

Mangaung Intervention Team Report Card

On 7 April 2022, Cabinet approved a National Intervention for the Mangaung Metro Municipality (MMM) in terms of Section 139(7) of the Constitution. The MMM was first placed under mandatory intervention in terms of Section 139(5) (a) and (c) of the Constitution in December 2019. A mandatory financial recovery plan was subsequently imposed on the municipality in 2020. After failing for more than two years to implement the financial recovery plan during the provincial intervention, the Metro has now been placed under a national intervention in terms of Section 139(7) of the Constitution.

A National Cabinet Representative (NCR) was deployed to the MMM supported by a multidisciplinary team of experts. The scope and responsibilities of the intervention team were mainly related to the implementation of the financial recovery plan and were not extended to cover matters relating to political decisions. Municipal council resolutions on whether to remove an elected office bearer are not part of the implementation of the financial recovery plan.

Who is the intervention team and Terms of Reference?

By Johan Pretorius

“CHAPTER 6 OF THE SA CONSTITUTION”

“Provincial intervention in local government 139.

7) If a provincial executive cannot or does not or does not adequately exercise the powers or perform the functions referred to in subsection (4) or (5), the national executive must intervene in terms of subsection (4) or (5) in the stead of the relevant provincial executive.”

Section 5 applies:

“(5) If a municipality, because of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, the relevant provincial executive must—

(a) impose a recovery plan aimed at securing the municipality’s ability to meet its obligations to provide basic services or its financial commitments, which—

(i) is to be prepared in accordance with national legislation; and

(ii) binds the municipality in the exercise of its legislative and executive authority, but only to the extent necessary to solve the crisis in its financial affairs.”



In October 2021 the South African Local Government Association (SALGA) issued a warning about the abuse of Section 139 inventions in municipalities for political ends, rather than genuine efforts to improve the delivery of services to the people. The NCOP has previously discussed the effectiveness of Section 139, and the fact that it is sometimes used and abused as a political tool to settle scores arising from political instabilities and infighting in municipalities. It must be mentioned that the position and powers of the National Cabinet Representative that are currently held by Gugu Malaza are a source of much controversy. This can best be explained by Malaza openly holding the view that she holds the power to ratify all Council decisions as if the Metro was under administration. The council holds the position that Mangaung is not under administration. The difference in opinion has already created conflict. The role and powers of the National Cabinet Representative must be clarified.

In 2018 Gugu Malaza was suspended after financial irregularities were revealed after she was dismissed from the SABC, and she resigned as the Ekurhuleni Metro CFO in 2019. The only reason in our point of view was to stop the disciplinary processes that would have revealed what she was doing in the Ekurhuleni Metro as CFO.

The South African Constitution is clear that the NCR and her team of acting HODs and the Acting City Manager must implement the financial recovery plan and bring service delivery back to the residents of Mangaung. The NCR cannot in any way or form interfere with Council decisions or have political connections to any political party. After a year under National Intervention Council has not received even one report. Service delivery is non-existent, and it is also believed that all payments must be signed off by the NCR and there is a huge backlog. She is not available or in town most of the time. Officials are frustrated that they cannot do their work and service providers are not paid on time. The ANC planted Gugu Malaza to secure its position in Council and to work against opposition parties.

Infrastructure and Finances

By Rossouw Botes and Dulandi Leech

Since the National Intervention team took over in April 2022 the Intervention team cannot convince the residents in Mangaung of better services. If you investigate the following capital expenditure for the last 9 months (July 2022 – March 2023) the performance on the capital projects can explain the story.

After the approval of the adjusted budget of R1 309 633 345 the Municipality only spend R431 695 582 till March 2023 (for 9 months) and that is 32, 96% of the budget. The expenditure of the different departments is as follows:

• Office of the City Manager:	33,38%	Approved budget: R217 889 233
• Corporate Services:	0,00%	Approved budget: R 22 700 000
• Planning:	54,66%	Approved budget: R 47 843 814
• Human Settlement:	26,80%	Approved budget: R330 300 377
• Economic Development:	3,28%	Approved budget: R 8 500 000
• Roads and Stormwater:	44,17%	Approved budget: R160 502 624
• Sanitation:	17,12%	Approved budget: R120 975 687
• Water:	38,40%	Approved budget: R124 073 128
• Waste and Fleet:	30,59%	Approved budget: R 36 533 677
• Metro Police:	0,00%	Approved budget: R 1 045 000

The Municipality received R1 091 885 384 from National Government as a grant but only spend 34, 64% of this amount.

The account to Bloem Water is still a problem and according to Bloem Water, the outstanding amount on the account is more than R700 million. The Municipality thinks that this amount is not correct due to a dispute on certain amounts that are not correct.

Me. Malaza who is employed to look after the Municipality from National is most of the time not in Bloemfontein. That creates a huge problem for the administration. One of the advisors of Malaza earns R114 000 per month but has no progress on service delivery.

With the above information, capital projects do not show a positive picture and that can directly be linked to poor service delivery.

- No Financial Recovery Plan has been presented to or approved by Council.
- Mismanagement of funds in that Capital Grants were spent on salaries.
- It was detected that R 109 million went missing. To date, there are no answers.
- No disciplinary action has been taken toward officials for financial mismanagement on all spectrums.



- Debt collection is at its worse with only government and businesses owing the metro more than R 3 billion, no written agreement has been entered into to ensure that the money is paid back;
- The 3rd quarter financial report has not been tabled before the council.
- Both the capital and operational budgets are underspent.

The rollover grants specifically earmarked in the adjustment budget for the resealing of roads, upgrading of water works, and buying of the new fleet are nowhere to be seen. There is no proof that the metro has embarked on any of these projects, which will mean that we will lose millions of Rand' again.

Solid Waste and Fleet

By Tjaart van der Walt

Waste Removal Services in Mangaung have reached an all-time low, with waste in most areas not being removed for more than two months between February and March 2023. Mangaung waste removal has chronically contravened the NEMA: Waste Act Norms and Standards for Kerbside Waste removal of household waste, which is an offence in terms of the Act. The worst of these is the failure to remove the waste every week on a set schedule. Even under the previous HoD of Waste and Fleet, Sello More there were no such extended disruptions without end. Under the HoD, Francois Nel and GM: Strategic Support Lawrence Mathae (who held both political offices and was an official at Mangaung, in contravention of the amended MSA, who is now a councillor) there has been an extended slow strike amongst workers at the department with constant threats. Zero successful disciplinary actions for any misconduct and regular sabotage and insubordination when GMs, managers, supervisors, and workers simply refuse to or are prevented from doing their work.

An ageing, badly maintained and an insufficient fleet of 10 working trucks instead of the required 40 is then constantly used as an excuse for overtime work and broken trucks. The daily departmental report of the past 12 months clearly shows many weeks with almost no removal taking place in Bloemfontein North during the week, with only some progress over the weekends when overtime is worked.

Part of this problem could be resolved by the implementation of a shift system, which the ANC alliance with its trade union partners have failed to implement for 25 years, and since the intervention team started. Although there are chronic fleet problems, the unwillingness of the workforce to cooperate when solutions are sought to ensure the continued provision of waste removal services is evident when workers have repeatedly defied legal and reasonable instructions to use trucks that were procured from outside the Municipal Fleet to alleviate the waste crisis.

Therefore, hundreds of well-remunerated waste workers are at home or sitting around the waste depot daily with the excuse that there are no trucks. However, when solutions are offered, they bluntly refuse to make use of the offer.

The seeming unwillingness of the EMT and Municipal manager to ensure disciplinary steps for insubordination means that workers can act with impunity in the waste and fleet and engineering departments without fear of any consequences for their actions.

Planning

By Tjaart van der Walt

The planning committee did not hold regular meetings while there were still MMCs.

The planning department is facing constant challenges such as a very high 60% vacancy rate, and critical vacancies such as GM, BCO, MPT, engineers, building inspectors and planners.

There remains a constant backlog in the approval and processing of building plans which leads to misuse and proliferation of illegal developments that leads to significant revenue losses and unplanned unfunded infrastructure expenditure.

The Fresh Produce Market, which is an income-production asset has collapsed. The workers are working in unsafe and unhealthy environments with a lack of maintenance leading to massive risks to human life. This also impacts suppliers and resellers of fresh produce.

Informal settlement formalisation is going at a snail's pace due to a lack of human resources.



The implementation of a digital storage and applications system for building plans and land use applications has not made any progress due to a lack of political will and an insistence by ICT and SCM to build a system that will integrate with existing Mangaung systems and not procure specialised nationally utilised systems.

Economic development is hamstrung by failures and undue delays in the building plan, land use, outdoor advertising and business license processes and policies that are outdated, complex and filled with red tape. Although the collaboration with the World Bank has assisted to streamline some processes.

Current status of the implementation of the organisational structure of Mangaung metropolitan municipality.

The Organisational Structure embodies a blueprint of the organisational human resource plan. It is a diagram that is compiled to regulate the human resources component of an organisation. The structure follows in support of the strategy of the Metro. This strategy is determined by the political party that has the majority in Council. The structure acts as a tool to manage your human resource assets and also provides all stakeholders, which would include the opposition parties in the council who has an oversight role, management information with which to evaluate the general health of one of the largest expenses and investments made by the shareholders.

The management of the structure is not an activity only compiled and managed by the HR department. Implementing and maintaining the organisational structure requires general management skill that is supposed to be learned from the supervisory level to the highest position on the executive level. Without being able to analyse and interpret the status of your organisational structure you cannot call yourself a manager in any sense of the word.

It is as clear as daylight that the ANC-controlled Metro has abused, misused, and criminalised the structure of the Metro for decades. The problem is that they are allowed to get away with it. They make it as difficult as possible to be transparent. The moment that you ask for detailed information on the status of the elements of the structure you are refused and accused of wanting to interfere with the operational matters of the Metro. This is an untenable situation.

Keep in mind that the structure is compiled in synergy with a five-year term following an election. It is supposed to be revised with every annual and adjustment budget. Instead, it is a paper exercise that lands in “file 13”. The structure is supposed to be an internal and external audit item with equal importance to financials, growth, and service delivery items in an annual report. It is never been the case since the take-over by the ANC of the Mangaung Metropolitan Municipality.

Where do we find ourselves today, particularly concerning the design, approval, and implementation of the new structure?

What we know is:

- The Macrostructure has been approved but cannot be implemented.
- The Political Office Bearers (POB) structure has been approved but cannot be implemented.
- The Micro structure has not been finalised or approved.

Please keep in mind that the Mangaung Metro is almost two years into its current term without a revised and implemented structure. The Macro and POB structure was the number one priority of the National Intervention team. They have come some way in the design and development of a new streamlined and more efficient structure with substantial theoretical savings envisaged. I might not agree with everything on the structure but the implementation would have gone a long way in placing the Metro on the right path.

Please keep in mind that all new appointments have been frozen since early 2022. The Metro has an estimated 40% plus vacancies. It is not a crisis in general managerial positions (they go nowhere slowly) but the problem lies with a shortage of suitable technical and academically qualified personnel on all levels.

What are the main obstacles in implementing the structures?

- The Metro is a rules-based environment. Nothing of this can happen unless there is a mayor that is permitted to do his work.
- The mayor is responsible for nominating the Members of the Mayoral Committee.

- The mayor is primarily responsible to initiate the process for the employment of a Municipal Manager.
- The Municipal Manager must be primarily responsible for enacting the process for the appointment of Heads of Departments. It is only then that the latter can build on a team that complements the HOD's team with senior managers down to the lowest in the rank of the employee.

In summary, politics and politicians are responsible for the delay in the implementation of the structure. What we now need is stability more than anything. Currently, it is because of greed and the control of scarce resources. The ANC have no regard for rules to unfold. They do not believe in and respect the separation of power. This statement is evident in their policy of cadre deployment. We had a history of politicising instead of professionalising the Metro. Patience is a virtue, but we have run out of time in the Municipal Council

Special Council meeting Tuesday 25 April 2026

The National Minister of COGTA approved that the seconded Heads of Departments remain in those acting positions until such time the Municipal Council has appointed the substantive incumbents to these positions (handover) with changes

It must be emphasised that the directorates as presented now in the Macro Structures now differ from the approved Macro Structure that went through all the processes and was signed off by the Minister of Finance Office as well as the Minister of the then COGTA. I mentioned earlier that we might not be confident with all aspects of the Macro Structure. Our main concern was about the Gestapo-type Directorate that was created in the office of the Municipal Manager. It looks like this idea had been dropped now.

The confirmation of an acting Municipal Manager and acting HODs ought to bring some stability. We do have significant issues with some of these acting HOD abilities. There are serious knowledge, ability, and attitude problems with some of them.

The interim Intervention Structure is as follows.

Directorate	Incumbent	Second	Note
City Manager	Ngaka Rosina Dubalisile	National Dept. of Human Settlements	No nothing of her
HOD Corporate Services	ADV Nkateko Mpangane	National CoGta	The position plays a pivotal role in the ANC political strategy.
HOD Human Settlements (Planning incarcerated)	Nkateko Mabunda	MISA	(Now including Planning) Dumalisile
HOD Engineering Services	Wallace Rodney McLeod	MISA	With technical support from Dept. Water and Sanitation
HOD: Economic and Rural Development	Clement Manyungwana	Det. Transport	
Waste & Fleet Management	Francois Nel	Dept. of Forestry, Fischer, and Environment	Should have had a vertical link to the National Department
Acting Financial Officer	Lutantani Denge	National Treasury	
Social Services and Public Safety	Mahoholi Mafisa	Appointed by Council	

It must be mentioned that the position and powers of the National Cabinet Representative that are currently held by Gugu Malaza are a source of much controversy. This can best be explained by Malaza openly holding the view that she holds to power to ratify all Council decisions as if the Metro was under administration. The council holds the position that Mangaung is not under administration. The difference in opinion has already created conflict. The role and powers of the National Cabinet Representative must be clarified.

Municipal Public Accounts Committee

By David Masoeu

The main purpose of the MPAC is **to exercise oversight over the executive functionaries of the council and to ensure good governance in the municipality.** This will include oversight over municipal entities.

Since November 2021, MPAC had several challenges which included the following:

- Audit Report regressed due to the Intervention team ensuring the implementation of council resolutions.
- Those responsible for UIF are not held accountable as investigations are never completed.
- Contract management failure leads to contracts not being monitored.
- No documentary evidence for completed projects.
- No consequence management

Department overall ratings

<u>Department</u>	<u>Rating</u>
➤ City Manager	1/10
➤ Chief Financial Officer	1/10
➤ NCR Intervention Team	1/10
➤ Engineering	2/10
➤ Solid Waste and Fleet	2/10
➤ Planning	5/10
➤ Corporate Services	2/10
➤ MPAC	4/10
➤ Social services	2/10
➤ Economic and Rural development	1/10

For Enquiries:

Johan Pretorius

DA Mangaung Metropolitan Municipality Caucus Leader

072 226 0222

Dirk Kotzé

DA Councillor Mangaung Metropolitan Municipality

078 458 8994