

Portfolio Reports

Ward 14

Fochville

MONTHLY REPORT

PORTFOLIO: Human settlement and Land Development

MONTH: April 2024

MEMBER RESPONSIBLE FOR THIS PORTFOLIO: Francois Hattingh

Olienhout street house next to Civic centre half-built house and occupied with water and electricity connected? See photo attached.

110 Olienhout Street Fochville information received, they do not pay any electricity or water? See photo attached

➤ **New build houses and old houses been built on.**

- *18,20,24 Denneweg, Fochville all been build on.
- *93 Olienhout, Fochville building new garage
- *House in vleiground in Olienhout, Fochville
- *Corner of Ouhout and Olienhout, Fochville (Building)
- *37 Wattel street, Fochville (Building)
- *42 Keurboom, Fochville
- *Cnr of Keurboom and Stinkhout, Fochville
- *10 Tamboti street, Fochville
- *11 Kiaat street, Fochville
- *12 Dahlia Street, Fochville
- * 11 Keurboom, Fochville
- *5 Annemoon street, Fochville
- *10 Malva Street, Fochville

*19 Disa laan, Fochville

*Villa Yvonne Complex Malva/Jacaranda, Fochville

*Across Froneman 8C Fochville

*Elmweg next to nr 9 Fochville

*Elmweg across nr 4 Fochville

* Annemoon 45 Fochville

*11 Jacaranda Street, Fochville

*Olienhout street net to Civic Centre

*Cnr Jacaranda and Peperkorrel street, Fochville

*65 Keurboom, Fochville

* Cansa building, Peperkorrel, Fochville

Signature:



Date:

03rd April 2024



No 110 Olierheent str (Vlei huis).



Olinhart str - Next to
Civic Centre.

WARD 14

REPORT 2024-04-03

PORTFOLIO: WATER AND ELECTRICITY

ELECTRICITY:

Mini substation across 6 Dahlia street been vandalized during loadshedding 15 March.

Du Preez street – cables cut 19 March – fixed by contractors and vandalized the very same day again with loadshedding

Street lights still burning during the day

Duo Valente - water leaks:
Kiepusol en Dinnemoon Corner - water leak

WATER:

There were reports of no water - seems to be unexpected repairs that was done



Engela van der Merwe

MONTHLY Report Ward 14: March 2024

Portfolio Roads, storm water & Public Works.

**Member responsible for the Portfolio: SIMON
MATLALA.**

The purpose of this report is to make sure that the people get their services delivered to them by the municipality.

1. The Sycamore Street 25;21;14;6 very bad potholes need to be attended to.
2. Corner Oliehout Avenue no 77 big potholes need to be attended to.
3. Corner Oliehout Avenue and Kareeboom very bad potholes need to be attended to.
4. Also in the corner of Sycamore Street potholes need to be attended to.
5. Please we need assistance with this potholes on our street it's a serious concern.

Sign:


SIMON MATLALA.

PORTFOLIO : PUBLIC SAFETY

MONTH : Mar-24

MEMBER RESPONSIBLE FOR THIS PORTFOLIO : JC VAN DER MERWE

1.) PUBLIC SWIMMING POOL

23-Feb-24

SAW ON FACEBOOK THAT ONE OF THE SO CALLED LIFE GAURDS POSTED THAT THE PUBLIC SWIMMING POOL WILL BE RE OPEN FOR THE SCHOOL HOLIDAY. I CALLED HIM AND ASKED HIM WHO GIVE THE ORDER, SO HE SAID HE WILL COME BACK TO ME, BUT NEVER DID. WE MONITOR THE SITUATION. POOL STILL CLOSED.

2.) ELECTRICAL CABLE FAULTS / THEFT :

12-Mar-24

PROTEA FEEDER CABLE THEFT IN DU PREEZ STREET THAT CAUSE OUTAGE IN WARD 14.

15-Mar-24

MINI SUB STATION AT 6 DAHLIA STREET WAS VANDELISED.

19-Mar-24

PROTEA FEEDER CABLE THEFT IN DU PREEZ STREET THAT CAUSE OUTAGE IN WARD 14 AGAIN.

DURING ONE NIGHTS, SECURITY COMPANIES, PATROLLERS, SAPS, WARD COUNCILARS, COMMUNITY AND TEAM OF " WIIMAN ELECTRICAL " PATROL THE AREA.

WE THANK " WIIMAN ELECTRICAL " FOR THE " AMAZING JOB THEY DO TO RESTORE THE PROBLEMS IN " NO TIME " !

A BLUE FORD RANGER SPOTTED IN SEVERAL PLACES THAT'S BEEN CONNECTED WITH THIS THEFT OF ELECTRICAL STUFF. NUMBER PLATES WERE CHECKED AND IS FALSE PLATES. WE MARKED HIM ON THE CAMERA SYSTEM.

3.) BURGLARIES :

~~NO~~ REPORTS RECEIVED IN OUR AREA THIS MONTH. — *kiepersd inbraak.*

4.) OPEN SERVE FIBRE CONTRACTORS :

NO ISSUES RECEIVED.

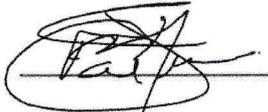
5.) C.P.F.

25-Mar-24

CPF EXCO FOR SECTOR 2 TOWN WAS ELECTED.

PATROLLERS BUSY DOING FINGERPRITS.

SOON CPF WILL BE IN FULLY OPERATION TO ASSIST AND HELP COMBAT CRIME IN FOCHVILLE AS BEFORE.



JC VD MERWE

0828008668

03 April 2024

Status Quo is in the order of the day.

Actions are being taken to get services delivery and supply of water and electricity up to standard. Afriforum manage to secure a High Courts opinion that an interdict is unnecessary BUT that Randwater's action on face value was illegal and that the Court should be consulted if this happens again.

<https://maroelamedia.co.za/nuus/sa-nuus/rand-water-waterbesnoeiings-dalk-iets-van-die-verlede/>

Otherwise, nothing to report.

I done some investigation on Rural Local Economic development and attached it Annexed to this report.

Yours truly,



Jaco van der Merwe
LED: Ward 14 portfolio

Rural Local Economic Development

There are several good ideas for local economic development in a rural community like Fochville Gauteng. Here are some suggestions:

1. **Agribusiness:** Agriculture is one of the most promising sectors for rural economic development. Fochville Gauteng has a favorable climate for crop production and livestock farming. Encouraging farmers to adopt modern farming techniques and providing them with the necessary resources, such as irrigation systems, fertilizers, and pesticides, can help to increase their productivity and income. In addition, agro-processing and value addition can also be explored to add value to agricultural products and create additional jobs.

2. **Tourism:** Fochville Gauteng has several attractions such as nature reserves, parks, and historical sites that can attract tourists. Developing and marketing these attractions can help to generate income and create jobs in the local community. Developing eco-tourism, cultural tourism, and adventure tourism can be explored to attract a diverse range of tourists.

3. **Small and medium-sized enterprises (SMEs):** Supporting the establishment and growth of SMEs can help to create employment opportunities and increase the economic activity in the area. The focus can be on providing training and resources to entrepreneurs to start their own businesses. Encouraging the establishment of cooperatives can also be explored to increase the bargaining power of small producers and enable them to access markets more easily.

4. **Skills development:** Providing training and skills development opportunities can help to improve the employability of the local population. Focusing on training in sectors such as hospitality, agriculture, and small business management can be explored to support local economic development.

5. **Infrastructure development:** Developing infrastructure such as roads, water, and electricity can help to attract investment to the area. This can create opportunities for new businesses and industries to establish themselves in the area.

These are just a few ideas for local economic development in Fochville Gauteng. It is important to consult with local stakeholders, including community members, businesses, and government officials to identify the most promising opportunities for economic development in the area.

Focusing on Ward 14 Merafong City

Applying economic development strategies to a residential area like Ward 14 in Merafong, Gauteng, would involve tailoring initiatives to the specific needs and resources of the community. Here are some ideas that could be applied:

1. ****Community Gardens and Urban Agriculture**:** Encouraging residents to participate in community gardens can promote food security, foster a sense of community, and generate income through the sale of surplus produce. This initiative can also provide opportunities for skills development in agriculture and agribusiness.

WARD 14 COMMITTEE REPORT: LOCAL ECONOMIC DEVELOPMENT

2. **Local Entrepreneurship Support**: Providing support and resources for local entrepreneurs to start and grow businesses within the community can stimulate economic activity. This support could include access to funding, business training, and assistance with marketing and networking.
3. **Tourism Development**: Identifying and promoting local attractions, such as historical sites, natural landmarks, or cultural events, can attract tourists and boost the local economy. This could involve developing guided tours, hosting cultural festivals, or partnering with nearby attractions to create tourism packages.
4. **Skills Development and Training Programs**: Offering vocational training and skills development programs tailored to the needs of the community can enhance employability and create opportunities for residents. This could include training in areas such as hospitality, construction, or small business management.
5. **Infrastructure Improvement**: Investing in infrastructure upgrades, such as road repairs, street lighting, and community facilities, can improve quality of life for residents and attract investment to the area. Improved infrastructure can also facilitate the establishment and growth of businesses within the community.
6. **Green Initiatives**: Implementing environmentally-friendly initiatives, such as recycling programs, energy efficiency projects, or sustainable transportation options, can reduce environmental impact and create new economic opportunities. For example, residents could be trained in green building practices or encouraged to start businesses focused on renewable energy.
7. **Youth Development Programs**: Implementing programs aimed at engaging and empowering youth can help address unemployment and social issues within the community. This could include mentorship programs, job training initiatives, or recreational activities designed to keep young people engaged and productive.
8. **Promotion of Local Arts and Crafts**: Supporting local artists and artisans by promoting their work and providing opportunities for them to sell their products can contribute to economic growth and cultural enrichment within the community. This could involve hosting art fairs, establishing community art spaces, or partnering with local galleries and shops to showcase local talent.

By implementing a combination of these strategies tailored to the specific needs and resources of Ward 14 in Merafong, Gauteng, it's possible to foster economic development and improve the overall well-being of the community. Collaboration with local stakeholders, including residents, businesses, and government agencies, will be essential to the success of these initiatives.

MONTHLY REPORT

PORTFOLIO: Intergraded Environmental Management

MONTH: April 2024

MEMBER RESPONSIBLE FOR THIS PORTFOLIO: Heidi Hattingh

Rubbish dumped all over ward 14 .

Dustbin diggers continue to contribute to existing problem.

Some addresses where rubbish was observed:

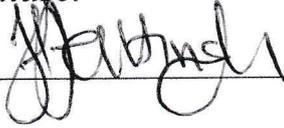
- ✓ All the fields in Tamboti street Fochville need to be cut.
- ✓ All the fields in Bloekom street Fochville need to be cut.
- ✓ Palm 9 Sidewalk grass needs to be cut.
- ✓ Building rubble in field in Dahlia Street.
- ✓ Next to Cansa building in pepperkorrel the building and garden rubble in the field.
- ✓ All open field in ward 14 need to be clean.
- ✓ Annemoon 5 Fochville, on side walk a lot of garden and building rubbish
- ✓ Malva street Fochville, a lot of rubbish
- ✓ Kiepersol 40 Fochville, a lot of building rubbish
- ✓ The field to town Losberg and Olienhout Fochville, a lot of rubbish
- ✓ Kiaat 11, 5 and 9 Fochville a lot of rubbish and building rubbish
- ✓ Veld opposite Olienhout 1, Fochville, a lot of rubbish both sides of road,
- ✓ Veld oppisit Karee 14,18,20 Fochville, a lot of rubbish
- ✓ Corner of Ouhout/Waterberry ,Fochville, a lot of rubbish
- ✓ Side walk corner of Olienhout and Ouhout, Fochville, a lot of rubbish.
- ✓ Dustbin diggers was caught with 2 dustbins that was stolen and one dustbin was claimed by owner. (Losberg)
- ✓ Froneman Fochville all the open fields in the street grass needs to be cut
- ✓ Corner of Olienhout and Foreman Fochville field needs to be cut.
- ✓ Kiepersol Fochville open fields needs to be cut resident are complaining of snakes in the long grass.
- ✓ Civic Centre at main gate field needs to be cut.
- ✓ Elmweg Fochville grass is growing in the street need to be cut.
- ✓ Jacaranda Fochville open fields grass needs to be cut.

Recommendation – Olienhout vlei area needs a TLB to clear road and sidewalks.

A lot of complaints was received about areas not been maintained.

Keurboom Lane, Ebbehout Road, Olienhout Avenue, Disa Avenue, Sycamore and Ouhout street where visibility is a concern for motorist. In Kiepersol the grass is growing in the street, in Losberg the grass is so long it is a fire danger.

Signature:

A handwritten signature in black ink, appearing to be 'H. van der...' with a large flourish at the end.

Date:

03rd April 2024

MONTHLY REPORT – WARD 14

PORTFOLIO: Finance

MONTH: April 2024

MEMBER RESPONSIBLE FOR THIS PORTFOLIO: CWA NIEUWOUDT

Purpose

The purpose of the report is to inform the ward councilor and ward committee of the non-compliance of the municipality pertaining to in-year financial reporting and to obtain a response from Council on how and when the matter will be rectified.

Background

As previously reported to the ward committee, municipal financial reports are required in accordance with the applicable legislation.

As the ward committee member responsible for the Finance portfolio, it is important that the municipal financial reports, in accordance with the mentioned legislation, be obtained to analyse and inform the ward councillor of any concerns to be addressed by council that may impact on service delivery in the ward in accordance with the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of the provisions of section 21B of the Municipal Systems Act, a municipality must establish its own official website and place on the official website information required to be made public in terms of this act and the MFMA. No information is currently available on the website in this regard.

Discussion

As reported in the previous meeting the contract of the BIQ financial system has expired and in accordance with a court order the municipality had to procure and implement a new system by 31 December 2023.

The municipality failed to meet this critical deadline, resulting in a situation where it has no operating financial system to record financial transactions and to issue reports required in terms of the above legislation. The procurement process of the new financial system is currently subject to a legal challenge by one of the bidders of which the matter was heard by the court on 10 January 2024.

The court granted an order that the process be interdicted and that an appeal process be conducted by the municipality in terms of section 62 of the Municipal Systems Act, by 31 January 2024. The BIQ service provider has provided a quotation to re-instate the system in the mean- time, which entails the licence costs and operational costs. The municipal manager rejected this offer due to the costs thereof and was mandated by council to negotiate with the service provider. The matter is still pending and will probably be subjected to another court process.

It is understood that the appeal process in accordance with the court order has been finalised and that the new service provider must implement the new financial system. No communication on any time frames has been issued by the municipality.

It is also clear that due to the fact that the municipality has no operating financial system, no reports can be presented as required by legislation. No cash transactions can be conducted and no creditor payments can be made. No money received through electronic payments can be recorded, no metering data can be recorded and processed to issue correct municipal consumer accounts, to name a few challenges. This is a desperate situation for which the accounting officer should be held accountable.

It is however totally unacceptable that no plans to mitigate this desperate situation has been approved by council or communicated to the public, apart from a fairly senseless press release from the Municipal Manager, providing no plan of action and calling on residents to pay for services of which they have not received any bills for. The payment of staff salaries was also done manually based on the previous month's information, which is problematic and will result in incorrect payments and deductions.

No detail is available regarding key creditor payments and it is a concern that Rand Water recently issued a 70% water reduction notice, due to non-payment. This has seriously impacted on the community and especially the high lying areas which was without water for several days.

According to the press release from Randwater, they are pursuing the matter further in accordance with the Inter-Governmental Relations Act and has put the relevant departments and National Treasury on terms. It is however not clear whether National Treasury, who has published the Merafong Financial Recovery Plan for comment, has factored this immediate crisis into the plan. According to the draft, there is no detail in this regard, which is alarming. It is suggested that National Treasury be engaged by council in this regard and that a detailed plan of action be developed to form part of the Financial Recovery Plan.

The non availability of a financial system remains a serious concern for which the accounting officer must be held accountable by council and parties in the council.

Recommendation

1. That it be noted that the documents required in terms of the Municipal Systems Act and Municipal Finance Management Act to be made public, were not made public as prescribed by legislation and this constitutes non-compliance and will result in an audit finding.
2. That it be noted that due to the non- availability of financial reports, no financial report can be presented to the ward committee.

3. That it be noted that the municipality has failed to procure and implement a financial system timeously which poses a serious risk for the municipality pertaining to financial management, service delivery, reporting and accountability.
4. That it be noted that a court order has been issued, interdicting the procurement of a financial system and that an appeal process should be finalised by 31 January 2024.01.30
5. That it be noted that according to information, the appeal process was finalised and the appointed service provider must continue to implement the system.
6. That the ward committees and the public be informed on the status of the matter and plan of action.
7. That it be noted that this has a serious impact on municipal services and business in general, who needs updated financial information to conduct business.
8. That it be noted that the oversight structures of council are failing the public to timeously address issues of serious concern pertaining to good governance, compliance and service delivery.

SIGNATURE: *Original Signed*

CWA NIEUWOUDT

DATE:02/04/2024

MONTHLY REPORT – WARD 14

PORTFOLIO: Finance

MONTH: April 2024

MEMBER RESPONSIBLE FOR THIS PORTFOLIO: CWA NIEUWOUDT

Purpose

The purpose of the report is to inform the ward councilor and ward committee of the “Draft Annual Budget Medium Term Revenue and Expenditure Framework for the 2024/25 financial year and the two outer years 2025/26 and 2026/27”.

Background

In terms of the legislative process, the municipal council must at least 90 days before the start of the budget year consider approval of the annual budget. The Mayoral Imbizo on stakeholder and public participation should be concluded by 31 May 2024.

In terms of Section 16 of the MFMA dealing with the tabling of annual budgets:

- The council of a municipality must for each financial year approve a draft Annual Budget for the municipality before the start of that financial year
- In order for a municipality to comply with subsection (1), the mayor of the municipality must table the draft Annual Budget at a council meeting at least 90 days before the start of the budget year.
- Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial year.

The draft budget was tabled to the finance portfolio committee as required.

Discussion

The MTREF budget should be informed by the performance of the budget for the current financial year, taking into account the adjustment budget as informed by the mid-year performance report.

Further-more the budget is informed by certain budget assumptions and factors as informed by the National Budget speech of the Minister of Finance delivered on 21 February 2024. The report to council did inform the council of the indicators that should be taken into account. The report to council is attached as “**annexure A**”

The report also highlights the key focus areas and macro-economic forecast that should be taken into account by municipalities as published in the budget circular.

The CPI inflation forecast for the MTREF period is as follows:

Financial year 2024/2025 - 4.9%
Financial year 2025/2026 - 4.6%
Financial year 2026/2027 – 4.5 %

The above forecast is significant in determining tariff increases in municipal rates and service charges. As far as water and electricity tariffs are concerned, municipalities are bound by the tariffs approved by Rand Water and Eskom, in determining their tariffs.

In this regard, the Eskom tariff increases of **12.74%** has been made public and will come into effect on 1 July 2024 for municipalities.

Municipalities must however within these parameters, approve tariffs as approved by NERSA in accordance with the block tariffs, Eg. lower consumers will get a lower tariff increase and higher consumer, higher increases.

It should be noted that last year the municipality reported that they have commenced with a cost of supply study which was submitted for NERSA approval. The draft tariffs were published in a report to Council. This report is however quiet on the matter and should be clarified by council. The impact of the so-called “Time of Use” tariffs as proposed at the time, should be clarified.

For ease of reference, the Key Focus areas for the 2024/2025 budget process as provided by National Treasury in Circular No. 126 dated 7 December 2023 are as follows:

1. The local government **equitable share and conditional grants will be reduced** by a total of R12.8 billion, made up of R9.6 billion in the local government equitable share and R3.2 billion in direct conditional grants.
2. National Treasury encourages municipalities **to maintain tariff increases** at levels that reflect an appropriate balance between the **affordability** to poorer households and other customers while ensuring the financial sustainability of the municipality.
3. The Consumer Price Index (CPI) inflation is forecasted to be within the 4 to 6 per cent target band; therefore, municipalities are required **to justify all increases in excess of the projected inflation target** for 2024/25 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups.
4. It is essential that municipalities **reconcile** their most recent **consolidated valuation roll data** to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

5. Municipalities must ensure that the capital **repayment of loans** are included in the cost when determining the tariff. In addition, they must ensure that the consumption charges Page 3 of 20 for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.
6. The municipality must therefore focus in its 2024/25 MTREF Schedule A submission to **report on ALL indigent households** (also in Eskom supplied areas).
7. The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs of electricity. In the municipal financial year 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year.
8. **Credit control policies should be reviewed** and amended to include the raising of consumer deposits, the authority to raise deposits should be deleted where it is still in the Electricity and Water by-laws, and this should be included in the credit control and debt collection by-laws. **Deposits should be equal or more than two months bulk accounts from water services authorities and Eskom.**
9. The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.
10. Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.
11. The Municipalities must adopt a **credible funding plan** in cases where the budget is unfunded (an unfunded budget is not encouraged).
12. Any write off of irrecoverable debt previously impaired and accounted for as an impairment loss should be adjusted as a reversal of impairment loss when the write-off takes place.

State of the municipality

The state of the municipality does not reflect the real state of the municipality to influence the budget and re-prioritisation which is clearly needed in accordance with the analysis conducted as part of the Financial Recovery Plan, published for comment by National Treasury. No indication is given of the impact of the analysis on the MTREF budget. The budget is therefore totally misinformed and clearly just a

paper exercise in an effort to comply with the legislated process. Reference is made to the payment incentive scheme to increase the collection rate from 60% to 93% but no detail is provided on what structural changes is required to achieve the collection rates. The latest available collection rate as at mid-year did not even achieve 50%, clearly indicating that the CFO has no clue on the real state of Merafong. Mention is made of the fixing of broken and tampered meters to reduce water and electricity losses but no detail is provided to substantiate the statement.

Council should seriously consider the State of Merafong as indicated in the Draft Financial Recovery Plan and ensure that the budget addresses those issues to facilitate financial recovery. The proposed draft budget was clearly a paper exercise, incrementally increasing figures not based on financial performance.

The impact of the reduced equitable share as indicated by the budget circular is not reflected in the report. Despite the directive from National Treasury to contain tariff increases within the 4.9% CPI, the municipality proposes increases far exceeding the recommendation. The affordability of these increases on the broader community has clearly not been taken into account and no justification is provided as required by the budget circular.

Despite the directive that by Treasury that it is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic, no indication is given on how the values of property rates in the budget is determined. It is clear that the current values are incorrect as indicated in the disclaimed audit opinion of the Auditor General. In terms of the directive, the municipality should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing. Currently there is no billing system and no billing has taken place since November 2023. Completeness of billing reconciliation has clearly not been done seeing that the municipality do not have a functioning financial system. How were the figures calculated? Despite this challenge, the CFO recommend a blank uninformed 6% increase in property rates.

The indigent register of the municipality cannot be correct and no indication is given on what process was undertaken to ensure a more realistic indigent register for the allocation of equitable share to those that cannot afford to pay for services.

No indication is given on the review and implementation of the credit control policy and By-laws and the anticipated effect thereof on the collection rate. The budgeted collection rate of 70% is not informed by anything and is a clear thump suck and totally unrealistic.

In accordance with the directive, the municipality must adopt a credible funding plan. The draft budget is clearly not a credible funding plan informed by the current financial situation and the proposed Financial Recovery Plan.

Budget summary

The budgeted revenue of R2 739 719 862 which is an increase of 7.10% from the R2 558 088 161 2023/2024 Adjusted budget, is clearly unrealistic as it is based on a 70% collection rate against a real collection rate of below 50%. The question remains, what informs this figure if no historic data is even available for quarter 3 of the current financial year due to the non-availability of a functioning financial system?

The budget estimates in the draft budget are unrealistic and baseless and therefore renders this exercise null and void. The anticipated surplus is unrealistic and not informed by financial facts.

It is indicated that no growth in the volume of sales is projected, whilst the report indicate that water and electricity losses will be addressed to ensure a collection rate of 70%. If losses are contained through the eradication of bridged and faulty meters then surely sales will increase. The provision of water meters to 2138 properties in Kokosi Ext 6, funded by the Mining Towns Grant allocation, will definitely have an impact on water sales, to mention only one factor. The above project is budgeted in the current financial year but no progress has been made to implement the project, risking the forfeiting of the grant funding.

The proposed tariff increases are also not informed by financial data and facts and are therefore rejected.

Capital Budget

The Capital Budget is funded from the respective grants.

The following projects were budgeted in the current financial year, funded through the Mining Towns allocation from the Department of Human Settlements. In a letter dated 6 March 2024, the department put the municipality on terms due to the failure to implement the projects. The following is a list of implicated projects:

1. Khutsong South Installation of Bulk Electricity
2. Kokosi Ext 6 Completion of sewer network and installation of water meters on stands
3. Fochville Outfall Sewer
4. Khutsong South Water and Sewer Services (Outfall sewer line)

According to the letter, to date, none of the above projects have started due to the following reasons:

- Khutsong Installation Bulk Electricity project funding was transferred on 15 August 2023 and the tender document has not been approved by the Municipality.
- The scope of work for Kokosi Ext 6 project that was contracted on the funding agreement for 2021/22 with the expenditure of R4 Million has not been accounted for. This has led to the delay in the commencement of the current year allocation that was transferred on 08 September 2023. The work cannot begin until work done and paid for, previously, is accounted for to avoid duplication of work.

- Fochville outfall sewer has not started since the transfer was done on 12 September 2023.

The January 2024 report received indicates that the Municipality is yet to approve the tender document, which was submitted to the Municipality on 20 December 2024.

- The Khutsong Water and Sewer (outfall sewer) project funding was transferred on 05 October 2023 and is still awaiting the Municipality to sign the addendum to the SLA before commencement of the project.

It is not clear whether roll over budgets will be approved for these projects, in which case it will have to be included in the draft budget. The draft budget is however silent on these projects or possible roll-over or forfeiting of funds.

The proposed capital budget and projects to be funded from grant funding is noted. The project descriptions are however vague, such as: "Merafong Roads and Stormwater maintenance, Merafong Water and Sanitation maintenance" Project descriptions should be detailed based on ward planning and priorities to ensure transparency in the allocation of budgets to the respective priority areas as identified during the IDP process.

There is no indication on which projects has been prioritised for funding in ward 14. The upgrade of the electricity network in the Fochville area was identified as the highest priority in the Fochville/Kokosi area due to the prolonged outages experienced due to load control.

The upgrade of the Du Preez/Protea Ave feeder line was promised in the previous financial year. No mention is made of the project in the draft budget.

An amount of R10.6m is prioritised for the upgrade of the Wedela Rec club and the Kokosi stadium. Millions of rands have been spend on these two facilities over the years, just to be left vandalised again due to the inability of council to manage and maintain community facilities. This is a total waste of struggling taxpayers' money who in many areas do not even have access to basic services. The prioritisation of funding is questionable and a clear indication of the disconnect of council to the real priorities of the community.

Projects should be prioritised to address the basic services infrastructure backlogs and maintenance backlogs.

Conclusion

It is correctly indicated in the report that the budget remains unfunded, mainly due to the non- payment of services by consumers. This statement clearly contradicts the draft budget that indicates a budgeted surplus of R247 829 993.

The draft budget is clearly not credible and should be reviewed based on financial data and not thump-suck estimates. The proposed tariff increases are not based on any facts and should be reviewed. There is no justification provided for the proposed

increases, which is totally unaffordable in the current financial climate, as indicated by the Minister of Finance in his recent budget speech.

Recommendation

1. That the Draft Annual Budget Medium Term Revenue and Expenditure Framework, 2024/2025, and outer years, submitted for public comment be noted.
2. That the ward councillor informs council through the relevant structures of the position of ward 14 in this regard.
3. That the public be made aware of the draft budget and public participation process to ensure that council addresses the shortcomings of the draft budget.

SIGNATURE: *Original Signed*

CWA NIEUWOUDT

DATE:02/04/2024

MONTHLY REPORT – WARD 14

PORTFOLIO: Finance

MONTH: April 2024

MEMBER RESPONSIBLE FOR THIS PORTFOLIO: CWA NIEUWOUDT

CREDIT CONTROL REPORT FOR MONTH ENDING 29 February 2024

Purpose

The purpose of the report is to submit the **Credit Control Report for the period ending February 2024** to the ward committee for information.

Background

In terms of the provisions of the MFMA, the Accounting Officer must submit financial reports to council on a monthly basis. The credit control report informs council on the steps taken to collect revenue due to council in accordance with the Revenue budget and Credit control policy.

Discussion

Attached is a copy of the section 80 credit control report for the month ending 29 February 2024.

In terms of the report, the total number of arrears accounts handed over by the municipality for the period are as follows:

NUMBER	CRITERIA	QUANTITY	AMOUNT
1	BUSINESS	132	R 36 357 724
2	DOMESTIC	360	R 41 795 617
TOTAL		492	R 78 153 341

These figures are considerably lower than the last report of December 2023 which reflected the following: **Total 1119 cases, R 120 604 470**

It is not indicated in the report what the effect of the so-called “Nngwe ka Nngwe” is and no mention is made of the collections recorded and arrangements made by defaulters. One would have expected a progress report in this regard, seeing that it supposedly forms part of credit control. The following is a breakdown on credit control actions conducted on some businesses in arrears:

ALL BUSINESSES

NUMBER	CRITERIA	QUANTITY	AMOUNT
1	CARLETONVILLE	28	R 11 695 785

2	FOCHVILLE	15	R 3 869 728
3	OBERHOLZER	12	R 4 629 835
4	GREENSPARK	8	R 638 454
5	KHUTSONG	10	R 3 570 880
6	KHUTSONG SOUTH	14	R 1 806 187
7	KOKOSI	31	R 7 476 420
8	WEDELA	9	R 1 869 302
9	WELVERDIEND	5	R 801 133
TOTAL		178	R 78 153 341

As reflected above, some Business accounts in arrears were handed over to council's contractor for collection. The accounts handed over were for businesses in all geographical areas throughout Merafong City.

The report does not indicate the criteria used to select accounts to be handed over and any indication of an age analysis, seeing that it is clear that the outstanding debt handed over to the value of **R78 153 341** compared to **R 54 035 311** that was reported to be handed over in the December 2023 report. With very little detail, it appears that the business debt has increased despite the credit control actions by the contractor.

This is an indication that there is no clear strategy pertaining to credit control and that the matter is not prioritized to ensure financial viability.

In accordance with the report, **34** actions on Business accounts, such as disconnections, pertaining to water and electricity were taken whilst **4 re-connections** were done. No indication is given of the amounts collected or value of any arrangements to collect the R78 153 341, as handed over.

The report also does not indicate whether any services were consumed whilst being disconnected, which would indicate illegal connections.

According to the report, credit control was only done in Carletonville pertaining to domestic consumers, which is a clear indication that council is not serious to implement credit control.

The following is a summary of the domestic accounts handed over for the period:

AREA	DOMESTIC			RECONNECTION		
	ECUT-2	WATER	RIP	E CUT-2	WATER	RIP
CARLETONVILLE	89	51	70	7	7	6

Compared to the December 2023 report, where a total of **565 actions** were reported in Carletonville, Fochville, Oberholzer and Welverdiend, it is clear that council is not

serious with credit control. As reported previously, no credit control is conducted in the lowest paying areas of Merafong.

No indication is given of the amounts collected or value of any arrangements to collect the accounts handed over. The report lacks critical information to determine any success or failure of the credit control actions undertaken and the costs associated with the actions and amounts collected.

The report focusses on the selective disconnection of services and not improved revenue collection. The report lacks critical information to determine any success or failure of the credit control actions through the contractor. Council should prioritize credit control and fulfill its oversight duties through detailed reports. The report also does not indicate any legal action instituted against defaulters in accordance with the credit control policy of council.

The work undertaken by this contractor of council is very basic actions of disconnecting and connecting of services, which should be performed by council officials at no additional costs. There is an overreliance on contractors to perform basic municipal functions.

The community is aware that council has appointed another service provider at huge costs to implement their revenue collection strategy, which includes credit control. No report has been tabled in this regard to assess the success of this contractor. It is also a known fact that the financial system is still not functional and any actions undertaken by council through their contractor is based on outdated data seeing that no consumer accounts could be issued since December 2023 and consumers could not accurately service their accounts. Many consumers are paying average accounts which will lead to under or over collection by council.

The report also indicates that there were 172 unaccomplished actions due to various reasons, such as locked gates and dogs and inaccessibility. The biggest concern is the fact that in almost 46 reported cases, the address or services could not be found. It is not understood that despite having a meter reading contractor who are supposed to report such instances, the municipality hands over accounts that seemingly do not exist. In both instances, the contractors are paid for work that the municipality should have been aware of. This leaves a serious concern on the credibility of data and billing of accounts.

It is a well-known fact that despite meter readings reported by the meter reading contractor, the actual billing is not done. The integrity of the data is highly questionable and has an impact on the financial reports of council.

The report also reflects that the credit control policy of council is selectively implemented and not on an **equal** basis throughout the municipality. No credit control is being done on domestic accounts in the township areas. According to the report, credit control is only done on domestic accounts in Carletonville for this reporting period. There is clear geographical discrimination in the implementation of the credit control policy. No credit control is done on domestic accounts in the areas with the lowest payment figures.

This matter has been reported to the ward councilor and council in various reports and it is clear that Council is fully aware of the situation, yet there is no action to remedy the situation which means that Council is condoning the situation.

This matter must be viewed against the arrears Eskom account of R 827 279 031 and electricity losses of 69.6% recorded for the 2023/24 financial year. No financial reports has since been issued to determine any progress or regression in this regard.

The inequality in applying council's credit control policy is a serious concern and is clearly unfair and illegal. It is a concern that the oversight structures of council and council committees is not fulfilling their legislated functions.

It is a concern that the report is completely unreliable and incomplete pertaining to credit control but that no corrective measures or action plans are demanded by council or the section 80 committee, clearly indicating the lack of political oversight and action in accordance with the legislated mandate.

RECOMMENDATIONS

1. That cognizance be taken of the credit control report for February 2024 and the concern that credit control is **not done** in all areas and wards of the municipality.
2. That cognizance be taken that no credit control is implemented in the worse paying areas of Merafong City which is a clear indication of the selective implementation of council policies.
3. That the Finance and Infrastructure Departments, through the respective portfolio heads, ensure co-ordination of their functions to address infrastructural challenges hampering credit control.
4. That these inputs be escalated by the ward councilor through the relevant structures of council and that a feedback report be submitted to the ward committee.

SIGNATURE: *Original Signed*

CWA NIEUWOUDT

DATE: 4 April 2024

Monthly Report – April 2024

Portfolio – Corporate Services

Member – Nadine Bouwer

- Health & Safety still a concern – We are approaching rain season, so the concern is even higher especially at the rate that we have electricity issues, the lack of PPE, proper equipment etc, I sincerely hope that this can be addressed and seen too as in general we are not well prepared – we have contactors at the moment with electricity however that can change very quickly and we do rely heavily on Municipality workers in general who do not have the means to perform many of their tasks
- Rand Water – No further feedback was received re the possible further water restrictions as a result of the account in arrears
- Residents very anxious re financial/billing system that is still not operational – Reports that it would have/should have been up and running at the end of March 2024 – No other feedback re this
- Attached I am including the Section 80 minutes I hope this will be informative to everybody , thank you to Councilor Maritz for assistance in helping me to obtain this information
- Residents of Stinkhout Avenue have reported that they have had less issues with resident driving recklessly and as a street have had a meeting re safety concerns

NB

Sport

Some areas do have electricity.

There are some areas that still do not have electricity at the stadium.

Bathrooms are still a huge concern.

There is a fault with one of the cables and they did say that some contractors will come and investigate the problem.

There was an issue of kids with a 4-wheeler on the rugby field and JC van der Merwe took this matter up with one of the kid's parents to get the culprit. Thank You JC.

Library

Still the issue with the load shedding at night. They cannot work when the electricity goes off and it is too dark.

I will make a plan this month to go and sit in the library one day as this past month was a bit difficult.

I just want to get the whole picture of what is going on in the library and how everything is working in the library.