

CONFIDENTIAL

**MINUTES
of a SPECIAL MEETING
(2023/2024 IDP/BUDGET
MEETING)**

**MANGAUNG
METROPOLITAN
MUNICIPAL COUNCIL**

**COUNCIL CHAMBER
FIRST FLOOR
BRAM FISCHER BUILDING
BLOEMFONTEIN**

**THURSDAY
JUNE 22, 2023
AT 10:00**

**MANGAUNG
METROPOLITAN
MUNICIPALITY**



**MINUTES OF A
SPECIAL MEETING
of the
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL
held IN THE COUNCIL CHAMBER, FIRST FLOOR, BRAM FISCHER BUILDING
BLOEMFONTEIN
on
THURSDAY, JUNE 22, 2023
at 10:00**

ATTENDANCE REGISTER

POLITICAL LEADERSHIP			
#	NAME	PARTY	LEAVE
1	<u>Speaker</u> Cllr Davies (Maryke)	DA	
2	<u>Acting Executive Mayor</u> Cllr Nthatisi (Gregory Mosala Solomon)	ANC	
3	<u>Acting Council Whip</u> Cllr Nikelo (Vumile Edwin)	ANC 28	
SECTION 79 CHAIRPERSONS			
4	<u>Remunerations</u> Cllr Nhlapo (Ntombi Anna)	ANC	
5	<u>Petitions and Community Liaison</u> Cllr Qai (Alfred)	AIC	
6	<u>Rules</u> Cllr Mokgothu (Tona Kenosi Wilfred)	ANC Ward 2	
INTERIM MEMBER OF MAYORAL COMMITTEE			
7	<u>Economic Development and Spatial Planning</u> Cllr Jonas (Vuyelwa Eunice)	ANC	
8	<u>Waste and Fleet Management</u> Cllr Letawana (Manthuse Maria)	ANC	
9	<u>IDP and Performance</u> Cllr Morake (Molefi Andries)	ANC	
10	<u>Infrastructure and Engineering</u> Cllr Soqaga (Vusumzi Simon)	ANC	
11	<u>Finance</u> Cllr Titi-Odili (Lulama Magdalena)	ANC	
12	<u>Human Settlements</u> Cllr Tladi (Motshewa Martha)	ANC	
13	<u>Public Safety</u> Cllr Tsoleli (Sibongile Pearm)	ANC	
14	<u>Rural Development</u> Cllr Twala (Pani Sidney)	ATM	
15	<u>Social Services</u> Cllr Mosala (Motlhokung Theodorah)	ANC	
16	<u>Corporate Services</u> Cllr Kruger (Caprice Logan)	ANC	

PR COUNCILLORS			
#	NAME	PARTY	LEAVE
17	Cllr Campher (Zandre MC)	DA	
18	Cllr De-Huis (Dikeledi Jane)	EFF	
19	Cllr De Kock (Valerie Belinda)	FFPlus	
20	Cllr Denner (John Henry)	FFPlus	Absent with apology
21	Cllr Dennis (Magdalena Elizabeth)	DA	
22	Cllr Ferreira (Thomas Ignatius)	DA	
23	Cllr Klaasen (Raynie Sarah)	DA	
24	Cllr Letsoko (Mantwa Sanah)	EFF	
25	Cllr Lipale (Gopolang Jeremiah)	EFF	
26	Cllr Makau (Pitso Elias)	EFF	Absent with apology
27	Cllr Malebo (Deliwe Lettia)	EFF	
28	Cllr Maliela (Motiki Edwin)	DA	
29	Cllr Mathae (Bongani Lawrence)	ANC	
30	Cllr Masoeu (Thapelo David)	DA	
31	Cllr Matsoetlane (Meditaba Joyce)	ANC	
32	Cllr Phupha (Ntsoaki Agnes)	EFF	
33	Cllr Mohlamme (Lebohang Lerato)	DA	
34	Cllr Mokoena (John Itumeleng)	AASD	
35	Cllr Mongale (Mojalefa William)	AASD	
36	Cllr Moreeng (Kabelo Christopher)	DA	Absent with apology
37	Cllr Mtshakazane (Eunice Xoliswa)	EFF	
38	Cllr Njiva-Lebajoa (Mamotse)	DA	Absent with apology
39	Cllr Phohleli (Tsholwane Eddy)	EFF	
40	Cllr Phupha (Ntsoaki Agnes)	PA	

41	Cllr Ramatlama (Mpho Joseph)	EFF	Absent with apology
42	Cllr Rampai (Pule Joseph)	ACDP	
43	Cllr Rasoeu (Lempe Ernest)	DA	
44	Cllr Sebolao (Jankie Elisha)	EFF	Absent with apology
45	Cllr Shale (Nkahiseng Reginah)	EFF	Absent with apology
46	Cllr Snyman van Deventer (Elizabeth)	FFPlus	
47	Cllr Terblanche (Arthur Phillip)	DA	
48	Cllr Thomas (Johannes Beleme)	EFF	Absent with apology
49	Cllr Thomas (Mare-Lize)	FFPlus	
50	Cllr Thwala (Zwelinjane Jonathan)	DA	Absent with apology
51	Cllr van der Ross (Kevin Etienne)	PA	Absent without apology
52	Cllr van Rensburg (Corize)	DA	
53	Cllr Viviers (Benhardus Jacobus)	DA	
54	Cllr Vorster (Braam)	FFPlus	
WARD COUNCILLORS			
55	Cllr Sefaki (Samuel)	ANC 1	
56	Cllr Machachamise (Tshepiso Oudious)	ANC 3	
57	Cllr Supi (Mahoko Harold)	ANC 4	
58	Cllr Lecoko (Lehlohonolo Nathaniel)	ANC 5	
59	Cllr Moiloa (Tshidiso Petrus)	ANC 6	
60	Cllr Nyaphudi (Likeleli Julia)	ANC 8	
61	Cllr Tlhakung (Betty Masetlhabi)	ANC 9	
62	Cllr Setlai (Teboho Lesley)	ANC 10	
63	Cllr Hashatsi (Rafedile)	ANC 12	
64	Cllr Siteo (Nombulelo Dorcas)	ANC 13	
65	Cllr Lekgetho (Lebogang Winston)	ANC 14	

66	Cllr Mohibidu (Pulane Martha)	ANC 15	
67	Cllr Mohatle (Mampone Sally)	ANC 17	
68	Cllr McKay (David Mark Campbell)	DA 18	Absent with apology
69	Cllr Peter (Seth Qondile)	ANC 19	
70	Cllr Pretorius (Werner)	DA 20	
71	Cllr Lotriet (Pieter Adam)	DA 21	
72	Cllr Leech (Dulandi)	DA 22	
73	Cllr van der Walt (Tjaart Botha)	DA 23	
74	Cllr Kotze (Gerhardus Dirk Petrus)	DA 24	
75	Cllr Botes (Francois Rossouw)	DA 25	Absent with apology
76	Cllr van Niekerk (Hendrik Johannes Christiaan)	DA 26	
77	Cllr Banyane (Zachous Nechodemus)	ANC 27	Absent with apology
78	Cllr Tukula (Teboho Daniel)	ANC 30	
79	Cllr Mabena (Mere Joel)	ANC 31	
80	Cllr Menyatso (Thabang Victory)	ANC 32	
81	Cllr Mohono (Tshidiso Augustine)	ANC 33	
82	Cllr Tshwane (Kabi Daniel)	ANC 34	
83	Cllr Fantisi (Teboho Samuel)	ANC 35	
84	Cllr Makoloane (Itumeleng Justice)	ANC 36	
85	Cllr Ramolelle (Mmota Simon)	ANC 37	
86	Cllr Matsoso (Molahloane Florenciah)	ANC 38	
87	Cllr Mogotloane (Thabo Joel)	ANC 39	
88	Cllr Pholoholo (Ntebaleng Petunia)	ANC 40	

89	Dintlhwane (Mantja Agnes)	ANC 41	
90	Cllr Mothupi (Maqoma Lazarus)	ANC 42	
91	Cllr Nkiane (Mpho Elizabeth)	ANC 43	
92	Cllr Pretorius (Selmé)	DA 44	
93	Cllr Mathe (Lisiwe Jeanette)	ANC 45	
94	Cllr Majoro (Mpho Samuel)	ANC 46	
95	Cllr Kganakga (Mokgadi)	DA 47	
96	Cllr Pretorius (Johannes Christiaan)	DA 48	Absent with apology
97	Cllr Mohulatsi (Mamoorosi Margaret)	ANC 51	
98			
99			
100			
101			

PRESENT

GUEST

1. Mr K Mpobole Shadow Executive Mayor
2. Ms K Ruplal Chief Director: MFRS
3. Mr S Mabaso
4. Ms N Nzama
5. Mr R Makopo
6. Mr K Tumagole
7. Ms S Molefe
8. Mr L Zincume
9. Mr BNB Hadebe (Bo)
10. Ms A Radhakrishna
11. Ms P Raphesu
12. Mr C Swiegers

NATIONAL INTERVENTION TEAM

- | | |
|--------------------------------|--------------|
| 1. NCR | Ms G Malaza |
| 2. Governance Expert | Ms T Cibane |
| 3. Service Delivery Specialist | Mr E Ngomane |

OFFICIALS

- | | |
|-------------------------------------|--------------------------|
| 1. Acting City Manager | Ms NR Dumalisile |
| 2. Acting Chief Financial Officer | Mr L Denge |
| 3. Acting HoD: Engineering Services | Mr W M ^c leod |
| 4. Acting HoD: Planning | Ms N Mabunda |

5. **Acting HoD: Human Settlement**
6. **Acting HoD: Waste Management**
7. **Chief Executive Officer: Centlec**
8. **GM: Audit**
9. **Acting GM: Committee Services**
10. **Secretariat officer**
11. **Secretariat Officer**

Ms NR Dumalisile
Mr F Nel
Mr M Sekoboto
Mr GA Ntsala
Ms X Qilo
Ms R Mamatela
Ms KD Mokoena

Note by Secretariat

1. **Attendance Register:** Every member attending a meeting shall sign his/her name in the attendance register kept for this purpose before the commencement of the meeting.
2. **Leave Register:** In order to streamline administrative processes Councillors are friendly requested to submit applications for leave of absence in the appropriate register kept for this purpose. Members are requested to fill in this register 12 hours before the commencement of the meeting (Rule 22.2).
3. **Name-plates:** Councillors are friendly requested to please take along their name-plates and to display it throughout the meeting.
4. **Apologies during the course of the Council meeting:** Councillors are friendly requested to complete in full and submit the relevant apology form for this purpose (Yellow Form).
5. **Code of Conduct:** Councillors are reminded of item 3, Schedule 1 of the Code of Conduct for Councillors which reads as follows, namely:

Attendance at Meetings: A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when:

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council or
- (b) that councillor is required in terms of this Code to withdraw from the meeting.

6. **Meeting rules:**
 - i. All Councillors must arrive at **least 15 minutes before the commencement** of the Council and all other Committee meetings;
 - ii. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited**; (Rule 50.2a)
 - iii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion**; (Rule 31)
 - iv. Unless expressly otherwise determined, a Councillor **may speak only once on a matter**; (Rule 32)
 - v. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)
 - vi. Council members are reminded to uphold high level of good conduct during Council proceedings (No disruptions, no interruptions, no howling, no swearing to other Council members, less movement in the Chamber, no abuse of the PA system).

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**MINUTES
(OPEN COUNCIL)**

97.

OPENING

(MOMENT OF SILENT CONTEMPLATION FOR MEDITATION AND PRAYERS)

The meeting commenced at exactly 10:00.

The Speaker officially opened the Council meeting and requested all to observe a moment of silence for mediation and prayers.

NOTED.

98.

NOTICE OF THE MEETING

The Speaker read the notice as on page 2 of the agenda.

NOTED.

99.

APPLICATIONS FOR LEAVE OF ABSENCE

All relevant leave of absence and apologies were recorded and minuted as such in the attendance list on the first pages of the minutes.

NOTED.

100.

ACCEPTANCE OF THE AGENDA

Councillor TD Masoeu moved for the acceptance of the agenda and was seconded by Councillor ME Dennis.

NOTED.

**101.
ANNOUNCEMENTS**

The Speaker made the following announcements:

- That the Acting City Manager would be late to the meeting as she was attending issues that arose at the landfill site.
- She then welcomed guests from National Treasury, representatives from DC Consulting and representatives from Keyle Management and Consulting.
- She extended a warm welcome to the special guest of Council, the Shadow Executive Mayor, Mr Katlego Mphobele.
- That Councillors have been provided with draft determination of upper limits, for inputs and comments.

The Speaker then allowed Chairperson of Section 79 Committee: Remunerations, Councillor NA Nhlapo to make announcements with regards to the draft determination of upper limits. It was submitted mainly for inputs and the deadline was that same day at midnight.

NOTED.

The Executive Mayor presented the items as follows, namely:

“Thank you, Madam Speaker
 Free State Premier, Honourable Mxolisi Dukwana in his absentia
 Acting Chief Whip, Councillor VE Nikelo
 Chairpersons of Section 79 Committees
 Fellow Councillors
 Traditional leaders
 Acting Municipal Manager, Ms. Ngaka Dumalisile who is not here but soon to join us
 Members of the National Administration Team
 Municipal Officials
 Members of Ward Committees
 Media

Ladies and gentlemen.

Madam Speaker, when we withdrew the tabling of the budget on the 15th of June 2023, there were critical concerns that needed to be given immediate attention. We are therefore truly indebted to the members of this Council who spoke in one voice for the peoples’ budget. I therefore commend the efforts that were put into the multi-party caucus, which were aimed at bringing all parties into understanding and sharing information on the burning issues pertaining to the budget.

I believe we are now able to move forward having engaged one another quite openly, but also having laid a solid foundation for these multi-party engagements to be regularized, so as to ensure proper implementation and monitoring of our budget on a continuous basis. By working together in this manner, the people of Mangaung stand to be better served by this Council and its administration.

In the recent past our Council was embroiled in a power scramble, factional battles and political divide within and along party lines. This tension that existed could hardly allow an atmosphere of democratic engagement aimed at developing the best modalities and solutions that could best serve the people of our Metro, Mangaung.

Madam Speaker, I hope my observation is correct that there are signs of unity in action and general tolerance amongst Councillors and political parties. These signs of unity in action remain a beacon of hope for our people on the ground, who become victims if we do not put our house in order.

The united front, Madam Speaker that alluded to, has seen an insurmountable amount of dedication and resoluteness by Councillors performing their duties with dedication, devotion and discipline. Their contribution can be seen by the reports emanating from various Council committees who gave shape and content to the IDP and this budget that we are dealing here today.

7(A)

Fellow Councillors, I therefore dedicate this budget to your effort for putting the people of Mangaung first. Without your cooperation, we would have not met today's ultimatum which stems from our initial request for the extension in terms of the Schedule G of the budget and Reporting Regulations (MBRR).

As we engaged members of the community during the cleaning campaigns conducted thus far, they began to ask pertinent governance questions. Some confronted me personally and asked: Are you going to bring back our Zoo?

How long shall we be under Section 139?

What about employment of the local community by the Municipality?

What consequence management measures are going to be instituted against those who fail the City?

What are you doing about developing the township economy and creating opportunities for the youth of Mangaung?

How are you actively intending to fix the potholes, sewer spillages and waste collection?

Are we ever going to see our beloved Siwelele back in our City and in the Premier Soccer League?

These cleaning campaigns saw our people coming in numbers to help, and our business people contributing their resources and time. These efforts were reinforcing our limited capacity, which remains a challenge that we are hard at work to realize forces of production equalling the demands of a Metro.

Throughout these engagements, one developed a sense of the appreciation of our people about these consultations, even raising a further expectation that they will be sustained well into the foreseeable future.

Troubled by these questions and further realizing that we are also beginning our tenure on the slate of a **'qualified audit opinion with matters of emphasis on the financial affairs'** including a **'disclaimer on the performance information'**, as per the findings of the Auditor General. I realized that together with the people of Mangaung, we can play a significant part in resolving our challenges.

In our outreach programme, we visited a number of churches where the idea of bringing all religious denominations together under one roof, with the intention of praying for Mangaung during month of August. The office of the Acting Executive Mayor is working tirelessly to ensure that a committee to realize this objective is realized.

Yet again, the Cheetahs made us proud by defeating the Bulls in last weekend's Currie Cup semi-finals. We therefore look forward as a City to host the finals of the 2023 finals. We wish our beloved Cheetahs well in their quest.

Madam Speaker, we have recently removed the moratorium on filling of posts, and we will be working hard to ensure advertisement of but not limited to all senior positions and other critical posts in the City. We also hope that the filling of the senior management positions will fast-track the cascading of performance management system to the lower echelons of the institution.

7(B)

In addition to this, we will also continue to seek smart solutions by exploring new technological advancements and automation to enhance our internal controls, approvals and financial management systems.

In terms of the Indigent Policy, the Municipality is currently extending free basic services including; 6 kilolitres of water to indigent households – which is funded from the equitable share. Currently our indigent register of households that have been verified, stands at eighteen thousand six hundred and six 18 606 beneficiaries. In addition, pensioners will also be carried over into the new indigent register.

While we are expecting a further 10 000 applications to be approved, we still encourage fellow Councillors to ensure that qualifying beneficiaries apply and get registered. The continuous updating of the register will help the City to migrate those beneficiaries that no longer qualify in terms of the Indigent Policy.

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK: Notwithstanding all the current setbacks, this budget seeks to strike a balance between the needs of the people as espoused in IDP including our institutional capacity to respond accordingly.

Having followed the budget principles underpinning local government finances in accordance with the MFMA, we have prepared the Budget for the next MTREF period 2023/24–2024/25- 2025/26. Therefore, Madam Speaker, our total revenue budget for the MTREF budget is projected at **R9,31 billion** in 2023/24 excluding capital grants (**R8,53 billion** in 2022/23), representing an increase in revenue of **R783,56 million** (9,19%) on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R9,92 billion** and **R10,61 billion** respectively.

The operating budget expenditure increased from the adjustment budget amount of **R7,97 billion** in 2022/23 to a new budget amount of **R8,63 billion** in 2023/24 representing an increase of **R651,95 million (8.18%)**. The projection for the outer two years of the MTREF period is **R9,17 billion** and **R9,68 billion** respectively.

Fellow citizens, it is equally noteworthy that our capital budget for the 2023/24 financial year is set at **R1,15 billion** which is a decrease of **R86,70 million (6.99%)** as compared to the 2022/23 Adjustment Budget of **R1,24 billion**. The capital budget for the two outer years of the MTREF period has been set at **R1,20 billion** and **R1,29 billion** respectively.

TARIFFS: Madam Speaker, it is incumbent upon us and on behalf of this Council to clarify the issue of electricity tariffs increase for the financial year 2023/2024. When we tabled the Budget for noting purposes on 2nd of May 2023, the service tariffs were prepared in accordance with the National Treasury guidelines since NERSA guidelines were not yet issued at that time. Now, the current budget is in line with **NERSA's 15.10%** increase for municipalities.

Fellow citizens, the challenges facing ESKOM are borne by all of us. In accordance with the **electricity tariff** that is set to increase by **15.1%**, the electricity revenue is projected at **R3,58 billion in 2023/24 (R3,32 billion in the 2022/23)** adjustment budget representing an increase of **R265,28 million (7.99%)** on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R3,74 billion** and **R3,92 billion** respectively.

7(C)

It should be noted that electricity tariff increases are approved by the energy regulator, National Electricity Regulator of South Africa (NERSA). This increase is therefore in line with their recommended increase. It should further be noted that Eskom was granted an increase of **18.65%** which left the municipality with no other choice but to increase tariffs by the recommended **15.10%**.

Furthermore, for the financial year 2023/24, the property rates tariffs will increase by an average of **5.30% and by 5.40% and 5.70%** on average for the respective outer years. Property rates revenue is projected at **R1,54 billion in 2023/24 (R1,46 billion in the 2022/23 adjustment budget)** representing an increase of **R83,45 million (5.72%)** on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R1,68 billion and R1,81 billion** respectively. Prior to the average increase, we took into consideration few critical factors including: the average increase of the rates tariff by **5.30%**; Implementation of Zero-based budgeting in line with MSCOA principles and growth of the City.

For the 2022/23 financial year, as the City we absorbed a significant portion of property rates increases, especially for businesses in order to attract new investments and enhance economic development opportunities.

This was premised on the difficult times that the Country, provinces and municipalities were facing as a result of slow economic growth and increasing unemployment rates. We further included rebates for property development to encourage inward investment.

For our communities, the general rebate was increased from R80 000 to R100 000, and for pensioners it was increased from R250 000 to R300 000. We therefore wish to encourage anyone who is dissatisfied with the valuation outcomes, to exercise the right to appeal to an independent Valuation Appeals Board.

Madam Speaker, we wish to assure the people of Mangaung that all tariff increases have been adjusted in line with the current inflation rate as guided by National Treasury MFMA Circular 123, which is aimed at reducing the burden on communities.

The average water tariffs will increase by **9.00%**. This is in the main informed by the increase in costs from Bloemwater. In the current financial year, **water services revenue** is set to increase by **15.20%** while considerations of zero-based budgeting and growth of the city was considered. The tariff in monetary terms is projected at **R1,31 billion in 2023/24 (R1,14 billion in the prior year)** representing an increase of **R172,63 million (15.20%)** on the **2022/23** adjustment budget. The projection for the outer two years of the Medium-Term Revenue and Expenditure Framework (MTREF) period is **R1,37 billion and R1,45 billion** respectively.

The sewerage tariffs are determined to be increased by **5.30%** for residential customers and **5.90%** for non-residential customers on average in the **2023/24** financial year and by **5.40%** (Residential) and **6.20%** (Non-Residential) and **5.70%** (Residential) and **6.30%** (Non-Residential) for the two respective outer years. The **sanitation revenue** is projected at **R520,60 million in 2023/24 (R507,20 million in the 2022/23 adjustment budget)** representing an increase of **R13,40 million (2.64%)** on the 2022/23 adjustment budget.

7(D)

The projection for the outer two years of the MTREF period is **R583,19 million and R642,41 million** respectively.

The refuse tariffs are determined to be increased by **8.00%** on average in the 2023/24 financial year and by average **8.20%** and **4.70%** for the two respective outer years. The **refuse revenue** is projected at **R184,26 million in 2023/24 (R177,67 million in the 2022/23 adjustment budget)** representing an increase of **R6,59 million (3.71%)** on the **2022/23** adjustment budget. The projection for the outer two years of the MTREF period is **R204,60 million and R215,44 million** respectively.

This Budget further addresses critical governance issues identified by the Council as key priorities. These include employees related costs. It has now become a norm to expect sporadic labour unrests ensuing on-and-after municipal payday.

The salaries and wages budget are also increasing by **9.13% (R204,73 million)** based on the 2022/23 adjustment budget amount of **R2,24 billion** to a new amount of **R2,45 billion** in the current financial year. The high increase is due to the reduction of the vacancies in the adjustment budget that did not materialise. If that impact is considered the increase would only be **4,90%**.

New appointments are considered in accordance with the new macro-organisational structure approved by the Council in November 2022. The new macro-organisational structure was designed in accordance with the provisions of Municipal Staffing Regulations.

Madam Speaker, allow me to now focus on **other key priorities of the Council**. There will be a significant decrease of high overtime and expenditure on acting positions as the Council envisages filling critical vacancies estimated at **R134,8 million**. We have also made our intentions quite clear during our focused engagement with organized labour and the officials on the same issue of overtime. The value for tax payers money must be ascertained in whatever we do.

Regarding the Expanded Public Works Program (EPWP) and Presidential Employment Program (PEP) an allocation of **R32 million** has been made. This allocation represents an increase of **39%** compared to the Draft Budget (**R23 million**). The increase is mainly because of additional PPE and tools for 2000 contract employment opportunities for greening and cleaning projects in partnership with the Department of Forestry, Fisheries and Environmental Affairs.

The allocation must also be understood in terms of the Presidential Employment Stimulus package that was initiated in response to the devastating economic impact of COVID-19. Though the beneficiaries operate within the jurisdiction of a municipality, they are not necessarily the employees of the municipality per se. This emphasis is as the result of the city having experienced protests relating to these contracts.

The City has therefore made a special allocation of **R17,7 million** for sustainable refuse removal solutions. Added to this allocation, **R3,5 million** will be spent for the maintenance of parks, city-entrances, and felling of trees.

7(E)

We will reinforce setting aside one percent of every tender above R10 million required for training and learnerships in line with our Supply Chain Management policy. The City is in the process of crafting a construction contract with a particular bias to companies with a Construction Industry Development Board Grading of Level 3 and above.

Addressing potholes, re-gravelling of streets and cleaning of stormwater channels, the City will be spending **R30,5 million**. Added to this, for the upgrading of roads including reconstruction an amount **R80 million** has been allocated.

For the upgrading, maintenance and management of Integrated Public Transport Network Infrastructure we will be spending **R310 million**.

Madam Speaker, unblocking and maintenance of sewer reticulation infrastructure including emptying of pit latrines **R50,9 million** has been allocated. Added to this **R68.8 million** has been allocated for sewer infrastructure.

To address the crisis of water losses and leakages, an amount of **R60,3 million** and **R140,1 million** for upgrading of water infrastructure have been made respectively.

Still on water services, an allocation of **R22, 2 million** has been made for the prepaid and bulk water meters.

For maintenance and management of electricity infrastructure, we have budgeted **R110,8 million and R207, 9 million**.

Our allocation towards effective fleet management solutions is **R37,2 million** and **R14, 4 million** for maintenance of vehicles.

The application for reallocation of unspent USDG funds was granted on the 28th of March 2023. We will therefore purchase new fleet to support waste management programmes specifically related to Landfill site management as well as waste collection.

Other strategies to normalise waste management involves:

- Utilisation of service providers.
- Improve oversight through proper vehicle management .
- Consider leasing of fleet on a need-to-do- basis.
- Increase accountability and consequence management.
- Increased awareness on waste reduction by households.
- Encourage recycling by public and private sector.

R3,11 billion has been allocated for ESKOM and Bloemwater bulk water accounts.

For servicing of loans **R161,8 million** has been set aside.

7(F)

Fellow Councillors, many concerns have been raised on our ability to recover our outstanding debt involving government accounts, businesses and residential consumers. We share those concerns and have therefore started disconnecting services for affected debtors and we will not consider reconnecting before payment and formal payment arrangements are made.

Different Departments were calling and for the first time we were able to ignore their calls. Department of Public Works paid **R50 million** and will engage them with pattern of payment arrangement and we are waiting for cry for business.

The disconnections will be intensified in the weeks to follow in pursuit of strict implementation of debt collection and credit control. In this regard an action plan which will consider amongst others, combined electricity and water billing (consolidated accounts) will be developed soon and accordingly.

We are faced with challenge, and our best bait is electricity, when close water, face litigations and court challenges, water regarded as human right to society, look at best modality to ensure billing is one. Had to look quite closely at how to bring services under one roof, when issue out our demand and we are able to play around electricity.

The challenge that we are facing are that people want to pay electricity but want to buy time on paying water, and when we need the money they will say that they going to take Mangaung to court, because they did pay electricity and they do not have money to pay for water, and also water usage are their right. Therefore the two have been combined.

In acknowledging the burden on consumers with long outstanding debts, we are also working on a Debt Incentive Scheme to allow community members to receive a discount on settlement of their outstanding accounts.

For the Vista Park Development the City will be spending **R59,1 million**. Vista Park 3 shows progress and Vista Park 2 requires intervention.

An amount of **R53,1 million** has been budgeted for repairs and maintenance of facilities including the Fresh Produce Market.

For the upgrading of informal settlements **R280,4 million** has been allocated.

Madam Speaker, a total of **23 informal settlements** are targeted for upgrading of basic services over the MTREF period targeting a total of **19,892 households**. **Nine (9) informal settlements** will be fully upgraded with **3191 households** connected with water and sanitation and further **1005 households** to sewer as they already have access to individual water connections in the first year of the MTREF (2023/24).

In the second year of the MTREF, our target is to provide water and sanitation to **1 827 households** and further **657 households** with sanitation. In the last year of the MTREF of the **3 146 water and sanitation** and **1 994 for water**.

7(G)

We are also at the advanced negotiation stage for the acquisition of land for the relocation of about **2 550 households** who are currently residing in inhabitable areas including Grassland 4, Monna ha a latwe, Mountain View, engagement with the Queen, Department Public Works and Housing, need to take all bodies into consideration, 2000 plus stands to accommodate the people of Thaba Nchu, Caleb Motshabi, Matlharentlheng, Dinaweng, Pieter Swart, and Gatvol informal settlements, to mention but a few.

For Economic and Rural Development initiatives, the City will be spending **R29,8 million**. The Council will soon embark on robust engagement on the economic development tragedy of the City. As the Council deliberates on the ideal growth path, the City will amongst other things, embark on a strategic workshop involving Municipal institutions and personnel. We will also host an economic and investment summit which will involve all relevant stakeholders. The outcomes of these two events should set us on course to development of a long term growth and development strategy.

Madam Speaker, on the **Operating Expenditure**, the operating budget expenditure increased from the adjustment budget amount of **R7,97 billion in 2022/23** to a new budget amount of **R8,63 billion in 2023/24** respectively an increase of **R651,95 million (8.18%)**. The projection for the outer two years of the MTREF period is **R9,17 billion** and **R9,68 billion** respectively.

The budget amount for debt impairment increased by **R257,54 million (22,89%)** from the **2022/23** adjustment budget allocation of **R1,13 billion** to a new amount of **R1,38 billion**. The indicative for the two outer years of the MTREF period is **R1,47 billion** and **R1,56 billion** respectively. Included under debt impairment is a provision for the expected consolidated collection rate of **82%**, under contention, need to work on collection rate.

Fellow Councillors, the budgeted depreciation amount is **R382,45 million for 2023/24** (adjustment budget **2022/23 R347,00 million**). The provision is showing an increase of **R35,45 million (10,22%)** for the **2023/24** budget year.

Bulk Purchases, on the allocations for bulk purchases – electricity increased by **4.7%** amounting to **R78,76 million** against the 2022/23 adjustment budget amount of **R2,1 billion**, to the proposed new amount of **R2,2 billion** for the **2023/24** budget year. The allocation for the two outer years of the MTREF period is **R2,3 billion** and **R2,41 billion** respectively.

Bulk water purchases (inventory consumed considered together with other losses) increased by **2.26%**, amounting to **R20,1 million** against the **2022/23** adjustment budget amount of **R890,00 million**, to the proposed amount of **R910,1 million** for the **2023/24** budget year. The allocation for the two outer years of the MTREF period is **R997,41 million** and **R1,09 billion** respectively.

Bulk purchases take up approximately **36.05%** of the operating budget for **2023/24**.

Inventory consumed (Consumables, Materials and Supplies, etc.) budget decreased by **5,35% (R5,91 million)** against the **2022/23** adjustment budget amount of **R110,58 million**, to the proposed amount of **R104,67 million** for the **2023/24** budget year. The allocation for the two outer years of the MTREF period is **R99,72 million** and **R104,11 million** respectively.

7(H)

Contracted Services. Fellow Councillors, contracted services budget increased by **R27,4 million (4.22%)** from the approved adjustment budget allocation of **R649,57 million in 2022/23** to a new allocation of **R676,97 million**. The allocation for the two outer years of the MTREF period is **R765,51 million and R788,00 million** respectively.

Included in the cost of contracted services, are the cost of identified repairs and maintenance linked to each element of the expense category. The cost of repairs and maintenance is projected at **R556,59 million** for **2023/24** budget year and for the two outer years of the MTREF period, the costs are projected at **R626,59 million and R656,03 million** respectively.

Transfers and Grants. Madam Speaker, transfers and subsidies budget, increased from the appropriated adjustment budget of **R409,173 million in 2022/23** to an amount of **R1,84 million** in **2023/24**. The allocation for the two outer years of the MTREF period is **R1,96 million and R2,08 million** respectively.

Capital budget. Fellow Councillors, the capital budget for the **2023/24** financial year is set at **R1,15 billion** (a decrease of **R86,7 million(6.99%)**) as compared to the **2022/23** adjustment budget of **R1,24 billion**). The capital budget for the two outer years of the MTREF period has been set at **R1,2 billion and R1,29 billion** respectively.

The budget will be funded out of Government Grants and subsidies and internally generated funds (own funding) as funding sources. Government grants contribution to the Metro's capital budget will be reduced by **R79,81 million (7.74%) to R951,37 million** in **2023/24**, from adjustment budget amount of **R1,03 billion** in the **2022/23** budget year. The projection for the two outer years of the MTREF period is **R986,52 million and R1,07 billion** respectively.

The grants and subsidies contribute up to **81.17%** of total capital funding over the MTREF period. The major grants being the **Urban Settlement Development Grant (USDG)**, **Informal Settlements Upgrading Partnership Grant (ISUPG)** and **Public Transport Network Grant (PTNG)**.

For the **USDG**, the City has been allocated **R498,43 million** in the **2023/24** financial year, and **R530,23 million and R554 million** in the two outer years. The **USDG** is provided directly to accredited or high-capacity Metros and municipalities by means of a **Division of Revenue Act (DORA)** transfer for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities.

This grant enables us to create sustainable and integrated human settlements that lead towards improved quality of life for the people of Mangaung.

Madam Speaker, regarding the **Informal Settlement Upgrading Partnership Grant (ISUPG)**, an allocation of **R280,43 million** in the **2023/24** financial year has been made available, intended to serve as a planning and preparation platform towards the **Informal Settlement Upgrading Partnership grant (ISUPG)**. Amounts of **R289,8million** and **R302,78 million** have been allocated in the respective outer years.

7(I)

Amongst other critical grants through which we were funded, is the **Public Transport Network Grant (PTNG)**. The City has been allocated **R158,2 million** in the **2023/24** financial year, and **R151,53 million** and **R166,89 million** in the two outer years.

Included in the capital budget are projects to the extent of **R217,42 million** for the **2023/24** year funded through own funds. The allocation of the two MTREF period outer years is **R227,95 million** and **R238,62 million** respectively.

Madam Speaker, as part of our engagement with community and stakeholders after the tabling of the draft budget, we received submissions and inputs from communities, NGO's, Educational Institutions and National Treasury, and these inputs were incorporated accordingly in the final draft.

Let me emphasize this Madam Speaker, this MTREF budget was thoroughly scrutinized by National Treasury and the feedback we received is that today we are tabling a credible, relevant and sustainable budget.

Accordingly, Madam Speaker, this budget is therefore confirmed to be funded.

For we can no longer tolerate making operational spending commitments that are not linked to our own revenue sources for their funding. Hence, we conducted few sessions with the officials to get their sleeves rolled up – encouraging them to leave politics to politicians and focus on their respective professions in serving the people of Mangaung with diligence.

We must be honest, that we have allowed financial crisis and governance failures to entangle around us. Together we must devise strategies to free ourselves. We will never rest until we escape this serious fiscal risk we face.

It should be noted that owing to our difficult past, both the Ministries of Finance and Cooperative Governance and Traditional Affairs (COGTA) sent a team of experts to assist the Municipality in the administration and financial recovery plan. We did and still wish to extend our sincere gratitude and thanks to the work of these teams, and hope that at the time of their departure our institution would have grown from strength to strength.

We have also set up the War Room to ensure that service delivery is conducted in an integrated manner, and in the spirit of transversal management as the National Treasury encourages. Other mitigating strategies to enhance institutional performance include:

- Supply Chain Management Committees to prioritise grant-funded projects;
- Establishment of the Project Management Unit;
- Prioritisation of the resolution of the contract management issues;
- Ensuring that contractors are paid on time; balance book and ensure outstanding fees from 2019, 2020, 2021 and 2022, as results of difficult past, people were not paid and others were send to Risk Team, seek modalities and how to resolve these problems.
- Fast-tracking appointment of contractors and consultants involving emergency procurement where necessary;

7(J)

- Adoption of panels to minimise risk of non-expenditure where there are instances of poor performance; and
- Reviewing the supply chain management policy to unblock the identified blockages which will speed-up procurement to improve the municipal performance and encourage participation of the local SMMEs.

All these efforts are meant to restore normalcy and good governance in Mangaung.

Madam Speaker, with all engagement and troubling the Speaker, it is a great honour and privilege to table the **2023/24–2024/25 Medium-Term Expenditure Framework (MTREF) Budget, Budget Related Policies, Tariffs and the IDP** for consideration as the house. I thank you, Madam Speaker.”

The Speaker then allowed Councillors to draw and discuss the item.

Councillor B Vorster delivered his speech as follows, namely: “Honourable Speaker. All protocols observed. It is with great concern to the Freedom Front Plus (FFPlus) that the internal fighting within the ANC government in Mangaung the past year, yet again resulted in a poorly drafted, unrealistic and unfunded budget for the 2023/2024 financial year.

The budget making process was clearly not a priority for the ANC government. But same can be expected when the Metro failed to appoint permanent HODs. We had two Acting Chief Financial Officers and Two Acting Municipal Managers in the past financial year with no permanent appointments in sight.

The Metro was without an Executive Mayor and MMC`S for months and the National Cabinet Representative still did not provide the Metro with a Financial Recovery Plan.

Non-Compliance: The Metro did not comply with Chapter 4 of the Municipal Systems Act and Section 23 of the Municipal Finance Management Act with regards to public participation and the community inputs were not tabled before Council for consideration.

The budget further does not comply with Section 17 of Municipal Finance Act read together with Section 1 and 76 of the Municipal Systems Act, seeing that the Services Level agreement with Bloemwater does not form part the budget before Council.

Operating Revenue: It is highly unlikely that the project operating revenue of R9,31 billion will be reached. This revenue projection is based on an unrealistic collection rate of 82%.

Also keep in mind that, when tariffs are increased, some taxpayers will not be able to afford to pay their accounts and others will only be able to afford to pay part of their accounts, resulting in a further decrease in the operating revenue.

The pre-audit outcome for the total operating revenue for the current financial year is 10.95% less than the original projection of this year.

7(K)

If the same trend continues in the next financial year the projected operating revenue should only be around about 8,29 billion rand, just over 1 billion rand less than the projection. This will ultimately rest in a deficit of R334 million and not a surplus of R685 million as projected.

The water revenue is projected at R1.84 billion and the expenditure for water is projected at R2,11 billion. This means that the Metro will make no profit on water revenue but will suffer a loss off R270 million.

To put it in perspective:

The projective revenue for refuse amounts to R184 million, which is not even enough to cover these loses. How can a budget be funded if some revenue votes cannot even cover its own expenses?

The budget clearly indicates that the high levels of water and electricity losses due to ageing infrastructure, illegal connections and tampering with meters is one of the main service delivery pressures. It seems that the administration is very reluctant to resolve these services delivery problems.

The Freedom Front Plus alone received over 40 complaints from taxpaying citizen, which are still unresolved, that faulty water meters were removed and still not been replaced by new meters, resulting in these households not being billed for water consumption at this moment.

Maybe the Department of Public Safety and Security, that will cost the Metro an estimated R332 million in the next financial year, can assist to combat this illegal connection and tampering with meters and in the same time the projected revenue for fines and penalties of R30 million can be increased.

The debtors balance as on 28 February 2023 amounts to R9,5 billion and the growing government debt is of great concern.

Honourable Executive Mayor, funds should have been allocated in this budget for the free installation of pre-paid water meters to secure our water revenue.

Operating Expenses

The total projected operation expenditure amounts to R8,62 billion. However, overtime is yet again sugar coated by indicating that same was reduced to an affordable level of R79,45 million.

But this is the reality Honourable Executive Mayor, the same was indicated in the current budget. R80 million was approved for overtime in this financial year.

The amount was increased to R92 million in the adjustment budget. By the end of the third quarter of this financial year R140 million was paid on over time. Resulting in over R70 million was paid on over time, resulting in R70 million unauthorized expenditure.

7(L)

The pre audited outcome on overtime in this financial year amounts to R216 million for the Metro and Centlec.

There is no overtime policy in place and the Freedom Front Plus strongly believes that this spending on overtime will be repeated in the new financial year. Therefore an additional R137 million can be added to the projected total operating expenditure for the next financial year with regards to overtime alone. That will increase the total projected operating expenditure to R8,76 billion rand, increasing the deficit further to R470 million.

The question now is, Honourable Executive Mayor, where will the R217 million come from to be transferred to the capital budget for projects to be funded through our own funds?

The Freedom Front Plus is concerned that if council adopts this unfunded budget, adjustment budgets will be necessary later in the financial year whereby funds will be shifted between votes. This will result that funds yet again be moved from crucial service delivery votes to cover unauthorized, irregular, fruitless and wasteful expenditures.

Honourable Acting Executive Mayor, through you Speaker the one main purpose of a budget is to provide a method of controlling expenditure so that the Metro may live within its means. It is also clear from the community inputs in the IDP, that the main focus should be on basic services and costs should be cut on projects, that is at this stage, unnecessary and does not assist in providing basic services.

It is also clear from the community inputs in the IDP, that the main focus should be on basic services and costs should be cut on projects, that is at this stage, unnecessary and does not assist in providing basic services.

Employee related costs amount to almost R2,5 billion, 28,38% of the total operating expenditure; R122 million are allocated to performance bonuses. Senior managers salaries are between R1,8 million and R2,2 million a year which includes performance bonuses between R93 000 and R180 000. R2 million is allocated to fencing of Bram Fischer and City hall. R2.4 million is allocated to beautify the City entrances.

A further R9 million is allocated to update and finalize the indigent register, after we already paid millions to a private company the last two years to do so.

Unsustainable tariff charges by Bloemwater.

Uncontrolled overtime expenditure.

Contractors and service providers that do not provide value for money in services rendered and goods delivered.

Honourable Acting Executive Mayor, the time for luxuries and handouts to ANC cadres are over. The funds have dried up and please take the comments of your fellow Councillors to heart, we are all citizen of this Metro.

7(M)

The Freedom Front Plus however do agree with the following remarks in the budget:

The Metro does not have a long-term financial strategy and there is a need to review the master plan which will inform the long-term Capital Investment Plan. However, this will not be achieved under the leadership of ANC government. The Freedom Front Plus cannot and will not vote for the approval of the IDP and Budget as tabled before Council.”

Councillor D Leech delivered her speech as follows, namely:

“Through you Madam Speaker, Acting Executive Mayor, I am going to be very frank with you today, the little political stunt you pull last week, and yes it is a political stunt because you did the calculations and you didn't have the numbers.

It was not to create an environment where different political parties work together where they can give their inputs. I will not say the word that is in my head to describe what it is then I will be throwing out of Council, but it is cheap politics.

And it is nothing more and nothing less than cheap politics. So if this budget does indeed get passed today it would mean, and I hope that the people intend to vote for it today. It will mean that there has been deals made behind the scenes in order for you to now vote for this budget, to do not have this Municipality dissolved. So if you do vote for this budget today, it would be for your own gain, so that you don't lose your job or income.

Madam Speaker, we would furthermore ask that it be put on record, that in terms of this budget, it is exactly the same budget that was tabled before us last week, no changes has been made. So we would like to propose the following again:

- (i) Collect outstanding debt currently amounting to over R9.5 billion (I just want to put this in terms for you that, R9.5 billion does not sound that much, if is R9.5 million that is what R9,5 billion is.

The current collection rate of 95% on Centlec and property rates is what it should be, is what you should achieve, however National Treasury evaluation of historic figures and collection rate is incorrect. It is a window dress document that was presented to them. A collection rate of 70% is more realistic and planning with regard to expenditure should be based on this, in order it for to be a funded budget.

The Metro should however still strive to reach a 9,5 collection rate. I just want to explain to you what does funded mean. It means that your expenditure must be covered by your income. Your income cannot be on a 100% collection rate no business income is calculated on a 100% collection rate, Yes, you can send out those accounts, but the collection rate will not be 100% or 95%. Last year August, your collection rate was at 52% in general not even just the one that you listed for 55%, it was for property rates and Centlec included.

Address the issue with regards to property rates. We will need a written commitment to either commit to lower increases through the next financial year. Please refer to the COGTA guidelines on this.

7(N)

Acting Executive Mayor, we really hoped that you would present us today with an addendum. We foresee that the officials would not be able to change the budget in such a short timeframe. But we at least hope that would be an addendum with some written commitments in that addendum, for example to address the property rates issue.

We would have hope to see that officials would be able to find R8 million somewhere to not increase the refuse removal tariffs. Acting Executive Mayor, you should broaden the taxbase by means of promoting development. You should do a proper evaluation of properties and make sure that all properties are listed and be applicable of business tariffs.

We have a hand full of residents who are supporting the greater of Mangaung. We need to expand base. There are many people living in the City who are able to pay taxes and rates but they are not listed on the Metro's income list, they do not receive accounts from this Metro. There is a lot of red tape regarding development and cadres don't want something underneath the table then maybe we can also broaden the base and you stop the red tape and you properly manage it, if you allow development and cadres don't want something underneath the table then maybe we can also broaden that base.

Table the correct spatial development plan, my colleague Councillor van der Walt indicated to you and he explained to you what the consequences are. Yet you could not even print out the correct Spatial Development Framework and submitted to Council today. Says a lot about your management skills and that of your officials. Review the credit control and debt collection policy in order to put the Metro in such a position that we are able to collect it from the state. An increase on refuse removal tariffs cannot be supported and we will stick to this point.

You are charging residents for refuse removal which they are not getting. If this was a private company we would all be sitting in court. You are charging somebody for a service they are not receiving and now you want to increase the tariffs. It's up surd!! Decrease these massive salary bill. Surely if officials are receiving this amount of money they are able to print the correct documents. The DA insist that the new and adjustive cash statement be tabled for council. This statement should indicate a zero percent increase on refuse removal as well as indication on where that R8 million refuse will be taken from. In terms of the expenditure and I've indicated to you take it from the massive salary bill. It should furthermore include realistic amounts which is budgeted on expenditure based on a sustainable collection rate not a window dress document.

Lastly, we requested a comprehensive list of fleet. The document should include specifics regarding the number and type of vehicles. It should furthermore include details as to which of the above have been received and which have been ordered, as well as the relevant Department it was bought or ordered for. Also including the amounts and where it is funded from. Is it from the roll-over grant, is it from the operational grant and it should be from the capital, but we need a list so that we can do a proper oversight.

Acting Executive Mayor, lastly inflation rates refer to an increase in cost for goods received and I listened to you while you are saying the increase in tariffs is in line with the inflation, but Acting Executive Mayor, through you Madam Speaker, you cannot raise cost if you don't deliver the service. Yes, there is inflation, yes, bread is costing more than last year, but at least I am still receiving it.

7(O)

Acting Executive Mayor, you refer to a comparison during your speech made in our multi-party meeting and you said that for a woman that has been abused it is very difficult to trust again and it is quite interesting that you use that comparison and I want to tell you for a woman to trust again, you should won that trust and there are certain things that you need to do differently to win that trust.

Many of the Councillors here, can agree with me that we have been abused by previous politicians in this Council. Not meeting their promises and standards that has set for them and today you did exactly the same thing. You just table the exact same budget and documents that you did last week. No changes were made. So Acting Executive Mayor from our side, you have not won our trust. Thank you, Madam Speaker.”

Councillor LM Titi-Odili delivered her speech as follows, namely:

“Thank you very much, Madam Speaker, Executive Mayor, Chief Whip, Acting City Manager, NCR, the team from National Treasury, the team from Ntliyiso, our Shadow Mayor and Councillors. Madam Speaker, I just want to indicate that in front of me, I was just checking the submission, our SANPO. It is exactly what Councillor D Leech was reading the inputs of the SA and PO.

Section 153 of the Constitution, request that a municipality must structure and manage if administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social economic development of the community. The MFMA together with the Municipal System Act 2000 aim to facilitate compliance with these Constitutional duty by ensuring that the Municipality’s priorities plans budget implementation actions and reports are properly aligned.

The IDP processes were done to all 51 Wards of Mangaung and the priorities that our communities raised were the issues of water and sanitation, roads and electricity, of which all of those things are IDP processes, were included in the budget processes. The Executive Mayor already alluded in terms of the figures.

- (i) in terms of the bulk purchase, we are working with Eskom as Centlec
- (ii) in terms of water, we are working with Bloemwater as Mangaung.

That R3.11 billion was budgeted for this process. We don’t want to be in conflict with the people. Honourable Speaker, in the same priorities we indicated as the City, we have our own treatment plant where we want to strengthen and fix it, so that we can change the agreement between the City and Bloemwater, we used 70/30.

Honourable Speaker, I want to indicate in this house that, in the draft budget that is tabled in Council, we manage to reduce the amount of R120 million in the system with National Treasury.

Honourable Speaker, the benchmarking with National Treasury, is still monitoring the City on a day-to-day basis, as we know that we are in Section 139.7. National Treasury have their own criteria to assess the budget and we know that during drafting the budget, it should be in line with 82%. National Treasury will categorise their assessment and that Centlec, electricity will have to be in the 91.5%, and all other source of services 55%.

7(P)

Honourable Speaker, we are working with National Treasury, we know that we don't have a choice but, we must listen to them and do what they say we must do, in order for us to make sure that, we will soon be out of Section 139, and for the benefit of the community of Mangaung.

in terms of the credibility, relevance and sustainability, we must continue to ensure that we strengthen our revenue strategy to collect what is owed to us. Councillors are mentioning that we are owed over R9 billion. We know that R6 billion is residents and R1.4 billion is National and Provincial Government and R1.2 billion is businesses.

The Executive Mayor explained in the meeting today and also in the multi-party we were talking about the process and strategy to make sure that we collect from those who are owing Mangaung. Honourable Speaker, in this Council we table Regulation 4 and 9. We included in Supply Chain Management Policy, the policy of the Property Rates, the Credit Control and Debt Collection Policy and use the money where it is necessary.

Honourable Speaker, we bring also the Policy of the Irrecoverable debts, those are the good things because always bring things that are older more than 2 - 3 years back in this Council. Our Policies must talk about what we bring to this Council. Honourable Speaker, it is important to say that we are here all of us not a certain political party, and Honourable Speaker I am saying it is good for making sure if this Council we cater for our people those who are staying in informal settlement, to be finally formalised to bring the dignity to our people. As the ANC, Honourable Speaker we are submitting and supporting this budget. Thank you, Honourable Speaker.”

Councillor NA Nhlapo delivered her speech as follows, namely:

“Thank you Madam Speaker. I think I have already greeted the house. I only want to say all protocol observed. I was wondering why Councillor LM Titi-Odili, the Honourable Councillor indicated that we must not repeat our speeches and that she has a new speech, but I was disappointed to know that somewhere there was a sponsored speech, but that is fine. Before I start with my contribution, I just want to say something.

I just want to as I continue, Madam Speaker, just to say what the Councillor said, which is completely disingenuous, to come to this platform and say that there are Councillors that are doing shady deals somewhere in dark corners for them to vote for this budget, that is completely disingenuous, Madam Speaker, to paint such a distorted picture when residents of Mangaung are in this meeting.

Madam Speaker, as the ANC, we welcomed the outcomes of the multi-party meeting which were indicated by the Acting Executive Mayor and it is our common understanding that the meeting took place solely influenced by the spirit of working together to fulfil the need of the community aspiration of the Mangaung residents. Now, as the ANC, in our manifesto we have also pledged to form and sustain working partnership with communities, NGO's, private companies that will benefit our local community. As the Acting Executive Mayor has just alluded that the budget tabled today, has been scrutinised by the community, NGO's, National Treasury and the opposition and other relevant stakeholders and that is funded. As the ANC, we also welcome the ancestors to continuously be included in the indigent registers.

7(Q)

This clearly indicates that we are still committed to our pledge to listen to and have open channels of communication. Now I would like to ones again bring the house to confidence and our residents watching and listening that in conjunction with the meetings that took place across political parties in this house it is clear indeed that both this reviewed IDP and Budget that are presented today has been prepared with careful consideration of the following national performance in areas.

The first one (1) be service delivery and infrastructure development. Now the house may recall in my previous speech that people were not there where we confirming the budget priorities where Councillor TWK Mokgothu also remembers that it was on page 6, where we confirm the budget priorities where we confirm that the budget actually prioritise service delivery and infrastructure development.

Secondly, Madam Speaker these documents considered good governance and public participation as it was done in our respected wards where we had IDP meetings. Local Economic Development was considered institutional development and organisational transformation was considered as indicated by the executive mayor. And lastly Madam Speaker, these documents also considered financial viability which is what speak to the budget that has brought us today together. Therefore Madam Speaker, as the ANC, we look forward to implementation of such a budget that captures and is based upon the aspiration of the Mangaung residents and their well-being. And once again, we as the ANC, we support the review IDP and the Budget.”

Councillor SQ Peter delivered his speech as follows, namely:

“Thank you Madam Speaker, today I will sound like a scratch cd. Honourable guests, Acting Executive Mayor, Acting Chief Whip, Councillors and community of Mangaung at large. We welcome the presentation by the Acting Executive Mayor, especially the commitments made by him while he was presenting this budget. It highlight most of the grey areas which were not agreed upon, but based on our previous engagement with multi-party were able to iron out these issues. I must pick one amongst others is that we even said we will come with a proposal of debt incentive scheme which will cater both residential, business etc. The reason is because amongst other issues that we raised with our fellow councillors was that debt collection is a bit low and needs to increase, hence we met on that particular meeting to iron out these issues.

I must also indicate, Madam Speaker it is also our responsibility, as different Councillors to ensure whatever the Acting Executive Mayor has presented and promised, we need to play our oversight irrespectively. The reason why I am saying this, most of us are serving in different Section Committees, whereby prior coming to Council we discussed these issues, we concluded and then we agreed, but one will be amazed to find out that when you arrive in this Council, it becomes a different ball and together we cannot be broken, you cannot come here and play Vusi Ntandane.

That we agreed on this is how the budget should go. In fact while I'm saying that Madam Speaker must also indicate from the previous speech. We said we are quite aware that this tabled budget won't address all the service delivery issues at once, but it's suffice to say that gradually getting there, because we even indicated previously that even in our adjustment budget we managed to cater for certain areas that were for the concern and based on this budget not amplifying more on them so it cannot be provided to say because certain areas are not covered so this is not funded is not credible.

7(R)

I must also indicate that we are led by both National Treasury and NCR cannot be right and we say this budget has not gone through all those processes, they are advising us in this regard to say what does that mean to happen in this budget in order for it to be credible, and Madam Speaker must indicate one thing also that, I would hope that our Fellow Councillors they know better to say that should we change one line item of the budget it's a different word altogether it means that we need to predict that we looked at it again. I hope they knew that but it looks like today that means something different but I'm not this speaker let me implore you that I request all of our councillors to please consider and think carefully because they know the state that this municipality is in. If we don't work together of approving this budget, we are completely failing those who voted for us. So, as the ANC, we support this 2023/24 budget. I thank you, Madam Speaker.”

Councillor MM Letawana delivered her speech as follows, namely:

“Thank you, Madam Speaker, Acting Executive Mayor, Acting Chief Whip, let me join as well to say all protocol observed. Madam Speaker, I would like to first address myself on the speech delivered by councillor Leech. I feel insulted, because what all she said in the beginning was just to undermine our intelligence. You cannot assume that if I go through this documents and in my own assessment and I feel that it met the criteria and you begin to believe that should I vote for this budget and IDP, is because I'm afraid of losing my job. I am not here for a job, I'm here to represent the communities that had trusted the organization I'm representing to be here.

So what she said is to undermine some of our intelligence. I think I'll come back to her, referring to the Councillor from Freedom Front Plus. He decided to rewrite the document and conclude that this budget as presented is not funded and therefore he is not supporting the document. Yes, because he has written his own document, obviously he won't support the document, it is not the document that was presented by the Executive Mayor as required, so there is nothing amazing from what he said.

If I have to remind the house from the speech that I read last week, especially councillor Leech that when Amilcar Cabral said, and I quote *“do not confuse the reality you live in with the ideas you have in your head”*. This is exactly what transpired from what she said. To listen to most of the issues that she was raising, it is more on issues on how to improve to get what has been discussed the implementation plan from all the projects and programmes as submitted, Madam Speaker.

If I listen to the Acting Executive Mayor speech and what you elaborated from your consultations, I believe as the ANC we still support this budget, because it represent the hope for people of Mangaung and it has taken queue. Acting Executive Mayor from the key issues that has been identified from the draft financial recovery plan which include amongst others and let me go to the document which indicate;

- (i) weakness of the non-existence of performance management system
- (ii) tariffs that are not cost effective
- (iii) poor debtors collection rate
- (iv) poor indigent management
- (v) underspending capital on budget
- (vi) high water and electricity distribution losses

7(S)

You are going to take us and the people of Mangaung to assure us we still commit ourselves to building a better community together. We have no illusion that in what we do you and your team will put the people of Mangaung first. With those Madam Speaker, we as the ANC we fully support the Budget and IDP as presented. I thank you, Madam Speaker.”

Councillor GJ Lipale addressed the Council as follows: “Thank you Madam Speaker, all protocol observed.

Acting Executive Mayor you have put the budget on the table for consideration and the EFF is here for the dignity of our people and if the budget does not address those kind of things and what is more important is the roof on top of our people. People are saying to you we no more want RDP's, we want land, to build for ourselves. Yesterday, I heard that you gave land to people in Botshabelo (N8), Acting Executive Mayor and we appreciate it, and if you give land to our people then you are the friend of the EFF.

The formalisation of informal settlement, we will be sitting and watching and we want you take us into confidence, the same way yesterday, you called us as the multi-party caucus to talk about this budget, so that we know every step so that at the end of the day we kept the corruption that might take place in trying by all means to dignify our people or take the lives of our people forward. Some people need to go to informal settlement and check the poorest of the poor.

Sometimes whenever I drive there or when I'm around there I ask myself what are these people whose been eating our money what are they saying about our people when they live like this. Sewerages are all over the place and it can't be correct. In terms of indigent we need to scrutinise it. Should not only be left with the administrators but we need to see it by ourselves. Each and everyone benefit out of it need to be charged. If criminal charges have to be put, let it be. I am glad R50 million have been paid because those were some of the demands to say cut of electricity and water from those companies that were not paying what was due to Mangaung.

Today atleast, there are monies that were paid and other companies will follow. Atleast we are moving to the right direction. Therefore we as the EFF we are saying we are giving you a change Mister Mayor, we are going to vote for this budget. The deal that was made last night was for the benefit of the people. Thank you very much.

Councillor MW Mongale delivered his speech to Council, as follows:

“Thank you Speaker. Today I am not going to sound like a scratch cd. Speaker, part of our speeches have been submitted when we submitted the documents that influenced the budget on Tuesday. We also need to acknowledge that we have seen the intention of the Acting Executive Mayor in trying to extend an olive branch to all other parties other than your collision parties, to say we want this budget to be our budget. We appreciate that but we hope this is not the end and it is going to continue forever, it is not only to save a crisis of maybe trying to avoid a dissolution of the Council.

We also need to raise it to you that you need to put your best foot forward, because there is a crisis here. Last week when you were addressing us you were speaking like someone who is not a citizen of Mangaung.

7(T)

The budget was not talking to the needs of Mangaung, but today when you are speaking I was convinced and a Grade 3 child would also admit that you are staying in Mangaung, because of the issues that you raised. I would also want to raise the issues that are critical, especially the function of this Council.

We always leave our true analysis at home and pick them up when we arrive at our home although we should have come with them to this council. In an environment where other parties are raising genuine issues like what FFP raised and what DA raised. Those are facts and they should have been considered, and I was expecting the Whip of the Council to drive this Council even instructing some of his party members to say, "you don't speak on this item because the Executive Mayor has made an impact that was necessary and all his apologies are in the document. Madam Speaker, afterwards they have depleted all what the Acting Executive Mayor had said.

Let me tell you they have raised that fear the arrogant fear been complaining about that has been alive again. People has been speaking in a time of constitute in a time of majority and they don't need other parties. In an environment where you need support of other parties you must always be reconciliatory, always have the mediation skills, you must always find the way of trying to put their inputs into consideration, not as a checklist but as a sign of commitment that we want to work with you, but under the current condition I can assure you no one is brave enough to support you. I know my friends in the red overalls have already declared that they will support you.

I want to state it to you Executive Mayor that you are in trouble because you are not been protected by people who should protect you. The Whip of the Council should've said, once they mayor have spoken no one should speak. The Executive Mayor put a good business case on behalf of the Municipality to say the budget is not perfect, it has got problems, it has got short falls, but as the Executive Mayor, I'm saying walk with me to a new world I am trying to create a new thing. That was all he was saying in his speech. I am summarising his speech in my own words, but he was saying I'm here, I want to walk with you, I don't have answers to everything, but I want all opposition parties to walk with me.

I might not carry the answers, but I carry the heart to listen to all of you to help me to walk into the right direction, but I'm saying your speakers did not do that. They raised the highest level of arrogance, whether settle or whatever but it was arrogance and it is not working for this Council. I woke up in the morning, knowing that we are going to a Council that is going to vote for a budget. When I hear the soundbites I became scared and Madam Speaker, before I close my speech I am going to speak as if I am the Whip of the Council.

I will ask if after the last person has spoken, instead of us going to the votes we must have a multi-party caucus where we trying to see if we cant find one another. Here should not be no winners and losers but the people of Mangaung must win out of this process and also opposition parties should not be ambushed into a process whereby the budget has been submitted late and been told it is late and we don't have a choice. We have to hit the ground running. While we knew we had all the time by having National Cabinet Representative (NCR), National Intervention Team here, but they could not help us to present the budget on time. I am happy that the National Treasury team is here so that they can hear they created a problem for us not a solution by sending the teams here.

7(U)

They did not solve the problems, they are assisting in collapsing this Municipality. If this Municipality is put under administration National Treasury must know that their office also must be put under administration. It would have failed, because you send the people here who had no intention of running this Municipality, because when they arrived here they all become VIP's, they all got bodyguards, all of them are travelling with two (2) bodyguards. That is a problem. I am raising these issues, because I want National Treasury to know about it if they did not report they must be aware of what is happening.

Lastly Madam Speaker, I would like us to look at the document that has been referred as a special development framework. That document was never presented to this Council, that document was never Gazetted and that document needs to be withdrawn. With all humility that I have raised, it is for the sake of this Council.

Now don't forget my request that after the last speaker, before we can vote we must at least have a multi-party whips caucus, where these matters we can try to find one another there. We need to find a way out of this process, but there should be no matter of us trying to pretend as if we are winning or others are losing, because it would not help the Council and I think we are here because of the people and the people who voted for us to come here. They all have interest here. The issue of SA and NGO, I would like to humbly asked the Councillors on the side of the ANC collision to say, our SA even if I can quote that is coming from them, if they are from Mangaung they raising Mangaung issues there is nothing illegal about it and no-one should ostracize for raising them.

During the budget let emotions go down logic prevail because that is the only thing that is going to help this Council. We are dealing with people's lives today and we might have contributed in messing them up or might be contributing in helping them to get out of the current hopeless situation they are in now. Thank you, Madam Speaker."

Councillor MA Morake delivered his speech to Council as follows:

"Thank you Madam Speaker, the Executive Mayor, the Chief Whip, the Mayco members, Councillors and also the team of National Treasury that they have come to witness today as this Council who are sitting and there are engagement and as MMC : IDP and Performance I want to assure the Council that we have undergo processes of consultation with the community and fellow councillors who have made input on the IDP and Budget.

I want to appreciate the olive hand that was extended by the Executive Mayor to meet with the opposition parties so that they must out their concerns. Even the process of public participation was part of a process to reach out to everybody even community members to say something about this budget. We all know that South Africa and the world globally who are facing economic times in this 2023/24, we are recently from Covid19 and that has created recession and economic depression, hence the issue of rates and taxes became an issue in this Council.

We know this budget would not be enough, we have a hole in the budget, but the social economic conditions that exist in South Africa are the effects of what we are today, we can not blame the ANC, but the prevailing conditions.

7(V)

It is very important that Executive Mayor has tried to go an extra mile to talk about the infrastructure development at informal settlement and also the township establishment at informal settlement which will lead to side allocation and people will have title deeds.

So, this is a programme in a making that this Council is pushing service delivery is attained. We know that people were complaining about the sewage spillages. As you look at the budget that has been dedicated to sewer refurbishment programme and also pothole closing programmes. These were efforts that were made by the experts from National Treasury, COGTA, MISA, Department of Environmental Affairs and Department of Transport. Those were the contributions of the National Treasury War Room to say let us focus on basic service delivery, especially the sewerage spillage.

I think we are on the right direction as this Council and we must not degrade ourselves and it is the responsibility of every Councillor. The signing of the oath of Councillors is not just a casting, it was a commitment that we as Councillors made to the public. One of the tools to fulfil that is to approve the IDP and Budget. You can not call yourself a Councillor, if you did not approve the budget. I think it is important to note that you have taken the oath of offices not to dodge issues when you are under pressure.”

The Speaker reprimanded Councillors and indicate that someone can only call a point of order if something procedurally is not done correctly.

Councillor MA Morake indicated that in future, all Councillors have to be treated fairly according Standing Rules and Orders and also requested Councillor TWK Mokgothu to do his work, as the Speaker was not sticking to the Standing Rules and Orders.

The Acting Council Whip, indicated that Council was thankful for everything that had transpired. He agreed that Council must have multi-party caucus for the party whips as requested, that it was in the best interest of Councillors that, where there are grey areas, Council must be able to deal with.

So as a result that there cannot be a challenge or any harm for us as multi-party to discuss one or two things and also ask the Executive Mayor to join us in terms of making sure that after we engage as multi-party we re-assure the community of Mangaung on the commitment of everybody that is represented in this Council in terms of making sure that there are aspirations that are taking in consideration.

Furthermore to ensure that, through consultations, there is a work n progress in terms of making sure that Council deliver on what has been promised to the community of Mangaung. He agreed that a 5 minutes caucus be granted for the multiparty caucus.

The Speaker granted a 20 minute caucuses.

Councillor GDP Kotze stated that he wated it be on record that he would not be joining the multiparty caucus, because they had a multi-party meeting on Tuesday and they stated their case at that meeting.

7(W)

The Council Whip, confirmed that it was okay for the DA not to be part of the multiparty caucus, but then they would still make a decision in that regard.

The Speaker afforded the Council Whip an opportunity to give feedback to the Council with regards to the multi-party caucus.

The Council Whip provided feedback that the multi-party caucus discussed with regard to the concern raised on the SDF and proposed an additional recommendation as follows:

“that the SDF have to follow all necessary processes as suggested and be Gazetted properly and resubmit back to Council.”

The Acting Executive Mayor indicated that Councillor MW Mongale invited everyone to apply the tools of analysis, and in his understanding of tools of analysis, there were three (3) basic laws of dialectics and these were the laws chronologically, namely:

Movement of quantity to quality:

This laws talk about either movement, events or happenings that might be a minute stage, but given our hard work this may grow to quality proportions. We could give examples around social relations, we could also give examples around political relations. Let me talk about political relations. We are from different political background, with aspirations that governs our political policies, but if we work hard to unite the Council, we will be moving from quantity to a quality team that would work together. But if we are a quality team and we do not sustain our quality aspect of it, we would revert back to quantity.

For us to be quality, we need to be flamboyant, we need to have an outlook that must always sharpen our minds, to understand that life is characterized by contradictions, but contradictions in themselves will always be a source of development, and once you attend to those as a source of development quite obviously, Madam Speaker you are bound to be quality. We need to work hard to arrive there.

Unity and conflict of opposite:

Some of the examples will give our renders and orders, but I want to look at those who are quite reachable and we can all understand. Forces may not like each other, but they may be bound to a particular resolve and therefore be bound to work together. We all operate under the same and one constitution, that are claim and recognise globally. Now we may have policies that may dictate that we have the best way of implementing the prerequisite of this constitution and those policies might conflict, Madam Speaker. But we bow to identify common factors to bind us to work together even if we might not like one other. Let me use a natural example, Madam Speaker.

We've got body parts that conflict, whereas one body part do the intake, the other body part does the outtake, the two hate each other, whereas the mouth always complain, I always feed the body but you take out what I try the body to keep. But the back will say to the body you give me a lot of work and take me to places that stinks, for taking whatever you are taking in. The two cannot do without each other, because if one does not perform each task then the body does.

7(X)

The two are bound to sustain the body. We are bound to sustain the constitution of the country, whether we like it or not. Unity and conflict of opposite, we might be opposite in terms of policy perspective but we are bound by the constitution of this Metro.

The new always rises to take over from old:

If in this Council we strive to bring new modalities of how we should work, the buying in, might not be as over as ...I am just avoiding the example of using a lady, because it looks to so elementary and abused. I'm now using the element of the new. Let us learn to shape our outlook in terms of you know working together and moving forward, because it is the new that will always replace the old as a matter of must. This concept it's going to sentence to be abused from time to time by people who are younger who always believed that they have to come take over from the old without to learn, anything else.

We as Councillors, Madam Speaker we must also learn to fine tune ourselves, to risen to new modalities and new app. The resistance to that is a sign of, that people who are not ready to make a difference even to their own lives. I hope this is not cheap politics Madam Speaker, I hope this is some sharing of wisdom if it is. We appreciate Madam Speaker, all is not doom and gloom. There is a room for improvement though. Our debts Madam Speaker, does not look good in any way.

Our Municipality Madam Speaker, is facing financial distress. The Auditor-General, Madam Speaker made an observation that local government is generally in a chronic state of financial, not viable state, but we did made a commitment to broaden our revenue. Our revenue scheme need to be broadened be improved and it must address the need of the people of this Metro. We therefore have to improve our collection rate and we have already started with it. As easy as blocking or shifting some arrangement of what other institutions might have had, by disarming them in terms of not providing them with the services they need.

We are bound to do that and for that we have made a commitment. We have no option Madam Speaker, to increase our tariffs. I think when I was alluding to the budget it was a serious observation that was made by National Treasury by our own situation that does not take us off from the reality that we need to from time to time revisit the standard of our setup and with on the modalities of how best we can we can improve on that.

On property rate, Madam Speaker we will do our part to work also on it according, together with other parties it is not just a matter that we have to go as the ANC and come back and say we thumb suck the figures this way and that way we've made that commitment we stick to the commitment with what we are doing.

Unfortunately, Madam Speaker we cannot opt for a zero increase on refuse removal since this form a part of our revenue collection. There are concerns on this one Madam Speaker that in some cases we do take our own refuge but we are expected to pay for the service. I think it affects all of us, we need to work on it. We need to make a commitment we must improve on our collection. We need to turn around this operation. Having said that Madam Speaker, I need to acknowledge certain observations that we made in this council. I think Councillor MW Mongale you were right to say we come from the same party but we're talking to the council in tales.

7(Y)

I acknowledge that and from the bottom of my heart I acknowledge that criticism and I think it's going to make us grow older and better, and I want to speak on behalf of the organization that I belong to that we have noted that concern or we may give you some reasons as to how did it happen but I think he's fit enough to say point taken. To the parties that will be applying their mind on whether they will support the budget or not, you know that good people here who knows how many days I have been in this council, I'm not good at figures. How many days I've been here? I know, I finish a month and a week or two. It could be 52 days, Madam Speaker, but it can't be two (2) months.

Well their days are still younger than my age so they haven't closed my calendar unfortunately and you know when I was sitting with the multi-party, Madam Speaker, one thing that I rejoice out of it was that welcome when I was discussing those practice. I like the determination I saw I embrace the spirit. That is no longer my project, we've made it as our project. We might have seen how other Councillors conduct themselves in different parts of the Country, but we come from a unique Province, and a unique Municipality, where many lives have been born and where standards were set.

I am calling upon all of you as Councillors, Madam Speaker to work upon yet another standard. And that standard should be of parties that can lock themselves under one roof haul and heckle at one another but end up being factual and making sure that a product has been made out of that give direction not only to this Municipality but for other municipalities to learn how people conduct themselves. So I am not going to be part of some dogs fight and respond to some insinuations there and then. I have good shock absorbers like I have asked our visitors to have some. I've got enough and part of these shock absorbers they have some serious training process to learn to know how to humble yourself before people and focus on the content of what they are saying, it is what guides me. I want to thank you, Madam Speaker.”

Councillor D Leech before giving feedback on the DA's caucus, she indicated that the DA would like to put it on record that both Councillors from the EFF and ANC implicated on record that the deal was indeed made last night. The impression was that it referred to land and please note that only Council can approve the transfer of land, it is not part of the executive powers of the Executive Mayor. We will be referring it to the NCOP and would ask for an in depth investigation.

Furthermore, that the DA would not align itself with cheap political propaganda, which proved that the EFF was simply a different form of the ANC, perhaps voters must keep that in mind while voting during the 2024 national elections and that perhaps a coalition between the ANC and the EFF was becoming a bigger reality, with the DA's moonshot pact being the only salvation.

Councillor TB van der Walt delivered his speech as follows: Thank you, Madam Speaker, unfortunately as much as, I was hopeful on Tuesday after we met with the mayor, at the moment, I am disgusted and feel like a time machine back to June 20, 2022, exactly the same happened, the ANC made exactly the same pretty promises without anything on paper and nothing of that came and Treasury told us then and everybody assured us the budget was 100% funded and we should go on with the budget.

7(Z)

Anyway speaker, firstly for Councillors to attack a colleague like Councillor D Leech, she is not speaking on her own, she is speaking on behalf of the DA. She is speaking on behalf of all residents and civil organizations like and the deer does actually listen and engage civil society, and we actually use superior argument that not personal attacks to convince Council. Secondly Madam Speaker, if Councillors listen to the speeches last time, then she would know that much of what Councillor D Leech was referring to were mentioned by myself, Councillor DMC McKay and Councillor D Leech last time.

It did not come from any other document, it came from our speeches. We raised the issue of the property rates on development property that the reduction while it was still in development, was removed from the Property Rates Policy without informing Council, it was not indicated. I had to go and compare the documents at 2:00 o'clock at night, to find out that this was removed from the documents. That is the kind of things that happens in Mangaung all the time with every single policy including the SDF.

Then thirdly Madam Speaker, the Executive Mayor is doing exactly what was done last year. Since the ANC is stressed today, countless time the Treasury approves this budget thinking it's funded, they think it's heaven send. So now, Treasury must know, the NCR must know, EMT must know, there is no excuse of the Council to approved this budget and this was not included in the budget you are here to guide Council. You have now indicated that you are happy with the budget and this budget will take Mangaung forward and not backwards. So I do not want those excuses. I will send service delivery problems to Treasury.

Then lastly Madam Speaker, on the SDF, thank you Councillor MW Mohale for taking up that point which we raised last time. In terms of what Council Whip (Councillor VE Nikelo) has mentioned, I want to ask, has the Executive Mayor informed Treasury? He is in contravention with the SDF that is still part of the budget as far as I can understand.

In terms of SPLUMA Section 20(3), Mangaung has not gazetted the intention to amend the SDF as required by SPLUMA Section 20(3), so we amending the document without informing the public what amendments we are going to make, with not gazetted as is required by law the intention must be gazetted that we want to amend the SDF and then there must be sixty (60) days for the public to comment on those amendments which the public must be inform about, and only then can Council approve it and then gazette again.

So, you cannot just go out and gazette this SDF that you attached or have public participation processes. You have to gazette the intention to amend the SDF, you must just get comments, you must consider those comments, those comments include comments from different departments. The SDF that was amended here, was not circulated to different departments for any comments.

And lastly Madam Speaker, is the Executive Mayor aware what this SDF does, it is committing Mangaung to billions of rands of services and infrastructure that we will install in areas and we do not have any idea how many billions it will cost to service these areas. Thank you, Madam Speaker.”

7(AA)

The Acting Executive Mayor, indicating that the Acting Council Whip, did indicate and made references to withdraw the SDF and therefore, he wanted to do it officially. That the SDF had to be subjected through all the processes.

Councillor MW Mongale seconded the withdrawal of the SDF.

Councillor DJ De-Huis delivered her speech as follows: “Honourable Speaker, I am a member of this Council. EFF is my home. So I am not going to allow Councillor D Leech to come here and tell us that we have a deal with the ANC. Let me put it friendly with you my sister, we are not here as the EFF to be friends with the DA. We are not here as the EFF to nurse the feelings of the DA. We are not here as the EFF to master bate their feelings.” Honourable Speaker, it is just a pity that honourable Councillor Leech can go to the village that we live in so that she can see the pain that our people are going through. Our people are not demanding swimming pools, they are only demanding land like my fellow Councillor had said. So, I don't like that part that says, “we made a deal with the ANC”. We are not even friends with the ANC. What counts is the community of Mangaung. So Honourable, Councillor D Leech, if things don't go the way they want as the DA, we are not in coalition with them. We know why we are here, we are here for the people of Mangaung not for the DA. I thank you, Honourable Speaker.”

NOTED.

1.

TABLING OF THE MANGAUNG METROPOLITAN MUNICIPALITY'S 2023 – 2024 REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) AS WELL AS SECTORAL PLANS (2023 – 2024) FOR APPROVAL.

The Speaker, Councillor M Davis stated that a recommendation was made to withdraw the SDF and read the recommendation as on page 7, of the agenda with the amendment (recommendation 2) as follows:

That the Council:

- (2) Approves the below mentioned Sector Plans for 2023/ 2024 ***excluding the Spatial Development Framework, Annexure I which must follow the necessary processes and be gazette and brought to Council for approval*** (Annexures as key Components of the IDP)

Councillor BJ Viviers on a point of clarity raised that, maybe the NCR and all learned guests could assist, indeed the SDF had been removed, however, if Council tables a budget, the SDF must form part of the budget.

In responding to Councillor BJ Viviers, the Speaker explained that if the SDF has been removed, therefore the old gazetted SDF was still applicable until the new SDF had followed the processes and resubmitted to Council for approval.

7(AB)

Councillor D Leech indicated that in terms of the Standing Rules and Orders, it be noted that the DA abstained from the withdrawal of the SDF and further that they understood that the SDF had been withdrawn, however in terms of the legislation, there must be an SDF included in the document presented to Council. That when the Executive Mayor tabled the budget, a different SDF was added and now withdrawn. The old SDF was not submitted as an addendum and therefore it was not proper in accordance to the legislation, therefore requested that the DA's vote be noted.

Voting outcomes for the amendment of recommendation (2): 59 voted in favour, 0 against and 20 abstained.

Voting results on both items, item 102.1 with amendment and item 102.2: 56 in favour, 20 against and 0 abstained.

Councillor VE De Kock requested that it be minuted that FFP voted against the budget as well as Councillor GDP Kotze it be minuted as such for the DA.

RESOLVED that the Council:

1. Approves the reviewed Integrated Development Plan for 2023/2024.
2. Approves the below mentioned Sector Plans for 2023/2024 ***excluding the Spatial Development Framework, Annexure I and that the SDF which must follow the necessary processes and be gazetted and brought to Council for approval*** (Annexures as Key Components of IDP)

Drafts Sectoral Plans	Annexure
MMM Ward Demographics Maps	A
Environmental Management Plan and Climate Change Adaptation and Mitigation Strategy	B
Integrated Waste Management Plan (Draft)	C (Updated)
Ten - Year Water Conservation and Water Demand Management Strategy (Draft)	D (Updated)
Integrated Public Transport Network Plan	E
Integrated Human Settlement Plan	F
MMM Organogram	G
Technical Indicator Description (TIDs)	H
Disaster Management Plan	J
Centlec Energy Plan	K
Water Service Development Plan (Draft)	L (Read with Annexure D)
Rural Development Plan	M
Roads Asset Management Plan	N
Organisational Performance Management Framework	O
Mangaung Metropolitan Open Space System	P
Informal Settlement Upgrading Strategy	Q

3. Notes that the IDP, Sector Plans will be submitted to both the departments of Treasury and COGTA and further be published on the municipal website.

2.

TABLING FOR APPROVAL OF:**A.****I. MMM MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/24 – 2025/26****II. MMM CAPEX 2023/24 – 2025/26 (30 June 2024)****III. MMM BUDGET RELATED POLICIES**

1. Policy on Indigent Customers (1 July 2023)
2. Property Rates Policy 2023/2024 (1 July 2023)
3. Principle and Policy on writing off of irrecoverable debt (1 July 2023)
4. Tariffs Policy (1 July 2023)
5. Credit Control and Debt Collection Policy (1 July 2023)
6. Cost containment Policy (Final)
7. Travel Management Policy
8. Virement Policy 2023/2024
9. Draft Revised 16th Supply Chain Management Policy

IV. MMM GENERAL TARIFFS 2023/24 – 2025/26**B.****I. CENTLEC MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/24 – 2025/26****II. ANNEXURES**

- Annexure A (Service Charges)
- Annexure B (Electricity Service Charges)
- Annexure C (Amended Policy Register)
- Annexure D (Training Tariffs)
- Annexure H (Bulk Purchases)
- Annexure G (Salaries)

III. CENTLEC AMENDED POLICIES

1. Credit Control and Debt Collection Policy
2. Supply Chain Management Policy
3. Small Scale Embedded Generation Policy (0kVA – 1MVA)(MW)
4. Provision of Bulk Infrastructure by Developers
5. ICT Back-Up Policy
6. Patch Management Policy
7. Disaster Recovery Plan
8. Identity Management Password Policy
9. Information and Communication Incident Management Plan
10. Information and Communication Technology Framework
11. ICT Strategy Plan 2019 – 2023
12. ICT Security Policy
13. Tariff Policy

IV. SDBIP (APPENDIX C)**V. CENTLEC BUSINESS PLAN 2022 – 2027****RESOLVED****1. BUDGET RELATED RESOLUTIONS**

- 1.1 Mangaung Metropolitan Municipality in terms of Section 21(b) of the Municipality Finance Management Act, Act 56 of 2003, tables the 2023/24 annual budget for approval with the total consolidated revenue of R10,26 billion, operating expenditure of R8,63 billion and capital expenditure of R1,15 billion and the indicative allocations for the two outer years of the MTREF period including the multi-year and single-year capital appropriations, as set out in the following tables, for approval:

- (a) Budgeted Financial Performance (revenue and expenditure by standard classification): - Table A2
 - (b) Budgeted Financial Performance (revenue and expenditure by municipal vote): - Table A3
 - (c) Budgeted Financial Performance (revenue by source and expenditure by type): - Table A4
 - (d) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source - Table A5
- 1.2 That the consolidated financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be approved, as set out in the following tables:
- (a) Budgeted Financial Position - Table A6
 - (b) Budgeted Cash Flows - Table A7
 - (c) Cash-backed reserves and accumulated surplus reconciliation - Table A8
 - (d) Asset Management - Table A9
 - (e) Consolidated Basic Service Delivery measurement - Table A10
- 1.3 That the consolidated budget that includes Mangaung Municipality and Centlec (SOC) Ltd be noted and that Centlec's standalone Budget be aligned to the consolidated budget as stated on 1.7. and 1.8 below,
- 1.4 That the Council of Mangaung Metropolitan Municipality acting in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, hereby tables the following tariffs for approval and implementation with effect from 01 July 2023:
- 1) Supply of Electricity Page 53
 - 2) Property Rates Page 58
 - 3) Sewerage Fees Page 62
 - 4) Refuse Removal Fees Page 64
 - 5) Supply of Water Page 68
- 1.5 That the consolidated General Tariffs as set out in the Tariffs Booklet for the 2023/24 financial year be approved for implementation with effect from 01 July 2023.
- 1.6 That in terms of Section 21(b) (ii)(bb) of the Municipal Finance Management Act, Act 56 of 2003 the budget related policies including any amendments be approved.
- 1.7 That Council should note that Entity's budgeted financial position has been amended on consolidation, to reflect the current shareholder loan agreement, instead of the issued equity as per the later budgeted statements.
- 1.8 That the Centlec (SOC) Ltd budget submissions for the period 2023/24 – 2025/26 be approved as set out below, subject to the limitation of 1.7 above:
- a. MTREF Operating and Capital Budget (as incorporated in the consolidated budget above).
 - b. Service Tariffs
 - c. Policies
 - d. Business Plan
 - e. SDBIP

3.

MANGAUNG METROPOLITAN MUNICIPALITY: STATUS QUO REPORT AND DRAFT FINANCIAL RECOVERY PLAN

After comfort break, the Speaker confirmed that 67 Councillors were in attendance.

The officials from National Treasury were then afforded an opportunity to make presentation to Council attached to this minutes (Pages 1 – 59).

After the presentation, Councillors were the afforded an opportunity to give inputs and raise clarity seeking questions.

The Council Whip: “Thank you, Madam Speaker, let me really acknowledge the more informative presentation that we received from National Treasury on the Financial Recovery Plan (FRP). On the same time I have number of issues that I highlighted in terms of the FRP. I just want to suggest if the Council allows me to propose that as much as we want to engage and have questions for clarity and everything but for the near fact that also given an opportunity to have inputs on the FRP.

It has been presented and affecting number of departments within the institution that we as the Council take a decision to give a responsibility to various Section 80 Committees and Section 79 Committees to go and sit down and digest on this particular document that has been presented before us and further make inputs that will also cover and assist the Municipality going forward as far as the implementation of this financial recovery plan is concerned.

I am not afraid of time we can sit here the whole day and the whole night engaging on this particular document because, I know in my previous life Dr R Chetty can attest to that, we used to spend sleepless nights deliberating on this particular document so as a result of that in order for us to give it more meat and a credibility as the institution, because ultimately it affects us. So if we can maybe subject to those relevant committees perhaps it will assist. Thank you, Madam Speaker.”

Councillor VE De Kock: “Honourable Speaker, all protocols observed. It is not surprising that most of the FRP items speak to the warnings we as the opposition parties raised at almost all council meetings. Questions that my caucus asked me to raised is: is this a new recovery plan with reference to the current financial situation in Mangaung, Is this a new recovery plan with reference to the 2023/IDP and Budget. If this is a new plan for which private company were paid over R10 million. Why is all information old information, for example (see page 18), all figures are up to 2019. Are we not already in 2023? Has nothing changed in four (4) years?

On a point of administration we agree and urge that the appointment of an independent forensic team to investigate allegations of fraud, corruption and political interference be prioritised. Can we also please ask that this investigation be especially extended to the Solid Waste and Fleet Department with regards to allegations of sabotage of fleet and as well as disciplinary processes.

One of the risks is stated: “poor leadership and political oversight and interference in the administration.” Since ANC hold the majority of leadership, this should be the first step in the recovery plan not be the ANC call it a day and hand over the reins to the opposition.” Thank you, Madam Speaker.”

10(A)

Councillor GDP Kotze remarked: Thank you, Madam Speaker. I would also like to raise a question last year when the then Minister of CoGTA, Nkosazana Dlamini-Zuma, promised that there will be a forensic audit to be done and last year in November, we also asked the then Acting City Manager when will that forensic audit be tabled to Council, and he said we are almost done and nothing happened. Maybe the National Treasury can give us an update on that investigation.

Then, Madam Speaker we as Council already board into the recovery of Mangaung Metro and it has been implemented since 2020 and National Treasury said they were involved with the recovery plan since 2020. A lot of councillors here will agree with me that we are worse-off today, then three (3) years ago. So, I would ask you the question National Treasury if you would give yourself a rating, on the constitution of South Africa Section 152. What would you give yourself? As a ward councillor, I would give you 1 out of 10.

Then Madam Speaker, my third question is “A lot of people are appointed here by National Treasury and I want to ask the question and I want it in writing, because we need to protect the people in our constitution. Everybody employed here and that includes some councillors, did they come to the municipality with clean hands. Thank you Madam Speaker.

And then just my last question. We have a team here, we don't know anything about them. About their history, their qualifications. Last year, I also asked in Council can we have a background and CV's, to know who we are dealing with. Every now and then new people are appointed. So from your office can you assist us with everybody who are part of this intervention team.”

Councillor PA Lotriet: “Dr R Chetty, through the chairperson, we have a bit of a *deja-vu* feeling as we stand here. We heard this all before and as one of the previous speakers said in the last year, nothing much service that we aware off. The fact of the matter is, you do not have to convince us, we are doubtful by now and it is very difficult to change that mindset. The fact of the matter is, yes we will work with you as long as you work with us as well. If you do not communicate with us we would not know what you are doing, and then we will be doing guess work. Thank you for the presentation it was well prepared and there is knowledgeable people speaking. You have enough knowledge there. You have not knowledge but skills problems. Your problem unfortunately is attitude and unfortunately that attitude still sit here, and this is what you have to deal with and to change this attitude.”

Councillor M Kganakga added to what the Freedom Front Plus had said as follows: “All of these stuff that these millions of people that came here today have presented, it is the things that have been said to the ruling party for at least the last four years I have been in this Council. So, the problem is really not here the problem is definitely what Councillor PA Lotriet was saying, it is over there with the ruling party, because they are the ruling party.

The Council Whip indicated that this is exactly what he have been avoiding, when people were supposed to be asking genuine questions based on everything that has been presented that is very good and nice and challenging for the Council of Mangaung. Other people would want to use this for political purposes and remember Madam Speaker, this is not the right time for all of us to be politicking it is the good time for us to be saying, what it is for us to be doing to change the fortunes of Mangaung. As it is been reported Mangaung, the first draft of the recovery plan was done in 2020.

10(B)

As a result of that nothing much was done on that particular issue and indeed today we are sitting here and the financial recovery plan has been revised, it give a challenge to us again once more to say as this council what is it that we need. Nothing was attached to it, not even a political party was attached to it. What is important is the entire Council of Mangaung, have a responsibility and obligation to make sure that the FRP is implemented.

So as a result of that, hence I was saying honourable speaker, I suggested that we subject this to the relevant Committees of the Municipality, so that we deal with the particular issue, so that we do not come here and want to score cheap political scores at the expenses of the community of Mangaung. So I would also like to request Honourable Speaker, with all due respect you have tried it, it is out of hand. Please lets refer these matters to the Committees to deal with it.

On the FRP, it was said that they took the FRP that was drafted by the Province and they made edits on it, and then send it via e-mails for approval or to be perused. But they also paid an external service provider over R1.2 million to draft it, and when you look at it, it is still the same. What was the money that you pay for exactly, because the information is the same that is outdated information? The R1.2 million is tax payers money.

Secondly, you said that the NCR's purpose here in Mangaung is to capacitate and to rectify. The lady here talked about all the legislative and the financial decisions needs to be in the financial recovery plan. What I do not understand is these legislative decisions needs to be approved and how do they factor in the financial recovery plan? Where does the legislation factor into the financial recovery plan, because it is a bit confusing for me? Then the political oversight, when the decision that were made in line with the financial recovery plan and have to be rectified in implementation of the financial recovery plan.

The FRP solely is the responsibility of the administration to implement, but also to be rectified. Which is, do we implement and rectify or do we rectify and implement? I do not understand that process. Council is the highest decision making body in this municipality. What are our rights, because we are of the opinion that the NCR and the team of non-experts or experts are making the situation a whole lot worse in this municipality. We are of the opinion that the NCR here are part of the political problems within Mangaung. They are the epidemy of political interference.

So what is our rights as Council to get rid of you as Treasury and as COGTA in our municipality. How do we go about that, because they are interfering in everything. Like Dirk said, everything is a whole lot worse since you guys have arrived here. Take the budget for instance, one talks about 52%, the one talks about 95% this does not, you can't take your word for it. And lastly, what do you think what we have benefited in this municipality from having you here in our shores?"

Councillor TB van der Walt: "The first question is Treasury said they want to withdraw them at some point. I don't know in the next month, year or five (5) years, want to withdraw the NCR, but they will still be involved. Will she then not concur on every decision that is made, because at the moment we have regular problems, where very easy excuses, where the NCR has not signed, or the CFO has not signed, so nothing has happened.

Diesel has not been bought, or equipment that is needed to fix pipes that has burst, were not bought, because the NCR or the CFO or City Manager has not signed.

10(C)

If you withdraw her when is she going to sign, unfortunately the Section 79/80 Committees are not functioning as the report says. My Section Committee: Planning meeting did not sit since the new acting Executive Mayor has been appointed; we cannot ask questions through the Committees. How are we going to ask questions if the Committee are not functioning and we are now told that we must comment through the Committee. Can we send individual comments to them?"

Councillor BJ Viviers: "Thank you, Madam Speaker, before we start with my questions, it has been a long day, it is also under the reports of the Executive Mayor, could we just get an indication where he is?"

Thank you very much for coming, but we all know carbon copies. You also alluded to that, your draft document was the Provincial document. Now please explain to us how it took you fourteen (14) months later to give feedback on the report?

Secondly, justify to us how this service provider all of them has spoken here, I have heard this before; do you really think as National Treasury (through you, Madam Speaker), it is worth R1,236 026 million just to put it in context. That money could have fixed 1200 potholes in the City. Is this a typical or dumping here with the NCR, typical example of cadre deployment and will the NCR have the ability to make sue that this document R1.2 million be implemented? Thank you, Madam Speaker.

National Treasury responded as follows: "Thank you Madam Speaker and Honourable Councillors, and I appreciate the questions that have been posed to the National Treasury. I appreciate the sentiments behind the questions that have been posed to the National Treasury and I think you know before I start on answering the individual questions, I want to answer it partly with an analogy right. If you are sick you were sick in 2019 right, you went to a doctor and the doctor said to you, you have high blood pressure. You need to exercise to control your high blood pressure. You have to exercise to control your high blood pressure.

You have a sugar problem, you need to stop drinking sugar drinks that have sugar in it, you need to stop eating chocolates, you need to do whatever, so the doctor gave you a whole lot of guidance right, and sent you off, to go and do these things and you will get better, but you have failed to do it. So your problems have just gotten worse. The solution to your problems are not going to change, even though it is two (2) years later. You need to fix yourself. We are here to give you the prescription, but you need to take the action to get better. And you know this constant lambaste of the National Treasury and what is the National Treasury doing. In order for us to help you, you need to have people in your Municipality to receive that help.

If you as a Council have two (2) years later only appointed a Municipal Manager, HOD's how do we build capacity. We can have the best late plans, we can give you the gold standard FRP, but if you are not ready to receive what we are saying, how can the National Treasury be blamed for that. With regards to the payments of the consultants, there are two (2) people in the National Treasury that manage the entire countries when it comes to FRPs, that is myself (Ms Kavitha Ruplal) and my colleague, Ms Nombulelo Nzama.

10(D)

So we have to rope in other people with the necessary expertise to help you, because it is obvious that you cannot help yourself and I am not been arrogant, but I think this constant dashing of the National Treasury and the fact that we are not doing anything how are you better off. Let me turn the question back to you. What did you do to make yourself better off? Now if we give you a prescription in 2019 and you did not follow it, your illness is still the same. Why do you expect me to come now with a different prescription. Obviously I will tell you in addition to your high blood pressure and in addition to your sugar problem. You are now over-weight. But it doesn't mean that your other problems had gone away and you know the solution of some of these problems are very simple. But there is inertia in this municipality to take the decision.

There was a lady that was send for twelve (12) months to assist this municipality. There were so many times that she tried to stop the payment of overtime and she was physically abused, her office was vandalized the windscreen of one of our support team, was broken and that's the kind of attitude in this place. How do you expect us to help you if you don't want the help it's fine but the fact remains is you are under National Intervention. If you feel you have the capability to do this on your own that's fine we'll step aside but it does not change the fact that National Cabinet will still be monitoring you will still need to report and the only time you will get rid of us is when you show us that you can manage your finances properly.

You are exercising the necessary oversight and that people in this Municipality have services and they are not complaining. Whether it is the ANC, whether it's the DA whether, it's the Freedom Front Plus, whoever it does not matter to us, at the end of the day we are not taking any sides politically, our interest is to make sure that every citizen of this particular Municipality gets the services that was promised to them in 1994.”

NOTED.

103.	CLOSING OF THE SPECIAL COUNCIL MEETING
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The meeting officially closed at 16h45.

**SECRETARIAT UNIT
COMMITTEE SERVICES**