

NQABA BHANGA

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Date: 15 May 2020

**ACTING EXECUTIVE MAYOR
CLLR THSONONO BUYEYE**

PER EMAIL

Dear Executive Mayor,

RE: DRAFT IDP AND BUDGET 2020/21 MTREF

I refer to the aforementioned matter.

Kindly find attached hereto proposals from the Democratic Alliance regarding possible financial relief measures for residents in response to the COVID-19 pandemic. I submit same for your personal information and suggest that you ask the CFO to provide you with his comments and / or advices thereon.

I note with concern the fact that Nelson Mandela Bay has seen a material under collection of at least R170 million during the month of April 2020.

Whilst it is understandable that the metro has seen a decrease in its collection rate during this difficult time, I am rather concerned that you and your administration have been quiet as to how the metro plans to avert the looming financial crisis.

If my information is correct, we have also seen a significant reduction in electricity sales revenue. This, coupled with the fact that we are likely to experience further collection rate drops during the months of May and June, should be a cause for significant concern, and we need to be proactive in managing this unfolding financial crisis.

There is also likely to be significant savings in our budget, in various budget line items, as a direct result of the effect that the pandemic had on our ordinary business operations. However, the main cost drivers, such as our wage bill and contractual obligations, remains unchanged and as such, any significant under collection, or decrease in revenue will no doubt result in a deficit in our budget.

Furthermore, I am also concerned that the administration has been silent in respect of its planning with regards to the 2020/21 MTREF budgeting processes.

PR COUNCILLOR

While it was impossible for council to table the draft budget on or before the 31st of March 2020, as is required by Section 16 (2) of the Municipal Finance Management Act (MFMA), we have to ensure that we now adhere to the directives in the Exemption Notice in terms of section 177 (1)(b) of the MFMA as published by the Minister of Finance earlier this year.

I therefore request that you schedule an urgent briefing session with the CFO and all party political leaders to discuss, amongst others:

1. The current state of the fiscus as well as revenue projections for the remainder of the financial year at hand;
2. COVID-19 relief measures for residents that could be costed and implemented immediately;
3. Grant funding and total capital budget spending in the administration to date;
4. The amended process plan with regards to the tabling and adoption of the 2020/21 IDP AND MTREF;
5. Details as to public participation processes to be followed in respect of the 2020/21 IDP and MTREF.

I trust you will receive the aforementioned correspondence favourably and look forward to your response thereto.

Should you have any queries please do not hesitate to contact me.

Sincerely,



CLLR N BHANGA

CC: Nelson Mandela Bay Acting Municipal Manager, Ms Noxolo Nqwazi
Nelson Mandela Bay MMC: Budget and Treasury, Mr Mkhusele Mtsila
DA NMBM Caucus Leader, Cllr Jonathan Lawack
DA NMBM Chief Whip, Cllr Gustav Rautenbach
Eastern Cape Shadow MEC for Finance, Shadow MEC for Rural Development and
Agrarian Reform, Retief Odendaal, MPL