



29 September 2022

## **Submission by the Democratic Alliance to the NCOP's Select Committee on Cooperative Governance and Traditional Affairs on the decision by the North West Provincial Government to dissolve the Ditsobotla Local Municipality under S139(1)(c) of the Constitution**

### **Overview**

The Ditsobotla Local Municipality suffer from a range of structural and systemic challenges inherited from previous administrations. These are:

#### **1. Previous Failed Interventions**

- a. Since 2000, there have been approximately 29 interventions into Ditsobotla Local Municipality;
- b. Mounting Eskom debt currently at around R900 million. Businesses, NOPs and NGOs have successfully instituted litigation to service their electricity accounts directly with Eskom;
- c. Payment agreements between Eskom and Ditsobotla have been subjected to several renegotiations to adjust the terms to suit the incumbent administration's needs;
- d. COGTA failed to give effect to a judgement obtained against the appointment of the former Municipal Manager for failure to meet the minimum requirements for the position;
- e. Total disregard for successive Auditor-General findings and recommendations with no tangible effort to give effect or implement these;
- f. Failure to implement post-audit plans;
- g. Failure to improve and strengthen internal control measures;
- h. Failure to institute consequence management;
- i. Failure to table in Council an SIU Report and its recommendations following investigation into the previous administration.

#### **2. Financial Administration.**

- a. Failure to craft and/or implement financial recovery plans;
- b. Funding politicised and allocated towards to the benefit of the ANC's election needs;
- c. Household debt recovery and receivables shows steady decline under all successive administrators;
- d. Inflating the municipal organogram to accommodate the employment of politically connected individuals - cadre deployment;
- e. Failure to implement the recommendations of the Public Protector's Report into inherent nepotism in appointments;
- f. The deployment and redeployment of failed Administrators;
- g. Failure by Administrators to table close-out reports following interventions;
- h. Presenting and adopting unfunded budgets with the concurrence of the North West Provincial Government;
- i. The concurrence by the North West Provincial Government in the payment of upper limits;



- j. Budgets failure to accommodate maintenance and expansion of infrastructure in the Central Business District;
- k. Failure to include projects within the Central Business District within the Integrated Development Plan;
- l. Failure to plan for and fund infrastructure to improve water supply and management – specifically water reticulation infrastructure and reservoirs;
- m. Failure to align the budget process, with the Integrated Development Plan and with Service Delivery Budget Implementation Plan over the last 12 years;
- n. The application of Municipal Infrastructure Grants, the Integrated National Electrification Programme Grants & other grants to facilitate payments towards the municipal salary bill.

### **3. Service Delivery Problems**

- a. The collapse of water and sanitation services throughout Ditsobotla despite the intervention under the Municipal Infrastructure Support Agent (Mr OJ Tlale);
- b. The employment of the SANDF engineers and equipment to assist with water and sanitation services with cost;
- c. Current water shedding being implemented, resulting in substantial water leaks due to a lack of pressure;
- d. Aging infrastructure further damaged by water shedding/cuts;
- e. Substantial financial losses as a result of water leaks;
- f. Collapse of the municipal electricity distribution grid due to poor maintenance and lack of investment to expand capacity resulting in extended electricity blackouts;
- g. Poor service delivery contributes to economic decline resulting in the downsizing and closure of businesses and disinvestment like Clover;
- h. The devaluation of properties in Lichtenburg due to a lack of service delivery impacting on local economic development;
- i. Lack of qualified and skilled municipal staff further contributes to the collapse in service delivery.

### **4. ANC political factionalism undermining governance and service delivery**

- a. The employment of politically connected, but unqualified individuals to technical positions to senior and middle management as per the dominant ANC faction's discretion;
- b. Maintained ANC factionalism;
- c. Employment individuals through consideration of political affiliation and party political positions held to the municipal administration and municipal employees.

### **5. Current Municipal Challenges**

- a. Failure to vet the skills, qualifications and experience in the appointment of municipal officials;
- b. Failure to conduct a skills audit of entire municipal administration;
- c. Previous political office bearers appointed to administration without adequate job descriptions and clearly stated functions of roles;
- d. The payment of salaries to former political office bearers appointed to the administration while ordinary employees are not paid;
- e. Failure to fill critical vacancies for skilled and technical positions especially at middle management;

- f. Failure to implement the recruitment process plan for the appointment of senior management;
- g. Failure to pay Third Party Deductions from salaries;
- h. Failure to pay suppliers, service providers and contractors within the prescribed 30 days; Dissemination of authorities between the Local & District Municipalities not clear;
- i. Lack of urban sprawl development planning and the development of such policies;
- j. Failure to maintain natural recourses and assets, Ecco Tourism infrastructure and heritage sites or failure to capitalize on these such as the Lichtenburg Holiday Resort, 3 dams, Game Breeding Centre, Molemane Eye, Molopo Eye Transport Museum and other historical buildings;
- k. Failure to update the Municipal Valuation Roll;
- l. Dysfunctionality of supply chain management especially in the procurement of electrical, mechanical, water infrastructure spare parts and equipment;
- m. The extended vacancy in the post of the Chief Financial Officer since 2021;
- n. Failure to update the Indigent Register;
- o. Failure to adhere to best practise in the budget process;
- p. In excess of 54% of municipal income is irregularly consumed by the escalating salary bill;
- q. All Section 56 manager positions are filled on temporary bases (Acting for a period exceeding 3 months) without relevant qualifications or experience;
- r. Excessive expenditure on litigation due to the exclusive use of external service providers by the administration;
- s. Constant violent radical extremist demeanour of employees resulting in several hostage situations and a shooting incident where two people were injured where one succumbed to his injuries. The numerous release of teargas and live ammunition. The regular protest action and burning of tyres on municipal premises instigated by municipal officials. Disruptive downing of tools by officials. The sabotage and vandalism of infrastructure by officials. Staged break-ins into the Traffic Department by officials;
- t. Total absence of “tools of trade” to the technical department (entire municipality);
- u. Lack of yellow fleet;
- v. Dysfunctionality of the Municipal Workshop. Dysfunctionality of the SCM processes compacts the unavailability of spares & equipment rendering the workshop nearly useless;
- w. Legislative Municipal Oversight Mandate undermined and subverted by political office bearers and officials;
- x. Failure to address inherited historical mismanagement challenges. CG Cell, smart metering, exploiting the municipality harvesting up to 50% of revenue created;
- y. Reduced revenue making it impossible to service debt (selling electricity at a loss). CCG Systems, the current billing system, rumoured to be owned to current MEC for Finance. All previous systems were replaced by administrators, resulting in the loss of revenue and municipal account data;
- z. Lack of SALGA assistance with regards to the current challenges.

**6. How does this intervention differ from previous ones?**

- a. No difference, only the political problems will be addressed;
- b. No repercussions to dysfunctional administration and lack of skills;
- c. No ministerial directives to the budget and integrated development plan;
- d. Will not address the political instability and the politicisation of the administration;



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- e. Lack of consequence management to the constant breach of the MFMA.

## **7. Recommendations**

- a. Place Ditsobotla under Section 139(1)(a) and/or (b) and/or 139(5) or 139(7), with reference to the Tshwane judgement below.
- b. This ruling has been confirmed by the Constitutional Court of South Africa, case CCT82/20 & CCT 91/20 in the matter between Gauteng Premier, First applicant and Democratic Alliance, First Respondent;
- c. Tshwane Ruling, "Section 139(1)(c) in turn states that a province may only dissolve a council in exceptional circumstances.

[94] We have pointed out in this Judgment that there were less intrusive measures that could have been adopted by the Gauteng EC to address the root cause of the Council's inability to fulfil its core responsibilities. Such measures, as we have pointed out, were not considered nor invoked despite a specific recommendation to the MEC in the Noko report. This is what impels us to conclude that taking the dissolution decision was inappropriate".

(Gauteng High Court Division Pretoria Case No 18577/2020 dd 29/4/2020 in the matter between Democratic Alliance First applicant & Premier of the province of Gauteng, First Respondent).

- d. Conduct a full review of the municipal organogram and a skills audit to address capacity and poor performance.

**Submitted by the Democratic Alliance – North West**