

**ADJUSTMENT BUDGET SPEECH 2017: EXECUTIVE MAYOR,  
CLLR S NGANGELIZWE,  
LEJWELEPUTSWA DISTRICT MUNICIPALITY  
26 JANUARY 2017**

Madam. Speaker: Cllr. Phindiwe Maleka

Chief Whip of Council: Cllr. Papiki Meli

Councillors of the Mayoral Committee

Leaders of Political Parties in Council

Fellow Councillors

Municipal Manager: Me. Palesa Kaota

Executive Management and Officials of Council

Members of the Community

Representatives of the Media

Fellow citizens

Honourable Speaker

It is that time of the year again when the Council is expected to consider the mid-year budget review and budget adjustment. It is indeed my distinct pleasure today to perform that task for the year 2016/2017.

Madam Speaker, it is much appreciated that the masses of this district gave us a note through their vote so that we continue with the high pace of service delivery. In response to this mandate the district municipality will develop a policy framework which will help us to assist local municipalities to distribute land to our people for both residential and commercial.

In honour of our stalwart OR Tambo, 2017 has been declared as OR Tambo year who was a unifier of the universe. His style of leadership will help us to unify our people and will be able to respond to these challenges that are facing us. Leadership should emulate the historic examples of President OR Tambo to influence our ongoing selfless service to the people.

As mandated by the electorate, we have to acknowledge the progress we have made to close gaps of poverty, employment and inequality. This adjustment budget happens exactly six months after local government elections where our people were giving the leadership of local government the authority to change and better their living conditions. Both pre-elections and post elections, our people are still raising same issues and we therefore should not fail them.

Madam Speaker

The municipality should help contribute towards meeting the targets set by the NDP of creating 11 million jobs by 2030 through facilitation of small and medium sized enterprises that will create a greater portion of job opportunities. We should discourage this silo mentality of business people working selfishly so that they can grow and uplift one another.

As we appreciate the work done by the previous administration going forward, we must strengthen and complement what they did. The adjustment budget is not correcting anything but to shift funds where necessary and allocate funds accumulated during the past six month's period from our savings. This budget adjustment will update the Council and the community of Lejweleputswa about the revenue, expenditure and the projections for the current fiscal year.

Speaker

Due to economic down turn, this budget does not come near to solving our challenges. However, we are, without any doubt, acutely aware of the enormous responsibility facing us to continue unwaveringly with our quest to ensure that the ideals of a free and democratic society are upheld. Much still needs to be done and significant challenges are still facing us, but our pledge to our citizens is that we will not divert from our course towards a better life for all.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the district. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We also should not lose sight of the powers and functions of the district amongst others:

- that of district wide integrated development programme,
- Infrastructural development and bulk service delivery,
- Capacity building of local municipalities; and
- Administrative assistance to local municipalities where capacity is not yet established.

Linked to the servicing of these functions, sourcing of funding is critical to enable the district to perform its mandate as legislated.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities. It is also appreciated that an achievement has been made in terms of the AG's Report that the municipality has been getting unqualified report for 8 consecutive years of course with matters of emphasis. We are hopeful that a clean audit will be achieved now that **Upper Limits calculations** have been sorted.

## **Public Participation**

Madam Speaker

As we travelled around the district during public participation meetings, some real changes are evident in our communities. However, remnants of old order is still glaring but our people are hopeful that this government will deliver. Let us therefore not disappoint the electorates by complaining with them as they do. Some projects have been identified in different local municipalities in the district to respond to the challenges that are prevalent. We will budget for some of these projects in the new financial year.

This adjustment budget is a product of direct, robust and interactive engagement with our communities. We, however, recognise that it remains a challenge to execute this mandate in an environment where the needs are exceeding the available the resources.

The decisions that have led to the budget that is being presented to Council, have been influenced by two very important factors:

- the aspirations of our communities as reflected in the public participation process and other engagement activities which provided a platform for communities to raise their initiatives about service delivery and other matters related to their livelihood, and
- There is a need to have a long term financial model to respond to service delivery issues in the district.

Madam Speaker, the increased allocation we are setting aside for capital expenditure underscores our commitment to accelerating service delivery through efficient and good governance. In an attempt to change the features of the building in this institution to an acceptable

government level, we will be installing new systems that will make the municipality a safe and secure environment. An allocation will be made every year until the building meet the required standards as per SANS 10400.

### **Revised Budget**

This adjustment Budget was crafted taking into consideration that it affords us opportunities to look back and review our successes, failures and take corrective measures where it is necessary. We are also mindful of the fact that when carrying out these responsibilities, extra care should be given since budget is not about numbers but vivid figures that describe the desires, needs and hopes of our people.

Honourable Speaker, having outlined our commitments over the six months period, let me now present the revised budget for 2016/2017. This is the revision of the budget that was approved by the House in May last year.

### **Total Budget**

It provides for an upward revision of operating budget from **R118.4m to R121.4m** which is an increase of **R2.99m** (2.62 percent).

### **Operating Revenue**

Total operating revenue has grown from **R118 400 to R119 968**, an increase of 1.32 percent.

### **Capital Expenditure (Capex)**

Capex increased from R 700 000 to R3m which is an increase of R2.3m (330.62 percent).

- **R1.6m** is provided for MSCOA software and the server which comes into effect from the 01 July 2017.
- **R500, 000** is provided for security upgrades in the institution.
- **R138, 000** is provided for purchasing of furniture and equipment based on departmental needs analysis.
- **R68, 000** for the repair of air conditioner at the Disaster centre.
- **R7, 900** geyser repair at the Archives.

### **Operating Expenditure (OPEX)**

Total operating expenditure has increased from **R117 706 to R118 391** which is an increase of 0.58 percent.

Due to the new political administration, Councillors' salary budget has been reconfigured by 9.24 percent. In the previous administration two full time councillors were seconded from Matjhabeng Local Municipality, the Mayor and a member of the Mayoral Committee whilst currently both positions are in the district PR list. Therefore this arrangement registers a difference of 9.24 percent.

**R300 000** has been set aside for the upgrading of Malebogo Hall in Tokologo Local Municipality.

LDA allocated R2m to establish IT hub centres for young people throughout the district.

Madam Speaker, to conclude I would like to take this opportunity to express my gratitude and appreciation to the Staff in my Office, Mayoral Committee Members, Councillors, the Municipal Manager, Senior Management and staff of various departments and my family, for their efforts and support.

Fellow Councillors, having outlined the details of the adjustment budget, I therefore **table the adjustment budget** as per section 53 of the MFMA and the recommendations contained on the agenda, budget document and other policies related documents for final adoption by Council.

Recommendations are as follows:

- That Council adopts the revision of budget estimates for 2016/2017 financial year as prescribed in terms of section 28(1) & (2)(b)(d)-(g) of the MFMA, 2003 and other relevant policies.
- That the adjustment budget for 2016/2017 financial year be submitted to National Treasury, Provincial Treasury and Cogta.
- That the IDP and SDBIP be adjusted accordingly inclusive of the non-financial information (performance measurements)

**I thank you**