



COUNCIL RESOLUTION NUMBER - 01/05/30/05/2023.

TABLING AND APPROVAL OF FINAL IDP 2023/2024 AND FINAL BUDGET 2023/2024 FINANCIAL YEAR

REPORT 1: TABLING AND APPROVAL OF FINAL IDP AND BUDGET 2023/2024 FINANCIAL YEAR.

PURPOSE

For Council to table and take note of the Final IDP 2023/2024.

PRE-DETERMINED OBJECTIVE

To serve the community with excellence and to achieve an accessible, integrated, sustainable, and equitable social and economic development of the community.

BACKGROUND

Section 152(1) of the Constitution of the Republic of South Africa (Act 108 of 1996), regulates that the objects of the local government are to (a) provide a democratic and accountable government for local communities; (e) to encourage the involvement of communities and community organisations in matters of local government. Further provides in section 153 the Municipality must (a) structure and manage its administration, budgeting, and planning process to give priority to the needs of the community, and to promote the social and economic development of the community.

As a result, the role and need for IDP in municipalities are entrenched in Chapter 5 of Municipal Systems Act 32 of 2000. This is in terms of how municipalities should conduct their mandates in terms of operating a developmental local government with a clear vision and mission envisaged in the IDP document. As legislated in Section 25 and 27 of Municipal Systems Act (32 of 2000), the new council adopted its new version of IDP framework for the 5 year-term (2022-2027).

In this regard, the first review Process Plan for IDP 2023-2024 was adopted on 31 August 2022. This paved a way for the processes of the review to take place in consultation with community stakeholders and other sector departments to inform this review of the current IDP in terms of Section 34 of Municipal System Act (32 of 2000).

DISCUSSION

This review was compiled in line with the following:

- FS Cogta IDP Standard Framework 2020
- Reviewed Legally Compliant IDP Assessment Template 2020 for Free State Municipalities
- Provincial Draft IDP Assessment Report April 2023
- IDP and Budget Process Plan 2023-2024.

STAKEHOLDER CONSULTED

The Mayor and Councillors, the Municipal Manager, Management, Provincial Sector Departments and the local community.

LEGAL COMPLIANCE

This item is submitted in accordance with Municipal Systems Act no.32 of 2000, Section 34 (a) and (b).

STAFF IMPLICATION

It is important to note that internal departments of the Municipality must support the processes of IDP in terms of reporting the status quo of their departments to ensure relevance to an annual strategic plan.

RISK IMPLICATIONS

Failure to table and approve the Final IDP 2023/2024 by Council within the legislated timeframe will consequently be non-compliance with the legislative framework guiding municipalities.

FINANCIAL IMPLICATIONS

Withholding of equitable share by the National Treasury for the Municipality and dissolution of the sitting Council.

ANNEXURES

- Final IDP 2023/2024
- Institutional Sector Plans and Policies (Section E)
- Audit Committee Charter 2023/2024

RECOMMENDATIONS/RESOLUTIONS

- It is recommended that the Council approve the Final IDP 2023/24 as presented.
 - That it consider other amendments to be made before submission to the National and Provincial Cogta and Treasury
 - That this Final IDP 2023/2024 be advertised be made available for public consumption
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REPORT 2: TABLING AND APPROVAL OF THE FINAL BUDGET 2023/2024 FINANCIAL YEAR

PURPOSE

The purpose of this item is to obtain approval from Council for the 2023/2024 annual budget as per the section 24 of the MFMA Act no 56 of 2003.

PRE-DETERMINED OBJECTIVES

To ensure full compliance with MFMA and directive from National Treasury.

BACKGROUND

Municipal Finance Management Act, No 56 of 2003 (MFMA)

Contents of annual budgets and supporting documents

In terms of Section 17 of the MAFMA: An annual budget of a municipality must be a schedule in the 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- (i) estimated revenue and expenditure by vote for the current year; and (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and
- (e) a statement containing any other information required by section 215 of the Constitution or as may be prescribed. An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed. **When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents:**
 - (a) Draft resolutions- (i) approving the budget of the municipality; (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and (iii) approving any other matter that may be prescribed;
 - (b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;
 - (c) a projection of cash flow for the budget year by revenue source, broken down per month; (d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;
 - (e) any proposed amendments to the budget-related policies of the municipality;
 - (f) particulars of the municipality's investments;
 - (g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;
 - (h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;
 - (i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;
 - (j) particulars of any proposed allocations or grants by the municipality to- (i) other municipalities;
 - (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
 - (iii) any other organs of state;
 - (iv) any organisations or bodies referred to in section 67(1);

(k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of- (i) each political office-bearer of the municipality; (ii) councillors of the municipality; and (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager; (l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of- (i) each member of the entity's board of directors; and (ii) the chief executive officer and each senior manager of the entity; and (m) any other supporting documentation as may be prescribed.

Funding of expenditure

In terms of Section 18 of the MFMA: An annual budget may only be funded from-

- (a) realistically anticipated revenues to be collected;
- (b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- (c) borrowed funds, but only for the capital budget referred to in section 17(2). (2) Revenue projections in the budget must be realistic, taking into account- (a) projected revenue for the current year based on collection levels to date; and (b) actual revenue collected in previous financial years.

Capital projects

In terms of Section 19 of the MFMA: A municipality may spend money on a capital project only if-

- (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);
- (b) the project, including the total cost, has been approved by the council;
- (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and
- (d) the sources of funding have been considered, are available and have not been committed for other purposes. (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider- (a) the projected cost covering all financial years until the project is operational; and (b) the future operational costs and revenue on the

project, including municipal tax and tariff implications. (3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

In terms of Section 24 of the MFMA: The municipal council must at least 30 days before the start of the year consider approval of the annual budget, (2) An annual budget must be approved before the start of the budget year, (3). The accounting officer of a municipality must submit the approved budget to the National Treasury and relevant Provincial Treasury.

DISCUSSION

In terms of the section 16(2), 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

STAKEHOLDERS CONSULTED

- Chief Financial Officer
- Office of the Municipal Manager
- National Treasury
- Provincial Treasury

FINANCIAL IMPLICATION

- Please refer to recommendations

STAFF IMPLICATION

- The total salary budget for 2023/2024 is estimated at R114,5 million taking into consideration of 5.3% increase.

RISK IMPLICATIONS

- If the mayor fails to table the budget, National Treasury will impose section 216(2) which states that National Treasury may stop any transfer of conditional and non-conditional grants for non-compliance.

ANNEXURE

A-Schedule

- A1, A2, A3, A4, A5, A6, A7, A8 SA1-SA20
- Tariff list
- Budget Funding Plan – Monitoring tool template (Five pillars)

Budget Related policies:

- a) Rates policy
- b) Tariff policy
- c) Indigent policy
- d) Credit control and debt control policy
- e) Supply chain Management policy
- f) Budget policy
- g) Cash and Investment policy
- h) Subsistence and travelling policy
- i) Virement policy
- j) Events after reporting date policy
- k) Petty Cash policy
- l) Assets Management policy
- M) Infrastructure Procurement and Delivery Management Policy
- N) UIFW policy

RECOMMENDATION:

- That the revenue budget is at R 424,5 million
- That the operational expenditure budgeted to R389,2 million.
- Capital expenditure has been budgeted at R41,1 million.
- To implement and monitor the cash flow turnaround strategy to improve effective financial management.
- To monitor collection levels during the 2023/2024 budget period to ensure that funding is available to finance expenditure.
- That under no circumstances should expenditure be incurred that is not budgeted for.
- Council resolution be submitted to both National and Provincial treasuries within ten (10) working days after approval by council.
- Tabled budget be advertise for 21 days to solicit public comments
- Approved budget be approved together with the funding plan in May 2023.

Table 1.1 A4 Financial performance (revenue and expenditure) of the 2023/2024 Annual Budget

0 - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | 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 | Pre-audit outcome | Budget Year 2023/24 | Budget Year #1 2024/25 | Budget Year #2 2025/26 |
| R thousand | 1 | | | | | | | | | | |
| Service charges - Waste Water Management | 2 | 22 035 | 23 323 | 25 223 | 32 767 | 30 200 | 30 200 | 31 200 | 35 209 | 35 430 | 35 756 |
| Service charges - Waste Management | 2 | 15 295 | 16 457 | 18 322 | 22 207 | 20 600 | 20 600 | 21 600 | 30 980 | 32 609 | 35 048 |
| Sale of Goods and Rendering of Services | | 641 | 713 | 481 | 832 | 416 | 416 | 416 | 551 | 577 | 693 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 22 641 | 46 081 | 53 597 | 57 646 | 57 646 | 57 646 | 57 646 | 93 030 | 95 000 | 100 000 |
| Interest earned from Current and Non Current Assets | | 239 | 155 | 44 | 240 | 479 | 479 | 479 | 270 | 283 | 284 |
| Dividends | | 11 | 59 | 70 | 38 | 45 | 45 | 45 | 39 | 41 | 41 |
| Rent on Land | | - | 0 | 2 | - | - | - | - | 100 | 100 | 100 |
| Rental from Fixed Assets | | 1 288 | 1 705 | 1 641 | 1 750 | 967 | 967 | 967 | 1 080 | 1 200 | 1 200 |
| Licence and permits | | 10 | 25 | - | - | - | - | - | 100 | 100 | 100 |
| Operational Revenue | | 795 | 703 | 593 | 1 978 | 950 | 950 | 950 | 895 | 899 | 899 |
| Non-Exchange Revenue | | - | - | - | - | - | - | - | - | - | - |
| Property rates | 2 | - | - | - | 24 133 | 21 300 | 21 300 | 21 300 | 23 833 | 25 382 | 27 032 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 309 | 210 | 282 | 146 | 1 000 | 1 000 | 1 000 | 500 | 530 | 582 |
| Licences or permits | | - | - | - | - | - | - | - | - | - | - |
| Transfer and subsidies - Operational | | 100 525 | 111 908 | 96 082 | 106 863 | 105 585 | 105 585 | 105 585 | 115 574 | 120 942 | 127 518 |
| Interest | | 1 975 | 4 616 | 5 390 | - | 38 896 | 38 596 | 38 596 | 10 000 | 11 000 | 12 000 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | (410) | (8 949) | - | - | - | - | - | - | - |
| Other Gains | | - | 3 687 | (16 867) | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 241 333 | 291 940 | 250 274 | 342 670 | 350 283 | 350 283 | 354 283 | 424 576 | 446 398 | 470 033 |

0 - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | 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 | Pre-audit outcome | Budget Year 2023/24 | Budget Year #1 2024/25 | Budget Year #2 2025/26 |
| R thousand | 1 | | | | | | | | | | |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 101 174 | 105 142 | 116 415 | 111 244 | 111 245 | 111 245 | 111 245 | 114 545 | 121 061 | 126 569 |
| Remuneration of councillors | | 7 197 | 8 489 | 7 722 | 6 222 | 6 222 | 6 222 | 6 222 | 7 732 | 9 145 | 8 460 |
| Bulk purchases - electricity | 2 | 47 925 | 63 538 | 55 678 | 62 814 | 60 000 | 60 000 | 60 000 | 76 000 | 83 000 | 87 000 |
| Inventory consumed | 8 | 8 568 | 8 341 | 13 697 | 7 827 | 11 093 | 11 093 | 11 093 | 10 555 | 11 069 | 11 739 |
| Debt impairment | 3 | 209 | - | - | 48 756 | 42 584 | 42 584 | 42 584 | 72 896 | 77 624 | 82 670 |
| Depreciation and amortisation | | 71 505 | 36 168 | 30 354 | 35 780 | 97 085 | 97 085 | 97 085 | 40 675 | 39 777 | 38 948 |
| Interest | | 23 137 | 8 660 | 17 038 | 8 899 | 19 884 | 19 884 | 19 884 | 3 722 | 3 834 | 3 953 |
| Contracted services | | 20 444 | 17 616 | 19 394 | 19 288 | 11 274 | 11 274 | 11 274 | 19 159 | 19 529 | 20 760 |
| Transfers and subsidies | | - | 717 | - | - | - | - | - | 1 722 | 1 834 | 1 953 |
| Irrecoverable debts written off | | 152 784 | 106 488 | 108 212 | 5 216 | 59 216 | 59 216 | 59 216 | 24 295 | 25 875 | 27 557 |
| Operational costs | | 31 877 | 29 282 | 21 136 | 32 134 | 20 995 | 20 995 | 20 995 | 17 955 | 18 716 | 19 613 |
| Losses on disposal of Assets | | 958 | - | - | - | - | - | - | - | - | - |
| Other Losses | | 34 | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 465 811 | 375 420 | 380 647 | 338 180 | 439 598 | 438 598 | 439 598 | 389 244 | 410 865 | 430 212 |
| Surplus/(Deficit) | | (224 477) | (83 480) | (130 373) | 4 491 | (89 315) | (88 315) | (85 315) | 35 332 | 35 533 | 39 821 |
| Transfers and subsidies - capital (monetary allocations) | 6 | 11 576 | 52 379 | 28 405 | 54 015 | 55 515 | 55 515 | 55 515 | 41 196 | 9 540 | 10 118 |
| Transfers and subsidies - capital (in-kind) | 6 | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | (212 901) | (31 101) | (101 968) | 58 506 | (33 800) | (33 800) | (29 800) | 76 528 | 45 073 | 49 939 |
| Income Tax | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | (212 901) | (31 101) | (101 968) | 58 506 | (33 800) | (33 800) | (29 800) | 76 528 | 45 073 | 49 939 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (212 901) | (31 101) | (101 968) | 58 506 | (33 800) | (33 800) | (29 800) | 76 528 | 45 073 | 49 939 |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Inter subsidiary transactions | 7 | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 1 | (212 901) | (31 101) | (101 968) | 58 506 | (33 800) | (33 800) | (29 800) | 76 528 | 45 073 | 49 939 |

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Table 1.2 A5 Capital Expenditure of the 2023/2024 Annual Budget

| Vote Description R thousand | 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 | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Governance and administration | | - | (0) | 2 111 | 400 | 500 | 500 | 500 | - | - | - |
| Executive and council | | - | - | - | - | - | - | - | - | - | - |
| Finance and administration | | - | - | - | - | - | - | - | - | - | - |
| Internal audit | | - | (0) | 2 111 | 400 | 500 | 500 | 500 | - | - | - |
| Community and public safety | | 4 593 | 8 628 | 502 | 11 035 | 11 035 | 11 035 | 11 035 | 991 | 0 | 0 |
| Community and social services | | 809 | 8 285 | 502 | - | - | - | - | - | - | - |
| Sport and recreation | | 3 784 | 344 | - | 11 035 | 11 035 | 11 035 | 11 035 | 991 | 0 | 0 |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 5 543 | (14 502) | 9 702 | 9 077 | 6 077 | 6 077 | 6 077 | 6 005 | 0 | 0 |
| Planning and development | | - | - | - | 1 114 | 1 114 | 1 114 | 1 114 | - | - | - |
| Road transport | | 5 543 | (14 502) | 9 702 | 7 964 | 4 964 | 4 964 | 4 964 | 8 005 | 0 | 0 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 3 804 | (368) | 31 426 | 31 882 | 29 682 | 29 682 | 29 682 | 32 200 | 0 | 0 |
| Energy sources | | - | - | 6 543 | 2 800 | 2 800 | 2 800 | 2 800 | - | - | - |
| Water management | | 3 772 | (8 765) | 16 268 | 14 847 | 14 847 | 14 847 | 14 847 | 24 585 | 0 | 0 |
| Waste water management | | 32 | 7 526 | 6 888 | 11 959 | 9 759 | 9 759 | 9 759 | 3 472 | 0 | 0 |
| Waste management | | - | 872 | 1 726 | 2 277 | 2 277 | 2 277 | 2 277 | 4 143 | 0 | 0 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 14 040 | (6 241) | 43 740 | 52 395 | 47 295 | 47 295 | 47 295 | 41 196 | 0 | 0 |
| Funded by: | | | | | | | | | | | |
| National Government | | 14 040 | (6 241) | 32 281 | 46 795 | 46 795 | 46 795 | 46 795 | 41 196 | 0 | 0 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (Nat./Prov.) | | - | - | - | - | - | - | - | - | - | - |
| Deposits, Loans, Household, Non-profit Institutions, Private | | - | - | - | - | - | - | - | - | - | - |

2023/2024 DORA GRANTS

| Description | DORA BUDGET 2022/2023 | DORA BUDGET 2023/2024 | DIFFERENCE | DORABUDGET T 2024/2025 | DORABUDGET 2025/2026 |
|---------------------------------|--------------------------|--------------------------|-------------------------|------------------------------|-------------------------|
| Operational Grants | R'000 | R'000 | Increase/ (Decrease) | R'000 | R'000 |
| Equitable Share | 102 426 | 110 180 | 7 754 | 118 038 | 121 499 |
| Financial Management Grant | 3 100 | 3 100 | 0 | 3 100 | 3 100 |
| Expanded Public Works Program | 1 337 | 1 189 | 148 | | |
| MIG OPERATIONA | 1 113 | 1 155 | 42 | | |
| Total Operational Grants | 107 976 | 115 624 | | | |
| Capital Grants | | | | | |
| MIG | 32 275 | 23 100 | (9 175) | 23 978 | 24 893 |
| WSIG | 11 720 | 20 427 | 8 707 | 10 896 | 11 384 |
| INEP | 5 000 | | 0 | | 5000 |
| Total Capital Grants | | 43 527 | | 34 874 | 41 277 |

Indirect Grants 2023/2024

| Description | DORA Budget 2023/2024 | DORABUDGET 2024/2025 | DORABUDGET 2025/2026 |
|------------------------------|--------------------------|-------------------------|-------------------------|
| Capital Grants | R'000 | R'000 | R'000 |
| INEP | 1 713 | 15 107 | 97 |
| RBIG | 5 000 | 5 000 | 3 100 |
| | | | |
| Total Grants Combined | 6 713 | 20 107 | 3 197 |

The Mayor, Cllr Tsoene tabled the Budget as follows:-

Honourable Speaker, Councillor, Cllr Mvuyo Ncwada,

Honourable Council Whip, Kgethang Tigeli,

Honourable members of EXCO, Councillors Tsepo Molefe and Tania Halse,

Chairperson of the MPAC, Cllr M.S Visagie and other Chairpersons of Section 79 Committees,

All Councillors present today,

The community of Mantsopa who managed to grace this event with their presence despite the weather conditions.

Our newly appointed Municipal Manager, Me Matiro Magopodi Management team and all staff members present,

Honourable Speaker, let me start by thanking my party, the governing party, the African National Congress for affording me the opportunity to again lead Mantsopa Local Municipality as the Mayor, the leadership may have seen something in me that other people didn't see and that itself means that I have to put more effort in everything that I do, despite the challenges I must ensure that our 2021-2026 Local Government Elections Manifesto is implemented to the latter. Our people still have hope in the African National Congress, and it cannot be right that we fail them by not providing them with sustainable services, and as an ANC collective we cannot allow it to fall in our hands.

Speaker we are tabling this budget as we celebrate Africa month. We honour the immense contributions of African cultures across the globe. This is a journey of progress, challenges and hope for the continent.

Speaker, Firstly, this 2023/2024 IDP & Budget shall be used as an instrument for implementation of the solutions to the challenges and targets set at the 2021-2026 Local Government Elections Manifesto of the oldest liberation movement in Africa, the African National Congress.

With regard to Water, Sanitation, Roads and Stormwater, the ANC Manifesto committed as follows:

Working with National and Provincial Governments, ANC-led municipalities, working with communities, will:

- (a) Maintain and develop water and sewerage infrastructure and drastically reduce water leaks.
- (b) Increase the number of boreholes and water tanks in communities.
- (c) Rehabilitate water pump stations and waste water equipment and improve reticulation.
- (d) Increase local production of components used in tackling the water and sanitation backlog to expand employment.
- (e) Fix roads, potholes, sewage spillages and broken water pipes.
- (f) Increase the number of skilled personnel like engineers, process controllers and shift workers to maintain water, sanitation, and road infrastructure.
- (g) Ensure all poor households receive the free water allocations they are entitled to.

The African National Congress has spoken through its manifesto, our duty as the ANC led Municipality, with the support of the Provincial and National Government is to ensure the progressive realisation of the key performance indicators and targets set out in the manifesto.

Honorable Speaker, this 2023/2024 IDP & Budget is taking place when the country is experiencing pandemic of Diarrheal diseases and gastrointestinal infections and a rising number of laboratory-confirmed Cholera. I have no doubt in my mind that we will emerge victorious.

My Office together with other stakeholders that form part of Mantsopa Local Communicators Forum are already on the ground to educate our people about these diseases. They have already started visiting the schools. At this moment there are no reported cases of Cholera, Diphtheria at the meeting of Local Communicators Forum.

We hereby direct the Management to ensure that our Water Purification Plants & Waste Water Treatment Works are functional and compliant with the prescribed standards of the Department of Water & Sanitation. We urge the Municipal Manager to urgently put pressure on Bloemwater to complete the Ladybrand Wastewater Treatment Works Plant. Our community is increasing on a daily basis, and we need that plant to function as a matter of urgency. The Executive Committee shall monitor the results of water and wastewater around Mantsopa so as to ensure that they are compliant and not exposing our communities to health hazards.

Honourable Speaker, Let me firstly thank you for giving me this opportunity to present before this Council the state of our municipality and the Final IDP & Budget vote for the financial year 2023/2024.

In terms of the Local Government: Section 16 of the Municipal Finance Management Act, 56 of 2003, it is prescribed that-

- (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year; and
- (2) In order for a municipality to comply with subsection (1), 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.

Honourable Speaker, immediately after the tabling of the 2023/2024 Draft IDP & Budget on 31st March 2023, we embarked on an extensive IDP & Budget public consultation process to ensure that this is a people centred and people driven Budget, this is consistent with the Freedom Charter's declaration that the "People shall govern", indeed we rallied behind the voice of our people as difficult as it may be.

The Financial Recovery intervention is intended to ensure that the 2023/2024 Budget complies fully with Section 18 of the Municipal Finance Management Act, 56 of 2003 which prescribes as follows:

- (1) An annual budget may only be funded from—
 - (a) Realistically anticipated revenues to be collected;
 - (b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - (c) Borrowed funds, but only for the capital budget referred to in section 17 (2).
- (2) Revenue projections in the budget must be realistic, taking into account—
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous financial years.

It is for this reason that the 2023/2024 IDP & Budget is accompanied by a Budget Funding Plan in order to fully comply with Section 18 of the Municipal Finance Management Act, 56 of 2003 and to honour its financial obligations for service delivery.

Honourable Speaker, most of the income for the Municipality should essentially come from Households, the second contributors are Business and Government Departments respectively, revenue collection problem does not only start when the client has defaulted but early in the revenue and receivables cycle when the consumers apply for services, when there are no proper controls in processing of bills and many other reasons within the process. Administration should note and implement revenue collection across the board and it should also be noted that Government Departments must be pushed to pay their accounts, failure to do such must result in cutting them off, but do remember to engage with them before doing such.

Honourable Speaker, the Free State Provincial Treasury has provided guidance to municipalities regarding the implementation of Budget Funding Plan, this include setting of targets in line with the prescribed Budget Funding Plans Framework Pillars, these will be tailored to the monthly monitoring of the performance of the Funding Plan Detailed Operational Activities & Implementation Plan.

The Budget Funding Plan has five pillars as follows:-

| PILLAR | ACTIVITY | OUTCOME |
|-----------------------|---|---|
| 1. Positive Cashflow. | Determine the Current Cashflow status at beginning of year 1/Prior Implementation of Funding Plan Ensure municipality has positive own cash on a month-to-month basis (excluding dependents on grants) | To Establish The Current Position and Performance of the Municipality - the Baseline will further be used to assess the Performance of the Municipality in line with the Funding Plan Operational Activities. |

| | | |
|--------------------------------------|---|---|
| | Establish the Targets to Be achieved over the Funding Plan period. | To Establish the Basis for Measuring the Performance of the Municipality in line with the Pillars. |
| | Set Monthly Actual Cash Projections. | To Provide for Actual Available cash Spending and Commitments so as to further ensure that the Municipality only commits expenditure where there is actual cash for settling withing 30 days as prescribed. |
| | Analyze the Actual Cash Spending against the Monthly Cash Projections. | |
| 2. Cash and short-term liquidity | Ensure gradual increase in current assets and reduction of current liabilities. | Financial Sustainability |
| 3. Collection rate | Credit control and debt collection Procedures tightened to enable collection of short- and long-term debt. | Financial liquidity |
| | Monitor the work of Debt collector within the Revenue Division for debt handed over. | Financial Management |
| | Property Rates Billing Reconciliation procedures performed monthly. | Completeness Of Revenue |
| 4. Reduction in non-core expenditure | Limit of attendance of functions to core departments and maximum three delegates for Councillors and Officials. | Financial Management. |
| | Limit catering expenditure to meetings longer than 5 hours. | |
| | Limit fuel costs to mainly core service delivery vehicles. | |
| | Limit overtime payment to credible and necessary payments. - Corporate services to develop a standard template for legitimate claims. | |
| | Limit the number of funded political events to the legislated ones only. | That a forensic investigation has been put in place to curb the excessive overtime. |
| | Reduce spending on workshops and training and use virtual platforms. | |
| | Enter into payment Arrangements with the Top 10 Creditors. | |
| | 30 Days Payment Turnaround, ensure that current accounts are paid within 30 days of the receipt of an invoice. | |
| | Split on Current and Non-Current as well as the Payments Arrangement Specifics. | Proper arrangements to be put in place. |

| | | |
|-------------------|--|---|
| | Approval of Orders- implement standard operating procedures for preparation and approval of orders. | |
| 5. Trade Payables | Advanced payment to contractors and consulting engineers to accelerate expenditure where there is no reconciled physical progress is prohibited. | Financial Management & Liquidity. That all conditional Grants funds be re-in fenced. That use of the Conditional Grants is an offence and that cases will be opened against the officials that utilises those funds for i.e, salaries etc. |
| | Opening of Separate Bank Accounts/One Bank Account for All Conditional Grants. | |
| | Monthly Reconciliations of Expenditure to the Respective Conditional Bank Accounts. | |
| | Matching of Incurred Expenditure Listing to Conditions of the Grant (Testing All Expenditure is in line with the Conditions). | |
| | Track All Grants Vatable Invoices claimed and to ring Fence from the Vat Income Received. | |

Honorable Speaker and Councillors, all the milestones indicated in the Budget Funding Plan will be included in the Service Delivery and Budget Implementation Plan and Annual Performance Agreements of the Municipal Manager and Section 56 Managers, they will be also cascaded to all staff members because they are now required to have Performance Agreements in terms of the Municipal Staff Regulations.

Honourable Speaker and Councillors, all the milestones indicated in the Budget Funding Plan will be included in the Service Delivery and Budget Implementation Plan and Annual Performance Agreements of the Municipal Manager and Section 56 Managers, they will be also cascaded to all staff members because they are now required to have Performance Agreements in terms of the Municipal Staff Regulations. Speaker, now that the Section 56 Managers will be employed permanently, its our plea that priority should be given to the Mantsopa people and that there should not be secretaries and Directors from other towns outside of Mantsopa employed in those positions for easy accessibility and availability.

When we quarterly evaluate the performance of the Municipal Manager and Senior Managers, the targets of both the Budget Funding Plan and Financial Recover Plans will be considered for mitigation and remedial actions.

Honourable Speaker and Councillors, we are again urging the administration to conclude installation of prepaid water meters to improve on our water revenue which will also lead to sustainable Water Conservation and Water Demand Management, we hope that this time with the leadership of the Municipal Manager, this directive will be implemented as it was ignored previously, we again direct the management to ensure that the remaining pre-paid water meters should be installed in Manyatseng/Ladybrand. Honorable Speaker, we as Councillors must assist administration in the implementation and installation of water meters in

each and every household in Mantsopa. To also educate our communities on the importance of installing water meters and to minimize the water leakages.

We note the effort of the newly appointed Municipal Manager for prioritizing the reading of bulk electricity meters, we also urge her to ensure that all by-passed meters are corrected to ensure that we don't lose electricity revenue, management should also ensure that all outstanding conventional meters are converted to prepaid to enable proper monitoring and detection of tempering. Speaker, we are well aware of the electricity by-pass that have been done in some households in our communities and we urge administration to address these illegal connections by switching off those households.

We direct the Municipal Manager and her team to ensure that all our 23 000 households are properly billed and revenue is collected on monthly basis, currently only less than 3 000 customers are billed. That all households should be provided with their accounts on time for them to be able to make payments.

Honourable Speaker and Councillors, we are going to be very vigilant and relentless in enforcing revenue collection measures, we are going to enforce all steps included in the Debt Collection Policy to ensure that there is sufficient revenue collected to provide basic services to our communities in a sustainable manner. That Councillors should pay their services accounts and keep them up to date. That Councillors should encourage our communities to register for indigency to those that qualify.

Honourable Speaker, having learnt from previous experience, we shall take all reasonable steps to ensure that the 2023/2024 Budget is realistic and fully funded, therefore Management shall be directed to prepare the ground for at least 65% target on monthly revenue collection, the Executive Committee (EXCO) shall monitor the collection levels through monthly reports including remedies employed to address any variance in this regard. In the past we have put our target 70% on monthly revenue collection however this time around we have requested the National Treasury to assist our Municipality to assist us with strategies to increase our revenue collection.

Honourable Speaker and Councillors, it is common course that Tourism, Agriculture and manufacturing are the main economic drivers in the municipality given the strategic location of the municipality as a gateway towards Maseru capital amongst others.

We shall take all reasonable steps to implement Contractor Development Programme in all our capital projects in 2023/2024 financial year to support local SMMEs, this will strengthen local empowerment and will enable them to acquire necessary CIDB requirements for bigger projects, a detailed plan will be tabled in the next Special Council meeting in this regard. We will not get out of this Council meeting without making contributions on the Supply Chain Policy with regard to our small businesses. Batho ba rona ba tlameha ho una ka hara Masepala wa bona. Ha ho fuwe batho mosebetsi ka ho lekana, re hloka ho etswe panel of local Suppliers. E tsuwe hoye kadi category tsa bona tse fapaneng, i.e Catering, transport, suppliers of goods etc. That 30% should be provided to our local small businesses, the Municipal manager must be vigilant in the implementation of this local suppliers panel, in that different suppliers should be appointed and to avoid utilising the same people.

The implementation of the Contractor Development Programme will be in addition to efforts of our SCM policy which prescribes that in all Capital projects, local contractors shall be considered as sub-contractors, whether the main contractor is from local or not local.

Honourable Speaker and Councillors, as difficult as it may be, we need to tighten all the loose screws, we need to all start to attend to service delivery issues and well as development interventions, amongst other things we are going to do in the 2023/2024

financial year and outer years, I requested management to prioritise the L.E.D projects and interventions but was ignored. I hereby direct the current Municipal Manager to ensure that the following key L.E.D projects are supported:

- (a) Revive Beef feedlot in Thaba Phatchoa for both agricultural development and value chain, that will also create job opportunities and additional revenue to the municipality.
- (b) Revive San-Mark project in Ladybrand to position the area strategically for agro-processing and food security, targeting local and international market taking into account its proximity to Maseru City in Lesotho.
- (c) Revive Brick Making Plant in Ladybrand to ensure that all roads and storm water projects are done through local material, that will boost the local economy, create jobs and accelerate service delivery in the in the municipality.
- (d) Support Mpepe Faralane sheep shearing project in Ladybrand funded by department of Agriculture.
- (e) Support Mantsopa Mother's Trust Agricultural Cooperative in Ladybrand.

That the Municipal Manager should source funds in order to revive these projects

- (f) Our people need farming land, we are going to roll-out land distribution to the previously disadvantaged individuals, we are going to allocate municipal commonages and land to deserving intrapreneurs and small-scale farmers throughout the municipality, we need actions not just words like we are in a talk shop, its going to be business unusual.
- (g) We have requested support from the FS Provincial Department of Human Settlement for reticulation infrastructure at Mahlatswetsa Ext 3 and Mauersnek Ext 4 in Ladybrand, the Municipal Manager is directed to ensure that all efforts are made for reticulation infrastructure in both Mahlatswetsa Ext 3 and Mauersnek Ext 4 in Ladybrand.

Honourable Speaker and Councillors, we have observed a very worrying state of our roads and stormwater infrastructure, our roads are very bad and some are not even accessible to ambulances and law enforcement vehicles, it is our wish to ensure that we ensure that we urgently attend to them, we are also mindful of the fact that we cannot maintain all of them at once hence we are going to utilise maintenance budget for roads and storm water to start prioritising and fixing our roads.

Motsamaisi wa Dipuisano, kannete re keke ra fihella boemo bona ba diTsela bo senye ditropo tsa rona tse neng di le ntle, batho ba patalang diTshebeletso ba lebelletse hore re lokise diTsela ebile re tiameha hoba kgotsofatsa.

It is common course that in Mantsopa, the only area with challenges of land is Tweespruit, but we can safely say that the Free State Department of Human Settlement is finalising the procurement of land for residential purposes and for that we wish to acknowledge that assistance. We request that administration to put pressure on the Department of Human Settlement to speed up this process because we are still waiting for the letter of Township establishment.

Speaker, Women and the Youth must be our focus in the implementation of our key performance areas and cross cutting obligations, we must robustly go and lobby resources from our sector departments and private sector, we will continue to engage relevant stakeholders for container parks as part of youth development initiatives amongst others, what better time to do that than now. It is for this reason that the Office of the Mayor will

have a dedicated Official for Special Programmes targeting youth development, gender mainstreaming, people with disability and other targeted groups.

Honourable Speaker, Gender-Based Violence is still a thorny issue in our communities, we cannot keep waiting for help, we need to stand up and face that also to assist our South African Police Service and other law enforcement agencies to fight this scourge.

Honorable Speaker, next month as we celebrate Youth month under the theme *"accelerating collaboration and opportunities to improve the Lives of the Youth"* my office is committed to youth empowered and recognition of talent in our jurisdiction.

It is against this background that we have organized the Mayoral Tournaments and the finals will be held on the 3rd of June 2023 in Hobhouse at the recently refurbished Dipelaneng stadium. I want to thank our sponsors Standard Bank and Inzalo Consulting for the support in making sure that our youth is being empowered. However, Speaker this is still not enough because the youth still needs more to be done. That LED must source out funds to assist our small communities.

Speaker, of the greatest concern is the number of businesses that emerge in our townships that are not registered and are not even paying for municipal services as businesses, we cannot take lightly to this non-compliance and we shall take all reasonable steps to ensure that such businesses are registered and charged according to the business usage tariffs, we shall also monitor that they employ local people and adhere to environmental health protocols and other related prescripts. Speaker, I would like to say that I am not xenophobic however the tuck shops should be opened by our people in our communities. That these people must pay business licences in this regard.

Honourable Speaker, 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 municipal services are provided sustainably, economically and equitably to all communities.

2023/2024 MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK (MTREF)

Honourable Speaker, the budget of the municipality is constituted by anticipated revenue to be collected and the expenditure to be incurred in order to advance service delivery to our people.

There has been constraint from revenue collected by the municipality for the prior financial years due to the negative economic factors, as well as the unwillingness from our societies to pay for their services.

It is within this context that immediately after the tabling of the 2023/2024 IDP & Budget, the Management shall be directed to commence with the implementation of the Revenue Enhancement Strategy which will be built around the following components:

1. National Treasury's guidelines and macroeconomic policy;
2. Growth in the Municipality and continued economic development;
3. Efficient revenue management which aims to increase the annual collection rate for property rates and other key service charges;
4. Achievement of full cost recovery of specific user charges especially in relation to trading services;
5. Determining the tariff escalation rate by establishing and calculating the revenue requirement of each service;

6. The Municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, No. 6 of 2004;
7. Increase ability to extend new services and recover costs;
8. The Municipality's Indigent Policy and rendering of Free Basic Services; and
9. Tariff Policies of the Municipality.
10. Increase performance regarding the installation of prepaid water meters.
11. Ensuring that all households are billed correctly and receive the accounts timeously, not just the three thousand accounts out of twenty-three thousand accounts.

Honourable Speaker, in ensuring that our 2023/2024 IDP and Budget is realistic, practical and comply with legislative and regulatory prescripts, MFMA circular No. 51, 54, 66, 67, 78, 79, 85, 86, 89, 90, 93, 94, 98, 99, 100, 115, 123 and 124 were used as a guide during the 2023/24 IDP & Budget processes.

The following budget principles and guidelines directly informed the compilation of the 2023/24 Annual Budget:

- The 2023/24 MTREF priorities and targets, as well as the base line allocations contained in that 2023/24 MTREF were proposed as the upper limits for the new baselines for the 2023/24 IDP and Budget.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- The 2023/2024 Budget is based on a collection rate of 65 % of billed accounts.

IDP and Service Delivery and Budget Implementation Plan

The 2023/2024 IDP Consultative Processes resulted in the preparation of this final Integrated Development Plan and the Annual Budget for the period ending 30 June 2024, this was in order to ensure that the final Budget is based on the will of our people. With the compilation of this Budget, each Department had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year report against the 2022/2023 Service Delivery and Budget Implementation Plan.

It is within this context that I will approve the 2023/2024 Service Delivery and Budget Implementation Plan including the Annual Performance Agreement of the Municipal Manager within two weeks after the adoption of the 2023/2024 IDP & Annual Budget, it is expected that our newly appointed Municipal Manager will conclude the Annual Performance Agreements of all Senior Managers within 28 days after the approval of this Annual Budget, furthermore, Senior Managers are urged to ensure that all Staff members within their departments have job descriptions to enable adequate performance monitoring and evaluation, there must be value for money, therefore, service delivery to our communities must be prioritised in a sustainable manner.

FINANCIAL RECOVERY PLAN

Honourable Speaker, our municipality has a history of financial problems underpinned by financial management, governance and administrative challenges, this triggered my Office to request a formal support from the MEC of Finance in the Province through a voluntary Financial Recovery Plan in 2019/2020 financial year, it was concluded in July 2021 and finally adopted by Council in September 2021.

The Financial Recovery Plan will be used as an instrument to guide the municipality in addressing the financial problems and to ensure the municipality regains its financial health within the shortest timeframe whilst ensuring that all root causes which adversely affect the financial health of the municipality are comprehensively addressed.

The Financial Recovery Plan seek to address financial, governance, operational and technical needs including service delivery challenges as the municipality's financial health has deteriorated and was unable to meet commitments as they fall due.

The Financial Recovery Plan was also presented as the part of handover report from 2016-2021 Administration in December 2021 following the Local Government Elections in November 2021, therefore, this current term of Council adopted the Financial Recovery Plan prepared by its predecessor.

The Financial Recovery Plan adopts a strategic, focused approach which is time-bound yet comprehensive enough to ensure that the underlying causes of the problems are adequately addressed. To achieve this objective, the adopted financial recovery plan presents a phased approach to recovery, differentiating between issues to be addressed in the short, medium and long term. It is divided into three distinct but interdependent phases-

- (a) **Rescue Phase (Phase 1)** which focuses primarily on cash and restoring the cash position of the municipality.
- (b) **Stabilisation Phase (Phase 2)** which expands on the financial indicators to be monitored and emphasizes key governance and institutional issues which must simultaneously be addressed.
- (c) **Sustainability Phase (Phase 3)** to ensure that indicators are developed that will give effect to the long-term financial sustainability of the municipality.

That progress on the Financial Recovery Plan should form part of every Ordinary Council meeting.

Honourable Speaker, I need to emphasise that our administration did not do enough to implement the Financial Recovery Plan to the fullest, we are supposed to be at the end of Stabilisation Phase, however, we are still floating at Rescue Phase, we urge the newly appointed Municipal Manager to prioritise the FRP process because its successful conclusion will lead to the municipality's ability to meet its financial and statutory obligations, meaning that service delivery will be provided consistently and in a sustainable manner.

Explanatory notes to Table A4 - Budget Summary 1

Table A4 is a budget summary and provides a concise overview of the Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

The Budget Summary provides the key information in this regard:

- (a) The operating surplus/deficit (before the recognition of capital transfers, contributed, and donated assets) is supposed to be positive over the MTREF;
- (b) Capital expenditure is balanced by capital funding sources, of which-
 - a. Transfers recognised are reflected on the Financial Performance Budget;
 - b. Internally generated funds are financed from the surplus.
- (c) The cash backing/surplus reconciliation shows that the Municipality has no cash to fund its commitments.

Explanatory notes to Table A4 - Budgeted financial performance (revenue by source and expenditure by Type)

A4 TABLE BUDGETED FINANCIAL PERFORMANCE- REVENUE BY SOURCES:

The budgeted operational revenue by source for 2023/2024 is R424.5 million as compared to R350.2 million of 2022/2023 financial year and it has increased by R74.2 million, the increase is due to application of cost reflective tariffs across all services charges, namely Electricity, Water services, Sanitation and Refuse removal:

Electricity services has increased by 15.1% overall and the amount is R32.1 million, which is a loss for the Municipality.

Water services has increased by 5.3 % overall and the amount is R 9.7 million.

Sanitation services has increased by 5.3% overall and the amount is R 5.0 million.

Refuse removal or collection has increased by 5.3% and the amount is R 10.3 million

Total increase in monetary value is R57.1 million and the other R17.1 million is attributed to anticipated interest on arrears account, which is currently set at prime rate plus 1%.

A4 TABLE BUDGETED FINANCIAL PERFORMANCE- EXPENDITURE BY VOTES:

The budgeted operational expenditure by votes for 2023/2024 is R389.2 million as compared to R439.5 million of 2022/2023 financial year and it has increased by R50.3 million, the decrease is due to application of cost containment policy and austerity measures, as well as conservative principle. This principle is informed by the application of Financial Recovery Plan, that expenditure incurred is geared towards core services delivery of the municipality as stipulated in section 152 of the Constitution of the Republic of 1996.

Depreciation and Amortisation has decreased by R56.4 million, due to depreciation methodology applied which is cost model as opposed to revaluation model and furthermore most of the strategic infrastructure assets are dilapidated and very old and as a result the depreciation monetary value turns to be low.

Interest charged on overdue accounts (creditors, especially Eskom, DBSA, Auditor-General and other SALGA, SARS and other third parties) has decrease by R16.1 million, due to budget funding model adopted when preparing the current budget, furthermore the municipality will participate in the debt relief programme in terms of the MFMA Circular 124 as promulgated and Gazetted. The successful implementation of the decrease in interest payment is primarily dependent of the implementation of budget funding plan as presented before the council. The electricity money should be utilised for any other things except for electricity.

Irrecoverable Debts written off has decreased by R 34.9 million, due to revised credit control and Debt collection policy, only the prescribed long-outstanding debts has been considered, namely (Indigent Debt, Deceased Estate, closed accounts and Insolvent Estates and Debtors under administration-administration portion only). That Council should consider writing off some of the irrecoverable debts from consumers and have a signed agreement with the respective consumers.

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

Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard

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. Multi-year capital appropriations normally would result in work-in progress at the end of a financial year, and single-year appropriations relate to expenditures that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment.

The budget appropriations for the two outer years are indicative allocations based on the inputs of departments and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer years.

The break-down of the capital expenditure for the financial year 2023/24 is as follow:

| Description of project | Monetary value | Remarks |
|---|----------------|--|
| Sport & Recreation- sport facility (Mahlatswetsa-Excelsior) | R991,000.00 | Retention of the sport facility |
| Road transport- Construction of paved roads and stormwater at Dipelaneng-Hobhouse | R8,005,000.00 | New capital project |
| Water management(reservoirs- Phase 3, Water Treatment plant) | R24,585,000.00 | Water network & water treatment plant project. |
| Sanitation- Extension 10 toilet top structure & connection | R3,472,000.00 | Prior year capital project. |
| Waste Management- Land fill site upgrade | R 4,143,000.00 | New capital project- Landfill upgrade. |

Explanatory notes to Table A6 - Budgeted Financial Position 1.

Table A6 provides understatement for Councillors and management of the impact of the budget on the statement of financial position (Balance sheet).

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 A6 is supported by an extensive table of notes (Table SA3) providing a detailed analysis of the major components of a number of items. 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 in the Budgeted Financial Performance or the Capital Budget will inevitably impact the Budgeted Financial Position. Speaker, we also like to request administration to purchase a new water tanker as well as a new TLB because hiring of a water tanker has shown to be quite expensive. Can tighter measures be put in place to avoid theft of municipal vehicles.

Explanatory notes to Table A7 - Budgeted Cash Flow Statement 1.

The budgeted cash flow statement is the first measurement in determining if the budget is cash-funded.

ME

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 net effect of the budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents.

2023/2024 DORA GRANTS

OPERATING REVENUE

Honourable Speaker, our Revenue Sources are as follows:

| Description | DORA BUDGET 2022/2023 | DORA BUDGET 2023/2024 | DIFFERENCE | DORA BUDGET 2024/2025 | DORAB UDGET 2025/2 026 |
|---------------------------------|-----------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| Operational Grants | R'000 | R'000 | Increase/ (Decrease) | R'000 | R'000 |
| Equitable Share | 102 426 | 110 180 | 7 754 | 118 038 | 121 499 |
| Financial Management Grant | 3 100 | 3 100 | 0 | 3 100 | 3 100 |
| Expanded Public Works Program | 1 337 | 1 189 | 148 | | |
| MIG OPERATIONAL | 1 113 | 1 155 | 42 | | |
| Total Operational Grants | 107 976 | 115 624 | | | |
| Capital Grants | | | | | |
| MIG | 32 275 | 23 100 | (9 175) | 23 978 | 24 893 |
| WSIG | 11 720 | 20 427 | 8 707 | 10 896 | 11 384 |
| INEP | 5 000 | | 0 | | 5000 |
| Total Capital Grants | | 43 527 | | 34 874 | 41 277 |

Indirect Grants 2023/2024

| Description | DORA Budget 2023/2024 | DORABUDGET 2024/2025 | DORABUDGET 2025/2026 |
|------------------------------|--------------------------|-------------------------|-------------------------|
| Capital Grants | R'000 | R'000 | R'000 |
| INEP | 1 713 | 15 107 | 97 |
| RBIG | 5 000 | 5 000 | 3 100 |
| Total Grants Combined | 6 713 | 20 107 | 3 197 |

The above figures are informed by Section 18 of the MFMA which states that the budget must be funded from realistically anticipated revenues to be collected; cash-backed accumulated

funds from previous years' surplus not committed and borrowed funds but only for capital projects.

Honourable Speaker, Operational Grants (Equitable share, Financial Municipal Grant and the Expanded Public Works Grant and Municipal Infrastructure Grant for Project Management costs) from National Treasury contribute about 27% from 31% of the Total Operating Revenue on the 2022/2023 Budget, the Interest on outstanding debtors was increased from **R57,6 million to R103 million in 2023/2024 financial year.**

Operational Grants R115 624
Own Revenue: R308 952

Expenditure Management (Annexure A4)

The highest percentage on operational budget is Employee related cost will increase from **R111 244 million to R114 million in 2023/2024 financial year**, the employee related cost also includes Social Contributions made by the Municipality to employees, Councillor remuneration will increase from **R6 222 million to R7.7 million in 2023/2024 financial year.**

Honourable Speaker, the **R114 million** employee related costs represent the current staff establishment, therefore, no new positions will be filled during the 2023/2024 financial year except for critical positions especially in the Electricity Division and all positions left due to resignations, retirement, death and dismissals, any other new position will have to be subjected to the financial recovery plan suitability checks before considered. The Mayor has pleaded with the Municipal Manager to appoint Special Programmes Officer in the Office of the Mayor.

2023/2024 Maintenance budget

Honourable Speaker and Councillors, the Operational Expenditure Budget is R389,2 million which includes maintenance of infrastructure assets to the tune of R37 million in 2023/2024 financial year from R10.6 in 2022/2023 financial year. That the Operation Patala with the stipulated discounts to be continuous for people that want pay their service accounts. That people should be given sites, so that they can build their beautiful houses and will be paying the municipality for service provided. That the Municipal Manager to assist the Mayor to implement the Marikana project, Excelsior and Tweespruit water intervention, Hobhouse pipe installation be implemented as soon as possible and that the potholes problems be resolved and for the Municipal Manager to be open to receiving advises from the community on how this should be done because together they want to build the Municipality with you.

That the newly appointed Municipal Manager, Me Mafiro Mogopodi will bring change that will yield positive result for the Municipality as Mantsopa used to win Vhuna awards and has faith in her experience. The pleaded with the Municipal Manager not to despair and that she our full support and treat everyone as equals.

Lastly Speaker, let me take this opportunity to thank my Husband, my comrade, my Chairperson Cde Kaloli Tsoene, you are always my pillar of strength and my support system even when it's hard for you to do so, my baby Bottle for always saying Mama you must be the best Mayor and help the needy kids and to my family thank you guys for always being there, without you I don't know how I would have survived the scathing daggers facing me on a daily basis.

To my ANC comrades and volunteers, you are so many that I can't single you out but if you know you know, thanks you so much, you are loved. To my ANC Caucus, thank you comrades,

ME

your robust deliberations bring out the best in me, we may not agree on everything, but we were taught of democratic centralism and the need to develop our communities.

To my Office Staff and political staff thank you for understanding my daily frustrations and for allowing me to be me. To my driver, thank you for always bringing safely home during these difficult times.

To the Municipal Manager and the entire Mantsopa team, thank you for trying your best despite the challenges we endure on a daily basis. To the organised labour, thanks for your contributions and for always looking out for your workers.

To all opposition parties in Council, yes, we can fight but I know your fights mean we must be better and must do better, your engagements are forever fruitful and appreciated. I always fight with Cllr Halse and I always say, it's important to listen to her to better yourself. I can see that she is busy mentoring Cllr Mphakathi and in time he will be better at raising issues.

To the community of Mantsopa and all our stakeholders thanks for understanding when it's hard for you to understand, I can see the longest five years but if we can work together for the sake of our Mantsopa we can do more, we need to start making payment of services fashionable, if we can improve on our collection we can be able to provide better services. Loadshedding is becoming part of our day-to-day new life and unfortunately when there is electricity then there is shortage of water supply. We have requested Treasury not to switch off our key areas, because people need water. I would like to apologise on behalf of the President of the Republic of South Africa for the loadshedding roll outs throughout the Country, he is trying his level best to come up with the best solution for the Country.

Honourable Speaker, thank you for your consistent feedback and consultations, our collective effort will work towards a better Mantsopa. The Speaker has been given the role to play oversight over the Mayor, which he is doing very well in it on daily basis.

RECOMMENDATIONS

Honourable Speaker, I hereby table the 2023/2024 IDP and Annual Budget inclusive of the Budget Funding Plan of Mantsopa Local Municipality for approval:

1. That council approves the 2022/23 IDP and Budget that includes the operating and capital budget of the municipality for the 2022/2023 MTREF and the two projected outer years 2023/2024 and 2024/2025 as set out in the following tables:

Table A1 – Budget Summary

Table A4 – Budgeted Financial Performance (revenue and expenditure)

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table A7 – Budgeted Cash flows

Table A8- Reserves reconciliation.

2. That Council approves the 2023/2024 Budget related policies and outer years including the budget related policies as compiled and reviewed by administration as follows:-

- a) Rates policy
- b) Tariff policy
- c) Indigent policy

- d) Credit control and debt control policy
- e) Supply chain Management policy
- f) Budget policy
- g) Cash and Investment policy
- h) Subsistence & travelling policy
- i) Virement policy
- j) Events after reporting date policy
- k) Petty Cash policy
- L) Assets Management policy
- M) Infrastructure Procurement and Delivery Management Policy
- n) Unauthorised Irregular Fruitless & Wasteful expenditure policy
- (i) Cost-containment policy
- (o) Unknown Deposits Policy

3. That council approves the new tariffs for the different services and rates and taxes to be considered as from the 1 July 2023. (The increases are as follows:

- (a) Property Rates 5,3 %;
- (b) Electricity 15.1% subject to approval by NERSA
- (c) Water 5,3% %;
- (d) Sanitation 5,3% %;
- (e) Refuse 5,3% ; and

- 4. That the tabled 2023/2024 IDP & Budget be submitted to both National Treasury and Provincial Treasury within 10 working days after the tabling.
- 5. That the 2023/2024 IDP Budget be advertised for public information.
- 6. That the Budget Steering Committee inclusive of the Sustainable Financial Recovery Plan Steering Committee be convened quarterly to monitor the expenditure patterns and controls and submit recommendations to the Executive Committee and Council.
- 7. That Management to urgently implement and monitor the cash flow turnaround strategy to improve effective financial management.
- 8. Revive the Revenue Enhancement Committee, championed by the Chief Financial Officer to monitor revenue challenges and report directly to the Provincial Treasury Unit on Revenue Enhancement.

I thank you.

Submissions by Council:-

1) Cllr Halse submitted the following:-

Thank you, Speaker, Mayor, Guests, Cllrs and members of the public.

It's the members of the public that I am mostly engaging today, because when I look at the document in front of me, that reports on how the IDP document will be linked to the budget and then be implemented as well as the reviewed legally compliant IDP Assessment report, I am deeply disappointed and must admit to the public that his document is absolutely lacking! Most of the pages that the "evidence" refers to are not included in this document, or may have belonged to a different document, which leads me to believe that this was another cut and paste exercise.

The only way for me to explain the confusing state of this document is to share it with the public, which I will be doing as soon as I leave this room today.

ME

What I find most horrifying is the report on the work planned for water and sanitation. This section is riddled with "not accomplished" or "partially accomplished" crosses. Sadly, it's the residents of Mantsopa that experience the reality of this ink entry on a piece of paper.

For years residents have been victims of massive sewage spills, some ongoing for years. On the weekend I received a call from a resident who told me that the sanitation department told her that they could not come out to attend to a massive sewage spill that was pouring into her yard. She was given a reason. She was told that the maximum overtime had been reached by the department and that she would have to wait until Monday for them to attend to her complaint, which she by the way gave in to the hotline during the week and during working hours. This is a clear example of bad management, NOT bad employees, BAD MANAGEMENT planning, problem solving and implementation processes.

The cholera outbreak in South Africa can squarely be blamed on bad sanitation brought on by years of neglect to maintain, repair an upgrade our water and sanitation infrastructure. Suddenly the ANC is once again shocked by the outbreak, but as usual it's the residents on the ground who experience the effect of the shocking inability, incompetence or unwillingness of the governing party to strategize, plan, budget and implement a funded IDP. You will hear more of this from my colleagues.

Last week the department of health started sending out warning messages to the public at large and I see that there was a meagre attempt by the dept of health to do some pamphlet distribution. Pamphlets telling people to boil their water.

HOW does the ANC expect the majority of the residents affected by lack of sanitation, cholera, the poorest of the poor, to afford to boil their water. After Eskom has been looted by the ANC for decades, and the ANC led Mantsopa Municipality has been overcharging its residents for electricity, we now must hear that the already incorrect inflated electricity price will be increased by 15.1%!! Tell us Mayor, are you going to face the mother with a baby who needs to mix its formula with clean water, a mother who has picked up the meagre child grant and has barely managed to buy nappies and formula and maybe some mealie meal for the rest of the family that she must now pay 15.1% more for electricity to ensure that her baby does not contract cholera and die?

Yes, Me Mogopoli, through you Speaker, besides the incorrect 2018 tariffs that the public protector found to be inflated, the Municipality that you are managing at present is TODAY charging residents incorrect tariffs. This matter was raised at the Provincial Public Accounts Committee, the Chief Financial Officer admitted that the tariffs sent to NERSA were not the tariffs approved in Council and he even promised to correct it, and act against the employee that made the mistake. All of this was done under oath, and till today we are being charged inflated and incorrect tariffs and no action has been taken to repay or correct his mistake, let alone educate or discipline the employees involved in this corruption. And now you want us to approve another 15.1% increase on that. This is daylight robbery. This is Shocking.

I propose that this report is taken back to the department that prepared it and that a relevant document is presented to council. The public deserve to at least be presented with a credible document, that is complete, correct and transparent.

2) Cllr Hattingh submitted the following:-

That the document that Council was not correct and filled with mistakes. The top part of the A4 is cut-off, and it is presented to us to actually make decisions on such documents. That I should also mention that the MFMA states that Council should receive financial related items

96 hours before the actual sitting and we only received the documents on Friday, of which Saturday and Sunday doesn't count leaving Councillors with little time to prepare for the sitting. I also noticed that from the Draft budget there is an increase on revenue, and I don't understand how because the Municipality has actual brought down collect by 5%. That because of the non-maintenance of buildings the Municipal Hall today doesn't have sufficient lighting which is making it impossible to go through the documents provided to us. The interest on receivables which has increased from 57% to 93% which is not a true reflection. Schedule 1 document doesn't add up. Allocation for Performance bonuses should not be considered because not a single person in this Municipality deserves a performance bonus because of the poor quality being provided. Therefore because of the miscalculations and mistakes makes him question the whole document.

3) Cllr Mphakathi submitted the following:-

Speaker as per usual the budget speech tabled by the Mayor se patwa jwalo ka nyatsi this clearly shows that there is nothing to write home about regarding the budget tabled. As the Democratic Alliance we reject the unfunded budget as submitted by the Mayor that the MFMA doesn't support the unfunded budget. We also reject the cadre deployment that has been taking place and also rejects the motion of senior Management be occupied by Mantsopa Local Municipality born residents only. The Democratic suggests the following to be implemented in Mantsopa for Mantsopa to perform like other Democratic Alliance led Municipalities:-

- I) Cultivated productive employees, Speaker Mantsopa can perform better only if Municipal employees report to work on time and deliver services required however this is not the case in Mantsopa.
- II) Improve collection rate and billing, currently that is not happening in this Municipality and the Mayor has just stated that Extension 4 should be given to the beneficiaries to occupy for them to collect revenue from them and that will never happen as some Councillors are still not paying their service accounts.
- III) Asset Management, including leasing of farms the farmers are not paying anything towards the Municipality and Cllr Hattingh is always mentioning in Council, traffic officer that we don't know much they are collecting on a monthly basis.
- IV) Business Licences should be put implemented, Commonages, 10% collected from Pound Master those are other sources of revenues that the Municipalities should be putting in place for revenue collection.

Honourable Speaker Sesotho sere setjhaba se senang tsebo seya timela, ebile matlo ha a sena dihlwela a wela. Me Matiro sebetso o pholoso Masepala.

4) Cllr Sani submitted the following: -

I would like to thank everyone including the Officials who have prepared the Budget and IDP 2023/2024. I wish I could project last year's speech in Assisi to see whether all the promises that were in Assisi were implemented kapa the people from are still waiting for the promises made to them. I wish there was some kind of assessment. In my view Mantsopa Budget is done for compliance's sake. One of the important thing about a budget is that it has to be funded and we hope that this year's budget will be funded. There should be exchange of goods, money in exchange of the services provided. Most budget are called "people's budget" however ours is not like that. Our budget address a certain group of people who like certain things to be done. I am saying this because our budget included capital project and LED projects however LED project are delayed if not approved at all. If you are not seen

to be belonging to a certain political party some projects are approved to create employment of members of the community.

Our budget always promotes discrimination, and I am saying this because two members of the Ward Committee who were rightfully elected still haven't received their stipend because they are not followers of the ruling party, at this point we have approached the Commission of Human Rights to provide a ruling in this matter.

Our capital budget is unable to supply each and every resident. Stats procedures have been followed except for the mistakes that were mentioned by fellow Councillors, proper processes were in relation to compilation of a budget is assessed and the IDP is not assessed. The Municipality is implementing different projects in different towns of Municipality without completing them and that has created problems with regard to implementation of service delivery. We need to do one project and complete it in future.

5) Cllr Nkiane submitted the following: -

Honourable Speaker, Mayor, members of the Executive Committee, Councillors, Officials and members of the community at large. I would like to remind you that we on 29th year since democracy and being led by the ANC and in the past 29 years, the roads are filled with potholes, the sewer spillages are everywhere. Honourable Speaker, the Mayor mentioned the water project in Excelsior and Excelsior plant is very small the plant was done in the apartheid times, and it supposed to supply water to 300 residents. We request that the Excelsior water plant be extended.

Speaker in Tweespruit there is a community that has occupied land between town and the location, those people should be provided with two (2) Jojo tanks because those people have been staying there for a quiet a long time now.

Honourable Speaker, in Hobhouse, there is a water limitation in Maklaseng and those residents goes to location to get water and we request that those people be provided with water and smart meters should be installed in that area. There is also a place called Marikana where the Municipality installed water pipes for anticipated land occupation and to date nothing had happened in that area and people are in need of land. About Marikana and Palementeng nothing has been done there and even last year in Assisi the Mayor said there is a budget put in place for that however there is nothing being implemented. Honourable Speaker, I would like to say our policies are good and when it comes to implementation nothing is happening.

About etension4 Ladybrand, the Mayor has said that people are going to build their beautiful houses and the occupants are going to pay for services, however Speaker how are you going to pay for services when you don't have roads, Our hall are not in a good conditions, that security officers should be placed at our community halls and municipal plants and buildings to eliminate the theft that has been happening in the past.

6) Cllr Molefe submitted the following:-

That this would be a disgrace for me to keep quiet and not say anything after all that have said, Honourable Speaker, Honourable Mayor, Members of the Executive Committee, fellow Councillors, Officials and members of the community. On the 30 March 2023, the same document the Mayor has just tabled was tabled as draft and all the 18 Councillors were requested to make their inputs within 14 days regarding the financial adjustments on the IDP. All the opposition parties didn't do due diligence to the Budget and IDP.

As the ANC we had anticipated the same reaction from the opposition parties seen today. The Honourable Mayor's current speech and Assisi speech are not the same, the Mayor has shown that realistically on how the Municipality is going to implement the budget tabled. Smart meters were implemented etc, that in a month the newly appointed Municipal Manager has implemented drastically changes that all of us can see.

With regard to excessive overtime, a forensic investigation has been put in place to resolve our overtime problem. With regard to the sewer spillages a research was done in 2021 that due to covid 19 and the ruling party is still working on the problem. The Mayor has correctly shown on how the Municipality is going to increase the revenue collection and other things.

7) Cllr Machakela submitted the following: -

Honourable Speaker, one Councillor has said we should lead like them the Democratic Alliance and unfortunately we will never govern like them. I had an opportunity to stay in Cape Town where the Democratic Alliance is leading the Municipality and unfortunately their implementation of service delivery only focuses to the towns where white people stay and not the locations where mostly black people live. The black people stay congested squatter camps and no refuse removal takes place. However when you look at the places where the ANC governs the residents are being built houses and they are being taken care of. The Mayor mentioned that with regards to appointing the local people the same Speaker is against that, the Mayor did not say anything about cadre deployment. Fortunately, we are able to accept our mistakes and we want to fix our mistakes.

We as the ANC have opened the criminal cases and we are determined to fix all the mistakes and now that we have a newly appointed Municipal Manager will be able to implement all out in puts, including overtime etc. The double payment that took place took place years and years back and not the current year and a criminal case was opened.

All the implemented projects are still being implemented as planned, no projects have stopped. The issue of the squatter camp in Tweespruit the Mayor has mentioned that she has reported the matter to the Provincial Government for assistance. I hereby seconded the Mayor's speech, the current speech is not the same as last year. We have a high number of unemployment residents and there are systems in place to deal with that matter. We have the Executive Committee that is supposed to play oversight role on administration and to deal with the day to day running of the Municipality.

8) Cllr Tigeli submitted the following:-

Honourable Mayor, Cllr M. Tsoene

Honourable Speaker, Cllr Mvuyo Ncwada

Honourable members of Executive Committee, Cllr Tshepo Molefe and Cllr Tania Halse,

Chairperson of the MPAC, Cllr M.S Visagie and other Chairpersons of Section 79 Committees,

All Councillors present today,

The community of Mantsopa who managed to grace this event with their presence despite the weather condition of today.

Our newly appointed Municipal Manager, Management team and all staff members present.

ME

Honourable Speaker, let me take this opportunity to welcome our newly appointed Municipal Manager, Me Matiro Mogopodi who we strongly believe will steer the Municipality into the right direction and service the Municipality as service delivery will be her primary priority.

As the African National Congress, we welcome the 2023/2024 Annual Budget and IDP tabled by the Mayor. This budget shall be used as yard stick to implement the ANC 2021 -2026 Local Government Elections manifesto for the current term of Office.

Let me remind you Councillors and members of the public that with regard to Water, Sanitation, Roads and Stormwater, the ANC Manifesto committed as follows:

Working with National and Provincial Governments, ANC-led municipalities, working with communities, will:

- (f) Maintain and develop water and sewerage infrastructure and drastically reduce water leaks.
- (g) Increase the number of boreholes and water tanks in our communities.
- (h) Rehabilitate water pump stations and waste water equipment and improve reticulation.
- (i) Increase local production of components used in tackling the water and sanitation backlog to expand employment.
- (j) Fix roads, potholes, sewage spillages and broken water pipes.
- (k) Increase the number of skilled personnel like engineers, process controllers and shift workers to maintain water, sanitation, and road infrastructure.
- (l) Ensure all poor households receive the free water allocations they are entitled to.

Furthermore Firstly, the 2023/2024 IDP & Budget truly responds to the challenges and targets set at the 2021-2026 ANC Local Government Elections Manifesto where in which the oldest liberation movement in Africa pledged as follows:

"We pledge to do more and better as we move forward.

A Pledge to do and be better.

A Pledge to appoint faction-orientated men and women who are committed to service delivery.

A Pledge to deliver services promptly and consistently.

A Pledge to rebuild safer and healthier communities.

A Pledge to stimulate local economies.

A Pledge to be available to our people.

A Pledge to listen to and have open channels of communication.

A Pledge to remain accountable.

A Pledge to form and sustain working partnerships with communities; civic, religious and all community organisations; NGOs, and the private sector to benefit local communities.

A Pledge to spare no effort in rooting out corruption and all forms of nepotism and malfeasance in our organisation and all levels of government".

The African National Congress has spoken through its manifesto, our duty as the ANC led Municipality, with the support of the Provincial and National Government is to ensure the

ME

progressive realisation of the key performance indicators and targets set out in the manifesto.

We also appreciate the support of the Free State Provincial Treasury to support our municipality regarding the implementation of the 2023/2024 Budget Funding Plan to ensure that our Budget is in compliance with requirements of Section 18 of the Municipal Finance Management Act.

As Councillors, we shall play our oversight responsibilities to ensure that this Budget serves the interest of our people regarding the following priorities:

- (a) Water & Sanitation
- (b) Roads and Stormwater
- (c) Supply of sustainable electricity
- (d) Waste Management with specific focus on refuse removal and integrated environmental management
- (e) Allocation of sites to the landless and homeless for residential purposes
- (f) Local Economic Development and Tourism
- (g) Public Participation
- (h) Youth Development and Women empowerment

We as the ANC and Council make a plea for the implementation and monitoring of the Budget and IDP. In the circumstances, I hereby second the motion moved by the Mayor to adopt the 2023/2024 IDP & Budget with the proposed amendments.

The speaker then subjected the matter to a vote because of the different descend views submitted from Council:-

| | | |
|---|---|---|
| Those for the approval of the Annual IDP & Budget 2023/2024 | - | 9 |
| Those against the approval of the Annual IDP and Budget 2023/2024 | - | 5 |
| Those Abstained for the approval of the Annual IDP & Budget 2023/2024 | - | 1 |

COUNCIL RESOLVED:-

1. Approved and adopted the tabled 2023/2024 IDP and Annual Budget inclusive of the Budget Funding Plan of Mantsopa Local Municipality for approval.
2. Council approved the 2022/23 IDP and Budget that includes the operating and capital budget of the Municipality for the 2022/2023 MTREF and the two projected outer years 2023/2024 and 2024/2025 as set out in the following tables:

Table A1 – Budget Summary

Table A4 – Budgeted Financial Performance (revenue and expenditure)

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table A7 – Budgeted Cash flows

Table A8- Reserves reconciliation.

3. Council approved the 2023/2024 Budget related policies and outer years including the budget related policies as compiled and reviewed by administration as follows: -

- (a) Property Rates policy
- (b) Tariff policy
- (c) Indigent policy
- (d) Credit control and debt control policy
- (e) Supply chain Management policy
- (f) Budget policy
- (g) Cash and Investment policy
- (h) Subsistence & travelling policy
- (i) Virement policy
- (j) Events after reporting date policy
- (k) Petty Cash policy
- (l) Assets Management policy
- (m) Infrastructure Procurement and Delivery Management Policy
- (n) Unauthorised Irregular Fruitless & Wasteful expenditure policy
- (o) Cost-containment policy
- (p) Unknown Deposits Policy
- (q) Customer Care Policy
- (r) Fleet management policy and procedure
- (s) Preferential Procurement Policy
- (t) Employment Equity Policy.

4. Council approves the new tariffs for the different services and rates and taxes to be considered as from the 0 July 2023. The increases are as follows: -

- i. **Property Rates 5,3 %;**
- ii. **Electricity 15.1% subject to approval by NERSA**
- iii. **Water 5,3% %;**
- iv. **Sanitation 5,3% %;**
- v. **Refuse 5,3% .**

That the tabled 2023/2024 IDP & Budget be submitted to both National Treasury and Provincial Treasury within 10 working days after the tabling.

- 5. That the 2023/2024 IDP Budget be advertised for public information.
- 6. That the Budget Steering Committee inclusive of the Sustainable Financial Recovery Plan Steering Committee be convened quarterly to monitor the expenditure patterns and controls and submit recommendations to the Executive Committee and Council.
- 7. That Management to urgently implement and monitor the cash flow turnaround strategy to improve effective financial management.
- 8. Revive the Revenue Enhancement Committee, championed by the Chief Financial Officer to monitor revenue challenges and report directly to the Provincial Treasury Unit on Revenue Enhancement.

Approved: -

CLlr ME Ncwada

Speaker

Date: 30 May 2023