2 km) (Ward 23)		16 000 000	Nil
Construction of Mangwakwane/ Majjane Bridge (Ward 24)	-	5 000 000	
Upgrading of Mamaolo to Mampiki (Mogodi) road from gravel to tar and storm water (800m including passing lane) (Ward 26)	8 000 000,00	Nil	Nil
Upgrading of GaMathabatha (Moleke Village) road from gravel to tar Phase 2 (2 km)	5 000 000		Nil
Construction of Mashadi to Maseseleng Bridge (Ward 27)	-	5 000 000	Nil
Regravelling and Construction of Earth Drainage Systems at Ga-Makgoba (GaMathabatha-Ward 27).	Nil	Nil	Nil
Construction of Malakabaneng access bridge (Ward 29)	9 455 000,00		Nil
Construction of Sehlabeng/Hlakano Storm water drainage	Nil	Nil	Nil



Upgrading of Hweleshaneng access road from gravel to paving blocks and storm water control (Multi-year)	Nil	Nil	Nil
Roads and storm water Maintenance	10,682 069,00	11,205 490,00	11, 732 148
ENERGY AND ELECTRICITY PROJECTS			
To provide sustainable basic services and infrastructure development.			
Electrification of Byldrift ward 1 (200HH)	4 000 000,00	Nil	Nil
Electrification of Kliphuiwel ward 1 (50HH)	1 000 000,00	Nil	Nil
Electrification of Makgophong ward 1 (110HH) New	1 980 000,00		
Electrification of Ga-Molapo ward 03 (151HH)		3 020 000	
Electrification of Gedroogte ward 03 (80HH)	1 440 000,00		
Electrification of Khureng (100HH)		2 000 000,00	
Electrification of Mapatjakeng ward 4 (39 HH)	780 000,00		Nil
Electrification of Bolahlakgomo ward 6 (100HH)	1 800 000,00	Nil	Nil
Electrification of Rakgoatha Nyakelang (260 HH)		5 004 000	
Electrification of Mamogashoa Ward 6 (280HH)	1 000 00		Nil
Electrification of Motantanyane (250 HH)	5 000 000,00		Nil
Electrification of Makushwaneng ward 7 (80HH)	1 440 000,00		Nil
Electrification of Mogoto ward 9 (100 HH)	2 000 000,00		Nil
Electrification of Mshongville ward11 (260HH)		5 004 000	Nil
Electrification of Manaileng ward 11 (128HH)	2 304 000,00		
Electrification of Manaileng ward 11 (149HH)	200 000,00		
Electrification of Matjatji (100 HH)	2 000 000,00		
Electrification of Matjatji (150 HH)		3 000 000	
Electrification of Unit H (304 HH) (Ward 17)	7 580 000,00		



Electrification of Unit BA (Ward 17)			
Electrification of unit R (Ward 17)			
Electrification of Zone B (11 HH)	1 400 000,00		Nil
Electrification of Maralaleng (80HH)		1 600 000	
Electrification of Sedimonthole (150)	3 000 000,00		
Electrification of Lenting (200 HH)	3 600 000,00		Nil
Electrification of Dithabaneng (60HH)		1 200 000	
Electrification of Makurung (180 HH)		3 600 000	
Electrification of Bolatjane (359 HH)	7 180 000,00		
Electrification of Hweleshaneng (30 HH)	600 000	Nil	
Electrification of Matime ward 24 (35HH)	630 000,00		Nil
Electrification of Madilaneng (20 HH)	360 000	Nil	Nil
Electrification of Majane (80 HH)	1 440 000,00	Nil	Nil
Electrification of Tswaing (40HH)	Nil	800 000	Nil
Electrification of Mashite (50 HH)	900 000,00		Nil
Electrification of Makgoba ward 27 (50HH)	900 000,00		
Electrification of Phelendaba (4 HH)		80 000	
Electrification of Mphaaneng (75 HH)	1 350 000,00		Nil
Electrification of Mahlatjane ward 28 (109)	Nil	Nil	Nil
Electrification of Dublin (60HH)	Nil	Nil	Nil
Electrification of Tjiane (85 HH)	1 530 000,00		
Electrification of Tjiane (41 HH)			825 000
Electrification of Lekurung (150)	3 000 000,00		Nil
Electrification of Mamaolo, (150 HH)	Nil	Nil	3 000 000
Electrification of Malaineng (76HH)	1 520 000,00		
Electrification of Matome ward 8, 300 HH			6 000 000



Electrification of Magatle (HH)	Nil	Nil	Nil
Electrification of Madisha Ditoro (HH)	Nil	Nil	Nil
Electrification of Madisha Leolo (HH)	Nil	Nil	Nil
Electrification of Motserereng (HH)	Nil	Nil	Nil
Electrification of Motema Gardens (Volop) ward 6 (350 HH)	Nil	Nil	Nil
Electrification of Makweng (HH)	Nil	Nil	Nil
Electrification of Matatane and Success (90HH)	1 800 000	Nil	Nil
Electrification of Mawaneng (25HH)	Nil	Nil	Nil
Electrification of Makotse ward 13 (223HH)	Nil	Nil	Nil
Electrification of Hwelereng (HH)	Nil	Nil	Nil
Electrification of GaLedwaba - Jackieland (1000HH)	10 000 000	15 000 000	Nil
Electrification of Makaepa (HH)	Nil	Nil	Nil
Electrification of Marulaneng (HH)	Nil	Nil	Nil
Electrification of Morotse (HH)	Nil	Nil	Nil
Electrification of Sekurwaneng (HH)	Nil	Nil	Nil
Electrification of Tapane (HH)	Nil	Nil	Nil
Electrification of Bolopa Maake (HH)	Nil	Nil	Nil
Electrification of Patoga, (HH)	Nil	Nil	Nil
Electrification of Makaung, (HH)	Nil	Nil	Nil
Electrification of Nkotokwane/ Matinkane (HH)	Nil	Nil	Nil
Electrification of Lehlokwaneng/ Tswaing (HH)	Nil	Nil	Nil
Electrification of Serobaneng extension (HH)	Nil	Nil	Nil
Electrification of Mooiplaas (HH)	Nil	Nil	Nil
Electrification of Staansplaas extension (HH)	Nil	Nil	Nil
Electrification of Maboe Park (HH)	Nil	Nil	Nil
Electrification of Phelendaba (4)	Nil	80 000	Nil
Electrification of Matatane/ Success (HH)	Nil	Nil	Nil



Electrification of Ramonwane (HH)	Nil	Nil	Nil
Electrification of Mokgalake (HH)	Nil	Nil	Nil
Electrification of Mampa (HH)	Nil	Nil	Nil
Electrification of Mashushu (HH)	Nil	Nil	Nil
Electrification of Ngwaname/ Mafefe New Stands (120)	Nil	Nil	Nil
Electrification of Sekgwarapeng new stands (HH)	Nil	Nil	Nil
Electrification of Tooseng (41HH)	Nil	Nil	825 000
Electricity Maintenance	2 635 880,00	2 765 038,12	2 894 994,91
Electricity Maintenance	313 200,00	328 546,80	343 988,50
COMMUNITY AND SOCIAL FACILITIES/ PROJECTS			
To provide sustainable basic services and infrastructure development.			
Completion of Madisha Ditoro community Hall	2 000 000	Nil	Nil
Construction Mogotlane Community Hall	7 000 000	Nil	Nil
Construction of Street Light (Legislature to Police Station) & Robots to Zone B Clinic	Nil	Nil	Nil
Extension of Municipal Offices	Nil		Nil
Construction of grade A VTS(Lebowakgomo) (Ward 18)	6 000 000,00	6 000 000	Nil
Public Lights - Ga Seloane-Ward 1	375 000	Nil	Nil
Public Lights - Kgwaripe/ Makgopong (Ward 01)	375 000	Nil	Nil
Public Lights - Seruleng (Ward 02)	375 000	Nil	Nil
Public Lights - Gedroogte (Ward 03)	375 000	Nil	Nil
Public Lights - Magatle/ Mapatjakeng (Ward 4)	375 000	Nil	Nil
High mast Lights - Motantanyane (Ward 14)	375 000	Nil	Nil
High mast Lights - Sekgweng (Ward 10)	375 000	Nil	Nil
Public Lights - Sepanapudi (Ward 13)	375 000	Nil	Nil
Public Lights - Matome (Ward 08)	375 000	Nil	Nil



High mast lights Zone A	375 000	Nil	Nil
Publ lights- Lebowakgomo Cemetery	375 000	Nil	Nil
High mast lights- Malemang	375 000	Nil	Nil
Public Lights - Morotse (Ward 20)	375 000	Nil	Nil
Public Lights - Makurung/Dithabaneng (Ward 21)	375 000	Nil	Nil
High mast Lights - Dublin/ Malakabaneng/Motsane (Ward 29)	Nil	Nil	Nil
Public Lights - Tjiane (Ward 30)	375 000	Nil	Nil
Highmast lights – Mphaaneng (ward 28)	375 000	-	-
Refurbishment of 16 High mast lights	Nil	Nil	2 000 000
Public Facilities Maintenance	1 053 000,00	1 104 597,00	1 156 513,06
Parks and Cemetery Maintenance	500 000,00	524 500,00	549 151,50
Municipal Buildings Maintenance	2 000 000	2 000 000	2 000 000
Municipal Buildings Maintenance	200 000,00	1 200 000	Nil
Management of grave site (open cast and)	Nil	Nil	Nil
Construction of Magatle Thusong Centre (buildings)	8 000 001 + 3 216 600	Nil	Nil
Construction of Magatle Vehicle Testing Station	Nil	Nil	Nil
Establishment of 6 Technology Hubs with Free Wi-Fi	Nil	Nil	Nil
Upgrading of Parks in Lebowakgomo Zone A ward 18	Nil	Nil	Nil
Extension of DLTC testing ground	Nil	Nil	Nil
Construction of Vehicle Pound	Nil	Nil	Nil
Cattle Pound Maintenance	500 000,00	524 500,00	549 151,50
Construction of Community crèche at Ga-Mampa	Nil	Nil	Nil
Construction of Gedroogte Crèche	Nil	2 000 000	Nil
Construction of Tapane Crèche	Nil	Nil	Nil
Construction of Mathabatha Crèche	Nil	Nil	Nil



Construction of Magatle Crèche	Nil	Nil	Nil
Construction of Lenting Crèche	Nil	Nil	Nil
SPORT AND RECREATION FACILITIES/ PROJECTS			
To provide sustainable basic services and infrastructure development.			
Refurbishment of Lebowakgomo Stadium (WARD 17)	4 000 000,00	5 000 000	5 000 000
Development of recreational Facilities Makushwaneng (ward 07)	8 994 600	Nil	Nil
Development of recreational Facilities Lekurung (ward 30)	Nil	Nil	Nil
Development of recreational Facilities Seruleng (ward 02)	10 000 000	Nil	Nil
Development of recreational Facilities Lesetsi (ward 25)	10 000 000		Nil
Development of recreational Facilities Rakgoatha	Nil	-	12 435 791
Development of recreational Facilities Marulaneng		-	12 435 791
Development of recreational Facilities Serobaneng		-	12 435 791
Development of recreational Facilities Motsane	Nil	-	12 435 791
Internal Sporting Activities	307 364	320 888,01	335 327,97
ENVIRONMENT AND WASTE PROJECTS			
To protect biodiversity and cultural heritage, enforce environmental compliance and mitigate the impact of climate change			
Motlapodi Wet Land: Fencing	500 000,00	Nil	Nil
Waste Transfer Station - Mafefe (Mahlatjane)	-	2 000 000	6 020 000
Waste Transfer Station - Magatle	-	2 000 000	8 000 000
Environmental Management Services	119 817,84	125 688,92	131 596,29
Review of Environmental Management Plan	Nil	Nil	Nil
Rehabilitation of borrow pits	Nil	Nil	Nil
Waste Transfer Station - Ga-Mathabatha	Nil	Nil	10 000 000



Landfill Management	4 843 800,00	5 902 525,01	6 179 943,69
Management of illegal dumping sites	1 263 600,00	1 325 516,40	1 387 815,67
Refuse Removal - Rural	182 084,76	191 006,91	199 984,24
Eradication of Alien Plant (CDM)	17 327,12	18 176,14	19 030,42
Development of 2 Buy-back centres (Lebowakgomo-A)	Nil	Nil	Nil
Development of Garden Waste Site (drop-off centre) Lebowakgomo Unit A	Nil	Nil	Nil
Recycling at source pilot project Lebowakgomo- Pilot At Zone F	Nil	Nil	Nil
Fencing of and Rehabilitation of Mohlapitsi Wetland	Nil	Nil	Nil
Fencing of and Rehabilitation of Seeno Wetland	Nil	Nil	Nil
Compilation of Feasibility Study on Zoological Garden and Showground	Nil	Nil	Nil
Licensing of borrow pits	Nil	Nil	Nil
SPATIAL PROJECTS			
To plan and manage spatial development within the municipality			
Township establishment (Provision of roads and storm water services unit H) (Ward 17)	9 396 000,00	-	-
Township establishment (Provision of 1 km of roads and storm water services unit BA) (Ward 17)	3 000 000,00	15 000 000	10 842 068
Township establishment (Provision of roads and storm water services- Unit R) (Ward 17)	-	3 000 000	20 000 000
Township establishment (Provision of electricity and public lights- Unit R) (Ward 17)	-	2 000 000	15 120 000
Compilation of the General Valuation Roll (GVR) and maintenance of the supplementary valuation roll in terms of Sec 78 of MPRA	2 106 000,00	2 209 194,00	2 313 026,12
Township establishment Magatle/ Mapatjakeng	Nil	Nil	Nil



Upgrading of Land-tenure rights in Mathibela area	Nil	Nil	Nil
Registration of Properties	1 371 770,71	1 438 987,48	1 506 619,89
Prevention of illegal land invasions	2 106 000,00	2 209 194,00	2 313 026,12
Intergrated Transport Plan	377 308,00	Nil	Nil
Survey: Professional Services	1 079 500,00	1 656 895,50	1 734 769,59
Review of Spatial Development Framework			
Free Basic Electricity	2 276 720,15	2 388 279,44	2 500 528,57
Special Focus: Disability	196 175,17	205 199,23	214 638,39
Special Focus: Aged	173 457,83	181 436,89	189 782,99
Special Focus: Children	280 247,93	293 139,33	306 623,74
Special Focus: Gender	360 629,79	691 677,52	394 570,82
Special Focus: HIV & AIDS Programmes	528 177,14	554 057,82	580 098,54
Youth Programmes	652 194,07	682 195,00	713 575,97

Madam Speaker, I must also accept that our Municipality has high Vacancy rate (especially at Senior level and operational level). But it is a matter which we are currently giving it the necessary attention, soon and very soon it will be a matter of the past, we will fill all those positions.

I must also accept that we are not doing very well in terms of employment equity, because as it stands 42% of our staff are women and we have less than a percent for persons with disability.

Madam Speaker, we are in the process of filling of five (5) senior positions, Chief Financial Officer, Executive Manager Planning and LED, Executive Manager Community Services, Executive Manager Technical Services and Executive Manager Corporate Services.

To augment capacity in the interim, we have approached Capricorn District Municipality for assistance in a form of secondment and availing of a support team.

- Support has been made available in the following sections:
 - (a) Budget and Treasury
 - (b) Legal Services
 - (c) Internal Audit
 - (d) Infrastructure Services



The Memorandum of Understanding is being finalised to outline the arrangement, including the time frame and costs implications.

At the same time will fast-track the filling of positions both senior and lower levels to ensure capacity improvement in the new financial year.

PROGRESS REPORT ON CONSEQUENCE MANAGEMENT

We have instituted consequence management against different employees on misconduct committed.

Summary report

Number of employees served with charges	Disciplinary hearing		Arbitration		Labour court	
	Finalised	Not finalised	Finalised	Not finalised	finalised	Not finalised
28	17	03	04	02	0	02

Therefore, total number of finalised cases is 21, then 7 are still pending at DC, Arbitration and Labour court. Madam Speaker,

We have partnered with Department of Forestry, Fisheries, and the Environment to recruit 500 EPWP beneficiaries in our Municipality for a period of 12 months for the purpose of cleaning illegal dumps and litter picking.

We have also budgeted R2,4 million for the procurement of PPE'S for these project, we are anticipating to have more additional 500 EPWP beneficiaries in next financial year. We have also as the Municipality recruited 115 EPWP beneficiaries with the budget of R2 810 800(R 1 244 00 grant; R1 300 000 casual labour).

Madam Speaker, we have also received a donation of TLB by the Department of Forestry, Fisheries, and the Environment. Capricorn District Municipality has also donated 60 bulk skip bins, thank you Executive Mayor.

Honourable Speaker, let me also congratulate Polokwane City of Zebediela for returning to the Premier Soccer League. I also want congratulate a young (12 years old) Kamogelo Seabi and Kamano Mphahlele for representing the Municipality in provincial squad for the SA school tennis games held in Bloemfontein.



Tshepo Nchabeleng and Thabiso Tsoai continues to dominate the track and field championship held at the University of Limpopo and Albert Ntsoane took position 1 in the Provincial Cross Country Championship held in Lephalale.

Potego Leshabane and Lesedi Madiba were selected for under 19 netball Championships.

Madam Speaker, in peroration, I would like to thank everyone and the people of Lepelle-Nkumpi for affording me the opportunity to be part of this Municipality.

Keya Leboga, thank you very much,

"Motho ke Motho Ka Batho)

Pulaaaaaaa!!!!!!



1. The Executive Summary

The Budget for the 2023/2024 MTREF is outlined below:

LIM355, Lepelle-Nkumpi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue							
Exchange Revenue							
Service charges - Waste Management	7,120,609	7,122,609	7,122,609	6,217,032	7,500,107	7,867,612	8,237,390
Sale of Goods and Rendering of Services	112,986,603	113,093,603	113,093,603	371,351	199,931,548	156,128,301	147,156,597
Agency services	40,615,498	44,727,020	44,727,020	11,073,566	47,097,552	49,405,332	51,727,383
Interest earned from Receivables	3,367,178	3,867,178	3,867,178	4,020,520	4,072,138	4,271,673	4,472,442
Interest earned from Current and Non Current Assets	13,169,720	26,169,720	26,169,720	23,346,957	27,556,714	28,906,994	30,265,623
Rental from Fixed Assets	334,006	334,006	334,006	245,682	351,708	368,942	386,283
Licence and permits	4,734	4,734	4,734	-	4,984	5,229	5,474
Operational Revenue	18,743,479	19,000,933	19,000,933	843,472	20,007,982	20,988,376	21,974,828
Non-Exchange Revenue							
Property rates	34,373,881	37,473,881	37,473,881	35,660,344	39,459,996	41,393,536	43,339,032
Fines, penalties and forfeits	12,061,306	12,063,806	12,063,806	76,059	12,703,188	13,325,644	13,951,949
Licences or permits	1,633	1,633	1,633	592	1,720	1,804	1,889

Transfer and subsidies - Operational	310,408,898	305,408,898	305,408,898	304,304,918	339,638,763	350,717,000	338,583,000
Interest	12,054,351	14,554,351	14,554,351	15,443,030	15,325,731	16,076,692	16,832,297
Operational Revenue							
Gains on disposal of Assets	70,000	70,000	70,000	-	73,710	77,322	80,956
Total Revenue (excluding capital transfers and contributions)	565,311,896	583,892,372	583,892,372	379,456,734	713,725,841	689,534,457	677,015,143
Expenditure							
Employee related costs	134,714,216	118,793,372	118,793,372	90,984,276	142,196,313	149,163,916	156,174,628
Remuneration of councillors	22,394,173	22,394,173	22,394,173	21,673,453	23,603,450	24,736,531	25,899,147
Inventory consumed	8,167,811	5,796,349	5,796,349	1,273,220	9,328,945	9,639,064	9,959,101
Depreciation and amortisation	37,699,942	37,699,942	37,699,942	25,728,725	39,698,037	41,643,244	43,600,473
Interest	153,613	50,000	50,000	-	52,650	55,230	57,826
Contracted services	127,041,777	82,242,576	82,242,576	41,011,539	110,885,238	122,242,212	126,455,059
Irrecoverable debts written off	54,242,089	92,303,581	92,303,581	28,035,371	87,043,801	85,607,698	88,201,734
Operational costs	54,380,527	54,374,239	54,374,239	48,814,021	65,353,081	65,027,856	68,089,144
Total Expenditure	438,794,148	413,654,232	413,654,232	257,520,604	478,161,515	498,115,751	518,437,112
Surplus/(Deficit) Transfers and subsidies - capital (monetary allocations)	126,517,748	170,238,140	170,238,140	121,936,129	235,564,326	191,418,706	158,578,031
	61,628,000	61,435,087	61,435,087	31,651,884	64,332,000	67,209,000	70,208,000
Surplus/(Deficit) for the year	188,145,748	231,673,227	231,673,227	153,588,013	299,896,326	258,627,706	228,786,031

OPERATING BUDGET.

The operating budget deals with day to day operations of the municipality to ensure that service delivery is sustained.

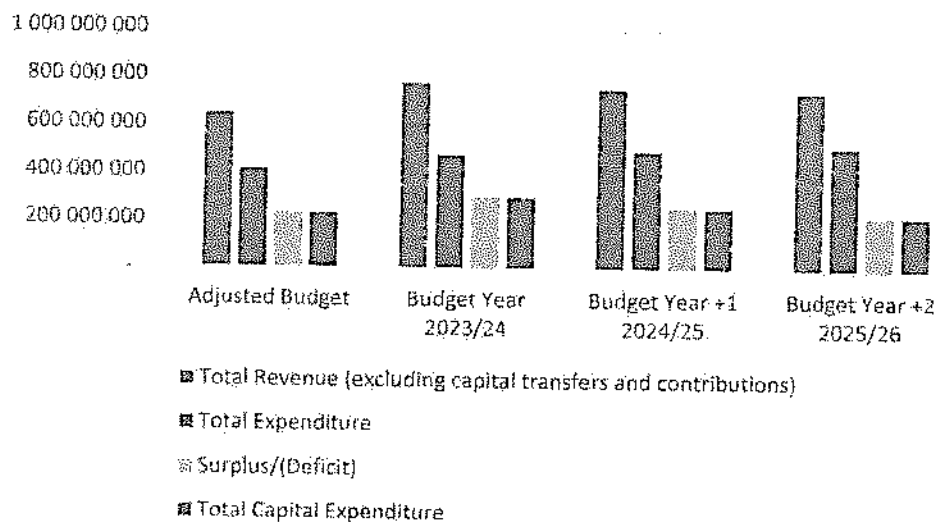
The final operating budget has increased to R778million compared to the current adjusted budget of R645 million.

The trend is that the operating expenditure has been increasing over the years driven by:

- ✚ salary increments
- ✚ the need to repair infrastructure
- ✚ the need to adequately budget for debt impairment and depreciation,
- ✚ CPI Inflation outlook.

	Adjusted Budget	Budget Year +1 2023/24	Budget Year +2 2020/21	Budget Year +2 2021/22
Total Revenue (including capital transfers and contributions)	645,327,459	778,057,841	756,743,457	747,223,143
Total Expenditure	413,654,232	478,178,612	498,115,751	518,429,112
Surplus/(Deficit)	231,673,227	299,879,229	258,627,706	228,794,031
Total Capital Expenditure	231,673,227	299,879,229	258,627,706	228,794,031

BUDGET SUMMARY



OPERATING BUDGET.

The operating budget deals with day to day operations of the Municipality to ensure that service delivery is sustained.

The final operating budget has increased to R727 million compared to the adjustment budget of R645 million.

Description	2023/24 Medium Term Revenue & Expenditure Framework	%
Expenditure		
Employee related costs	142,196,313.00	18.28
Remuneration of councillors	23,603,450.00	3.03
Inventory consumed	9,328,945.00	1.20
Depreciation and amortisation	39,698,037.00	5.10
Interest	52,650.00	0.01
Contracted services	110,885,238.00	14.25
Irrecoverable debts written off	87,043,801.00	11.19
Operational costs	65,353,081.00	8.40
Total Expenditure	478,161,515.00	61.46
Surplus/(Deficit)	235,564,326.00	30.28
Transfers and subsidies - capital (monetary allocations)	64,332,000.00	8.27
Surplus/(Deficit) after capital transfers & contributions	299,896,326.00	38.54

Comments on Operating Revenue

LIM355 Lepelle-Nkumpi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2023/24 Medium Term Revenue & Expenditure Framework	
R thousand	Budget Year 2023/24	%
Revenue		
Exchange Revenue		
Service charges - Waste Management	7,500,107.00	0.96
Sale of Goods and Rendering of Services	199,931,548.00	25.70
Agency services	47,097,552.00	6.05
Interest earned from Receivables	4,072,138.00	0.52
Interest earned from Current and Non Current Assets	27,556,714.00	3.54
Rental from Fixed Assets	351,708.00	0.05
Licence and permits	4,984.00	0.00
Operational Revenue	20,007,982.00	2.57
Non-Exchange Revenue		
Property rates	39,459,996.00	5.07
Fines, penalties and forfeits	12,703,188.00	1.63
Licences or permits	1,720.00	0.00
Transfer and subsidies - Operational	339,638,763.00	43.65
Interest	15,325,731.00	1.97
Gains on disposal of Assets	73,710.00	0.01
Discontinued Operations		
Total Revenue (excluding capital transfers and contributions)	713,725,841.00	91.73



The property rates

The property rates amounts to R49.5 million for the 2023/2024 financial year. An amount of R9.9 million is budgeted for the income forgone in terms of rebates and discounts that are offered by the Municipality for the indigents, pensioners and the areas where the Municipality is not providing services. This revenue stream contributes 6% of the operating revenue.

Service charges

Service charges include refuse removal of an amount of R7.5 million. This revenue stream has been increased by 1% of the operating revenue.

Rental income

The rental income amounts to R351 The stream contributes 0.05% of the operating revenue.

Fines

The revenue budget for the fines have been increased from R12.0 to R12.7 million increased by 5.3% and is in line with GRAP standards where fines are disclosed on accrual basis and not on cash basis. The provision of R3.5m made for unpaid traffic fines. The stream contributes 1.63% of the operating revenue.

Agency fees

The agency fees consist of revenue for provision of water services on behalf of the Capricorn District Municipality and motor vehicle licencing services on behalf of department of transport.

- ✓ The budget for this revenue stream has been increased from R44.1 million to R47.1 million. Which is in line with the 30% agreement of the billing for water to be recognised as commission. Lepelle-Nkumpi entered in to WSAWSP agreement of 70:30 with the Capricorn District Municipality for the provision of water.
- ✓ 80:20 service level agreement with the department of transport of the licencing revenue. This revenue stream needs to be properly monitored. It contributes 6.05% to the total operating revenue streams.



Grants and Subsidies – operating

The grants subsidies refer to the Division of Revenue Act allocations in the 2023/24 financial year, the operational grants allocations are as follows: -

Revenue By Source	Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Budget Year 2025/2026
Equitable Share	301,329,000	319,605,000	339,313,000	326,658,000
FMG Grant	2,000,000	2,000,000	2,000,000	2,100,000
MIG Grant	45,328,000	64,332,000	67,209,000	70,208,000
MIG Grant: Roll Over	11,107,087			
CDM: Eradication of Alien Plant	16,455	16,455		
CDM: Mamaolo Hall	6,135	6,135		
Seleteng softball diamond	300,000	300,000		
CDM: Integrated Transport Plan	377,308	377,308		
INEP/DME	5,000,000	14,900,000	9,404,000	9,825,000
EPWP Incentive Grant	1,380,000	2,440,000		
TOTAL GRANTS	366,843,985	403,976,898	417,926,000	408,791,000

Operating Revenue Framework

For Lepelle-Nkumpi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every Municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inescapably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.



TARIFF STRUCTURE - 2023/2024				
BUDGET AND TREASURY	2022/2023	2023/2024	2024/2025	2025/2026
CATEGORY OF PROPERTY				
Increments	4.8%	5.3%	4.9%	4.7%
Residential stands (Improved)	0.0051	0.0053	0.0056	0.0059
Residential stands (Vacant)	0.0253	0.0266	0.0280	0.0293
Business stands /Industrial (Improved)	0.0075	0.0079	0.0082	0.0086
Business stands/ Industrial (Vacant)	0.0087	0.0092	0.0096	0.0101
Farming and Agricultural properties	0.0013	0.0013	0.0014	0.0015
Mining properties	0.0075	0.0079	0.0082	0.0086
All Government properties. (Improved)	0.0075	0.0079	0.0082	0.0086
All Government properties. (Vacant)	0.0087	0.0092	0.0096	0.0101
Flat Rate per Property in villages				
Businesses (commercial - in villages)				
Government Buildings				
Consumer Deposits : Domestic	800.00	800.00	800.00	800.00
Businesses	2,000.00	2,000.00	2,000.00	2,000.00
Contractors	5,000.00	5,000.00	5,000.00	5,000.00



Interest on Arrear Accounts	10%	10%	10%	10%
Copy of the Valuation Roll	500.00	500.00		
Proof of Residents(Township)	15.00	15.00		
Proof of Residents(Rural)- Letter from Tribal authority required				
Tender documents:				
R200 000-R 1 000 000	250.00	250.00	250.00	250.00
R1000 001-R2 000 000	350.00	350.00	350.00	350.00
R2 000 001-Above	400.00	400.00	400.00	400.00

TARIFF STRUCTURE - 2023/2024				
	2022/2023	2023/2024	2024/2025	
Increments	4.8%	5.3%	4.9%	
COMMUNITY SERVICES				
WASTE				
Residential	46.11	48.55	50.93	
Business	876.37	922.81	968.03	
Place of Worship	184.51	194.28	203.80	
Schools	184.51	194.28	203.80	



Government Institutions	4,963.36	5,226.42	5,482.51
Industrial	4,963.36	5,226.42	5,482.51
Shopping Complex	9,840.00	10,361.52	10,869.24
Flats	1,537.49	1,618.98	1,698.31
Hospitals	5,043.00	5,310.28	5,570.48
Indigents(Self targeting-Urban)	35.04	36.89	38.70
Indigents(Self targeting- Rural)	27.93	29.42	30.86
Environmental Affairs	2022/2023	2023/2024	2024/2025
Cutting of unwanted trees	838.73	883.18	926.46
Penalty for Illegal Dumping	5,766.25	6,071.86	6,369.38
Penalty for Illegal Dumping(Health Care Risk Waste and Hazardous waste)	5,766.25	6,071.86	6,369.38
Dust bins(Mass Containers)			
	2022/2023	2023/2024	2024/2025
Commercial Refuse(6m3 per bin)	598.88	630.62	661.52
Rubble removal (6m3 per bin)	1,500.00	1,579.50	1,656.90
Disposal of food waste	1,851.08	1,949.19	2,044.70
Rental of Skip Bins (per bin)	800.00	842.40	883.68



MUNICIPAL POUND FEES			
Impoundment of goods per day	100.00	105.30	110.46
Admin fee : Goods	348.44	366.91	384.88
Salvaging of containers	3,484.39	3,669.06	3,848.85
Impounded Animal on the Public Road			
	2022/2023	2023/2024	2024/2025
Large Stock eg cattle, donkey	20.00	20.00	20.00
Small Stock eg goat, sheep	10.00	10.00	10.00
Admin fee : Animals	10.00	10.00	10.00
Distance to be charged as per tariffs approved by Dept. of Transport			
Noise Abatement and Prevention of Nuisance By-Law			
Land Fill Sites			
	2022/2023	2023/2024	2023/2025
General waste above 1 ton	114.15	120.20	126.09
Businesss Waste	114.15	120.20	126.09
Clean Compost material in excess of 1000kg(garden waste)	Free	Free	Free
Clean Compost material above 1000kg	Free	Free	Free
Mixed waste(General and Garden)	Free	Free	Free
Clean Rubble and soil	Free	Free	Free
Sorted Recyclables	Free	Free	Free



CEMETRIES			
LEBOWAKGOMO CEMETRY	2022/2023	2023/2024	2024/2025
Single grave(Resident)	718.66	756.74	793.82
Single grave non residential	1,306.65	1,375.90	1,443.32
Paupers Grave	1,415.53	1,490.56	1,563.59
Foreign Nationals	10,000.00	10,530.00	11,045.97
Children grave (As per the Children's act)	359.33	378.37	396.91
Reservation of grave	10,888.72	11,465.82	12,027.65
Exhumation	598.88	630.62	661.52
FACILITIES			
Civic Hall Lebowakgomo	2022/2023	2023/2024	2024/2025
Rental (N.B Per Day not per function)			
The use of Civic Centre Hall for parties and weddings	4,000.00	4,000.00	4,000.00
The use of Civic Centre Hall for any function except parties and weddings	1,900.00	4,000.00	4,000.00
The use of Civic Centre Hall for profit making function(festival, concert, Drama,etc)	4,500.00	4,500.00	4,500.00
Security Fee(Overnight) -	3,500.00	4,000.00	4,000.00
Security fee(During the Day)	1,500.00	4,000.00	4,000.00
Cultural Centre	2022/2023	2023/2024	2024/2025

Rental (N.B Per Day not per function)			
The use of Cultural Centre for cultural activities	750.00	750.00	750.00
	600.00	600.00	600.00
Security Fee(For overnight)	750.00	750.00	750.00
Security Fee(During the day)	600.00	600.00	600.00
Community Halls(Rural)	2022/2023	2023/2024	2024/2025
Mamaolo, Mahlatsane, Lesetse, Dithabaneng, Mogodi community halls (Daily)	600.00	600.00	600.00
Deposit Security Fee	600.00	600.00	600.00
Club House (Lebowakgomo)	2022/2023	2023/2024	2024/2025
Rental			
Club house for Social functions	4,000.00	2,000.00	2,000.00
Security	3,500.00	2,200.00	2,200.00
Meetings by local associations/Non-profit	Free	Free	Free
The use for Aerobics - Daily	500.00	500.00	500.00
The use for Aerobics - Monthly	1,000.00	1,000.00	1,000.00
Deposit Security Fee			
The use for Profit making	2,800.00	2,800.00	2,800.00
B. Sports Facilities	2022/2023	2023/2024	2024/2025
Lebowakgomo Stadium			



Rental			
Social Functions	15,000.00	7,000.00	7,000.00
Security Fee	3,500.00	3,500.00	3,500.00
Use for Non-professional soccer tournaments and Athletics	1,000.00	1,000.00	1,000.00
Security Fee	700.00	700.00	700.00
Institutional Sports	Free	Free	Free
Deposit Security Fee	1,400.00	1,400.00	1,400.00
Use of stadium for training per month	Free	Free	Free
Soccer Practise (Per Two(2) hours	200.00	200.00	200.00
NB: OVERNIGHT REFERS TO 18H00 TO 06H00			
ENVIRONMENTAL MANAGEMENT	2022/2023	2023/2024	2024/2025
Borrow pit Material (per cube)	50.00	50.00	50.00
Penalty for waste water spillage/Illegal disposal	10,000.00	10,000.00	10,000.00
Penalty for oil spillage	10,000.00	10,000.00	10,000.00
Penalty for illegal extraction of water	10,000.00	10,000.00	10,000.00
Application for compliance certificate(waste wate disposal)Annual renewal	1,000.00	1,000.00	1,000.00
Administration fee for exhumation	100.00	100.00	100.00
Administration fee for initiation school	100.00	100.00	100.00



TARIFF STRUCTURE - 2023/2024				
	2022/2023	2023/2024	2024/2025	2025/2026
PLANNING AND LAND USE				
HAWKING				
Increments	4.8%	5.3%	4.9%	4.7%
Hawkers licence-new	157.20	165.53	173.64	181.80
Lost copy of hawkers licence	209.60	220.71	231.52	242.41
Trading of animal along the road (per month)	500.00	526.50	552.30	578.26
Mobile Hawker (Licence)-monthly	130.66	137.59	144.33	151.12
Monthly payment of hawkers' stalls	52.40	55.18	57.88	60.60
Temporary hawking in service points(Seasonal)	500.00	526.50	552.30	578.26
LAND USE AND TRANSFER OF PROPERTY				
	2022/2023	2023/2024	2024/2025	2024/2025
Application for consent	1,415.53	1,490.56	1,563.59	1,637.08
Zoning certificate	239.55	252.25	264.61	277.04
Relocation of beacons	4,500.00	4,738.50	4,970.69	5,204.31
Application for Clearance Figures	500.00	526.50	552.30	578.26
Clearance certificate	300.00	315.90	331.38	346.95
Transfer of ownership	631.55	665.02	697.60	730.39
BUILDING INSPECTORATE	2022/2023	2023/2024	2024/2025	2024/2025
Plan approval fee per sqm-residential-1	13.41	14.12	14.81	15.51
Plan approval fee per sqm-residential-2	26.82	28.25	29.63	31.02



Plan approval fee per sqm-business-1	53.34	56.17	58.92	61.69
Plan approval fee per sqm-business-2	106.68	112.34	117.84	123.38
Plan approval fee per sqm-Place of Worship	13.41	14.12	14.81	15.51
Occupation certificate	1,000.00	1,053.00	1,104.60	1,156.51
Internal Layout	2,722.18	2,866.46	3,006.91	3,148.24
Fine for not submitting building plan	5,000.00	5,265.00	5,522.99	5,782.57
Inspection fee - Building Control	1,000.00	1,053.00	1,104.60	1,156.51
Application for relaxation of buildings (per sqm)	10.21	10.75	11.28	11.81
Approval of site development plan	2,000.00	2,106.00	2,209.19	2,313.03
Extension for Approvals - Building plans & PTO	597.74	629.42	660.26	691.29
Printing of general plan	100.00	105.30	110.46	115.65
Printing of Deeds Search	50.00	52.65	55.23	57.83
TYPE OF APPLICATION				
Establishment of a township	6,520.76	6,866.36	7,202.82	7,541.35
Amendment of a township establishment application:				
If already approved by the Municipality	3,260.38	3,433.18	3,601.41	3,770.67
If not already approved by the Municipality	2,716.99	2,860.99	3,001.17	3,142.23
Phasing/cancellation of approved layout plan	2,716.99	2,860.99	3,001.17	3,142.23
Rezoning:				



One erf	3,260.38	3,433.18	3,601.41	3,770.67
Every erf Additional to the First Erf Per Erf	4,077.62	4,293.73	4,504.12	4,715.82
3,770.67	3,260.38	3,433.18	3,601.41	
Amendment or cancellation of a general plan of a township	2,716.99	2,860.99	3,001.17	3,142.23
Division of farm land	6,520.76	6,866.36	7,202.82	7,541.35
Subdivision of land:				
For first five erven	2,716.99	2,860.99	3,001.17	3,142.23
Every erf additional to the first five erven Per erf	2,716.99	2,860.99	3,001.17	3,142.23
Consolidation of land	2,716.99	2,860.99	3,001.17	3,142.23
Simultaneous subdivision and consolidation of land	2,716.99	2,860.99	3,001.17	3,142.23
Permanent closure of a public place (per closure)	3,260.38	3,433.18	3,601.41	3,770.67
The removal, amendment or suspension of a restrictive title condition relating to the density of residential development	2,716.99	2,860.99	3,001.17	3,142.23
Application of lost copy of deed of grant	249.96	263.21	276.11	289.09
Valuation Letter	480.00	505.44	530.21	555.13



PROPERTY RATES TARIFFS

TARIFF STRUCTURE - 2023/2024				
BUDGET AND TREASURY	2022/2023	2023/2024	2024/2025	2025/2026
<u>CATEGORY OF PROPERTY</u>				
Increments	4.8%	5.3%	4.9%	4.7%
Residential stands (Improved)	0.0051	0.0053	0.0056	0.0059
Residential stands (Vacant)	0.0253	0.0266	0.0280	0.0293
Business stands /Industrial (Improved)	0.0075	0.0079	0.0082	0.0086
Business stands/ Industrial (Vacant)	0.0087	0.0092	0.0096	0.0101
Farming and Agricultural properties	0.0013	0.0013	0.0014	0.0015
Mining properties	0.0075	0.0079	0.0082	0.0086
All Government properties. (Improved)	0.0075	0.0079	0.0082	0.0086
All Government properties. (Vacant)	0.0087	0.0092	0.0096	0.0101
Flat Rate per Property in villages				
Businesses (commercial - in villages)				
Government Buildings				
Consumer Deposits : Domestic	800.00	800.00	800.00	800.00
Businesses	2,000.00	2,000.00	2,000.00	2,000.00



Contractors	5,000.00	5,000.00	5,000.00	5,000.00
Interest on Arrear Accounts	10%	10%	10%	10%
Copy of the Valuation Roll	500.00	500.00		
Proof of Residents(Township)	15.00	15.00		
Proof of Residents(Rural)- Letter from Tribal authority required				
Tender documents:				
R200 000-R 1 000 000	250.00	250.00	250.00	250.00
R1000 001-R2 000 000	350.00	350.00	350.00	350.00
R2 000 001-Above	400.00	400.00	400.00	400.00



TARIFF STRUCTURE 2023-2024

OUTDOOR ADVERTISING		2022/2023	2023/2024	2024/2025	2025/2026
	DESCRIPTION				
Billboards	Application fee: (Non-refundable)	2,000.00	3,000.00	3,000.00	3,000.00
Banners And Flags	Application fee: (Non-Refundable)	1,250.00	1,250.00	1,250.00	1,250.00
	Penalty for non-removal of banner/flag	R200 per banner/flag	500.00	500.00	500.00
	Trailer advertising:				
	Application fee: (Non-Refundable)				
	o Application fee per trailer	1,500.00	2,000.00	2,000.00	2,000.00
Posters	Application fee: (Non-Refundable)	2,000.00	2,000.00	2,000.00	2,000.00
	ELECTION/ CAMPAIGN POSTERS FOR POLITICAL PARTIES	R100 per poster for ten(10) Days	Free	Free	Free
Hawkers (Stadium) per day					
Car display municipal wide (per day)		6,424.34	6,707.02	7,008.83	7,324.23
Car display Permit(per day)		2,504.41	2,614.60	2,732.26	2,855.21



TARIFFS FOR LEBOWAKGOMO LIBRARY FOR 2023/2024				
	2022/2023	2023/2024	2024/2025	2025/2026
1. MEMBERSHIP FEES				
1.1 Deposit				
For any person/ family without a current Municipality account at the				
Local Moshate/ or Lepelle- Nkumpi Local Municipality				
1.2 Membership fees				
Corporate Membership(e.g. school)	100.00	100.00	100.00	100.00
Per adult, per year	R30.00	R30.00	R30.00	R30.00
Per child, per year	R15.00	R15.00	R15.00	R15.00
1.2.1 Membership fees and deposit are payable in advance.				
Membership is valid for a period of 12 months from the date				
of application or renewal.				
1.2.2 No refund of membership fees will be made at cancellation				
of the membership.				



1.2.3 Pensioners above 65 or persons receiving a social pension				
are condoned from membership fees, if sufficient proof is submitted.				
1.2.4 Pensioners without a current municipal or Moshate account,				
will pay prescribed deposit.				
2. USER FEES (payable in advance)				
(i) Inter-library loan, per book request	25.00	25.00	25.00	25.00
Inter-library loan, photocopies as per SAIS fees	15.00	15.00	15.00	15.00
(ii) Special request, per request	n/a	n/a	n/a	n/a
(iii) Compact discs, per loan	R 5.00	R 5.00	R 5.00	R 5.00
(iv) Video/ DVD, per loan	R 7.00	R 7.00	R 7.00	R 7.00
(v) Books on the tape, per loan	R 5.00	R 5.00	R 5.00	R 5.00
(vi) Blind library(Visually impaired material)	Free	Free	Free	Free
(vii) Photocopies A4, each(Black and white)	R 1.00	R 1.00	R 1.00	R 1.00
Photocopies A3, each	R 2.00	R 2.00	R 2.00	R 2.00
Colour A3	4.00	4.00	4.00	4.00
Colour copies (when available) A4	2.00	2.00	2.00	2.00



	R 3.00	R 3.00	R 3.00	R 3.00
(ix) Scanner	3.00	3.00	3.00	3.00
3. FINES				
(i) Per overdue book, per week or part thereof (per day)	2.00	2.00	2.00	2.00
(ii) Per overdue record/ compact disc/ art print/ video per day	5.00	5.00	5.00	5.00
(iii) Loss of book cover, per cover	R 3.00	R 3.00	R 3.00	R 3.00
(iv) Study Collection, per item, per day	n/a	n/a	n/a	n/a
(v) Replacement of membership card	R10.00	R10.00	R10.00	R10.00
4. ADMINISTRATION COSTS REGARDING THE RECOVERY OF OVERDUE/ LOST/ DAMAGED LIBRARY MATERIAL				
(i) Reminder (Letter/e-mail/SMS)	R 3.00	R 3.00	R 3.00	R 3.00
(i) Registered letter	R20.00	R20.00	R20.00	R20.00
(i) Placement on Municipality service account	10.00	10.00	10.00	10.00
(i) Further action: (ii) and (iii) plus real expenses incurred				
5. LOST/ DAMAGED BOOKS/ OTHER LIBRARY MATERIAL				
(i) Replace at current publisher/ trade price				
(i) If publisher prices are not obtainable e.g. book out of print,				



replace at average replacement value for applicable				
Category as per Table 1:				
Table 1: Average replacement value of books per category				
Category				
Vernacular	R 36.00	R 36.00	R 36.00	R 36.00
Afrikaans Fiction	R 56.00	R 56.00	R 56.00	R 56.00
English Fiction	R107.00	R107.00	R107.00	R107.00
Non Fiction	R133.00	R133.00	R133.00	R133.00
Study Collection	R207.00	R207.00	R207.00	R207.00
Reference Books	R235.00	R235.00	R235.00	R235.00
Junior Non Fiction	R 50.00	R 50.00	R 50.00	R 50.00
Junior Fiction	R 50.00	R 50.00	R 50.00	R 50.00
Toddlers' Books	R 40.00	R 40.00	R 40.00	R 40.00
Compact Discs/ DVD	R134.00	R134.00	R134.00	R134.00
Audio Books	R175.00	R175.00	R175.00	R175.00
CD-Rom	R 71.00	R 71.00	R 71.00	R 71.00
Videos	R 60.00	R 60.00	R 60.00	R 60.00
Newspapers Publishers price plus R2.00 admin cost	n/a	n/a	n/a	n/a
Periodicals Publishers price plus R2.50 admin costs	n/a	n/a	n/a	n/a
INTERNET CAFÉ / KIOSK				
Browsing/ downloads; per half hour or part thereof				



Printing: A4 black and white				
	R 1.00	R 1.00	R 1.00	R 1.00
	R 3.00	R 3.00	R 3.00	R 3.00
	R 3.00	R 3.00	R 3.00	R 3.00
Street Closure		150.00		
Funeral Escorts		250.00		



OPERATING EXPENDITURE

Description	2023/24 Medium Term Revenue & Expenditure Framework	
Expenditure		
Employee related costs	142,196,313.00	18.28
Remuneration of councillors	23,603,450.00	3.03
Inventory consumed	9,328,945.00	1.20
Depreciation and amortisation	39,698,037.00	5.10
Interest	52,650.00	0.01
Contracted services	110,885,238.00	14.25
Irrecoverable debts written off	87,043,801.00	11.19
Operational costs	65,353,081.00	8.40
Total Expenditure	478,161,515.00	61.46
Surplus/(Deficit)	235,564,326.00	30.28
Transfers and subsidies - capital (monetary allocations)	64,332,000.00	8.27
Surplus/(Deficit) after capital transfers & contributions	299,896,326.00	38.54

Operating Expenditure Framework

Employee related costs

- ✓ The employee related costs and remuneration of councillors indicate a percentage of 21.31% of the total operating budget.
- ✓ With regard to salaries and wages, Municipality has taken the salary and wage increase for 2023/2024 financial year MFMA Circular no:123 setting out the salary and wage increases. The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average



CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023).

Councillors Allowance

- ✓ The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

General expenditure

In a bid to cut cost and ensure the funding of the overall budget. Circular 82 of the cost containment measures are adhering to and the following among others are strategies involve in cutting cost: -

- ✓ **Travel and subsistence and Air Travel**
 - The use of National Treasury negotiated rates are mostly used.
 - Overnight accommodation is booked when the kilometres to be travelled exceeds 500 kilometres (to and from the destination).
- ✓ **Catering costs**
 - Do not incur catering expenses for any meetings where only municipal officials are in attendance.
- ✓ **Events, advertising and sponsorships**
 - Municipality uses e tender for tender advertisement
 - Uses newspapers only for post adverts
 - Municipality discourages advertising in magazines and television.
- ✓ **Telephone and overtime**
 - Limit municipal staff telephones and private calls to a reasonable amount.
 - Encourage staff to take time off to make up for overtime worked.
 - Unplanned overtime worked must be motivated and approved by management.



- ✓ General expenditure takes 8.4% of the total operating expenditure.

Contracted services

Even though the treasury discourages the use of consultants but due to human capacity, the Municipality still appoints consultant to assist in the implementation of other programmes and projects budgeted for and still heavily relies on the use of consultants but conducts gap analysis as per the circular. This has resulted in the professional fees budget increasing from R82m in the 2022/23 financial year to R11.9m, R122.2m and R126.5m in 2023-24, 2024/25 and 2025/26 respectively.

The contract management will have to be improved for the contracted services. The outsourcing of work will need to be controlled to ensure skill transfer.

Debt Impairment

The provision of debt impairment was based on an annual collection rate of 30 per cent and the Debt Write-off Policy of the Municipality. This expenditure is considered to be a non-cash flow item, it forms the total cost associated with rendering the services of the Municipality, as well as the Municipality's realistically anticipated revenues

Inventory Consumed

The Inventory Consumed contributes 1.2% of the operating budget.

Depreciation

Depreciation constitutes 5.10% of the budget. The budget increase was informed by historical trends as well as budgeted and forecasted additions.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy



LIM355 Lepelle-Nkumpi - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional									
Governance and administration	117,989,987	411,290,171	383,615,942	514,790,312	534,147,766	534,147,766	645,501,143	627,480,165	612,065,287
Executive and council Finance and administration	-	-	-	-	-	-	-	-	-
Internal audit	117,989,987	411,290,171	383,615,942	514,790,312	534,147,766	534,147,766	645,501,143	627,480,165	612,065,287
Community and public safety	1,295,750	5,807,455	7,672,907	12,430,748	12,433,248	12,433,248	13,069,850	13,395,572	14,025,165
Community and social services	41,217	26,226	5,662,357	376,570	376,570	376,570	374,168	77,802	81,460
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	1,336,967	5,781,228	2,010,550	12,054,178	12,056,678	12,056,678	12,695,682	13,317,770	13,943,705
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	27,319,909	43,480,462	58,621,557	86,207,364	85,232,973	85,232,973	94,635,302	98,584,108	103,057,737
Planning and development	6,113,750	37,610,675	55,995,843	80,157,778	75,071,865	75,071,865	83,936,527	87,378,355	91,325,313
Road transport	21,206,159	5,869,787	2,625,714	6,033,131	10,144,653	10,144,653	10,682,320	11,205,753	11,732,424
Environmental protection	-	-	-	16,455	16,455	16,455	16,455	-	-

Trading services	3,116,088	8,339,333	11,667,239	13,511,472	13,513,472	13,513,472	24,851,546	17,283,612	18,074,954
Energy sources	-	-	3,884,000	5,000,000	5,000,000	5,000,000	14,900,000	9,404,000	9,825,000
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	3,116,088	8,339,333	7,783,239	8,511,472	8,513,472	8,513,472	9,951,546	7,879,612	8,249,954
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	147,130,234	468,917,421	461,577,646	626,939,896	645,327,459	645,327,459	778,057,841	756,743,457	747,223,143
Expenditure - Functional Governance and administration	32,400,614	218,454,919	241,273,628	258,843,293	283,894,030	283,894,030	313,682,238	325,736,185	338,159,347
Executive and council Finance and administration	3,772,792	28,311,530	28,757,850	36,616,655	36,431,851	36,431,851	42,334,386	44,384,912	46,470,875
Internal audit	26,971,382	183,909,679	203,828,004	212,100,946	237,638,921	237,638,921	259,373,066	268,789,844	278,536,656
Community and public safety	1,656,441	6,233,710	8,687,774	10,125,692	9,823,258	9,823,258	11,974,786	12,561,429	13,151,816
Community and social services	3,193,690	12,717,479	21,918,480	31,124,989	29,402,124	29,402,124	34,278,467	36,265,337	37,923,042
Sport and recreation	952,011	8,513,826	11,058,400	14,823,426	14,663,888	14,663,888	17,231,907	18,383,464	19,200,488
Public safety	-	-	-	-	-	-	-	-	-
Housing	2,241,679	4,203,653	10,860,079	16,301,563	14,738,236	14,738,236	17,046,560	17,881,873	18,722,554
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	7,036,921	266,413,733	42,181,978	64,640,177	61,006,289	61,006,289	86,905,436	91,427,110	95,636,085

Planning and development	1,717,007	241,699,946	10,088,925	16,981,128	16,799,791	16,799,791	17,805,508	19,188,677	20,082,646
Road transport	5,078,351	24,280,977	31,423,153	46,860,170	43,402,221	43,402,221	68,124,547	71,178,113	74,447,984
Environmental protection	241,563	432,811	669,900	798,879	804,277	804,277	975,381	1,060,320	1,105,455
<i>Trading services</i>	4,676,599	36,605,183	25,479,875	81,001,301	39,351,789	39,351,789	43,312,471	44,687,119	46,710,638
Energy sources	1,860,752	11,963,931	9,577,244	58,191,507	12,832,798	12,832,798	13,597,671	15,318,125	16,022,161
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	2,815,847	24,641,252	15,902,632	22,809,794	26,518,991	26,518,991	29,714,800	29,368,994	30,688,477
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	47,307,825	534,191,314	330,853,961	435,609,760	413,654,232	413,654,232	478,178,612	498,115,751	518,429,112
Surplus/(Deficit) for the year	99,822,409	65,273,893	130,723,684	191,330,136	231,673,227	231,673,227	299,879,229	258,627,706	228,794,031

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- ✓ Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile „whole of government“ reports.
- ✓ Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
<u>Capital expenditure - Vote</u>										
<u>Multi-year expenditure to be appropriated</u>										
Vote 01 - Executive And Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services	-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services	-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning And Development	-	-	-	-	-	-	-	-	-	-

Capital single-year expenditure sub-total	13,767,568	45,471,037	56,710,455	191,330,136	231,673,222	231,673,222	42,968,120	299,562,774	258,627,706	228,794,031
Total Capital Expenditure - Vote	13,767,568	45,471,037	56,710,455	191,330,136	231,673,222	231,673,222	42,968,120	299,562,774	258,627,706	228,794,031
<u>Capital Expenditure - Functional Governance and administration</u>										
Executive and council	23,640	640,218	885,778	18,505,000	18,718,000	18,718,000	8,374,322	13,380,920	10,432,646	6,199,381
Finance and administration	23,640	640,218	885,778	18,505,000	18,718,000	18,718,000	8,374,322	13,380,920	10,432,646	6,199,381
Internal audit										
Community and public safety	-	5,737,725	8,430,999	8,360,000	8,518,323	8,518,323	-	18,216,600	5,000,000	5,000,000
Community and social services	-	5,540,225	8,430,999	8,200,000	8,358,323	8,358,323	-	18,216,600	5,000,000	5,000,000
Sport and recreation										
Public safety	-	197,500	-	160,000	160,000	160,000	-	-	-	-
Housing										
Health										
Economic and	13,632,800	36,351,234	47,393,677	156,325,136	150,373,899	150,373,899	33,342,348	180,831,254	203,891,060	191,749,650

environmental services									
Planning and development	8,736,597	31,925,701	43,508,640	62,046,601	56,353,688	56,353,688	28,275,473	73,511,400	85,848,550
Road transport	4,896,203	4,425,533	3,885,037	93,578,535	93,420,211	93,420,211	5,066,876	106,819,854	112,659,668
Environmental protection	-	-	-	700,000	600,000	600,000	-	500,000	79,089,982
Trading services	111,128	2,741,860	-	8,140,000	54,063,000	54,063,000	1,251,450	87,134,000	25,845,000
Energy sources	111,128	2,741,860	-	6,000,000	51,923,000	51,923,000	1,251,450	78,334,000	11,825,000
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	2,140,000	2,140,000	2,140,000	-	8,800,000	4,000,000
Total Capital Expenditure - Functional	13,767,568	45,471,037	56,710,455	191,330,136	231,673,222	231,673,222	42,968,120	299,562,774	228,794,031
Funded by:									
National Government	8,736,597	31,531,676	42,548,888	58,546,601	58,353,688	58,353,688	28,275,473	76,015,400	76,522,600
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-

Capital Budget

Capital expenditure is the expenditure incurred on items used over a period of time longer than 12 months to generate future income.

Capital projects amounting to R299,562,774 have been included in this budget. Own sources available to fund these projects amount to R223,547,374. Our MIG allocation for 2023/2024 is R76,015,400. Excluding PMU Operating expenditure.

All projects presented in this report are the priorities as per the approved Integrated Development Plan which was reviewed and approved by council during May 2023.

Funding of Capital Budget

MIG	R76,015,400.00
OWN	R223,547,374.00
TOTAL	R299,562,774.00

Explanatory notes to Table A5 - Budgeted Capital Expenditure by Functional classification, vote and funding source

- ✓ Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by functional classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- ✓ The MFMA provides that a Municipality may approve multi-year or single-year capital budget appropriations.
- ✓ Single-year capital expenditure has been appropriated at R299.6 million for the 2023/24 financial year and over the MTREF R258.8 million and R228.8 million respectively for the two outer years
- ✓ The capital programme is funded from capital and national grants transfers and internally generated funds.



LIM355 Lepelle-Nkumpi - Table A6 Budgeted Financial Position										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS										
Current assets										
Cash and cash equivalents	76,336,820	206,167,518	404,426,542	356,576,839	525,436,711	525,436,711	669,329,279	512,724,149	537,847,633	563,126,472
Trade and other receivables from exchange transactions	21,006,264	44,089,980	38,490,535	58,908,663	27,237,556	27,237,556	22,681,942	29,000,000	30,000,000	31,000,000
Receivables from non-exchange transactions	5,672,449	81,418,559	67,182,152	114,862,554	28,807,835	28,807,835	83,390,408	35,139,398	36,803,618	38,593,705
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	369,505	3,316,446	6,763,091	13,744,574	2,051,183	2,051,183	6,578,725	118,418,008	121,826,726	127,788,237
VAT	1,250,570	16,294,706	23,195,710	38,784,078	15,494,664	15,494,664	42,852,224	9,933,330	10,383,247	10,827,946
Other current assets	1,500	1,549,529	4,334,118	5,707,135	8,491,724	8,491,724	3,995,934	-	-	-
Total current assets	104,634,109	67,131,189	530,865,965	561,094,695	548,942,195	548,942,195	815,671,062	705,214,885	736,861,224	771,336,360
Non current assets										
Investments	-	150,000,000	150,000,000	-	-	-	150,000,000	-	-	-
Investment property	-	93,477,975	108,452,669	103,625,000	109,452,000	109,452,000	108,452,669	119,014,500	131,629,570	163,061,486
Property, plant and equipment	13,767,568	715,712,001	745,699,256	871,699,115	898,445,287	898,445,287	760,581,227	1,002,691,989	985,282,606	968,695,451
Biological assets	-	-	-	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-	-	-	-

- ✓ Table A6 is consistent with international standards of good financial management practice, and improves understanding for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- ✓ This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- ✓ Table 6 is supported by an extensive table of notes (SA3 which detailed the major components of a number of items, including:
 - Call investments deposits.
 - Consumer debtors.
 - Property, plant and equipment.
 - Trade and other payables.
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves.



- ✓ The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the Municipality belong to the community. Any movement on the Budgeted Financial Performance or the Capital Budget will certainly impact on the Budgeted Financial Position as an example, the collection rate assumption will impact on the cash position of the Municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
- Provisions non-current;
 - Changes in net assets; and
 - Reserves
- ✓ The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the Municipality belong to the community.



LIM355 Lepelle-Nkumpi - Table A7 Budgeted Cash Flows

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates.	-	9,582	14,460	13,096	13,096	13,096	8,585	13,561	14,198	14,894
Service charges	-	35,961	20,057	49,377	2,928	2,928	25,900	3,057	3,201	3,358
Other revenue	-	548,589	311,786	550,665	242,897	242,897	12,072	206,677	236,274	247,680
Transfers and Subsidies - Operational	-	-	7,804	5,683	305,409	305,409	304,709	324,045	341,313	328,758
Transfers and Subsidies - Capital	-	-	66,710	61,628	61,628	61,628	65,735	79,232	76,613	80,033
Interest	-	3,061	12,813	4,188	26,170	26,170	23,347	27,557	28,907	30,266
Dividends	-	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-
Suppliers and employees	-	(56,436)	(229,162)	(520,033)	(298,651)	(298,651)	(66,984)	(111,731)	(173,901)	(222,594)
Interest	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	540,757	204,466	164,604	353,477	353,477	373,364	542,398	526,605	482,393
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	74	77	81
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	150,000	-	(150,000)	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-
Capital assets	-	(36,509)	(56,710)	(191,330)	(231,673)	(231,673)	(42,968)	(299,563)	(258,628)	(228,794)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	113,491	(56,710)	(341,330)	(231,673)	(231,673)	(42,968)	(299,489)	(258,550)	(228,713)

CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans									
Borrowing long term/financing									
Increase (decrease) in consumer deposits	-	-	-	-	-	-	61	64	67
Payments									
Repayment of borrowing	-	-	-	-	238	238	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	238	238	61	64	67
NET INCREASE/ (DECREASE) IN CASH HELD	-	654,248	147,756	(176,726)	122,042	122,042	330,395	242,970	263,747
Cash/cash equivalents at the year begin:	0	117,956	294,998	240,078	404,429	404,429	-	350,641	861,729
Cash/cash equivalents at the year end:	0	772,204	442,754	63,352	526,471	526,471	330,395	593,611	1,115,476

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- ✓ The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- ✓ It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- ✓ The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
- ✓ Cash and cash equivalents totals R593.6 million as at the end of the 2023/24.

LIM355 Lepelle-Nkumpi - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available										
Cash/cash equivalents at the year end	0	772,204	442,754	63,352	526,471	526,471	330,395	593,611	861,729	1,115,476
Other current investments > 90 days	76,337	(978,371)	(38,327)	293,225	(1,034)	(1,034)	338,934	(80,887)	(323,881)	(552,350)
Non current Investments	-	150,000	150,000	-	-	-	150,000	-	-	-
Cash and investments available:	76,337	(56,168)	554,427	356,577	525,437	525,437	819,329	512,724	537,848	563,126
Application of cash and investments										
Unspent conditional transfers	12,875	20,647	17,959	70,708	527	527	35,215	24,469	23,684	24,710
Unspent borrowing										
Statutory requirements										
Other working capital requirements	3,375	15,319	121,765	(518,815)	96,143	96,143	317,529	32,223	24,156	18,121
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	16,250	35,966	139,715	(448,107)	96,670	96,670	352,744	56,692	47,840	42,831
Surplus(shortfall)	60,087	(92,134)	414,712	804,684	428,767	428,767	466,585	456,032	490,008	520,295

- ✓ The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- ✓ In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- ✓ The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the Municipality's budget must be 'funded'.
- ✓ Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- ✓ From the table it can be seen that for the period 2023/24 the surplus increased from R456 million to R520.3 million in 2024/25. For the rest of the MTREF a surplus is indicated.
- ✓ As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

LIM355 Lepelle-Nkumpi - Table A9 Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>									
Roads Infrastructure	13,767	39,282	43,025	127,822	164,446	164,446	219,451	160,272	179,971
Storm water Infrastructure	12,576	29,273	28,792	73,992	58,569	58,569	36,044	40,569	35,342
Electrical Infrastructure	-	-	-	2,400	6,019	6,019	6,019	28,300	11,510
Water Supply Infrastructure	111	2,742	-	5,625	51,548	51,548	77,959	35,304	11,825
Sanitation Infrastructure	(1)	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	1,600	1,600	1,600	3,500	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure									
Community Facilities	12,687	32,014	28,792	83,617	117,736	117,736	123,522	104,173	58,677
Sport and Recreation Facilities	1,056	5,867	-	16,000	16,000	16,000	18,217	8,000	-
Community Assets	-	-	7,182	-	2,785	2,785	30,995	-	49,743
Heritage Assets	1,056	5,867	7,182	16,000	18,785	18,785	49,211	8,000	49,743
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	394	5,844	1,500	1,000	1,000	12,396	20,000	45,962
Operational Buildings	-	-	-	950	1,170	1,170	2,700	3,200	2,000

Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	8,450	5,875	7,843	7,843	6,312	24,000	24,020	-
Sport and Recreation Facilities	-	-	-	-	-	-	8,000	2,000	-	-
Community Assets	-	124	3,546	5,000	4,300	4,300	4,000	5,000	5,000	-
Heritage Assets	-	124	3,546	5,000	4,300	4,300	12,000	7,000	5,000	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	300	193	193	1,800	915	850	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-

Other Assets	-	-	-	9,600	9,600	9,600	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	13,768	45,471	56,710	191,330	231,673	231,673	299,563	258,628	228,794
Roads Infrastructure	12,576	35,338	38,932	121,725	109,828	109,828	100,481	111,669	64,295
Storm water Infrastructure	1	-	-	2,900	7,519	7,519	7,519	43,640	11,510
Electrical Infrastructure	111	2,742	-	6,000	51,923	51,923	78,334	35,304	11,825
Water Supply Infrastructure	(1)	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	4,000	-
Rail Infrastructure	-	-	-	1,600	1,600	1,600	3,500	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-

Information and Communication Infrastructure

Infrastructure	12,688	38,080	38,932	132,225	170,870	170,870	189,833	194,613	101,650
Community Facilities	1,056	5,867	-	16,000	16,000	16,000	26,217	10,000	-
Sport and Recreation Facilities	-	124	10,729	5,000	7,085	7,085	34,995	5,000	54,743
Community Assets	1,056	5,990	10,729	21,000	23,085	23,085	61,211	15,000	54,743
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	394	5,844	1,500	1,000	1,000	12,396	20,000	45,962
Investment properties	-	394	5,844	1,500	1,000	1,000	12,396	20,000	45,962
Operational Buildings	-	-	-	10,550	10,770	10,770	2,700	3,200	2,000
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	10,550	10,770	10,770	2,700	3,200	2,000
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	3,500	3,500	3,500	-	2,500	-
Computer Equipment	-	-	-	3,500	3,500	3,500	-	2,500	-
Furniture and Office Equipment	-	450	820	2,000	2,000	2,000	2,000	2,000	2,000
Machinery and Equipment	-	-	1	740	633	633	3,781	1,941	1,625
Transport Assets	24	557	385	16,615	16,615	16,615	19,542	19,374	20,814
Land	-	-	-	3,200	3,200	3,200	8,100	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-

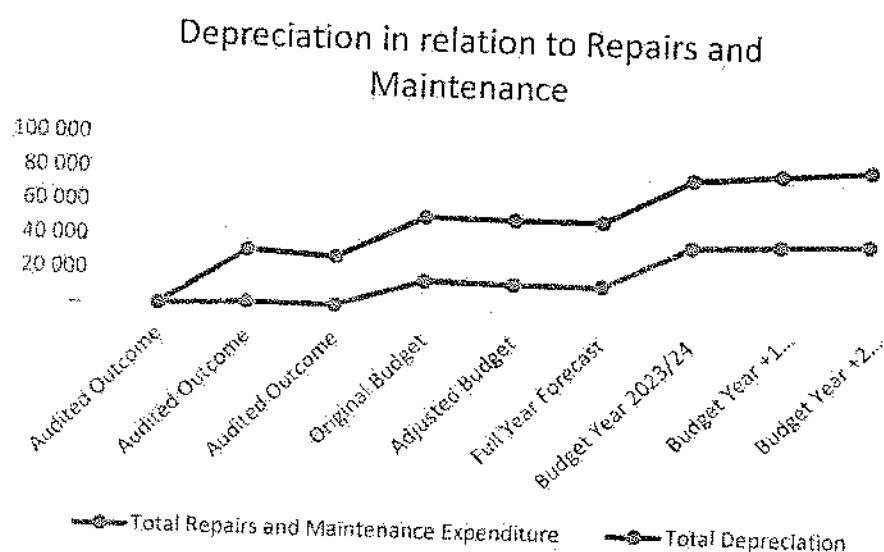
Furniture and Office Equipment	-	-	1,290	740	1,923	1,923	3,781	1,941	1,625
Machinery and Equipment	24	557	672	17,172	17,485	17,485	20,122	19,982	21,452
Transport Assets	-	-	-	3,200	3,200	3,200	8,100	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	13,768	715,924	765,091	879,269	924,693	924,693	1,023,256	1,016,060	1,025,554
EXPENDITURE OTHER ITEMS									
<u>Depreciation</u>	532	33,166	30,261	54,874	54,026	54,026	80,296	84,089	87,777
	14	30,574	28,303	37,700	37,700	37,700	39,698	41,643	43,600
<u>Repairs and Maintenance by Asset Class</u>	518	2,592	1,958	17,174	16,326	16,326	40,598	42,445	44,177
Roads Infrastructure	488	665	1,454	7,624	7,371	7,371	28,682	30,205	31,732
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	1,558	237	3,100	2,705	2,705	2,966	3,094	3,239
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	488	2,223	1,691	10,724	10,076	10,076	31,648	33,299	34,971
Community Facilities	-	-	-	1,000	800	800	2,553	2,985	3,079
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	1,000	800	800	2,553	2,985	3,079
Heritage Assets	-	-	-	-	-	-	-	-	-

Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	148	45	1,000	1,000	1,000	1,000	1,711	1,245
Housing	-	-	-	-	-	-	-	-	980
Other Assets	-	148	45	1,000	1,000	1,000	1,711	1,245	980
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	79	365	365	365	384	403	422
Transport Assets	-	-	145	4,085	4,085	4,085	4,302	4,512	4,725
Land	31	221	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	532	33,166	30,261	54,874	54,026	54,026	80,296	84,089	87,777
Renewal and upgrading of Existing Assets as % of total capex	0.0%	13.6%	24.1%	33.2%	29.0%	29.0%	26.7%	38.0%	21.3%
R&M as a % of PPE & Investment Property	5.3%	20.2%	48.4%	168.5%	178.3%	178.3%	201.8%	236.2%	112.0%
Renewal and upgrading of Existing Assets as % of total capex	3.8%	0.4%	0.3%	2.0%	1.8%	1.8%	4.0%	4.2%	4.3%
Renewal and upgrading of Existing Assets as % of total capex	3.8%	1.2%	2.0%	9.2%	9.1%	9.1%	11.9%	14.0%	9.1%

LIM355 Lepelle-Nkumpi - Supporting Table SA34c Repairs and maintenance expenditure by asset class and depreciation table SA34d

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Repairs and Maintenance Expenditure	518	2,592	1,958	17,174	16,326	16,326	40,598	42,445	44,177
Total Depreciation	14	30,574	28,303	37,700	37,700	37,700	39,698	41,843	43,600

The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTRF



Funding Depreciation

From the analysis of the mSCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115



LIM355 Lepelle-Nkumpi - Supporting Table SA8 Performance indicators and benchmarks

Supporting Table S48 Performance indicators and benchmarks												
Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23					2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Borrowing Management												
Credit Rating												
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Safety of Capital												
Gearing												
Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Liquidity												
Current Ratio	Current assets/current liabilities	5.6	(0.2)	1.9	(2.4)	4.8	4.8	1.9	6.8	6.7	7.0	
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	5.6	(0.2)	1.9	(2.4)	4.8	4.8	1.9	6.8	6.7	7.0	
Liquidity Ratio	Monetary Assets/Current Liabilities	5.2	(0.5)	1.6	(1.8)	4.4	4.4	1.6	5.2	5.2	5.4	
Revenue Management												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	676.8%	1043.7%	52.0%	13.3%	13.3%	523.4%	8.0%	10.6%	
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	676.8%	1043.7%	52.0%	13.3%	13.3%	523.4%	8.0%	10.6%	11.7%	

Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.1%	43.1%	46.8%	43.1%	26.0%	26.0%	60.1%	39.6%	43.6%	50.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))		37.7%	52.2%	-514.2%	18.4%	18.4%	103.1%	12.8%	9.6%	7.4%
Creditors to Cash and Investments											
<u>Other Indicators</u>											
Electricity Distribution Losses (Z)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Volumes :System input	Bulk Purchase	-									
	Water treatment works										
	Natural sources										
Water Distribution Losses (Z)	Total Volume Losses (k)										
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/Total Revenue - capital revenue)	18.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	20.5%	26.5%	27.1%	27.0%	23.3%	23.3%	24.0%	19.9%	21.6%	23.1%
									23.2%	25.2%	26.9%

Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.4%									
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%									
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	46.8	33.6	96.6	21.8	21.8	21.8	13.8	24.7	22.8	22.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	26.3%	213.0%	203.0%	87.0%	25.6%	25.6%	2668.2%	64.2%	79.2%	85.6%
iii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	0.0	50.0	28.8	2.5	25.5	25.5	22.8	23.2	31.7	39.4

Performance indicators and benchmarks

Borrowing Management

- ✓ Capital expenditure in local government can be funded by capital grants and own-source revenue. The Municipality does not have the long term loans.

Safety of Capital

- ✓ The *debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the Municipality's assets.
- ✓ The *gearing ratio* is a measure of the total long term borrowings over funds and reserves

Liquidity

- ✓ *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2023/24 MTREF the current ratio is 6.8 in the 2024/25 financial year and 6.7 and 7.0 for the two outer years of the MTREF.
- ✓ The liquidity ratio is a measure of the ability of the Municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately

Revenue Management

- ✓ It very critical for the Municipality to implement the debt management strategy, make sure debt is arrested before they are over 90 days. This strategy should include an emphasis on the monitoring of the Top 100 debtors (based on 80-20 principle); the pursuance of government debt with possible intervention by National and other strategies and other strategies already discussed above.

Creditors Management

- ✓ The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the Municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

OVERVIEW OF BUDGET RALATED POLICIES

- ✓ The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.
- Tariff Structure,
- SCM Policy,
- Model SCM Policy for Infrastructure Procurement & Delivery Management 2023/24 Financial Year,
- Asset Management Policy,
- Credit Control & Debt Collection Policy
- Bad Debts & Write-Off Policy,
- Tariff Policy,



- Budget & Virement Policy,
- Cash & Investment Management Policy,
- Indigent Policy and
- Property Rates Policy.
- Cost Containment policy.

Overview of Budget Assumptions

- The following budget assumptions were made during the compilation of the approved 2023/24 MTREF budget
- ✓ The current economic environment, inflation rate including unemployment and affordability of services;
- ✓ Tariffs, levies and charges were calculated within the inflation targets (all services charges and rates increased by CPI Inflation 5.3%, 4.9% and 4.7%, as per circular 123 to ensure that expenditure is within the budget limits and mindful of ratios;
- ✓ Cash backing of reserves, Municipality working on ensuring reserves are cash backed;
- ✓ Capital projects are funded by grants and own funding;
- ✓ Debt increasing on monthly basis (debtors book over R349.6m) service provider appointed to assist with the development of the Revenue Enhancement strategy which includes the debt management and recovery strategies
- ✓ The Municipality salaries budget was based on the SALGA recent collective agreement issued in 15 September 2021 which the final offer as follows:
- ✓ The salary and wage increase for 2023/2024 financial year Circular 123 from SALGBC setting out the salary and wage increases.
- Employee related costs
- The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI.

Remuneration of Councilors

- Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and



Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

- Section 167 of the MFMA provides that a Municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

***Funding compliance measurement**

National Treasury requires that the Municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the Municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

✓ Cash Flow Management

- Table SA30 indicates the cash flow projections for the next financial year (monthly projections)
- The projections were based on the previous performance and the procurement plan.
- The grants receipts allocation is based on the grants transfer schedule.
- Creditors are paid within 30 days to avoid penalties and litigations.
- The money which is not immediately required is invested to earn interest.



LM355 Lepelle-Nkumpi Supporting Table SA10 Funding measurement

Performance Indicators for the 2023/24 Medium Term Revenue & Expenditure Framework												
Description	MFMA section	Ref	Current Year 2022/23							2023/24 Medium Term Revenue & Expenditure Framework		
			2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	0	772,204	442,754	63,352	526,471	526,471	330,395	593,611	861,729	1,115,476
Cash + Investments at the yr end less applications - R'000	18(1)b	2	60,087	(92,134)	414,712	804,684	428,767	428,767	466,585	456,032	490,008	520,295
Cash year end/monthly employee/supplier payments	18(1)b	3	0.0	50.0	28.8	2.5	25.5	25.5	22.8	23.2	31.7	39.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	101,037	(65,696)	131,449	188,146	231,673	231,673	153,588	299,896	258,628	228,786
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	15.5%	(18.7%)	18.5%	1.5%	(6.0%)	(12.1%)	(0.7%)	(1.1%)	(1.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	219.6%	103.6%	111.1%	44.9%	44.9%	21.7%	68.3%	87.7%	92.9%
Debt Impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c,(19)	8	0.0%	80.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10										
Current consumer debtors % change - incl(decr)	18(1)a	11	N.A.	370.4%	(15.8%)	64.4%	(99.1%)	0.0%	6655.0%	113.6%	0.0%	0.0%
Long term receivables % change - incl(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(39.5%)	4.2%	4.2%
R&M % of Property Plant & Equipment	20(1)(v)	13	3.8%	0.4%	0.3%	2.0%	1.8%	1.8%	4.0%	4.2%	4.3%	0.0%
Asset renewal % of capital budget	20(1)(v)	14	0.0%	0.3%	21.2%	5.8%	5.3%	5.3%	0.0%	6.7%	12.3%	13.1%

✓ *Cash/cash equivalent position*

- The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.
- If the Municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2023/24 MTREF shows R593.6 million, R861.7 million and R1,115 million for each respective financial year.

✓ *Cash plus investments less application of funds*

- The purpose of this measure is to understand how the Municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

✓ *Monthly average payments covered by cash or cash equivalents*

- The purpose of this measure is to understand the level of financial risk should the Municipality be under stress from a collection and cash in-flow perspective

✓ *Surplus/deficit excluding depreciation offsets*

- The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An adjusted surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities is taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

✓ *Property Rates/service charge revenue as a percentage increase less macro inflation target*

- The purpose of this measure is to understand whether the Municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in revenue which will include both the change in the tariff as well as any assumption about real growth such as new property development (Sale of sites), services consumption growth etc.

✓ *Cash receipts as a percentage of ratepayer and other revenue*

- This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions



contained in the budget. It can be seen that the outcome is at 68.3%, 87.7% and 92.9% per cent for each of the respective financial years.

✓ *Debt impairment expense as a percentage of billable revenue*

- This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Considering the debt incentive scheme and the Municipality's revenue management strategy's objective to collect outstanding debtors of 90 days.

✓ *Capital payments percentage of capital expenditure*

- The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The Municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

✓ *Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

- The purpose of this measurement is to determine the proportion of a Municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.



- ✓ The Municipality has no borrowed funds. *Transfers/grants revenue as a percentage of Government transfers/grants available*
 - The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (Dora) have been budgeted for. The Municipality has budgeted for all transfers.
- ✓ *Consumer debtors change (Current and Non-current)*
 - The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic.
- ✓ *Repairs and maintenance expenditure level*
 - This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. A detail of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table SA34C.
- ✓ *Asset renewal/rehabilitation expenditure level*
 - This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for repairs and maintenance budgets. Further details in this regard are contained in table SA34b



Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

- ✓ Section 53 of the MFMA requires the Mayor of the Municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the Municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.
- ✓ The Budget Steering Committee consists of the Municipal Manager and senior officials of the Municipality meeting under the chairpersonship of the MMC for Finance.
- ✓ The primary aims of the Budget Steering Committee is to ensure:
 - That the process followed to compile the budget complies with legislation and good budget practices.
 - That there is proper alignment between the policy and service delivery priorities set out in the IDP and the budget, taking into account the need to protect the financial sustainability of Municipality.
 - That the Municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
 - That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1. INTRODUCTION

Municipal Systems Act of 2000 Section 28 (1), stipulates that each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

Section 34 prescribes that a municipal council:

- (a) must review its integrated development plan-
 - (i) annually in accordance with an assessment of its performance measurements in terms of section 41, and
 - (ii) to the extent that changing circumstances so demand
- (b) may amend its integrated development plan in accordance with a prescribed process.

Municipal Finance Management Act 56 of 2003 Section 16 (1) states that council of a Municipality must for each financial year approve an annual budget before the start of that financial year. Section 21(1) (b) states that the Mayor must at least 10 months before the start of the financial year, table to council a time schedule outlining key deadlines for budget preparations and approval.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule during August

Key dates applicable to the process were

Category of Requirement	Sector Requirement	National Department	Legislation/Policy
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water and Sanitation	Water Services Act
	Integrated Transport Plan	Department of Transport	National Transport Bill
	Environmental Management Plans (EMPs)	Department of Environmental Affairs	National Environment Management Act (107 of 1998)
	Waste Management Plan	Department of Environmental Affairs	White Paper on Waste Management
Requirement for sector planning to be incorporated into IDP	Housing strategy	Human Settlements	Housing Act (Chapter 4, Section 9)
	Local Economic Development Strategy	Department of Cooperative Governance and Traditional Affairs	Municipal Systems Act
	Integrated Infrastructure Planning	Department of Cooperative Governance and Traditional Affairs	
	Spatial Development Framework	Department of Rural Development and Land Reform, Department of Cooperative Governance and Traditional Affairs	Municipal Systems Act, Spatial Planning and Land Use Management Act
	Environmental Management Plans (EMPs)	Department of Environmental Affairs	National Environment Management Act (107 of 1998)



	Environmental Legal Compliance Report	Department of Environmental Affairs	National Environment Management Act (107 of 1998)
Requirement that IDP complies with	National Environmental Management Act (NEMA) Principles	Department of Environmental Affairs	National Environment Management Act (107 of 1998)
	Development Facilitation Act (DFA) Principles	Department of Rural Development and Land Reform	Development Facilitation Act
	Environmental Implementation Plans (EIPs)	Department of Environmental Affairs	National Environment Management Act (107 of 1998)
	Environmental Management Plans (EMPs)	Department of Environmental Affairs	National Environment Management Act (107 of 1998)
	National Disaster Management Act: Covid-19 Regulations	Department of Cooperative Governance and Traditional Affairs	Disaster Management Act 57, 2002

POLICY/PROGRAMMES	RESPONSIBLE DEPARTMENT	SUBJECT
National Development Plan	President's Office	RSA's vision 2030. Aims to eliminate poverty and reduce unemployment by uniting all South Africans, focusing on economic growth that is labour absorbing, building a capable and developmental state, and promoting active citizenry in development Key Economic Drivers, Job Creation, Infrastructure Investment, Low Carbon Economy, Rural Economy, Medium Term Strategic Framework
New Growth Path	President's Office	A (macro-economic) strategy for rebuilding and restructuring the economy. Contents include fiscal policy; monetary and exchange rate policy; trade, industrial and small enterprise policies; social and sectoral policies; public investment and asset restructuring; employment, wages and training; and policy coordination.
Reconstruction & Development Programme (RDP)	President's Office	Development planning and service delivery. Local Economic Development.
Integrated Sustainable Rural Development Strategy (ISRDS)	President's Office	The ISRDS is designed to realize a vision that will attain socially cohesive rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain a skilled and knowledgeable people, who are equipped to contribute to growth and development.
Urban Development Framework	Department of Human Settlements	Seeks to accommodate the growth and job creation orientation. It does so through the accommodation of the need to stimulate local economic development and enhanced global competitiveness of South African cities.
Rural Development Framework (RDF)	Department of Rural Development and Land Reform	The RDF asserts a powerful poverty focus. It describes how government working with rural people aims to achieve a rapid and sustained reduction in rural poverty.
Local Agenda (LA 21)	Department of Agriculture,	Blueprint for Sustainable Development. Delivering basic environmental, social and economic services.



	Forestry and Fisheries & Department of Environmental Affairs	Local level planning. Sustainable development of local urban settlements and communities.
Limpopo Development Plan (LDP)	Office of the Premier	Placing the economy on a new growth path capable of delivering decent work and sustainable livelihoods.
District Development Plan	Capricorn District Municipality	Development and review of a ten years 'One Plan' for delivery of services by all government institutions/ departments and private sector for Capricorn District area.
CDM 2040 Growth and Development Strategy	Capricorn District Municipality	The 2040 G&D strategy casts a vision that inspires development in all areas of CDM, stimulate economic growth, and create employment and addressing the structural inefficiencies of the district and local municipalities.
2040 Municipal Growth and Development Strategy	Lepelle-Nkumpi Municipality	Vision 2040 GDS casts a vision that inspires development in all areas that stimulate economic growth, and create employment and addressing the structural inefficiencies of the Municipality.

This document therefore seeks to explain the process that council of Lepelle-Nkumpi is to undertake in compilation of its 2023-2024 IDP and 2023/24-2025/26 Budget by reflecting on legislative framework, schedule of activities to be undertaken together with dates and target groups/stakeholders and role players involved in the process.



Structures	Composition	Terms of reference
Municipal manager/IDP Manager	Municipal Manager/ Planning Executive Manager/IDP Manager	<ul style="list-style-type: none"> - Daily coordination and overall management of the planning process - Stakeholders' involvement - Responsible for crafting of the IDP and budget - Ensures that the planning process is participatory, strategic and implementation oriented and is aligned with sector planning requirements - Ensures proper documentation of the results of the planning of the IDP and budget documents - Ensures time frames of the process plan are adhered to - Ensures linkages between IDP priorities and budget processes
IDP/Budget/PMS Steering Committee	<ul style="list-style-type: none"> - Budget and Treasury Portfolio Chairperson, - Municipal Manager - Executive Managers 	<ul style="list-style-type: none"> - Provide relevant technical, sector and financial information and support for the review process. - Prepares and monitor the IDP/Budget/PMS process plan - Summarizes and process inputs from public participation - Translation of broad community issues into priorities and outcome based programs and projects. - Responsible for drafting and monitoring implementation of IDP/budget - Provides inputs related to various stages of planning and budgeting - Proposes prioritization and sequencing of projects for implementation - Proposes Draft IDP and Budget for adoption
Mayor and Exco	Mayor and Portfolio Chairpersons	<ul style="list-style-type: none"> - Submit draft process plan to council for consideration for approval - Responsible for stakeholders consultation regarding IDP and budget compilation - Submit IDP and budget to council for consideration for approval
Municipal Council	All Councilors	<ul style="list-style-type: none"> - Considers and adopts the IDP/Budget/PMS review process plan - Responsible for the final adoption of the IDP
Ward Councillors	Councillors representing wards	<ul style="list-style-type: none"> - Link municipal planning process to their wards - Organise public participation meetings - Ensure that annual Community/Ward Based Plans are linked to and based on the IDP process
IDP representative forum	<ul style="list-style-type: none"> - Residents' Organisations - Sector departments - Ward committees - Executive committee members - Farming Community - Other stakeholder representative 	<ul style="list-style-type: none"> - Represent the interests of various constituencies in the IDP review process. - Ensure stakeholder inputs are included in the IDP process - Coordination and alignment in planning and service delivery - Monitor the performance of the planning and implementation process

2. NATIONAL AND PROVINCIAL PLANNING POLICY AND LEGISLATIVE FRAMEWORK

2.1. LIST OF NATIONAL AND PROVINCIAL BINDING LEGISLATIONS

2.2. LIST OF RELEVANT POLICIES AND PROGRAMMES

3. INSTITUTIONAL FRAMEWORK AND ROLES/RESPONSIBILITIES DURING THE IDP/BUDGET REVIEW PROCESS

4. STAKEHOLDER CONSULTATIONS

In terms of Municipal systems Act, the IDP review process should start ten months before the beginning of the financial year under review.

4.1 First Phase: October-November



The first phase of the IDP/Budget review process allows the community to identify broader development needs and priorities through ward meetings in all the thirty wards. It also allows the community, together with other stakeholders, to input on the IDP analysis phase.

During this phase deliberate efforts will be made to involve ward based organized/community structures/stakeholders/service providers, previously marginalised groups and broad community members. Public meetings will be held in all thirty wards with community members and these meetings are to be conducted by respective ward councillors.

4.2 Second Phase: April- May

The phase will be characterized by comprehensive stakeholder consultations, policy review and public submissions. Members of the public will be allowed to make comments and inputs into the draft IDP and budget through public meetings and electronic medium platforms. It is therefore imperative to publish the draft IDP and budget in local/regional and national newspapers and radio stations prior to the commencement of the second phase of stakeholder consultations. Four cluster Mayoral budget imbizos will be conducted to allow members of the public to make inputs to the draft IDP, budget and related policies.

4.3. Media of Communication for Public Participation

The following mechanisms will also be used for public participation and publication of IDP/Budget;

Print Media

National and Regional Newspapers and the municipal newsletter will be used to inform the community of the activities of process plan and even progress on implementation of the IDP.

Radio Slots

The local community radio stations and regional radio stations will be utilised to make public announcements and interviews about IDP process plan activities and

Municipal Website

Municipal website will be used to communicate and inform the community and members of the public. Copies of the IDP and Budget will be placed on the website for people and service providers to download.

Social Media

Municipality has opened a Facebook page and a WhatsApp and Short Message System line

5. Schedule of Activities and Time Table to be followed for IDP/Budget and PMS

Tasks/Activities	Lead/Responsible Office	Target date
Tabling of 2022/23 IDP/ Budget/PMS Process Plan to council.	Mayor	27 July 2022
2022/23 IDP/ Budget/PMS Process Plan approval by council.	Mayor	By 30 August 2022
Tabling of Annual Performance Report	Mayor	By 30 August 2022
Submission of Annual Financial Statements to Auditor General	Municipal Manager/ Chief Financial Officer	By 31 August 2022
Management Quarterly Review of 2022/23 SDBIP Performance	Mayor	By 31 October 2022
Submission of 2022/23 SDBIP Quarterly Performance Report to Council	Mayor	By 31 October 2022
Situational analysis is compiled through ward based community meetings, desktop analysis and consultation with other relevant stakeholders	Mayor/ Speaker	October 2022 to 31 December 2022
Receive the audit report on Annual Financial Statement from Auditor General.	Municipal Manager/ Chief Financial Officer	By 30 November 2022
Prepare action/audit plan and incorporate responses to queries into the annual report	Municipal Manager/ Chief Financial Officer	By 30 November by 2022
Budget offices of Municipality determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives	Municipal Manager/ Chief Financial Officer	By 30 November 2022



Engagements with Provincial and National sector departments on sector specific programmes for alignment with municipal plans	Municipal Manager/ Chief Financial Officer	By 31 December 2022
2022/23 SDBIP Mid-Year Performance Review by Exco and Management	Mayor	By 31 January 2023
Tabling of 2022/23 Mid-Year Performance Assessment Report and 2021/22 Annual Report to Council	Mayor	By 31 January 2023
IDP/Budget/SDBIP Engagement session between management and Treasury	Municipal Manager	To be determined by Treasury
Council approval of 2022/23 Adjustment Budget	Municipal Manager/ Chief Financial Officer	28 February 2023
Strategic planning session to review municipal objectives and strategies/indicators and develop one year service delivery plan and MTREF budget.	Mayor	By 18 March 2023
Tabling of 1st Draft IDP/ Budget reviewed for 2023/24, budget related policies, tariff structure and 2023/24 Draft SDBIP to council	Mayor	30 March 2023
IDP/Budget/SDBIP Engagement session between management and Treasury	Municipal Manager	To be determined by Treasury
Management Quarterly Review of 2022/23 SDBIP Performance	Municipal Manager	By 28 April 2023
Submission of 2022/23 SDBIP Quarterly Performance Report to Council	Mayor	By 28 April 2023
Stakeholders consultation (with IDP/Budget Stakeholders' Representative Forum/Communities/Traditional Leaders and business) regarding 2023/24 Draft IDP/Budget	Mayor/ Speaker	April/May 2023
Adoption of reviewed IDP and budget for 2023/24 financial year by council	Mayor	31 May 2023
Submission of copies of reviewed 2023/24 IDP/ Budget to the CoGHSTA MEC, CDM, National Treasury and Provincial Treasury	Municipal Manager/ Chief Financial Officer	By 10 June 2023
2023/24 IDP/Budget and SDBIP are made public, including being put on municipal website.	Municipal Manager	By 14 June 2023
Submission of service delivery implementation plans and budget (SDBIP) to the Mayor for approval.	Municipal Manager	By 28 June 2023

6. IDP STAKEHOLDERS' REPRESENTATIVES FORUM CONSULTATION

DATE	TIME	VENUE	PURPOSE
24 March 2023	11h00	Lebowakgomo Civic Hall	Presentation of First Draft IDP/Budget

7. TRADITIONAL LEADERS, CHILDREN AND BUSINESS COMMUNITY CONSULTATION MEETINGS

Target Group	DATE	TIME	VENUE	PURPOSE
Traditional Leaders	April 2023	10h00	Lebowakgomo	Presentation of Draft IDP/Budget
Children Representatives (two schools from each cluster to send 10 learners each)	April 2023	10h00	Lebowakgomo Civic Hall	Presentation of Draft IDP/Budget
Business	May 2023	10h00	Lebowakgomo	Presentation of Draft IDP/Budget



8. MAYORAL BUDGET IMBIZOS (CONDUCTED PER CLUSTERS)

CLUSTER	WARDS	DATE	TIME	VENUE	PURPOSE
Zebediela Cluster	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14	23/04/2023 (Sunday)	10h00	Moletlane	Presentation of Draft IDP/Budget, tariff and related policies
Mphahlele Cluster	19, 20, 21, 22, 23, 24, 25, 26 and 30	25/04/2023 (Tuesday)	10h00	Mamaolo	Presentation of Draft IDP/Budget, tariff and related policies
Mathabatha/ Mafefe Cluster	27, 28 and 29	26/04/2023 (Wednesday)	10h00	Mahlatjane	Presentation of Draft IDP/Budget, tariff and related policies
Lebowakgomo Cluster	15, 16, 17 and 18	30/04/2023 (Sunday)	14h00	Zone A	Presentation of Draft IDP/Budget, tariff and related policies

9. IDP/BUDGET/PMS STEERING COMMITTEE MEETINGS

DATE	TIME	VENUE	PURPOSE
July 2022	10h00	Lebowakgomo Civic Centre	Preparation of tabling of Draft Process Plan
August 2022	10h00	Lebowakgomo Civic Centre	Preparation of approval of Process Plan
November 2022	10h00	Lebowakgomo Civic Centre	Preparation of IDP Status Quo Report
February 2023	10h00	Lebowakgomo Civic Centre	Preparation of approval of Adjustment Budget
March 2023	10h00	Lebowakgomo Civic Centre	Preparation of tabling of Draft IDP/Budget
May 2023	10h00	Lebowakgomo Civic Centre	Preparation of approval of IDP/Budget

10. STRATEGIC PLANNING SESSIONS

SESSION	DATE	VENUE	PURPOSE
Departmental Planning Sessions X 6 (Officials from Municipal Departments)	By 30 November 2022	Local Venue	Review Departmental Strategies, Objectives, Indicators and Policies/Sector Plans
Extended Management Session (Executive Managers, Labour Representatives and Heads of Units/Divisions)	By 31 December 2022	Local Venue	Review 2022/23 Quarterly/ Mid-Year Performance, 2022/23 Budget Adjustment, 2023/24 IDP Objectives, Indicators and Strategies
	By 31 May 2022	Local Venue	Integration, alignment and consolidation of inputs from stakeholders regarding 2023/24 Draft IDP/Budget and Tariff Structure, Policies/Sector Plans
Exco Lekgotla (Exco, PMT, Management, Labour Representatives and Audit Committee)	By 31 December 2022	Away Venue	Review 2022/23 Quarterly/ Mid-Year Performance, 2023/24 Budget Adjustment, 2023/24 IDP Objectives, Indicators and Strategies
	By 31 March 2023	Away Venue	Integration, alignment and consideration of inputs from stakeholders regarding 2023/24 Draft IDP/Budget, Tariff Structure and Policies/Sector Plans
Organisational Strategic Planning Session (All Councillors, Audit Committee, Labour Representatives and Management)	By 31 March 2023	Away Venue	Review 2023/24 Strategies, Objectives, Indicators, Budget and Policies/Sector Plans



11. QUARTERLY AND MID-YEAR PERFORMANCE REVIEW SESSIONS BY MANAGEMENT AND EXCO

DATE	TIME	VENUE
By 31 October 2022	09h00	Local Venue
By 31 January 2023	09h00	Local Venue
By 30 April 2023	09h00	Local Venue



LIM355 Lepelle-Nkumpi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goa l	Goa l Cod e	R e f	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcom e	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
SPATIAL RATIONALE				20,242	-	(3,000)	-	-	-	-	-	-
				9,686	31,603	36,242	52,876	56,109	56,109	59,082	61,977	64,890
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				109,461	378,858	352,278	479,112	495,343	495,343	604,640	584,617	567,188

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	40	288	453	761	761	761	801	840	880
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	16	177	135	565	565	565	575	207	217
LOCAL ECONOMIC DEVELOPMENT	917	1	2	7	7	7	7	8	8

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				2,784	22,883	25,676	31,992	31,108	31,108	48,620	41,885	43,833
Allocations to other priorities	2											
Total Revenue (excluding capital transfers and contributions)	1	143,147	433,810	410,786	565,312	583,892	583,892	713,726	689,534	677,015		

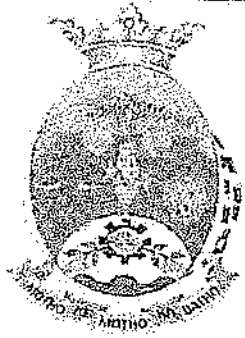
LIM355 Lepelle-Nkumpi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
SPATIAL RATIONALE MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				2,808	21,186	24,330	37,414	34,836	34,836	58,285	60,857	63,642	
				2,671	10,304	17,636	18,275	17,243	17,243	18,805	20,251	21,203	
				5,872	82,851	112,306	85,987	119,223	119,223	121,075	122,553	125,481	
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				13,911	64,776	64,667	89,179	85,577	85,577	93,057	103,849	108,703	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				11,071	61,613	52,090	72,675	70,572	70,572	88,768	88,023	92,133	
LOCAL ECONOMIC DEVELOPMENT				567	2,898	2,393	4,243	4,210	4,210	4,285	4,495	4,707	

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT											
	10,408	290,564	57,431	127,838	81,994	81,994	93,903	98,087	102,561		
Allocations to other priorities											
Total Expenditure	1	47,308	534,191	330,854	435,610	413,654	413,654	478,179	498,116	518,429	

LIM355 Lepelle-Nkumpi - Supporting Table SAb Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
SPATIAL RATIONALE MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION GOOD GOVERNANCE AND PUBLIC PARTICIPATION LOCAL ECONOMIC DEVELOPMENT BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				4,896	4,426	3,885	81,579	81,420	81,420	100,820	111,978	79,090
				-	394	5,844	1,500	1,000	1,000	12,396	20,000	45,962
			(1)	-	-	-	-	-	-	-	-	-
			-	-	640	886	18,405	18,625	18,625	11,581	9,583	5,349
			24	-	-	-	100	93	93	1,800	850	850
			-	-	-	-	2,000	2,000	2,000	-	2,000	-
			8,848	40,011	46,095	87,747	128,535	128,535	128,535	172,966	114,218	97,543
Allocations to other priorities			3									
Total Capital Expenditure			1	13,768	45,471	56,710	191,330	231,673	231,673	299,563	258,628	228,794



LEPELLE-NKUMPI LOCAL MUNICIPALITY

Postal Address
Private Bag X07
CHUENESPOORT
0745

www.lepelle-nkumpi.gov.za

Physical Address
170 BA Civic Centre
LEBOWAKGOMO, 0737
Tel : (+27)15 633 4500
Fax : (+27)15 633 6896

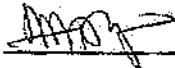
Quality certificate

2023-2024 ANNUAL MTREF BUDGET

I, M A Monyepao the Municipal Manager of Lepelle-Nkumpi hereby certify that the Annual Budget has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Name: M A Monyepao

Municipal manager of Lepelle-Nkumpi (LIM355)

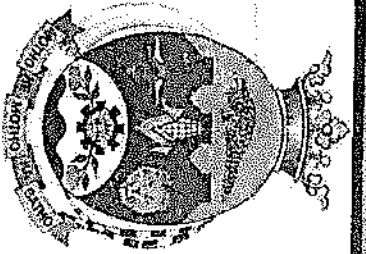
Signature: 

Date: 14/06/2023

MUNICIPAL CALL CENTRE NUMBER: 0800 222 011

"Motho ke motho ka batho"





LEPELLE-NKUMPI LOCAL MUNICIPALITY

www.lepelle-nkumpi.gov.za

Postal Address
Private Bag X07
CHUENESPOORT
0745

Physical Address

170 BA Civic Centre
LEBOWAKGOMO, 0737
Tel : (+27)15 633 4500
Fax : (+27)15 633 6896

OFFICE OF THE MAYOR

**2023 State of the Municipal Address by the Mayor of Lepelle- Nkumpi Local Municipality, Councillor Merriam Molala,
Lebowakgomo Civic Center.**

31 May 2023

Our Speaker, Honourable Mme Joyce Nkobela;

Our Chief Whip, Ntate Given Sello;

Executive Mayor of Capricorn District Municipality, Honourable Councillor Mamedupi Teffo;

Executive Mayor of Polokwane Municipality, Honourable Councillor Makoro John Mpe;

His and Her worships, Mayors of our Local Municipalities present today;

Speakers and Chief Whips of our District and Local Municipalities present today;

Colleagues in the Executive Committee;

Chairpersons of Section 79 Committees;

Fellow Councillors;

Our CDW'S

Our ward committees;

Our Traditional Leaders;

Leadership of our Churches;

Members of our Business Fraternity;

The Leadership of my Organization, The ANC and The Leadership of our Alliance Structures;

The Leadership of ANCWL and ANCYL;

The Leadership of opposition parties;

Our Municipal Manager, Mme Adelaide Monyepao

Executive Managers and Officials of our Municipality;

Fellow Citizens;

Distinguished Guests;

Comrades and Compatriots;

Honourable Speaker, allow me to take this opportunity to convey my sincere, warm greetings to everyone present here today, including all residents of Lepelle-Nkumpi Municipality who are with us here today and to all who are listening to these proceedings on various platforms.

Silotshile! Good afternoon! Thobelal!

Madam Speaker, I am tabling 2023/2024 Integrated Development Development Plan and the Budget today few days after the brutal killing of one of our resident Mme Nurse Betty Hlabela at Matome village Ward 08. I am deeply disappointed and very emotional about the increasing cases of Gender-Based Violence in our Municipality.

Madam Speaker, violence against women and children must come to an end. Together, we can and must do more to prevent violence against women, and ensure that perpetrators are punished.

Gender-based violence reflects inequalities between men and women and compromises the health, dignity, integrity, security and autonomy of its victims. It encompasses a wide range of human rights violations, including sexual abuse of children, rape, domestic violence, sexual assault and harassment, trafficking of women and girls and several harmful traditional practices.

Any one of these abuses can leave deep psychological scars, damage the health of women and girls particularly their reproductive and sexual health, and in most instances, resulting in death.

Madam Speaker, every woman and girl should be free from gender based violence. Every woman and girl should live in a home where she is free from the threat of violence.

Madam Speaker, can we all rise up and have a moment of silent in honour of the late Mme Nurse Betty Hlabela who was brutally murdered at Matome village Ward 08.

Honourable Speaker, as we will be entering the youth month, we have more responsibility to create more jobs for the youth of our Municipality. We must commit ourselves today that creating jobs for our youth should be a priority for all of us. We also commit that we must have program to assist young graduate to find their way into our system.

Honourable Speaker, we are also here today few days after 60 years since the leaders of 32 independent African Nations met in Addis Ababa to establish the organisation of African Unity (OAU) the precursor to the African Union. We must continue to celebrate our African culture, heritage and pride ourselves to be Africans.

Madam Speaker, The President of our Country, His Excellency President Cyril Ramaphosa delivered the State of the Nation address on the 9th of February 2023. On his address the President outlined the new plans and the full programme of government.

The President focused on most key important issues which are currently affecting and concerning our people, Load-shedding, Unemployment, poverty and the rising cost of living, crime and corruption.

Culminating from the State of the Nation Address, the Honourable Premier of our Province, Ntate Stanley Chupu Mathabatha on his State of the Province address on the 23rd of February 2023, emphasised on what the President said, "if we work together and act boldly and decisively leaving no one behind, we will be able to resolve our challenges.

The Premier said we must focus on building a capable and ethical developmental state, transforming the economy of the Province to meaningfully include participation of previously disadvantaged groups and create more jobs, expansion of access and improvement of quality of our education and health outcomes and Delivery of reliable basic services (such as water, housing, electricity and sanitation). Need to focus on implementation and completion of planned projects. Use of alternative methods for funding (private sector investments, donor funding application and intra-governmental funding)

Madam Speaker, we cannot undo the mistakes that were made in the past, the capacity which was not built, the damage that was done by our officials in the past, the lack of leadership which was not provided.

What we can do is to fix the problem today, to give services to our people and for generations to come.

Madam Speaker "You may not control all the events that happen to you, but you can decide not to be reduced to them", "I've learned people will forget what you said, people will forget what you did, but people will never forget how you made them feel" **Maya Angelou.**

Thank you once again for affording me the opportunity to table 2023/2024 Integrated Development Plan and the Budget.

The process of planning is mandated by various legislative imperative majority founded on the:

*** Constitution of the Republic, Act No. 108 of 1996, Sections 152 and 153** which give municipalities the responsibility to provide basic services and municipal planning.

The Constitution further prescribes that municipalities must run their business through community involvement.

*** Sec 16 (1) of the MFMA, municipality which states that each year approve an annual budget before the start of the financial year.**

*** Municipal Systems Act, No 32, of 2000 Section 34(a)** that provides for annual review of the Integrated Development Plan, while **Section 29** indicates that a municipality must use means that can enable it to consult with its communities.

The municipality has embarked on its 2023/24 IDP/Budget journey which has culminated in this IDP/Budget adopted. What a journey. We appreciate the commitment displayed by everyone in this project.

Investment attraction in the farming, tourism, property development, ICT and agro-processing/ manufacturing activities is important. (Zebediela Estates and Lebowaqomo Chicken Abattoir and Broiler are receiving requisite support from Provincial Government).

Building a Smart Municipality, a draft concept document has been developed awaiting Council adoption.

Regularization of informal sector/hawkers has led to the drafting of an MOU that was exchanged with them for inputs and signing-off. Budget is also made available for the development of an area close to the CBD for informal trading.

Creation of 1500 direct jobs through municipal programmes prioritises hiring of local labour in its infrastructure projects.

650 EPWP temporary workers are currently employed. 1268 temporary workers are employed through CWP.

The Municipality hopes to absorb more people as it expands its Operations and Maintenance teams for roads, electricity and facilities maintenance.

Job creation by private sector is not validated but the municipality is planning to integrate jobs created by the sector in future.

The municipality is planning to achieve in the shortest time the development of the Business Area commonly known as BA, whereby economic supporting infrastructure will be installed.

Based on the current potential investments, BA will serve as a springboard for the municipality to realise its Smart Municipality aspirations.

The Smart Municipality Framework is already in place and in its final stages to be presented to Council for adoption.

The municipality is in the process of securing the handing over of the Remainder Voorspoed by Rural Development to create a prime Smart Municipality hub in that area. We dare not fail on that one.

It must be noted that there is an urgent need to bring the whole of Lepelle-Nkumpi Community on board regarding the aspired development, hence, the call to administration to start working on developing some sort of a Development Charter to signed by all stakeholders with interest to take Lepelle-Nkumpi forward.

The support to the informal sectors such as hawkers is a call for all of us to work together in re-organising their trading space.

Engagements are in progress whereby the municipality gave them an MOU to input. This will curve a clear path to the type of infrastructure needed by the sector which should include busses and taxis.

Madam Speaker, there is a need to finalise on internal processes for Council to declare Unit C (That include Jackieland) as an Urban intervention area. It must be noted that the invasion of this piece of land created huge problems for the municipality and for us to rework it, Unit C must be re-designed, hence, the need to have it re-surveyed.

For the 2023/24, the municipality will be moving with speed to attract investors through various LED programs that include putting in correct economic infrastructure such as clean water, good roads, good connectivity using the broad-band platform, excellent waste management etc.

The urge to monitor performance and improve on the current audit opinion remains our top priority.

I know the current attention the municipality is attracting due to its regressed audit opinion is a very difficult albatross to everybody who intends to work for a better and improved municipality.

We have no choice but to work harder and make it. An improved Audit opinion is a must.

On the municipal socio-economic profile, we note that the Municipality's population is dominated by women and young people, with low households' income levels and high unemployment rate, hence, various economic programs to attract investors into Lepelle-Nkumpi.

There are huge service delivery backlogs, though progress is noted with regard to water provision.

Waste collection, which is the only basic service municipality is actually responsible for, has backlog of more than 70% and we aspire to improve on that.

There is potential for economic growth and job creation due to municipality's close proximity to the Provincial Growth Points, presence of strategic routes traversing the area, mining, agriculture, tourism sectors and beneficiation/ value adding of produce.

There are also emerging opportunities brought about by property and the Fourth Industrial Revolution (4IR).

Madam Speaker, the Council has in line with the Municipal Finance Management Act and relevant Treasury regulations, approved a total budget of R778, 063, 978 for the Financial year 2023/2024.

The Executive Summary

The Budget for the 2023/2024 MTREF is outlined below:

LIM355 Lepelle-Nkumpi - Table A4 Budgeted Financial Performance (revenue and expenditure)							
Description	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand							
Revenue							

Exchange Revenue						
Service charges - Waste Management	7,120,609.00	7,122,609.00	7,122,609.00	7,500,107.00	7,867,612.00	8,237,390.00
Sale of Goods and Rendering of Services	112,986,603.00	113,093,603.00	113,093,603.00	199,209,144	155,370,498	146,363,177
Agency services	40,615,498.00	44,727,020.00	44,727,020.00	47,097,552.00	49,405,332.00	51,727,383.00
Interest earned from Receivables	3,367,178.00	3,867,178.00	3,867,178.00	4,072,138.00	4,271,673.00	4,472,442.00
Interest earned from Current and Non Current Assets	13,169,720.00	26,169,720.00	26,169,720.00	27,556,714.00	28,906,994.00	30,265,623.00
Rental from Fixed Assets	334,006.00	334,006.00	334,006.00	351,708.00	368,942.00	386,283.00
Licence and permits	4,734.00	4,734.00	4,734.00	4,984.00	5,229.00	5,474.00
Operational Revenue	18,743,479.00	19,000,933.00	19,000,933.00	20,007,982.00	20,988,376.00	21,974,828.00
Non-Exchange Revenue						
Property rates	34,373,881.00	37,473,881.00	37,473,881.00	39,459,996.00	41,393,536.00	43,339,032.00
Fines, penalties and forfeits	12,061,306.00	12,063,806.00	12,063,806.00	12,703,188.00	13,325,644.00	13,951,949.00
Licences or permits	1,633.00	1,633.00	1,633.00	1,720.00	1,804.00	1,889.00
Transfer and subsidies - Operational	310,408,898.00	305,408,898.00	305,408,898.00	324,744,898.00	341,313,000.00	328,758,000.00
Interest	12,054,351.00	14,554,351.00	14,554,351.00	15,325,731.00	16,076,692.00	16,832,297.00

Gains on disposal of Assets		70,000.00	70,000.00	70,000.00	73,710.00	77,322.00	80,956.00
Total (excluding transfers and contributions)	Revenue capital and	565,311,896.00	583,892,372.00	583,892,372.00	778,063,978	756,743,453	747,223,139
Expenditure							
Employee related costs	134,714,216.00	118,793,372.00	118,793,372.00	143,333,383.00	146,107,614.00	152,943,180.00	
Remuneration of Councilors	22,394,173.00	22,394,173.00	22,394,173.00	23,581,059.00	24,736,532.00	25,899,150.00	
Inventory consumed	8,167,811.00	5,796,349.00	5,796,349.00	9,328,945.00	9,639,064.00	9,959,101.00	
Debt impairment	54,242,089.00	92,303,581.00	92,303,581.00	91,543,801.00	103,992,498.00	106,542,170.00	
Depreciation and Amortisation	37,699,942.00	37,699,942.00	37,699,942.00	39,698,037.00	41,643,244.00	43,600,473.00	
Interest	153,613.00	50,000.00	50,000.00	52,650.00	55,230.00	57,826.00	
Contracted services	127,041,777.00	82,242,576.00	82,242,576.00	91,151,137.00	101,118,109.00	104,278,125.00	
Operational costs	54,380,527.00	54,374,239.00	54,374,239.00	79,812,190.95	70,823,456.49	75,149,082.68	
Total Expenditure	438,794,148.00	413,654,232.00	413,654,232.00	478,501,202.95	498,115,747.49	518,429,107.68	
Surplus/(Deficit)	126,517,748.00	170,238,140.00	170,238,140.00	299,562,775.17	258,627,705.06	228,794,031.10	

Transfers and subsidies - capital allocations)	61,628,000.00	61,435,087.00	61,435,087.00	79,232,000.00	76,613,000.00	80,033,000.00
Surplus/(Deficit) for the year	188,145,748.00	231,673,227.00	231,673,227.00	299,562,775.17	258,627,705.06	228,794,031.10

OPERATING BUDGET.

The operating budget deals with day to day operations of the municipality to ensure that service delivery is sustained. The final operating budget has increased to R778 million compared to the current adjusted budget of R595 million. The trend is that the operating expenditure has been increasing over the years driven by:

- ✦ salary increments
- ✦ the need to repair infrastructure
- ✦ the need to adequately budget for debt impairment and depreciation,
- ✦ CPI Inflation outlook.

Grants and Subsidies – operating

The grants subsidies refer to the Division of Revenue Act allocations in the 2023/24 financial year, the operational grants allocations are as follows: -

Revenue By Source	Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Budget Year 2025/2026
Equitable Share	301,329,000	319,605,000	339,313,000	326,658,000

FMG Grant	2,000,000	2,000,000	2,000,000	2,100,000
MIG Grant	45,328,000	64,332,000	67,209,000	70,208,000
MIG Grant: Roll Over	11,107,087			
CDM: Eradication of Alien Plant	16,455	16,455		
CDM: Mamaolo Hall	6,135	6,135		
Seletereng softball diamond	300,000	300,000		
CDM: Integrated Transport Plan	377,308	377,308		
INEP/DME	5,000,000	14,900,000	9,404,000	9,825,000
EPWP Incentive Grant	1,380,000	2,440,000		
TOTAL GRANTS	366,843,985	403,976,898	417,926,000	408,791,000

Municipality highest allocation in terms of DoRA is Equitable Share which is at 81.15% the second highest is Municipal Infrastructure Grant ((MIG) is at 16.16%, Integrated National Electrification Programme (INEP) at 1.35% Expanded Public Works Programme (EPWP) 1.35% and Finance Management Grant (FMG) at 0.57% respectably.

GRANTS DEDPANDACY LEVEL

TOTAL REVENUE	778,063,978.12
TOTAL GRANTS & SUBSIDIES	371,337,000.00

Honourable Speaker, our communities have since identified their developmental top priorities during Ward Consultation meetings and IDP/Budget Mayoral Imbizos as,

Roads and Storm Water,

Water and Sanitation,

Housing,

Electricity, and

High Mask Lights.

In the financial year 2023/24, the following Projects will be implemented.

Project Name	MTEF Budget	2023/24	2024/25	2025/26
KPA: BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT				
ROADS AND STORM WATER PROJECTS				
To provide sustainable basic services and infrastructure development.				
Construction of Kliphuivel road and storm water control: Phase 3 (0,52 km) (Ward 01)	3 000 000			Nil
Construction of Makgophong to Ga-Molapo Bridge (Ward 1)	Nil	-		12 000 000
Construction of Khureng road from gravel to tar	Nil	20 568 564		13 341 836

Construction of Mathibela storm water drainage- 3 km (Ward 08)	6 018 541.36	3 360 450 + 13 300 000	Nil
Storm water Rakgoatha (Ward 14)		15 340 436	
Construction of Mogotlane storm water drainage (Ward 10)	Nil	-	8 000 000
Upgrading of Mogoto to Moshongo access road from gravel to Tar and storm water control (2.5km) (Phase 1&2) (Ward 9 and 11)	Nil	Nil	Nil
Upgrading of Ledwaba to MEC Residences road (1 km) (Ward 13)	8 000 000	Nil	Nil
Tarring of road from Majaneng to Mawananeng and storm water (ward 12)	-	-	15 340 436
Construction storm water drainage systems (Ward 14)	Nil	15 000 000	Nil
Resealing of internal street from gravel to tar at Zone B ward 15 (next to clinic) (1.5km)	6 500 000.00	6 500 000	Nil
Construction of Zone F Storm Water (0.5km)	1 500 000.00	Nil	Nil
Upgrading of internal street from gravel to block paving Zone S ward 16 (2km)		Nil	Nil
Construction of Lebowa kgomo Zone S and R internal roads- 1 km (Ward 16)	2 968 271.27	10 000 000	5 000 000
Construction of Lebowa kgomo Zone H internal roads- 1 km (Ward 17)	2 968 271.27	10 000 000	5 000 000
Construction of Lebowa kgomo Zone A internal roads- 1 km (Wards 18)	7 468 271.27	10 000 000	5 000 000
Resealing of internal Street Zone A Ward 18 (3km)	Nil	Nil	Nil

Upgrading of Gravel to Tar of Maijane/Makaung/ Makaanepa Access Road (Ward 24 and 19) 4.8km multi-year funded: Phase 2	4 000 000		Nil
Upgrading of Gravel to Tar of Maijane/Makaung/ Makaanepa Access Road (Ward 24 and 19) 4.8km multi-year funded: Phase 3	8 000 000,00	4 600 000	
Upgrading of Marmalo road from gravel to tar Ward 22 (2km)	7 000 000,00	8 000 000	3 510 400
Upgrading of Dithabaneng road from gravel to tar and storm water control (1 km)	Nil	Nil	7 123 000
Upgrading of Phalakwane road (2 km) (Ward 23)		16 000 000	Nil
Construction of Mangwakwane/ Maijane Bridge (Ward 24)		5 000 000	
Upgrading of Marmalo to Mampiki (Mogodi) road from gravel to tar and storm water (800m including passing lane) (Ward 26)	8 000 000,00	Nil	Nil
Upgrading of GaMathabatha (Moleke Village) road from gravel to tar Phase 2 (2 km)	5 000 000		Nil
Construction of Mashadi to Maseseleng Bridge (Ward 27)		5 000 000	Nil
Regraveling and Construction of Earth Drainage Systems at Ga-Makgoba (GaMathabatha- Ward 27).	Nil	Nil	Nil
Construction of Malakabaneng access bridge (Ward 29)	9 455 000,00		Nil

Construction of Sehlabeng/Hlakano Storm water drainage	Nil	Nil	Nil
Upgrading of Hweleshaneng access road from gravel to paving blocks and storm water control (Multi-year)	Nil	Nil	Nil
Roads and storm water Maintenance	10,682 069,00	11,205 490,00	11, 732 148
ENERGY AND ELECTRICITY PROJECTS			
To provide sustainable basic services and infrastructure development.			
Electrification of Bydift ward 1 (200HH)	4 000 000,00	Nil	Nil
Electrification of Kliphuwel ward 1 (50HH)	1 000 000,00	Nil	Nil
Electrification of Makgophong ward 1 (110HH) New	1 980 000,00		
Electrification of Ga-Molapo ward 03 (151HH)		3 020 000	
Electrification of Gedroogte ward 03 (80HH)	1 440 000,00		
Electrification of Khureng (100HH)		2 000 000	
Electrification of Mapatjakeng ward 4 (39 HH)	780 000,00		Nil
Electrification of Bolahakgomo ward 6 (100HH)	1 800 000,00	Nil	Nil
Electrification of Rakgoatha Nyakelang (260 HH)		5 004 000	
Electrification of Mamogashoa Ward 6 (280HH)	1 000 00		Nil
Electrification of Motantanyane (250 HH)	5 000 000,00		Nil

Electrification of Makushwaneng ward 7 (80HH)	1 440 000,00		Nil
Electrification of Mogoto ward 9 (100 HH)	2 000 000,00		Nil
Electrification of Mshongville ward11 (260HH)		5 004 000	Nil
Electrification of Manaileng ward 11 (128HH)	2 304 000,00		
Electrification of Manaileng ward 11 (149HH)	200 000,00		
Electrification of Matjati (100 HH)	2 000 000,00		
Electrification of Matjati (150 HH)		3 000 000	
Electrification of Unit H (304 HH) (Ward 17)	7 580 000,00		
Electrification of Unit BA (Ward 17)			
Electrification of unit R (Ward 17)			
Electrification of Zone B (11 HH)	1 400 000,00		Nil
Electrification of Maraleng (80HH)		1 600 000	
Electrification of Sedimonthole (150)	3 000 000,00		
Electrification of Lenting (200 HH)	3 600 000,00		Nil
Electrification of Dithabaneng (60HH)		1 200 000	
Electrification of Makurung (180 HH)		3 600 000	
Electrification of Bolatane (359 HH)	7 180 000,00		
Electrification of Hweleshaneng (30 HH)	600 000	Nil	
Electrification of Matime ward 24 (35HH)	630 000,00		Nil
Electrification of Madlaneng (20 HH)	360 000	Nil	Nil
Electrification of Majiane (80 HH)	1 440 000,00	Nil	Nil
Electrification of Tswaing (40HH)	Nil	800 000	Nil
Electrification of Mashite (50 HH)	900 000,00		Nil
Electrification of Makgoba ward 27 (50HH)	900 000,00		
Electrification of Phelendaba (4 HH)		80 000	

Electrification of Mphaaneng (75 HH)	1 350 000,00		Nil
Electrification of Mahlatjane ward 28 (109)	Nil	Nil	Nil
Electrification of Dublin (60HH)	Nil	Nil	Nil
Electrification of Tjane (85 HH)	1 530 000,00		
Electrification of Lekurung (150)	3 000 000,00		Nil
Electrification of Mannaolo, (150 HH)	Nil	Nil	3 000 000
Electrification of Malaineng (76HH)	1 520 000,00		
Electrification of Matome ward 8, 300 HH			6 000 000
Electrification of Magatle (HH)	Nil	Nil	Nil
Electrification of Madisha Ditoro (HH)	Nil	Nil	Nil
Electrification of Madisha Leolo (HH)	Nil	Nil	Nil
Electrification of Motserereng (HH)	Nil	Nil	Nil
Electrification of Motema Gardens (Volop) ward 6 (350 HH)	Nil	Nil	Nil
Electrification of Makweng (HH)	Nil	Nil	Nil
Electrification of Matatane and Success (90HH)	1 800 000	Nil	Nil
Electrification of Mawaneng (25HH)	Nil	Nil	Nil
Electrification of Makotse ward 13 (223HH)	Nil	Nil	Nil
Electrification of Hwelereng (HH)	Nil	Nil	Nil
Electrification of Galedwaba Jackieland (1000HH)	10 000 000	15 000 000	Nil
Electrification of Makaepa (HH)	Nil	Nil	Nil
Electrification of Marulaneng (HH)	Nil	Nil	Nil
Electrification of Morotse (HH)	Nil	Nil	Nil
Electrification of Sekurwaneng (HH)	Nil	Nil	Nil
Electrification of Tapane (HH)	Nil	Nil	Nil
Electrification of Bolopa Maake (HH)	Nil	Nil	Nil

Electrification of Patoga, (HH)	Nil	Nil	Nil	Nil
Electrification of Makaung, (HH)	Nil	Nil	Nil	Nil
Electrification of Nkotokwane/ Matinkane (HH)	Nil	Nil	Nil	Nil
Electrification of Lehlokwaneng/ Tswaing (HH)	Nil	Nil	Nil	Nil
Electrification of Serobaneng extension (HH)	Nil	Nil	Nil	Nil
Electrification of Mooiplaas (HH)	Nil	Nil	Nil	Nil
Electrification of Staansplaas extension (HH)	Nil	Nil	Nil	Nil
Electrification of Maboe Park (HH)	Nil	Nil	Nil	Nil
Electrification of Phelendaba (4)	Nil	80 000	Nil	Nil
Electrification of Matatane/ Success (HH)	Nil	Nil	Nil	Nil
Electrification of Ramorwane (HH)	Nil	Nil	Nil	Nil
Electrification of Mokgalake (HH)	Nil	Nil	Nil	Nil
Electrification of Mampa (HH)	Nil	Nil	Nil	Nil
Electrification of Mashushu (HH)	Nil	Nil	Nil	Nil
Electrification of Ngwaname/ Mafefe New Stands (120)	Nil	Nil	Nil	Nil
Electrification of Sekgwarapeng new stands (HH)	Nil	Nil	Nil	Nil
Electrification of Tooseng (41HH)	Nil	Nil	825 000	
Electricity Maintenance	635 880,00	2	765	2 894
		038,12		994,91
Electricity Maintenance	313 200,00	328 546,80	343 988,50	
COMMUNITY AND SOCIAL FACILITIES/ PROJECTS				

To provide sustainable basic services and infrastructure development.			
Completion of Madisha Ditoro community Hall	2 000 000	Nil	Nil
Construction Mogotlane Community Hall	7 000 000	Nil	Nil
Construction of Street Light (Legislature to Police Station) & Robots to Zone B Clinic	Nil	Nil	Nil
Extension of Municipal Offices	Nil		Nil
Construction of grade A VTS(Lebowakgomo) (Ward 18)	6 000 000,00	6 000 000	Nil
Public Lights - Ga Seboane- Ward 1	375 000	Nil	Nil
Public Lights - Kgwaripe/ Makgopong (Ward 01)	375 000	Nil	Nil
Public Lights - Seruleng (Ward 02)	375 000	Nil	Nil
Public Lights - Gedroogte (Ward 03)	375 000	Nil	Nil
Public Lights -- Magatte/ Mapafjakeng (Ward 4)	375 000	Nil	Nil
High mast Lights - Motantanyane (Ward 14)	375 000	Nil	Nil
High mast Lights - Sekgweng (Ward 10)	375 000	Nil	Nil
Public Lights - Sepanapui (Ward 13)	375 000	Nil	Nil
Public Lights - Matome (Ward 08)	375 000	Nil	Nil
High mast lights Zone A	375 000	Nil	Nil
Publ lights- Lebowakgomo Cemetery	375 000	Nil	Nil
High mast lights- Malemang	375 000	Nil	Nil
Public Lights - Morotse (Ward 20)	375 000	Nil	Nil
Public Lights - Makurung/Dithabaneng (Ward 21)	375 000	Nil	Nil
High mast Lights - Dublin/ Malakabaneng/Motsane (Ward 29)	Nil	Nil	Nil

Public Lights - Tjiane (Ward 30)	375 000	Nil	Nil
Highmast lights – Mphaaneng (ward 28)	375 000	-	-
Refurbishment of 16 High mast lights	Nil	Nil	2 000 000
Public Facilities Maintenance	053 000,00 ¹	1 104 597,00	1 156 513,06
Parks and Cemetery Maintenance	500 000,00	524 500,00	549 151,50
Municipal Buildings Maintenance	2 000 000	2 000 000	2 000 000
Municipal Buildings Maintenance	200 000,00	1 200 000	Nil
Management of grave site (open cast and)	Nil	Nil	Nil
Construction of Magate Thusong Centre (buildings)	8 000 001 + 3 216 600	Nil	Nil
Construction of Magate Vehicle Testing Station	Nil	Nil	Nil
Establishment of 6 Technology Hubs with Free Wi-Fi	Nil	Nil	Nil
Upgrading of Parks in Lebowa kgomo Zone A ward 18	Nil	Nil	Nil
Extension of DLTC testing ground	Nil	Nil	Nil
Construction of Vehicle Pound	Nil	Nil	Nil
Cattle Pound Maintenance	500 000,00	524 500,00	549 151,50
Construction of Community crèche at Ga-Mampa	Nil	Nil	Nil
Construction of Gedroogte Crèche	Nil	2 000 000	Nil
Construction of Tapane Crèche	Nil	Nil	Nil

Construction of Mathabatha Crèche	Nil	Nil	Nil
Construction of Magatte Crèche	Nil	Nil	Nil
Construction of Lenting Crèche	Nil	Nil	Nil
SPORT AND RECREATION FACILITIES/ PROJECTS			
To provide sustainable basic services and infrastructure development.			
Refurbishment of Lebowaqomo Stadium (WARD 17)	4 000 000,00	5 000 000	5 000 000
Development of recreational Facilities Makushwaneng (ward 07)	8 994 600	Nil	Nil
Development of recreational Facilities Lekurung (ward 30)	Nil	Nil	Nil
Development of recreational Facilities Seruleng (ward 02)	10 000 000	Nil	Nil
Development of recreational Facilities Lesetsi (ward 25)	10 000 000		Nil
Development of recreational Facilities Rakgoatha	Nil	-	12 435 791
Development of recreational Facilities Marulaneng		-	12 435 791
Development of recreational Facilities Serobaneng		-	12 435 791
Development of recreational Facilities Motsane	Nil	-	12 435 791
Internal Sporting Activities	307 364	320 888, 01	335 327, 97
ENVIRONMENT AND WASTE PROJECTS			

To protect biodiversity and cultural heritage, enforce environmental compliance and mitigate the impact of climate change			
Motlapodi Wet Land: Fencing	500 000,00	Nil	Nil
Waste Transfer Station – Mafefe (Mahlajane)		2 000 000	6 020 000
Waste Transfer Station – Magatle		2 000 000	8 000 000
Environmental Management Services	119 817,84	125 688,92	131 596,29
Review of Environmental Management Plan	Nil	Nil	Nil
Rehabilitation of borrow pits	Nil	Nil	Nil
Waste Transfer Station - Ga-Mathabatha	Nil	Nil	10 000 000
Landfill Management	843 800,00 ⁴	5 525,01 902	6 943,69 179
Management of illegal dumping sites	263 600,00 ¹	1 516,40 325	1 815,67 387
Refuse Removal - Rural	182 084,76	191 006,91	199 984,24
Eradication of Alien Plant (CDM)	17 327,12	18 176,14	19 030,42
Development of 2 Buy-back centres (Lebowakgomo-A)	Nil	Nil	Nil
Development of Garden Waste Site (drop-off centre) Lebowakgomo Unit A	Nil	Nil	Nil
Recycling at source pilot project Lebowakgomo- Pilot At Zone F	Nil	Nil	Nil

Fencing of and Rehabilitation of Mohlapis Wetland	Nil	Nil	Nil	Nil
Fencing of and Rehabilitation of Seeno Wetland	Nil	Nil	Nil	Nil
Compilation of Feasibility Study on Zoological Garden and Showground	Nil	Nil	Nil	Nil
Licensing of borrow pits	Nil	Nil	Nil	Nil
SPATIAL PROJECTS				
To plan and manage spatial development within the municipality				
Township establishment (Provision of roads and storm water services unit H) (Ward 17)	9 396 000,00	-	-	-
Township establishment (Provision of 1 km of roads and storm water services unit BA) (Ward 17)	3 000 000,00	15 000 000	10 842 068	
Township establishment (Provision of roads and storm water services- Unit R) (Ward 17)		3 000 000	20 000 000	
Township establishment (Provision of electricity and public lights- Unit R) (Ward 17)		2 000 000	15 120 000	
Compilation of the General Valuation Roll (GVR) and maintenance of the supplementary valuation roll in terms of Sec 78 of MPRA	106 000,00	2 194,00	209 026,12	313
Township establishment Magatle/ Mapatjakeng	Nil	Nil	Nil	Nil
Upgrading of Land-tenure rights in Mathibela area	Nil	Nil	Nil	Nil

Registration of Properties	371 770,71 ¹	1 438	1 506
		987,48	619,89
Prevention of illegal land invasions	106 000,00 ²	2 209	2 313
		194,00	026,12
Integrated Transport Plan	377 308,00	Nil	Nil
	079 500,00 ¹	1 656	1 734
Survey: Professional Services		895,50	769,59
Review of Spatial Development Framework			
Free Basic Electricity	276 720,15 ²	2 388	2 500
		279,44	528,57
Special Focus: Disability	196 175,17	205 199,23	214 638,39
Special Focus Aged	173 457,83	181 436,89	189 782,99
Special Focus: Children	280 247,93	293 139,33	306 623,74
Special Focus: Gender	360 629,79	691 677,52	394 570,82
Special Focus: HIV & AIDS Programmes	528 177,14	554 057,82	580 098,54
Youth Programmes	652 194,07	682 195,00	713 575,97

Madam Speaker, I must also accept that our Municipality has high Vacancy rate (especially at Senior level and operational level). But it is a matter which we are currently giving it the necessary attention, soon and very soon it will be a matter of the past, we will fill all those positions.

I must also accept that we are not doing very well in terms of employment equity, because as it stands 42% of our staff are women and we have less than a percent for persons with disability.

Madam Speaker, we are in the process of filling of five (5) senior positions, Chief Financial Officer, Executive Manager Planning and LED, Executive Manager Community Services, Executive Manager Technical Services and Executive Manager Corporate Services. To augment capacity in the interim, we have approached Capricorn District Municipality for assistance in a form of secondment and availing of a support team.

- Support has been made available in the following sections:

- (a) Budget and Treasury
- (b) Legal Services
- (c) Internal Audit
- (d) Infrastructure Services

The Memorandum of Understanding is being finalised to outline the arrangement, including the time frame and costs implications. At the same time will fast-track the filling of positions both senior and lower levels to ensure capacity improvement in the new financial year.

PROGRESS REPORT ON CONSEQUENCE MANAGEMENT

We have instituted consequence management against different employees on misconduct committed.

Summary report

Number of employees served with charges	Disciplinary hearing		Arbitration		Labour court	
	Finalised	Not finalised	Finalised	Not finalised	finalised	Not finalised
28	17	03	04	02	0	02

Therefore, total number of finalised cases is 21, then 7 are still pending at DC, Arbitration and Labour court.

Madam Speaker,

We have partnered with Department of Forestry, Fisheries, and the Environment to recruit 500 EPWP beneficiaries in our Municipality for a period of 12 months for the purpose of cleaning illegal dumps and litter picking.

We have also budgeted R2,4 million for the procurement of PPE'S for these project, we are anticipating to have more additional 500 EPWP beneficiaries in next financial year. We have also as the Municipality recruited 115 EPWP beneficiaries with the budget of R2 810 800(R 1 244 00 grant; R1 300 000 casual labour).

Madam Speaker, we have also received a donation of TLB by the Department of Forestry, Fisheries, and the Environment. Capricorn District Municipality has also donated 60 bulk skip bins, thank you Executive Mayor.

Honourable Speaker, let me also congratulate Polokwane City of Zebediela for returning to the Premier Soccer League. I also want congratulate a young (12 years old) Kamogelo Seabi and Kamano Mphahlele for representing the Municipality in provincial squad for the SA school tennis games held in Bloemfontein.

Tshepo Nchabeleng and Thabiso Tsoai continues to dominate the track and field championship held at the University of Limpopo and Albert Ntsoane took position 1 in the Provincial Cross Country Championship held in Lephalale.

Potego Leshabane and Lesedi Madiba were selected for under 19 netball Championships.

Madam Speaker, in peroration, I would like to thank everyone and the people of Lepelle-Nkumpi for affording me the opportunity to be part of this Municipality.

Keya Leboga, thank you very much,

"Motho ke Motho Ka Batho)

Pulaaaaaaa!!!!!!!

A handwritten signature in black ink, appearing to read 'Molala MM', written over a horizontal line.

Molala MM

Mayor