

SPEECH FOR THE CHAIRPERSON OF THE FINANCE AND DEVELOPMENT COMMITTEE, COUNCILLOR M NCUBE FOR THE PRESENTATION OF THE 2020 SUPPLEMENTARY BUDGET AND THE BUDGET YEAR ENDING 31 DECEMBER 2021

- **HIS WORSHIP S MGUNI, THE MAYOR**
- **ALDERMEN AND COUNCILLORS OF THE CITY OF BULAWAYO**
- **TOWN CLERK, MR C. DUBE;**
- **HEADS OF COUNCIL DEPARTMENTS;**
- **LADIES AND GENTLEMEN;**
- **BULAWAYO OMUHLE**

1.0 INTRODUCTION

IT IS A GREAT HONOUR AND A PRIVILEGE TO ADDRESS THE SITTING OF COUNCIL ON THIS IMPORTANT OCCASION THAT IS; THE PRESENTATION OF THE 2020 PROPOSED SUPPLEMENTARY BUDGET AND 2021 PROPOSED BUDGET. I WOULD LIKE TO ACKNOWLEDGE THE CONTRIBUTIONS OF VARIOUS STAKEHOLDERS WHO PARTICIPATED IN THE BUDGET CONSULTATION PROGRAMMES USING VARIOUS PLATFORMS. OUR VISION IS: *CITY OF KINGS, A LEADING, SMART, TRANSFORMATIVE CITY BY 2024*. THE BUDGET THEREFORE FOCUSES ON IMPROVED SERVICE DELIVERY IN ORDER TO ACHIEVE THE CITY'S VISION.

2.0 ECONOMIC OVERVIEW

THE COVID 19 PANDEMIC WAS THE MOST SIGNIFICANT THREAT IN 2020 THAT NEGATIVELY IMPACTED ON THE ECONOMY AND PEOPLE'S LIVELIHOODS. THE COUNTRY WAS ON LOCKDOWN SINCE APRIL 2020 THEREBY AFFECTING PRODUCTION AND SERVICE DELIVERY. THE LOCKDOWN RESTRICTIONS AFFECTED

REVENUE COLLECTIONS. COUNCIL RELIED ON A HANDFUL OF RATEPAYERS WHO WERE ABLE TO PAY AT THE REVENUE HALLS AND THOSE WHO USED ELECTRONIC PLATFORMS SUCH AS, BANK TRANSFERS AND MOBILE BANKING.

COUNCIL INCURRED AN UNBUDGETED EXPENDITURE IN PERSONAL PROTECTIVE EQUIPMENT SO AS TO MEET THE HYGIENE STANDARDS SET BY HEALTH AUTHORITIES. DISINFECTIONS ON COUNCIL PROPERTIES WERE CARRIED OUT TO SAFEGUARD STAFF AND THE RATEPAYERS FROM CONTRACTING THE DISEASE. SERVICE DELIVERY WAS EQUALLY AFFECTED AS MOST STAFF MEMBERS STAYED AT HOME. COUNCIL IS GREATFUL TO THE GOVERNMENT FOR AVAILING FUNDING DURING THE LOCKDOWN FOR THE REHABILITATION OF THE ISOLATION WARD AT THORNGROVE HOSPITAL. FUNDS WERE ALSO AVAILED FOR RECURRENT EXPENDITURE AND ALLOWANCES FOR FRONT-LINE STAFF.

WATER SUPPLY REMAINS THE CITY'S MAJOR CHALLENGE WHERE RESIDENTS GO FOR MORE THAN 144 HOURS WITHOUT WATER SUPPLIES. COUNCIL APPLAUDS THE STEPS TAKEN BY CENTRAL GOVERNMENT IN A BID TO RESOLVE THE WATER ISSUES WITH SHORT TERM TO LONG TERM INTERVENTIONS.

3.0 KEY FACTORS UNDERPINNING 2020 PROPOSED SUPPLEMENTARY BUDGET AND 2021 PROPOSED BUDGET

WHILE COVID 19 HAD A TELLING EFFECT IN OUR OPERATIONS IN 2020, IT IS NOT THE INTENTION OF THE CITY TO REMAIN IN A CRISIS MODE; THE CITY HAS A STRATEGY TO ACHIEVE ITS VISION. THE ESSENCE OF THE STRATEGY IS TO ENSURE QUALITY SERVICE DELIVERY. THUS WE ARE PREPARED TO SOLDIER ON AS A CITY.

YOUR WORSHIP BEFORE I PRESENT THE PROPOSED 2020 SUPPLEMENTARY BUDGET AND THE PROPOSED 2021 BUDGET, I

WOULD LIKE TO APPRAISE THIS SITTING OF COUNCIL TODAY THAT:

- DEBTORS HAVE INCREASED SIGNIFICANTLY AS AT JUNE 2020 THEY STOOD AT \$401 MILLION DOLLARS AND CREDITORS HAVE EQUALLY INCREASED TO \$450 MILLION DOLLARS. COUNCIL COULD NOT INSTITUTE EFFECTIVE DEBT RECOVERY MEASURES DUE TO LOCKDOWN. PAYMENT OF CREDITORS WAS AFFECTED BY LIMITED CASH INFLOWS.
- COUNCIL IS LIKELY TO HAVE A DEFICIT IN 2020 CHIEFLY ARISING FROM THE UNBUDGETED EXPENDITURE ON COVID 19 PERSONAL PROTECTIVE EQUIPMENT, PRICE INCREASES AND REDUCED REVENUE DUE TO WATER SHEDDING.
- THE EXCHANGE RATE MOVEMENT FROM ZWL (\$17.30 TO \$81.40) TO ONE USD AS AT SEPTEMBER 2020. THIS MEANT THAT WHILE PRICES WERE CHANGING IN LINE WITH THE EXCHANGE RATE, THE TARIFFS REMAINED STATIC AT APPROVED BUDGET LEVEL, THUS EFFECTIVELY REDUCING THE QUANTITIES ONE WOULD BUY IN JANUARY AND IN SEPTEMBER 2020 FROM INCOME RECEIVED.

YOUR WORSHIP, THE 2021 BUDGET HAS BEEN CRAFTED AT A TIME WHEN THERE SEEMS TO BE SOME STABILITY IN THE EXCHANGE RATE. ALLOW ME TO SAY WHILE THE STABILITY OF THE LOCAL CURRENCY IS PLAUSIBLE, IT HAS COME WHEN THE PRICES OF GOODS AND SERVICES FOR SERVICE DELIVERY ARE NOT AFFORDABLE AT CURRENT TARIFF LEVELS. COUNCIL IS THEREFORE PROPOSING AN INCREASE IN ORDER TO PROVIDE SERVICES THAT STAKEHOLDERS WILL BE PROUD OF.

THE FOLLOWING WERE NOTED AS KEY IN UNDERPINNING 2021 BUDGET:

- ❖ PROGRESSIVE BUSINESS ACTIVITY DUE TO THE REDUCED COVID 19 PANDEMIC RESTRICTIONS. THIS WOULD OPEN UP THE ECONOMY FOR INCREASED ACTIVITY.

- ❖ STABILITY OF THE INTERBANK MARKET FOREIGN CURRENCY EXCHANGE RATE. THIS WOULD ENSURE THERE IS PROPER PLANNING AND IMPLEMENTATION OF TARGETS SET. IT WOULD ALSO ENSURE PRICE STABILITY OF RAW MATERIALS.
- ❖ INCREASED E-GOVERNANCE ACTIVITIES. THE USE OF TECHNOLOGY IN MANAGING THE BUSINESS OF THE CITY WOULD ENSURE REDUCTION IN COSTS IN THE LONG TERM THEREBY BY TRANSFORMING BULAWAYO TO A SMART CITY
- ❖ ABOVE NORMAL RAINFALL – IMPROVED WATER SUPPLY TO RESIDENTS AND INDUSTRY WILL PROVIDE WATER ASSURANCE AND THIS SHOULD GENERATE ECONOMIC ACTIVITY, NOT ONLY IN THE CITY BUT IN THE COUNTRY AS A WHOLE.
- ❖ STABILITY IN THE ENERGY SECTOR. CONTINUOUS SUPPLY OF FUEL AND ELECTRICITY WILL IMPROVE SERVICES IN GENERAL.

4.0 SERVICE LEVEL BENCHMARKING (SLB)

THIS IS AN ESSENTIAL TOOL FOR IMPROVEMENT AND HAS BEEN EMBRACED BY ALL URBAN LOCAL AUTHORITIES WHEREBY PEER LOCAL AUTHORITIES REVIEW HOW SERVICES ARE DELIVERED TO THEIR RESPECTIVE CITIZENS. IT ENABLES LOCAL AUTHORITIES SUCH AS OURS TO LEARN FROM OTHERS AND ADOPT BEST PRACTICES. PERFORMANCE IMPROVEMENT PLANS ARE THE OUTPUT OF S.L.B WHICH THIS COUNCIL HAS USED TO BUDGET FOR BETTER SERVICE DELIVERY. THIS YEAR'S COVID 19 RESTRICTIONS PREVENTED LOCAL AUTHORITIES FROM HAVING ANNUAL SERVICE LEVEL BENCHMARKING ACTIVITIES.

5.0 PROGRAMME BASED BUDGETING

THIS PRINCIPLE WAS INTRODUCED BY THE MINISTRY OF LOCAL GOVERNMENT, PUBLIC WORKS AND NATIONAL HOUSING, AIMED

AT LINKING THE COUNCIL BUDGET TO SPECIFIC PROGRAMMES THAT ARE TARGETED AT IMPROVING SERVICE DELIVERY. ITS PURPOSE IS TO ALIGN SPENDING WITH PROGRAMME OBJECTIVES THAT IS, ALLOCATING SPECIFIC COSTS TO SPECIFIC PROGRAMMES WHICH WOULD ENABLE EASE OF MEASURING PERFORMANCE OF A PARTICULAR SERVICE.

6.0 2020 PROPOSED SUPPLEMENTARY BUDGET

YOUR WORSHIP, ALLOW ME TO NOW TURN TO THE PROPOSED SUPPLEMENTARY BUDGET FOR THE YEAR 2020. THE PROPOSED SUPPLEMENTARY BUDGET HAS BEEN NECESSITATED BY THE CHANGES IN THE ECONOMY SINCE THE APPROVAL OF THE 2020 BUDGET. IN PARTICULAR, THE MAIN DRIVER OF THE PRICE CHANGES WAS THE INTERBANK EXCHANGE RATE, WHERE SUPPLIERS PEGGED THEIR PRICES USING EITHER THE FORWARD RATE OR THE ALTERNATIVE MARKET RATE. ON THE OTHER HAND, COUNCIL HAD NOT REVIEWED ITS TARIFFS AND THIS LED TO A MISMATCH BETWEEN INCOME AND EXPENDITURE WHERE THE LATTER WAS INFLUENCED BY THE EXCHANGE RATE. THIS LEFT COUNCIL STRUGGLING TO OFFER ANY MEANINGFUL SERVICE TO ITS VALUED STAKEHOLDERS. IN ORDER TO COMPLETE THE YEAR WITH BASIC SERVICES, COUNCIL NEEDS SOME INJECTION TO THE TUNE OF ZWL\$550.8 MILLION. FUEL NOW COSTS ZWL\$103 (BUDGET PRICE ZWL\$10.89) PER LITRE, MATERIALS FOR ROAD CONSTRUCTION AND WATER TREATMENT CHEMICALS HAVE ALL GONE UP DRASTICALLY. THESE PRICE CHANGES HAVE NEGATIVELY AFFECTED THE 2020 BUDGET TO THE EXTENT THAT COUNCIL WILL NOT BE ABLE TO CONTINUE PROVIDING SERVICES ADEQUATELY UP TO THE END OF THE YEAR, UNLESS THIS SUPPLEMENTARY BUDGET IS EFFECTED.

YOUR WORSHIP, IN VIEW OF THE FOREGOING, I PROPOSE THAT THE SUPPLEMENTARY BUDGET FOR 2020 BE PEGGED AT **FIVE HUNDRED AND FIFTY MILLION, SEVEN HUNDRED AND NINETY TWO THOUSAND AND THREE HUNDRED AND TWENTY EIGHT DOLLARS (ZWL\$550,792,328)** ON THE REVENUE BUDGET.

BUDGET TYPE	CURRENT 2020 BUDGET ZWL\$	PROPOSED SUPPLEMENTARY BUDGET ZWL\$	TOTAL BUDGET ZWL\$
REVENUE BUDGET	1,351,058,748	550,792,328	1,901,851,076

COUNCIL PROPOSES THIS INCREASE TO CATER FOR WATER TREATMENT CHEMICALS, ROAD REHABILITATION BEFORE THE ONSET OF THE RAIN SEASON, PAYMENT TO SUPPLIERS FOR SERVICES RENDERED, AND OTHER GENERAL EXPENSES. ONCE APPROVED, THE SUPPLEMENTARY BUDGET WILL ENSURE BASIC SERVICES UP TO THE END OF THE YEAR. TO FINANCE THE SUPPLEMENTARY BUDGET, THERE IS NEED TO ADJUST TARIFFS ACCORDINGLY. I WILL DISCUSS THE ADJUSTMENT TOWARDS THE END OF MY PRESENTATION.

7.0 2021 PROPOSED BUDGET

YOUR WORSHIP, I NOW MOVE TO THE 2021 PROPOSED BUDGET. THE 2021 CITY OF BULAWAYO PROPOSED BUDGET IS BEING PRESENTED AGAINST A BACKGROUND OF HIGH EXPECTATIONS FROM THE RESIDENTS WHO HAVE ENDURED LONG HOURS WAITING FOR WATER FROM THEIR TAPS. WE PRAY THAT RAINS WILL COME AND LIFE GOES BACK TO NORMAL.

MINDFUL OF THE EXPECTATIONS OF THE RESIDENTS, THE BUDGET IS EXPECTED TO ADEQUATELY FUND THE FOLLOWING KEY PRIORITY SERVICES.

TABLE A

PRIORITY	SERVICE
1	WATER
2	HEALTH
3	SEWERAGE
4	HOUSING
5	ROADS
6	EDUCATION
7	PUBLIC LIGHTING
8	SOCIAL SERVICES
9	FIRE & AMBULANCE

IN CRAFTING THE 2021 PROPOSED BUDGET, THE CITY USED THE PRIORITIES SET IN YEAR 2020 BUDGET. THE DECLINE IN SERVICE DELIVERY EXPERIENCED IN 2020 DUE TO COVID 19 AND WATER CHALLENGES, REQUIRED COUNCIL TO RESTRATEGISE IN ORDER TO EMERGE STRONGER AND MORE DETERMINED TO DELIVER SERVICES. ALTHOUGH THE MACRO ECONOMIC CONDITIONS ARE CURRENTLY ON A PROMISING NOTE, COUNCIL WILL CONTINUE TO MONITOR THE ENVIRONMENT.

THE CHALLENGES EXPERIENCED IN 2020 ARE LIKELY TO BE CARRIED INTO THE NEXT BUDGET CYCLE; HOWEVER COUNCIL WILL BE BETTER PREPARED TO ATTEND TO SUCH ISSUES AS ADEQUATE BUDGET PROVISIONS HAVE BEEN MADE. THE 2021 PROPOSED BUDGET SEEKS TO IMPROVE SERVICE DELIVERY IN ROADS INFRASTRUCTURE, SEWERAGE AND WATER INFRASTRUCTURE. THE YEAR 2021 WILL SEE A NUMBER OF LONG TERM PROJECTS COMING TO A CONCLUSION SPECIFICALLY, OF WATER AND SEWERAGE INFRASTRUCTURE. COUNCIL IS GRATEFUL TO THE GOVERNMENT FOR SECURING A GRANT FROM AFRICAN DEVELOPMENT BANK WHICH WILL SEE A REVAMPED

WATER AND SEWERAGE INFRASTRUCTURE UPON SUCCESSFUL COMPETITION OF THESE PROJECTS.

I, THEREFORE, IMPLORE OUR RESIDENTS TO KINDLY PAY COUNCIL DUES ON TIME SO THAT WE ARE ABLE TO ACHIEVE OUR GOALS. ON MY SPECIFIC APPEAL, I WOULD LIKE TO ENCOURAGE THOSE COMPANIES THAT ARE CHARGING FOR THEIR GOODS AND SERVICES IN FOREIGN CURRENCY, TO ALSO CONSIDER PAYING THEIR BILLS IN FOREIGN CURRENCY. THIS WOULD HELP COUNCIL TO GET THE MUCH NEEDED FOREX TO PAY FOR ESSENTIAL PRODUCTS SUCH AS FUEL AND WATER TREATMENT CHEMICALS.

THIS IS YOUR CITY SUPPORT IT BY PAYING YOUR BILLS IN FOREIGN CURRENCY.

YOUR WORSHIP, IN VIEW OF THE FOREGOING, I PROPOSE THAT THE TOTAL BUDGET FOR 2021 BE PEGGED AT **SIXTEEN BILLION, THIRTY MILLION, FOUR HUNDRED AND EIGHTY THREE THOUSAND, THREE HUNDRED AND TEN DOLLARS** (ZWL\$ 16,030,483,310) BROKEN DOWN IN TABLE B BELOW:

TABLE B

BUDGET TYPE	PROPOSED 2020 BUDGET \$BILLION
REVENUE BUDGET	5,332
CAPITAL BUDGET	10,698
TOTAL	16,030

7.1 2021 REVENUE BUDGET BY ACCOUNT

THE REVENUE BUDGET PRESENTED BY ACCOUNT IS AS FOLLOWS;

TABLE C

ACCOUNT	EXPENDITURE	%	INCOME	%
	\$		\$	
RATE & GENERAL SERVICES	2 812 534 825	53	2 700 779 011	51
HOUSING	66 170 538	1	85 154 193	2
HEALTH & COMMUNITY SERVICES	1 258 962 459	24	298 349 362	6
ESTATES	15 239 336	0	215 242 209	4
SEWERAGE	357 621 466	7	672 512 466	13
WATER	822 156 683	15	1 360 648 066	26
TOTAL	5 332 685 307		5 332 685 307	

7.2 RATES AND GENERAL SERVICES ACCOUNT

REVENUE EXPENDITURE IS BUDGETED AT \$2.8 BILLION WHILE INCOME IS SET AT \$2.7 BILLION RESULTING IN A DEFICIT OF \$100 MILLION. A NUMBER OF WATER RELATED SERVICES SUCH AS THE CRITERION WATER WORKS RECURRENT EXPENDITURE IS ACCOUNTED FOR IN THE RATES AND GENERAL SERVICES ACCOUNT. FURTHERMORE, THE SERVICES OF THE ENGINEERS ON WATER AND SEWERAGE SERVICES ARE ALSO INCLUDED IN THE RATES AND GENERAL SERVICES ACCOUNT. SURPLUS ARISING FROM WATER MAY HAVE TO BE TRANSFERRED TO RATES AND GENERAL SERVICES ACCOUNT FOR SERVICING OTHER ESSENTIAL SERVICES. REVENUE BUDGET FOR SERVICES UNDER THIS ACCOUNT IS ALLOCATED AS FOLLOWS.

❖ ADMINISTRATION

REVENUE EXPENDITURE FOR ADMINISTRATION IS PEGGED AT \$1.6 BILLION AND WILL BE FINANCED FROM PROPERTY TAXES. THIS EXPENDITURE IS ESSENTIALLY ADMINISTRATION OF VARIOUS HEAD OFFICES, STAFF COSTS AND MAINTENANCE OF

BUILDINGS IN THE CITY. THE ADMINISTRATION VOTES CARRY THE BULK OF THE ADMINISTRATION EXPENDITURE OF THE CITY. COUNCIL IS EXPECTED TO ACCRUE \$2 BILLION DOLLARS OF WHICH SURPLUS WILL BE USED TO FINANCE OTHER SERVICES WITHIN THE RATES AND GENERAL SERVICES ACCOUNT.

❖ RECREATION

AN EXPENDITURE OF \$43.3 MILLION IS PROPOSED UNDER THIS SERVICE. THE RECREATIONAL FACILITIES MAY NOT BE OUR TOP PRIORITY; HOWEVER, MAINTENANCE OF THESE FACILITIES WILL GO A LONG WAY IN BEAUTIFYING OUR CITY. OUR ONCE BEAUTIFUL CENTENARY PARK NEEDS TITIVATION AND INDEED ALL OTHER PARKS SCATTERED ALL OVER.

❖ PROTECTION

A TOTAL REVENUE EXPENDITURE BUDGET OF \$361.1 MILLION HAS BEEN ALLOCATED TO PROTECTION SERVICES SUCH AS AMBULANCE, FIRE BRIGADE, PUBLIC LIGHTING, AND SECURITY SERVICES. THE CIVIL PROTECTION UNIT IS KEY IN SAVING LIVES. OUR PERSONNEL HAVE BEEN CALLED BEYOND OUR BOUNDARY WHENEVER EMERGENCIES ARISE. POOR PUBLIC LIGHTING HAS EXPOSED RESIDENTS TO MUGGINGS AND ALL SORTS OF VICE. THE BUDGET SEEKS TO REVAMP THE PUBLIC LIGHTING SYSTEM IN THE CITY. THIS WILL BE FUNDED FROM INCOME BUDGETED UNDER THIS SERVICE AND ANY DEFICIT WILL BE FUNDED FROM PROPERTY TAX INCOME.

❖ HEALTH GENERAL

THIS SERVICE COMPRISES OF HEALTH SERVICE ADMINISTRATION, ENVIRONMENTAL MANAGEMENT, AND PEST CONTROL. A TOTAL BUDGET OF \$142.0 MILLION IS PROPOSED FOR THIS EXPENDITURE. STREAM BANK CLEARING, SPRAYING OF MOSQUITOES AND FLIES WILL ENSURE SUSTAINABLE HEALTH OF RESIDENTS. SOME OF THESE ACTIVITIES MAY NOT BE SEEN IN THE PUBLIC EYE, BUT THEY GO A LONG WAY IN PROTECTING LIVES.

❖ HEALTH SANITATION

THIS SUB ACCOUNT IS COMPOSED OF SOLID WASTE MANAGEMENT, REFUSE DISPOSAL, AND PUBLIC CONVENIENCES. THE TOTAL REVENUE EXPENDITURE BUDGET FOR THIS SERVICE IS \$141.8 MILLION. THIS WILL BE FUNDED FROM INCOME BUDGETED UNDER THIS SERVICE AND ANY SURPLUS ARISING WILL FUND OTHER SERVICES. THE USE OF PRIVATE PLAYERS IN REFUSE MANAGEMENT HAS ENABLED THE CITY TO OFFER THE SERVICE CONTINUOUSLY.

❖ WORKS

A PROPOSED BUDGET OF \$534.3 MILLION IS ALLOCATED FOR THIS SERVICE IN THE YEAR 2021 BUDGET. THIS SERVICE CATERS FOR ROAD MAINTENANCE, GRAVELLING AND RELATED WORKS THROUGHOUT THE CITY AS MOST OF THE SERVICE ROADS IN THE SUBURBS NEED ATTENTION. MAINTENANCE OF COUNCIL FLEET IS ALSO FUNDED UNDER THIS SERVICE. THERE WILL BE CROSS SUBSIDIES ON OTHER SERVICES THAT USE THE EQUIPMENT UNDER THE ACCOUNT. COUNCIL EQUIPMENT IS ACCOUNTED FOR UNDER THIS SERVICE.

7.3 HOUSING ACCOUNT

THE BUDGET OF \$66.2 MILLION ON THIS ACCOUNT IS FOR THE ADMINISTRATION OF HOUSING OFFICES, MAINTENANCE OF HOUSING STRUCTURES AS WELL AS IMPROVING COUNCIL RENTED PROPERTIES WHICH INCLUDES FLATS AND HOSTELS. THE CITY ADOPTED MARKET BASED RENTAL CHARGES IN ORDER TO GENERATE INCOME. THERE IS HOWEVER NEED FOR MAINTENANCE OF THESE RENTED PROPERTIES IN ORDER TO MATCH THE INTENDED FEE. IN ADDITION, RECURRENT EXPENDITURE FOR ELECTRICITY, TELEPHONE AND STAFF COSTS IS ALSO ACCOUNTED FOR UNDER THIS ACCOUNT. ONCE THE

MAINTENANCE IS COMPLETE COUNCIL WILL ENJOY ENHANCED FINANCIAL INCOME FROM SUCH PROPERTIES.

7.4 HEALTH AND COMMUNITY SERVICES

THE PROPOSED BUDGETED INCOME IS ESTIMATED AT \$298.3 MILLION AGAINST AN EXPENDITURE BUDGET OF \$1.2 BILLION. OUR CLINICS CANNOT CHARGE COST RECOVERY TARIFFS AS MOST OF THE RESIDENTS MAY NOT AFFORD THE SERVICE. THIS THEN GIVES RISE TO A DEFICIT WHICH WILL BE FINANCED FROM PROPERTY TAX THAT WOULD RECEIVE ALLOCATION FOR WATER RELATED EXPENDITURE CONTAINED IN THE RATES AND GENERAL SERVICES ACCOUNT.

❖ PERSONAL HEALTH

PRIMARY HEALTH CARE WHICH IS BUDGETED AT \$885.5 MILLION UNDER THIS SERVICE INVOLVES MANAGEMENT OF NINETEEN (19) CLINICS, ONE (1) HOSPITAL AND A PHARMACY. COUNCIL IS FINDING IT DIFFICULT TO STOCK ESSENTIAL DRUGS IN CLINICS AS SUPPLIERS DEMAND FOREIGN CURRENCY. THOSE THAT SELL IN LOCAL CURRENCY ARE CHARGING EXORBITANT PRICES ON DRUGS. DESPITE ALL THESE CHALLENGES, THE CITY CONTINUES SAVING LIVES WITH LIMITED RESOURCES. PERSONAL PROTECTIVE EQUIPMENT HAS BEEN BUDGETED FOR UNDER THIS ACCOUNT SINCE COVID 19 PANDEMIC IS NOT YET OVER.

❖ CEMETERIES

A PROPOSED BUDGET OF \$125.8 MILLION HAS BEEN MADE FOR THE MAINTENANCE OF CEMETERIES AND CREMATORIUM AS WELL AS RELATED STAFF COSTS. THERE IS NEED FOR MAINTENANCE IN OUR CEMETERIES NAMELY, LUVEVE, HYDE

PARK, WEST PARK, ATHLONE AND UMVUTSHA WHICH WILL COME ON BOARD.

❖ EDUCATION SERVICES

AN OPERATIONAL EXPENDITURE BUDGET OF \$ 87.3 MILLION IS PROPOSED FOR THIS SERVICE IN ORDER TO PROVIDE PRIMARY EDUCATION AT THE 30 COUNCIL PRIMARY SCHOOLS AND ONE SECONDARY SCHOOL. EXPENDITURE INCLUDES THE ACQUISITION OF TEXT BOOKS, OTHER SUPPORTING MATERIALS, AND THE GENERAL UP KEEP OF THE SCHOOLS. FURTHER TO THAT, COUNCIL REMITS BACK TO SCHOOLS THE SPORTS LEVY AND TEXT BOOK LEVY COLLECTED THROUGH OUR REVENUE OFFICES.

❖ COMMUNITY SERVICES

HALLS, CLUBS, STADIA ETC, AMONG OTHERS FALL UNDER COMMUNITY SERVICES. A PROPOSED BUDGET OF \$160.3 MILLION HAS BEEN MADE TO CATER FOR THE REPAIRS AND MAINTENANCE OF OUR COMMUNITY INFRASTRUCTURE.

7.5 ESTATES ACCOUNT

A PROPOSED BUDGET ALLOCATION OF \$15.2 MILLION HAS BEEN MADE FOR THE MAINTENANCE OF THE THREE MAIN BUS TERMINI. THE OLD RENKINI BUS TERMINUS NEEDS A COMPLETE MAKEOVER. IN THIS BUDGET PROVISION, ONLY MAINTENANCE AND OTHER RECURRENT EXPENDITURE HAS BEEN BUDGETED FOR.

7.6 SEWERAGE ACCOUNT

THE SEWERAGE ACCOUNT IS PROPOSED TO HAVE A BUDGET PROVISION OF \$357.6 MILLION. THIS BUDGET IS MAINLY FOR MAINTENANCE OF THE EXISTING SEWERAGE SYSTEM. THE PUMP STATIONS SCATTERED ACROSS THE CITY MUST BE FUNCTIONAL IN

ORDER TO ENSURE SEWERAGE IS PUMPED TO THE TREATMENT PLANTS AND SEWERAGE SPILLAGES ARE ATTENDED TO.

7.7 WATER ACCOUNT

THE WATER ACCOUNT CONSISTS OF THE FOLLOWING FUNCTIONS NAMELY; CONSERVATION, ADMINISTRATION, DELIVERY, PURIFICATION, AND RETICULATION. WATER HAS ALWAYS BEEN THE FIRST PRIORITY EVER SINCE PRIORITISATION OF SERVICES STARTED. COUNCIL IS PROPOSING A BUDGET OF \$822.1 MILLION EXPENDITURE. THE BULK OF THE PROPOSED BUDGET IS MEANT TO ENSURE THAT PIPELINES ARE MAINTAINED, RESERVOIRS CLEANED AND ANY BURSTS ARE ATTENDED TO PROMPTLY. WATER METER REPLACEMENTS WOULD ENSURE NON REVENUE WATER LOSSES ARE REDUCED.

8.0 PROPOSED CAPITAL BUDGET

YOUR WORSHIP SIR, ALLOW ME TO BRIEFLY TURN TO THE CAPITAL BUDGET FOR THE YEAR 2021 WHICH IS PEGGED AT **TEN BILLION SIX HUNDRED AND NINETY SEVEN MILLION SEVEN HUNDRED AND NINETY EIGHT THOUSAND AND THREE DOLLARS (\$10,697,798,003)**. THE CAPITAL BUDGET WOULD BE FUNDED FROM REVENUE FUNDS, THROUGH AFDB GRANT, BORROWING POWERS AND PRESALE SCHEME. SOME PROJECTS ARE NOT FUNDED. FINANCING OF THE PROPOSED CAPITAL BUDGET IS SHOWN IN THE TABLE BELOW:-

TABLE E

SOURCES OF FUNDING	ZWL\$
ZINARA	28 4065 171
OWN RESOURCES	730 828 861
AFDB GRANT	863 200 000

BORROWING POWERS	489 368 000
IGFT	339 603 298
GOVERNMENT FUNDS	39 064 875
WARD RETENTION	194 220 000
PRESALE	1 189 805 000
UNFUNDED	6 567 642 798
TOTAL	10 697 798 003

YOUR WORSHIP, THE CAPITAL BUDGET IS INCLINED TOWARDS WATER AND SANITATION WORKS WHICH ARE FUNDED FROM THE GRANT ADVANCED BY THE AFRICAN DEVELOPMENT BANK. THE PROJECTS UNDER THIS GRANT WILL CONTINUE INTO 2021.

THE CAPITAL BUDGET SEEKS TO INVEST IN INFRASTRUCTURE DEVELOPMENT IN THE CITY TO ENSURE GROWTH. OTHER INFRASTRUCTURE REQUIRES REHABILITATION AND RENEWAL. THE UNFUNDED CAPITAL BUDGET WILL REMAIN AS OUR PLANS AND IF FUNDS ARE SECURED, THE PROJECTS WILL BE IMPLEMENTED.

BORROWING POWERS ARE EXPECTED TO FUND NEW PROJECTS WHICH WILL BE TAKEN ON BOARD IN 2021 WHILE EXISTING BORROWING POWERS WILL FUND THE COMPLETION OF PROJECTS ALREADY BEING UNDERTAKEN.

ON PRE-SALE PROJECTS, COUNCIL HAS A NUMBER OF AREAS THAT NEEDS TO BE COMPLETED. SOME CONTRACTORS COULD NOT FINISH THE PROJECTS CITING THE UNSTABLE MACROECONOMIC ENVIRONMENT. COUNCIL HAS THE RESPONSIBILITY OF PROVIDING SUCH SERVICES TO THE BENEFICIARIES. THESE PROJECTS WILL HAVE TO BE COMPLETED FOR THE BENEFIT OF THOSE WHO PAID FOR THEIR STANDS. AT THE SAME TIME COUNCIL HOPES TO AVAIL MORE STANDS IN 2021 AND SERVICE THEM WITH WATER, SEWERAGE AND ROADS INFRASTRUCTURE.

8.0 RECOMMENDED TARIFFS

YOUR WORSHIP, COUNCIL IS MANDATED TO DELIVER QUALITY SERVICES TO THE RESIDENTS. QUALITY SERVICE COMES AT A COST, OUR TARIFFS ARE NOW SUB ECONOMIC. THE COST OF PROVIDING THE SERVICES HAS SHOT UP YET OUR TARIFFS STILL REMAIN AT THE APPROVED LEVEL IN 2020. THE PLIGHT OF RESIDENTS CANNOT BE IGNORED AND HENCE THERE IS NEED TO BALANCE THE LEVEL OF SERVICE DELIVERY AND TARIFF AFFORDABILITY.

YOUR WORSHIP, BEFORE I RECOMMEND THE TARIFF ADJUSTMENTS, I PROPOSE THAT GOING FORWARD, THIS BUDGET BE REVIEWED QUARTERLY TO DETERMINE THE RELEVANCE OF THE TARIFFS TO FINANCE THE BUDGET. THE PROPOSAL IS MEANT TO ENSURE THAT ECONOMIC TARIFFS ARE CHARGED SO THAT SERVICES CONTINUE TO BE ENJOYED BY THE RESIDENTS.

IT IS THEREFORE RECOMMENDED THAT;

1. TARIFFS BE INCREASED BY 372% FROM NOVEMBER 2020 IN ORDER TO FINANCE THE PROPOSED 2020 SUPPLEMENTARY BUDGET;
2. FOR THE 2021 BUDGET AN INCREASE OF 421% BE LEVIED ON ALL TARIFFS BASED ON THE APPROVED 2020 TARIFFS. THIS INCREASE WILL BE EFFECTED ON THE 1ST JANUARY 2021.
3. THE BUDGET WOULD BE SUBJECT TO REVIEW ON A QUARTERLY BASIS IN LINE WITH CHANGES IN THE ECONOMY. IT IS MY HOPE THAT THE ECONOMY WOULD STABILISE AT AFFORDABLE LEVELS.

9.0 CONCLUSION

YOUR WORSHIP, AS WE DELIBERATE ON THE BUDGET PROPOSALS, IT IS IMPORTANT THEREFORE THAT WE FOCUS ON OUR VISION. THE BUDGET ACTIVITIES AND OUR PRIORITY LIST

SHOULD MOTIVATE ALL OF US TO WALK THIS PAINFUL JOURNEY TO GLORY.

WITHOUT MUCH ADO, I WISH TO END BY THANKING THE LOYAL RATE PAYERS WHO IN SPITE OF THE HARSH ECONOMIC ENVIRONMENT HAVE CONTINUED TO MEET THEIR OBLIGATIONS TO COUNCIL.

YOUR WORSHIP, I WISH TO ACKNOWLEDGE AND THANK OUR HEADS OF DEPARTMENTS, STAFF, AND ALL OF YOU THAT ARE HERE TODAY AS WE ANNOUNCE THE PROPOSED 2020 SUPPLEMENTARY AND THE PROPOSED 2021 BUDGET FOR OUR MUNICIPALITY.

I LAY THE BUDGET PROPOSALS TO THE HOUSE FOR CONSIDERATION

I THANK YOU!

COUNCILLOR MLANDU NCUBE
CHAIRMAN OF THE FINANCE AND DEVELOPMENT COMMITTEE