



Mayoral Report  
to Council meeting  
held 31 May 2023

**LET'S ROLL UP OUR SLEEVES  
AND FIX OUR BROKEN MUNICIPALITY**

Submitted by  
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## INTRODUCTION

Mr Speaker, our council meeting today (31 May 2023) signals the start of a new fiscal season, which officially begins 1 July. In a few moments, I will table the 2023/24 Budget for approval by council. When doing so, I will highlight more detail pertaining to the budget.

However, for the purposes of this section of our agenda, namely *Statements by Executive Mayor*, I wish to make a few general remarks, which provide additional context for the adoption of the Budget underpinned by the turnaround plan for our municipality.

I will not belabour the point that our country is edging towards a failed state, according to recent comments made by business leaders. The pain and disruption caused by load shedding need not be mentioned in any detail here – since we are all victims of a rapidly collapsing Eskom. Load shedding, Mr Speaker, is going to cause increased levels of frustration and desperation and

has the potential to boil over into civil unrest. We would be unwise to not prepare for such a scenario.

Mr Speaker, without being repetitive, allow me to draw your attention to my comments made on 31 March 2023, when I tabled the DRAFT budget. I refer here to Item 7 of the agenda of 31 March which records my speech entitled: *“Broken, Bankrupt and Beheaded: It’s time to prepare for a new season.”* The same agenda pack of 31 March 2023 (Item 8), provides a copy of my speech to Mayco which I delivered on 16 March entitled: *“Journeys towards compliance.”* The content of these speeches remain relevant for this council meeting.

## BACKGROUND AND CONTEXT

Mr Speaker, I was re-elected Executive Mayor on 1 March 2023, after having been removed from my position in July 2022. I do not intend here to do a post-mortem of that period. It would be irresponsible not to acknowledge that we have come through a period of extreme dysfunction and political power battles which have necessitated two By-Elections in rapid succession (October 2022 and February 2023) and consequently destabilised the administration.

That period has also seen disciplinary procedures lodged by various councillors in an attempt to destabilise council. Fortunately, matters now seem to have stabilised and hopefully the political dysfunction will soon become a thing of the past. I commit myself to ensuring political stability during my term of office.

Let me therefore summarise the period (July 2022 to March 2023) by saying that a lot of water has passed under the bridge and I believe it is now time to *roll up our sleeves and fix our broken municipality* – as I implored council via my 31 March 2023 speech.

No doubt, in the context of the 2023/24 Budget we need to implement a turnaround strategy that will move us from an UNFUNDED to a FUNDED budget, to be encapsulated in a Budget Funding Plan and supplemented by the 154 Support Plan as per agreement between provincial government and the Cederberg Municipality.

## STATE OF MUNICIPALITY

The context in which this turnaround and 154 Support Plan takes place has been described in detail by our Acting MM, Mr Matthyse, in his report to Mayco on 26 April 2023. You will find the detail of the MM's report on page 5ff of the Minutes of the Mayco meeting held 26 April 2023, and which is in your agenda pack for today's meeting. I will therefore not repeat the detail here, save to say that the MM's report is not dissimilar to that of a *State of Disaster* type report. As Executive Mayor, I have taken the MM's report very very seriously and with the MM have activated a range of interventions to rectify and fix our broken and vulnerable municipality.

It is worth mentioning some highlights regarding the challenges we face. The obvious one is shifting the budget from its UNFUNDED status to a credible and then a FUNDED budget. Unfortunately, we need to tighten our belts just one last time before we can breathe again, financially speaking.

The MM's report points out the state of non-compliance of the municipality. Mayco has therefore approved the interventions needed to begin to rectify the situation. This detail you will find in the *Recommendations* as approved by Mayco (viz., Resolution BK8.1/26-04-2023) and also in BK8.1.10/19-05-2023.

The administration under the leadership of the MM must now attend to and fix the following:

- 54 negative findings and action items linked to OPCAR – Operation Clean Audit Report
- 15 negative findings and action items linked to Mid-Term Budget review
- 47 negative findings and needed to regularise the Strategic Integrated Municipal Engagements (SIME)
- 380 negative findings and action items needs to be fixed to regularise the SDBIP (Service Delivery and Budget Implementation Plan).

**Allow me to remind you that the SDBIP is the management and implementation tool which sets in-year information, e.g. quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the Municipality.**

**The fact that we have 380 negative findings (49 top layer and 331 operational layer) at the level of service delivery tells a story that our service delivery is in the RED – poor.**

- We are in contravention of NEMA - National Environmental Management Act. We have sewerage spilling into our waterways. We have waste management sites which are non-compliant.
- Our water security is under threat and we are in litigation regarding the supply and security of water for our municipality.
- In terms of the 154 Support Plan which is designed to help us navigate our way out of our current crises and challenges, there are at least 62 items that need action as identified in the 154 Support Plan.
- A growing debtors book of over R120million.

Mr Speaker, you will agree with me that we face enormous challenges. We can no longer be the proverbial ostrich with our heads in the sand. We have to face reality, roll up our sleeves and do what is required to fix our broken and vulnerable municipality.

Notwithstanding our capacity constraints, I believe we are able to turn the ship around. It will require an extraordinary effort on the part of the political and administrative components.

This then, Mr Speaker, is the context in which we must interpret and develop a credible budget, which will capacitate all our turnaround interventions.

And it is that budget (2023/24) I will shortly place before council for approval.

I thank you.