

COUNCIL ITEM

MUNICIPAL MANAGER'S REPORT TO COUNCIL

1. Purpose

The purpose of this report is to provide progress and highlight areas of concern relating to the administration of the municipality.

2. Focus Areas

The following are the main items that the interim management team seeks to achieve:

- Decrease high overtime and "acting" expenditure
- Fill vacant positions
- Train councillors and administration on recent LG legislation
- Appoint Municipal Planning Tribunal and Appeals Authority Tribunal
- Formation of the Mangaung Transport Forum to support the development of the City Integrated Transport Plan
- Implement Jobcard Management System (curb overtime)
- Strengthen intergovernmental relations – DDM Model
- Re-use of resurfacing material to re-gravel roads in Metro
- Utilisation of EPWP, PEP and CWP in an integrated approach
- Implement Fleet Management System
- Strengthen Business partnerships
- Put systems & processes in place in all directorates
- Review the organisational structure

3. Corporate Services

3.1. Consequence Management

The city is currently in the process of developing an Individual Performance Management Framework to be able to implement proper consequence management and aiding in capacitating the employees with necessary skills where needed. This document will be in circulation to the relevant forums such as labour representatives and other stakeholders to mention but a few for inputs. MMM is currently in the process of developing the Individual Performance Management Framework to be able to implement proper consequence management and aiding in capacitating the employees with necessary skills where needed. This document will be in circulation to the relevant forums such as labour representatives and other stakeholders to mention but a few for inputs.

3.2. Organisational Structure

The Municipal Staff Regulations that came into effect from 01 July 2022 outlines standardised processes and procedures to be followed by municipalities when embarking on staff establishment. The organisational structure review process has commenced during October 2021 and consultations were made with National Treasury and national CoGTA.

The proposed public office bearers and macro-structures (Head of Departments) has been taken tabled at LLF which was adopted. Subsequent to a workshop to councillors by national and provincial CoGTA, the organisational structure for public office bearers' offices was refined in line with the requirements of the Municipal Staff Regulations. The refined and aligned structure will be consulted further with the Public Office Bearers, Executive Management Team (EMT) and LLF. Both macro and public office bearers organisational structures to be tabled to council for approval during September 2022. In the process, the organisational structure for staff below will be reviewed and consulted with relevant stakeholders.

3.3. Recruitment

There have been two attempts to fill the position of the City Manager by placing advertisement with the initial one being the advert that came out with the City Press issue of 9 December 2021, together with the erratum that came out on the same newspaper medium being the City Press issue of 16 January 2022, which also had the effect of extending the closing date to 24 January 2022. No further action was taken in compliance with the applicable regulations in this regard hence the re-advertisement through the same newspaper medium, City Press issue of 10 April 2022. It must be acknowledged that FS CoGTA advised the City to issue an erratum essentially extending the closing date from 29 April 2022 to 06 May 2022.

Once again, Regulation 12 for appointment of Senior Managers mandates council to appoint selection panel to conduct shortlisting and interviews and make recommendation to council on the appropriate candidate to be appointed by municipal council. The last advert to for the position of City Manager was issued at City Press on 06 August 2022 closing on 26 August 2022. The municipality has developed process plan to be tabled for council for approval. It should be noted that the macro structure is currently being finalised with reduction of Head of Departments from status of nine positions of Heads of Department to seven, having a bearing on advertisement of Heads of Department.

4. Engineering Services

4.1. Progress

ES has conducted a study on its water and sewer reticulation network and the draft water maintenance and rehabilitation report has been compiled and submitted. The report highlights high risk water pipes that need urgent replacement attention. The refurbishment of water supply system project is currently addressing pipe bursts through a pipe replacement contract. Additional aged asbestos pipe replacement is needed in high-risk areas, funding constraints is an issue. The Service Level Agreement with Bloemwater is also being revised.

A list of materials which are required to attend to burst pipes as well as leaks emanating from different types of water infrastructure and a list of fleet as well as personnel required to attend to these leaks has also been compiled and submitted for procurement. The resuscitation of a call centre dedicated for Water & Sewer Infrastructure is in progress. As part of the intervention on curbing of pipe bursts, Engineering Services (ES) is implementing pressure management project that ensure that excessive pressure on water pipes is brought under control. The project is targeting both existing and new pressure reducing valves (PRVs) i.e. recommissioning of existing and commissioning of new PRVs. This project is ongoing.

A request for assistance from the Department of Transport was initiated for road infrastructure. The resurfacing of streets started on 30 May 2022 and 31km of critical roads have been complete.

4.2. Water Conservation Demand Management

The 10-year Water Conservation and Demand Management plan is in the process of being revised. One of the sub projects identified is the identification of formal sites which have an incomplete/complete water reticulation system but no meters being installed. This exercise will be done using GIS and estimated costs will be determined. The expected completion of the revised plan will be before the end of December 2022.

5. Finance

5.1. Government Debt

Provincial Public Works owes MMM R 810 985 667.00. A Letter of Demand has been issued to regarding outstanding debt. In terms of the current suggested payment plan, the current account as well as R 53.928 million per quarter in terms of arrears is paid which has been kept to from April 2020 till September 2020. This has not been accepted by council.

In June 2022 R 16 976 348,40 was paid for property rates and R 33 952 696,80 was paid for other services. A new payment arrangement has been suggested however, has not been formalised yet.

National Public Works owes MMM R 248 806 772.00. There is a dispute on an account of approximately R 175 million. Legal Services was requested to provide a legal opinion to resolve

the dispute and documents have been sent to NPW for purposes of resolving the matter. Other Departments now need to pay separately for services and reconciliation process is underway to effect payment. In June 2022, R 6 727 200,02 (SNDF paid R 3 517 096.77) was paid to the municipality by the Department.

5.2. Audit Action Plan

The action plan has been developed and submitted to the internal audit for review. The audit action plan is being monitored to address issues that can be addressed between now and the submission of the financial statements. The internal audit unit has been part of the review of audit action plan to ensure that whatever actions implemented fully addressed the finding raised by the Auditor-General.

The following procedures are in place to ensure that a credible set of AFS is submitted for audit purposes on 31 August 2022:

- Audit findings raised in the high-level review process last year are addressed in the current set of financial statements submitted for audit purposes so that the same findings do not reoccur.
- The GRAP checklist issued by National Treasury is used to determine if all necessary disclosures are made in the AFS as required by GRAP.
- The financial statements will be internally reviewed by the accounting section, CFO, and internal audit.
- The financial statements will be externally reviewed by National Treasury and the audit committee.

5.3. Supply Chain Management

Management is ensuring that no contract extension that does not comply to the MFMA and other relevant legislation and policies are approved. All requests for extensions is validated first with SCM as well as contracts management to ensure that these extensions comply and is legal. No request is approved without all relevant documentation attached. All supporting documentation is requested and required for all submissions made and before any payments are made. Any deficiencies are reverted to the user directorate. All requisitions for payment of suppliers must have a printout of available budget included and are returned to the directorate if insufficient budget is available. All procurements are checked against the SCM policy to ensure compliance. The interpretation of bid committees composition in terms of National Treasury Regulations have been resolved and bid committees have been instructed to sit weekly.

6. Human Settlement

The following is an overview of progress per housing project:

Project	Progress
Brandwag Social Housing	<ul style="list-style-type: none"> • SHRA placed FRESHCO under Administration • Administration work has been concluded with positive way forward • Proposed way forward to be presented to Council for approval

Vista Park 2 & 3	<p>Vista Park 2:</p> <ul style="list-style-type: none"> • Developer is not on site due to outstanding payment for 2 years • Re-alignment of water & sewer not yet completed • Engagements held with developer to resume site • HDA conducted a technical assessment for work done and costs for work to be concluded • Phase 2 project to resume once Planning has approved the Traffic Impact Assessment. <p>Vista Park 3:</p> <ul style="list-style-type: none"> • Developer is still on-site. • Re-alignment of water & sewer was completed. • Developer recently concluded internal services for subsidised areas (Ext 261) and finalising same at Ext 262 & 263 • Developer is currently busy with the internal ring-road • Council resolved that the land should be subjected to a valuation process. Valuation process concluded, report to be presented for Council Resolution.
Hillside view Project	<ul style="list-style-type: none"> • Land Transfer for Social Housing project remains unresolved between developer & MMM • Legal Opinion obtained from internal Legal Services. Land Availability Agreement to be reviewed • Meeting to be held with Acting MM, SHRA & Developer scheduled for 2 September 2022
Informal Settlements Upgrading Partnership Grant Projects	<ul style="list-style-type: none"> • One project has stalled due to court processes • Two projects stalled due to non-payment. Extension of contract has been requested. • One project stalled due to servitude in Khayelitsha. Awaiting finalisation of land procurement to relocate the affected residents • CENTLEC currently busy with electrification • Currently resolving existing challenges of illegal occupants
Title Deeds	<ul style="list-style-type: none"> • Available title deeds is 10 000 • More than 2 000 have already been distributed • More than 1 000 title deeds have been verified for further allocation • Currently busy with verification process for the balance

7. Planning

7.1. Municipal Planning Tribunal and Appeal Tribunal

A report has been submitted to notify Council on vacancies and request for advertisement of new members. Appointment of an authorised official by Council to deal with Category 2 applications in line with SPLUMA. Item has been tabled at Section 80, MAYCO and was approved by council on the 19 August 2022. The Municipality has approved the appointment of an Authorised Official.

7.2. Digitalisation

Orbit system to be reviewed, more research is still being done as the system does not meet the needs of the municipality.

7.3. Building Control

Engagement with City Support Programme (CSP) ongoing to get City of Joburg to assist with backlog in building control. An Action Reform Plan is being developed for current and future functioning of the sub-directorate to be tabled by end of August. A meeting with valuers was held in June 2022, they have offered to assist with scanning of building plans for ease in scrutinising and valuation. The CSP team offered to support the municipality in obtaining a system that is readily available for electronic submission and scrutinising of plans, will be implemented together with the Action Reform Team.

7.4. Fresh Produce Market

Facilities units has already embarked on the inspection of the market and most of the listed projects have been budgeted for the current financial year. A meeting was held with Property Management and Cooperate services to discuss lease agreements with SAPO and AfriSam. Their leases lapsed, they have not been paying the correct lease accounts. In the financial year 2021/22, FPM had a turnover of above R529m and generated revenue of over R29.6m which is 93.5% of the annual target. Request to Municipal to reinvest profits made into developing and maintaining the market.

7.5. Comprehensive Integrated Transport Plan (CITP)

The preparation of the Comprehensive Integrated Transport Plan is guided by the minimum requirements as stipulated in the National Land Transport Act, 2009 (ACT NO.5 of 2009), also detailed in the Government Gazette No. 40174. This a Plan for all modes of Transport (Rail; Air; Non-Motorised and Freight). The primary purpose of the CITP is to enhance the road networks of the Municipality in terms of accessibility, and safety by all members of the community regardless of race, gender and disability. On 8 September 2021, Q&A Consulting Engineering Services was appointed by MMM to develop a CITP for Mangaung. A Draft Report will be submitted and presented and the project is expected to be completed on 14 September 2022, but extension is needed.

7.6. Outdoor Advertising

Generated highest revenue in the year 2021/22 which is R5 500 000.00 and Mangaung Metropolitan Municipality won the following cases in Court:

- Open Spaces versus Mangaung Metropolitan Municipality with costs.
- Kena Media versus Mangaung Metropolitan Municipality, parties to pay their costs.

8. Integrated Public Transport Network (IPTN)

There is currently a joint forensic investigation process led by KPMG and National Treasury on the procurement of buses and infrastructure expenditure, expected to be completed by December 2022. The plans on infrastructure corrective measures are being implemented on Moshoeshoe Roads A and B, whereby new contractors have been appointed to complete the uncompleted road infrastructure milestones by end of October 2022.

Officials previously seconded to the unit were requested to return to their substantive positions. Critical work-streams to complete the project have been identified and the Executive Management Team is identifying suitable officials to be responsible.

9. Solid Waste and Fleet Management

9.1. Landfill Sites

At the Southern Landfill Site, the access road has been partially cleaned as well as entrances for public access. Law enforcement has been deployed to assist with illegal dumping in an effort to keep the area clean as well as to increase management oversight. Private sector companies indicated willingness to provide assistance. The Department of Forestry, Fisheries and the Environment (DFFE) appointed a contractor however, the contractor is not yet available. The matter has been escalated to DFFE and the Deputy Minister will be requested to intervene. At the northern landfill site, the access road and entrance has been cleared. A weekly integrated plan supported by the Strategic Manager is provided.

9.2. Partnerships

A partnership with Coca-Cola SA has been concluded and clean-up activities will commence end of August 2022.

Preliminary discussions with CUT Environmental Health and Waste Specialist on involvement with MMM were held on the 24 August 2022. Electronic Waste initiative to be investigated and a site visit is scheduled during September 2022.

9.3. Fleet

The collapse of the fleet due to non-payment of service providers, non-maintenance, in proper planning and budgeting has created an environment of non-service delivery within the Department. The current situation can be remediated through fleet maintenance, management, and financial resources to ensure a running and stable fleet. The installation of a fleet management system is crucial in ensuring proper monitoring of the fleet and identification of abuse of vehicles. This was on the budget but has been removed for this financial year.

The over utilisation of service providers has also created an enormous financial burden on the Municipality and can directly be linked to the collapse of the fleet that was apparent during informal investigations. The hostile worker environment and deliberate sabotage of vehicles to create an environment for the abuse of overtime has also been identified as a major contributing factor of fleet deuteriation.

The Department also concluded a list of vehicles that need to be auctioned off to create some cashflow in the support of the current challenges. A vehicle replacement tool has also been utilised and will form the basis to inform budget processes going forward.

Fleet is in the process of being repaired Fifteen (15) vehicles have been released for use to service delivery departments. Five traffic vehicles ready for release on 25 August 2022.

10. Municipal Police Services

10.1. Strategic priorities include:

- Reintroduction of Parking meters or parking marshal
- Enforcement of by-laws to informal traders after formalisation by the Rural and Economic Development Directorate.
- The creation of animal and vehicle pounds in Botshabelo, Thaba’Nchu, Wepener, Soutpan, Dewetsdorp and Van Stadensrus.

- Taking over testing and licensing centres that are within Mangaung Municipal area from Provincial Government
- Consider building weighbridges in two strategic Northern Cape entry points to Bloemfontein (long-term) or secure the use of mobile vehicle weighbridge.
- Roadblocks for Outstanding Warrant of Arrests.
- Handheld Speed Cameras / Static or Automated Speed Cameras.
- Revive the use of Section 341 Notices
- Impoundment of Motor Vehicles transgressing the Road Traffic Laws.
- Utilization of Wheel Clamps for non-moving violations.
- Control and Enforce Laws and By Laws regarding Construction on the Road Network.

10.2. Vehicle Deployment

Area	Deployment	Traffic Vehicles	Law enforcement vehicles
Bloemfontein	Yes	17	3
Botshabelo	Yes	3	2
Dewetsdorp	Yes	1	0
Rural	No	N/A	N/A
Soutpan	No	N/A	N/A
Thabanchu	Yes	3	0
Van Stadensrus	No	N/A	N/A
Wepenaar	No	N/A	N/A

10.2. Work in progress:

- Finalisation of the Shift System Policy
- Workshop on By-Law Enforcement
- Filling critical, funded posts
- Issuing of Licenses
- Issuing of Permits
- Painting of Road Markings
- Rapid Repair of Malfunctioning Traffic Signals
- Procurement and Maintenance of Tools of Trade

11. Social Services

11.1. Bloemfontein Zoo

The zoo is currently closed to the public and only 11 buffalo remain after all the other animals were removed in March 2020. No revenue has been collected for the Metro since the closing. Some zookeepers and cashiers have been transferred to other Directorates, especially Solid Waste, for efficient utilization.

There is no clear and final decision about the future and plan with the Zoo. No maintenance and upgrades were done since decision was taken to relocate the zoo in 2013. There is no capital funding projected for the 2022/23 financial year and insufficient funding projected in the Operational Budget for 2022/23 financial year (e.g., food for animals not enough for one month just for 11 buffalos) and challenges with payment of service providers providing food. The proposed solution was to transfer the existing zoo staff to the Natural Resource Management Unit and to Kwaggafontein Game Farm respectively.

Kwaggafontein proposal:

- Finalize exchange of plot at Kwaggafontein
- Develop the facility for Educational, Research, Recreational & Conservation purposes
- Research and Conservation through continued partnerships with Universities, DESTEA, National Museum, Botanical Garden and other tertiary institutions involved in the related field.
- The farm is already established with a game fence and free ranging wildlife in the long run there will be a saving on the budget as animal feeds will be necessary in small amounts as animals are free ranging, no garden service required, and future development can be done through public participation
- Less intensive animal management and care will be required as is the case with a Zoo and therefore, less chance for complaints from animal rights groups

It is important to note that the above, pertaining to Kwaggafontein, are low key budgetary issues not requiring a major outlay of capital. Apart from the relocation project, as discussed above, there are several major issues regarding Kwaggafontein which also need to be resolved. There are too many animals on the farm, which will lead to serious overgrazing, and loss of animals due to hunger if action is not taken immediately. A request to sell off the surplus animals was submitted in May 2022. Proposals for development of the Kwaggafontein Game Farm have also been submitted.

11.2. Status of Cemeteries

Due to a shortage of Clerks, the Cemeteries registers are not up to date and a lack of vehicles at all cemeteries is an impediment to service delivery. The Nalis View Cemetery is being developed in phases since 2018. There is currently no budget allocated in the 2022/23 financial year to continue with the project.

Area	Number of cemeteries	Operational	Full
Bloemfontein	10 + 1 crematorium outsourced	3	7
Botshabelo	3	1	1
Thabanchu	3	2	1
	45 rural cemeteries under the authority of tribal leaders		
Dewetsdorp	5	2	3
Wepener	7	5	2
Van Stadensrus	3	3	0
Soutpan	3	1	2

Kind regards



Tebogo Motlashuping
Acting City Manager
Date: 26 August 2022