



DIPALESENG LOCAL MUNICIPALITY

At the backdrop of the COVID-19 pandemic that has engulfed the country and the world at large and bringing about a new normal in terms of how we do things, Dipaleseng Local Municipality was able to approve the 2020/2021 Integrated Development Plan as well as the Annual Budget at a virtual Council meeting held on Friday the 29th May 2020.

In attendance was the Acting Speaker, Clr. Lebohang Maruping, Members of Mayoral Committee, Clr M Khanye and Clr Z Ngwenya, Chief Whip of the ruling party, Clr P Mokoena, Chairperson of the Audit Committee, Clr K Nyamade and other councilors, the Acting Municipal Manager, Mrs. B Khanye and his management team,

After the President of the country, Honorable Cyril Ramaphosa declared a National Disaster on COVID – 19, Dipaleseng Local Municipality approved a response plan in line the declaration and encompassing related regulations.

Dipaleseng Local Municipality also took leadership role in local COVID-19 intervention programs as directed by the Local Command Centre which was established soon thereafter which allowed for the sanitization of local areas of high human density, such as clinics and taxi ranks. As they saying goes ‘ A leader is one who knows the way, goes the way and shows the way’ our local leaders demonstrated this by doing the actual work themselves, serving their community. Local taxi operators were also given sanitizers to utilize in the daily operations.

While government has however worked tirelessly to ensure that the spread of the virus is curbed at all costs to flatten the curve to ease the pressure once the peak of the

outbreak is reached. It has also done tremendously well in balancing the socio-economic impact and creating cushions for the poor and/or non-participants in the economy under rather challenging circumstances.

Under the COVID-19 Temporary Employer/Employee Relief Scheme, the Unemployment Insurance Fund has to date paid in excess of R 15 billion to beneficiaries, making a historic first in terms of a lump sum paid out by the fund in five weeks. This was implemented in an effort to ease the burden on employer who could not meet their obligations as well as softening the knock on employees who could not work during the lockdown period.

Government also introduced the temporary unemployment grant for South Africans who are without work during the same time. This grant along with grants for small businesses and others as part of the stimulus package that were aimed at easing the financial burden on the people as well as business alike.

Due to the seriousness of COVID – 19, individuals are expected to limit physical contact and exercise social distancing in order to limit infections. This poses challenges to local government as they are at the forefront of service delivery. The municipality has continuously throughout the lockdown period ensured that services to its communities are rendered seamlessly. These were undertaken by loyal and committed staff members who rose to the occasion without fail and maintained the delivery of good services to our community at all times.

“Although the country has moved from complete shutdown to lesser stringent measures of alert level 3, personal and social hygiene and safety protocols should continue to be observed” said the Executive Mayor, Clr Mafunda Makhubu. ‘We are extremely proud of our local essential services workers who continued to work throughout and served this community diligently”, said the Executive Mayor. He went on to quote from former statesmen Nelson Mandela who said “If you want the cooperation of humans around you, you must make them feel they are important – and you do that by being genuine and humble”.

On the 25th May 2020, the African continent marked the 57th anniversary of the establishment of the Organisation of African Unity (OAU). The day is marked annually as Africa Day. South Africa is celebrated Africa Month under the theme: “Silencing the Guns, Creating Conducive Conditions for Africa’s Development and intensifying the fight against the COVID-19 pandemic”. The celebration of Africa Month and Africa Day provides an opportunity to promote African unity, deeper regional integration and recommit Africa to a common destiny. It is also an opportunity to educate the people of the continent on the African Union’s initiatives to fight the pandemic. The African Union developed a comprehensive COVID-19 strategy, established an African Union COVID-19 Response Fund and strengthened the Africa Centre for Disease Control and Prevention.

Closer to home, a deeper probe into our financial affairs paints a rather bleak picture as the institution continues to grapple with revenue improvement, however the municipality cannot afford to pace down even amid these trying conditions.

Tariff Structure

The proposed tariffs for the 2020/21 financial year are set to be increased by 4, 6 % for the other services and 8, 9 % for electricity in line with Circular 99 from the National Treasury.

Revenue Management

The total operating revenue is projected to amount to R268, 3 million. The main sources of the revenue are as follows;

- R33, 1 million for property rates, that is 4,6 % increase
- R62,9 million for electricity, an increase of 8,9 %
- R21,9 million for waste management which is a 4,6 % increase
- R20,4 million for waste water management, that is 4,6 % increase
- R7,8 million for water which is an increase of 4,6 %

The municipality has a new valuation roll which became effective on 01st July 2019. Furthermore, the municipality will augment the revenue by embarking on revenue

generation programs by conducting water and electricity audit and installation in affected areas. Legal procedures will be activated on all consumers who are not honoring their rates and taxes such as property rates and basic charges.

Expenditure Management

The total combined estimated expenditure to be incurred amounts to R291 million, with the following major expenditure:

- R66,8 million for Employee related costs (22%) of the total expenditure
- R5,6 million on remuneration of councilors
- R69,1 million for bulk purchases
- R21,8 million on contracted services
- R39,8 million on general expenses

Asset Management

The municipality has set aside R 5 million to procure office furniture and fleet to replace dilapidated and irreparable municipal assets.

Infrastructure

The municipality is still reliant on grand funding as it does not have sufficient reserves to rejuvenate infrastructure assets from its own funding.

Funding of the Operating Budget

The operating deficit for the 2020/21 Financial Year is R23 201 167. The deficit includes the depreciation of R25 905 000 and debt impairment of R 49 699 000 which is 34% non-payment rate. The acceptable budgeted deficit can be equal to the budgeted depreciation of 25 million.

The analysis of the cash-flow depicts a surplus of R 2 850 000 and the overall Final budget is currently cash backed by R30 000.

The Budget Steering Committee will be tasked to consider measures aimed at increasing the surplus as well as cash flow controls.

As required, Dipaleseng Local Municipality embarked on the process to review its Integrated Development Plan (IDP) as provided for in Section 34 of the Local Government Municipal Systems Act 32 of 2000. For which a process plan as provided by in Section 28 of the said Act was duly adopted by council.

- For the adoption of the IDP, all due processes as directed were followed such as, Stakeholder consultations which were held back in October 2019
- IDP Ward consultations also October 2019
- IDP Steering Committee meetings were held
- IDP Representative Forum meetings were held
- Cogta awarded opportunity to comment on Draft IDP

All of the above have led to the final IDP document to be tabled before Council for approval reflecting Council's vision for long-term development while also emphasizing the municipality's most critical development and internal transformation needs.

The executive mayor is confident that the municipality can safely undertake that the IDP

The Executive Mayor concluded by tabling before all the Integrated Development Plan as well as the Annual Budget for Dipaleseng Local Municipality for the 2020/21 Financial Year in terms of Section 34 of the Municipal Systems Act No. 32 of 2000 and Section 24 (1) of the Municipal Finance Management Act No. 56 of 2003 respectively.