

**No. 17**

# **MINUTES**

## **OF**

### **ETHEKWINI MUNICIPAL COUNCIL**

Meeting held on Thursday, 2022-06-30T10:00, streamed from  
Luthuli Hall, Durban City Hall.

**PRESENT :** Councillors TE Nyawose (Speaker), TM Kaunda (Mayor), PG Mavundla (Deputy Mayor), A Abdul ; J Annipen, A Beetge, S Bhanprakash, M Billy, T Biyela, JM Davies-Black, NJ Bollman, M Brauteseth, MH Buthelezi, KPM Cele, SB Cele, SP Chebure, J Chetty, GD Clarivette, SV De Boer, Z Dzanibe, J Essop; BA Fortein, SN Gabela, GM Gasa, DM Gcabashe, FO Gcabashe, NBC Godlwana; R Gokool, G Govender, S Govender, Y Govender, NL Graham; BR Gumede, NC Gumede, S Gumede, BM Gwala, MS Gwala, GJ Hegter, MM Hlengwa; NP Hlomuka, SD Hlongwa, MF Ismail, LBS Jali, DM James, M Johnson, MA Jokweni, K Khambule, MH Khan, KNN Khubone, NL Khuzwayo, SNC Khwela, A Kissoon, BG Kubheka, V Kunju, CJ Laing, SW Lushaba, M Lutchmen, WM Luthuli, ME Mabaso, RD Macpherson, MA Madlala, NI Madlala, SR Madlala; A Maharajh; RP Maharaj; S Maharaj, FN Majola, TG Makhanya, HS Makhathini, MW Manqele, JB Maphumulo, NJ Maphumulo, TZ Mathe, SH Mazibuko, WM Mazibuko, M Mbambo, KT Mbhele, BA Mchunu, JL Mchunu; SW Mcineka; RL McKenzie, X Mdlazi, FW Mdletshe, SM Memela, SP Mfeka, K Mhlaba; GN Mhlongo, SE Mhlongo, MB Mjadu, AZ Mkhize, MA Mkhize, ME Mkhize, MP Mkhize, NN Mkhize, NA Mkhize, P Mkhize, SM Mkhize, TJ Mkhize, B Mkhwanazi, BR Mngadi, DF Mngadi, E Mngadi, S Mngadi, MR Mngonyama; TJ Mnguni; BV Mngwengwe, PB Mnikathi; ZO Mnomiya, S Mnyandu; MV Molife, SR Moodley, T Mohamed, ND Motseke, NP Msibi, LI Msomi, NP Msomi, LG Mthembu, SSS Mthethwa, TD Mthethwa, TM Mthethwa, N Munien, OB Mvubu, ZP Myeni, SK Mzimela, BD Naidoo; V Ncukana, WP Ndiweni, NB Ndlela, AB Ndlovu, MF Ndlovu, PB Ndlovu, NS Ndlovu, V Ndlovu, SG Nene, TH Nene, S Ngema, SB Ngcongco, DB Ngubane, LE Nkomeni, MS Nkosi, DR Nowbuth, XM Nqweniso; DM Nsundwane, PC Ntshangase, SH Ntombela, BT Ntuli, N Ntuli, PB Ntuli, MR Nxumalo; B Nxumalo, PH Nxumalo, NN Nyanisa, MV Nzimande-Madlala; BW Phewa, DT Pillay, P Pillay, GDA Pullan, A Rampersad, VG Reddy, LP Shange; MG Shange, A Shaheed; TE Shezi, IM Shinga, HP Shoji; JN Sibisi, N Sibiya, LC Sikhakhane, BSB Sindane, EL Singh, J Singh; S Singh, PS Sishange, CN Sisoka, NI Sithole, BS Sivetye, EG Smith, AD Snyman, ZR Sokhabase, I Syed, BB Thusi, ME Thusi, M Thusi, ZN Tshazela, NT Tyelinzima, JC Van den Berg, NB Vilakazi; HM Van Der Ryst, NI Webster, SM Windvogel, TV Xulu, T Xuma; NY Young; GN Zondi; M Zondi; N Zondi, ON Zondi and TG Zungu.

**ABSENT :** Councillor AD Beesley (Leave), WJD Burne (Personal Commitments), R Cloete (Personal Commitments), TP Collins (Leave), F Ismail (Indisposed), ZW Khuzwayo, RP Mbonambi (Personal Commitments); NM Mhlongo, T Miya; KV Mkhize, SV Mngadi, SB Mpanza, J Naidoo (Indisposed), SP Ngcobo, MM Ngiba; ZN Ntuli; AAK Paruk (Leave), DR Pillay, T Sabelo;

S Sewshanker (Indisposed), BH Shange, KS Sibisi (Leave) and ZA Solomon (Indisposed).

AMAKHOSI

PRESENT : Inkosi EB Shozi.

AMAKHOSI

ABSENT : Inkosi S Mlaba and Inkosi JJ Shangase (Personal Commitments).

OFFICIALS

PRESENT : Messrs/Mesdames M Mbhele (Acting City Manager), L Mbonambi (Acting Chief Operations Officer); M Mhlongo (Head: Legal & Compliance) BM Mhlongo (Deputy Head: Office of the Speaker), T Ndlovu (Senior Manager: Secretariat) and SC Zondi (Chief Committee Officer).

(At the commencement of the meeting 195 Councillors were present, comprising ANC - 90, DA - 47, EFF - 22, IFP - 13, Action SA - 01, ABC - 01, ACC - 02, ACDP - 02, AIC -02, DLC - 01; ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF - 01, MOSA - 01, NFP - 01, PFP - 01, PRM - 01, TA- 01, UIM - 01 and VF Plus - 01).

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1. NOTICE CONVENING THE MEETING

The Acting City Manager read the notice convening the meeting as per the statutory requirement.

2. OPENING

The Speaker declared the meeting open at 10h20 and extended a warm welcome to Councillors; Traditional Leaders; Acting City Manager; Deputy City Managers; Head Legal and Compliance and other Unit Heads; Members of the Administration; Media; and Members of the Public viewing on social media live streaming.

He then apologised for joining the meeting late, advising that this was due to intruders in the Council meeting streaming venue thus causing disruptions. Therefore, he had to urgently attend to the matter. That because of this Council meeting he had to schedule a separate meeting between the Municipal leadership and these disgruntled individuals to hear their concerns.

Commenting on the matter, Councillor Mthethwa of the DA expressed a concern over security breaches in the Municipal buildings. He mentioned that individuals should not enter the Municipal buildings without having been vetted accordingly. Reference was made to the employees previously assassinated while performing their duties, and that this should be avoided by strengthening safety measures.

Thereafter, the Speaker also raised a similar concern and advised that the matter had been escalated to the Acting City Manager and the relevant Officials for actioning. In this regard, he requested that his Office be given time to address the matter.

3. AFRICAN UNION AND NATIONAL ANTHEM

At the request of the Speaker the meeting stood to sing the African Union Anthem and the National Anthem of the Republic of South Africa.

4. OPPORTUNITY FOR PRAYER/MEDITATION

The Speaker requested Council to observe a moment's silence for everyone to meditate.

5. OFFICIAL ANNOUNCEMENTS

5.1 The Speaker presented the following announcements for the attention of the Members of Council: -

5.1.1 Councillors were requested to complete the attendance register posted on the MS Teams Chat Platform. That administration was available to assist Councillors struggling to open and complete the attendance register.

5.1.2 Council mourns together with the entire South Africa, the unfortunate and tragic passing of the youth in the East London Nyobeni Tavern. He mentioned that this was indeed a sad way to end the Youth Month. A call was made to the youth of South Africa to entertain themselves in a responsible manner.

5.1.3 EThekweni successfully held various events in commemoration of the Youth Month. The Municipality was implementing various programmes which are bias towards supporting youth to participate in the mainstream economy.

5.1.4 Council noted with excitement the success of the AmaZulu Royal Household Ihlambo Cleansing Ceremony, led by King Misuzulu kaZwelithini following the passing of the late King Goodwill Zwelithini kaBhekuzulu. Council wished the AmaZulu Royal Household all the best in their preparations to proceed with the other formalities pertaining to the official coronation of King Misuzulu.

5.1.5 Council extended appreciation to the local community; business community; and visitors for their patience and support as the Municipality continues to implement projects to rehabilitate and restore infrastructure in the aftermath of the floods disaster.

5.1.6 The City of eThekweni was ready to welcome visitors from all over the world for its trademark event, the Durban July, taking place over the coming weekend. All areas of eThekweni will feel the Durban July beat as there are many other supporting events planned in association with the broader Durban July event.

5.1.7 The City appreciates the resilience shown to bounce back from the disaster to experience economic growth. The events hosted recently has boosted the economy in many ways, with the latest being Ingoma Festival held in Moses Mabhida Stadium and which has led to hotels reaching full capacity.

5.1.8 The Municipality extends appreciation to various stakeholders that are supporting it to host events aimed at generating funds to support the floods victims. This was a true meaning of citizens displaying high level of patriotism.

5.1.9 While authorities have relaxed the Covid-19 regulations, the people of eThekweni are encouraged to exercise individual discretion to care for themselves since the Covid-19 has not been rooted out completely.

5.1.10 Councillors are encouraged to conduct themselves with dignity and decency during the Council proceedings, and in compliant with the expectations in terms of the Councillors' Code of Conduct.

## 6. SPEAKER'S REPORT

### 6.1 **Purpose**

In presenting his Report, the Speaker submitted that the purpose was to report activities undertaken by the Municipal Council during the month of June 2022, in line with the provision of Section 13(f) of the Rules of Order By-Law 2014, as amended.

Also, to request Council to approve Membership changes in the Ethics Committee.

### 6.2 **Councillor Community Engagements**

6.2.1 The preamble of Schedule 7, Code of Conduct for Councillors as contained in the Local Government: Municipal Structures Act reads,

*“Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet the priority needs of communities by providing services equitable, effectively, and sustainably within the means of the municipality. In fulfilling this role, Councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators.”*

6.2.2 Given the above, convening community engagements is a statutory obligation, in particular, for Ward Councillors who takes overall accountability for the functioning of the Wards. The Speaker reported that some Councillors are not convening meetings and submitting reports as required.

6.2.3 The table below reflects community engagements held over the last two quarters of the 2021/2022 financial year. The attention was also drawn to the fact that some of the Councillors do convene community engagements but are not subsequently submitting reports accordingly to the Office of the Speaker.

Month	Number of Meetings held
January	0
February	25
March	02
April	04
May	03
June	06

6.2.4 Council to note that the above implies that there are Councillors that are allegedly in breach of the Clause referred to in .1 above in relation to the Code of Conduct and that such Councillors will be referred accordingly to the Ethics Committee.

6.2.5 Therefore, Councillors were encouraged to convene community engagements and report accordingly. Mention being made that the Office of the Speaker was available to provide the administrative support to Councillors to convene meetings.

### **6.3 Ward Committees Establishment**

6.3.1 In line with the requirements of the Rules Regulating the Establishment and Operation of Ward Committees, the process of vetting Ward Committees elected, to ensure they meet the criteria set to become the Ward Committee Members was finalised and confirmation given of the Members qualifying to serve in the Ward Committees. Subsequently, the qualifying Ward Committee Members were inaugurated on Sunday, 05 June 2022 at the Inkosi Albert Luthuli International Convention Centre.

6.3.2 The next and the last phase of the establishment of Ward Committees will be supporting them to convene their inaugural meetings. The primary intention will be to appoint Members to different Portfolios for each Member to have a specific role to play in a bid to address service delivery matters at the Ward level. The inaugural meetings are scheduled to take place in the month of July 2022 and these will be facilitated by the City Administration Unit.

### **6.4 Disruption of Municipal-Wide Printing Operations due to Paper Shortage**

6.4.1 Due to limited paper stock levels at the Supply Chain Stores, the Printing Department is no longer able to print quantities of documents required by its customers. This challenge was reported at the Speaker's Committee meeting of Monday, 27 June 2022.

6.4.2 The challenge reported in .1 above impacts Councillors with regard to the printing of Committee meetings documents and Proof of Address letters. Councillors' indulgence is therefore sought to receive meeting documents electronically in the meantime whilst the matter is being pursued with the Supply Chain Management Unit.

6.4.3 During consideration of the matter relative to the shortage of paper at the Speaker's Committee, a view was submitted that the Municipal Council should begin thinking about going paperless, also in alignment with the 4<sup>th</sup> IR drive. In this regard, it was then resolved that a survey be conducted to determine the state of readiness for the Municipal Council to go paperless, hence, individual Councillors to be requested to indicate their readiness to sustain the process of receiving meeting documents electronically.

6.4.4 The survey referred to will be circulated and, all Councillors are urged to participate by indicating their state of readiness to receive documents in a soft copy format. Thereafter, those indicating readiness will receive electronic copies. It being further noted that those that will not be ready will continue receiving hard copies whilst relevant training is scheduled to address gaps identified.

### **6.5 Ethics Committee Membership Change**

6.5.1 The Municipal Council at its meeting of 15 December 2022 established the Ethics Committee as part of the Statutory Committees of the Municipal Council. The Ethics Committee in particular supports the Speaker to promote compliance with the Councillors' Code of Conduct.

- 6.5.2 In terms of proportional representation, the Ethics Committee comprises the following Political Parties:

Party	Number of Representative	Member
African National Congress	4	<ul style="list-style-type: none"> <li>• Councillor Ntokozo Sibiya</li> <li>• Councillor Snenhlanhla Sishange</li> <li>• Councillor Vusithemba Mngadi</li> <li>• Councillor Sbusiso Ngcongco</li> </ul>
Democratic Alliance	3	<ul style="list-style-type: none"> <li>• Councillor Marlaine Nair</li> <li>• Councillor Nicole Bollman</li> <li>• Councillor Sanelisiwe Chebure</li> </ul>
Economic Freedom Fighters	1	Councillor Thabane Miya
Inkatha Freedom Party	1	Councillor Roy Mbonambi

- 6.5.3 With the resignation of Councillor Marlaine Nair of the Democratic Alliance, a vacancy has been created in the Ethics Committee. The Whip of the Democratic Alliance has, on 15 June 2022, advised that this vacancy will be filled by the Democratic Alliance Councillor Hlengiwe Shozi.

- 6.5.4 Accordingly, it was

**RECOMMENDED:**

That the Municipal Council approves the appointment of Councillor Hlengiwe Shozi, representing the Democratic Alliance, to serve on the Ethics Committee, replacing Councillor Marlaine Nair who is no longer a Municipal Council Member.

**ADOPTED.**

At this stage of the proceedings, Councillor Mthethwa of the DA queried the status and outcome of the objections and appeals lodged against the Ward Committees elections. In response, the Speaker first clarified that it was not a standard procedure for Members to deliberate on the Speaker's Report. However, he then reported that all objections and appeals have been addressed and that responses have been provided accordingly to all individuals who felt aggrieved.

7. APPLICATIONS FOR LEAVE OF ABSENCE

**RESOLVED:**

The following Councillors and Amakhosi be granted leave of absence as indicated:

**COUNCILLORS**

Councillor AD Beesley	:	2022-06-30	(Leave)
Councillor WJD Burne	:	2022-06-27 to 2022-07-01	(Personal Commitments)
Councillor R Cloete	:	2022-06-30	(Personal Commitments)
Councillor TP Collins	:	2022-06-30	(Leave)

Councillor F Ismail	:	2022-06-30	(Indisposed)
Councillor RP Mbonambi	:	2022-06-30	(Personal Commitments)
Councillor J Naidoo	:	2022-06-30	(Indisposed)
Councillor AAK Paruk	:	2022-06-30	(Leave)
Councillor S Sewshanker	:	2022-06-30	(Indisposed)
Councillor KS Sibisi	:	2022-06-30	(Leave)
Councillor ZA Solomon	:	2022-06-30	(Indisposed)

### **AMAKHOSI**

Inkosi JJ Shangase : 2022-06-30 (Personal Commitments)

#### 8. **DECLARATION OF INTEREST**

It was noted that none of the Members had declared interest on matters contained on the Agenda.

#### 9. **CONFIRMATION OF MINUTES: MEETINGS HELD: 2022-05-31 (Special), 2022-05-31 (Ordinary), 2022-05-31 (In-Committee); 2022-06-07 (Special) and 2022-06-07 (Ordinary).**

The eThekweni Municipal Council Minutes for the meetings reflected above were tabled as having been circulated:

- (i) 2022-05-31 (Special) were tabled, moved by Councillor Madlala and seconded by Councillor Shaheed.
- (ii) 2022-05-31 (Ordinary) were tabled, moved by Councillor Reddy and seconded by Councillor Madlala.
- (iii) 2022-05-31 (In-Committee), were adopted during an In-Committee session.
- (iv) 2022-06-07 (Special) were tabled, moved by Councillor Reddy and seconded by Councillor Ndlovu.
- (v) 2022-06-07 (Ordinary) were tabled, moved by Councillor Khan and seconded by Councillor Gumede.

Thereafter, it was

### **RESOLVED:**

That the Minutes of the eThekweni Municipal Council meetings held 2022-05-31 (Special), 2022-05-31 (Ordinary), 2022-05-31 (In-Committee); 2022-06-07 (Special) and 2022-06-07 (Ordinary), as circulated and taken as read, be and they are hereby confirmed.

#### 10. **MATTERS ARISING**

It was noted there were no matters arising in respect of items appearing on the Minutes.

11. QUESTIONS IN TERMS OF SECTION 27 OF THE RULES OF ORDER

The following Questions in terms of Section 27 of the Rules of Order were submitted:

11.1 Questions submitted by Councillor I Syed: Expanding Informal Settlements in and around the City:

**Prior to focusing on responses, the Speaker indicated that the responses to the questions were not for debate, but that the item was included on the Agenda for the purpose of tabling the responses to the questions submitted in terms of Section 27 of the Rules of Order.**

**Meanwhile, Councillor VG Reddy of the ADEC mentioned that during discussions at the Speaker's Committee meeting, a submission was made that responses to the questions be circulated to all Councillors as part of the Agenda pack. Also, that the Legal and Compliance Unit would have to advise on this proposal. The Speaker concurred with Reddy and advised that this approach was still being explored.**

**He then called upon allocated Councillor to table the responses to the questions.**

**Subsequently, Councillor SM Mkhize requested a deferment of the questions submitted by Councillor I Syed relative to Informal Settlements, as reflected on Page 5 of the Council Agenda dated 2022-06-30. The reason being that responses had not yet been finalised.**

**Diverse views were expressed on the matter, as some Council members opposed the deferment of the item. Mention being made that the questions have been submitted timeously to the Office of the Speaker and that all processes leading to the submission and consideration of the questions by Council have been followed.**

**Thereafter, the Speaker mentioned that his Office has a responsibility to ensure that responses and information presented to Council was accurate and authentic to ensure that the public was not misled. However, he emphasised that Council had to conduct business with the highest decorum and integrity, with responses to questions to be provided timeously to Council. Having cautioned that preparations should be made to provide responses accordingly, the Speaker then ruled that the question on Informal Settlements as reflected on Page 5 of the Council Agenda dated 2022-06-30 be deferred to the next meeting.**

**Whereafter, Councillor Reddy cited that the author of the questions was a member of the Human Settlements and Infrastructure Committee and mentioned that the questions had to be raised and submitted at the aforesaid Committee. In this regard, he drew the attention of Council to Rule 27 (9) and (10) of the Rules of Order By-Law, which indicated that:**

***"Where questions are submitted to a Committee in terms of this rule, the Chairperson must forward a copy of every question to the relevant Department Head and Deputy City Manager who must ensure that a response is given at the next Committee meeting." A response must be given by the relevant Deputy City Manager, Department Head or nominated official.***



**Councillor I Syed then clarified that the questions were submitted as per the standard Council operations and that the questions were submitted collectively by his Political Party. He reported that there were other questions still to be submitted at the next Council. In this regard he queried whether those questions would be considered.**

**In closing the matter, the Speaker clarified that the deferment of this item does not affect new questions that would be considered at the next meeting. As per his ruling, consideration of the questions submitted by Councillor I Syed were deferred to the next Council meeting.**

11.2 Questions submitted by Councillor J Annipen: Indigent Support Programme:

The eThekweni Municipality has recently adopted its Indigent Policy, which policy speaks to the provision of social relief to households that are for amongst other reasons, in arrears with the city for services and rates accounts. Notwithstanding that there are stipulated requirements in order for residents to qualify for this support and in lieu of the growing public interest around this programme I pose the following questions:

- 1. In the financial year 2021/2022, how many residents have successfully qualified for the city's indigent support programme?**
- 2. As at the year ending May 2022, how many residents have successfully qualified for the City's indigent support programme?**
- 3. Is there a register/record of beneficiaries of this programme?**
- 4. How many applications are outstanding/in process as at the year ending May 2022?**
- 5. What delays are there in processing these applications?**
- 6. Does the City have "stock-on-hand" of prepaid electricity meters which are required to be installed for qualifying customers?**
- 7. Does the City have "stock-on-hand" of prepaid water meters which are required to be installed for qualifying customers?**
- 8. Currently the prepaid electricity meter applications process requires that those who are moving from a credit payment system to a prepaid system (scale change) pay an application fee in the absence of this payment the application CANNOT be processed.**

**What mechanism is in place to ensure that successful indigent applications have this fee waived so that their installations can be processed?**

- 9. Who is responsible (which official(s) for signing off (end process) on qualifying applications?**
- 10. What measures in place to prevent customers from having services disconnected while their applications are being processed?**

11. **The Electricity Department has re-introduced the 80/20 debt recovery method:**
  - (a) Does this replace the previous system of 50/50, 70/30, 90/10 debt recovery method?
  - (b) Have the processes which allow for synchronization of debt between Revenue Management and Electricity been completed?
  - (c) Please outline the application process in detail, including responsibilities of departments i.e., Revenue and Electricity.
12. Does the City have a system that reflects indigent beneficiaries in a consolidate form, i.e. rates, water and electricity?

**Prior to tabling of the below responses, Councillor PS Sishange in her capacity as the Committee Whip of the Finance, Security & Emergency Services Committee requested to respond to the questions towards the end of the meeting.**

**In response, the Speaker reiterated his concern for non-submission of responses to questions and emphasised that this affected the effectiveness of Council. In this regard, he mentioned that a meeting would be convened with all Support Committee Chairpersons to formally address the matter.**

Thereafter, Councillor PS Sishange provided the following respective responses:

1. 128 000.
2. 144 333.
3. Yes, the abovementioned report is proof that there is a register.
4. Applications are still with Social Workers and OSS, application forms for the Month of May are received in July.
5. Applications are delayed from Social Workers because sometimes they cannot get hold of the Zonal Coordinator who is responsible for that application.
6. The Unit does have stock on hand and will adjust the procurement based on the uptake and volumes that unfold.
7. Currently there is no prepaid water meter service from the Municipality.
8. For the purpose of 80/20, the intent is to allow for the cost of the migration from credit to prepaid to be attached to the debt and paid for through the 80/20 purchase mechanism, however this is still being finalised.
9. The approval of indigent customers is signed off by Operation Sukuma Sakhe.
10. If the application has not been approved, disconnection will not be prevented. This is because at the stage of application, we do not know whether the applicant will qualify until the assessment is done and application processed/approved.
11. a) 70/30 and 90/10 will fall away – 50/50 will remain in addition to 80/20.

With regards to 11 b) and 11 c) the respective Units are busy in engagements to finalise and agree on the above matters. Unfortunately, the details from the teams are unavailable at the time of this response. Discussions anticipated to be finalised in the following weeks.

12. Not yet, we are in consultation with IMU to create an in-house system that will combine all indigent support benefits in one register. The process is being facilitated.

11.3 Questions submitted by Councillor R Gokool: Integration of Old Billing System with the New:

It has been years since the municipality has moved over and integrated the old billing system with the new. However, customers are still experiencing problems with their municipal bill.

Considering the above I pose the following questions:

1. Why does the system keep crashing when users try to upload their electricity meter readings?
2. When will this problem be resolved?
3. Why is the system not functioning at its optimum?
4. Who is being held accountable for the system not functioning at its optimum?
5. How much in terms of operational and maintenance does the system cost per month?
6. What is different between the old system and the new system?
7. When can customers expect the system to be fully operational with no glitches?
8. What is the Municipality's back-up plan for when the system fails i.e., when users are unable to access the system weeks on end?
9. This system was designed to allow for a more and efficient way of capturing water and electricity meter readings, to give customers a more accurate bill, is the system doing that?
10. Why are water and electricity meter readers not being dispatched to capture customers readings to avoid unfairly billing customers?
11. What method/methods of communication does the Municipality use to communicate to residents when these situations arise?

**Consideration of the above questions submitted by Councillor R Gokool was DEFERRED to the next Council meeting for Finance, Security & Emergency Cluster to finalise and consolidate responses thereof.**

12. REPORTS:

It was noted that none of the Members have declared interest on items appearing in the Agenda.

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**(His Worship the Mayor, Councillor TM Kaunda presented the First Report of the Executive Committee)**

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**FIRST REPORT OF THE EXECUTIVE COMMITTEE**

(Meeting held 2022-06-21)

**PRESENT :** Executive Committee Members TM Kaunda (Mayor and Chairperson), PG Mavundla (Deputy Mayor), Y Govender, NL Graham, NI Madlala, TM Mthethwa, MS Nkosi, T Sabelo and ZR Sokhabase.

**ABSENT :** Executive Committee Member T Miya (Leave: Indisposed).

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1. REPORT OF COMMUNITY SERVICES COMMITTEE: MEETING HELD 2022-06-14

(Page R1)

1.1 Request for Approval of Public Participation Process for eThekweni Municipality Food, Milk and Milk Products By-Law 2022 (1/1/3/1/1/4):  
(Page 13: Community Services Committee - Agenda 2022-06-09)

The eThekweni Municipality Food, Milk and Milk Products By-law 2022 provides for measures to manage and control food, milk and milk products. This is aimed at ensuring that food products are suitable for human consumption, and its preparation is in compliance with the regulations applicable for food, milk and milk products.

Emphasis was made that the City needed to ensure that publication of such By-law is intensified and publicized widely through public communication platforms in order to actively reach the entire community within the eThekweni Municipal area.

With the Executive Committee being in concurrence,

**COMMITTEE RECOMMENDS:**

1.1.1 That it be noted that in terms of Section 156 of the Constitution of the Republic of South Africa, the Municipality has executive and legislative authority to make and administer By-laws in respect of local government matters listed in Part B of Schedule 4 and 5 and that, in particular, the Municipality has the competence to administer matters pertaining to Municipal health services as contained in Part B of Schedule 4.

- 1.1.2 That in accordance with .1 above, authority be granted to the Head: Health to publish the eThekweni Municipality Food, Milk and Milk Products By-law 2022 for public participation, with the notice in this regard to be published for comment in the Ezasegagasini Metro newspaper and a copy of the By-law to be placed on the City Hall noticeboard, at Sizakala Centres and on the eThekweni Municipality website for a period of not less than thirty (30) days to allow the public an opportunity to make representations regarding the proposed By-law.
- 1.1.3 That subject to the approval of .2 above, the eThekweni Municipality Food, Milk and Milk Products By-law 2022, be workshopped with the Community Services Committee on a date to be agreed upon by the Committee.

**ADOPTED.**

- 1.2 Request for Approval of Public Participation Process for eThekweni Municipality Public Health By-Law 2022 (1/1/3/1/34):  
(Page 13: Community Services Committee – Agenda 2022-06-09)

The Municipal Public Health By-law 2022 is aimed at ensuring that measures are put in place to manage, control, minimize or eliminate Municipal health nuisances and the prohibition of certain activities or conduct to promote a healthy and safe environment within the eThekweni Municipal area.

A similar approach will be taken as the one proposed in 1.1 above in term of ensuring effective dissemination of the By-Law to the public to ensure maximum awareness within the eThekweni Municipal area.

COMMITTEE RECOMMENDS:

- 1.2.1 That it be noted that in terms of Section 156 of the Constitution of the Republic of South Africa, the Municipality has executive and legislative authority to make and administer By-laws in respect of local government matters listed in Part B of Schedule 4 and 5 and that, in particular, the Municipality has the competence to administer matters pertaining to Municipal health services as contained in Part B of Schedule 4.
- 1.2.2 That in accordance with .1 above, authority be granted to the Head: Health to publish the eThekweni Municipality Public Health By-law 2022 for public participation, with the notice in this regard to be published for comment in the Ezasegagasini Metro newspaper and a copy of the By-law to be placed on the City Hall noticeboard, at Sizakala Centres and on the eThekweni Municipality website for a period of not less than thirty (30) days to allow the public an opportunity to make representations regarding the proposed By-law.
- 1.2.3 That subject to the approval of .2 above, the eThekweni Municipality Public Health By-law 2022, be workshopped with the Community Services Committee on a date to be agreed upon by the Committee.

**ADOPTED.**

- 1.3 Request for Acceptance of Outreach Mobile Vehicle for Trial and Donation Thereafter by Toyota SA (30/1/1/1):  
(Page 114: Community Services Committee - Agenda 2022-06-09)

The Toyota SA has approached the Health Unit for input and/or feedback on a digital mobile vehicle designed to withstand the terrain and improve health care service

in rural communities, on a trial basis, for a period of one (01) year. The areas identified for the trial are Tafelkop and Madundube in Ward 100. The Toyota SA intends donating the vehicle to the Unit following the trial period.

During consideration at the Executive Committee level, words of gratitude were extended to Toyota SA for providing such assistance to the Municipality. Management was sensitized to efficiently utilise the donated asset in order to attract more sponsorships and/or donations for the Municipality. It being noted that the outreach mobile vehicle has been developed with advanced technology that will enable Municipal employees to perform their duties despite the current prevailing conditions of the terrain in rural areas.

Confirmation was then given that His Worship has officially interacted with Toyota and thanked them for such an innovative idea. That Toyota has pledged to support the Municipality with more donations in a bid to provide effective service delivery to the local communities.

Accordingly,

**COMMITTEE RECOMMENDS:**

- 1.3.1 That authority be granted for the Head: Health to accept the outreach mobile vehicle for use during the trial period not exceeding one (01) year, commencing 01 April 2022 – 30 April 2023, to provide health care services in rural areas.
- 1.3.2 That subject to the approval of .1 above and post-trial period, authority be granted for the Head: Health to acquire the same vehicle as a full donation from Toyota SA to the Health Unit for the provision of primary health care services in rural communities.

**An initiative from Toyota SA was noted with appreciation and a submission was made that there were still prevailing challenges in rural areas; including roads infrastructure; also, that the donated vehicle would assist communities living in those areas to access health care facilities.**

**Thereafter, the above recommendations were unanimously; ADOPTED.**

- 1.4 Request for Approval of eThekweni Municipality Accommodation Establishments By-Law, 2022 (1/1/3/1/4/1):  
(Page 146: Community Services Committee - Supplementary Agenda 2022-06-14)

The eThekweni Municipality Accommodation Establishments By-law 2022 provides for measures to regulate and control the use of land for the purpose of accommodation establishments in the jurisdiction of the City and for the repeal of laws and savings connected with the By-law.

Confirmation was given that comments and issues raised during the public participation period have been considered and amendments subsequently effected, with the By-law finalised for approval and promulgation in the Provincial Gazette.

Accordingly,

COMMITTEE RECOMMENDS:

- 1.4.1 That it be noted that Section 156 of the Constitution of the Republic of South Africa, the Municipality has executive and legislative authority to make and administer By-laws in respect of local government matters listed in Part B of Schedule 4 and 5.
- 1.4.2 That in accordance with .1 above, the final eThekweni Municipality Accommodation Establishments By-law 2022, as contained in the Report by the Acting City Manager dated 2022-05-27, be approved for publication and promulgation in the Provincial Gazette, with the By-law taking effect on the date of publication in the Provincial Gazette.
- 1.4.3 That subject to the approval of .2 above, the promulgation notice for the eThekweni Municipality Accommodation Establishments By-law 2022, be published in the Ezasegagasini Metro newspaper.

**ADOPTED.**

- 1.5 Request for Approval for eThekweni Municipality to Participate in the eThekweni Games Grand Finale and Participation in the KwaZulu-Natal SALGA Games 2022 (13/7):  
(Page L15: Community Services Committee - Agenda 2022-06-14)

The Community Services Committee noted that the eThekweni Games Grand Finale will be hosted from 12 to 14 August 2022 with the selected athletes from eleven (11) identified sporting codes thereafter participating in the SALGA Games to be held in Amajuba District Municipality from 01 to 04 December 2022. In considering the requested number of Councillors (40) to attend the Games, it was agreed that the allocation of Councillors to attend on behalf of the Community Services Committee, be addressed by the Office of the Speaker in consultation with Political Party Whips.

During consideration at the Executive Committee, there was consensus that SALGA Games is a significant annual event as it promotes wellness; social change; personal development etc. Proposal being made though that the expenditure items be reduced given other pressing needs, such as the implementation of the floods rehabilitation projects. Also, taking cognisance the negative economic impact as a result of the Covid-19 pandemic and the July 2021 civil unrest. The recommendation was to consider cutting all budget line items by half thereby saving costs.

In view of the recommendation made with regard to a need to reduce budget, a proposal was made to approve the participation of eThekweni Municipality in the upcoming 2022 SALGA Games in principle to enable administration to proceed with logistical arrangements and with a proviso that an Addendum Report comprising revised overall budget be submitted to the Executive Committee for consideration prior to Council approval.

With a counterproposal by the DA, that of deferring the item pending the submission of the Addendum Report on budget reduction, not being supported, the (03) Members of the DA abstained on the matter at this stage.

With the other Members being in support,

COMMITTEE RECOMMENDS:

- 1.5.1 That the participation of the eThekweni Team at the KwaZulu-Natal SALGA Games be approved in-principle to enable commencement of the logistical arrangements and pending the submission of the revised budget in an attempt to reduce expenditure for the funds to be redirected to other pressing service delivery matters within the Parks, Recreation and Culture Unit.
- 15.2 That authority be granted for the Head: Parks, Recreation and Culture to coordinate the eThekweni Games Grand Finale to be hosted from 12 to 14 August 2022 and to coordinate the participation of the eThekweni Team at the KwaZulu-Natal SALGA Games from 01- 04 December 2022.
- 1.5.3 That subject to the approval of .2 above, authority be granted to the Head: Parks, Recreation and Culture to incur expenditure in the amount of R7 050 000.00 (Seven Million and Fifty Thousand Rand) for coordination and participation in the SALGA Games, it being recorded that the aforesaid amount might be reduced following a further budget review proposed by the Executive Committee.
- 1.5.4 That subject to the approval of .2 and .3 above, it be noted that all travel, accommodation and subsistence costs for all participating officials and Councillors are included in the overall cost of R7 050 000.00 (Seven Million and Fifty Thousand Rand) reflected above.
- 1.5.5 That subject to the approval of .2, .3 and .4 above, all procurement of goods and services be undertaken strictly in accordance with the Supply Chain Management Policy and the Municipal Finance Management Act, 2003, Circular 82 regarding the Cost Containment Measures.
- 1.5.6 That subject to the approval of .2, .3, .4 and .5 above, a close out report be submitted after the implementation of the eThekweni Games Grand Finale and the SALGA Games.

**Financial Implications: To be Revised**

Category	Estimated Amounts	Logistics
<b><u>eThekweni Games Grand Finale:</u></b> Selections of squads from eThekweni Games Grand Finale (11 sporting codes)	R1 000 000.00	
<b><u>SALGA Games Accommodation:</u></b> 280 athletes, 52 technical officials, 35 support staff and 40 Councillors	R2 500 000.00	
<b><u>SALGA Games Transport:</u></b> 6 Luxury 65-seater buses and 3 x 22-seater buses	R 600 000.00	
<b><u>SALGA Games Catering from 01-04 December 2022:</u></b> 280 athletes, 52 technical officials, 35 support staff and 40 Councillors	R 400 000.00	
<b><u>SALGA Games Clothing:</u></b> 280 athletes, 52 technical officials, 35 support staff and 40 Councillors	R2 000 000.00	
<b><u>SALGA Games Preparations:</u></b> Trainings travelling allowances of final squads (11 sporting codes) from August-November 2022	R 250 000.00	
Athletes medical screening from 11 sporting codes	R 100 000.00	
<b>Contingency Fees</b>	R 200 000.00	
<b>TOTAL AMOUNT</b>	<b>R7 050 000.00</b>	

FC Number: 32/262

**There was a unanimous agreement to ~~WITHDRAW~~; the above item on the basis that a revised version appears below on item 6.8.**



1.6 Noting of Intention to Utilise Section 116(3) of the Municipal Finance Management Act 2003 to Extend Lease of Grosvenor Library and the District Support Office at 3 Wesley Road, Bluff, Durban (17/2/2/1 & 34/2/R):  
(Page L16: Community Services Committee - Agenda 2022-06-14)

The feasibility study is underway with regard to the identification of sites and available options to build libraries on Municipal-owned land. In the absence of site available to accommodate the Grosvenor Library in the meantime, it is recommended to extend a lease in the current premises, taking into account that this is a Regional Library and needs to be operational.

It is therefore important to note the significance for continuing the library operations in this area for the following reasons:

- The Library Department currently leases premises at 3 Wesley Road, Bluff and has been in the current premises for more than 15 years. The library is accessible to all patrons in this community and it meets the requirements for fair and equitable rent, space requirements and floor loading capacity for public libraries. It adequately accommodates the Library, the District Support Office, a Central Book Mending Workroom, a Cyberzone and the Metro Connect Servers which supports business.
- The move to another location will cause gross disruptions of service delivery with costs implications that are not budgeted for, with a distortion of business operations and service delivery in the process.
- Any relocation will result in the decommissioning and re-installation of IT networks and equipment, dry wall partitioning, equipment and fittings, the cost of which may be fruitless and wasteful expenditure considering that building a new library on Council property is recommended.
- The location is not isolated with any security risk and is well maintained within competitive rental rates.
- Identifying suitable rental premises for Grosvenor Library would pose several challenges due to the nature of the collection and no budget to build a new library. In addition to this, the library has a strong reading community.

Upon consideration at the Executive Committee, an amendment was effected in recommendation 1.6.3 to outline the role of the Head: Real Estate that he was not responsible for negotiations since this is the competence of the Bid Adjudication Committee, but that he will be signing necessary documents once the Bid Adjudication Committee has concluded the lease extension processes. An additional recommendation 1.6.4 was also proposed to indicate that the outcome of the public participation process be submitted back to the Committee and Council to conclude the Section 116(3) process in relation to lease extension matters.

With the Committee being in support,

**COMMITTEE RECOMMENDS:**

- 1.6.1 That Council notes the following reasons for the intention to utilize Section 116(3) of the Municipal Finance Management Act 2003, to extend the lease with Skycil Properties Share Block (Pty) Ltd, in respect of the Grosvenor Library and the District Support Office located at 3 Wesley Road, Bluff in extent of 1405m<sup>2</sup> for a period of three (03) years commencing 01 January 2023 and terminating 31 December 2025:

- The Library Department currently leases premises at 3 Wesley Road, Bluff and has been in the current premises for more than 15 years. The library is accessible to all patrons in this community and it meets the requirements for fair and equitable rent, space requirements and floor loading capacity for public libraries. It adequately accommodates the Library, the District Support Office, a Central Book Mending Workroom, a Cyberzone and the Metro Connect Servers which supports business.
- The move to another location will cause gross disruptions of service delivery with costs implications that are not budgeted for, with a distortion of business operations and service delivery in the process.
- Any relocation will result in the decommissioning and re-installation of IT networks and equipment, dry wall partitioning, equipment and fittings, the cost of which may be fruitless and wasteful expenditure considering that building a new library on Council property is recommended.
- The location is not isolated with any security risk and is well maintained within competitive rental rates.
- Identifying suitable rental premises for Grosvenor Library would pose several challenges due to the nature of the collection and no budget to build a new library. In addition to this, the library has a strong reading community.

- 1.6.2 That subject to .1 above, a public notice be issued in terms of Section 116(3) of the Municipal Finance Management Act 2003, requesting comments regarding the proposed amendment and to be advertised in the print media for a prescribed period.
- 1.6.3 That subject to .1 and .2 above, and the approval by the Bid Adjudication Committee, authority be granted for the Head: Real Estate to facilitate and sign all documents necessary to conclude the lease agreement.
- 1.6.4 That upon conclusion of the public participation process; outcome thereof be submitted to Council prior to finalisation of the Supply Chain Management processes.

**Financial Implications:**

Vote Number: 15065.15200.12120. 0000.MRC01. W066

FC Number: 33/728

**Prior to noting the report, a submission was made that a need exists to extend the lease with Skycil Properties Share Block (Pty) Ltd, in respect of the Grosvenor Library and the District Support Office. However, reservations were also expressed regarding what appeared to be lack of planning and delays from the Libraries Department, specifically to undertake a feasibility study, identification of sites and Municipal land available. Also, that the Department had to wait for the end of the lease to do so. Emphasis was then made that contract management from the lease perspective be strengthened and that officials causing delays should be held accountable.**

**Thereafter, the above recommendations were; NOTED.**

1.7 Request for Approval to Support the Mother of Golf Days on 29 June 2022 at the Mount Edgecombe Country Club (13/2/1/2/1 & 33/2):  
(Page L17: Community Services Committee - Agenda 2022-06-14)

The proposed Golf Day initiative is aimed at raising funds towards supporting families that were affected by the recent floods. During consideration at the Support Committee level, the DA (08) and the IFP (03) abstained on the matter.

Upon the enquiry at the Executive Committee level on the custodianship of the event, it was advised that Charlotte Mannya-Maxeke Institute is the custodian of the Mother of Golf Days and the programme is planned as a fundraising event to support the victims of the recent floods disaster. Also, that sponsors and participants even those from outside the eThekweni Municipal Area would purchase packages inclusive of participation fees, meals, green fees, practice drive, branded clothes etc. It being also clarified that the Committee has been established to manage the funds and to declare the total amount raised after the event to enable necessary distribution to the flood victims.

The DA (03) also abstained at the Executive Committee level as they expressed reservations about the Municipality funding a sponsorship programme instead of using same funds to provide relief to the flood victims. That there was no clear indication of what will be the Return on Investment arising from the sponsorship amount to be allocated.

The other Members were in support of the matter as it would also attract visitors who are coming for the Durban July event and thus maximum participation, hence, anticipation of huge Return on Investment.

**COMMITTEE RECOMMENDS:**

1.7.1 That authority be granted for the Deputy City Manager: Community and Emergency Services to incur expenditure in the amount of R190 000.00 (One Hundred and Ninety Thousand Rand) from funds available in the 2021/2022 financial year, to support sponsorship at the Mother of Golf Day event to be held on 29 June 2022 at the Mount Edgecombe Country Club.

1.7.2 That subject to the approval of .1 above, procurement of goods and services be undertaken strictly in accordance with the Supply Chain Management Policy and the Municipal Finance Management Act, 2003, Circular 82 regarding the Cost Containment Measures.

**Financial Implications:**

ITEM	AMOUNT	VOTE NO.
Venue Hire	R15 000.00	14001.18950.10.12120.0000.38300.0010
Catering	R70 000.00	14001.11400.12120.0000.38300.0010
Branded Golf T-Shirts and Caps	R60 000.00	14001.16325.12100.0000.38300.0010
Photographer	R15 000.00	14001.11330.12120.0000.38300.0010
Marketing and Branding	R30 000.00	14001.16325.12120.0000.38300.0010
<b>TOTAL</b>	<b>R190 000.00</b>	

Commenting on the matter, the IFP submitted that the donation of funds towards the Golf Day event did not make economic sense during the time where there were still displaced people following the recent floods. On this basis, they abstained on the matter.

Meanwhile, the ACC noted that the Golf Day event had already taken place. They mentioned that the event was a noble initiative, however they felt that it should not have been funded by the Municipality. Also, that organisers had to source enough sponsorships elsewhere so that funds spent for the event would have been utilised to fix sewer lines, amongst other challenges, which initiative would have benefitted communities affected by the floods.

Thereafter, the ANC extended gratitude to the Community Services Committee for contributing to the success of the Golf Day event, working in conjunction with the event organisers. That a commitment has since been made that the event would be held annually and to be re-directed to townships and rural areas. It was then clarified that the proceeds from the fundraising event were still to be reconciled for distribution to the flood victims, as per the original objective.

As some members were not in support of the recommendations, the matter was put to the vote. With 193 Councillors present, 98 Councillors ANC - 90, ABC - 01, AIC -02, APF - 01, ATM - 01, JEP - 01, KZNI - 01, MOSA - 00, NFP – 00 and PRM - 01) voted in favour; 58 Councillors DA - 47, Action SA - 01, ACC - 02, ACDP - 02, ADEC – 01; AL JAMA-AH - 01, MF - 01, PFP - 01, TA- 01 and UIM – 01 voted against the matter and 37 Councillors EFF – 22; IFP -13; DLC – 01 and VF Plus – 01 abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.

2. REPORT OF GOVERNANCE AND HUMAN RESOURCES COMMITTEE:  
MEETING HELD 2022-06-15

Members of the DA advised that they will abstain on all policy matters included in this Report so as to obtain the views of their Political Caucus. This was noted accordingly.

(Page R8)

2.1 Proposed Intention to Facilitate Cooperative Partnership through a Memorandum of Understanding Between eThekweni Municipality and the KwaZulu-Natal Provincial Department of Transport (25/4/5/1 & 25/4/3/1):

(Page 38: Governance and Human Resources Committee - Agenda 2022-06-15)

The proposed Memorandum of Understanding (MOU) is aimed at facilitating partnership between the eThekweni Municipality and the Department of Transport to coordinate and synergize initiatives regarding maintenance and cleanliness of the Provincial and the National Roads located within the boundaries of the eThekweni Municipal area. This will promote Intergovernmental Stakeholder Cooperation and Coordination.

During consideration at the Executive Committee, mention was made that the Department of Transport is at times unsuccessful in terms of maintaining roads that fell within its jurisdiction thus resulting in the Municipality taking over the responsibility. It being noted that this matter is now being addressed in terms of the Intergovernmental Relations Framework Act that promotes and facilitates intergovernmental relations. Therefore, the proposed usage of the MOU would enhance accountability and working relations between the Municipality and the Province with regard to roads network.

In acknowledging that the MOU to be entered into between eThekweni Municipality and the Department of Transport promotes intergovernmental stakeholder cooperation and coordination,

COMMITTEE RECOMMENDS:

- 2.1.1 That authority be granted for the eThekweni Municipality to enter into a Memorandum of Understanding (MOU) with the KwaZulu-Natal Provincial Department of Transport to stimulate cooperative governance with regard to maintenance and cleanliness of the Provincial roads located within the Municipal boundaries and with the MOU to deal with issues relating to progress tracking, conflict management, dispute resolution and smooth implementation of distinct or concurrent functions that requires coordinated efforts.
- 2.1.2 That authority be granted for the Head: Intergovernmental Relations to facilitate the establishment of an overarching MOU that will serve as the platform from which detailed Service Level Agreement or Terms of Reference, with clear roles, responsibilities, expected joint deliverables, timelines and financial implications will be developed.
- 1.1.3 That authority be granted for the Head: Engineering to finalise a set of detailed Service Level Agreements, Terms of Reference, proposed roles and responsibilities matrix, expected joint deliverables, timelines and synergized financial implications and commitments.

**A submission was made that upon finalising the Service Level Agreement, Terms of Reference, proposed roles etc., an update report be submitted to Council. The MOU was unanimously welcomed, it being emphasised that this would assist to resolve key challenges impacting roads ownership. It was also cited that there has been a lack of ownership in terms roads maintenance thereby affecting the livelihood of the citizens. Therefore, that this approach would enhance working relationships and accountability.**

**Thereafter, the above recommendations were; ADOPTED.**

- 2.2 Hosting of Gender-Based Violence and Femicide Webinar (19/1/1/4):  
(Page 54: Governance and Human Resources Committee - Agenda 2022-06-15)

Authority is sought to host Gender-Based Violence and Femicide Webinar aimed at increasing knowledge and understanding of this subject matter by the eThekweni Municipality employees. Also, to understand issues related thereto, including the concept of gender, sexuality, human rights and to create awareness amongst employees that Gender-Based Violence affects all genders and everyone, also calling for the prevention and the elimination of violence against women and girls.

With the Committee having commended the proactive stance taken to prevent the scourge of Gender-Based Violence,

**COMMITTEE RECOMMENDS:**

- 2.2.1 That authority be granted for the Head: Human Capital to host a Gender-Based Violence and Femicide Webinar through Microsoft Teams on 21 June 2022 for all eThekweni Municipality employees.
- 2.2.2 That it be noted that there is no financial implication required to host this Gender-Based Violence and Femicide Webinar and there is no cost involved for Speakers and Programme Directors.

**Speaking on the matter, the ACDP supported programmes aimed at reducing and addressing the scourge of Gender-Based Violence (GBV). They emphasised that more actions had to be taken to protect the vulnerable groups, including women and children.**

**Whereafter, the IFP extended appreciation to the team for hosting the GBV and Femicide Webinar. They highlighted that the GBV incidents had increased over the years, therefore, there was a genuine need to host such seminars. It was further proposed that the Municipality had to continuously implement programmes of this nature to raise awareness**

**Thereafter the above recommendations were; **ADOPTED.****

- 2.3 Hosting of People with Disability Awareness Workshop (19/1/1/2/2):  
(Page 59: Governance and Human Resources Committee - Agenda 2022-06-15)

Authority is sought to host People with Disability (PWD) Awareness Workshop on 17 June 2022. This is aimed at increasing the value of disability awareness and make sure that the PWD employees are accommodated and to encourage employees to disclose their disability status. The workshop session is aimed at changing employees' perceptions about disability as a form of diversity and to minimise the stigma surrounding disability, shift perceptions on its value and reduce the fear of disclosure amongst employees with disability.

With the Committee noting that the Workshop is aimed at promoting disability inclusion in the workplace, and with the Workshop to also capacitate the Human Capital Practitioners,

**COMMITTEE RECOMMENDS:**

That authority granted for the Head: Human Capital to incur expenditure in the amount of R36 826.08 (Thirty Six Thousand Eight Hundred and Twenty Six Rand Eight Cent), excluding VAT, for the implementation of People with Disability Awareness Workshop on 17 June 2022 at the Durban Botanic Gardens.

**Financial Implications:**

Item	Amount	Vote Number
Venue Hire Only – Botanic Garden	R6 956.52	33111.27999.7052.99000.7052.PD001.0010

Item	Amount	Vote Number
Teas and Sandwiches PAX 40	R3 391.30	
Technical and Sound	R1 391.00	
Facilitator : Disability Awareness Workshop	R25 000.00	33111.19925.1210.0000.56300-4.0010
Sub Total Excl. VAT	R36 826.08	

Commenting on the matter, the IFP submitted that there was a need to create a conducive environment, where people living with disabilities felt welcomed and are given the opportunities to participate in different programmes as well as in the economic activities.

The ACC supported the need for awareness campaigns around issues of people living with disabilities. However, they mentioned that there was a need for a distinction around what defines disability in its various forms. It was further mentioned that such campaigns were an integral part of social inclusion and were of benefits to the community at large.

Thereafter, the ANC advised that the programme was aimed at increasing the value of disability awareness and to ensure that people living with disabilities were accommodated in various platforms. It was indicated that the Constitution of South Africa protects the rights of all people and provides that everyone has the right to have their dignity respected and protected. Also, that South Africa was part of International Laws and Agreements such as United Nations Convention on the Rights of Persons with Disabilities (CRPD) which promote, protect, and ensure full and equal enjoyment of all human rights by people living with disabilities. It was further stated that the CRPD defines people living with disabilities to include those who have long-term physical, mental and intellectual impairments with interactions with various barriers.

Thereafter the above recommendations were; **ADOPTED.**

#### 2.4

##### Request for Approval of Records Management Policy (2/6/P):

(Page 78: Governance and Human Resources Committee - Agenda 2022-06-15)

The management of Municipal records and archives is being implemented in accordance with the Good Governance Plan 7 as well as the National Archives & Records Services Act. A program for records management is currently being implemented and this includes i) the implementation of the Records Management Policy; ii) Implementation of approved File Classification System, the eThekweni File Plan; iii) Establishment of a Centralized Municipal Records/Archives Repository and iv) Implementation of Electronic Records Management System.

The current Records Management Policy was approved in December 2013 and is being implemented to ensure good record keeping practices. The Records Management Policy under discussion has now been updated and has followed the necessary vetting processes prior to the submission of draft policy for final approval.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

COMMITTEE RECOMMENDS:

- 2.4.1 That the revised eThekweni Records Management Policy as contained in the report of the Head: City Administration dated 2022-03-03, be adopted, it being recorded the Policy is critical for effective management of Council records to preserve institutional memory.
- 2.4.2 That subject to adoption of .1 above, authority be granted for the Head: City Administration to implement the Record Management Policy throughout the eThekweni Municipality.

**The approval of the eThekweni Records Management Policy was unanimously supported, emphasis made that the Policy would ensure good record keeping practices. Also, that safe keeping of documents was crucial in terms of conserving institutional memory for future generation to be able to refer to the documents.**

**Thereafter the above recommendations were; ADOPTED.**

- 2.5 Request for Approval of Special Leave Policy for Employees Categorized in Section 56 of the Local Government: Municipal Systems Act 2000 and Section 82 of the Local Government: Municipal Structures Act 1998, as amended (4/2/1/1):  
(Page 99: Governance and Human Resources Committee - Agenda 2022-06-15)

The Special Leave Policy shall apply to eThekweni Municipality Senior Managers, as defined in the Regulations and within the Policy. The Policy is aimed at ensuring that the Municipality complies with the legislation and put in place a Special Leave Policy to enable applications by Senior Managers to be assessed objectively. In terms of this Policy, the Municipality may grant paid Special Leave to a Senior Manager under the following circumstances and events:

- a) Where a Senior Manager is required to undergo service in the Defence Force, as envisage in the Defence Act;
- b) Where a Senior Manager is required to represent the local government sector for collective bargaining purposes or other labour relations requirements;
- c) Where a Senior Manager is selected as a representative participant in a sport at a Provincial or National level, for a competition within a sporting code and sporting body that is recognized by the South African Sports Confederation and Olympic Committee;
- d) Where a Senior Manager wishes to embark on a sabbatical that is beneficial to both the Senior Manager and the Municipality;
- e) Where a Senior Manager requires treatment for substance abuse as per the recommendation by a registered Medical Practitioner;
- f) Where a Senior Manager is unable to carry out all or part of his/her duties and functions due to an order, ruling, judgement or stipulated conditions of a competent court;
- g) In the event of sick leave quantum being exhausted, special sick leave may, upon a written request, be granted provided a medical report is submitted justifying the request;
- h) Under exceptional circumstances where it is in the overall best interest of the Municipality that a Senior Manager be granted special leave;



- i) The granting of special leave by the Municipality under any of the circumstance or events set out in the above shall be subject to a fixed and pre-determined period and shall not exceed three months, which period may be extended in appropriate circumstances by the Municipality, on application by a Senior Manager or by the Municipal Council, for a further three months up to an overall maximum period of six months.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

COMMITTEE RECOMMENDS:

- 2.5.1 That the proposed Special Leave Policy for employees categorized in Section 56 of the Local Government: Municipal Systems Act 2000 and Section 82 of the Local Government: Municipal Structures Act 1998, as amended, as contained in the report by the Acting Head: Human Capital dated 2022-02-04, be adopted, it being recorded that the Policy provides parameters within which to approve Special Leave for Senior Managers.
- 2.5.2 That subject to the adoption of .1 above, authority be granted for the Acting Head: Human Capital to implement the Special Sick Leave Policy for Senior Managers within eThekweni Municipality.

**A comment was made that the Policy has been adopted by the Bargaining Council, as part of harmonization within all Municipalities.**

**In this regard, the above recommendations were unanimously; ADOPTED.**

- 2.6 Review of eThekweni Municipality Communications Policy (12/P):  
(Page 107: Governance and Human Resources Committee - Agenda 2022-06-15)

The eThekweni Municipality Communications Policy has been revised to strengthen the Municipality's Communications Framework to ensure that communications take place in a coordinated, tight controlled, and uniform manner.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

COMMITTEE RECOMMENDS:

- 2.6.1 That the revised eThekweni Municipality Communications Policy, as contained in the report by the Head: Communications dated 2022-03-30, be adopted, it being recorded the Policy has been strengthened to ensure effective coordination; standardization and control of messages pertaining to the Municipal affairs.
- 2.6.2 That subject to the adoption of .1 above, authority be granted for the Head: Communications to implement the revised Communication Policy Municipal-wide.

**ADOPTED.**

2.7

Request for Approval of Privacy Policy:

(Page 231: Governance and Human Resources Committee - Agenda 2022-06-15)

The Privacy Policy articulates the position of eThekweni Municipality on issues of privacy and protection of personal information during the course of Municipal business operations. Therefore, it is important to set requirements and expectations to ensure that the information privacy is considered for all new and existing business activities, projects, programmes, processes, technology, products or research and guide the implementation of appropriate policies, standards, processes, procedures and controls that are necessary to uphold the confidentiality, integrity and availability of personal information resources within eThekweni Municipality.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

COMMITTEE RECOMMENDS:

That the Privacy Policy as contained in the report by the Deputy City Manager: Governance and International Relations, be adopted, it being recorded this aims to set guidelines within which to protect individual privacy and protection of personal information during the execution of the Municipal business.

**ADOPTED.**

2.8

Request for Approval of Revised Organisational Design Policy:

(Circulated separately: Governance and Human Resources Committee - Agenda 2022-06-15)

The Organisational Design Policy entails optimizing the institutional arrangements. In October 2012, the eThekweni Municipal Council adopted the Staff Establishment Policy, which is aimed at providing a defined procedure for the amendment to the staff establishment. It is important for the Municipality to constantly review its institutional arrangements and procedures in order to position itself with the changing service delivery and environmental requirements. Section 66 of the Local Government: Municipal Systems Act No. 32 of 2000 (as amended), stipulates that a Municipal Manager is required, within a policy framework determined by the Municipal Council and subject to any applicable legislation, to develop a staff establishment for the Municipality, and submit the staff establishment to the Municipal Council for approval. Also, to establish a process or mechanism for regular evaluation of the staff establishment. This Policy, therefore, intends providing rules for developing and amending staff establishment as follows:

- (a) Developing a uniform criteria for creating and reviewing organizational structures.
- (b) Providing a framework in respect of the procedures and processes to be followed during the organizational restructuring process.
- (c) Ensuring that the powers vested in the Council in terms of S66 of the MSA as delegated to the Municipal Manager and EXCO, are effectively and efficiently implemented.
- (d) Ensuring that the Institutional Review Process (IRP) is transparent, consultative and inclusive of all stakeholders.
- (e) Ensuring meaningful and logical allocation and arrangement of functions by Units/Departments, location of function to ensure smooth, efficient and effective workflows, clear coordination, communication, accountability and control.

- (f) Ensuring integration of activities in order to achieve goals of the Municipality with the main focus being on service delivery (i.e. structure follows the strategy and business processes).
- (g) Providing guiding principles for flattened and minimize excessive layers of supervision and management in order to promote flexibility and to place decision making closer to the point of action.
- (h) Ensuring structures are flexible and fluid to respond quickly to changes such as multi-skilling, secondments and rotations.
- (i) Promoting organisational effectiveness and efficiency through alignment with Units' Service Delivery Model.
- (j) Aligning with the Municipal Staff Regulations in terms of the establishment of proposed five (5) separate departments plus support offices.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

#### COMMITTEE RECOMMENDS:

- 2.8.1 That the Organisational Design Policy as contained in the report by the Head: Organisational Development and Change Management dated 2022-03-24, be adopted, which Policy outlines applicable institutional arrangement with respect to developing organisational structure and related matters.
- 2.8.2 That subject to the adoption of .1 above, authority be granted for the Head: Organisational Development and Change Management to implement the revised Organisational design Policy within eThekweni Municipality.

**Commenting on the matter, Councillor I Syed of the ACC requested deferment of all policies and submitted that they have not been given an opportunity to interrogate the policy parameters. Whereafter, a submission was made that the Rules of Order allows for a reference back of the matters. Subsequently, Councillor Syed submitted a reference back of all policy items.**

#### REFERENCE BACK

**In terms of Rule of Order Bylaw 20(1)(c), Councillor I Syed of the ACC, seconded by Councillor T Mohamed of the PFP, moved as a procedural motion that all items on Policies and recommendations thereof from the Executive Committee be referred back to the Committee for further deliberations.**

#### NOT CARRIED

**As some members were not in support of the reference back; the matter was put to the vote. With 193 Councillors present, 09 Councillors ACC - 02, DLC – 01; AL JAMA-AH - 01, JEP - 01, MF - 01, PFP - 01, TA- 01 and UIM – 01) voted in favour of the reference back. 182 Councillors ANC - 90, DA - 47, EFF – 22; IFP -13; Action SA - 01, ABC - 01, ACDP - 02, AIC -00, ADEC – 01; APF - 01, ATM - 01, KZNI - 01, MOSA - 00, NFP – 00; PRM - 01 and VF Plus – 01) voted against. There were no abstentions recorded.**

**The above-mentioned motion to refer back was, by the majority vote, NOT CARRIED.**

Discussion thereafter reverted to the substantive matter and Councillors were in support of the adoption of policies and recommendations from the Executive Committee as they indicated that the policies from the Governance Cluster policies had been submitted to all party caucuses. Further, that the Governance and Human Resource Committee also had workshops to consider the policies.

Thereafter, as some Councillors were not in support of the approval of Policies and recommendations from the Executive Committee, the matter was put to the vote.

With 193 Councillors present, 182 Councillors ANC - 90, DA - 47, EFF – 22; IFP -13; Action SA - 01, ABC - 01, AIC -00, DLC – 01; ADEC – 01; APF - 01, ATM - 01, KZNI - 01, MOSA - 00, NFP – 00; PRM - 01 and VF Plus – 01) voted in favour and 09 Councillors ACC - 02, ACDP - 02, AL JAMA-AH - 01, JEP - 01, MF - 01, PFP - 01, TA- 01) voted against the matter. There were no abstentions recorded.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.

## 2.9

### Request for Approval of Secondment and Transfer Policy:

(Circulated separately: Governance and Human Resources Committee - Agenda 2022-06-15)

The current guidelines detailing the transfer and secondment of employees were approved by the DCM Forum on 10/09/2007. Since its approval, the guidelines have assisted many Unit Heads in streamlining their business operations to support the IDP and the SDBIP. No major challenges were encountered in implementing the guidelines. However, at the Governance and Corporate and HR Local Labour Forum meeting of 19 March 2020, both labour components articulated the need for the guidelines to be reviewed to become the Policy for the Municipality. However, the National Government promulgated new Regulations. On this basis, Council had to amend the existing policy in line with the Regulations. It is against this background that this Transfer and Secondment Policy for the Municipality was scoped, researched and developed.

It should be noted that a transfer does not involve a promotion, demotion, or a change in job status other than movement from one job or place to another on a permanent basis for operational reasons. Transfers have a number of objectives, such as moving employees to positions with a higher priority in terms of goals, placing employees in positions more appropriate to their competencies and skills or filling vacancies with employees from overstaffed departments thereby reducing staffing costs. A secondment is the temporary deployment of an employee to other duties, responsibilities or projects with an agreed time frame. When the agreed deployment comes to an end the employee will resume their substantive post within their original employing Unit/Department or agree on a further period of secondment. There are many benefits arising from secondment opportunities to the Municipality and the employees, which include:

- enabling secondment of employees to areas requiring short-term or temporary resource; (cannot be short-term or temporary if the transfer is permanent);
- directing expertise and sharing skills and transferring skills where it is most needed;

- supporting clustered working and service improvement through and across authority or partnership work experience of the seconded employees;
- supporting employee development;
- strengthening a culture of flexibility, and
- developing and sharing skills and knowledge within and across the Municipality.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

**COMMITTEE RECOMMENDS:**

- 2.9.1 That the revised Secondment and Transfer Policy as contained in the report by the Acting Head: Human Capital dated 2022-02-04, be adopted, it being recorded the Policy aims to regulate the movement of permanent staff from one post to another on a secondment or transfer basis.
- 2.9.2 That subject to the adoption of .1 above, authority be granted for the Acting Head: Human Capital to implement the revised Secondment and Transfer Policy within eThekweni Municipality.

**As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 194 Councillors present, 141 Councillors ANC - 90, EFF – 22; IFP -13; Action SA - 01, ABC - 01, AIC -02, DLC – 01; ADEC – 01; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, MF - 01, MOSA – 01; PFP - 01, TA- 01; KZNI - 01, and PRM - 01) voted in favour and 53 Councillors (DA - 47, ACC - 02, ACDP - 02, UIM – 01 and VF Plus – 01) abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.**

- 2.10 Request for Approval of T.A.S.K. Job Evaluation Policy:  
(Circulated separately: Governance and Human Resources Committee - Agenda 2022-06-15)

The review of the T.A.S.K. Job Evaluation Policy is necessary in order to implement and maintain consistent T.A.S.K. Job Evaluation System for the eThekweni Municipality and achieve uniform norms and standards in the description of similar jobs and their grading across the Municipality. Also, to provide for the necessary structures, institutional agreements and procedures for the evaluation of jobs in the Municipality.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

**COMMITTEE RECOMMENDS:**

- 2.10.1 That the revised T.A.S.K. Job Evaluation Policy, as contained in the report by the Acting Head: Human Capital dated 2022-02-04, be adopted, it being recorded the Policy aims to implement and maintain consistent T.A.S.K. Job Evaluation System for the eThekweni Municipality to achieve uniform norms and standards in the description of similar jobs and their grading across the municipality, whilst also providing the necessary structures, institutional agreements and procedures for the evaluation of jobs in the Municipality.

- 2.10.2 That subject to the adoption of .1 above, authority be granted for the Acting Head: Human Capital to implement the revised T.A.S.K. Job Evaluation Policy within eThekweni Municipality.

**ADOPTED.**

- 2.11 Request for Approval of Scarce Skills Policy:  
(Circulated separately: Governance and Human Resources Committee - Agenda 2022-06-15)

It was advised that the purpose of the Policy is to set out the framework for determining the criteria for classifying scarce skills; provide attraction and retention guidelines; and determining the remuneration payable for the identified scarce skills. This will ensure that the required talent is sourced, rewarded and retained aiming:

- To provide for a consistent structure and approach in identifying all the occupations the Municipality perceives to be scarce.
- To manage the remuneration process around scarce skills.
- To provide guidelines in attracting, developing and retaining scarce skills.
- To provide for special programmes to support the recruitment and retention of scarce skills.

The Policy applies to all staff employed by the eThekweni Municipality. The Upper Limits of Total Remuneration Packages payable to Municipal Managers and Managers directly accountable to Municipal Managers in respect of the COGTA Regulations is to be considered in the determination of allowances for Section 54(a) and 56 employees.

During discussion at the Executive Committee, the Chairperson of the Governance and Human Resource Committee, Councillor Madlala, advised of the exercise to be undertaken by the Committee to further unpack the issue of scarce skills for effective control and accountability. That the issues will entail specifying the following:

- Details of scarce skills beneficiaries
- Plans by Departments to prepare for positions showing potential to become scarce skills in the coming years
- Plans to terminate scarce skills principle to positions discovered no longer falling under this category

That a Report speaking to issues outlined above will be submitted in the future meeting of the Executive Committee. This was noted with appreciation.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

**COMMITTEE RECOMMENDS:**

- 2.11.1 That the revised Scarce Skills Policy as contained in the report by the Acting Head: Human Capital, which Policy sets out framework for determining the criteria for classifying scarce skills; provide attraction and retention guidelines; and determining the remuneration payable for the identified scarce skills, thus ensuring the required talent is sourced, rewarded and retained, be adopted.

- 2.11.2 That subject to the adoption of .1 above, authority be granted for the Acting Head: Human Capital to implement the Scarce Skills Policy within eThekweni Municipality.

**ADOPTED.**

- 2.12 Request for Approval of Performance Management Policy:  
(Circulated separately: Governance and Human Resources Committee - Agenda 2022-06-15)

It was advised that the review of the Performance Management Policy is necessary to align the organization's performance to individuals and the achievement of the objectives and targets stipulated in the IDP. That if there is no clearly defined performance standard and job expectation for an individual or teams in the workplace, there will be a lack of understanding on what justifies job excellence against the poor work performance. It was reported that shortfalls were identified in the previous Performance Management Policy, hence the policy review is intended to address these and improve measurement of employee performance and align to the Municipal Staff Regulations No.45181 dated 20 September 2021, effective from 01 July 2022.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

COMMITTEE RECOMMENDS:

- 2.12.1 That the Revised Performance Management Policy as contained in the report by the Acting Head : Human Capital, be adopted, to ensure alignment of the organization's performance to individuals and the achievement of the objectives and targets stipulated in the IDP when conducting performance assessment.
- 2.12.2 That subject to the adoption of .1 above, authority be granted for the Acting Head: Human Capital to implement the revised Performance management Policy within eThekweni Municipality.

**Speaking on the matter, the DA submitted that the review of the Performance Management Policy was not extensive to cover the gaps within the system. They mentioned that performance management of almost thirty thousand (30 000) employees was inadequate in terms of lack of proper management of overtime, controls, and accountability. They also mentioned that the challenge was not with the policy itself, but that the gaps exist on the implementation of the policy.**

**Thereafter, the ANC supported the approval of the Performance Management Policy. They emphasised that the Support Committee would ensure that management controls are in place and intensified to ensure that performance levels are improved, which would ultimately lead to efficient service delivery.**

**As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 194 Councillors present, 141 Councillors ANC - 90, EFF – 22; IFP -13; Action SA - 01, ABC - 01, AIC -02, DLC – 01; ADEC – 01; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, MF - 01, MOSA – 01; PFP - 01, TA- 01; KZNI - 01, and PRM - 01) voted in favour and 53 Councillors (DA - 47, ACC - 02, ACDP - 02, UIM – 01 and VF Plus – 01) abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.****

- 2.13 Request for Approval of International and Intergovernmental Relations Policy:  
(Circulated separately: Governance and Human Resources Committee - Agenda 2022-06-15)

The Policy under discussion is aimed at directing the manner in which the Municipality engages with International, National, Province and local role players to ensure mutual benefit, which for the Municipality means that objectives of its Integrated Development Plan and long-term goals are supported. In addition, this Policy serves to ensure that any initiatives embarked upon by Council are in line with the National Development Plan, the Provincial Growth and Development Plan, the Municipal Integrated development Plan and eThekweni 2030 vision. It also serves to ensure effective and strategic positioning of eThekweni Municipality in the international relations environment. Therefore, it is imperative that the Municipality adopts a structured approach by developing a Policy which would act as a catalyst to assist the Municipality.

At the Executive Committee level, the DA abstained on the matter to enable further engagements at their Political Party Caucus. With the other Members being in support,

**COMMITTEE RECOMMENDS:**

- 2.13.1 That the revised International and Intergovernmental Relations Policy dated 2022-06-02, as contained in the report by the Head International and Intergovernmental Relations, be adopted, it being recorded that the Policy stipulates the framework within which to manage intergovernmental relations with eThekweni Municipality's local, national and international stakeholders on matters of mutual interest.
- 2.13.2 That subject to the adoption of .1 above, authority be granted for the Head: International and Intergovernmental to implement the revised International and Intergovernmental Relations Policy within eThekweni Municipality.

**ADOPTED.**

3. **DIRECT EXCO REPORTS**

3.1 **AMENDMENTS TO ETHEKWINI MUNICIPALITY TERMS OF REFERENCE (3/2/1)**

(Page 1)

The Committee noted that the Local Government: Municipal Structures Amendment Act No. 3 of 2021 came into effect on 01 November 2021; and provides for, amongst others, the following amendments:

- Augmenting the requirements for the establishment of a Municipal Public Accounts Committee (MPAC) in terms of expanding on its roles and functions;
- Detailing functions of a Whip of Municipal Council;
- Detailing additional functions of the Speaker of Municipal Council;
- The responsibility of the Municipal Manager to inform the MEC for COGTA and the Electoral Commission of a vacancy in the Ward within a period of 14 days from the date the vacancy has occurred;
- Changes in the Section to be utilised by the Municipal Manager to publicize notice of Council and Committee meetings; and



- General amendments which, amongst other things, include the relocation of the Code of Conduct for Councillors from the Municipal Systems Act to the Local Government: Municipal Structures Act, No. 117 of 1998.

In view of the forgoing, a need exists to amend the existing eThekweni Municipality Terms of Reference to incorporate changes as a result of the amendment in the legislation.

Accordingly,

COMMITTEE RECOMMENDS:

- 3.1.1 That Council approves the amendment to the eThekweni Municipal Council's Terms of Reference as reflected in Annexure "A" to the report of the Head: Legal and Compliance dated 2022-05-20, and the amendments relate to the following aspects:

3.1.1.1 Municipal Public Accounts Committee Terms of Reference:

Whilst the current terms of reference for MPAC by large reflected the amendments as contained in the Amendment Act, they have been augmented for clarification purposes. Additionally, MPAC has the authority and duty to examine any matter referred to it by Council, the Executive Committee, a Committee of Council, a member of MPAC, a Councillor and the Municipal Manager and to make recommendations to Council on such matter.

3.1.1.2 Whip of the Municipal Council:

The terms of reference for the Whip of the Municipal Council have been amended to account for the functions as provided for in the Amendment Act. Accordingly, the additional functions which have been reflected in the Terms of Reference document provides that the Whip of the Municipal Council -

- (a) liaises with the different political parties to ensure representation in Council and Council Committees;
- (b) maintains sound relations between the various Political Parties;
- (c) informs the Whips of all Political Parties on important matters on the Council agenda;
- (d) assists the Speaker to count votes in the Council meeting;
- (e) facilitates the interaction between the executive and legislative oversight structures in the Municipality; and
- (f) resolves disputes between the Speaker and Mayor.

3.1.1.3 Speaker:

The terms of reference for the Speaker have been amended to account for the functions as provided for in the Amendment Act. Accordingly, the additional functions which have been reflected in the Terms of Reference document provides that the Speaker-

- (a) must perform the duties and exercise the powers delegated to the Speaker in terms of Section 59 of the Municipal Systems Act;
- (b) must ensure that the legislative authority of the Municipality functions effectively;
- (c) is responsible for the effective oversight over the executive authority of the municipality;
- (d) must ensure the effectiveness of the Committees of Council established in terms of section 79 of the Municipal Structures Act;

- (e) is responsible for the ethics and accountability of Council; and
- (f) must ensure the effectiveness and functionality of the Ward Committees and the public participation processes.

3.1.1.4 Municipal Managers' responsibility for By-elections:

The provision which provides for the Municipal Manager to call and set a date for the by-election have been replaced with one that directs the Municipal Manager to inform the MEC for local government in the Province and the Electoral Commission of a vacancy in a ward within 14 days from the date on which the vacancy occurred.

3.1.1.5 Municipal Managers' responsibility to publish a notice of Council and Committee meetings:

Section 19 of the Municipal Systems Act has been repealed and replaced by section 29A of the Municipal Structures Act. Accordingly, page 106 of the Terms of Reference Document has been amended to provide that-

The Municipal Manager must give notice to the public, in a manner determined by the Council, of the date, time and venue of every-

- (a) ordinary and special meeting of the Council or a meeting of the Committee of the Council;
- (b) ordinary or special meeting of the Council or a meeting of a Committee of Council that was postponed; and
- (c) urgent meeting of the Council or meeting of a Committee of Council, except when time constraints make this impossible.

3.1.1.6 General amendment to references:

References to particular sections of the Municipal Systems Act and Municipal Structures Act have been amended where required to reflect the amendments brought into effect by the Amendment Act. An example of this relates to the Code of Conduct for Councillors which has been deleted from the Municipal Systems Act and added to the Municipal Structures Act under Schedule 7. Further, the establishment date of the Section 79 and 80 Committees have been amended accordingly to reflect 15 December 2021, being the date of the Council meeting wherein these Committees were established

**A comment was made that the intention for the proposed amendments of the Municipal Terms of Reference was to incorporate changes as a result of the amendments in the legislation. Further, that the amendments would assist to enhance the Council processes.**

**Thereafter, the above recommendations of the Executive Committee were;  
ADOPTED.**

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*(At this stage of the proceedings, time being 14h00, Council meeting adjourned for a comfort break and subsequently reconvened at 14h25.)*

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**(His Worship the Mayor, Councillor TM Kaunda presented the Second Report of the Executive Committee)**

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## SECOND REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2022-06-28)

- PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), PG Mavundla (Deputy Mayor), NL Graham, NI Madlala, T Miya, TM Mthethwa, MS Nkosi, T Sabelo and ZR Sokhabase.
- ABSENT : Executive Committee Member Y Govender

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1. FINANCE, SECURITY & EMERGENCY SERVICES COMMITTEE: MEETING HELD ON 2022-06-22

(Page R1)

- 1.1 Budget Statement Report for the Month Ended 30 April 2022 (7/1/4):  
(Page 204: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

### COMMITTEE RECOMMENDS:

- 1.1.1 That the Budget Statement report for the month ended 2022-04-30 and the supporting documents, submitted by the Acting City Manager as per his report dated 2022-05-19, in compliance with Section 71 of the Municipal Finance Management Act 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, relating to the “Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations”, be noted.
- 1.1.2 That in compliance with Section 32(2) of the Municipal Finance Management Act, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) incurred for the month of April 2022 as detailed on section 10 of the Budget Statement Report.
- 1.1.3 That Council refers the UIFW referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation into the recovery or write-off of the said expenditure in terms of Section 32(2)(b) of the Municipal Finance Management Act and request MPAC to report back to Council on the outcome of its investigations.

### **NOTED.**

- 1.2 Budget Statement Report for the Month Ended 31 May 2022 (7/1/4):  
(Page 373: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)  
In scrutinizing the budget statement report, the Finance, Security & Emergency Services Committee noted that the actual operating revenue of 96% of the budget with a variance of -4% and the revenue generated to date is 89.3%. The actual operational expenditure was reported as a percentage of year-to-date budget at 96% with a variance of -4%; the operating expenditure spent to date is 86.6%. The reported capital expenditure is 85% of the year-to-date budget with a variance of -15% and the capital expenditure spent to date is 60.3%. A submission being made that the Municipality had to accelerate capital expenditure spent, given that there was a month left before the end of the 2021/2022 financial year.

A cash collection of 95% as at May 2022 was reported slightly higher when compared to the same period in the previous year (94.84%). Appreciation was extended to the people of eThekweni for honouring their Municipal fees; and to businesses and various other stakeholders.

Committee expressed reservations on the unread meters, the inability of customers to submit their meter readings due to a system failure thus resulting in discrepancies on billing statements and the monitoring mechanism of water and electricity distribution losses. Improvements were noted, as the Municipality reported that on the 2022-06-21; the cash and/or cost coverage ratio was forty five (45) days excluding grants and sixty seven (67) days including unspent conditional grants. Mention being made that there were other critical matters which require attention including debtors management; irregular expenditure within departments and the decrease in Metro Police fines revenue collection due to the halting of the electronic enforcement contract which is under dispute thus resulting in the speed enforcement not being currently undertaken.

At the Executive Committee level, the finance team was commended for compiling monthly budget statement reports; emphasis being made that the reports were critical in painting a financial position of the Municipality. Concerns being raised over water and electricity distribution losses; escalating Municipal debtors; and the unresolved long outstanding Tansat matter.

Assurance was given that interventions were being made to address non-revenue water and electricity; reference being made to water leaks detectors and smart meters pilot programmes which were underway. Also, the initiative to migrate meter reading with revenue system. A collection rate of 95% as at May 2022 was reported; information being given that the Department of Public Works had settled most of their long outstanding Municipal debts, with a further payment being expected from the Department of Education. It being reported that there were ongoing robust engagements between the Municipality and the Provincial Government to resolve long outstanding monies owed by other Parastatals and Government Departments.

Accordingly,

**COMMITTEE RECOMMENDS:**

- 1.2.1 That the Budget Statement report for the month ended 2022-05-31 and the supporting documents, submitted by the Acting City Manager as per his report dated 2022-06-15, in compliance with Section 71 of the Municipal Finance Management Act 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, relating to the “Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations”, be noted.
- 1.2.2 That in compliance with Section 32(2) of the Municipal Finance Management Act, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) incurred for the month of May 2022 as detailed on section 10 of the Budget Statement Report.
- 1.2.3 That Council refers the UIFW referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation into the recovery or write-off of the said expenditure in terms of Section 32(2)(b) of the Municipal Finance Management Act and request MPAC to report back to Council on the outcome of its investigations.

Commenting on the item, the DA appreciated an informative budget statement report and they reiterated that the report reflects the status of the Municipal finances. They expressed concern that it was not justified for the Municipality to pursue borrowings. A submission was made that the Municipality had to intensify its revenue collection strategy, particularly, the collection of the long outstanding debts from the Government Departments and the Parastatals.

Further, the DA was of the view that there was no political will to resolve the historical Tansnat matter and highlighted that progress reports had not been forthcoming to apprise the Council on the status of the legal wrangle between the Municipality and the aforesaid Entity.

Speaking on water loss, the DA pointed out that it appeared there was a lack of accountability for the 54% loss of non-revenue water. In addition, they also expressed concern on the underspending of the maintenance budget.

Thereafter, the ANC acknowledged that there were still challenges that needed to be addressed. However, they reported that much progress has been made to turn around the Municipal operations, with interventions made to address economic issues. In this regard, reference was made to progress made with regard to the Ntshongweni Development, Umhlanga Ocean Project, Radisson Hotel and Midway Crossing Mall catalytic projects. It was highlighted that these projects had assisted in terms of jobs creation and would contribute to an increase in revenue collection.

In addition, it was reported that the debt collection rate was sitting at 95% as at the end of May 2022. Also, that the Municipality had strengthened its control system so that the Government Departments felt the pressure to come forward and make the necessary payment arrangements. With regards to the non-revenue water, it was indicated that the 54% loss was made up of various aspects which include water supplied in areas where meters have not been installed. That the Municipality was not able to collect through systems. It was further mentioned that the Municipality had proposed to introduce a flat rate of R100.00 (One Hundred Rand) to those areas. In conclusion, it was advised that borrowings were necessary to ensure a balanced budget and that funds being borrowed were only directed towards capital projects.

Thereafter, the above recommendations were; **NOTED.**

- 1.3 EThekweni Municipality Monthly Public Tender Awards: 30 April 2022 (9/1/3):  
(Page 542 :Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

COMMITTEE RECOMMENDS:

- 1.3.1 That the public tender awards by the City for the month of April 2022, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Head: Supply Chain Management dated 2022-05-11, be noted.
- 1.3.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.

- 1.3.3 That the Finance, Security and Emergency Services Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 1.3.4 That the Acting City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where willful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 1.3.5 That the Acting City Manager shall table a report to the Committee relative to the disciplinary, criminal and recovery actions taken, it being recorded that the Acting City Manager can only respond when the reports are available.

**NOTED.**

- 1.4 EThekweni Municipality Monthly Public Tender Awards: 31 May 2022 (9/1/3):  
(Page 614: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

COMMITTEE RECOMMENDS:

- 1.4.1 That the public tender awards by the City for the month of May 2022, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Head: Supply Chain Management dated 2022-06-06, be noted.
- 1.4.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.
- 1.4.3 That the Finance, Security and Emergency Services Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 1.4.4 That the Acting City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where willful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 1.4.5 That the Acting City Manager shall table a report to the Committee relative to the disciplinary, criminal and recovery actions taken, it being recorded that the Acting City Manager can only respond when the reports are available.

**NOTED.**

- 1.5 Supply Chain Management Policy Minor Amendment:  
(Page 697: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

Authority is sought to effect urgent amendment to the Supply Chain Management Policy considering the infrastructure damage that the citizenry of eThekweni Municipality has suffered. The proposed amendment of Section 49 of the Supply Chain Management Policy is aimed at ensuring that the City responds without any delay to repair infrastructural damage whilst at the same time observing the rule of law.

Following the floods disaster experienced in April and May 2022, a need exists to review how appeals are handled where competition is invited in case of emergency procurement. The current fourteen (14) days appeals period has very unfortunate delays in securing service providers speedily. In considering that these are deviations in terms of Section 36 of the Supply Chain Management Policy, it is so that the Accounting Officer be permitted to deviate regarding the appeal, and, in such cases, it will be prudent that the Accounting Officer applies his discretion to dispense with the period for Objections and Complaints.

**COMMITTEE RECOMMENDS:**

That the supplementary revised Supply Chain Management Policy 2022, be adopted for immediate implementation, by insertion of the paragraph which reads that: "In the terms of emergency procurement, Section 36(1)(a)(i) of the SCM Policy, the Accounting Officer is permitted to adjust the period for Objections and Complaints to 48 hours, it being recorded that this will accordingly be reported as a note in the SCM Monthly Awards reports".

**ADOPTED.**

**1.6      Unauthorised, Irregular, Fruitless and Wasteful Expenditure Incurred for the Period Ended 31 March 2022:**

(Page 711: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

At the Executive Committee level, the DA (02) and IFP (01) dissented on the matter; the EFF (01) abstained for party caucus in the first instance.

With the ANC (04) and ABC (01) being in support, by the majority vote

**COMMITTEE RECOMMENDS:**

- 1.6.1      That the Unauthorised, Irregular, Fruitless and Wasteful Expenditure reported for the Quarter ended 31 March 2022 amounting to R110 037 569.95 (One Hundred and Ten Million and Thirty Seven Thousand Five Hundred and Sixty Nine Rand Ninety Five Cents), be noted.
- 1.6.2      That depending on the outcome of the process detailed in terms of Section 32 of the Municipal Finance Management Act No. 56 of 2003, further action may arise, including disciplinary action, recovery of monies and criminal charges being instituted where applicable.
- 1.6.3      That a report be prepared and submitted to the MEC for Co-operative Governance and Traditional Affairs, National Treasury and the Office of the Auditor-General in terms of Section 32 and Section 170 of the Municipal Finance Management Act No. 56 of 2003.

**Commenting on the matter, the DA submitted that during the previous financial year, the Municipality made a commitment to put strict measures to avoid repetition of the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) and the reduction thereof. In this regard, they submitted that there has been a lack of accountability and that no appropriate actions had been taken against officials responsible for committing transgressions.**

**Thereafter, the ANC submitted that the UIFWE was condemned by the Municipality. It was reported that, during the Mayoral Lekgotla, plans and strategies were developed for implementation to reduce the UIFWE. Mention was**

made that the Auditor-General's Report had attested to this as there has been a noticeable fifty percent (50%) reduction of the UIFWE. It was also mentioned that sectoral budgeting was a requirement and that budgeted programmes and/or projects had to be implemented accordingly to bring about stability and social cohesion within the diverse City.

It was then clarified that the item was submitted for noting at this stage for MPAC to investigate all transgressions and to provide reports to enable Council to provide an effective oversight role.

Thereafter, the above recommendations were; **NOTED.**

1.7

Progress Report on Minimum Competency Levels Dated 01 June 2022 (6/2/3/1):  
(Page 719: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

In terms of Section 168 of the Local Government: Municipal Finance Management Act, 2003, certain Municipal Senior Officials are required to undergo the Municipal Finance Management Training registered by the South African Qualifications Authority and validated by National Treasury.

It is then a requirement that a progress report be submitted to National and Provincial Treasury as well as the Municipal Council on the status of compliance as per the relevant modules to be completed at 100% by the officials concerned.

#### COMMITTEE RECOMMENDS:

That the progress relating to the status of compliance on Municipal Minimum Competencies levels, as per Regulations set in terms of Section 168 of the Local Government: Municipal Finance Management Act No. 56 of 2003; as contained in the report of the Acting City Manager dated 2022-06-01, be noted, as reflected in the table below:

Category	Summary Report
Accounting Officer	Compliant as per regulation
Chief Financial Officer	85% modules completed 15% modules in progress
6 Senior Managers (MSA S56)	3 compliant as per regulation 2 completed all required modules, awaiting SETA certificate 1 attended all required modules, portfolio of evidence for 3 modules to be submitted
3 Supply Chain Management	2 Compliant as per regulation 1 completed 81% of modules; and 19% of modules in progress
1 Middle Manager: Finance	Vacant

**NOTED.**



1.8

Report on Write-Off of Assets in the Finance & Major Projects Unit (8/1/2):

(Page 721: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

Upon an enquiry at the Executive Committee level, over what appeared to be lack of accountability for assets that were not found, clarity was given that once assets reach its lifespan, they are taken to disposal sites in terms of the Policy. It being also clarified that assets in question had a zero net book value and therefore they had to be written-off. However, the challenge was that paperwork confirming the disposal arrangement could not be located even though it is known that the assets were due for disposal.

Some Members then recorded they would abstain at this stage to engage further with the Chief Financial Officer for a clear explanation on this matter. Accordingly, the DA (02); EFF (01); and the IFP (01) abstained on the matter. With the ANC (04) and the ABC (01) being in support,

**COMMITTEE RECOMMENDS:**

That Council approves the write-off of twelve (12) assets in the Finance and Major Projects Unit with the net book value of R0.00 as at 30 June 2021 as detailed in Annexure A in the report of Deputy City Manager: Finance dated 2021-07-28, and summarised below:

Asset Class	No. of Assets	Cost	Net Book Value	Comments
Computer Equipment	7	R36 704.72	R0.00	Assets not found for 9 to 20 years, dating back 2001
Furniture & Equipment	5	R5 604.50	R0.00	
<b>TOTAL</b>	<b>12</b>	<b>R42 309.22</b>	<b>R0.00</b>	

No. of Years Assets not found	No. of Assets	Total Historical Cost	Total Net Book Value
6-10 years	7	R36 704.72	R0.00
13-20 years	5	R5 604.50	R0.00

**As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 192 Councillors present, 102 Councillors ANC - 90, ABC - 01, ACC - 02, AIC -00, DLC – 01; ADEC – 00; APF - 00, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01 and VF Plus – 01) voted in favour; 23 EFF Councillors voted against the matter and 65 Councillors (DA - 47, IFP -13; Action SA – 01; ACDP - 02, MF – 01 and UIM – 01) abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.****

1.9

Report on Write-Off of Assets in the Income Unit (8/1/2):

(Page 724: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

The DA (02); EFF (01); and the IFP (01) abstained on the matter and with the ANC (04) and the ABC (01) being in support,

**COMMITTEE RECOMMENDS:**

That Council approves the write-off of three hundred and twenty two (322) assets in the Income Unit with the net book value of R0.00 as at 30 June 2021, as detailed in Annexure A in the report of Deputy City Manager: Finance dated 2021-07-28, and summarised below:

Asset Class	No. of Assets	Cost	Net Book Value	No. of Years
Computer Equipment	250	R874 278.38	R0.00	11 to 20 years
Furniture & Equipment	70	R925 471.81	R0.00	12 to 32 years
<b>TOTAL</b>	<b>320</b>	<b>R1 799 750.19</b>	<b>R0.00</b>	

No. of Years Assets not found	No. of Assets	Total Historical Cost	Total Net Book Value
11-20 years	312	R1 789 653.93	R0.00
21-32 years	8	R10 096.26	R0.00

**As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 190 Councillors present, 102 Councillors (ANC - 90, Action SA – 00; ABC - 01, ACC - 02, AIC -00, DLC – 01; ADEC – 00; APF - 00, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01 and VF Plus – 01) voted in favour and 87 Councillors (DA - 47, EFF – 23; IFP -13; ACDP - 02, MF – 01 and UIM – 01) abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.****

1.10

Report on Write-Off of Assets in the Office of the DCM Finance (8/1/2):

(Page 734: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

The DA (02); EFF (01); and the IFP (01) abstained on the matter and with the ANC (04) and the ABC (01) being in support,

**COMMITTEE RECOMMENDS:**

That Council approves the write-off of five (5) assets in the Office of the Deputy City Manager: Finance Unit with the net book value of R0.00 as at 30 June 2021 as detailed in Annexure A in the report of Deputy City Manager: Finance dated 2021-07-28, and summarised below:

Asset Class	No. of Assets	Cost	Net Book Value	No. of Years
Computer Equipment	1	R6 483.06	R0.00	15
Furniture & Equipment	4	R2 439.00	R0.00	18 & 20
<b>TOTAL</b>	<b>5</b>	<b>R8 922.06</b>	<b>R0.00</b>	

As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 191 Councillors present, 104 Councillors (ANC - 90, Action SA – 01; ABC - 01, ACC - 02, AIC -00, DLC – 01; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MOSA – 01; NFP -00; PFP - 01, PRM – 01; TA- 01 and VF Plus – 01) voted in favour and 87 Councillors (DA - 47, EFF – 23; IFP -13; ACDP - 02, MF – 01 and UIM – 01) abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.

1.11

Report on Write-Off of Assets in the Expenditure Unit (8/1/2):

(Page 737: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

The DA (02); EFF (01); and the IFP (01) abstained on the matter and with the ANC (04) and the ABC (01) being in support,

COMMITTEE RECOMMENDS:

That Council approves the write-off of three hundred and thirty eight (338) assets in the Expenditure Unit with the net book value of R213.31 (Two Hundred and Thirteen Rand and Thirty One Cent) as at 30 June 2021 as detailed in Annexure A in the report of Deputy City Manager: Finance dated 2021-07-28, and summarised below:

Asset Class	No. of Assets	Cost	Net Book Value	Comments
Computer Equipment	184	R2 992 929.92	R0.00	Assets not found for 8 to 29 years, dating back 1992.
Furniture & Equipment	154	R1 030 469.92	R213.31	
<b>TOTAL</b>	<b>338</b>	<b>R4 023 399.84</b>	<b>R213.31</b>	

No. of Years Assets Not Found	No. of Assets	Total Historical Cost	Total Net Book Value
08-15 years	26	R96 569.87	R213.31
16-29 years	312	R3 926 829.97	R0.00

As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 190 Councillors present, 103 Councillors (ANC - 90, Action SA – 01; ABC - 01, ACC - 02, AIC -00, DLC – 01; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01 and VF Plus – 01) voted in favour; 47 DA Councillors voted against the matter and 40 Councillors (EFF – 23; IFP -13; ACDP - 02, MF – 01 and UIM – 01) abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.

- 1.12 Report on Investments for the Month Ended 31 May 2022 (7/11/4):  
(Page 747: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

The Committee noted the Municipal funds invested at different financial institutions had amounted to R5; 368 Million Rands, at an average rate of return on investments of 5.29%. It being noted that there was 28 days cash on hand excluding grants. In this regard, emphasised being made that Council had to accelerate the total repairs and maintenance expenditure and prioritize other urgent critical matters, such as storm water infrastructure.

Accordingly,

**COMMITTEE RECOMMENDS:**

That the report on investments for eThekweni Municipality as at 2022-05-31, which records the total funds invested at financial institutions as R5 368 000 000.00 (Five Billion Three Hundred and Sixty Eight Million Rand), at an average rate of return on investment of 5,29%, as submitted by the Acting City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Municipal Finance Management Act, 2003, be noted.

**NOTED.**

- 1.13 Reprioritization of 2021/2022 Capital Budget: Fire & Emergency Services Unit (7/1/2):  
(Page 753: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

Approval is sought for the reprioritization of the capital budget for 2021/2022 in the Fire and Emergency Services Unit. That the Unit was allocated R30 908 000.00 (Thirty Million Nine Hundred and Eight Thousand Rand) for capital projects to develop new infrastructure and to rehabilitate and upgrade existing facilities. Further, that the budget catered for projects of a capital nature for special equipment for firefighting, specialised vehicles and essential furniture and equipment in compliance with the Occupational Health and Safety requirements.

Background information being given that the original budget was reprioritised in line with the anticipated spend base on information pertaining to procurement status and projected cashflows available at the time of submission. Subsequent developments necessitated further amendments, as a result the Unit reassessing all capital projects and approvals sought to transfer funds to specific projects critical to service delivery.

**COMMITTEE RECOMMENDS:**

- 1.13.1 That, it be noted that the original budget of R30 908 000.00 (Thirty Million Nine Hundred and Eight Thousand Rand) was reduced to R9 560 000.00 (Nine Million Five Hundred and Sixty Thousand Rand) during mid-term adjustment budget, however following a review by Architectural Services of invoices received for processing end March 2022, it became evident that actual spend would be lower than anticipated and further adjustments required, therefore, the savings realized from these adjustments are to be utilised to offset expenses which will be incurred as a consequence of awards finalised post the Unit's adjustment budget submission, hence, the remaining surplus of R640 326.00 (Six Hundred and Forty Thousand Three Hundred and Twenty Six Rand) would be reprioritised and redirected to other projects requiring additional funding.

- 1.13.2 That, subject to the adoption of .1 above, authority be granted for the Head: Fire and Emergency Services to proceed with the implementation and completion of the projects in Table 1 in the Report of the Head: Fire and Emergency Services dated 2022-04-20 at the cost of R1 458 350.00 (One Million Four Hundred and Fifty Eight Thousand Three Hundred and Fifty Rand).

The projects in Table 1 below were allocated funds during the budgeting process but do not require all the allocated funds as per Architecture's revised budget:

Description Name	Project	2021 Approved Budget	2021 Revised Budget	Savings	Description Project Name	Amount	Comme nt
Fire Training Facility		R2 190 000	R1 450 000	R740 000	Non- infrastructure New Machinery & Equipment	R148 000	Awarded
Jacobs Fire Station		R600 000	R250 000	R350 000	Non- infrastructure New Transport Assets	R410 000	Awarded
Chatsworth Fire Station		R600 000	R250 000	R350 000	Non- infrastructure New Computer Equipment	R941 674	Awarded
Umlazi Fire Station		R600 000	R250 000	R350 000			
Phoenix Fire Station		R600 000	R250 000	R350 000			
<b>TOTAL</b>				<b>R2 140 000</b>		<b>R1 499 674</b>	

- 1.13.3 That subject to the approval of .1 above, the budget transfers of R1 458 350.00 (One Million Four Hundred and Fifty Eight Thousand Three Hundred and Fifty Rand) be reported on the Deputy City Manager's: Finance Adjustment Budget in the 2021/2022 financial year.

**ADOPTED.**

- 1.14 Request for Additional Funding to Cater for Overtime at Security Management Unit (4/5/1/3):

(Page 782: Finance, Security & Emergency Services Committee - Agenda 2022-06-22)

Authority is sought for additional funding to cater for overtime expenditure incurred by the Security Management Unit. Information being given that the Security Management Unit forecast in respect of overtime expenditure was not adequately provided for and was not considered for the Adjustment Budget in the current year. That the trends in overtime expenditure continue to reflect an ongoing increase resulting in the Unit recording an unauthorised expenditure. That due to the nature of service and staff shortages, the Unit is unable to effectively render its services without performing its operations on an overtime basis. It being noted that this overtime is performed by all departments within the Security Management Unit, namely, Land Invasion Control; VIP; Contracts and Surveys; Escourts and Rapid Response and the City Hall. It being also noted that the Unit continues to monitor its overtime expenditure and some key aspects relative to the implementation of the proposed new system, filling of vacancies amongst other hinders the Unit to have a drastic reduction of overtime expenditure in general.

At the Support Committee level, some Members were not in support of the recommendations, the DA (09), EFF (02) and IFP (1) voted against the matter. The ANC (15), MF (01), PFP (01) and VF PLUS (01) supported the recommendations.

During the Executive Committee; the DA (02); EFF (01); and the IFP (01) dissented on the matter and with the ANC (04) and the ABC (01) being in support,

**COMMITTEE RECOMMENDS:**

- 1.14.1 That the additional funding of R29,96 000 000 (Twenty Nine Comma Ninety Six Million Rands) to cater for overtime expenditure incurred by the Security Management Unit in order for the Unit to effectively provide safety and security services within the Municipality, be approved.
- 1.14.2 That subject to the approval of .1 above, an amount of R29,96 000 000.00 (Twenty Nine Comma Ninety Six Million Rands) be made available through an Adjustment Budget.

**Financial Implications:**

Given the expenditure trends on overtime expenditure within the Unit, an amount of R29,96 000 000 (Twenty Nine Comma Ninety Six Million Rands) will be required for this expenditure.

Budget 2021/2022	Actual as at March 2022	Forecast 2021/2022	Additional budget requested to cater for up until the end of 2021/2022 financial year
R41,666 Million	R51,127 Million	R71,825 Million	R29,959 Million

To be funded via adjustment budget  
Vote No.: 24420

Speaking on the matter, the DA submitted that whilst the need for overtime was understood, this over expenditure was as a result of the lack of planning, budgeting, and accountability. They mentioned that the report being submitted at the last day of the current financial year also raises red flags. They emphasised that this request was ought to be submitted during the month of March 2022 as the Department had already overspent on its original budget.

Meanwhile, the IFP mentioned that public funds were being misused and that overtime was not a corrective measure. They submitted that in the absence of concrete plans and report for reducing overtime expenditure, they would object to the approval of the recommendations.

Thereafter, the ANC advised that the Security Management Unit employees work odd hours, in particular when handling matters pertaining to land invasions and VIP protection which normally occur after normal working hours. It was also stated that plans were being developed to curb overtime expenditure, including implementation of a shift system. It was emphasised that the recommendations had to be approved to avoid the Unauthorised, Irregular, Fruitless and Wasteful Expenditure.

As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 188 Councillors present, 102 Councillors (ANC - 89, ABC - 01, ACC - 02, AIC -00, DLC - 01; ADEC - 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF - 00, MOSA - 01; NFP -00; PFP - 01, PRM - 00; TA- 01 and VF Plus - 01) voted in favour; 86 Councillors (DA - 47; EFF - 22; IFP -13; Action SA - 01, ACDP - 02, and UIM - 01) voted against the matter. There were no abstentions recorded.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.**

2. HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: MEETING  
HELD ON 2022-06-22

(Page R9)

- 2.1 Proposed Long Term Lease of Erven 11858, 11859 and 11860 All of Durban Situated  
at 518/520 Dr Pixley Kaseme / 120 Joseph Nduli Streets for General Business  
Purposes as Depicted on SJ Plan No.: 4785/4:  
(Page 370: Human Settlements and Infrastructure Committee - Agenda 2022-03-11)

The above matter was previously referred back by Council to enable the Committee to conduct inspection. The properties in question have since been inspected and the Committee reaffirms the decision in this regard.

Accordingly, with the Committee being in concurrence,

COMMITTEE RECOMMENDS:

- 2.1.1 That Council approves in principle that the right be granted to use, control or manage the capital asset described as Erven 11858, 11859 and 11860 all in Durban, Province of KwaZulu-Natal, together in extent approximately 701 m<sup>2</sup> as depicted on SJ Plan 4785/4 in terms of regulation 34 (1)(b) read with regulation 36 and 41 of the Municipal Asset Transfer Regulations 2008 (MATR), and that:
- 2.1.1.1 The properties are not required to provide the minimum level of Municipal services for a period of 30 years being the duration of the proposed lease.
- 2.1.1.2 The current market rental value of the land is assessed at a value of R48 416.67 (Forty Eight Thousand Four Hundred and Sixteen Rand Sixty Seven Cent) per month, excluding VAT and is to be reviewed from time to time.
- 2.1.1.3 The properties be leased by public tender processes in accordance with the provision of the Preferential Procurement Policy Framework which supports the Radical Economic Transformation and the Supply Chain Management Policy.
- 2.1.1.4 The 1500m<sup>2</sup> of the developable space be reserved to accommodate local entrepreneurs operating retail stores such as cosmetic shops, food outlets, fruit and veg stalls, salons internet café, etc.
- 2.1.2 That all cost incidental to the transaction shall be at the cost of the lessee to whom the right to use, control and manage the capital asset is to be granted.
- 2.1.3 That the developmental plans must be submitted to the local authority for approval prior to any construction.
- 2.1.4 That subject to the adoption of .1 to .3 above, and the approval of the Bid Adjudication Committee, authority be granted to the Head: Real Estate to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality; the Municipal Asset Transfer Regulations 2008, the Land Disposal and Granting of Rights Policy of the Municipality and any other applicable legislation, and that it shall be further subject to such further conditions as the Head: Real Estate considers necessary to protect Council interest.

**ADOPTED.**

- 2.2 Proposed Closure of Public Open Space and Lease Erf 198 Cato Ridge Plan No.: SJ 4681/11 Extent 633m<sup>2</sup>:  
(Page 402: Human Settlements and Infrastructure Committee - Agenda 2022-03-11)

The above matter was previously referred back by Council to enable the Committee to conduct inspection. The properties in question have since been inspected and the Committee reaffirms the decision in this regard.

Accordingly, with the Committee being in concurrence,

COMMITTEE RECOMMENDS:

- 2.2.1 That the Municipal Council declares in terms of Regulation 34(1) (b) of the Municipal Asset Transfer Regulations read with Regulation 36, and 40 of the Municipal Asset Transfer Regulations that:
- 2.2.1.1 Erf 198 Cato Ridge in extent of 6337m<sup>2</sup> is not required to provide a minimum level of basic Municipal service for a period of 30 years.
- 2.2.1.2 The market rental value of the property is currently assessed at a base value of R19 011.00 (Nineteen Thousand and Eleven Rand) per month, excluding VAT.
- 2.2.1.3 The property described as Erf 198 Cato Ridge be leased by way of public tender at base rental of R19 011.00 per month, excluding VAT, for a period not exceeding 30 years.
- 2.2.2 That in terms of Section 212 of Ordinance 25 of 1974, the closure of the public open space over Erf 198 Cato Ridge as per hand plan no.SJ 4681/11, be approved.
- 2.2.3 That this closure will be advertised via the Land Use Management application process and is to be read together with Section 28 (2) (1) of the eThekweni Municipality Planning and Land Use Management By-law 2016.
- 2.2.4 That in the event of objections being lodged with regard to the proposed closure of Erf 198 Cato Ridge when it is advertised, the Planning and Land Use Management By-Law process be followed to attend to these objections.
- 2.2.5 That all costs incidental to the transaction shall be at the cost of the lessee and must be stipulated on the Lease Agreement.
- 2.2.6 That the cost of rezoning shall be at the cost of the Municipality.
- 2.2.7 That all developmental plans must be submitted to the Local Authority for approval prior to any construction.
- 2.2.8 That authority be granted to the Head: Real Estate to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and, that it shall be subject to such further conditions as the Head: Real Estate considers necessary to protect Council's interest.

**ADOPTED.**



2.3 Proposed Closure of Right of Way Servitude and Alienation of Municipal Rights Over PTN 130 of 34 of Erf 10004 Durban, 112 Margaret Mncadi Avenue:  
(Page 423: Human Settlements and Infrastructure Committee - Agenda 2022-03-11)

The above matter was previously referred back by Council to enable the Committee to conduct inspection. The properties in question have since been inspected and the Committee reaffirms the decision in this regard.

Accordingly, with the Committee being in concurrence,

COMMITTEE RECOMMENDS:

- 2.3.1 That the Municipal Council declares in terms of Regulation 5(1) (b), 7 and 11 of the Municipal Asset Transfer Regulations, 2008 read with Section 14(2) (a) and (b) of the Municipal Finance Management Act, No. 56 of 2003 that:
  - 2.3.1.1 The right of way servitude over PTN 130 (of 34) of Erf 10004 Durban, measuring 176m<sup>2</sup> in extent as depicted on Hand Plan SJ 4768 is not required to provide a minimum level of basic Municipal service and:
  - 2.3.1.2 An amount of R112 000.00 (One Hundred and Twelve Thousand Rand), excluding VAT, be claimed as compensation in respect of the cancellation of the right of way servitude.
- 2.3.2 That in terms of Section 211 of Ordinance 25 of 1974, read together with Section 28(1) of the eThekweni Municipal Planning and Land Use Management Bylaw 2017, the closure of the right of way servitude over PTN 130 of 34 of Erf 10004 Durban measuring 176m<sup>2</sup> in extent, be approved, subject to the following conditions:
  - 2.3.2.1 The closure is to be advertised via the land Use Management application process, read together with Section 28 (2)(1) of the eThekweni Planning and Land use Management Bylaw 2017.
  - 2.3.2.2 In the event of objections being lodged with regard to the proposed closure of the Municipal rights over PTN 130 of 34 of Erf 10004 Durban when it is advertised, the Planning and Land Use Management By-Law process be followed to attend to these objections.
- 2.3.3 That the current market value of the servitude assessed at a value of R112 000.00 (One Hundred and Twelve Thousand Rand), excluding VAT, is to be paid by the applicant to the Municipality.
- 2.3.4 That all costs incidental to the transaction shall be at the cost of the applicant.
- 2.3.5 That all developmental plans, be submitted to the local authority for approval prior to any construction.
- 2.3.6 That the Head: Real Estate be authorised to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality, and any other applicable legislation and that it shall be further subject to any further conditions that the Head: Real Estate considers necessary to protect Municipal interest.

**ADOPTED.**

- 2.4 Proposed Twenty Year Lease on Proposed Lease on Remainder of Portions 41, 42 and 43 All Erf 774 Seaview Situated on Seaward Road for General Industrial Purposes as Depicted on Plan SJ 4734/9:  
(Page 518: Human Settlements and Infrastructure Committee - Agenda 2022-03-11)

The above matter was previously referred back by Council to enable the Committee to conduct inspection. The properties in question have since been inspected and the Committee reaffirms the decision in this regard.

Accordingly, with the Committee being in concurrence,

**COMMITTEE RECOMMENDS:**

- 2.4.1 That Municipal Council approves in principle that right be granted to use, control or manage the capital asset described as Proposed Lease on Remainder of Portions 41,42 and 43, all of Erf Seaview as depicted on Plan No.: SJ 4734/9 for General Industrial purposes, in terms of Regulations 36, 40 and 41 of the MATR, and that:
- 2.4.1.1 The land described as Proposed Lease on Remainder of Portions 41, 42 and 43, all of Erf Seaview as depicted on Plan No.: SJ 4734/9 are not required to provide a minimum level of Municipal services for a period of twenty (20) years.
- 2.4.1.2 The current market rental value of the land is assessed at a value of R45 675.00 (Forty-Five Thousand Six Hundred and Seventy-Five Rand) per month (exclusive of VAT) and will be reviewed from time to time.
- 2.4.1.3 The land described as Proposed Lease on Remainder of Portions 41,42 and 43, all of Erf Seaview as depicted on Plan No.: SJ 4734/9, be leased by public tender process in accordance with the provision of the Preferential Procurement Policy Framework which supports Radical Economic Transformation Framework and the Supply Chain Management Policy.
- 2.4.2 That all costs incidental to the transaction shall be at the cost of the lessee to whom the right to use, control or manage the capital asset is to be granted.
- 2.4.3 That the land is zoned existing street in terms of the Town Planning Scheme and the lessee is to apply to the Local Authority to rezone the land to General Industrial.
- 2.4.4 That all developmental plans must be submitted to the Land Use Management for approval prior to any construction.
- 2.4.5 That authority be granted for the Head: Real Estate to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and, that it shall be subject to such further conditions as the Head: Real Estate considers necessary to protect Municipality's interest.

**ADOPTED.**

- 2.5 Furniture Development Programme: KwaMashu Furniture Incubator Supplementary Report to Previously Approved Programme Authority Report (20/1/6/2/3):  
(Page 51: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

COMMITTEE RECOMMENDS:

- 2.5.1 That the Municipal Council approves in principle that right be granted to use, control or manage the capital asset described as proposed lease long term lease 1 and proposed short term leases 2 and 3 all over the remainder of Erf 1134 Kwa-Mashu E as depicted on Plan SJ 4696/2A, in extent of approximately 1,0679ha<sup>2</sup> in terms of Regulation 34(1)(b) read with Regulation 36 and 40 of the Municipal Asset Regulations 2008 (MART).
- 2.5.1.1 That the property is not required to provide the minimum level of Municipal services for a period of 3 (three) years being the duration of the proposed lease.
- 2.5.1.2 That the current market value of the property is assessed at a value of R13 700 000,00 (Thirteen Million Seven Hundred Thousand Rand), excluding VAT.
- 2.5.2 That the Council approves in principle the rental value of R10.00 (Ten Rand) per annum having considered the fair market value as indicated in Annexure B in the report of the Head: Economic Development dated 2022-03-22 together with the principles as set out in Regulation 13(2) of the MATR.
- 2.5.3 That the Council approves that .1 above is subject to the condition that the appointment of the lessee shall be by direct negotiation and in full compliance with the prevailing Municipal legislative framework including the Municipal Supply Chain Management Policy.
- 2.5.4 That all cost incidental to the transaction shall be at the cost of the lessee to whom the right to use, control or manage the capital asset be granted.
- 2.5.5 That all developmental plans must be submitted to the Local Authority for approval prior to any construction on the property.
- 2.5.6 That all conditions by the Municipality's service delivery Units as detailed in point 6 of the report including the provisions of Annexure C of the report will form part of the lease agreement.
- 2.5.7 That subject to the adoption of .1 to .6 above and the approval of the Bid Adjudication Committee, authority be granted to the Head: Real Estate to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality, the Municipal Asset Transfer Regulation 2008, the Land Disposal and Granting of Rights Policy of the Municipality and any other applicable legislation and that it shall be further subject to conditions as the Head: Real Estate considers necessary to protect the Municipality's interest.

**ADOPTED.**

2.6

**Reprioritisation of EThekweni Transport Authority Capital Budget for 2021/2022 Financial Year (7/1/2/2):**

(Page 72: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

A need exists to reprioritise capital budget within the eThekweni Transport Authority to use savings identified to fund votes requiring additional funding. Savings have been identified as follows:

- Speed humps in Postum Road in Malukazi will only be constructed once the road resurfacing has been completed in September 2022. This has therefore resulted in savings in this financial year.
- The funds earmarked for the speed humps at Ekuthuleni Road in Luganda will no longer be utilised since speed humps have already been constructed on this road.
- Funds allocated for Inanda Arterial Extension are more than the actual expenditure in the current financial year and thus huge savings identified.

In view of savings identified, authority is sought to transfer funding to projects requiring additional funding.

With the Committee being in agreement,

**COMMITTEE RECOMMENDS:**

That approval be granted for the reprioritization of funds of the eThekweni Transport Authority Capital Budget in the amount of R1 367 965.39 (One Million Three Hundred and Sixty-Seven Thousand Nine Hundred and Sixty-Five Rand Thirty-Nine Cent) identified as savings in the 2021/2022 financial year, as contained on Table A below and for these savings to be utilised to fund projects reflected on Table B below:

**Table A: Savings Identified:**

PROJECT NUMBER	CAPITAL BUDGET DESCRIPTION	ORIGINAL APPROVED BUDGETARY PROVISION	SAVINGS IDENTIFIED	WARD
E0954	POSTUM ROAD (MALAKAZI)	R360 000.00	R360 000.00	89
E0959	EKUTHULENI ROAD (LUGANDA)	R300 000.00	R300 000.00	13
P9234D	INANDA ARTERIAL EXTENSION	R50 156 000.00	R710 000.00	34
	<b>TOTAL</b>	<b>R50 816 000.00</b>	<b>R1 370 000.00</b>	

**Table B: Additional Funds Required:**

PROJECT NUMBER	CAPITAL BUDGET DESCRIPTION	ORIGINAL APPROVED BUDGET PROVISION	ADDITIONAL BUDGETARY PROVISION REQUESTED	WARD
E0745	REQUEST- Sandhurst Road	R300 000.00	R331 641.30	21
E0752	D787	R750 000.00	R254 579.41	56/53

PROJECT NUMBER	CAPITAL BUDGET DESCRIPTION	ORIGINAL APPROVED BUDGET PROVISION	ADDITIONAL BUDGETARY PROVISION REQUESTED	WARD
E0754	MPANZA ROAD (SAVANNAH PARK)	R90 000.00	R430 835.53	17
E0758	UMTHELEKISI ROAD (NTUZUMA C)	R240 000.00	R36 750.20	38/45
E0763	BARRACKPUR ROAD	R300 000.00	R37 618.30	75
EO774	REQUEST- Newcentre Drive	R330 000.00	R103 517.57	37
E0940	745 ROAD (CHATSWORTH)	R120 000.00	R8 919.40	77
E0951	MEDWAY ROAD (SEA VIEW)	R120 000.00	R20 476.50	65
E0948	LIMPUS ROAD (SARNIA)	R240 000.00	R2 041.95	18
E0955	STELLAWOOD ROAD	R60 000/00	R103 289.20	33
E0943	REQUEST- Cobbleset Lane	R120 000.00	R21 964.20	18
E0949	Lindiwe Dlamini Road (Umlazi F)	R120 000.00	R16 331.82	81
	<b>TOTAL COST</b>	<b>R2 790 000.00</b>	<b>R1 367 965.39</b>	

## **ADOPTED.**

2.7

GO! Durban Academy Kids Win National Art Competition and Set to Compete Internationally in July 2022 (7/4/1):

(Page 75: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

It will be recalled that Council granted approval for the active mobility activities which were to be undertaken in different communities of eThekweni through the GO! Durban Cyclic Academy as well as wetland restoration as part of meeting environment offset for the work being done to implement the IRPTN. The program is implemented in partnership with the Green Corridors Non-Profit Organisation. The program targeted young people in different communities.

Members of the Go! Durban Academy Performing Arts Program took part in the South African Championship of Performing Arts in October 20221. The competition allows performers to compete against each other in front of a panel of experts on a National platform in Acting; Dance; Vocal; Instruments; Model; and Variety of Arts.

A number of 10 youth members won the competition nationally, achieving 15 Gold Medals; 4 Silver; and 01 Bronze Medal. These youth members now qualify to represent South Africa at an international competition called the World Championship of Performing Arts. The costs of participation are estimated at R1 775 000.00 (One Million Seven Hundred and Seventy Five Thousand Rand) which would cover the costs of visas; uniform; air and road transport fare; accommodation; meals; and entry fees.

Authority is sought to facilitate the public relations and fundraising campaign to source sponsorship from the private sector to support the 10 youth members to represent South Africa in the World Championship of Performing Arts.

Depending on the funds to be generated from fundraising, the Municipality will fund the shortfall. A report in this regard will be submitted for consideration and approval by Council.

During deliberations at the Executive Committee level, the Democratic Alliance reiterated its concerns that the EThekweni Transport Authority appears to be undertaking duties which fall under the competency of the Department of Sports and Recreation. That the matter under discussion should be driven either at the Provincial or the National Government level. Further, that the submission of this matter closer to the deadline has a potential of the ratepayers' funds having to be used to fund the travel since there might be claims of the unsuccessful attempts to secure sponsorship. Meanwhile, the IFP advised that full details were requested but not forthcoming, with regard to the aspect of whether there would be officials and politicians accompanying the kids.

Thereafter, background information was given that GO! Durban Cyclic Academy was considered during the design stage of the Integrated Rapid Public Transport Network (IRPTN) as it was understood that the IRPTN will traverse through some of the environmental rehabilitation and which was also part of the program that public transport run, which was non-motorized transport and encourage cycling, particularly in communities that will be affected by IRPTN. Further, that Parks, Recreation and Culture Unit was also part of the programme. That the kids belonging to the Academy won the Arts Competition are being supported to go to the next phase of the Competition.

Thereafter, the DA (02) voted against the matter, with the EFF (01) and the IFP (01) abstaining. The matter was approved by the majority support of the ANC (04) and the ABC (01)

Accordingly,

COMMITTEE RECOMMENDS:

- 2.7.1 That the achievements by the members of the Go Durban Academy at the South African Championships of Performing Arts, be noted.
- 2.7.2 That, subject to funding availability, Council grants approval for the winners from the Academy at the South African Championship of Performing Arts to attend the World Championship of Performing Arts scheduled for July 2022 as part of the team which will represent South Africa.
- 2.7.3 That subject to .2 above, the communication, public relations and fundraising activities be conducted to raise the necessary funding to facilitate attendance at the World Championships.
- 2.7.4 That the Head: EThekweni Transport Authority table progress reports from time to time to keep the Committee abreast of the developments with regard to preparations for the youth members to participate at the World Championship of Performing Arts.

**Speaking on the matter, the DA mentioned that eThekweni Transport Authority (ETA) has been distracted in terms of fulfilling its role and core mandate. They objected to the allocation of funds to transport kids to an overseas trip and proposed that the National and Provincial Departments of Arts and Culture be approached to fund such requests.**

**Whereafter, the IFP was of the view that this was a competency of the Community and Emergency Services Cluster. That Go Durban Corridors were still incomplete and the ETA ought to concentrate on its mandate. The IFP expressed a concern that there was also no mention of the number of officials and Councillors to accompany the kids.**

Thereafter, the ANC clarified that this matter was about kids who successfully qualified when competing in the National Championships and would now represent the Country in the World Championship of Performing Arts. That fundraising campaigns would be embarked upon to source sponsorship from the private sector. It was emphasised that there was a linkage between Go Durban and the recycling programme, and that the kids were also creating a message through arts.

As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 189 Councillors present, 103 Councillors (ANC - 89, Action SA – 01; ABC - 01, ACC - 02, AIC - 00, DLC – 01; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00 and TA- 01) voted in favour; 48 Councillors (DA – 47 and VF Plus – 01) voted against the matter and 38 Councillors (EFF – 22; IFP -13; ACDP - 02, and UIM – 01) abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.

- 2.8 Proposed Long-Term Lease on Portion 21 Erf 1368 Durban for Commercial Purposes as Depicted on Plan No. SJ 4800/9 (17/2/1/2/5):  
(Page 129: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

COMMITTEE RECOMMENDS:

- 2.8.1 That in principle right be granted to use, control and manage the capital asset described as proposed lease portion 21 ERF 1368 Durban for commercial purposes as depicted on Plan No.: SJ 4800/9 in terms of regulation 34 (1)(b) read with regulation 36 and 41 of the MATR, be approved:
- 2.8.1.1 The long-term right is proposed to be granted in respect of the capital asset.
- 2.8.1.2 The property is not required to provide a minimum level of Municipal services for a period of 30 (Thirty) years.
- 2.8.1.3 The Municipality has considered the fair market value of the asset and the economic value to be received in exchange for the asset, and the current market rental value of the land is assessed at a value of R7 500.00 (Seven Thousand Five Hundred Rand), per month, excluding VAT, escalating by 7% per annum and is to be reviewed from time to time.
- 2.8.2 That all cost incidental to the transaction shall be borne by the lessee to whom the rights to use, control or manage the capital asset is to be granted.
- 2.8.3 That all developmental plans must be submitted to the Local Authority for approval prior to any construction subject to a special consent being issued to allow for any precluded usage and further subject to AMAFA clearance being obtained.
- 2.8.4 That any cost for rezoning will be borne by the lessee.

- 2.8.5 That subject to .1 to .4 that the Head: Real Estate be granted authority to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and that it shall be further subject to other lease conditions as the Head: Real Estate considers necessary to protect the Municipality's interest.

**ADOPTED.**

- 2.9 Proposed Long-Term Lease on Erf 838 Lamontville for a Post Office: Plan SJ No. 4781/1 Extent 233m<sup>2</sup> (17/1/3/5):  
(Page 151: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

COMMITTEE RECOMMENDS:

- 2.9.1 That Council approves in principle that right be granted to use, control or manage the capital asset described as lease on Erf 838 Lamontville, Registration Division of FU in the Durban Entity, Province of KwaZulu-Natal in extent 233m<sup>2</sup> as depicted on Plan SJ 4781/1 to the Lamontville Post Office for a period of 9 years and 11 months in terms of Regulations 34(1)(b), 36 and 40 of the MATR 2008.
- 2.9.2 That Council approves that .1 above is subject to the conditions that the appointment of the lessee shall be by direct negotiation and in full compliance with the prevailing Municipal legislative framework, including the Municipal Supply Chain Management Policy.
- 2.9.3 That the property described in .1 above is not required to provide the minimum level of basic Municipal service for a period of 9 years and 11 months and is not required for the Municipality's own use for the period for which the right is to be granted.
- 2.9.4 That the market value of the property is currently assessed at R1 165.00 (One Thousand One Hundred and Sixty-Five Rand) per month, excluding VAT, escalating by 10% per annum for the duration of the lease.
- 2.9.5 That all developmental plans must be submitted to the Local Authority for approval prior to any construction.
- 2.9.6 That all cost incidental to the transaction shall be borne at the cost of the lessee to whom the rights use control or manage the capital asset is to be granted.
- 2.9.7 That all conditions by the Municipality Service Delivery Units as detailed in point 5 of the report will form part of the lease agreement.
- 2.9.8 That subject to the adoption of .1 to .7 above and the approval of the Bid Adjudication Committee, authority be granted for the Head: Real Estate to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality, MATR 2008, the Land Disposal and Granting of Rights Policy of the Municipality and any other applicable legislation and, it shall be further subject to conditions as the Head: Real Estate considers necessary to protect the Municipality interest.

**ADOPTED.**



- 2.10 Proposed Alienation of Proposed Portion (A) of the Remainder of Erf 1082 Austerville as Depicted on Plan No. SJ 4774/8, Measuring 275m<sup>2</sup> (17/2/1/2/1):  
(Page 172: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

COMMITTEE RECOMMENDS:

- 2.10.1 That Council in terms of Regulation 20(1)(d) of the Municipal Asset Transfer Regulation declares that:
- 2.10.1.1 The proposed portion described as Portion A remainder of Erf 1082 Austerville as depicted on Plan No.: SJ 4774/8 measuring 275m<sup>2</sup> in extent is not required to provide the minimum level of a basic Municipal services.
- 2.10.1.2 The current market value of the property is assessed at a value of R193 000.00 (One Hundred and Ninety-Three Thousand Rand).
- 2.10.1.3 The property be transferred to the KwaZulu-Natal Department of Human Settlements at no cost to Council.
- 2.10.1.4 All costs in connection with this transaction, inclusive of survey, road closure and rezoning be borne by the KwaZulu-Natal Department of Human Settlements.
- 2.10.2 That subject to the development application in terms of the eThekweni Municipality Planning and Land Use Management By-Law 2016 and in terms of Section 211 of ordinance 25 Of 1974, the closure of the road area over proposed Portion A of remainder of Erf 1082 Austerville as per Hand Plan Number SJ 4774/8, be approved.
- 2.10.3 That this closure (mentioned in .2 above) is to be advertised via the Land Use Management application process (read together with Section 28(1) of the eThekweni Municipality Planning and Land Use Management By-Law 2016.
- 2.10.4 That in the event of objections being lodged with regard to the proposed closure of proposed Portion A of remainder Erf 1082 Austerville when it is advertised, the eThekweni Municipality Planning and Land Use Management By-Law 2016 process be followed to attend to these objections.
- 2.10.5 That subject to the adoption of .1 and .4 above, authority be granted for the Head: Real Estate to sign all documents necessary to conclude the transfer agreement.

**ADOPTED.**

- 2.11 Request for Authority to Transfer Funds within the Water and Sanitation Capital Budget from Savings Identified in the 2021/2022 Financial Year (7/1/2/2):  
(Page 260: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

The Committee received the report seeking authority to reallocate funds in the amount of R88 017 000.00 (Eighty Eight Million and Seventeen Thousand Rand) arising from savings identified in the 2021/2022 capital budget to fund expenditure incurred under Project No.: Y6525: Provision of water and sanitation services to human settlements and schools. The City is currently facing a challenge of unauthorised expenditure incurred under Project Y6525 related to the refurbishment of communal ablution blocks in various Wards of eThekweni Municipality.

The expenditure was incurred for work done by various service providers working under the main contractor employed by the Municipality during the 2019/2020 financial year. In December 2019, payments were processed for all payment certificates that had been certified by the design consultants who were appointed to supervise this work. Additional claims have been received for more work which remains unpaid, most of which is yet to be verified. Through the verification process by the forensic auditors, the Unit has been able to retrospectively confirm value for money for work amounting to R88.17million to be transferred from various projects for the payment of claims against the City as contained in the report by the Head: Water and Sanitation dated 2022-05-22.

Upon discussions at the Executive Committee level, concerns were expressed that the expenditure was incurred for work done by various service providers working under the main contractor employed by the Municipality. Also, that there was no valid contract between the Municipality and the service providers.

It was recalled that this matter was previously submitted to Council, and that this was a continuation of the process that was agreed upon. While acknowledging that this was a liability to be incurred by the City in view of the asset in question belonging to the Municipality, the perpetual requests for payment of this nature was considered unacceptable. As such, it was recommended that a comprehensive report detailing items of this nature be submitted thereby giving approval on a consolidated report and thereafter put a moratorium on entertaining individual requests.

The Committee then agreed on the consolidation of the items of this nature for a collective approval. However, the DA (02) still voted against effecting this payment. Given the approach being recommended to deal with this matter going forward, the ANC (04); EFF (01); IFP (01); and the ABC (01) supported the payment as service have been confirmed to have been rendered.

By the majority vote,

#### COMMITTEE RECOMMENDS:

- 2.11.1 That the Committee approves the request to transfer funds from savings identified in the 2021/2022 capital budget to fund the unauthorised expenditure incurred in Project: Y6525 Provision of Water and Sanitation Services to Human Settlements and Schools during the 2019/2020 financial year.
- 2.11.2 That subject to the approval of .1 above the Deputy City Manager: Finance includes this in the final adjustment budget report for 2021/2022 financial year.

#### FC No.:365/C325

**A comment was made that the expenditure was incurred for work done by various service providers working under the main contractor without authority from the Municipality. However, it was subsequently clarified that the work done by the sub-contractors had already been audited and verified and the matter had to be finalised.**

**As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 188 Councillors present, 114 Councillors (ANC - 89, IFP -13; Action SA – 01; ABC - 01, ACC - 02,**

**AIC -00, DLC – 01; ADEC – 00; APF - 00, ATM - 00, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00 and TA- 01) voted in favour; 74 Councillors (DA – 47; EFF – 22; ASA – 01; ACDP - 02, UIM – 01 and VF Plus – 01) voted against the matter. There were no abstentions recorded.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.****

- 2.12 Advanced Metering Infrastructure Solution Comprising Smart Water Meter for eThekweni Municipality (23/1/11/6/1):  
(Page 267: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

The implementation of an advance metering infrastructure solution comprising smart water and prepaid water meters for eThekweni Municipality is in progress. The smart metering strategy will cater for both electricity and water metering requirements to avoid duplication of efforts within the Municipality. This will assist to follow the International Water Association (IWA) best practice with a view to reducing consumer over-consumption that will protect critical resources; ensure that revenue is realised upfront; improve the cost recovery by the Municipality and provide a payment vending platform for water sales.

**COMMITTEE RECOMMENDS:**

- 2.12.1 That the report by the Head: Water and Sanitation dated 2022-05-16 related to progress made to prepare for the implementation of advance metering infrastructure solution comprising smart water and prepaid water meters for eThekweni Municipality with the following processes to be followed, be approved:
- 2.12.1.1 That the WS contact document (WS7274) was prepared, approved by the BSC committee, the evaluation for the potential service providers has been done, awaiting approval of budget in order for FC to be allocated and submission be done for approval by the BEC.
- 2.12.1.2 That the SCM process cannot without the enough budget allocation. It is therefore recommended that the adequate budget be allocated for this project especially because it is a crucial project for the city;
- 2.12.1.3 That in preparation for the implementation phase, the Department is assisted by the Electricity Unit to develop the backend systems in support of the water smart metering infrastructure. This is the most crucial pathway which is the preparatory work that must be done prior to the actual rollout of the infrastructure as the supply and installation of metering devices comes last once the backend systems are in place. Development of the backend system include the following:
- a) Meter Data Management System (MDMS)
  - b) Head End System (HES) and Vending solution
  - c) Integration to all systems, smart and non-smart
  - d) Metering devices and data concentrators
- 2.12.2 That subject to approval in .1 above, the smart metering project will be implemented to leverage on all automation capabilities beyond just prepaid to maximize on the existing infrastructure capabilities at the Electricity Unit enabling a combined effort to cater for both water and electricity utilities.

**ADOPTED.**

- 2.13 Noting of the Current Status of Wastewater and Sanitation Infrastructure Prior and after the Flood Damages of April and May 2022 and the Urgent Need for Sanitation and Wastewater Infrastructure Investment on the Repairs, Rehabilitation, Upgrading and Modernisation of Sanitation and Wastewater Infrastructure (23/1/9):  
(Page 272: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

Some Members of the Executive Committee submitted that major infrastructure challenges had accumulated over the years. That the recent floods exacerbated the challenge. Therefore, that an investigation is necessary to determine why it took long to address sanitation challenges and also hold accountable people responsible.

Speaking on the concerns raised, the Committee was advised that the request for additional operational and capital budget was exactly an initiative to resolve some of these challenges. That it be recalled the Municipality was overwhelmed with lot of damages and priority had to be given to restore critical services and also noting competing priorities with limited resources. That focus was made on restoring services including water, electricity and roads infrastructure in the immediate aftermath of the April floods disaster.

The attention was drawn to the fact that endeavours have been made to speed up the process, and with challenges remaining being just an isolated incident in certain areas. That due processes had to be followed to achieve the necessary compliance requirements. Reference was made to other countries that have experienced disasters, it being pointed out that eThekweni has not broken any international standard in terms of its responses to the flood damages, hence, the processes being undertaken fell within the best practice.

Following the explanation,

**COMMITTEE RECOMMENDS:**

- 2.13.1 That Council notes the current status of Sanitation and Wastewater Infrastructure prior and after the floods of April and May 2022.
- 2.13.2 That motivation for additional operating and capital budget as tabulated below and as reflected in the Report of the Head: Water and Sanitation dated 2022-05-27; to cater for all works identified prior and after the storm damage in the next financial years; be approved.
- 2.13.3 That additional funding requirements for all work identified and that which emanates from the storm damages of April and May 2022 be undertaken as per the proposed procurement mechanism as detailed in Section 4 of the Report by the Head: Water and Sanitation dated 2022-05-27, be approved.

**Financial Implications:**

Type of Infrastructure	Estimated Additional Budget Required		Budget Available		By when	Summary of scope of work
	Opex	Capex	Opex	Capex		
Treatment Works	R6M/year	R2.0B/Five years	TBC	TBC	2021/22 to 2025/2026 FYs	Replacement and/or rehabilitation of civil/structural works, mechanical/electrical/instrumentation works and process units, re-instatement of access roads,

Type of Infrastructure	Estimated Additional Budget Required		Budget Available		By when	Summary of scope of work
						provision of package plants where required, licensing of treatment works.
Pump Stations	R30M/year	R150M/Three years	TBC	TBC	2021/22 to 2023/24 FYs	Pump stations repairs, provision of additional pumps to ensure sufficient redundancy, installation of standby generators, pump upgrades
Wastewater Reticulation Network	R80M/year	R1B/Three years	TBC	TBC	2022/2023 to 2024/2025	Provision of proactive maintenance services and reactive maintenance services. (Rodding, jetting, sewer pipes replacement and repairs, cleaning of trunk mains and pump stations)
On-site Sanitation (Communal Ablution Blocks/Chemical toilets/Alternative Sanitation)	R26M/year	R450M/Three years	TBC	TBC	2022/2023 to 2024/2025 FYs	Repairs to communal ablation blocks, replacement of communal ablutions blocks with brick and mortar
<b>TOTAL</b>	R142M/year	R3,1B/Five years				

**In noting the current status of wastewater and sanitation infrastructure, a comment was made that the infrastructure challenges had accumulated over the years. It was mentioned that the twenty seven (27) wastewater treatment plants were operating at 50% capacity and that this posed a health risk. Therefore, there was an urgent need to address major infrastructure challenges.**

**Thereafter, the above recommendations of the Executive Committee were; ADOPTED.**

2.14 Guidelines and Proposed Mechanisms to Facilitate Transfer of Title Deeds to Housing Beneficiaries (22/2):  
(Page 367: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

The Committee received the report relative to the guidelines and proposed mechanisms to facilitate transfer of title deeds to housing beneficiaries as well as the progress made and the proposed solutions in implementing the title deeds restoration programme. Attention of the Committee was drawn to the following salient features of the Report:

- Illustration of various encroachment scenarios affecting the transfer of title deeds in housing projects implemented during the era of the title deeds restoration

programme and before October 2015 when Spatial Planning Land Use Management Act regulations were promulgated.

- Approval of Phase 1 – Scenario one be implemented currently and Scenario 2 – which is Phase 2 be subject to further investigations, consultations and costing and the report be submitted to Committee once this exercise is completed.
- Approval that Scenario 3 – where people have constructed on Environmentally sensitive areas – such as Wetlands, Watercourses, Eskom electricity power transmission lines, excessively steep slopes, water reservoirs, Transnet lines- be given notices to demolish their structures if these were constructed illegally.
- Approval of projects that received Planning Approvals from eThekweni Municipality but were not considered by Cooperative Governance and Traditional Affairs due to Constitutional ruling that Planning is a Municipal function be endorsed to proceed with beneficiary verification and opening of township registers to fast-track the issuing of title deeds.
- To support the recommended approach that must be adopted to fast-track the transfer of title deeds to housing subsidy beneficiaries.

At the Executive Committee level, reference was made to the RDP home owners not in possession of title deeds for years. This was then noted, it being advised that there had been some delays in the Deeds' Office, but that the Municipality was working on addressing this matter. That cases of title deeds be submitted to the relevant Municipal office as initiatives are underway to get all homeowners issued with title deeds.

#### COMMITTEE RECOMMENDS:

- 2.14.1 That the projects that were recommended by the Municipality to Cooperative Governance and Traditional Affairs for approval and were not considered due to Constitutional ruling on Municipal planning matters be presented at Joint Advisory Committee for planning material.
- 2.14.2 That authority be granted for the proposed partial transfer of erven in various township that are not affected by encroachments and that the Head: Development Planning, Environment and Management Department be authorized to issue the compliance certificate for these erven based on clearances from the relevant Infrastructure Units.
- 2.14.3 That authority be granted to the respective line department with reference to incomplete infrastructure the discretion to proceed with selective completion certification on those phases/ sites on the project that are not impacted by the incomplete infrastructure.
- 2.14.4 That Committee approves that Phase 1 scenario one be implemented currently and scenario which is Phase 2 be subject to further investigations, consultations and costing and the report be submitted to Committee once this exercise is completed.

**A submission was made that the proposed mechanisms to facilitate the transfer of title deeds to housing beneficiaries was a noble initiative and the Chairperson of the Human Settlements and Infrastructure Committee was commended in this regard. It was mentioned that the houses to be handed over had to be of a decent state to avoid future renovations that might be required. Also, that the title deeds would also address encroachment issues that might arise.**

**Thereafter, the above recommendations of the Executive Committee were;  
ADOPTED.**

- 2.15 Request for Approval of Community Development Programme (CDP) Upgrading Pilot in eThekweni Municipality in Collaboration with Project Preparation Trust (PPT) and Cities Support Programme (CSP) (22/6/2):  
(Page 375: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

Authority is sought for the approval of Community Development Programme (CDP) upgrading pilot in eThekweni Municipality in collaboration with the Project Preparation Trust of KwaZulu-Natal (PPT), Community based organization from seven pilot informal settlements and the Cities Support Programme (CSP) of National Treasury. To also allocate funding available to the Municipality from conditional grants such as informal Settlement Upgrading Partnership Grant (ISUP) for purposes of the Project.

Council is also requested to mandate the City Manager to enter into a Memorandum of Agreement (MOA) with the PPT and on behalf of the Community-based organizations from seven pilot informal settlements which currently form part of the IQhaza Lethu Incremental Upgrading Partnership initiative.

With the Committee being in agreement,

**COMMITTEE RECOMMENDS:**

- 2.15.1 That the proposed Community Development Programme Pilot Project in eThekweni Municipality to be undertaken collaboratively with Project Preparation Trust (PPT) of KZN seven local informal settlement community-based organization and the cities support programme of National Treasury (CSP), be approved.
- 2.15.2 That authority be granted to the City Manager to enter into a Memorandum of Agreement (MOA) with Project Preparation Trust in respect of the project in terms of the MFMA and any related addendum pending vetting by the municipal Legal and Compliance Services Unit to assist in this regard.
- 2.15.3 That Council approves allocation of R4 937 360.00 (Four Million Nine Hundred and Thirty-Seven Thousand Three Hundred and Sixty Rand) of ISUPG funding for purposes of the project (or else funding from other relevant conditional grants available to it) over three (3) years 2022/2023 to 2024/2025.

**ADOPTED.**

- 2.16 Noting of Intention to Utilise Section 116(3) of the Municipal Finance Management Act 2003 to Extend Contract Authority for the Professional Team Services at Donnelly Road Project (22/7/1/1/3):  
(Page 421: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

The Committee received the report requesting for the extension of contract authority for the Professional Team Services at Donnelly Road Project and the reasons and processes for the proposed major amendments to the existing contracts: 1H-42876 – Project Manager Fees : Siza Project Management cc in the amount of R284 980.94 (Two Hundred and Eight Four Thousand Nine Hundred and Eighty Rand Ninety Four Cent) Excl. VAT and 1H-42874 - for the Professional Team Fees: Ebrahim Kazee and Associates in the amount of R1 435 276.28 (One Million Four Hundred and Thirty Five Thousand Two Hundred and Seventy Six Rand Twenty Eight Cent) (Excl VAT) in accordance with Section 116(3) of the Municipal Finance Management Act (MFMA).

It being noted that the initial professional fees were calculated as a percentage (Project Manager: 2.61% and Professional Team: 7.60% of the total estimated construction cost was R38 000 000.00 (Thirty Eight Million) Excl. VAT in 2015. Due to the delays that occurred, the costs of the construction increase and currently the fees of the professional team are based on the construction cost of R45 126 693.16 (Forty-Five Million One Hundred and Twenty-Six Thousand Six Hundred and Ninety-Three Rand Sixteen Cent) Excl. VAT.

With the Committee being in agreement,

**COMMITTEE RECOMMENDS:**

- 2.16.1 That the extension of contract authority for the Professional Team Services at Donnelly Road Project and the reasons and processes for the proposed major amendments to the existing contracts: 1H-42876 and 1H-42874 in terms of Section 116(3) of the Municipal Finance Management Act, as reflected below; be noted.
- 2.16.1.1 That 1H-42876 - project Manager Contract for a service provider to implement Donnelly Road Project in ward 66 (Siza Project Management) - extension of contract authority by R284 980.94 (Two Hundred and Eight Four Thousand Nine Hundred and Eighty Rand Ninety-Four Cent) (Excl VAT).
- 2.16.1.2 That 1H-42874-Professional services contract for the design and implementation of Donnelly Road Project in ward 66 (Ebrahim Kazee and Associates) extension of contract authority by R1 435 276.28 (One Million Four Hundred and Thirty-Five Thousand Two Hundred and Seventy-Six Rand Twenty-Eight Cent) (excl VAT).

FC No.: 2022/40/CA43)

**NOTED.**

- 2.17 Draft Informal Settlement Incremental Upgrading Strategy and Programme Description (22/6/2):  
(Page 462: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

With the members of the Economic Freedom Fighters abstaining on the matter;

**COMMITTEE RECOMMENDS:**

- 2.17.1 That the City-wide Incremental Upgrading Strategy including the optimized system for pipeline planning, incremental planning arrangements and optimized approaches to services provision and tenure security; be adopted.
- 2.17.2 That the specified multi-departmental working teams be established as soon as possible to undertake the required follow-up work in respect of the following:
- (i) development of optimized and more sustainable water and sanitation solutions
  - (ii) development of optimized solid waste solutions
  - (iii) finalization and implementation of incremental planning arrangements
  - (iv) implementation of optimized pipeline planning
  - (v) assessment of the potential for alternative forms of individual tenure security



- 2.17.3 That the affected Municipal line departments /Units (including those dealing with Human Settlements, Water & Sanitation, Cleansing and Solid Waste Environment, Legal and Compliance and Land Invasion) must assign personnel to drive the implementation of the strategy, strengthen their capacity to do so and ensure effective transversal coordination. That the Municipality Executive Management Committee (EMC) should play a role in supporting the development of the required capacity for more effective transversal coordination.
- 2.17.4 That the affected line departments should explore more effective procurement and supply chain solutions which support the implementation of the Strategy, and which are more programmatic, streamlined and which enable better integrated planning and delivery of services.
- 2.17.5 That the Municipality should engage with the National sphere of government with regards to the grant instruments and fiscal resources, particularly in securing sufficient flexibility with capital grants and to find solutions to funding challenges relating to ongoing operating and maintenance of services.
- 2.17.6 That progress with implementation of the Strategy be monitored through the Informal Settlement Incremental Upgrading Forum (ISIUF) with reports being submitted to the EMC and relevant Committees of Council as and when required.
- 2.17.7 That the strategy be reviewed and updated at least every three (03) years, or more often as required, such as when the incremental planning arrangements have been finalised.

**ADOPTED.**

- 2.18 Major Amendment of Contract No.:1H-30286 at Dassenhoek Block A and C Rural Housing Development Project in Terms of Section 116 (30 of MFMA, Ward 14) (22/7/1/1/3):  
(Page 568: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

The Committee noted the report on the major amendment of the contract to include the increased scope of works and specification for Contract 1H-30286 which was awarded to three (03) contractors for the construction of 498 housing units (166 housing units per contractor) in terms of eThekweni Municipality Supply Chain Management (SCM) Policy and Municipal Financial Management Act: Section 116(3). The additional funding for the amended scope of works is within the current subsidy quantum as per the Provincial Department of Human Settlements (DHS) Tranche 2 (T2) approval as contained in the Annexure 'A' of the report by the Head: Human Settlements dated 2022-03-18.

The breakdown of costs for the realignment of the top-structure design specification from 2016 to 2021 NHBRC approved specification is in accordance with the regulated norms and standards and briefly presented in the below table for purposes of consolidating and reconciling the present open contract to illustrate balancing of the contract authority and further displaying / presenting the direct cost to the completed 40m2 top-structure unit that is envisaged in the contract description.

The current approved subsidy quantum by the Provincial Department of Human Settlements is R126 682.00.

CONTRACTOR	EXISTING APPOINTMENT (EXCL.VAT)	TOPSTRUCTURE REVISED COST AS PER ALIGNMENT (EXCL.VAT)	TOTAL ALIGNMENT COST (EXCL. VAT)
Contractor "A"	R12 493 899-00	133 units @ R51 417-55 = R6 838 534-15	R19 332 433-15
Contractor "B"	R13 086 672-50	133 units @ R47 846-62 = R6 363 600-46	R19 450 272-96
Contractor "C"	R13 101 566-50	133 units @ R47 756-90 = R6 351 667-90	R19 453 234-20

Furthermore, on the 10th of November 2021 the MEC for the KZN Department of Human Settlements and Public Works approved an application for funding allowance or alignment of 10.4% for the period of 1 April 2020 – 30 March 2021 (at 4.3%) and the 1st of April 2021 to 30 March 2022 (at 6.1%) for services, top-structures and bulk infrastructure services (including rectification projects) on all contractually committed housing projects within eThekweni Municipality, including Dassenhoek Block A & C Housing Project.

Based on the above, the re-alignment has to include the 10.4% covid relief funds and the total increase in the existing contracts will be as follows:

CONTRACTOR	10.4% EXCALATION COST	TOTAL RE-ALIGNMENT COST
Contractor "A"	R1 796 459-58	R21 128 892-73
Contractor "B"	R1 796 459-58	R21 246 732-54
Contractor "C"	R1 796 459-58	R21 249 693-78
<b>TOTAL</b>		<b>R63 625 319-05</b>

#### Cash Flow:

1H-30286		
VOTE NO	FINANCIAL YEAR	AMOUNT
H4311	2021/2022	R20 000 000-00
H4311	2022/2023	R43 625 319-05
	<b>TOTAL</b>	

Vote No.: H4311z1.34722.11B.54022.0000.H4311Z1.R002  
FC No.: 80/003/01/2022

With the Committee being in agreement,

#### COMMITTEE RECOMMENDS:

2.18.1

That the contract authority at Dassenhoek Block A and C, Contract No. 1H30286, be increased as per Section 116(3) of the Municipal Finance Management Act (MFMA) and the reasons set in the report of the Head: Human Settlement dated 2022-03-18 as indicated below:

- 2.18.1.1 Contractor A:
- a) Existing Contract: R12 493 899 (excl. VAT)
  - b) The existing contract award of R12 493 899 to be increased by an additional 1% VAT to cater for the shortfall variance of tendered shortfall R124 938.99 from the award VAT to be aligned from 14% to 15% current and applicable VAT
  - c) Additional top structure amount R6 838 534.15 (excl VAT)
  - d) Additional 10.4% granted Covid relief funds allowance from province amount R1 796 459.58 (excl VAT)
  - e) Therefore, the total new contract will amount to R21 128 892.73 (Excl. VAT)
- 2.18.1.2 Contractor B:
- a) Existing Contract R13 086 672.50 (Excl. VAT)
  - b) The existing contract award of R13 086 672.50 to be increased by an additional 1% VAT to cater for the shortfall variance of tendered shortfall of R130 866.73 from the award VAT to be aligned from 14% to 15 % current and applicable VAT
  - c) Additional 10.4% granted Covid relief funds allowance from province amount R1 796 459.58
  - d) Therefore, the total new contract will amount to R R21 246 732-54 (Excl. VAT)
- 2.18.1.3 Contractor C:
- a) Existing Contract R13 101 566.50 (Excl. VAT)
  - b) The existing contract award of R13 101 566.50 to be increased by an additional 1% VAT to cater for the shortfall variance of tendered shortfall of R131 015.67 from the award VAT to be aligned from 14%-15% current and applicable VAT
  - c) Additional top structure amount R6 351 667.90 (Excl. VAT)
  - d) Additional 10.4% granted Covid relief funds allowance from province amount R1 796 459.58 (excl VAT)
  - e) Therefore, the total new contract will amount to R21 249 693-78 (Excl. VAT).

**NOTED.**

- 2.19 Noting of Intention to Utilise Section 116(3) of the Municipal Finance Management Act 56 of 2003, for the Amendment of the Period of Performance and Contract Authority for Contract No. PSC. 2018/010 Hammarisdale Wastewater Treatment Works: Professional Services Contract for Improvement to Liquid and Solids Treatment Facilities (Ward 04):  
(Page L20: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

The Committee noted the report in accordance and in compliance with Clause 116(3) of the Municipal Finance Management Act 56 of 2003 for the amendment of the period of performance and contract authority for Contract No. PSC.2018/010: Hammarisdale Wastewater Treatment Works: Professional Services Contract for Improvements to Liquid and Solids Treatment Facilities. The professional services contract was for completion of multi-disciplinary engineering design and construction supervision relating to improvements of the liquid and solids treatment facilities at the Hammarisdale Wastewater Treatment Works and was based on the scope and estimated value of work contained in the Department's tender enquiry document.

The Committee also noted the significance reasons for the amendment of the contract and in accordance with the Department's pre-tender programme which comprised of the duration of the six stages of professional services deliverables as reflected below:

Stages of Professional Services Deliverables	Estimated Duration (Weeks)
Stage 1 – Inception	4
Stage 2 – Concept and Viability	9
Stage 3 – Design Development	50
Stage 4 – Documentation and Procurement	15
Stage 5 – Contract Administration and Inspection	69
Stage 6 – Close Out	3
<b>Total:</b>	<b>150</b>

It being noted that upon completion of work under Stage 2 by the service provider, it became apparent that the details and complexity of the multi-disciplinary engineering design work was more substantial than that envisaged at tender stage (even though the scope remained unchanged), thereby necessitating longer durations for completion of the deliverables under the remaining stages. This together with the delays in production caused by the onset of the Covid-19 Pandemic in 2020, resulted in the actual duration for completion of the deliverables under Stages 3 exceeding the estimated duration.

With the Committee in agreement,

#### COMMITTEE RECOMMENDS:

- 2.19.1 That Council notes the following reasons for the intention to utilize Section 116(3) of the Municipal Finance Management Act 2003, to extend the period of performance and increase in financial authority for contract No. PSC. 2018/010 Professional Services Contract for Hammarsdale Wastewater Treatment Works: Improvements to Liquid and Solids Treatment facilities awarded to JG Afrika (Pty) Ltd in terms of the notification of award dated 2020-02-04; the period of performance to be extended from 150 weeks to 278 weeks and the corresponding practical completion date revised from 2023-01-09 to 2025-06-21.
- 2.19.1.1 That the Department's pre-tender programme which comprised of the duration of the six stages of professional services deliverables could not be completed as scheduled due to the details and complexity of the multi-disciplinary engineering design work that was more substantial than that envisaged at the tender stage (even though the scope remained unchanged), thereby necessitating longer durations for completion of the deliverables under the remaining stages. This together with the delays in production caused by the onset of the Covid-19 Pandemic in 2020, resulted in the actual duration for completion of the deliverables under Stages 3 exceeding the estimated duration.
- 2.19.2 That the current contract of R15 945 319.00 (Fifteen Million Nine Hundred and Forty Five Thousand Three Hundred and Nineteen Rand) (excl VAT), be increased by R3 745 000.00 (Three Million Seven Hundred and Forty Five Thousand Rand) (excl VAT) to R19 690 319.00 (Nineteen Million Six Hundred and Ninety Thousand Three Hundred and Nineteen) (excl VAT).
- 2.19.3 That subject to .1 above, a public notice be issued in terms of Section 116(3) of the Municipal Finance Management Act 2003, requesting comments regarding the proposed amendment and to be advertised in the print media for a prescribed period.

- 2.19.4 That upon conclusion of the public participation process; outcome thereof be submitted to Council prior to finalisation of the Supply Chain Management processes.

**NOTED.**

- 2.20 Western Waste Disposal: Enviroserve Shongweni Landfill Site:  
(Page L23: Human Settlements and Infrastructure Committee - Agenda 2022-06-22)

Authority was sought to utilize the Enviroserve Landfill Site as a disposal alternative service until the Unit proposed Cleansing and Solid Waste Shongweni General Landfill Site is operational.

At the Executive Committee level, confirmation was given that the environmental issues including air pollutions at the Landfill site had been attended to. That relevant licenses for landfill sites operations were issued by the Environmental Health Practitioners together with the National Department of Environmental Affairs on a continuous basis.

Thereafter, the DA abstained on the matter; and with the majority being in support;

**COMMITTEE RECOMMENDS:**

That approval be granted for the transfer of funds in the amount of R120 000 000.00 (One Hundred and Twenty Million Rand from savings identified within the Cleansing and Solid Waste Operating budgets over the 2022/2023 to 2024/2025 for the funding an alternative final Waste Disposal service until the proposed Cleansing and Solid Waste Shongweni Landfill is operational as indicated below:

FY	DETAILS	ACCOUNT NUMBER						SAVINGS IDENTIFIED
		BUSINESS UNIT	ITEM. SUB	FUNDING	COSTING	PROJECT	REGION	
22/23								
	Illegal Dumping	Various	79630	11300	`0000	MRC01	`0010	8 000 000
	Refuse Removal Contractors	Various	10810.11	11300	`0000	MRC01	`0010	15 000 000
	Recycling/Chipping	Various	79654	11300	`0000	MRC01	`0010	17 000 000
23/24								
	Illegal Dumping	Various	79630	11300	`0000	MRC01	`0010	8 000 000
	Refuse Removal Contractors	Various	10810.11	11300	`0000	MRC01	`0010	15 000 000
	Recycling/Chipping	Various	79654	11300	`0000	MRC01	`0010	17 000 000
24/25								
	Illegal Dumping	Various	79630	11300	`0000	MRC01	`0010	8 000 000
	Refuse Removal Contractors	Various	10810.11	11300	`0000	MRC01	`0010	15 000 000
	Recycling/Chipping	Various	79654	11300	`0000	MRC01	`0010	17 000 000
								120 000 000

FC No. :113-365-066

As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 189 Councillors present, 141 Councillors (ANC - 89, EFF – 22; IFP -13; Action SA – 01; ABC - 01, ACC - 02, ACDP - 02, AIC -00, DLC – 01; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01 and VF Plus – 01) voted in favour; 48 Councillors (DA – 47 and UIM – 01) voted against the matter. There were no abstentions recorded.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.**

3. REPORT OF THE ECONOMIC DEVELOPMENT & PLANNING COMMITTEE:  
MEETING HELD ON 2022-06-23

(Page R26)

3.1 Revised Durban Climate Change Strategy (32/2/2):  
(Page 1: Economic Development & Planning Committee - Agenda 2022-06-23)

The Durban Climate Change Strategy seeks to ensure compliance with, and to support the objectives of multiple South African National Climate Change-related Policies and commitments to, amongst others, the Paris Agreement, the National Climate Change Response Policy (NCCRP). It also prepares eThekweni Municipality for the implementation of the Climate Change Act, which is expected to be promulgated within the next year.

The revised Durban Climate Change strategy aims to implement City-wide and sector-based climate change adaptation and mitigation actions, as outlined in the Integrated Implementation Plan for the Durban Climate Change Strategy and Climate Action Plan. This will be done through the Durban Climate Change Strategy Implementation Framework, employing shared-governance and synergised institutional approaches, and guided by the Municipal Integrated Development Plan.

The revised Strategy looks closely to the Climate Change in Durban where there is a projection of increased temperatures, increased periods of droughts, more intense storms and flooding, sea-level rise due to climate change. The revised Strategy mobilises the people of Durban to collectively build governance, social, environmental and economic adaptive capacity and resilience to climate change while achieving net-zero greenhouse gas emissions by 2050.

With the realisation that higher-level interventions are needed for implementation at the sectoral level to effectively manage issues of climate change, a new enabling theme has been included in the revised Strategy and this pertains to Enabling Theme (comprising Legislation, Policy, and Planning; Governance; Research, Communication and Capacity Building; and Climate Finance). The other three themes relate to Cross-cutting Theme (Economic development and Risk Management); Adaptation Theme (Biodiversity, Food Security, Health, Sea Level Rise & Coastal Protection and Water & Sanitation); and Mitigation Theme (Energy, Transport and Waste).

The four themes will be driven by sectors responsible for programmes and projects. Each programme has targets and projects designed to meet set targets. Short-term targets to be achieved by 2025 have been identified for each theme and sector. Therefore, a focused approach is being taken to drive climate change interventions within the eThekweni Municipal area.

With the Committee being in support of the structured framework within which to deal with climate change issues in Durban,

COMMITTEE RECOMMENDS:

- 3.1.1 That Council adopts the revised Durban Climate Change Strategy 2022 and its Implementation Plan, which strategy now focuses on cross-sector stakeholder structures to support the Strategy's Implementation Plan, in compliance with the requirements of the Climate Change Act, and with sectors to drive climate change issues within the framework of four themes as follows:

- Enabling Theme (comprising Legislation, Policy, and Planning; Governance; Research, Communication and Capacity Building; and Climate Finance);
- Cross-cutting Theme (Economic development and Risk Management);
- Adaptation Theme (Biodiversity, Food Security, Health, Sea Level Rise & Coastal Protection and Water & Sanitation); and
- Mitigation Theme (Energy, Transport and Waste).

3.1.2 That Council supports the implementation of the Durban Climate Change Strategy through its developed Implementation Plan and the included sectoral reporting and monitoring system.

**As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 189 Councillors present, 188 Councillors (ANC - 89, DA – 47; EFF – 22; IFP -13; Action SA – 01; ABC - 01, ACC - 02, ACDP - 02, AIC -00, DLC – 01; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01 and UIM – 01) voted in favour and 01-VF Plus Councillor abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.****

3.2 Request to Continue Funding Support for the Durban FilmMart Institute (20/2/3):  
(Page 330 : Economic Development & Planning Committee - Agenda 2022-06-23)

Authority is sought to continue funding support for the Durban FilmMart Institute for 3 years from 2022/2023 to 2024/2025 financial years. In addition, authority is sought for the City Manager to enter into a Memorandum of Agreement with the Durban FilmMart Institute to give effect to a funding agreement as proposed.

The aim of the Durban FilmMart Institute is to develop the local and African Film industry and promote international co-production opportunities. The programme provides African filmmakers with the opportunity to pitch projects to leading financiers, obtain feedback from internationally known directors and producers, and form alliances for future collaborations. The Durban FilmMart has also established Durban as the meeting place for the business of film in Africa boosting the business of film and tourism.

The Durban FilmMart is an initiative programme of the Durban Film Office from 2009 to 2020. It is recognised as the only existing internationally market programme in Africa. Since its inception in 2009 the Durban FilmMart has continued to attract patronage from key continental and global markets leaders. It was established as a standalone entity constituted by the various spheres of government together with private sector.

This programme will facilitate the development of African content and ultimately create further business and employment opportunities within the sector. Over the past 12 years, this programme has attracted over 9000 delegates from around Africa and the world.

Accordingly,

**COMMITTEE RECOMMENDS:**

- 3.2.1 That authority be granted for the Head: Economic Development to continue supporting the Durban FilmMart Institute for the development, growth and competitiveness of the sector, and allocate the requested funding to the non-profit entity.
- 3.2.2 That subject to the approval of .1 above, authority be granted for the City Manager to conclude a 3-year Memorandum of Agreement (MOA) with the Durban FilmMart Institute to give effect to the above.
- 3.2.3 That subject to .2 above, authority be granted to the Head: Economic Development to disburse funding to the Durban FilmMart Institute as follows:
- (i) R2 500 000.00 (2022/23 financial year);
  - (ii) R2 500 000.00 (2023/24 financial year); and
  - (iii) R2 5000 000.00 2024/25 financial year.

**Financial Implications:**

Description	BU	Item	Fund	Cost	Project	Region	Proposed Expenditure	Financial Year
Durban FilmMart Institute	26106	25445.190	12120	0000	63100-5	0010	R2 500 000.00	2022/2023
Durban FilmMart Institute	26106	25445.190	12120	0000	63100-5	0010	R2 500 000.00	2023/2024
Durban FilmMart Institute	26106	25445.190	12120	0000	63100-5	0010	R2 500 000.00	2024/2025

FC No.: 2023/18/07

**ADOPTED.**

- 3.3 Request for Authority to Fund Community Tourism Organisations 2021/2022 (20/1/4/3):  
(Page 396 : Economic Development & Planning Committee - Agenda 2022-06-23)

The eThekweni Municipality has recognized Community Tourism Organizations (CTOs) as an important vehicle for marketing and promoting tourism, as well as broadening the tourism base in the City of eThekweni. The CTOs have proved to have been the most crucial stakeholder to promote tourism and have contributed to job creation, providing access for small businesses to participate in various Local, Provincial and National tourism activations. CTOs are defined as locally based organisations that incorporate public, private and community elements as integral parts and that are structured to both develop and promote tourism at an area level. Furthermore, CTOs provide an opportunity for local communities in tourism ventures to participate in the industry, have a meaningful ownership of tourism initiatives and participate in decision making.

The Municipality supports CTOs with grant funding as per the Constitutional mandate for tourism to be Government-led, thus compelling public sector to provide an enabling environment for the private sector to perform their duties as espoused in a number of National and Provincial Tourism Policies. The terms and conditions for the disbursement of grant funding include a requirement for the CTOs to submit detailed annual plans with costing; audited annual financial statements; annual report detailing accomplishments by the CTOs during the financial year. Failure to submit these documents means CTO responsible shall not receive funding pending the submission of the required documents.



The Municipality has engaged nine (09) CTOs, however, three (03) of them have been unable to submit the required documents. Therefore, in terms of the MOA, the Municipality will disburse funding to the six (06) CTOs in the 2021/22 financial year.

**COMMITTEE RECOMMENDS:**

3.3.1 That Council notes progress report on the operations of the Community Tourism Organizations (CTOs) within the eThekweni Municipal area, in particular, the reduction from nine (09) to six (06) CTOs given the inability by the three (03) CTOs to achieve the necessary compliance requirements for the disbursement of funds by the Municipality.

3.3.2 That authority be granted for eThekweni Municipality to continue supporting the following six (06) CTOs operating within the eThekweni Municipal area, through the disbursement of funding in the total amount of R1 530 000.00 (One Million Five Hundred and Thirty Thousand Rand), and the disbursement of the amount of R255 000.00 (Two Hundred and Fifty Five Thousand Rand) per CTO, to implement various programmes to ensure coordination of tourism marketing and publicity activities at a regional level, facilitation of equal access to tourism opportunities by SMMEs in their region and facilitation of registration and monitoring all tourism products in the local or community areas:

NO.	NAME OF CTO	TOTAL ALLOCATION
1.	Inanda Ntuzuma KwaMashu (INK) Tourism	R255 000.00
2.	Sodurba Tourism	R255 000.00
3.	Durban Central Tourism	R255 000.00
4.	1000 Hills Tourism	R255 000.00
5.	Sapphire Coast Tourism	R255 000.00
6.	Umlazi Township Tourism	R255 000.00
	<b>Total</b>	<b>R1 530 000.00</b>

3.3.3 That in accordance with Section 67 of the Municipal Finance Management Act 2003, the CTOs submit business plans on how they will utilize the funds in relation to tourism development of their areas, respectively sign a Memorandum of Agreement (MOA) with the Municipality, submit accountability programme report, financial report and audited financials for the funds to be disbursed.

3.3.4 That authority be granted for the Acting City Manager to enter into a contract with each CTO for the disbursement of funds in the financial year 2021/22 to support the CTO Development Programme.

3.3.5 That authority be granted for the Head: Business Support, Tourism and Markets to:

- Facilitate disbursement of funds to CTOs through the MOA obligations.
- Monitor and evaluate progress considering expenditure
- Through the funding, for CTOs to market their areas and create new packages as part of Tourism Recovery Plans.

**Financial Implications:**

R1 530 000.00 (excluding VAT), provided for in 2021/2022.

BUSINESS UNIT	ITEM.SUB	FUND	COSTING	PROJECT	REGION
26724	VARIOUS	12120	0000	85610	0010

FC No: 2022/32/24

**ADOPTED.**

- 3.4 Annual Review of eThekweni Municipal Land Use Scheme Comprising Five Sub-Schemes: Central, North, South, Inner West and Outer West (21/7/R):  
(Page 403: Economic Development & Planning Committee – Supplementary Agenda 2022-06-23)

Authority is sought to adopt revised eThekweni Municipal Land Use Scheme (EMLUS). The Scheme comprises five Sub-Schemes namely, the Central, North, South, Inner West and Outer West and all the land use regulations pertaining to these areas. The review of the EMLUS is to ensure the alignment of terminology, processes, and development standards across the Municipality.

The Department of Planning and more specifically the Land Use Management Branch annually embarks on a process to review its Land Use Scheme in line with Section 19(1) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021). Such Review is based on the need to remain proactive in order to facilitate development and growing the Municipality, while at the same time giving full effect to the Municipality's vision of creating a caring and liveable City.

Having noted that the reviewed Land Use Scheme is in line with the Spatial Development Framework of the eThekweni Municipality, it was accordingly,

COMMITTEE RECOMMENDS:

- 3.4.1 That in terms of Section 19 of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) and the Spatial Planning and Land Use Management Act No. 16 of 2013, the Annual Review of the eThekweni Municipal Land Use Scheme (EMLUS) comprising five Planning Regions, namely, the Central, North, South, Inner West and Outer West and all the land use regulations pertaining to these areas, be adopted for the following reasons:
- 3.4.1.1 The Annual Scheme Review ensures compliance with the Spatial Planning and Land Use Management Act No. 16 of 2013 in that it gives effect to the Development Principles, as described in Chapter 2, Clause 7 (a), (b), (c), (d) and (e); and Chapter 5, Land Use Management, Clause 24 (1) of the Spatial Planning and Land Use Management Act No 16 of 2013.
- 3.4.1.2 The reviewed Land Use Scheme is in alignment with the Spatial Development Framework of the Municipality and further refinements will be made on an ongoing basis.
- 3.4.1.3 This Annual Scheme Review responds to the ever-changing development pressures and trends within the Municipality.

**Commenting on the matter, the DA applauded the outstanding work done by the Development Planning Unit. However, they raised a concern with regard to the amendment impacting the student accommodations, that of the removal of the key requirement on the public participation process, relative to obtaining a special consent. Therefore, the authority to approve student accommodation would now rest solely with the Development Planning Unit. They mentioned that there would no longer be enough stakeholder consultation process and student would fall into the prey of property owners who chase profits.**

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.**

- 3.5 Application in Terms of Section 26 (1)(b) of the eThekweni Municipality: Planning and Land Use Management By-Law 2016 (Municipal Notice 114 of 2017) for the Amendment of the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development Facilitation Table: Special Zone 29: The Brickworks by Amending the Permitted Height Allowed Within the Special Zone (21/7/8):  
(Page 467: Economic Development & Planning Committee – Supplementary Agenda 2022-06-23)

Authority is sought for an amendment of the eThekweni Municipality Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development facilitation Table: Special Zone 29: The Brickworks by amending the permitted height allowed within the Special Zone from 6m to 6 storeys.

The amendment only applies to one property, namely, Erf 411Glen Anil, situated at 181 Old North Coast Road, measuring 61, 9509 hectares in extent. In addition, the amendment is seen as a correction to the previously approved height reflected in the development parameters of the Special zone. The permitted height is stipulated as “not exceeding 6m”.

The purpose of this zone will be to promote general business, light industrial and logistics operations, including warehousing and other land uses associated with the movement and storage of goods to complement and support the local economy of Durban and the Provincial and national economy.

Having noted that the proposed amendment is in line with the development principles as set out in the current planning legislation and promotes sustainable economic development, it was accordingly,

#### COMMITTEE RECOMMENDS:

- 3.5.1 That in terms of Section 46(1)(a) of the eThekweni Municipality Planning and Land Use Management By-Law 2016 (Notice 114 of 2017) the application for the amendment to the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: The Development facilitation Table for Special Zone 29: The Brickworks: Development Parameters: by amending the maximum height permitted from 6m to 6 storeys, be approved, for the following reasons:
- 3.5.1.1 The Brickworks development is a catalytic project located within a prime investment corridor and earmarked for Light Industrial, Warehousing and Logistic Operations.
- 3.5.1.2 The proposed amendment will bring the permitted height in alignment with the height permitted in the Logistics zone of the eThekweni Municipal Land Use Scheme: Central sub-scheme, which land use is permitted in the Scheme intention.

The eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: The Development Facilitation Table for Special Zone 29: The Brickworks will be amended to reflect the following:

	SPECIAL ZONE 29: THE BRICKWORKS	
Scheme Intention: the purpose of this Zone will be to promote general business, light industrial and logistic operations including warehousing and other land uses associated with the movement and storage of goods to complement and support the local economy of Durban and the Provincial and National economy.		

MAP COLOUR REFERENCE: Black cross hatch with zone number		MAP REFERENCE:
PERMITTED USE	SPECIAL CONSENT	PRECLUDED USES
<ul style="list-style-type: none"> <li>Flat</li> <li>Industry – Light</li> <li>Motor Display Area</li> <li>Motor Workshop</li> <li>Office</li> <li>Parkade</li> <li>Private Open Space</li> <li>Public Open Space</li> <li>Restaurants/Fast Food Outlet</li> <li>Shop</li> <li>Warehouse</li> </ul>	<ul style="list-style-type: none"> <li>Betting Depot</li> <li>Creche</li> <li>Education Establishment</li> <li>Fuelling and Service Station</li> <li>Institution</li> <li>Place of Public Worship</li> <li>Special Building</li> <li>Student Residence</li> <li>Telecommunication Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>All uses not listed in the Permitted Use or Special Consent Use columns.</li> </ul>
ADDITIONAL CONTROLS		
<p>General</p> <ol style="list-style-type: none"> <li>This zone applies to the development of Erf 411 Glen Anil which is phase 1 of the larger development referred to as the Brickworks.</li> <li>Property Owners Association (P.O.A): A P.O.A shall be formed by the applicant in respect of the entire development area to control and manage matters of common interest to all portions of the development.</li> </ol> <p>All owners, lessees, and any other member of the public utilising the facilities must comply with the rules and regulations of the P.O.A. No Portion shall be transferred without the consent of the relevant P.O.A, which consent may not be withheld if the new buyer agrees to become a member of the relevant P.O.A. and the existing owner has complied with all their obligations to the P.O.A.</p> <p>Every portion shall have a Site Development Plan, Landscaping Plan, and Building Plan prepared for it by the owner and approved by the Municipality prior to construction or development of the site provided that such plans have been recommended in writing for approval by the P.O.A. prior to submission to the Municipality.</p> <p>The P.O.A will ensure that there shall be a common architectural theme, intensive landscaping and subtle lighting and signage to create an aesthetically pleasing and environmentally friend development.</p> <ol style="list-style-type: none"> <li>Logistics Operation deemed to be the process of “stuffing, de-stuffing and breaking and assembling of bulk including the process of planning, implementing, storage and controlling the efficient flow and movement of goods from the point of origin to the point of consumption shall be permitted in this zone.</li> <li>The on-site storage of and repair of containers and haulage vehicles used exclusively by the Logistics Operation on each site is permitted (excluding container depots and trucks stops).</li> <li>Parking for Logistics Operations shall be <b>1 bay/200m<sup>2</sup> PFA and 2 bays/100m<sup>2</sup> PFA</b> of ancillary office area or other uses such as canteen, restrooms etc. Loading requirements shall be to the satisfaction of the eThekweni Municipality.</li> </ol> <p>All such parking and loading facilities must be provided on-site and stacking of vehicles on public roads is not permitted.</p> <ol style="list-style-type: none"> <li>All other land uses in “The Brickworks” will provide parking and loading facilities to the satisfaction of the Municipality.</li> <li>Only such <b>Shops</b> associated with building supplies, sanitary ware, tiles, and a motor dealership, which includes the display, sale of vehicles and spare parts and repairs to vehicles and related types of shops found in industrial areas, shall be permitted.</li> <li>The total PFA shall not exceed 185 000m<sup>2</sup> (based on an average FAR of 0.6 of the net developable area of each site). The P.O.A. shall maintain a record of the PFA proposal on all buildings recommended by it for approval by the Municipality which cumulative record of the approved PFA must be submitted together with each building plan recommended for approval by the P.O.A to enable the Municipality to ensure that not more than 185 000m<sup>2</sup> PFA is approved. No individual site shall exceed a FAR of 1.2.</li> </ol>		

9. PFA of 185 000m <sup>2</sup> shall not be exceeded without the P.O.A. first having gained the approval of the Municipality with such approval being at the discretion of the Municipality.						
10. *Flat shall be limited to one caretakers flat or unit on each portion.						
11. Development shall not deviate from plan no. 1618/WD7 dated 05 June 2017 without the approval of the Municipality.						
12. All aspects of the Environmental Authorisation ref. 1618/WD7 dated 05 June 2017 and any subsequent amendments, and the Environmental Management Plan shall be adhered to.						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION	HEIGHT IN STOREYS	COVE RAGE	FLOOR AREA RATIO
BUILDING LINE	SIDE & REAR SPACE					
5.0m	5m	Not Applicable	1800m <sup>2</sup>	6m (to be amended to 6 storeys)	N/A	N/A

### **ADOPTED.**

- 3.6 Request for Authority to Continue Fund Green Corridors Programme (32/2/2):  
(Page 477: Economic Development & Planning Committee – Supplementary Agenda 2022-06-23)

The Economic Development & Planning Committee noted that the Green Corridor projects are concerned with protecting and enhancing green open space and green infrastructure management through multiple interventions from solid waste management solutions and Alien Invasive Plant clearing, education, awareness building, food gardens, occupational health, safety, wellbeing and income generation.

Green Corridors is involved with the creation of new eco/cultural tourism products situated in the peri-urban and rural areas of the Municipality, opening up areas like Maphephetheni, Molweni, KwaXimba, Mnini, Mqeku and Qadi which would otherwise not be available for visitors. These sites now have viable community-owned tourism facilities with a variety of tourism services on offer.

The Green Corridor's Programme has employed 74 people including 27 internships over the period 2019 – 2022. 100% of the internships are new jobs created for candidates that were previously unemployed and 100% are youth who have gained their first jobs with Green Corridors. 83 % of staff occupying management positions are from previously disadvantaged backgrounds and 42% are female.

Authority is therefore sought to continue supporting the Green Corridor Programme and enter into a new 3-year Memorandum of Agreement (MOA) with Green Corridors Nonprofit Company to disburse funding in terms of Section 67 of the Municipal Finance Management Act 2003 and the MOA to be effective 01 July 2022 to 30 June 2025.

At the Executive Committee level, clarity was given that the Green Corridors Programme contained three (03) elements, namely, environmental protection, tourism development and enterprise and skills development. It being further clarified that this aspect of programme pertains to the economic development issues where employment opportunities will be created. That the Green Corridor Non-Profit Organisation (NPO) is a partner working with the Municipality on the programme, and it being confirmed that the NPO is managed by an effective and compliant Board of Directors.

With the Committee acknowledging significant contribution as a result of the Green Corridor Programme,

**COMMITTEE RECOMMENDS:**

- 3.6.1 That authority be granted for the Head: Economic Development to facilitate the continuation of support for the Green Corridors for further development, growth and competitiveness of the sector tourism and waste beneficiation sectors within the eThekweni Municipal area.
- 3.6.2 That subject to the approval of .1 above, authority be granted for the City Manager to conclude a 3-year Memorandum of Agreement (MOA) between eThekweni Municipality and Green Corridors Non-Profit Company to give effect to the above.
- 3.6.3 That subject to the approval of .1 and .2 above, authority be granted for the Head: Economic Development to, in accordance with the MOA and Section 67 of the MFMA 2003, disburse, funds to the Green Corridors NPO in the amount of **R5 843 000.00 (Excl. VAT) for 2022/2023, R5 843 000.00 (Excl. VAT) for 2023/2024 and R5 843 000.00 (Excl. VAT) for 2024/2025.**
- 3.6.4 That the Head: Economic Development Unit submit progress report on this initiative on an annual basis and to present the annual business plan for noting.

**Financial Implications:**

VOTE NUMBER	AMOUNT	FINANCIAL YEAR
26102.25195.12120.0000.85300.0010	R5 843 000.00	2022/2023
26102.25195.12120.0000.85300.0010	R5 843 000.00	2023/2024
26102.25195.12120.0000.85300.0010	R5 843 000.00	2024/2025

FC No.: 2023/18/09

**ADOPTED.**

- 3.7 Approval of Final Draft 2022/2023 Municipal Spatial Development Framework (21/5/1):  
(Page 548: Economic Development & Planning Committee – Supplementary Agenda 2022-06-23)

The Spatial Development Framework (SDF) is the primary spatial response to the development context needs and development vision of the Municipality. It is a key land use management tool which informs strategic choices and interventions especially regarding the future growth and development of the Municipality and has an important role in guiding and managing Municipal decision relating to the use, development, and planning of land. It is a legislative requirement and should resonate with the National and Provincial spatial development plans and priorities.

The SDF is also a transformation tool, with its focus on spatial restructuring and transformation, it guides the location of future development in a manner that addresses the imbalances of the past. It enables the Municipality to manage its land resources in a developmental and sustainable manner. In addition, it provides an analysis of the spatial needs and issues and provides strategies and programs to address these challenges.

The legislation requires the preparation of SDF every five years and to be reviewed annually. This report represents the first SDF of the 5-year SDF cycle (2022/2023 – 2026/2027). This aligns with the Integrated Development Plan (IDP) process and the actual 5-year IDP Plan. Once approved by full Council, notification of the SDF approval will be submitted to the Department of Co-operative Governance and Traditional Affairs for assessment.

Having noted that the formulation and adoption of the Municipal SDF is in line with the requirement of both the Local Government: Municipal Systems Act No. 32 of 2000 and the Spatial Planning and Land Use Management Act (SPLUMA, Act No. 16 of 2013) and eThekweni Municipality Planning and Land Use Management Bylaw (2016),

**COMMITTEE RECOMMENDS:**

3.7.1 That Council adopts the final draft Municipal Spatial Development Framework (SDF) 2022-2023 in line with the requirements of the Local Government: Municipal Systems Act No. 32 of 2000 and the Spatial Planning and Land Use Management Act No. 16 of 2013, it being recorded that stakeholder comments have been taken into account when finalising the SDF, and that the approved SDF will guide and manage Municipal decision relating to the use, development, and planning of land.

3.7.2 That subject to the approval of the SDF by Council, the SDF document be submitted to the Provincial Department of Cooperative Governance and Traditional Affairs for assessment as per the statutory requirement.

**ADOPTED.**

4. ADDENDUM REPORT: ECONOMIC DEVELOPMENT & PLANNING  
COMMITTEE: MEETING HELD ON 2022-05-19

(Page R35)

4.1 Update on Implementation of Economic Recovery Fund (20/1/7/3 & 20/1/7/6):  
(Page 1: Economic Development and Planning Committee - Agenda 2022-05-19)

It will be recalled that Council approved relief for Small, Medium and Micro Enterprises (SMMEs) negatively affected as a result of the Covid-19 pandemic. This was aimed at boosting the economy and protecting jobs generated by the SMMEs. Therefore, Council approved the establishment of the Economic Recovery Fund to allocate to eligible businesses following their assessment based on set criteria. An Advisory Committee was established to consider the applications and approve businesses qualifying to benefit from the Fund. An amount of R21 000 000.00 was made available to allocate to the 700 businesses approved to benefit from the Fund. It should be noted that a number of 2 942 businesses qualified for the Fund, but due to budgetary constraints a number of 700 businesses were approved from informal and semi-formal businesses, and from selected sectors and geographical areas.

A detailed progress report was presented to the Economic Development and Planning Committee with regard to the payment process for the 700 approved beneficiaries. In a nutshell, a number of 479 beneficiaries have been paid at a total amount of R14 370 000.00. This leaves a remainder of 221 beneficiaries and the remaining grant of R6 630 000.00. Several communication methods have been utilised to contact

beneficiaries qualifying to receive a grant, however, some are untraceable; others are unable to comply in terms of submitting relevant business documentation; and with others having been declared deceased.

As it stands, a balance of R6 630 000.00 is available for allocation. Authority is therefore sought to replace untraceable beneficiaries and approve a new list of beneficiaries attached to the report by the Head: Business Support, Tourism and Markets dated 2022-03-24, as recommended by the appointed Advisory Committee. These beneficiaries meet the criteria, however, due to budgetary constraints, were initially not selected as part of the 700 approved in May 2021. The approval of new beneficiaries will enable the disbursement of the remaining balance of R6 630 000.00 (Six Million Six Hundred and Thirty Thousand Rand) before end of June 2022.

#### COMMITTEE RECOMMENDS:

- 4.1.1 That Council notes that out of the 700 beneficiaries approved by Council to benefit from the Economic Recovery Fund, a number of 221 beneficiaries remain untraceable, despite numerous efforts made to trace them, and thus a remaining balance of R6 630 000.00 (Six Million Six Hundred and Thirty Thousand Rand) still to be allocated, out of the R21 000 000.00 (Twenty One Million Rand) approved by Council to support small businesses negatively affected by the Covid-19 pandemic.
- 4.1.2 That in view of .1 above and in order to disburse the remaining balance of R6 630 000.00, authority be granted for the Deputy City Manager: Economic Development and Planning to replace untraceable beneficiaries previously approved by Council for the Economic Recovery Fund, and Council approves a new list of beneficiaries as recommended by the appointed Advisory Committee, it being recorded the beneficiaries meet the criteria but, due to budget constraints, were not initially selected as part of the 700 approved in May 2021.
- 4.1.3 That the Deputy City Manager: Economic Development and Planning keep the Committee apprised about further progress regarding the implementation of the Economic Recovery Relief Fund for small businesses negatively impacted by the Covid-19 pandemic.

#### **Financial Implications**

To date, a total amount of R14 370 000.00 (fourteen Million Three Hundred and Seventy Thousand Rands) has been utilised to pay beneficiaries and the balance remaining is R6 630 000.00 (Six Million Six Hundred and Thirty Thousand Rands Only) from the total allocated budget of R21 000 000.00 (Twenty One Million Rands Only). With regards to duplicate payments, measures have been put in place to prevent any errors.

**FC Number: 2021/32/22**

**ADOPTED.**



5. ADDENDUM REPORT OF GOVERNANCE AND HUMAN RESOURCES  
COMMITTEE: MEETING HELD: 2022-06-15

(Page R38)

5.1 Discretionary Grant from the Insurance Sector Education and Training Authority  
(INSETA) (7/4/1):  
(Circulated separately: Governance and Human Resources Committee - Agenda  
2022-06-15)

It was noted that the above report was erroneously omitted from the original report for the Governance and Human Resources Committee meeting held on 15 June 2022 which was already considered by the Executive Committee at its meeting held on 21 June 2022.

A presentation was made by the Head: eThekweni Municipal Academy related to the Discretionary Grant funding in the amount of R2 508 000.00 (Two Million Five Hundred and Eight Thousand Rand) to be accepted by eThekweni Municipality from the Insurance Sector Education and Training Authority (INSETA) to offer New Venture Creation and short-term insurance learnership to 100 beneficiaries in the informal businesses and unemployment youth within the eThekweni Municipal area.

Members were advised that eThekweni Municipality will contribute towards covering the costs associated with learners' stipend which is estimated at R2 000 000.00 (Two Million Rand for 100 beneficiaries, for a period not exceeding twelve (12) months, to be provided in the 2022/2023 financial year.

With the Committee being in agreement,

COMMITTEE RECOMMENDS:

- 5.1.1 That approval be granted for the Head: EThekweni Municipal Academy to accept the award of the Discretionary Grant funding in the amount of R2 508 000.00 (Two Million Five Hundred and Eight Thousand Rand) from the Insurance Sector Education and Training Authority (INSETA) to offer New Venture Creation and short-term insurance learnership to 100 beneficiaries in informal businesses and unemployment youth within the eThekweni Municipal area.
- 5.1.2 That subject to the approval of .1 above, authority be granted for the City Manager to sign the funding agreement with the Insurance Sector Education and Training Authority (INSETA) on behalf of the eThekweni Municipality.
- 5.1.3 That it be noted that eThekweni Municipality will contribute toward covering the costs associated with learners' stipend which is estimated at R2 000 000.00 (Two Million Rand) for 100 beneficiaries, for a period not exceeding twelve (12) months, to be provided in the 2022/2023 financial year.

**ADOPTED.**

6. **DIRECT EXCO REPORTS**

6.1 **REQUEST FOR ADDITIONAL FUNDING TO COVER BUDGET SHORTFALL  
WITHIN LEGAL AND COMPLIANCE SERVICES UNIT (7/1/3/2)**

(Page 36)

Approval is sought to identify savings to provide additional funding in the amount of R6 Million to cover shortfall within the Legal and Compliance Services Unit operational budget. It being noted that the Unit requires operating funds to replenish the legal expenditure votes as the litigations vote is depleted and other votes are also fast approaching depletion. The attention is drawn to the reduction of funds in the litigations vote, while the Unit has no control over the litigations to be dealt with as this was dependent on cases filed by the parties feeling aggrieved by the Municipal Departments' decisions.

Upon deliberations at the Executive Committee, the DA expressed concerns that some of the litigation matters were unnecessary. It being pointed out that this was due to failure by some of the Municipal Departments to execute their duties and responsibilities accordingly

As such, the DA (02) abstained on the matter and, with the majority being in support,

**COMMITTEE RECOMMENDS:**

That for the reasons stated in the report of the Head: Legal and Compliance dated 2022-06-10, pertaining to the depletion of the litigation vote which originally did not have sufficient funds equivalent to the averages costs of litigation per financial year, and the expectation to continue covering the costs of litigation cases, Council approves the additional funding in the amount of R6 000 000.00 (Six Million Rand) to be identified from the Municipal savings and to be allocated through the 2021/2022 adjustment budget to ensure that there are available funds to cover the litigation costs for the rest of the financial year.

**Financial Implications:**

The adjusted budget across the aggregate legal expenses vote for the current financial year is R27 865 784.00 (Twenty Seven Million Eight Hundred and Sixty Five Thousand Seven Hundred and Eighty Four Rand). Actual expenditure for 2021/2022, as at the end of May is R25 730 573.07 (Twenty Five Million Seven Hundred and Thirty Thousand Five Hundred and Seventy Three Rand Seven Cents) and 2020/2021 was R25 461 430.00 (Twenty Five Million Four Hundred Sixty One Thousand Four Hundred and Thirty Rand). More critically, the Litigation vote was R18 661 330.00 (Eighteen Million Six Hundred and Sixty One Thousand Three Hundred and Thirty Rand) in 2020/2021 and only R17 985 111.00 (Seventeen Million Nine Hundred and Eighty Five Thousand One Hundred and Eleven Rand) in 2021/2022. There was no reduction in the number of legal matters managed by the Unit.

Financial Year	Vote Number	Amount
2021/2022	30305.11195.13	R6 000 000.00

**Speaking on the matter, the DA objected to the approval of the recommendations. They cited that during the past Council term of office, it took six (06) months for the Municipality to provide responses to questions submitted to Council on the nature and quantum of legal claims in the Municipality from 2016 to 2019. They emphasised that there was no oversight Committee for litigation matters. They also mentioned that out of court settlements reports have also not been submitted**

to Council upon finalisation, as per the Municipal system of delegations. It was stated that the Municipal Units had to act strictly and in accordance with their mandate to avoid litigation matters.

As some members were not in support of the above recommendations from the Executive Committee, the matter was put to the vote. With 187 Councillors present, 116 Councillors (ANC - 89, IFP -12; Action SA – 01; ABC - 01, ACC - 02, ACDP - 02, AIC -00, DLC – 00; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00 and TA- 01) voted in favour; 47 DA Councillors voted against the matter and 24 Councillors (EFF – 22; UIM – 01 and VF Plus – 01) abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.**

## 6.2 ALLOWANCES PAYABLE TO STAFF IN ACCORDANCE WITH THE SCARCE SKILLS POLICY

(Page 1)

The Executive Committee received a report on the allowances payable to employees in accordance with the Scarce Skills Policy. That the Scarce Skills Policy definition encompasses the Attraction, Market and Retention Allowances.

The classification of posts as scarce skills is reviewed annually by the Compensation Management Committee and the Executive Remuneration Committee based on attraction and retention difficulties experienced by the Units. Turnover statistics are analyzed and Units Heads and/or Deputy City Managers are required to motivate for the continued payment of market allowances should there be significant changes in the labour market. Where no sufficient justification for the payment of allowances is established, the market allowances shall be terminated.

It being noted that, historically the payment of market/attraction/retention allowances were allocated to employees through approval by the City Manager or the Executive Committee prior to the introduction of the Scarce Skills Policy.

Thereafter, the DA (02) abstained on the matter and with the majority being in support,

### COMMITTEE RECOMMENDS:

6.2.1 That Council notes that the Municipality employs development strategies as medium to long term solutions to address issues of scarcity of posts, also, that the Talent Management Office is tasked with the responsibility to ensure that programmes such as Trainee, Mentorship, Student Bursaries and Work Experience, Assisted Education, Learnerships etc. are successfully implemented in order to acquire sufficient skills to meet the service delivery mandates.

6.2.2 That Council notes posts categorised within the Municipal Clusters and Units for the payment of attraction; retention; and market allowance, as per the schedule prepared by the Deputy City Manager: Corporate and Human Capital attached herein.

**NOTED.**

6.3 REQUEST FOR AUTHORITY TO FUND DURBAN WEST COMMUNITY  
TOURISM ORGANISATION 2021/2022

(Page 38)

The Economic Development and Planning Cluster drives the Community Tourism Organisation (CTO) Programme as part of promoting tourism growth within the eThekweni Municipal area. In terms of funding disbursement approved by the Municipal Council, the CTOs engaged are expected to submit relevant documents prior to qualifying to receive grant funding from the Municipality. This include audited annual financial statements and business plans to confirm tourism activities to be undertaken or undertaken.

The Cluster initially engaged nine (09) CTOs under this programme during the 2021/22 financial year. However, a recommendation has been made to disburse funds to the six (06) CTOs since the three (03) other CTOs have been unable to submit the relevant documents to qualify for grant funding.

This report then confirms the submission of the relevant documents by one (01) of the three (03) CTOs which have been excluded on the basis of non-compliance. Accordingly, it is recommended that the CTO be included as part of the other six (06) being recommended to receive grant funding.

Accordingly,

**COMMITTEE RECOMMENDS:**

- 6.3.1 That, in view of subsequent submission of the relevant business documents by the Durban West Community Tourism Organisation (CTO), authority be granted for the Acting City Manager to enter into partnership in terms of the Memorandum of Agreement (MOA) with the CTO for the disbursement of funds in the financial years 2021/2022 to support the CTO development programme.
- 6.3.2 That the Durban West CTO be granted funding in the amount of R255 000.00 (Two Hundred and Fifty Five Thousand Rand) and disbursed in accordance with Section 67 of the Municipal Finance Management Act 2003 and the MOA obligations.
- 6.3.3 That authority be granted for the Head: Business Support, Tourism and Markets to facilitate the disbursement of funds to CTO through the MOA obligations, monitor and evaluate progress considering expenditure and keep Council abreast of all developments around the CTO development programme.

**Financial Implications:**

BU	ITEM.SUB	FUND	COSTING	PROJECT	REGION
26724	25445.400	12120	0000	85605	0010

FC No.: 2022/13/24

Financial Year: 2021/2022

Amount: R255 000.00.

**ADOPTED.**

6.4 REQUEST FOR AUTHORITY TO TRANSFER FUNDS 2022/23 BUDGET FOR DURBAN MARINE THEME PARK (USHAKA MARINE WORLD)

(Page 45)

Authority is sought to transfer funds in accordance with the 2022/2023 approved budget to ensure financial viability for the Durban Marine Theme Park.

During deliberations at the Executive Committee, the DA expressed a concern on the outstanding feasibility study report from the Durban Marine Theme Park (Ushaka Marine World) Entity. That it has taken three (03) years for the DMTP to address the issue of the feasibility study, yet the outcome thereof was going to shed some light in terms of long-term viability of this Entity. Therefore, funding an entity which appears to lack accountability in terms of basic management was considered concerning. As such, a recommendation was made that the DMTP Board should provide responses to the Executive Committee in this regard.

In response to issues raised, confirmation was given that a service provider had since been appointed to undertake the feasibility study and that a presentation on the proposed interventions that will ensure continued sustainability of the Durban Marine Theme Park will be submitted to the Executive Committee for consideration and a decision. Confirmation was also given that the Finance Cluster is in engagement with DMTP with regard to grant funding utilization and that the next funding cycle will be based on the outcome of the feasibility study.

As recommended, it was agreed that further information on the feasibility study would be obtained when the DMTP Board addresses the Executive Committee. In the meantime, the DA abstained on this matter. The majority Parties were in support given the requirement to continue supporting the operations for the Entity to continue operating as a going concern.

COMMITTEE RECOMMENDS:

- 6.4.1 That Council approves the payment of R79 520 000.00 (Seventy Nine Million Five Hundred and Twenty Thousand Rand), in four (4) equal quarterly disbursements for the work undertaken by the South African Association for Marine Biological Research (SAAMBR) responsible for the operations of the Sea World as per the agreement entered into with the Durban Marine Theme Park (DMTP).
- 6.4.2 That Council approves the payment of R22 736 900.00 (Twenty Two Million Seven Hundred and Thirty Six Thousand Nine Hundred Rand) of the operating grant as at end September 2022 and another R22 736 900.00 as at end March 2023, (the latter tranche being payable if the entity trading losses anticipated during budget preparation materialize).
- 6.4.3 That Council approves the disbursement of funds on a reimbursable basis for an amount of R25 000 000.00 (Twenty Five Million Rand) for capital projects and R10 006 200.00 (Ten Million and Six Thousand Two Hundred Rand) for repairs and maintenance.
- 6.4.4 That subject to the approval of .1, .2 and .3 above, authority be granted for the Acting City Manager to disburse these funds to the DMTP.

- 6.4.5 That taking cognizance of DMTP operating on or close to a break-even level, confirms its commitment to ensuring the future financial viability of DMTP and more specifically to meet any funding shortfalls that may compromise DMTP to continue trading as a “going concern”.

**Financial Implications:**

Grant funding of R160 Million has been provided in the 2022/2023 operating budget.

FC No.: 2023/13/05

**Commenting on the matter, the DA expressed concern over the status of the Municipal Entities, both the Durban Marine Theme Park (Ushaka Marine World) and the Inkosi Albert Luthuli International Convention Centre (ICC). They mentioned that the Entities were projecting massive deficits of R25 Million and R80 Million respectively for the coming budget year.**

**The work done by the South African Association for Marine Biological Research (SAAMBR) at Ushaka Marine World right up to the East Coast of Africa was highly commended. However, it was stated that the Municipality cannot afford to continue to inject funding into the Entities. It was highlighted that neither of the Entities were projecting the ability to turn operations around in the coming financial years. With regard to the Ushaka Marine World, it was reiterated that there was an outstanding feasibility study report and that it has taken three (03) years for the Entity to address this matter.**

**Concerns were also expressed regarding the diminishing state of affairs, and the Municipality being the surety for the Entities and therefore financially liable for the viability of the Entities. In this regard, it was pointed out that the Municipality can no longer afford to drain its own resources without any return on investment.**

**Thereafter, as some members were not in support of the recommendations of the Executive Committee, the matter was put to the vote. With 185 Councillors present, 110 Councillors (ANC - 89, IFP -12; ABC - 01, AIC -00, DLC – 00; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 00, KZNI - 01, MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00 and TA- 01) voted in favour and 75 Councillors (DA - 47; EFF – 22; Action SA – 01; ACC - 02, ACDP – 02 and VF Plus – 01) abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.**

- 6.5 REQUEST FOR AUTHORITY TO EFFECT PAYMENT OF GRANT FOR ELECTRICITY CHARGES IN THE 2021/22 FINANCIAL YEAR.: INKOSI ALBERT LUTHULI INTERNATIONAL CONVENTION CENTRE

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**COMMITTEE RECOMMENDS:**

- 6.5.1 That Council approves the payment of grant funding in the amount of R8 200 000.00 (Eight Million Two Hundred Thousand Rand), in the 2021/2022 financial year, from savings within the Economic Development and Planning Cluster towards the outstanding electricity account in the Inkosi Albert Luthuli International Convention Centre (ICC).

- 6.5.2 That Council approves the disbursement of funds to the ICC in the amount of R30 200 000.00 (Thirty Million Two Hundred Thousand Rand) for capital projects, with R15 000 000.00 (Fifteen Million Rand) being disbursed in July 2022 and the balance being paid on a reimbursable basis after the R15 000 000.00 has been utilised.
- 6.5.3 That subject to the approval of .1 and .2 above, authority be granted for the Acting City Manager to disburse these funds to the Inkosi Albert Luthuli International Convention Centre, trading as Durban ICC.
- 6.5.4 That taking cognizance of the Durban ICC operating on or close to a break-even level, Council confirms its commitment to ensuring the future financial viability of the Durban ICC and more specifically to meet any funding shortfalls that may compromise the Durban ICC to continue trading as a “going concern”.

**Financial Implications:**

1. The R8 200 000.00 grant funding towards the electricity account for the 2021/2022 financial year will be funded from savings within the Economic Development and Planning Cluster.
2. The R30 200 000.00 capital grant funding for the 2022/2023 financial year is provided in the 2022/2023 budget.

FC No.: 2022/13/26

**As some members were not in support of the recommendations of the Executive Committee, the matter was put to the vote. With 185 Councillors present, 138 Councillors (ANC - 89, EFF – 22; IFP -12; ABC - 01, Action SA – 01; ACC - 02, ACDP – 02; AIC -00, DLC – 00; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 00, KZNI – 01; MF – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01 and VF Plus – 01) voted in favour and 47 DA Councillors abstained on the matter.**

**Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED**.**

6.6 **PROMOTION OF ACCESS TO INFORMATION ACT: FEES FOR ACCESSING MUNICIPAL RECORDS: 2022/2023**

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**COMMITTEE RECOMMENDS:**

That the following prescribed fees payable by requesters of access to Municipal records, as determined by the Minister of Justice and Constitutional Development in the Government Gazette, Notice No. 45057, dated 27 August 2021, be approved.

Item No.	Description	R (excl. VAT)	R (Incl. VAT)
1.	The requester fee payable by every requester	86.95	100.00
2.	Photocopy of A4 size page or part thereof	1.30	1.50
3.	Printed copy A4 size page or part thereof	1.30	1.50
4.	For a copy in a computer readable form on:		
	a. Flash Drive (to be provided by the requester)	34.78	40.00
	b. Compact Disc		
	i. If provided by the requester	34.78	40.00
	ii. If provided to the requester	52.17	60.00

Item No.	Description	R (excl. VAT)	R (Incl. VAT)
5.	For a transcription of visual images per A4 size page	Service to be outsourced. Will depend on quotation from service provider.	
6.	Copy of visual images		
7.	Transcription of an audio per A4 size page	20.86	24.00
8.	Copy of an audio record on:  a. Flash Drive (to be provided by the requester b. Compact Disc  i. If provided by the requester ii. If provided to the requester	34.78   34.78 52.17	40.00   40.00 60.00
9.	To search for and prepare the record for disclosure for each hour or part of an hour, excluding the first hour, reasonably required for such search and preparation.  To no exceed a total cost of		100.00  300.00
10.	Deposit: If search exceeds 6 hours	One third if amount per request calculated in terms of items 2 to 8	
11.	Postage, email or any other electronic transfer	Actual expense if any	

**ADOPTED.**

6.7 DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCE AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCIL (3/5/4)

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COMMITTEE RECOMMENDS:

- 6.7.1 That Notice No. R. 2126 as per Government Gazette No. 46470 dated 02 June 2022, citing conditions upon which new limits for salaries; allowances; and benefits are to be implemented, be and is hereby noted, it being recorded that this relates to the total remuneration package of full and part time Councillors, upper limits of motor vehicle and travel allowance, upper limits of telephone allowance and capacity building, and with 3% increase to be implemented across the board.
- 6.7.2 That the Honourable Minister of Co-operative Governance and Traditional Affairs' Determination of the upper limits of salaries, allowances and benefits as stipulated in Government Gazette No. 46470 dated 02 June 2022, be approved.
- 6.7.3 That the provisions of Government Notice No. R 2126, be implemented at 100% of the upper limit.
- 6.7.4 That the tools of trade be provided to Councillors as determined by the Honourable Minister of Co-operative Governance and Traditional Affairs' in Government Gazette No. 46470 dated 02 June 2022.
- 6.7.5 That the concurrence of the Honourable MEC for Co-operative Governance and Traditional Affairs be sought prior to giving effect to item .3 and .4 above.

**Financial Details:**

Business Units: 32601; 32602; 32121; 32122; 32123

FC No.: 2022/08/24

**ADOPTED.**



6.8

ADJUSTMENT BUDGET REPORT FOR ETHEKWINI GAMES AND KZNDSR  
SALGA GAMES 2022 (13/7)

(Page L24)

It was recalled that the matter had been approved in principle to enable administration to proceed with logistical arrangements and with a proviso that an Addendum Report with revised overall budget and expenditure items will be presented to the Executive Committee.

In this regard, the Committee noted that the sports codes had been reduced from (14) to (11), thus resulting in the reduction of athletes from 280 to 276. With the sports codes eliminated including dance; boxing; volleyball; chess; and cricket. Also, reduction in officials and technical staff, with the overall budget now being reduced from R7 050 000.00 (Seven Million and Fifty Thousand Rand) to R5 800 000.00 (Five Million Eight Hundred Rand).

The DA was still not satisfied with the overall budget, a proposal being made to consider reducing the number of Councillors from 40 to at least 11 or 22 as a result of getting 1 or 2 Councillors per sports code.

That further reduction can also be made on the technical team, also possible adjustments if transportation expenditure can be eliminated and consider using the City Fleet transport. Other Members commended the Support Committee and the Cluster for arriving at approximately R1.2 Million budget reduction. It was then raised that budget allocation for Clusters should be done in an equitable manner for the Clusters to receive adequate funding for the activities assigned to them.

Notwithstanding the reduction effected thus arriving at the budget reduction from the original R7 050 000.00 (Seven Million and Fifty Thousand Rand) to R5 800 000.00 (Five Million Eight Hundred Rand), the DA voted against the SALGA Games expenditure as they believe there was still room for further reduction. They indicated that the Games were supported given the social cohesion benefits, but that the issue of expenditure was still questionable.

The ANC (04), ABC (01); EFF (01) and the IFP (01) were in support of the recommendation, it being noted that the Office of the Speaker has sufficient budget to cater for Councillors to participate in the Games and noting work already undertaken to effect reductions thus arriving at the approximately R1.2 Million savings to be utilised in other pressing functions as the City was still recovering from the floods damages.

By the majority vote,

**COMMITTEE RECOMMENDS:**

6.8.1

That Council approves the adjustment budget for eThekweni Games and KZN-DSR SALGA Games 2022 from R7 050 000.00 (Seven Million and Fifty Thousand Rand) to R5 800 000.00 (Five Million Eight Hundred Rand) with the delegation of 276 athletes, 36 Technical Officials, 26 Support Staff and 40 Political leadership to participate in the and KZN DSR SALGA Games 2022 which will be held in Amajuba District Municipality from 01 to 04 December 2022.

- 6.8.2 That Council authorize the travel of all the participating Officials.
- 6.8.3 That subject to the approval of .1 above, all procurement of goods and services be undertaken strictly in accordance with the Supply Chain Management Policy and the Municipal Finance Management Act, 2003, Circular 82 regarding Cost Containment Measures.
- 6.8.4 That subject to the approval of .1 and .2 above, a close out report be submitted after the implementation of the eThekweni Games Grand Finale and the SALGA Games.

**Financial Implications:**

CATEGORY	ESTIMATED LOGISTICS AMOUNTS	ADJUSTMENT BUDGET
<b><u>eThekweni Games Grand Finale:</u></b>	R1 000 000.00	R1 000 000.00
<b><u>SALGA Accommodation:</u></b> 276 athletes, 36 technical officials, 26 support staff and 40 Councillors	R2 500 000.00	R1 800 000.00
<b><u>SALGA Games Transport:</u></b> 6 Luxury 65-seater buses and 3 x 22-seater buses	R600 000.00	R600 000.00
<b><u>SALGA Catering from 01-04 December 2022:</u></b> 276 athletes, 36 technical officials, 26 support staff and 40 Councillors	R400 000.00	R350 000.00
<b><u>SALGA Clothing:</u></b> 276 athletes, 36 technical officials, 26 support staff and 40 Councillors	R2 000 000.00	R1 600 000.00
<b><u>SALGA Games Preparations:</u></b> Selections from eThekweni Games Grand finale (11 sporting codes)	R250 000.00	R250 000.00
Trainings travelling allowances of final squads (11 sporting codes) from August - November 2022	R100 000.00	R100 000.00
Athletes medical screening of 11 sporting codes		
<b>Contingency Fees</b>	R200 000.00	R100 000.00
<b>TOTAL AMOUNT</b>	<b>R7 050 000.00</b>	<b>R5 800 000.00</b>

Vote No: SALGA Games, eThekweni Games, SAFA Development and Sport Council Development.  
FC Number: 32/262

Commenting on the matter, the ACDP acknowledged the role and importance of the SALGA Games. However, they were of the view that the City was still faced by the challenges arising from the floods damages. That focus at this stage should be on Municipal priorities, hence expenditure for the Games should not be approved, but funds be directed to the other critical matters, including roads and stormwater rehabilitation.

Meanwhile, the ACC supported the approval of the recommendations in principle, pointing out that the recent floods had caused damages and that rehabilitation in this regard is still a priority. Therefore, a recommendation was made to further reduce the SALGA Games expenditure.

The DA noted that the initial budget had been reduced and recorded their support for the Games in principle. However, they felt that the expenditure was still exorbitant and proposed a further reduction in transport expenditure; number of officials and Councillors to accompany the athletes.

Whereafter, the EFF submitted that whilst they support the Games, the budget could still be reduced even further without compromising the actual Games. They submitted that Council has a responsibility of spending public funds efficiently. In this regard, they abstained on the matter.

Contributing views on the matter, the IFP was in support of the approval of the SALGA Games budget, and they emphasised that the programme assists in sports development specifically in the previously disadvantaged communities. They further mentioned that the sports also encourage social cohesion as well as personal and professional development.

Thereafter, the ANC submitted that the Municipality was mindful of the current economic challenges and the recent floods damages. As such, the Community and Emergency Services Cluster is one of the Clusters that had reprioritized its budget to focus on the floods Recovery Plans. That, the Cluster also has been allocated budget and has a mandate in accordance with its core functions.

The attention was drawn to the fact that the Cluster, through the Community Services Committee had heeded a call to reduce the expenditure for the SALGA Games. As such, there has been a reduction from the original budget in the amount of R1.2 Million and this to be reprioritized to cater for the other key deliverables of the Unit concerned. That the Office of the Speaker will cater for the expenditure of Councillors participating on the SALGA Games.

As some members were not in support of the recommendations of the Executive Committee, the matter was put to the vote. With 185 Councillors present, 112 Councillors (ANC - 89, IFP -12; ABC - 01, Action SA – 00; ACC - 02, AIC - 01, DLC – 00; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 00, KZNI – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01) voted in favour and 49 Councillors (DA - 47 and ACDP – 02) voted against the matter and 24 Councillors (EFF – 22; MF – 01 and VF Plus – 01) abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.**

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(His Worship the Mayor, Councillor TM Kaunda presented the Third Report of the Executive Committee)

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### **THIRD REPORT OF THE EXECUTIVE COMMITTEE**

(Special Meeting held 2022-06-30)

**PRESENT :** Executive Committee Members TM Kaunda (Mayor and Chairperson), PG Mavundla (Deputy Mayor), BT Ntuli (Ex-Officio – Whip of Council); Y Govender, NL Graham, NI Madlala, T Miya, TM Mthethwa, MS Nkosi and ZR Sokhabase.

**ABSENT :** Executive Committee Member T Sabelo.

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1. **ETHEKWINI MUNICIPALITY REGULATORY COMPLIANCE GOVERNANCE POLICY AND REGULATORY COMPLIANCE FRAMEWORK (1/1/3/P)**

(Page L25)

Authority is sought for the approval of eThekweni Municipality Regulatory Compliance Governance Policy and Regulatory Compliance Framework. That eThekweni Municipality embraces good corporate governance principles as supported by the King IV Report Corporate Governance for South Africa, 2016, which requires Council to govern compliance with applicable laws and adopted, non-binding rules, codes and standard in a way that supports the Municipality being ethical and good corporate citizen. The Policy and Framework objectives are outlined in the Report by the Acting Head: Legal and Compliance dated 2022-03-23 attached herein.

The Head: Legal and Compliance advised that the Policy and Framework had been presented to all the party caucuses and was submitted to the Governance and Human Resources Committee. However, there were issues that needed further clarity and the Committee referred the matter to the Executive Management Committee to attend to those issues and the matters were subsequently resolved. It was further advised that it was crucial that the documents be approved in the 2021/22 financial year since the Auditor General and the Audit Committee had expressed concerns about the effectiveness of the compliance function and the management response was that these documents will be developed and approved in this financial year. In this regard, this submission is made for approval by Council.

The DA expressed reservations, it being cited that the documents were laid on the table and that they were not afforded the opportunity to interrogate the documents timeously.

Thereafter, the DA (03) dissented on the matter and the EFF (01) and IFP (01) abstained at this stage for party caucuses.

The ANC (03) and ABC (01) were in support of the recommendations and by majority vote;

#### **COMMITTEE RECOMMENDS:**

That the eThekweni Municipality Regulatory Compliance Governance Policy attached as Annexure “A” in the report of the Acting Head: Legal and Compliance Services dated 2022-03-23 and the Regulatory Compliance Framework attached as

Annexure “B” in the report of the Acting Head: Legal and Compliance dated 2022-03-23, in order to enable the implementation of the compliance management system within the City, be approved; it being recorded that there are no financial implications.

As some members were not in support of the recommendations of the Executive Committee, the matter was put to the vote. With 183 Councillors present, 112 Councillors (ANC - 89, IFP -12; ABC - 01, Action SA – 00; ACC - 02, ACDP – 02; AIC - 01, DLC – 00; ADEC – 00; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 00, KZNI – 01; MOSA – 01; NFP -00; PFP - 01, PRM – 00; TA- 01) voted in favour and 71 Councillors (DA – 47; EFF – 22; MF – 01 and VF Plus – 01) abstained on the matter.

Thereafter, the above recommendations of the Executive Committee, were by the majority vote, **ADOPTED.**

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(Deputy Chairperson, Councillor P Mkhize presented the First Report of the Municipal Public Accounts Committee)

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### **FIRST REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The recommendations of the Municipal Public Accounts Committee Work Programme of 2022/2023 as contained in the Council Agenda (2022-06-30), was **NOTED.**

# Municipal Public Accounts Committee Work Programme

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2022/2023

## **TABLE OF CONTENTS**

1. OUR MANDATE
2. IDP, BUDGET AND MUNICIPAL PERFORMANCE
3. ANNUAL FINANCIAL STATEMENTS
4. ANNUAL REPORT PROCESS
5. IN-YEAR REPORTING
6. AUDIT COMMITTEE
7. 2022/2023 MPAC WORK PROGRAMME

## **Our Mandate**

The key functions of the Municipal Public Accounts Committee are:

1. To review the municipal annual report with specific focus on the report of the auditor general;
2. To hold the municipal Executive and Administration accountable for their implementation of municipal policies and budget;
3. To develop recommendations to improve municipal finance administration.

National Treasury and the Department of Cooperative Governance and Traditional Affairs in their Guideline advise that the functions of MPAC are:

1. To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;
2. In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
3. To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
4. To promote good governance, transparency and accountability in the use of municipal resources;
5. To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
6. To perform any other functions assigned to it through a resolution of council within its area of responsibility.

Our Terms of Reference as approved by Council are:

1.1 To examine the following documents:

- (a) Audit Reports on Annual Financial Statements of the Municipality and its Entities;
- (b) Audit opinion, other reports and recommendations from the Audit Committee;
- (c) Any reports issued by the Auditor General on the affairs of the Municipality and its Entities;
- (d) Any report on the outcome of any investigation relating to the financial affairs of the Council;

- (e) The annual reports and information on performance of the Municipality and of any Municipal Entity under the Municipality's shared or sole control;
  - (f) The Mayor's quarterly reports on the implementation of the budget and the financial state of affairs of the Municipality; and
  - (g) Any other financial statements or reports referred to us by the Council;
  - (h) Any information relating to personnel; books of account, records, assets and liabilities of the Council and to any other source of relevant information that may be required for the purpose of fulfilling its mandate;
  - (i) Information in respect of any disciplinary action taken in terms of the Municipal Finance Management Act.
  - (j) Report on and/or make recommendations in relation to any of the reports or financial statements which it may examine to Council.
- 1.2 To report on and/or make recommendations in relation to any of the reports or financial statements which it may examine to Council.
- 1.3 In our examination (mentioned in .2 above) we must take into account previous statements and reports and consider the degree to which previously identified shortcomings have been rectified and report our findings to Council.
- 1.4 To initiate and develop the Annual Oversight Report on the Municipality's Annual Report.
- 1.5 To initiate investigations into any matter falling within its terms of reference including projects requested by the Executive Committee and Council. To recommend or undertake any investigation after reviewing any investigation report already undertaken by the Municipality or Audit Committee.
- 1.6 To consider any Audit Committee recommendations referred to us and render an opinion on such recommendations.
- 1.7 To hold meetings that are open to the public unless we agree to have a closed session/in-Committee.
- 1.8 To co-opt advisory members or experts to advise us in our deliberations provided that such persons may not vote on any matter.
- 1.9 To call upon/summon Councillors; Officials; Department Heads and/or Heads of Municipal Entities to assist us in the execution of our functions.



## **IDP, Budget and Municipal Performance**

A municipal council is required to review its integrated development plan (IDP) annually. We will ensure that the review is undertaken.

As the annual budget of a municipality must be informed by the IDP adopted by the municipal council we will review the draft annual budget to ensure that is aligned to the IDP.

We will monitor the preparation of the annual performance plan.

The implementation of the budget and the performance of the municipality will be monitored by examining the following documents:

1. Monthly budget statements
2. Quarterly reports
3. Mid-year budget and performance assessment reports of the municipality and entities
4. Annual report

## **Annual Financial Statements**

We will examine the annual financial statements of the Municipality and its Entities and ensure that they have been submitted timeously to the Auditor General.

In addition, we will ensure that the necessary disclosures have been made in the financial statements including:

1. salaries, allowances and benefits of political office bearers, Councillors and boards of directors of municipal entities;
2. any arrears owed by individual Councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days;
3. salaries allowances and benefits of the municipal manager, CEOs of municipal entities, CFO and every senior manager;

## **Annual Report Process**

As the Auditor General's report is our key oversight tool, we will:

1. Obtain a briefing on the audit findings, identified problems and recommendations from the Auditor General;
2. Refer matters to the Audit Committee for investigation;
3. Prepare and refer policy matters to relevant Committees for their perspective and input;
4. Refer preliminary questions with time frames to the City Manager;
5. Analyse responses to preliminary questions;
6. Call upon the City Manager and Heads of Units to respond and to act upon audit queries and recommendations;
7. Hold public hearings;
8. Compile the Oversight Report;

## **In-year monitoring**

During the course of the year we will invite the City Manager to report on:

1. Policy and budget implementation;
2. Implementation of audit recommendations and Council resolutions;
3. Unforeseen and unavoidable expenditure
4. Unauthorised, irregular, fruitless and wasteful expenditure;
5. Disciplinary action instituted in terms of the MFMA
6. Implementation of investigation recommendations.

## **Audit Committee**

The technical expertise, support and advice provided by the audit committee in its quarterly reports and engagements with us will assist us to fulfil our mandate and to capacitate us.

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) WORK PLAN: 2022/2023**

	Deliverable	Statutory Reference	Purpose	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Responsibility
1	<b>Municipal Finance Management Act (MFMA)</b>															
	<b>1.1 Unforeseen and unavoidable expenditure:</b> <ul style="list-style-type: none"> <li>Interrogate reports of any unforeseen and unavoidable expenditure incurred including proof of the necessary appropriation in an adjustment budget</li> </ul>	MFMA s29	For review and recommendation to Council		X							X				CFO
	<b>1.2 Unauthorised, irregular or fruitless and wasteful expenditure:</b> <ul style="list-style-type: none"> <li>Interrogate reports of any unauthorised, irregular or fruitless and wasteful expenditure by the Council, the Mayor, Executive Committee or any political office bearer of the municipality</li> <li>Obtain reports from the Municipal Manager on all steps taken to either authorise or certify the payment or to recover or write off the expenditure</li> <li>Receive reports from the Municipal Manager on whether any criminal action</li> </ul>	MFMA s32	For review and recommendation to Council		X									X	X	Mayor and City Manager

	Deliverable	Statutory Reference	Purpose	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Responsibility
	was instituted in this regard and report to the Council on the appropriateness of any criminal or civil steps taken and reported where no further action was taken and why															
	<b>1.3 The quarterly report of the mayor on the implementation of the budget and state of affairs of the municipality/SDBIP:</b> <ul style="list-style-type: none"> <li>Interrogate the quarterly report of the Mayor on the implementation of the budget and the state of affairs of the municipality and recommendations be made to Council</li> <li>Ensure that necessary amendments to the SDBIP are attended to by the Mayor and submitted to Council with proposals for the budget</li> </ul>	MFMA s52(d)	For review and recommendation to Council	X			X			X			X			Mayor, CFO and City Manager
	<b>1.4 Monthly budget statements:</b> <ul style="list-style-type: none"> <li>Interrogate the monthly budget statements and report any matter of concern on the statement to the Council</li> </ul>	MFMA s71	For review and recommendation to Council	X	X	X	X	X	X	X	X	X	X	X	X	Mayor, CFO and City Manager

[illegible]

	Deliverable	Statutory Reference	Purpose	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Responsibility
	<ul style="list-style-type: none"> <li>Arrears owed by individual Councillors by the Municipality for more than 90 days</li> <li>Salaries, allowances and benefit of the Municipal Manager, CFO, DCMs and Senior Managers</li> <li>Salaries, allowances and benefits of the board of Directors of Municipal entities</li> <li>Salaries, benefits and allowances of the chief Executive Officer and Senior Managers of Municipal entities</li> </ul>															
	<b>1.8 Submission and auditing of annual financial statements:</b> <ul style="list-style-type: none"> <li>Receive the annual financial statements of the Municipality and all its entities that are submitted to the Auditor General of South Africa (AGSA)</li> </ul>	MFMA s126	For review and recommendation to Council						X							CFO and City Manager
	<b>1.9 Submission of the annual report:</b> <ul style="list-style-type: none"> <li>Receive the annual report no later than the second of February 2023.</li> </ul>	MFMA s127									X					City Manager

	Deliverable	Statutory Reference	Purpose	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Responsibility
	<ul style="list-style-type: none"> <li>Monitor that the annual report has been submitted to the AGSA, as well as the provincial government departments required and has been published for comment</li> </ul>															
	<b>1.10 Oversight report on the annual report:</b> <ul style="list-style-type: none"> <li>Consider the annual report and prepare a draft oversight report to be submitted to the Council for purposes of adopting the oversight report</li> </ul>	MFMA s129  N.T. Circular 32	For review and recommendation to Council							X	X	X				City Manager
	<b>1.11 Issues raised by the Auditor General in audit reports:</b> <ul style="list-style-type: none"> <li>Interrogate report prepared to address issues raised by the AGSA and make recommendations to the Council</li> </ul>	MFMA s131	For review and recommendation to Council			X			X			X			X	City Manager and CFO
	<b>1.12 Audit Committee:</b> <ul style="list-style-type: none"> <li>Interrogate audit committee reports to be informed of matters requiring the attention of the Council and to be capacitated</li> </ul>			X			X			X			X			

[illegible]



	Deliverable	Statutory Reference	Purpose	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Responsibility
	<ul style="list-style-type: none"> <li>Monitor whether EXCO has initiated the annual review of the IDP</li> </ul>		ation to Council													
	<b>3.2 Monitor that the annual budget is informed by the IDP:</b> <ul style="list-style-type: none"> <li>Review the draft annual budget and ensure that it is informed by the IDP adopted by the municipal Council</li> </ul>	Regulation 6 of LGMPPM R	For review and recommendation to Council									X	X			Mayor, CFO and City Manager
	<b>3.3 Monitor that all declaration of interest forms are completed by Councillors:</b> <ul style="list-style-type: none"> <li>Monitor whether all Councillors have completed their declaration of interest forms and updated them where necessary</li> </ul>	MSA s54 read with item 7 of Schedule 1	For monitoring								X				X	Speaker and City Manager
4	<b>MPAC Annual Plan:</b> <ul style="list-style-type: none"> <li>Prepare an annual work plan for 2023/2024</li> </ul>		Approval by Council											X	X	Chair of MPAC
5	<b>Capacity Building:</b> <ul style="list-style-type: none"> <li>Attend training courses as outlined in the MPAC Skills Development Plan</li> </ul>		As and when required													Secretariat and Office of the Speaker

	Deliverable	Statutory Reference	Purpose	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Responsibility
6	<b>Oversight Visits:</b> <ul style="list-style-type: none"> <li>Undertake oversight visits to ensure accountability and compliance with good governance within the Municipality and its Entities</li> </ul>		As and when required													MPAC Secretariat
7	<b>Performance Monitoring:</b> <ul style="list-style-type: none"> <li>Evaluate the Committee's performance</li> </ul>														X	MPAC
8	<b>Special Meetings:</b> <ul style="list-style-type: none"> <li>To conduct public hearings</li> <li>To consider issues raised by the Auditor General</li> <li>To consider outstanding matters</li> <li>To consider matters reported to MEC</li> </ul>		As and when required													MPAC Secretariat
9	<b>Consequence Management</b> <ul style="list-style-type: none"> <li>Monitor the implementation of consequence management matters</li> </ul>		For monitoring	X	X	X	X	X	X	X	X	X	X	X	X	Deputy City Manager CHC

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(Deputy Chairperson, Councillor P Mkhize presented the Second Report of the Municipal Public Accounts Committee)

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## **SECOND REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The recommendations of the Municipal Public Accounts Committee on the Amendments to the eThekweni Municipality's Annual Report for the 2020/2021 Financial Year as contained in the Council Agenda (2022-06-30), was **NOTED**, as reflected below:

### REPORT FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

TO: COUNCIL

## **REPORT ON THE AMENDMENTS TO THE ETHEKWINI MUNICIPALITY'S ANNUAL REPORT FOR THE 2020/2021 FINANCIAL YEAR**

The 2020/2021 Annual Report for eThekweni Municipality was tabled at Council on 27<sup>th</sup> January 2022, as prescribed in terms of the Local Government: Municipal Finance Management Act 56 of 2003.

The Annual Report also included:

- the reports of the Municipal Entities *viz.* Inkosi Albert Luthuli ICC (Pty) Ltd and Durban Marine Theme Park (Pty) Ltd;
- the Report of the Auditor-General on the Group Financial Statements; and
- the Report on Performance Information of eThekweni Municipality and its Entities.

Subsequent to the public participation process in February and March 2022, we tabled the Annual Report and the Oversight Report for adoption at the March Council meeting, as required by legislation.

However, following the adoption of the annual report and the oversight report, additional changes to the Annual Report were identified by the Performance Monitoring & Evaluation Unit and with confirmation from the Auditor General, these changes were effected and presented to us for consideration.

Having scrutinised the amendments

### **COMMITTEE RECOMMENDS:**

1. That the amendments to the 2020/2021 Annual Report, as listed in Annexure A, be noted.
2. That the amendments, as listed in Annexure A, be reflected in the final version of the published 2020/2021 Annual Report.

ANNEXURE A

PAGE	CURRENTLY REFLECTED AS:	AMENDMENT
24	The first paragraph under clean governance states: “We have also reduced the backlog of disciplinary cases by 74%”.	In the first paragraph under clean governance, the percentage has been changed to 70% the statement now reads: “We have also reduced the backlog of disciplinary cases by 70%”
56	Paragraph number 3.4.1 of the 2020/2021 Annual Report read as following: “The Auditor General indicated that reasonable steps were not taken to prevent irregular expenditure of R1.0 billion (2018/19: R 2.34 billion) as required by section 62 (1) (d) of the MFMA”. This statement has now been amended to read as follows:	Reasonable steps were not taken to prevent the irregular expenditure of R770,32 million (2019-20: R1,07 billion) disclosed in note 52 to the annual financial statements of the municipality, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was a result of non-compliance with supply chain management (SCM) regulations.
56	A line in paragraph 3.4.1 on the Annual Report reading: “The Auditor General in his report on the 2019/20 financial year made the following material findings”	This extract has been removed as it does not co-join with the paragraph sentences grammatically.
276	Replaced the content on page 276 which contained draft uShaka Marine 2020/21 financial year information	With page 30 to 33 from the uShaka Marine’s final and updated Annual Report 2020/21 financial year.
317	In the first paragraph ‘94%’	To ‘95%’.
317	In the first paragraph replace "Our cash on hand also diminished to below 30 days but has since improved to 56 days at the end of the 2020/21 financial year. However, in terms of unencumbered cash, we had 16 days cash on hand. We need to improve this to within the 60-90 days range"	"Our cash on hand also declined during the year but has since improved to 41,2 days at the end of the 2020/2021 financial year. We need to improve days cash on hand to within the 60-90 days range".
317	In paragraph 4, update collection rate of "94%".	To "95%"
318	Remove the first paragraph which is as follows: "Day’s cash on hand was 56 days at the end of the 2020/21 financial year (R5.3 billion) as compared to 45 days at the end of the 2019/20 financial year (R4.4 billion). The increase could be attributable to the loan drawdown in 2020/21. There were no additional borrowings in 2019/20 compared to R1.5 billion in the current year. However, there was only 16 days cash on hand in terms of unencumbered cash (after the General Insurance Fund and unspent grants). Notwithstanding, this is within the National Treasury benchmark of 30-60 days cash on hand. In the current recessionary climate, this is being closely monitored. The key to the sustainability of the Municipality is to grow our cash reserves to over 60 days".	Removed
318	Paragraph 2 update capital spend of "4.56 billion"	To "R4.24 billion”

PAGE	CURRENTLY REFLECTED AS:	AMENDMENT
318	First paragraph under the Revenue Section: Remove the following "This year is no exception and the implementation of an electronic system for logging queries to the City has proved to be very useful and successful".	Removed
319	In paragraph 7, update collection rate of "94%".	To "95%"
321	In the second paragraph remove "In the audit by the Auditor-General there were no audit findings that were raised by the Auditor-General South Africa (AGSA)".	Removed
322	In the third paragraph, update "56 days"	With "41.2 days"
323	On the first page under City Fleet replace "7,780"	With "7,954"
323	Replace table with the one on cell G10 to J22.	Replaced
324	Replace "Over the past 8 years, vehicle availability within the municipality has gradually reduced from 95% to 90%"	With "The Vehicle Availability has reduced from the previous financial year rate of 92% to 90% in the current financial year. The Bus Availability has also reduced from the previous financial year rate of 81% to 78% in the current financial year".
324	<i>Table 84: Fleet size per Department</i> has a figure of 7,780 total fleet. (Please see table <b>"Before"</b> below)	<i>Table 84: Fleet size per Department</i> The table has been amended and replaced, which now brings the total fleet to 7,954 (Please see table <b>"After"</b> below)

**Before**

***Table 1: Fleet size per department***

User Department	Fleet Size	User Department	Fleet Size	User Department	Fleet Size
Water and Sanitation	1,660	Electricity	1,248	Parks, Recreation, Culture & Cemeteries	705
Bus Operations	685	Metro Police	595	Cleansing and Solid Waste	579
Roads and Stormwater	452	City Fleet	424	Health	214
Security Management	144	Fire and Emergency Services	139	Community Participation	108
Housing	62	VIP Security Management	56	Roads Provision	50
Human Resources	44	Business Support	39	Architectural	39
City Hall	38	ETA	34	Sizakala	33
Information Management Unit	32	Area Based Management	30	Other Units	309
<b>Total Fleet</b>	<b>7,780</b>				

**After**

***Table 2: Fleet size per department***

Department	No. of Vehicles	Department	No. of Vehicles
Water and Sanitation	1,802	Housing	62
Electricity	1,252	Human Settlements	61
Parks	836	Roads Rehabilitation	60
Metro Police	645	VIP Security Management	56
CSW	641	Human Resources	44
Durban Transport	524	Architecture	39
RSWM	417	Business Support	39
City Fleet	399	City Hall	38
Health	214	eThekweni Transport Authority	34
Security Management	143	Sizakala Customer Service	33
Fire & Emergency Services	139	IMU	32
Community Participation	108	Other Units	336
<b>7,954</b>			

PAGE	CURRENTLY REFLECTED AS:	AMENDMENT
328	On second paragraph under valuations, replace "523,000"	With "530,646".
330	On the first paragraph under "freehold" insert "against a target of R 5m" after "30 June 2021".	Inserted
344	On page "344" under the "Annual Debtors Collection Rate (Payment Level %)" ratio, replace actual amount of "94.0%"	with "95.0%".
343 -345	Replace these pages with Tab 5.5 on the attached Excel, seems as if there is a formatting issue in terms of table headings.	Replaced
347	Replace 1.3 on the graph and narrative	to 1.4 months.

(Deputy Chairperson, Councillor P Mkhize presented the Third Report of the Municipal Public Accounts Committee)

### **THIRD REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

The recommendations of the Municipal Public Accounts Committee Report for the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) Investigated for the Quarter Ended 31 March 2022 as Laid on Table in the Council Agenda (2022-06-30), were **ADOPTED**.

#### **REPORT FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**TO: COUNCIL**

### **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW) INVESTIGATED FOR THE QUARTER ENDED 31 MARCH 2022**

#### **BACKGROUND**

Section 32(2) of the MFMA provides that a Municipality must recover UIFW expenditure, except where the unauthorised expenditure is regularised through an adjustments budget, or where the UIFW is deemed to be irrecoverable following an investigation into the expenditure incurred.

The section reads as follows:

“A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—

- (a) in the case of unauthorised expenditure, is—
  - (i) authorised in an adjustments budget; or
  - (ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and

- (b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.”

## ANALYSIS OF UIFW CASES FINALISED

In line with National Treasury’s Municipal Finance Management Act Circular No. 68 and as outlined in Regulation 74 of the Municipal Budgets and Reporting Regulations, the process outlined below, was followed:

- Reports were prepared by the departments that incurred irregular expenditure after investigations by the said departments. The reports disclosed the deviation from Supply Chain Management Policy, the reasons for the deviation and the value of the expenditure.
- The reports together with the supporting documents were submitted to the Internal Control Unit for review and thereafter were submitted to the Bid Adjudication Committee for noting purposes.
- The Internal Control Unit reviewed and applied its mind on each report and considered whether there was any value for money obtained by the municipality or any losses suffered by the municipality due to non-compliance detected using the following questions:
  - a) The nature of the irregularity
  - b) Whether or not the contracts followed the SCM public tender process
  - c) Whether or not the Unit Head had certified that value for money was received
  - d) Whether or not the Unit Head has confirmed that goods or services were delivered as per contract specifications and initial contract rates
  - e) Whether corrective action needed to be undertaken
  - f) Whether preventative measures were required to be implemented and the status of such actions; where deemed necessary
- Other irregularities were identified during the audit by the Auditor-General and others through investigations by the City Integrity & Investigation Unit.

Cumulative UIFW expenditure totaling **R357 230 742.91** (three hundred and fifty-seven million two hundred and thirty thousand, seven hundred and forty-two rands and ninety-one cents) was identified as at 31<sup>st</sup> March 2022 by the following sources:

Source	Annexure	Amount
Transgressions reported by Auditor General South Africa	A	R232 034.00
Internally identified by Internal Control Processes	B	R296 208 656.01
City Integrity & Investigations Unit Investigations	C	R60 790 052.90
<b>TOTAL</b>		<b>R357 230 742.91</b>

Further to the cumulative UIFW incurred, an amount of **R2 024 755,00** (two million twenty-four thousand seven hundred and fifty-five rands) “**Annexure D**” was deemed recoverable as a result of an investigation undertaken by the City Integrity and Investigations Unit.



We interviewed each Unit Head and relevant Officials to establish the root causes of the UIFW expenditure. We further established the mitigating measures that had been implemented to prevent a recurrence of the expenditure and confirmed that disciplinary action had been taken or would be taken against the officials that had caused the expenditure to be incurred. In some instances, we noted that matters had been referred for criminal investigation.

Having duly considered and deliberated on the UIFW expenditure concerned,

**COMMITTEE RECOMMENDS:**

1. That in compliance with Section 32(2) of the Municipal Finance Management Act (MFMA), irregular, fruitless and wasteful expenditure totaling **R355 205 987.91** (three hundred and fifty-five million, two hundred and five thousand, nine hundred and eighty-seven rands and ninety-one cents) as detailed in “**Annexures A, B & C**” of this report be certified as irrecoverable and written-off by Council based on the outcomes of the investigations of such expenditure.
2. That in compliance with Section 32(2) of the Municipal Finance Management Act (MFMA), fruitless and wasteful expenditure totaling **R2 024 755.00** (two million twenty-four thousand seven hundred and fifty-five rands) as detailed in “**Annexure D**” of this report be recovered from the relevant official or former official of the Municipality.
3. That it be noted that any consequence management recommendations will be dealt with in accordance with the council policy regarding financial misconduct and oversight by the Disciplinary Board for Financial Misconduct.

**Commenting on the matter, Councillor A Beegte of DA requested that Council considers moving the MPAC reports to the top of the Council agenda items. It was also emphasised that Council had to provide necessary support to the MPAC in order for the Committee to effectively carry out its mandate.**

**Thereafter, the above recommendations of the MPAC were; ADOPTED.**

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**REPORT OF THE MUNICIPAL MANAGER**

1. **LOCAL GOVERNMENT: REGULATIONS ON THE APPOINTMENT AND CONDITIONS OF EMPLOYMENT OF SENIOR MANAGERS, 2014**

**COMMITTEE RECOMMENDS:**

That Circular No. 7 of 2022 from the Provincial Department of Corporative Governance and Traditional Affairs, relative to the appointment of Senior Managers, be noted, cognisance being taken that the Regulations on the Appointment and Conditions of Employment of Senior Managers, 2014 remain applicable and still binding on Municipalities, notwithstanding the invalidation of the Local Government Systems Amendments Act No. 7 of 2011.

**NOTED.**

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## **REPORT OF COMMITTEE DECISIONS**

Decisions of Committees reflected below have been reported to Council by way of circulating minutes of such Committees to each Member of the Council:

1. **COMMUNITY SERVICES COMMITTEE**

Meeting held on : 2022-05-12

2. **ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE**

Meeting held on : 2022-05-19

3. **EXECUTIVE COMMITTEE**

Meetings held on : 2022-05-13  
: 2022-05-17  
: 2022-05-22  
: 2022-05-24  
: 2022-05-26  
: 2022-05-31

4. **EXECUTIVE COMMITTEE APPEALS AUTHORITY**

Meeting held on : 2022-05-17

5. **GOVERNANCE AND HUMAN RESOURCES COMMITTEE**

Meetings held on : 2022-05-11  
: 2022-06-15

6. **HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE**

Meeting held on : 2022-05-03

7. **UNIT LOCAL LABOUR FORUM: CLEANSING AND SOLID WASTE**

Meeting held on : 2022-06-09

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### **ITEMS FOR NOTING**

**The Items for Noting, reflected on Pages 31 to 45 of the Agenda, pertaining to the items discussed and resolved at the Executive Committee level during the month of May 2022 were, **NOTED.****

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The meeting terminated at 19h01.

APPROVED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2022-07-28.

SPEAKER