



NELSON MANDELA METROPOLITAN MUNICIPALITY
COUNCILLOR BRENDON PEGRAM

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FINANCE MINISTER
HON ENOCH GODONGWANA MP

AND

DIRECTOR-GENERAL TREASURY
DR DUNCAN PIETERSE

PER EMAIL

Dear Hon Minister / Dr Pieterse

RE: NELSON MANDELA BAY (NMB) CONDITIONAL GRANT FUNDING LOSSES

I refer to the aforementioned matter and address this correspondence to you for and on behalf of the DA Caucus in Nelson Mandela Bay (NMB).

You are well aware of the level of political and administrative instability that NMB finds itself in at the moment. Not only has our permanent City Manager (Dr Noxolo Nqwazi) been suspended at full pay for more than 2,5 years, no less than 8 of our 10 Executive Director positions have also become vacant over the past 3 years.

Given the fact that our entire senior management is vacant, the City is in a state of paralysis never seen before. As a direct result of same there is no proper management of these departments, let alone the relevant skills to oversee the implementation and finalization of large capital works projects. In addition to the aforementioned, our supply chain processes remains broken-unable to timeously process tenders.

These are, in our opinion, the main reasons the City has been unable to spend conditional grant funding over the past three financial years -leading to more than a billion Rand in grant funding forfeited. The current financial year will be no different as once again total Capital Expenditure as at the 31st of March (or the end of the 3rd quarter) stood at a woeful 34.18%.

It is our considered opinion that there will be no improvement on conditional grant funding spending until such time as these senior positions have been filled by suitably qualified individuals (or in the alternative, suitably qualified seconded individuals) and expertise insofar as overhauling our supply chain processes have been provided to the City.

We are well aware of your “use it or lose” it principle when it comes to conditional grant funding allocated to municipalities. We do feel that it is unacceptable that our residents are continuously punished without Treasury providing much needed support to one of their ailing metropolitan municipalities. The “punishment” given has not been able to remedy the situation and as such a different course of action should be embarked on-hence our request for direct assistance from Treasury.

It is our hope that you will receive our correspondence favourably.

Sincerely,
Cllr Brendon Pegram