

BEYERS NAUDÉ MUNICIPALITY FROM THE MAYOR'S DESK

Rising Together for Development

FROM THE MAYOR'S DESK

21 JUNE 2023



IN THIS WEEK'S ISSUE:

Page 2: Mayor's Foreword

Page 3: Municipal Audit
Committee First Meeting

Page 4: Adopted IDP & Budget
of BNLM

Page 6: Occupational Safety
and Wellness Programme
Rollout

Dr Beyers Naude Local Municipal Mayor, Cllr Willem Safers welcomes all residents to this edition. It is one of the created spaces to share some of the work put into making us accountable to our residents. Feel free to read our updates.

Court orders against illegal Municipal Land Invasion

The Dr Beyers Naude Local Municipality has approached the court to stop illegal invasion of its vacant land and plots.

The interdict was granted by the Graaff-Reinet Magistrate Court

Residents are warned not to invade and build shacks on vacant municipal land.

The DBNLM is working towards ensuring that adequate human settlements are realised for residents. In August last year Council resolved that the Corporate Services Standing Committee should further discuss regarding internal land amongst wards to be rezoned and serviced.

Residents are urged to be patient, as the outcome of these investigations and discussions is nearing conclusion.



Foreword by the Mayor

Good governance will do more for our municipality than just stand it in good stead. It gives the institution a framework in which to make sensible decisions with long-term impact. Corporate governance is a set of principles and guidelines; a system that enables effective leadership and disclosure within the municipal environment.

The above is the same reason that, in this edition, I will share with you the thoughts of the Chairperson of the BNLM Municipal Audit Committee on what and how to improve corporate and financial management in our municipality. I will also share with you the adopted Integrated Development Plan (IDP) and the Budget. This will enable us as residents to forecast plans and interventions of the municipality.

I must share my enthusiasm with the levels and processes of engagement with you, our residents, in formulating the above-mentioned strategic documents of BNLM. I wish the Council and our officials would take a step back and say, looking at the guiding principles and what they mean, this is what we should be doing.

We must deliver on our mandate. The IDP consultation process has sharpened our Vision and Mission Statements. I am extremely encouraged and wish to thank, our residents, for your indulgence, attendance, and constructive participation.

Residents would remember that in the September 2022 edition, I reported on an extremely sad tragedy which occurred where two employees of DBNLM passed away when they cleaned sewer pump stations of more than 1.5 meters in depth in very confined spaces. In this edition I share with you, through the work being currently rolled out by Human Resource Management Unit to curb such from happening again. To this effect I want to salute our workers, especially our labour unions, for their active participation in ensuring employee safety.

I will also share snapshots of our stakeholder engagement, of which you are part-and-parcel of, either individually or part of a community formation.

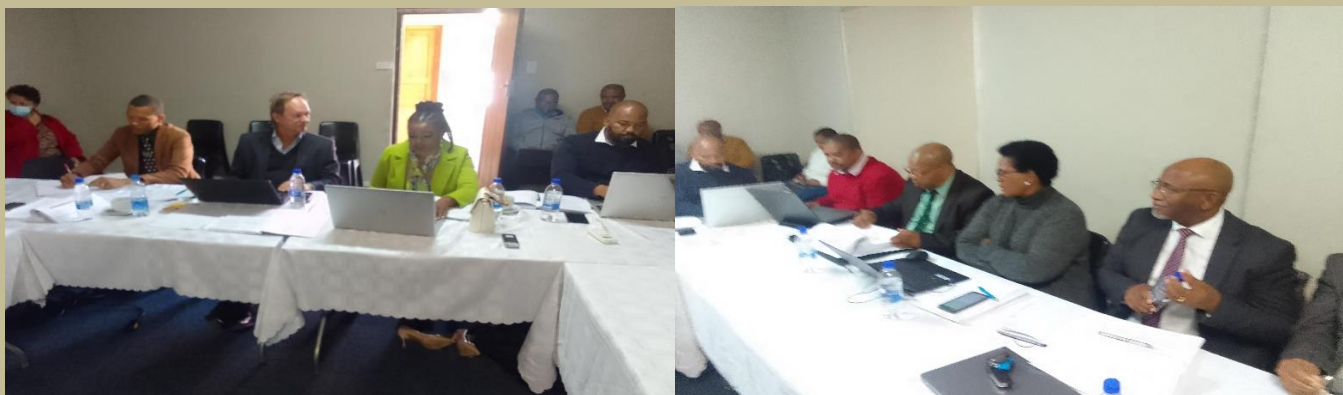
ENJOY THIS EDITION

Thank you.

CLLR Willem Safers

BNLM Mayor

Page 2 of 9



Independent Municipal Audit Committee impressed with financial reporting standards of BNLM

“Our primary objective will be to conduct thorough reviews, provide independent assessments, and offer valuable recommendations to management and council to enhance the efficiency and effectiveness of financial management processes.” These were the words of the incoming Municipal Audit Committee Chairperson, Mr Daniel de Lange.

The independent municipal audit committee has had its first meeting under its newly appointed members. This is a three-member committee who bring a wealth of experience and expertise in the financial services sector.

In his opening remarks, chairperson of the committee Mr Daniel de Lange, thanked outgoing committee members for their contribution to healthy corporate governance of the municipality. Du Plessis thanked former Chairperson Dr Ngwadi Mzamo for “his excellent leadership, insight and guidance.”

De Lange continued that he was honoured and privileged to have been entrusted with the important role of chairperson and expressed that he was looking forward to working withal to fulfil the BNLM mandate of promoting transparency, accountability and good governance.

“As chairperson, I believe it is essential that we set a strong foundation for our committee’s work right from the start. We have a critical responsibility in ensuring effective financial management oversight and all efforts will play a vital role in safeguarding that municipality’s resources and the interests of our citizens.” He said.

He predicted that, in the coming months, we will face numerous challenges and opportunities as we delve into the operations of the municipal financial landscape. By doing so, we will contribute to the overall betterment of our municipality and the well-being of residents.

“I would like to emphasize that importance of open and transparent communication within our committee.”

He expressed his confidence that each member of the committee brings wealth of knowledge,

experience and expertise, which will undoubtedly enrich discussion and deliberations. He encouraged active participation from all members to ensure collective efforts will yield the best outcomes.

He urged that on their journey as a committee, highest standards of professionalism, integrity, and ethical conduct be maintained.

“Our role demands unwavering commitment to the principles of good governance, and it is imperative that we lead by example in upholding these values. Let us always remember that the trust placed in us by the municipality and its constituents requires us to always act in their best interests,” de Lange said.

In the weeks and months ahead, the Municipal Audit Committee and senior management will establish clear work plan, defining priorities, and to develop strategies to ensure an even more smooth functioning committee. The committee and senior management were encouraged to familiarize themselves with relevant laws, policies and regulations that will govern the work ahead. This is an effort to enhance our knowledge and skills through professional development opportunities.

“Together, let us make a positive impact on our municipality and set a shining example of excellence in financial management and accountability,” he concluded.

This meeting was also attended by COGTA, Provincial Treasury and Auditor General Officials, who are responsible for guidance, monitoring, up-, and providing professional support to municipalities.

BNLM Council has adopted the IDP and Budget



Dr Beyers Naude Municipal Council has in terms of section 24 of the Municipal Finance Management Act, no 56 of 2003, adopted its Integrated Development Plan (IDP), Annual Operational and Capital Budget on the **31st of May 2023**. As required in terms of section 17 of the Municipal Finance Management Act, the Budget, Integrated Development Plan and Supporting Documents were tabled and advertised for representations / submissions by the local community, Provincial and National Treasury in **April and May 2023**. Copies of the adopted 2023/2024 Annual Budget, Detailed tariff listing, Integrated Development Plan and supporting documents are available at the administrative units and all our public libraries, as well as the municipal website at www.bnlm.gov.za.

In view of the, the following table represents an overview of the 2023/24 Medium-term Revenue and Expenditure Framework:

Table 1 (Overview of the 2023/24 MTREF)

	Current Year	2023/24 Medium Term Revenue and Expenditure		
	Adjusted Budget 2022/23 R	Budget Year 2023/24 R	Budget Year +1 2023/24 R	Budget Year +2 2024/25 R
Total Revenue	-581 392 045	-547 441 216	-559 807 859	-593 249 436
Total Expenditure	531 979 338	544 249 465	567 205 757	609 919 670
Surplus/(Deficit)	-49 412 707	-3 191 750	7 397 898	16 670 233
Capital Expenditure	64 613 500	74 050 300	50 065 500	22 435 000

The municipality is showing an operational surplus, however the budget remains unfunded, when we consider the current outstanding debtors' and creditors' balances. As it stands, agreements have been entered into with some creditors, but the full Eskom balance remains payable immediately, until such a time as an agreement is signed.

However, MFMA circular 123 has highlighted the Municipal Debt Relief that is conditional, and application based, has therefore been sanctioned where Eskom will write-off all debt municipalities owe as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honor their current (monthly consumption).

There is a general increase in revenue, as a result of tariff increases and continued implementation of cost reflective tariffs. This, however, is set-off by the anticipated decrease in the proceeds from the sale of land. The revenue is also affected negatively by the impact of the ongoing drought and loadshedding which cuts across all services as most depend on electricity.

Total operating revenue has decreased by 6% or R33.9 million for the 2023/24 financial year, compared to the 2022/23 Adjustments Budget.

The municipality completed investigations into cost of supply and a baseline tariff was established for each service in 2019 to 2022. Thorough investigations were also concluded on electricity tariffs, the effect of the wheeling agreement with Eskom and management has completed physical verification of bulk consumer meters. The intention of the physical verification was to ensure that all possible tampering is identified for these users, correct meters are installed and are functional and to ensure that each user is linked to the correct tariff. A lot of work has been performed and the project is expected to continue into the 2023/24 financial year.

For the two outer years, operational revenue increases by 2% and 6% respectively.

Total operating expenditure for the 2023/24 financial year amounts to R544 million, resulting in a budgeted operating surplus of R3.2 million. Compared to the 2022/23 Adjustments Budget, operational expenditure increased by 12.3 million. The municipality is currently struggling financially, and cost containment measures are implemented. Cost containment measures include a monthly curb on overtime, acting allowances and travel expenses. It also includes the stopping of non-essential procurement.

For the two outer years, operational expenditure increases by 4% and 7% respectively. The 2024/25 and 2025/26 budgets reflect operating deficits of R7.4 million and R16.7 million respectively.

The major operating expenditure items for 2023/24 are remuneration (council and employees) (35.23%), bulk electricity purchases (24.04%), depreciation (12%), Repairs and Maintenance (7.63%) and other expenditure (28.73%).

Funding for the 2023/24 Operating Budget is funded from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection (48.82%), property rates (8.23%), grants and subsidies received from National and Provincial Governments (36.63%).

To fund the 2023/24 Operating Budget, the following increases in property rates and service charges will be affected with effect from 1 July 2023:

Property rates:	Increase with 8%
Water:	Increase with 5.3%
Refuse:	Increase with 5.3%
Sewerage:	Increase with 5.3%
Sanitation:	Increase with 5.3%
Electricity:	Electricity tariff will increase with 21%. Please note that the increase is subject to approval by NERSA and this percentage may vary towards the final adopted budget.

The original capital budget of R74 million for 2023/24 is R9.4million or 13% higher than the 2022/23 Adjustments Budget, this is due to more capital allocations from national government for 2023/24. The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as limited internal funding is available. Capital expenditure for 2024/25 will amount to R80.3 million.

The budget provides for assistance to the poor and includes the following social package:

- Water – 6 kl free
- Electricity – 50 kwh free
- Refuse – 100% of monthly cost free
- Sanitation – 100% of monthly cost free
- Property Rates- 100% of assessed rates.

All budget-related policies have been reviewed and workshopped with top management. The policies were scheduled to be workshopped with councillors in March, however the session was cancelled. The policies will also be subjected to public participation.

Linkage between the annual budget and IDP is illustrated in the following table:

					BACK TO BASICS		
	INFRASTRUCTURE DEVELOPMENT	COMMUNITY DEVELOPMENT	INSTITUTIONAL DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT	GOOD GOVERNANCE & PUBLIC PARTICIPATION	SOUND FINANCIAL MANAGEMENT	TOTAL
CAPITAL EXPENDITURE	R67 064 075	R6 616 225	R0	R0	R0	R370 000	R74 050 300

The municipality has conducted a cost of supply study on all tariffs. The study revealed that almost all the services are currently being rendered at below cost which puts enormous strain on the cash flow of the municipality. It is therefore imperative that these tariffs be changed to include the new baseline tariff. The indigent support is also available to assist indigent households that have limited financial ability to pay for municipal services. Please visit our municipal offices for applications.

Dr EM RANKWANA
MUNICIPAL MANAGER

BNLM Prioritises Wellness and Occupational Health and Safety of Employees

Dr Beyers Naude Local Municipality (BNLM) has decided to make a deliberate and conscious effort to ensure that it takes care of its employees well-being. This is done through several interventions and programmes that have been identified.

Two (2) weeks ago, it started with a Medical Surveillance where municipal employees that are exposed to chemicals, dust, refuse waste and at our water-works plants were immunised against diseases they might be exposed to in their line of work. The Municipality partnered with the Department of Health (DoH) and employed the services of a professional service provider to undertake this exercise.

“We are encouraged to realise how our employees have positively interacted with this programme. Their participation and availability for these medical tests is an indication that they appreciate the gesture of the employer towards their well-being”, Human Resources Manager Dawn Klassen said.

The Department of Health has availed a mobile X-Ray facility and have sputum samples from employees. A follow-up consultation is due after results have been received. Should the need arise for further medical referrals, not compromising the confidentiality of medical information, such referrals will be handled by the DoH and our Human Resources Department.

“The plan is comprehensive as it includes stakeholders such as the Department of Social Development (DSD) who will also have the official role of providing psycho-social support to employees. The envisaged support is aimed to ensure that we address issues of wellness, substance abuse, absenteeism, financial and physical health.”

The programme will also include financial services providers, such as commercial banks and policy under-writing companies to advise employees on financial matters. This is to promote a more positive take-home for participating employees.

The Medical Surveillance programme will be an annual programme of the municipality.



INITIATION FORUM PRO-ACTIVE TO INITIATES SAFETY DURING WINTER SEASON

The Dr Beyers Naude Local Municipal Initiation (Circumcision) Forum recently held a meeting to discuss issues that are anticipated in the winter circumcision season. This meeting is chaired by the Council Speaker, Cllr Cheslin Felix.

The stakeholders of this forum include the Department of Health, Department of Community Safety, South African Police Service, Department of Education, and members of Ward Committees.

The safety and well-being of initiates is key, and this meeting is addressing such challenges.



INFRASTRUCTURE UNIT UPGRADING AND FIXING WATER MAINLINE

On Friday, June 08, 2023, the Dr Beyers Naude Local Municipality Community Services Department installed Traffic Calming Devices in Bree Street in Kroonvale. This was to ensure that road users in this stretch of road are safe and remain considerate to other road users.

Traffic Calming is a practice of placing physical measures in a road to control the speed at which motorists travel.

These pictures were taken in front of Spandau High School. This action makes it safe for the schooling community to walk and cross the road when they have to.



Calming Devices control driving speed on roads and contribute to pedestrian safety.

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**Visit our Facebook Page for updates and notices at
Dr Beyers Naude Local Municipality**



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9 JUNE 2023

Power Alert: Graaff-Reinet

We are experiencing Electrical Supply Fault in the Adendorp and Wolwas. Electricians are on site and are in process with the repairs.

The estimated time for repairs is three (3) hours.

We apologies for any inconvenience this may cause.

The Dr Beyers Naude Local Municipal Council and Senior Management are currently in a Virtual Policy Workshop. Some Councillors and Management are connecting from our Auditorium. As Policy-makers, Council is committed to uphold the policies and principles... See more

