



Mayor Claude Terblanche

Acting MM Ralph Links

CFO Felix Lotter

Dear Bitou Municipality,

**Public questions on draft 2024/25 Bitou Budget refers.**

In response to the invitation for the public to comment on the draft budget, we have the following comments and questions:

**Expenditure Budget**

**R12 million for EPWP workers is a lot of money. The budget reports only R1.5 m is grant funded, and the balance is from municipal funds. And that amount does not include the cost of uniforms, transport, admin, etc.**

1. Please provide your plan for what projects they will perform, how they will be measured, who selects them, and what is the total cost with uniforms, transport, supervision, admin, and all other costs included?

**A 1.** EPWP Business Plan is used for the 2024/25 Financial Year, therein a list of programs are supplied.

2. Recruitment is done by HR. An advert is circulated, and people must register on the municipal unemployment database.

3. Every project manager must budget for PPE for his/her project.

4. Supervision, Admin and Transport depends on the Project Managers and the nature of the program, also the area in which the project is executed

**Over one-third of our revenue is spent on employee costs and it continues to rise. Your budget shows a 10.2% increase, resulting in 38.8% of the operating budget. Senior managers and directors salaries are spiralling up.**

2. Is there a plan to control the rising senior management costs - salary and perks?

**A** This matter is currently subject to the upper limits determination by COGTA as well as the waivers approved in this respect. The matter cannot be singled out in isolation as there are 12 managers in the institution that already earn more as the upper limits determination for Senior managers. It

would be unfair to expect Senior managers that carry more responsibility to work for less than subordinate staff.

3. Please justify why a million rand in laptops and replacements is necessary.

**A** Unclear about the Million rand, however a detailed capital budget can be found on our website that addresses how the budgeted amount is spilt into the different projects. Only R100 000 has been allocated to laptop replacement. IT and related equipment is replaced as and when necessary in accordance with a replacement program to ensure that hardware can handle software updates and operational requirements, there are more than 300 users that need to be serviced and equipment kept up to date.

4. Which departments receive standby allowances and how much for each department?

**A** In terms of SANS standards for firefighting we must have a standby shift to cater for different categories of fires Disaster Management – two staff on standby on a rotational basis and in terms of the policy to cater for disasters and other emergencies.

- Waste Management - As per approved schedule. Urgent waste removals, dead animals, etc.

- Finance staff are required to assist with the pre-paid system and inventory issue in case of emergencies

- Water, sanitation and electrical staff provide services over weekends and after hours

5. How are standby allowances monitored ?

**A-** Standby allowances are implemented in terms of the Council approved policy, monthly reports are submitted to portfolio and mayoral committee.

6. Are performance bonuses treated as an entitlement?

**A-** It is awarded in accordance with the provisions of the performance regulations and performance agreements concluded

ba7. What is the budgeted cost of body guards, drivers and staff for elected officials?

**Indigents are costing Bitou R100m, an increase of 40% over last year.**

8. What percentage is funded from Equitable Share?

**A** Fully covered by Equitable Share, yet all elements of cost are not added as a costing system needs to be rolled out.

9. Is HR applying for Equitable Share grants as expeditiously as it should?

**A** HR do not control or allocate equitable share.

**Repairs and maintenance on infrastructure is only R22 million; less than half the total R&M budget. Would overtime not be reduced if more was spent on capital for pipe replacements instead of patch work?**

**A** Engineering Department incurred overtime due to public reporting services complaints to customer care which is forwarded to the standby teams. Overtime would be reduced if additional budget is provided for the replacement of aging infrastructure.

10. How much of overtime spend is due to infrastructure repairs?

**A** For the Engineering Department all overtime relate to infrastructure issues.

11. What cost reductions will be implemented to support this budget increase of R100 million?

**A** The cost containment policy of the municipality gives guidance, is applied and a quarterly report submitted to council.

12. Is a functioning workshop for vehicle maintenance going to be established to avoid the cost of taking vehicles to George for service?

**A** Bitou LM has a functioning workshop for minor repairs and services. Major repairs and plant / transport still under warrantee is outsourced. Not all plant / vehicles are taken to George which happens to be the closest and biggest industrial city with specialist service providers. Recent tender closure has identified service providers locally that can provide certain specialized services which negates the need to use service providers outside Bitou LM

13. Has budget been again allocated for parties such as Youth Day, Women's Day, Heritage Day? Have any non-essential expenditures been eliminated?

**A** Yes allocation was provided towards these outreach programmes

14. What is budgeted for Mayoral discretionary funds?

**A** No provision made as it is not allowed as per National Treasury Norms and Standards

**Cost management and fiscal discipline.**

15. What operating efficiencies have been implemented to reduce costs of service delivery?

**A** Drafting and updating Engineering Department Standard Operating Procedure. Implement shift work, Investigate abuse of resources – incident reports, Processing invoices within 30 days, compare and select value for money quotes, procure technology, such as thumpers, to minimise exploratory costs for locating existing services, training staff, using smart meters, technology & automation, such as telemetry, collaborator.

16. Have any austerity measures been implemented to offset tariffs which are considerably above the inflation figure of 4.9%?

**A** Austerity measures, cost containment principles and operational efficiency considerations as well as value for money considerations are made in all aspects of service delivery execution. Cost drivers remain a factor that influences tariff increases and growth limitations are set when budget input from departments are solicited.

**Capital Budget of R183m, an increase of 42%, of which 27% will be funded from municipal borrowings.**

17. What capital projects are planned for Ward 2 in 2024/25 and 2025/26?

**A** As per detailed Capital Plan, SA 36

a) Capital projects planned for Ward 2

**A** Financial year 2024/2025 Proportion of R6,900,000.00 planned for Fleet management

Financial year 2025/2026 Proportion of R15,400,000.00 planned for Fleet management

Financial year 2026/2027 Proportion of R10,700,000.00 planned for Fleet management

Financial year 2026/2027 R18,500,000.00 planned for Roads project

18. What was the cost to procure wheelie bins "to allow for better measurement of waste volumes?"

**A** R1 Million on the current budget and additional allocation is made on the new budget

19. Which wards or rates category received the bins? What was the cost versus the expected payback?

**A** We have budgeted to provide additional bins for businesses as part of our revenue enhancement strategy, mainly WARD 2

The municipality provides bins to all households and those that have not received will still receive

We also provide households with bins and have budgeted for bins for new residential developments in Qolweni and Ebenezer

20. One-third of the capital budget, R60 m is being allocated to Ebenezer, with another R40 m budgeted for 2025/26. We believe close to R100 m has already been spent to date, plus another R100 m is planned. To drive through the development, there are very few paved roads, and infrastructure appears to not be in place either. We are concerned that unchecked cost overruns will reduce funds available for other housing projects.

**A** Project is Grant Funded and part of the provision on the Human Settlements Grant is allocated to roads and infrastructure.

21. We would like to see an accounting of what has been spent, how much was funded with grants, what have been the cost overruns on tenders, and what is the projected final cost?

**A** Spending on grants are reported monthly, there are no overruns as tenders are awarded in accordance with the budget that is available for the project(s)

22. A new community facility is budgeted for R304,000 in 2024/25 and an additional R3.3m in year Where and in which ward is this facility?

**A** This is the Upgrading of Our properties where the nature of the work is of a capital nature and not operational.

23.1 R42.3m is budgeted for the Kurland Waste Water Treatment works over the next 3 years, plus another R27 m for an upgrade over years 1 and 2, for a total of R70 million. How much is budgeted for the Gansevlei upgrade or expansion?

**A** R42.3m is budgeted for the Kurland Waste Water Treatment works over the next 3 years, plus another R27 m for an upgrade over years 1 and 2, for a total of R70 million.

**A** The R27m is for the Kurland Water Treatment Works and is mostly WISG funds (R22) with the remainder being our own funds.

23.2 How much is budgeted for the Gansevlei upgrade or expansion?

**A** The total estimated cost to upgrade Gansevallei WWTW is R200m, funding requests are being prepared for submission.

Pre-planning activities commenced during 2023/24. We are spending R 650k in the current financial year.

A budget of R 1.5m - 2024/25 and R 3.7m - 2025/26 is allocated to the upgrading of the Ganse Vallei WWTW. This is also for pre-planning activities.

24. R16 m is budgeted for a Brakkloof transformer over the next two years. Is that in addition to the original budget amount since it was our impression that this project was already underway?

**A** The Brakkloof project was taken off the budget for this (2023/2024) financial year and we will commence with the project in the next financial year. No funding was spend in this year.

#### **Revenue Enhancement and Rates Paying Base**

25. What plans are in place for job creation? Bitou's unemployment rate is over 25% and continues to rise.

**A** The municipality is spending funds on infrastructure to create an environment for investment, the investment conference will add value to attract investment and create jobs, own contribution to EPWP aims to create short term opportunities to the unemployed.

26. What percentage of Plett and the surrounding communities are paying rates and is the percentage increasing or decreasing?

**A** More detail is required to ensure the correct information can be provided, please be more specific in respect of what "surrounding communities" mean.

Regards,

Steve Pattinson

**Answers are indicated by a "A"**

Dear Mr Lotter ,

Kindly note the following comments and objections as my concerned **input to the draft 24/25 into 26 budget.**

- Proposed Capital Expenditure budget ;

I find it disappointing to note that there are almost no provisions for any form of capital expenditure on essential services for the Keurboomstrand part of Ward 1 across the next three years. The exception being an upgrade to the mains electrical feeder /supply.

Nil funding allowed for over the next three years for sewerage infrastructure expansions -excepting some "operational upgrades "across all wards. This in the face of ever growing property developments, including multi-unit schemes, having been approved recently for the Keurbooms area.

- Sewage overflowing at multiple points in the village is a regular occurrence and a public health risk.
- Previous proposed annual budgets had at least shown some funding, albeit targeted for later year implementation for such upgrades,these line items have now disappeared altogether.
- The budget reflects nil funding for any road's improvements in Keurbooms.
- I have been trying for over eight years now to have the **extension of the sewer main for upper Main Street** included in the capital budgets.

My efforts have been across all levels of the technical team at the Council, from the operational level to the top as well as across all political office bearers that I have been able to identify.

In conjunction with KPOA under chairmanship of Mr Piet Luttig, many submissions and inputs had been made over the past several years to the IDP / Keurbooms LASP/ Planning department reviews and previous draft budgets .

Constructive efforts were made on several occasions in conjunction with KPOA to have our voice heard and inputs considered. Judging by this current draft budget, we here in Keurboomstrand are being further marginalized in your considerations for budgeted funding of any kind.

I was also most surprised to hear your appeal, during your presentation at the recent Plett ratepayers association, for members of the public to be more proactive and participative on budget proposals. In my experience , multiple attempts to do so have not resulted in success for the Keurbooms cause.

Since Keurboomstrand is undoubtedly one of the prime real estate investment areas in Bitou, attracting high net worth investors /ratepayers I believe a more considerate review of our capital and infrastructure needs is warranted .

I look forward to your reaction and hopefully an adjusted capital budget to cater for some of the above in the near future.

I also hold myself available for meetings and discussions on the above , should you believe that it can result in a more equitable treatment .

Thank You,

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