

No. 60

MINUTES

OF

ETHEKWINI MUNICIPAL COUNCIL

Meeting held on Thursday, 2024-02-29T10:00,
Inkosi Albert Luthuli International Conventional Centre, Durban.

PRESENT : Councillors TE Nyawose (Speaker), TM Kaunda (Mayor), ZP Myeni (Deputy Mayor), J Annipen, AD Beesley, A Beetge, M Billy, T Biyela, JM Black, NJ Bollman, MH Buthelezi, WJD Burne, KPM Cele, SB Cele, SP Chebure, J Chetty, R Cloete, SV De Boer, CB Dlamini , Z Dzanibe, J Essop, BA Fortein, SN Gabela, SG Gama, DM Gcabashe, FO Gcabashe, R Gokool, G Govender, S Govender, SV Govender, Y Govender, BR Gumede, S Gumede, MS Gwala, GJ Hegter, MM Hlengwa, NP Hlomuka, SD Hlongwa, F Ismail, MF Ismail, LBS Jali, M Johnson, MA Mgobhozi, K Khambule, MH Khan, SM Khanyile, NP Khawula, MN Khubisa, KNN Khubone, NL Khuzwayo, ZW Khuzwayo, SNC Khwela, A Kissoon, V Kunju, CJ Laing, SW Lushaba, M Lutchmen, WM Luthuli, ME Mabaso, MA Madlala, NI Madlala, SR Madlala, A Maharajh, RP Maharaj, S Maharaj, FN Majola, HS Makhathini, MW Manqele, JB Maphumulo, NJ Maphumulo, TZ Mathe, SH Mazibuko, WM Mazibuko, M Mbambo, RP Mbonambi, KT Mbhele, BA Mchunu, JL Mchunu, NP Mchunu, SW Mcineka; RL McKenzie, X Mdlazi, FW Mdletshe, D Mea, SP Mfeka, K Mhlaba, DPM Mhlongo, GN Mhlongo, NM Mhlongo, SE Mhlongo, MB Mjadu, AZ Mkhize, KV Mkhize, MA Mkhize, ME Mkhize, MP Mkhize, NA Mkhize, NN Mkhize, SM Mkhize, TJ Mkhize, B Mkhwanazi, E Mngadi, SV Mngadi, BR Mngadi, DF Mngadi, MR Mngonyama; TJ Mnguni, DP Mngoma, BV Mngwengwe, ZO Mnomiya, S Mnyandu, T Mohamed, R Moses, ND Motseke, SB Mpanza, LI Msomi, DV Msweli, SSS Mthethwa, TD Mthethwa, TM Mthethwa, N Munien, SK Mzimela, BD Naidoo, J Naidoo, S Nala, V Ncukana, NB Ndlela, AB Ndlovu, MF Ndlovu, PB Ndlovu, PC Ndlovu, NS Ndlovu, TB Ndlovu, V Ndlovu, SG Nene, TH Nene, SB Ngcongo, DB Ngubane, LE Nkomeni, MS Nkosi, DR Nowbuth, XM Nqweniso, DM Nsundwane, SH Ntombela, PC Ntshangase, NC Ntshayintshayi, BT Ntuli, N Ntuli, NZ Ntuli, PB Ntuli, B Nxumalo, MR Nxumalo, PH Nxumalo, NN Nyanisa, MV Nzimande-Madlala, AAK Paruk, AE Peterson, AS Phahla, DT Pillay, GDA Pullan, A Rampersad, VG Reddy, T Sabelo, S Sewshanker, BH Shange, LP Shange; MG Shange, TE Shezi, IM Shinga, HP Shoji, JN Sibisi, WP Sibiya, KS Sibisi, A Shaheed, LC Sikhakhane, BSB Sindane, EL Singh, J Singh, S Singh, PS Sishange, CN Sisoka, NI Sithole, BS Sivetye, EG Smith, AD Snyman, ZR Sokhabase, ZA Solomon, I Syed, BB Thusi, M Thusi, ME Thusi, ZN Tshazela, NT Tyelinzima, JC Van den Berg, NB Vilakazi, NI Webster, SM Windvogel, TV Xulu, NY Young, ON Zondi-Mthembu, T Xuma, M Zondi, N Zondi and TG Zungu.

ABSENT : Councillors A Abdul, M Brauteseth, GM Gasa (Indisposed), NBC Godlwana (Indisposed), DM James, BG Kubheka (Personal Commitments), RD Macpherson, TG Makhanya, SR Moodley (Indisposed), ZM Mncwango (Personal Commitments), S Mngadi, T Miya (Indisposed), LG Mthembu, OB Mvubu (Indisposed), BW Phewa, P Pillay (Personal Commitments), HM Van Der Ryst and GN Zondi.

AMAKHOSI

PRESENT : None.

AMAKHOSI

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

OFFICIALS

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

Following establishing whether there was sufficient number of members present to constitute a quorum, the time being 10h21, confirmation was given that a number of 202 Councillors were present in this meeting, comprising ANC - 92, DA - 52, EFF - 20, IFP - 17, ActionSA - 02, ABC - 02, ACC - 02, ACDP - 01, AIC - 02, ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 01, DLC - 00, JEP - 01, KZNI - 01, MF - 01, MOSA - 00, NFP - 01, PFP - 01, PRM - 01, TA- 01, UIM - 01 and VF Plus - 00.

1. NOTICE CONVENING THE MEETING

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

2. OPENING

The Speaker declared the meeting open at 10h21 and extended a warm welcome to Councillors; Traditional Leaders; City Manager; Deputy City Managers; Deputy Heads Legal and Compliance and other Unit Heads; Members of the Administration; Media; and Members of the public viewing on social media live streaming.

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

The item was deferred to the next meeting.

6. SPEAKER'S REPORT

The item was deferred to the next meeting.

7. APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED:

That the following Councillors be granted leave of absence as indicated:

COUNCILLORS

Councillor J Annipen	:	Requested to leave at 13h00pm.
Councillor GM Gasa	:	2024-02-28 To 2024-02-29 (Indisposed)
Councillor NBC Godlwana	:	2024-02-29 (Indisposed)
Councillor G Govender	:	Requested to leave at 13h00pm.
Councillor S Gumede	:	Requested to join the meeting late.
Councillor BG Kubheka	:	2024-02-29 (Personal Commitments)
Councillor SR Moodley	:	2024-02-28 To 2024-02-29 (Indisposed)
Councillor ZM Mncwango	:	2024-02-29 (Personal Commitments)
Councillor T Miya	:	2024-02-29 (Indisposed)
Councillor OB Mvubu	:	2024-02-29 (Indisposed)
Councillor P Pillay	:	2024-02-29 (Personal Commitments)

8. DECLARATION OF INTEREST

The Speaker, Councillor T Nyawose declared interest with respect to item 13: Notice of Motion, Page 24 of the Council Main agenda.

Councillor A Beetge also declared interest with respect to item 14: Notice of Motion, Page 104 of the Council Supplementary agenda. He also registered his intention to recuse himself from the meeting during the deliberation of this Motion.

Subsequently, the Council debated the issue of conflict of interest with respect to recusal from the meeting during consideration of an item declared to pose conflict of interest. This was based on a submission by Councillor Mthethwa of the DA that it appears the Council is implementing inconsistent standards on this aspect, reference being made to past experiences, where Councillors involved on the matters declared interest but continued sitting in the meeting during the deliberations and even voted on the matters involving themselves.

In closing the matter, the Speaker made reference to the Code of Conduct for Councillors as contained in Schedule 7, Clause 6 (a) (b) pertaining to disclosure of interest. He maintained that that the Clause comprises comprehensive details, including a duty of recusal. The Speaker then confirmed that the procedure outlined thereat would be complied with in handling the Motions where interests have been declared, NOTED.

9. CONFIRMATION OF MINUTES: MEETINGS HELD 2024-01-31 (Ordinary); 2024-02-14 (Continuation); 2024-02-14 (Special); 2024-01-31 and 2024-02-14 (Both In-Committee).

A: Ordinary Council Meeting: 31 January 2024

Councillor PC Ntshangase moved for the adoption of the Minutes for the Meeting held 2024-01-31 (Ordinary) and was duly seconded by His Worship the Mayor Councillor TM Kaunda.

Thereafter, the amendments were proposed as follows:

- (i) Councillor Burne made a correction on Page 2630, paragraph 3, to read as follows *Prior to considering this motion, the Speaker “accepted that the amendment was technically competent” and asked if the motion was supported, and divergent views were expressed. On the same note, the DA proposed an amendment to recommendation 1 to read.....:”*.
- (ii) Councillor Pullan made a correction on Page 2601, for the details of the meeting to read as *“Meeting held on Wednesday, 2024-02-14T10:00, held in the Inkosi Albert Luthuli International Convention Centre, Durban.”*

The amendments above were accepted accordingly.

B: Continuation Council Meeting: 14 February 2024

- (i) Confirmation of the Minutes of the Meeting held 2024-02-14 (Special) was deferred to the next meeting.
- (ii) Confirmation of the Incommittee Minutes of the Meetings held 2024-01-31 & 2024-02-14 was deferred during an In-Committee session.

Thereafter, subject to the amendments effected on the Minutes of 31 January and 14 February 2024, both having been duly moved and seconded accordingly, it was

RESOLVED:

That the Minutes of the meeting of the eThekweni Municipal Council held 2024-01-31 (Ordinary) and 2024-02-14 (Continuation), as circulated and taken as read, be and are hereby confirmed, subject to the following amendments:

- (i) **Page 2630, Paragraph 3:**
To read as follows *“Prior to considering this motion, the Speaker accepted that the amendment was technically competent and asked if the motion was supported, and divergent views were expressed. On the same note, the DA proposed an amendment to recommendation 1 to read.....:” and;*
- (ii) **Page 2601, Correct Description of Meeting Dates and Venue:**
To read as follows *“Meeting held Wednesday, 2024-02-14T10:00, in the Inkosi Albert Luthuli International Convention Centre, Durban.”*

10. MATTERS ARISING

Councillor Gwala of the IFP spoke on item 4, Page 2629, relative to the “Notice of Motion: Proposed by Councillor J Annipen and Seconded by Councillor J Naidoo: Moratorium on Water Disconnections.”

He was of the view that the matter should be rescinded, citing that during the voting process, three (03) ANC Councillors were outside the meeting venue, but were counted as part of the Councillors present. Thus, emphasizing the need for the motion to be re-submitted for consideration. The view was not accepted, but the IFP was advised to follow the applicable process in terms of the Rules of Order By-Law in the event a wish is to resubmit the Motion.

Meanwhile, the DA referred to Rule 20 (7) which read: *“Whenever an amendment to an original motion has been moved and seconded, no other amendment may be moved until the first amendment has been disposed of. If that amendment is carried, the motion as amended must become the motion upon which any further amendment may be moved.”*

In this regard, the DA submitted that the Speaker had ignored a Motion to Amend, resulting in the distortion of the voting results. motion to amend, thereby resulting on distortion of voting results. The DA then supported a proposal to rescind the Motion, and for this to be resubmitted at the next Council meeting.

Divergent views on this proposal were submitted, with the ANC pointing out that a new debate cannot be open under matters arising. In this regard, the IFP sought a legal opinion to determine what constitute a matter arising from the previous Minutes.

In response, the Head: Legal and Compliance advised that members are permitted to discuss matters arising from the previous Minutes, but that this cannot be extended to opening new debate for matters already concluded. That for irregularities claimed to have had happened in the previous meeting, this could not be revisited under matters arising, but that applicable process as stipulated in the Rules of Order By-Law should be followed.

Thereafter, the Speaker ruled that a request to resubmit the Motion in question should be done within a framework of the applicable Rules for consideration by the Office of the Speaker, **NOTED.**

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

11.1 Questions submitted by Councillor KV Mkhize : Reporting of Electricity Outages

There are regular electricity outages in many areas around the city, specifically in the Outer West areas in this instance. These areas include Waterfall, Hillcrest, Bothas Hill, Assagay and Polo Pony. Very often when residents report these faults, they receive duplicate references which include old and already attended faults resulting in technicians not being able to find the faults, attend and provide adequate updates.

In light of this, I pose the following questions:

1. **What is the correct process to report electricity outages/ faults?**
2. **What is the correct and accepted municipal escalation process to follow when all normal avenues are not responding, such call center, municipal official's technicians?**
3. **Please clearly outline the accepted escalation process in cases of serious and far wide electricity faults, outages in the above-mentioned areas.**
4. **Is there a handover of teams and how is this implemented?**
5. **What are the systems or system of allocation of jobs?**
6. **Why is the fault line so often out of order and what is being done to fix it?**
7. **What are the different levels of skills on the teams being allocated to jobs?**
8. **Are essential services being given priority?**
9. **Are checks on plans submitted to ensure an interrupted delivery of services to existing dwellings?**

Councillor BV Mngwengwe provided the following respective responses:

1. In our continuous effort to improve our level of services, we have embraced digital technology and diversified our fault-reporting platforms. We have developed three (3) NEW electric faults reporting platforms. These platforms facilitate the quick and efficient reporting of electricity faults, immediately generating a reference number. Once the reference number has been generated, your reported faults seamlessly integrate into our fault reporting system, joining the queue at the Control Room for allocation to a fault investigation team. The following fault reporting platforms are available to you on a 24-hour basis:
 - EThekweni Municipality Mobile App
 - EThekweni Electricity WhatsApp Chatbot: 076 791 2449
 - EThekweni Electricity Online Fault Reporting Portal: www.durban.gov.za
 - EThekweni Electricity Contact Centre: 080 311 1111.

Fault reference generation time is immediate, and there is seamless integration into the fault management system. It is also dependent on calls volumes.
2. Councillor WhatsApp groups have been created to assist with extended outages.
3. Electricity Unit is in the process of a new escalation system which will be released in July 2024.

4. Fault teams work on a shift basis – 24 hours. Team's handover jobs upon shift end.
5. Jobs are attended based on emergency/essential services, area outages and individual faults.
6. High call volumes contribute to extended call answering times, however we encourage the use of the digital platform (WhatsApp). We are also moving from fibre to cloud system.
7. Teams are multi skilled and usually comprise of Electricians, Artisans (specifically trained) and Electricians Assistants. Teams are competent on cables, overhead lines, substations, and combination of all.
8. Yes.
9. Planning and capture monitor networks and loading the faults and reconnected construction changes/amendments when necessary. We always follow Standard Operating Procedures when dealing with faults.

11.2

Questions submitted by Councillor A Kissoon : Water Loss due to Infrastructure Upgrade

Water loss and associated lack of infrastructure upgrades continue to be a driving force in service delivery failures. As at the end August 2023, eThekweni water loss figures sit at 53.77%. In May 2022 a contract for R148 Million was awarded for a satellite in the sky to detect water losses on the ground, however, there does not seem to be enough done on the ground to fix the issues. As an on the ground example, Ward 23 (Reservoir Hills/ Palmiet, Clare Estate) experiences burst pipes and intermittent water supply on a regular basis and the following questions are posed:

1. **How many burst pipes have there been in this Ward in the past ten months?**
2. **How many teams of plumbers have been dispatched to this area to attend to these bursts during this period above?**
3. **What is the total cost of the repairs undertaken in this Ward during this period including materials?**
4. **In comparison in other Wards in the Municipality, how does this Ward rate in terms of frequency of bursts during this period?**
5. **How much has the department invested in budgeting water infrastructure – upgrades in the area in the last two years?**
6. **How many PRV chambers have been built in the Ward?**
7. **How many PRVs chambers are commissioned in the Ward?**

8. **Based on the answer provided above, when will all PRVs be commissioned?**
9. **How many PRVs are still to be installed in the Ward and what is the timeline on commissioning?**
10. **In light of the frequency of bursts and the aging infrastructure, what is the plans for future relays (replacement of asbestos) with timelines.**

Councillor BV Mngwengwe provided the following respective responses:

1. 264
2. 264 times.
3. R2,9 Million.
4. Burst frequency for Reservoir Hills is high, similar to Westville, Umlazi and Chatsworth due to aged pipe infrastructure.
5. R5m has already been spent on pressure management. Budget allocation for AC relay to be done for 2024.25 financial year, particularly Umgudulu, Plumstead and adjacent streets.
6. Under our last Contract appointment, we have constructed 12 new PRV chambers within ward 23. (The ward also has previously existing PRV's 13 existing)
7. 13 existing commissioned
8. The balance of 12 will be commissioned in April 2024. Awaiting LOA, which is delayed by appeal.
9. Pressure management in the area is complete hence no new PRV chambers are planned for construction within the ward.
10. Adhoc main replacement is also planned in the area, particularly Umgudulu and Dunstable roads to be relayed in the 2025/25 financial year.

11.3

Questions submitted by Councillor VG Reddy : Repairs to the Chatsworth Bowling and Tennis Club House

The Chatsworth Bowling and Tennis complex was severely vandalized during the July 2021 riots. The Clubhouse was burnt to the ground and to date this facility has not been repaired. While the courts have been reopened some nine months ago following numerous requests and petitions by myself, including an on site meeting with officials, the Clubhouse remains closed to the public.

Questions:

1. **Has the insurance claim been submitted in respect of the Clubhouse? If so, has this been paid? If not, why not?**
2. **When does the Municipality intend commencing with the repairs of the Clubhouse?**

Councillor ZR Sokhabase provided the following respective responses:

1. An insurance claim was submitted on 29 July 2021, the claim has not been paid out as the claim is currently before the South African Special Risk Insurance Association (SARSRIA) since the damage was as a result of a civil unrest.
2. As soon as the claim is paid out by SASRIA, the Department will commence with the remedial work at the facility.

At this stage of the proceedings, the Speaker sought the indulgence of the Council to amend the Order of Proceedings. He then requested that the Council should first consider all Notices of Motion contained in the Main and Supplementary Council Agendas. Thereafter, deals with the adoption of the 2023-24 Adjustments Budget.

That, upon exhausting the items as selected, the Council will then revert back to discussing the remainder of the Agenda items seriatim.

Prior to commencing with the Agenda items as outlined, the time being 11h14, the DA requested twenty (20) minutes for Caucus. The request was granted accordingly, and the meeting subsequently resumed at 11h50 and will be reported as per the Minutes sequence.

12. REPORTS:

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

FIRST REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2024-02-20)

- PRESENT** : Executive Committee Members TM Kaunda (Mayor and Chairperson), ZP Myeni (Deputy Mayor), A Beetge, Y Govender, NI Madlala, TM Mthethwa, OB Mvubu, BT Ntuli and ZR Sokhabase.
- ABSENT** : Executive Committee Member MS Nkosi (Personal Commitments Leave).

1. REPORT OF THE GOVERNANCE AND HUMAN RESOURCE COMMITTEE: MEETING HELD 2024-02-08.

(Page R1)

1.1 Request for Approval of Additional Funding for Implementation of the Youth Development Office Programmes (19/1/1/3): (Page 34: Governance and Human Resources Committee - Agenda 2024-02-08)

Authority is sought to approve allocation of additional funding in the amount not exceeding 5 000 00.00 (Five Million Rand) to continue implementing the Council-approved Youth Development Office Programmes. In order for the Council to address major concerns and issues critical to young men and women, the execution of Youth Programmes as well as providing services beneficial to them is to be prioritised. The ultimate goal is to keep and protect the rights and wellbeing of the eThekweni youth, preventing them from being involved in various activities having potential to hinder success.

Due to increasing demand for youth support initiatives, as informed by various reasons including youth unemployment; destitute households; skills development requirement; experiential learning needs; promotion of healthy nation; and legacy preservation, amongst the other reasons, it is kindly requested that the Council consider allocating additional funding to broaden the scope of support and cover the majority of the eThekweni youth.

It is within this context that the office is requesting additional funding to continue implementing the following programmes:

- **Student Relief Fund**
The funding allocation in this regard is aimed at assisting students from disadvantaged backgrounds within the eThekweni Municipal area with tertiary registration fees. The original funding allocation in this category was R300 000.00 (Three Hundred Thousand Rand) and the request is to increase this allocation to R1 500 000.00 (One Million Five Hundred Thousand Rand).
- **Back to School Campaign**
This is a Youth Development office initiative aimed at supporting needy scholars. The support includes visitation to schools to hand out school uniform to needy scholars. The funding allocated previously was R280 000.00 (Two Hundred and Eighty Thousand Rand) and the request is to increase this amount to R1 280 000.00 (One Million Two Hundred and Eighty Thousand Rand).

- **Young Women Development Programme**
The program is aimed at equipping young women with skills in various sectors like, young women in business; sports development & administration; leadership roles in various spaces of employment and society. Previously, funding in the amount of R113 500.00 (One Hundred and Thirteen Thousand Five Hundred Rand) was allocated for this purpose. The request is to increase this allocation to R213 500.00 (Two Hundred and Thirteen Thousand Five Hundred Rand).
- **Youth Izimbizo and Social Ills Awareness Campaign**
The eThekweni Region is engulfed by the high rate of crime, prevalent mostly in townships. The campaign is therefore aimed at creating awareness to combat crime; strengthening implementation of crime prevention measures, focusing more on Gender-Based-Violence. It is kindly requested to increase the original funding allocation of R450 000.00 (Four Hundred and Fifty Thousand Rand) to R650 000.00 (Six Hundred and Fifty Thousand Rand).
- **Youth Council Launch and Youth Council Programs**
The Youth Council is a body of young people serving as an advisory body to the Youth Development Office and other government offices. Its role includes identification of priorities; crafting policies supporting the priorities identified; and contributing to the implementation of policies through public service. The original funding allocation for this purpose was R180 000.00 (One Hundred and Eighty Thousand Rand) and the request is to increase the allocation to R580 000.00 (Five Hundred and Eighty Thousand Rand).
- **Learners & Driver's License Program**
Being in possession of Driver's Licence is mostly one of the requirements when certain posts are advertised. Some youngsters struggle to get jobs due to lack of driving experience. Meanwhile, the cost of obtaining the licence is not affordable to some of the eThekweni households. It is for this reason that the Council identified this program to be of great benefit to the youth of eThekweni. The funding originally allocated for this programme was R700 000.00 (Seven Hundred Thousand Rand) and the request is to increase this allocation to R1 500 000.00 (One Million Five Hundred Thousand Rand).
- **Youth Month Activities**
South Africa celebrates Youth in the month of June, in commemoration of the contribution made by the youth of 1976 in the struggle against apartheid. The month is therefore usually characterized by youth initiatives aimed at developing youngsters, and the youth of eThekweni is also considered to benefit from the initiatives being implemented during the Youth Month.

The main programme in June 16 is usually guided by the Theme pronounced at the National Government level. The funding originally allocated for this commemoration was R480 000.00 (Four Hundred and Eighty Thousand Rand) and the request is to increase the allocation to R1 280 000.00 (One Million Two Hundred and Eighty Thousand Rand).

- **Youth Mayoral Cup: Township Sports Tournament**

The program involves sporting activities undertaken in various eThekweni townships. Sports plays a huge role in creating sound mind. Therefore, the Youth Office embraces sports as part of the Youth Development Programmes to cater for the well-being of youngsters. The funding originally allocated for this Tournament was R160 000.00 (One Hundred and Sixty Thousand Rand) and the request is to increase the allocation to R660 000.00 (Six Hundred and Sixty Thousand Rand).

During consideration at the Executive Committee level, Members welcomed this initiative. However, with the Youth Council being considered new, Members queried a criteria utilised to identify Members to form part of this structure to serve as an advisory body to the Youth Development Office.

In response thereon, it was advised that the establishment of the Youth Council is informed by the requirements and guidelines from the Department of Cooperative Governance and Traditional Affairs. That the membership of the Youth Council will take the size similar to that of the eThekweni Municipal Council in terms of its membership being allocated drawing from the Municipal Council's Political Party Proportional Representation. Further, that consultation with the parties concerned is still to take place as part of the process to identify individuals to serve as Members of the Youth Council.

The DA abstained both at the Support Committee and at the Executive Committee level. With the other Political Parties being in support,

COMMITTEE RECOMMENDS:

1.1.1

That the Municipal Council approves allocation of additional funding in the amount not exceeding R5 000 000.00 (Five Million Rand) to continue implementing the Council-approved Youth Development Programmes in view of increased demand to support the eThekweni youth in different aspects of life including skills development; shaping their state of readiness to access career and business opportunities; re-engineering their minds to reach sound and healthy state of mind for effective decision-making; and also inculcating in the significance of preserving legacy created as a result of certain youth imperatives, it being recorded that additional funding impacts the following programmes:

No.	Programme	Additional Funding
1.	Student Relief Fund	R1 200 000.00
2.	Back to School Campaign	R1 000 000.00
3.	Young Women Development Programme	R 100 000.00
4.	Youth Izimbizo and Social Ills Awareness Campaign	R 200 000.00
5.	Youth Council Launch and Youth Council Programmes	R 400 000.00
6.	Learners & Driver's Licence Programme	R 800 000.00
7.	Youth Month Activities	R 800 000.00
8.	Youth Mayoral Cup: Township Sports Tournament	R 500 000.00
	TOTAL	R5 000 000.00

1.1.2

That subject to the adoption of .1 above, authority be granted for the Deputy City Manager: Finance to identify savings in the amount of R5 Million and include the additional funding in the adjustment budget report for consideration by the Municipal Council.

Financial implications:

BU	ITEM.SUB	FUNDING	COSTING	PROJECT	REGION	AMOUNT
32601	10970	12120	0000	MRC01	0010	R5,000,000.00

FC No.2024/08/13

Speaking on the matter, the DA emphasized that youth development and upliftment is essential. That the proposed youth development programs will contribute to the youth transformation agenda and address issues of unemployment. It was appreciated that the skills development programmes will equip youth with the necessary skills to enter labour market and that such initiatives will pave a way for future young leaders.

The AIC also recorded its support, appreciating particularly the inclusion of the youth from rural areas who have not been fortunate in the past to access such opportunities. The Municipality was commended for such programs and being encouraged to continue investing in youth development programmes.

Commenting on the matter, the IFP recorded its abstention, citing lack of accountability and transparency in terms of disclosing line budget items. Also, that Councillors were not aware of the existence of the Youth Office.

Also commenting on the matter, the EFF welcomed the report, and further mentioned that their party will monitor implementation of the youth programs to ensure that the public funds were being utilized appropriately. Further, emphasising that the programs be open to all youth of eThekweni and not for political gains.

Thereafter, the ANC welcomed report, emphasizing that the implementation of the youth programs contributes to promoting economic growth as this will create a conducive environment for creation of employment opportunities.

The NFP also supported the initiative to accelerate youth development within the City, citing that the youth is in the majority and therefore every effort be made to empower the Youth Office and to focus on launching the Youth Council for further advancement of the Youth Agenda.

As some members were not in support of the recommendations, the matter was put to the vote. With 182 Councillors present, 171 Councillors (ANC - 90, DA- 47, EFF – 19, ActionSA – 02, ABC – 02; ACC - 02, ACDP – 00, AIC – 01, DLC – 00; ADEC – 00; APF – 01; ATM - 01; ALJAMAH – 00; JEP - 01; KZNI - 01, MF – 01, MOSA – 00, NFP -01; PFP – 00, PRM – 01, TA- 00 and UIM - 01) voted in favour of the recommendations. 11 - IFP Councillors abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

1.2

Review of Tariffs for the Use of Committee Rooms in the Sizakala Customer Service Centres for the 2024/25 Financial Year (7/6/1/4):

(Page 50: Governance and Human Resources Committee - Agenda 2024-02-08)

Authority is sought to approve a 5% increase in tariffs levied for the use of Committee Rooms in various Sizakala Customer Service Centres, and for tariffs increase to be implemented with effect from 01 July 2024. Tariffs increase is informed by a statutory requirement and should form part of approval at the budget approval stage, in line with the provisions of the Local Government: Municipal Finance Management Act No. 56 of 2003. As part of the Report by the Head: Sizakala Customer Service Centre, feedback on income previously generated for the use of the Committee Rooms was presented to the Governance and Human Resources Committee.

The EFF abstained on this matter at the Executive Committee level. With the other Political Parties present being in support of the proposed tariffs increase,

COMMITTEE RECOMMENDS:

1.2.1 That Council resolves in terms of Section 75A of the Local Government: Municipal Systems Act No. 32 of 2000, that the tariffs charged for the use of Committee Rooms located in various Sizakala Customer Service Centre be increased by 5% during the 2024-25 financial year, and with the increase to be implemented with effect from 01 July 2024, and as per the details of tariffs set out in Annexure “A” of the report by the Head: Sizakala Customer Services dated 2023-11-28.

1.2.2 That subject to the approval of .1 above, authority be granted for the City Manager to comply with the provisions of Section 75A (3) and (4) of the Act referred to in .1 to then display notice of such an increase in platforms as cited in the Act.

During discussion at the Council level, the DA abstained on this matter citing the Sizakala Centres are dysfunctional and experience a number of challenges, including lack of power supply; network challenges; non-functional telephone lines etc.

On the other hand, the EFF mentioned that improvement of customer service centres is essential for the residents to adequately benefit from the service provided thereat. However, also cautioning that the Municipality should cut down on incurring unnecessary costs but focus more on the core service delivery mandate.

Thereafter, the ANC supported the proposed tariffs increase, citing this is in line with the statutory requirement, and part of the budget approval process. That the adjustment of costs is necessary to cover the administrative costs of electricity, water, security etc to evade a situation where the Centres are being managed at the loss to the Municipality.

Therefore, as some members were not in support of the recommendations, the matter was put to the vote. With 182 Councillors present, 101 Councillors (ANC - 90, ABC - 02; ACC - 02, ACDP - 00, AIC - 01, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MOSA - 00, NFP -01; PFP - 00, PRM - 01 and TA- 00) voted in favour of the recommendations. 21 Councillors (EFF - 19 and ActionSA - 02) voted against the recommendations. 60 Councillors (DA- 47, IFP -11, MF - 01 and UIM - 01) Councillors abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

1.3 Request for Allocation of Additional Funding Under the Sizakala Customer Service Centre 2023-24 Operating Budget (7/1/3):
(Page 59: Governance and Human Resources Committee - Agenda 2024-02-08)

Authority is sought to beef up the operating budget of the Sizakala Customer Service Centre to be able to honour funding commitments as a result of additional operations. The Sizakala Unit was previously allocated budget in the amount of R 164 399 060.00 (One Hundred and Sixty-Four Million Three Hundred and Ninety-Nine Thousand and Sixty Rand) during the 2023/2024 financial year. The Unit has since expanded and established six (06) new Customer Service Centres over the past three years, which Centres are currently operational. Due to budget constraints and introduction of cost containment measures, requests by the Unit to source additional funding have not been accepted in the past.

Whilst Management has endeavoured to stretch resources and putting in place various measures to achieve the objectives of the Unit and the necessary compliance requirements, the funding shortfall proves to put a strain in certain functional areas. Motivation for the allocation of additional funding is therefore resubmitted to support the Unit to achieve operational efficiency.

MEASURES TO BE IMPLEMENTED TO CONTROL UNIT EXPENDITURE

The Unit has implemented measures to rationalize costs to achieve operational efficiency. The line items listed below have therefore received the necessary attention for effective monitoring and thereby achieving accountability:

- **Security Costs**

The Sizakala Customer Service Centre in certain buildings shares space with other departments. Past experience has revealed that at times the Sizakala erroneously incurred costs of the departments it is sharing space with. In view of the foregoing the Unit has since implemented rigorous invoice management to achieve certainty that the costs being honoured solely relate to services rendered to Sizakala.

The Unit also intends implementing rationalization of Security Personnel engaged in Sizakala Centres. However, this option will be explored fully once the process of strengthening security measures through installation of CCTV cameras; automated gates; alarm systems; computer cages etc., has been finalised.

- **Cleaning Costs**

To reduce the costs paid to the Co-ops engaged to render cleaning services to the Sizakala Centres, the use of General Assistants and Gardeners, where practical, has been considered and has proved to be effective. Despite these interventions, funding shortfall is still experienced though.

- **Telephone Costs**

Measures have been put in place to put permissions for telephone lines installed by the Sizakala but for the purpose of customer service managed by other Units. The specific costs in this regard relate to the telephone line initiated for the Mayoral Parlour, with the bill ended up charging the Sizakala. Measures have accordingly been put in place to properly account for the telephone line referred to and payment honoured according to usage by the relevant officials.

- **Fuel Costs**

Increased fuel costs have been experienced as a result of additional centres established in different regions. The usage of Municipal vehicle is properly monitored, with the Unit having a dedicated Fleet Section for this purpose to analyse Reports received from the central City Fleet Unit, in particular, as these pertain to fuel consumption. Consequence management is implemented where instances of abuse and any form of maladministration surface.

- **Signage Costs**

It is imperative for the Sizakala Centres to bear visible signage in view of being a centre serving the public. Notwithstanding the fact that the Unit cannot do without proper branding and/or signage, a decision has been taken to reduce size of signage thus resorting to a smaller rather than big size signage such as light box. These have played a significant role to provide visibility and increased customer awareness of the location of the centre, in particular at night, in view of its shining status. It should be noted that funds are still not available to cater for the signage of the newly established centres.

- **Rental Costs**

The Unit leases buildings at Umlazi Megacity and KwaMnyandu Mall. This is in an interim measure and with arrangements to be made to eventually operate the two centres in Municipal-owned buildings. Meanwhile, the Unit also took the opportunity to operate in the Newlands Midway Crossing Shopping Centre which became operational in 2022. The utilities costs for the latter have not been budgeted for and thus being covered through budget transfer from other votes, including the uniform vote. This comes with certain complications since provision of uniform is a compliance requirement from both safety and staff identification perspective. Therefore, funds for the uniform are also required thus leaving utility costs for the Newlands centre unbudgeted for. Consequently, the request for additional funding in this regard is justified.

CURRENT STATUS OF UNIT OPERATING EXPENDITURE

Below is the current status of the Units projected over expenditure items as at 30 September 2024. Attempts to get funding assistance from the sister Units within the Cluster have been unsuccessful as budget constraints cut across due to Municipal-wide budget cuts and cost containment measures.

The table below reflects the operating budget breakdown:

Operating Budget 2023/24	Original Budget	Actual YTD	Projected Over-expenditure
SIZAKALA CUSTOMER SERVICE			
Outsourced Services Cleaning Services	9,704,880.00	2,078,337.00	2,803,555.75
Security Services External Security	32,459,460.0	6,774,491.00	4,705,157.77
Telephone, Fax, Telegraph and Telex Telephones	2,208,000.00	884,295.00	2,496,201.15
Zero Rated Fuel	467,900.00	53,841.00	306,256.67
Operational Cost Municipal Services Rental	220,800.00	433,966.00	1,960,033.98
Advertising, Publicity and Marketing Signs	243,920.00	32,200.00	78,113.68
TOTAL			R12,349,319.00

Therefore, with measures implemented to reduce costs where required, and to transfer budget within votes to support operational requirements of the newly established Sizakala Customer Service Centre, there is still funding shortfall in the amount of R12 349 319.00 (Twelve Million Three Hundred and Forty-Nine Thousand Three Hundred and Nineteen Rand) which needs to be addressed to continue providing professional and sustainable customer services to the eThekweni citizens. It is kindly requested that savings be identified in this regard from across the Municipality.

At this stage of the proceedings, the EFF abstained on this matter. With the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 1.3.1 That subsequent to the provision of a detailed account of expenditure relating to the functioning of various Sizakala Customer Service Centres, which expenditure has increased due to the establishment of additional new six (06) centres and other expenditure to cover operational requirements , but with no operating budget allocated to cater for operational requirements, authority be granted for the Head: Sizakala Customer Service to facilitate the process to identify savings in the amount of R12 349 319.00 (Twelve Million Three Hundred and Forty-Nine Thousand Three Hundred and Nineteen Rand) to cover budget shortfall to continue providing professional and sustainable customer services to the eThekweni citizens utilizing this facility.
- 1.3.2 That, subject to the approval of .1 above, authority be granted for the Deputy City Manager: Finance to identify savings in the amount of R12 349 319.00 (Twelve Million Three Hundred and Forty-Nine Rand Three Hundred and Nineteen Rand) to be allocated to the Sizakala Customer Service Centre and include same to form part of the 2023/2024 operating adjustment budget.

Financial Implications:

Operating Budget 2023/24	Original Budget	Actual YTD As At End Sept	Projected Over Expenditure
SIZAKALA CUSTOMER SERVICE			
Outsourced Services/ Cleaning Services	R9 704 880.00	R2 078 337.00	R2 803 555.75
Security Services/External Security	R32 459 460.00	R6 774 491.00	R4 705 157.77
Telephone, Fax, Telegraph and Telex/ Telephones	R2 208 000.00	R884 295.00	R2 496 210.15
Zero Rated /Fuel	R467 900.00	R53 841.00	R 306 256.67
Operational Cost/ Municipal Services Rental	R20 800.00	R433 966.00	R1 960 033.98
Advertising, Publicity and Marketing/ Signs	R243 920.00	R32 300.00	R 78 113.68
TOTAL			R12 349 319.00

Speaking on this matter, the DA was of the view that the Governance and Human Resource Committee has undertaken insufficient number of oversight visits to all Sizakala Centres to scrutinize the operations of the Centres.

Meanwhile, the IFP noted the intention of the report, however, they abstained, citing what they viewed as insufficient information provided, in particular, the Report not reflecting the operations budget of the Sizakala Customer Centres was not reflected on the Report.

In concluding discussion, the ANC clarified that oversight visits are normally conducted when there is a challenge to address. Therefore, drawing attention to the fact that the visits does not represent a standing item but done to provide solutions where required. The attention was also drawn to the fact that the Report under discussion was comprehensive with the necessary financial implications being detailed for the Council to make an informed decision. The ANC considered the additional budget request justified given the establishment of six (06) additional Sizakala Customer Service Centres, but without allocating additional operating budget in this regard, and have been in operation for the past three (03) years through internal budget reprioritization.

As some members were not in support of the recommendations, the matter was put to the vote. With 181 Councillors present, 171 Councillors (ANC - 90, DA- 47, EFF – 19, ActionSA – 02, ABC – 02; ACC - 02, ACDP – 00, AIC – 01, DLC – 00; ADEC – 00; APF – 01; ATM - 01; ALJAMAH – 00; JEP - 01; KZNI - 01, MF – 01, MOSA – 00, NFP -01; PFP – 00, PRM – 01, TA - 00 and UIM - 01) voted in favour of the recommendations. 10 - IFP Councillors abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

- 1.4 Request for Authority to Adjust the 2023-24 Operating Budget of the Intergovernmental Relations Unit (7/1/3/2):
(Page 78: Governance and Human Resources Committee - Agenda 2024-02-08)

Authority is sought to adjust the 2023-24 operating budget of the Intergovernmental Relations (IGR) Unit and allocate additional funding in the amount of R6 120 532.70 (Six Million One Hundred and Twenty Thousand Five Hundred and Thirty-Two Rand Seventy Cents).

The IGR operates within a framework of approved Business Plan. However, its operations at times are informed by the decisions of the other structures, but which are critical for the spheres of government to operate in a synergist approach. The operations informed by external parties have therefore resulted in a need to reimburse budget provisions previously approved for specific other operations but which ended up covering the costs of emerging events assigned to the Unit.

Background information in this regard is detailed below to obtain rationale behind depleting allocated budget but not funding the Unit's predetermined projects.

(i) **Emerging Strategic Events**

The Unit has participated in ad hoc events; conventions; and conferences. These programmes were part of the Unit's Internal Strategy Section and the Mayoral Parlour.

The IGR came on board to host reception events for international delegates. This was part of the commitments made during the competitive bidding process and therefore an obligation to be fulfilled on the side of the eThekweni Municipality.

(ii) Procurement of Corporate Gifts

The Unit takes responsibility to procure locally-made corporate gifts to give to visiting international delegates to promote offerings by South Africa and the City of eThekweni and also displaying eThekweni as the most hospitable City.

(iii) Sports and Cultural Programmes Sponsorship

As part of the International Donor Relations Programme, the Unit procure goods and services required to support international Sports and Culture Development Programmes.

(iv) District Development Model Engagements

The District Development Model operations are driven within the IGR Unit. Expenditure has therefore been incurred hosting DDM-related meetings as well as site visits. In this regard, the IGR covered mainly the venue hire costs, and with engagements being held mostly in the Inkosi Albert Luthuli International Convention Centre and in the Moses Mabhida Stadium, also conducting site inspections for community and/or catalytic projects.

(v) Hosting International Delegates for Investment Promotion Purposes

In this regard, the Unit hosted international delegations; Ambassadors; Diplomats; International Investors; and other International Partners. It is worth noting that the intervention resulted in the City of eThekweni receiving a total of R23 000 000.00 (Twenty-Three Million Rand) for donor- supported projects.

As indicated hereinbefore, the IGR Unit has approved Annual Business Plan, but had to go beyond and honour urgent requests from various key strategic parties of the Municipality to support operations not budgeted for in the Council-approved 2023-24 operating budget of the Unit.

The tables below reflect expenditure breakdown against budget allocation:

Events Funded Outside Budget:

<u>No.</u>	<u>EVENT</u>	<u>AMOUNT</u>
1.	Parliamentary Engagement and Partnership with Durban Chamber	R139 222.70
2.	Hosting Artists from Ushaka Ilembe Film	R40 700.00
3.	15 th Annual Artem Symposium	R33 840.00
4.	Launch of Innovative Pilot Hydro-Power Project	R42 500.00
5.	Annual Human Trafficking Awareness Walk	R186 875.00
6.	Ward 9 Launch of Business Hub	R65 000.00
7.	150 Years Community Commemoration of Zanzibari in South Africa	R111 000.00
8.	Business Contractors Workshop – Abathunywa	R58 500.00
	TOTAL	R677 637.70

Unbudgeted Events Scheduled:

<u>No.</u>	<u>EVENT</u>	<u>AMOUNT</u>
1.	Bonsai Convention	R50 000.00
2.	International Conference on Occupational Health	R70 000.00
3.	Durban International Film Festival - Private and International Donor resource mobilization Stakeholder engagement	R90 000.00

<u>No.</u>	<u>EVENT</u>	<u>AMOUNT</u>
4.	SA Legion event in partnership with the SANDF	R60 000.00
	TOTAL	R270 000.00

Events & Programmes Forthcoming as per IGR-Approved 2023-24 Business Plan:

<u>No.</u>	<u>EVENT</u>	<u>AMOUNT</u>
1.	South Side FM and International Tamil Business Chamber 1 Year Anniversary	R77 500.00
2.	World Table Tennis Championship	R65 800.00
3.	International Coastal Clean Up with International Partners and Local Private Sector Partners.	R72 350.00
4.	Commemoration of Indians Arrival in South Africa	R72 000.00
5.	African Karate Championships	R45 500.00
6.	SS Mendi Remembrance Day	R60 000.00
7.	Good Friday Service	R32 000.00
8.	Freedom Day Celebration	R102 100.00
9.	International Day of Yoga	R175 000.00
10.	Gender Based Violence Programmes	R155 000.00
11.	Inter-Municipal Visits – Benchmarking and Inter-Municipal Cooperation Projects for mutual benefit	R180 500.00
12.	Youth Programmes with Office of the Mayor and the National Youth Development Agency.	R120 000.00
13.	International Sister Cities Visits & Programmes and Technical Exchange Programmes.	R550 049.00
14.	India Republic Day	R90 000.00
15.	China New Year / Moon Festival	R55 000.00
16.	Africa Sister Cities Visits and Programmes	R350 000.00
17.	Intra-Africa Trade Fair (IATF) 2023	R56 000.00
18.	International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA) 2023	R182 500.00
19.	Africa Day	R431 383.00
20.	SALGA KZN Meetings and Programmes	R62 000.00
21.	SA Legions	R40 000.00
22.	Social/ Awareness/ Anti-Abuse Programmes	R355 000.00
23.	Human Rights	R229 080.00
24.	Tourism Indaba 2024 – mobilisation projects to increase international tourism from Sister Cities and other key international source markets.	R126 965.00
25.	World Refugee Day in partnership with National, Provincial Government and Local Civil Society organisations.	R108 690.00
26.	Receptions/Conferences for International and Intergovernmental delegations and Summits.	R540 000.00
27.	International School Sports Sponsorships	R60 080.00
28.	KZN Career Expo in partnership with Human Capital	R200 000.00
29.	State of the City Address (SOCA)	R76 500.00

<u>No.</u>	<u>EVENT</u>	<u>AMOUNT</u>
30.	DDM Political Hub and Technical Quarterly Meetings & Workshops	R191 000.00
	TOTAL	R4 861 997.00

Payment Obligations for Events Already Hosted:

<u>No.</u>	<u>EVENT</u>	<u>AMOUNT</u>
1.	Gifts and Promotional Items procured via SSS system	R90 898.00
2.	Uniforms for Passbook Competition held in Bayern, Munich procured via SSS System	R220 000.00
	TOTAL	R310 898.00

Total budget requested: R6 120 532.70

At the Support Committee level, the proposed adjustments budget was passed through a vote. The DA (03) voted against the proposal, citing the importance to invest funds for water restoration projects to address challenges experienced by the Water and Sanitation Unit. The other Political Parties supported the proposal, it being also recorded that the Committee undertook to unpack budget-related matters to gain broader understanding of the latest updates on other generic matters. As such a dedicated workshop was to be convened for this purpose.

The outcome of the voting process at the Support Committee level is recorded as follows:

- **Total Members Present** : 21
- **Members in Favour of the Proposal** : 18
(ANC: 13; IFP: 03; ABC: 01; APF: 01)
- **Members not in Favour of the Proposal** : 03 (DA)

At the Executive Committee level, both the DA and the EFF abstained at this stage. With the other Political Parties being in support,

COMMITTEE RECOMMENDS:

That authority be granted for the Head: Intergovernmental Relations to facilitate the budget adjustment process and secure funding in the amount of R6 120 532.70 (Six Million One Hundred and Twenty Thousand Five Hundred and Thirty-Two Rand Seventy Cents) to ensure that strategic international and local stakeholders are supported, and the sustainability and reputation of City Entities and the Municipality is protected and enhanced.

As some members were not in support of the recommendations, the matter was put to the vote. With 172 Councillors present, 124 Councillors (ANC - 90, EFF - 19, ActionSA - 02, ABC - 02; ACC - 02, ACDP - 00, AIC - 01, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP -01; PEP - 00, PRM - 01, TA- 00 and UIM - 01) voted in favour of the recommendations. 48 Councillors (DA- 37 and IFP -11) abstained on the matter.

Thereafter the above recommendations were by a majority vote, were **ADOPTED.**

- 1.5 Request for Authority for the eThekweni Municipality to Enter into Memorandum of Understanding with the Department of Employment and Labour (5/P/3):
(Page 137: Governance and Human Resources Committee - Agenda 2024-02-08)

The eThekweni Municipality intends entering into a Memorandum of Understanding (MoU) with the Compensation Fund Section of the Department of Employment and Labour. This is aimed at building work relations to collaborate and achieve improved; effective; efficient service; and add required value in providing information and training on Compensation for Occupational Injuries and Diseases (COIDA) as well as Occupational Health and Safety (OHS), also consultation with citizens. It was advised that there were no direct financial implications associated with the implementation of the proposed MoU, but that parties involved will still fund community participation and outreach programmes using funds already allocated and approved for this purpose in their respective departments.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 1.5.1 That authority be granted for the City Manager to enter into, and sign, on behalf of the eThekweni Municipality, a Memorandum of Understanding (MoU) with the Compensation Fund Section of the Department of Employment and Labour, with a view to strengthening work relations, in particular to collaborate and achieve improved; effective; efficient service; and add required value in providing information and training on Compensation for Occupational Injuries and Diseases (COIDA) as well as Occupational Health and Safety (OHS), also consultation with citizens.
- 1.5.2 That Council notes the MoU will not attract direct funding contribution to implement activities to be agreed to in this regard, but that other stakeholders involved will fund community participation and outreach programmes using their budgets already allocated and approved for the said programmes.

ADOPTED.

- 1.6 Proposed Transfer of the South Durban Basin Function from the Sizakala Customer Services Unit to the Area Based Management Unit (4/1/1/2/4):
(Page 164: Governance and Human Resources Committee - Agenda 2024-02-08)

The South Durban Basin (SDB) is the programme established by the eThekweni Municipality in conjunction with the European Union in 2003. The programme comprises five (05) elements, and over the years, this function has been undertaken by the Sizakala Customer Services Unit. It should be noted the organisational structure of the Area Based Management (ABM) Unit was not amended to accommodate all functions falling under the jurisdiction of this Unit.

Hence, some of the functions were still undertaken in other different Clusters, including the SDB under the Sizakala Customer Service Unit of the Governance and International Relations Cluster of the Municipality.

In order to achieve the necessary alignment, authority is sought to transfer the SDB function from the Sizakala Customer Service Unit to its designated ABM Unit.

In noting the explanation given,

COMMITTEE RECOMMENDS:

1.6.1 That Council notes the historic location of the South Durban Basin functions under the Sizakala Customer Service Unit, which ideally fall under the jurisdiction of the Area Based Management (ABM) Unit, but previously the transfer was pending the amendment of the ABM organisational structure.

1.6.2 That, subject to .1 above, authority be granted to transfer the SDB functions from the Sizakala Customer Services Unit to its correct destination, the ABM Unit, it being noted that the transfer will be done together with the resources allocated for this function, in line with the Institutional Review Framework acceded to by the Municipal Council on 31 July 2012.

ADOPTED.

1.7 Outcomes of the Municipal Demarcation Board's Redetermination of the eThekweni Municipality's Boundaries (21/1):
(L3: Governance and Human Resources Committee - Agenda 2024-02-08)

It will be recalled that the Municipal Council continues receiving update reports on the process implemented by the Municipal Demarcation Board (MDB) regarding various proposals on the redetermination of the Municipal boundaries, which process also impact the eThekweni Municipality. As per the Council decisions, the eThekweni Municipality is represented by the Speaker of Council, Councillor TE Nyawose, and the Deputy City Manager: Governance and International Relations in handling the objections submitted to the MDB in this regard. The Municipality has been consistent in presenting its objections regarding the relocation of certain areas to the neighbouring Municipalities in the Western and Northern regions.

The latest position of the MDB is detailed on the correspondence attached herein. The stakeholder's consultation meeting to present the MBD updates were convened as reported in the table below:

Item	Region Affected	Participants	Comments, if any
Public Consultative Meeting: August 2023	Western and Southern Regions (Amakhosi affected areas)	Traditional Councils; Ward and PR Councillors affected; Municipal Officials concerned; Community Members and relevant stakeholders.	-
MDB Formal investigation on DEMS objections.	Northern and Western Region <ul style="list-style-type: none"> DEM 4011 investigation: KwaDukuza Local Municipality DEM 405 investigation: Ndwedwe Local Municipality. DEM 7353 investigation: Mkhambathini Local Municipality and uMgungundlovu District Municipality 	Traditional Authorities; Councillors and Officials of the Municipalities concerned;	-

Item	Region Affected	Participants	Comments, if any
MDB Formal Investigation	All regions affected including eThekweni Municipality	Relevant Stakeholder, Traditional Leaders	In this meeting of 2023-10-05, eThekweni Municipality emphasized its decision to object the relocation of certain areas to the neighbouring municipalities.

It should be noted that the eThekweni Municipality, through the Governance and International Relations Cluster, is leading the process of convening stakeholder consultative meetings. This involves huge logistical requirements in view of the meetings comprising of a number of community members, amongst the stakeholders. The Municipality will also be responsible to provide feedback reports to all stakeholders affected within the eThekweni Municipal area, drawing from the outcome of the MDB. The expenditure to be incurred in relation to stakeholder consultative meetings is estimated to cost in the region of R190 000.00 (One Hundred and Ninety Thousand Rand).

Given the feedback as narrated above and noting the ongoing consultation process on the MDB redetermination of boundaries,

COMMITTEE RECOMMENDS:

- 1.7.1 That the Municipal council notes the ongoing consultation process on various proposals by the Municipal Demarcation Board to redetermine the Municipal boundaries, with the details thereof contained in the correspondence attached to this report.
- 1.7.2 That in view of .1 above, Council notes the objections by the eThekweni Municipality regarding the decision to relocate certain areas are continuously reaffirmed during the consultative meetings.
- 1.7.3 That with the eThekweni Municipality being tasked to lead the process of coordinating stakeholder consultative meetings, the Municipal Council approves budget allocation in the estimated amount of R190 000.00 (One Hundred and Ninety Thousand Rand) for the Governance and International Relations Cluster to draw from to fund regional meetings as and when convened.

Financial implications:

Expenditure will be incurred on vote: 32001.18950.10.12120.0000.82110.0010

Savings have been identified on vote: 32001.18950.10.12120.0000.47000.0010

F.C No. 2024/06/13

Commenting on the matter, the IFP commended the Municipality for being consistent in presenting its objections regarding the relocation of certain areas to the neighbouring Municipalities in the Western and Northern regions, and thus protecting the livelihoods of the communities. It was then emphasised that the budget being approved for the eThekweni Municipality to lead the process of coordinating stakeholder consultative meetings should be utilised appropriately.

The ANC also appreciated a firm decision by the Municipality to oppose the relocation of certain areas. That where the MBD has concluded the matters the communities affected be consulted accordingly.

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

DIRECT EXCO REPORTS

2. OUTCOME OF THE ASSESSMENT OF THE ETHEKWINI MUNICIPALITY 2023/2024 INTEGRATED DEVELOPMENT PLAN BY THE DEPARTMENT OF COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS (2/1/6/1)

(Page 1)

The Integrated Development Plan (IDP) serves as the principal strategic planning instrument which guides and informs ongoing planning, management and development actions of the Municipality. The development of the IDP is informed by the Local Government: Municipal Systems Act No. 32 of 2000. As such, every financial year the Municipality embarks on the process to review its IDP.

As per the statutory requirement, the IDP is also assessed by the MEC for Cooperative Governance and Traditional Affairs (COGTA) to determine its credibility, and the assessment is based on six (06) Provincial Key Performance Areas.

During the COGTA assessment, the outcome thereof revealed that the IDP has recovered credibility score of 83.77%. It should be noted that the Municipality has been consistent over the past financial years in receiving credibility score in the same region. However, there are areas needing improvements arising from the COGTA assessment. The Municipality has since developed an action plan with a view to addressing issues raised by COGTA.

Accordingly,

COMMITTEE RECOMMENDS:

- 2.1 That Council notes the eThekweni Municipality Integrated Development Plan 2023-24 has achieved the credibility score of 83.77% arising from the assessment conducted by the MEC for Cooperative Governance and Traditional Affairs, as per the six (06) Provincial Key Performance Areas outlined in the table below, it being recorded that the Municipality credibility score has been consistent to remain in the region of the said percentage, thus a testimony that the IDP for the City complies with the applicable standards.

Service Delivery (Out of 5)	Municipal Transformation (out of 5)	Cross Cutting (out of 5)	LED (Out of 5)	Financial Management (out of 5)	Good Governance (out of 5)	Overall Credibility in %
eThekweni Municipality Scores for 2023						
4.1	4.0	3.2	4.31	4.75	4.46	83.77

- 2.2 That, notwithstanding the satisfactory achievement, the Provincial Government of Cooperative Governance and Traditional Affairs has identified certain areas requiring improvements and, in this regard, a document comprising remedial actions, responsible persons and associated timeframes has been compiled to address areas of improvements and Council should note this as detailed in the table below:

KPA	Comment	Areas of Improvement	Nature of Comment	Timeframe & Targeted IDP Review	Response and Responsibility
Municipal Transformation and Institutional Development	Commended on attending to issues in the KPA	<ul style="list-style-type: none"> Finalization of the Draft Human Resources Strategy for implementation. Provide update Workplace Skills Plan Vacant Posts Persons with Disability 	<ul style="list-style-type: none"> Substantive Strategic Issue, This is a repeat comment. It is noted that the DRAFT status of the HR Strategy has remained for the last 4 IDP reporting years. Updated Skills plans to be provided to COGTA Comment noted on Vacant Posts Municipality encouraged to employ more people with disability and reach 2% target 	<ul style="list-style-type: none"> 24/25 Financial year 24/25 Financial year 24/25 Financial Year 24/25 to 25/26 	<ul style="list-style-type: none"> DCM of Corporate and Human Resources to provide an adopted HR Strategy and HR Plan. Head of eThekweni Municipal Academy DCM of Corporate and Human Resources DCM of Corporate and Human Resources
Local Economic Development (LED)		<ul style="list-style-type: none"> Provide more information on underutilised properties and how these could be used for economic development purposes Provide summarised information on the Economic Recovery Plan achievements 	<ul style="list-style-type: none"> Economic development unit to advise. Economic Development unit to advise on achievements of Economic Recovery Plan 	<ul style="list-style-type: none"> 24/25 24/25 	<ul style="list-style-type: none"> Engage with the Framework Planning and Economic development unit to identify pockets of underutilised land and propose mitigation measures. Economic Development unit to advise and amendments to be made
Basic Service Delivery	Municipal commended for IDMS, Infrastructure Asset Plans and Infrastructure procurement information provided	<ul style="list-style-type: none"> eThekweni Universal Access Plan to be used in next IDP Review Include 	<ul style="list-style-type: none"> IDP Team to incorporate outcomes of the CIDMS and Universal Access plan into the next review ETA to provide 	<ul style="list-style-type: none"> 24/25 24/25 	<ul style="list-style-type: none"> CSO Office supported by Asset Management Unit

KPA	Comment	Areas of Improvement	Nature of Comment	Timeframe & Targeted IDP Review	Response and Responsibility
		<ul style="list-style-type: none"> mapping on all transport infrastructure Approval of Housing Sector Plan 	<ul style="list-style-type: none"> maps indicating Transport Infrastructure Housing Sector plan to be reviewed and adopted. Onward submission as part of IDP to relevant Departments 	<ul style="list-style-type: none"> 24/25 	<ul style="list-style-type: none"> DCM Human Settlements and Engineering DCM Human Settlements and Engineering
Financial Viability and Management	Municipality is commended on the information provided for this KPA.	<ul style="list-style-type: none"> List challenges relating to SCM Include Audit Improvement Plan 	<ul style="list-style-type: none"> Amend sections relating to finance to cover SCM matters IDP team to include a copy of the Audit Action Plan as part of the digital submission to COGTA 	<ul style="list-style-type: none"> 24/25 24/25 	<ul style="list-style-type: none"> CFO and Head of SCM to advise on the challenges IDP team to include digital copy of the Audit Action Plan
Good Governance and Public participation	The municipality was congratulated for the comprehensive coverage and detailed reporting on all aspects of this KPA.	<ul style="list-style-type: none"> Improve the linkages between the SWOT analysis and challenges identified in Chapter 1 	<ul style="list-style-type: none"> IDP team to review SOT analysis and review writeups on Good Governance 	<ul style="list-style-type: none"> 24/25 	<ul style="list-style-type: none"> IDP Manager to review Strategic approach chapter to indicate linkages between challenges experienced and proposed initiatives
Cross Cutting	<p>The Municipality is commended for the progress made in the SDF. Analysis and use of data including the Capital Investment Framework is also commended.</p> <p>Disaster Management information has been aligned with the information in</p>	<ul style="list-style-type: none"> All sections related to SPLUMA Section 21 to influence next SDF Review Need for Environmental Management Framework to be undertaken 	<ul style="list-style-type: none"> This matter would be taken into consideration by the SDF team in the next review cycle. To be completed once the Strategic 	<ul style="list-style-type: none"> 24/25 24/25 to 25/26 	<ul style="list-style-type: none"> DCM Economic Development and Planning DCM Economic Development and Planning

KPA	Comment	Areas of Improvement	Nature of Comment	Timeframe & Targeted IDP Review	Response and Responsibility
	the IDP	<ul style="list-style-type: none"> Consider Cumulative Effects Assessments to support the SDF Review Air Quality Management Plan City to consider review of the disaster management framework and disaster management plan 	<ul style="list-style-type: none"> Environmental Assessment has been completed This matter would be taken into consideration by the SDF team in the next review cycle. Health Department to review the Air Quality Management Plan Review of Disaster Management Plan and Framework 	<ul style="list-style-type: none"> Timelines to be determined Timelines to be advised by Department 24/25 to 25/26 	<ul style="list-style-type: none"> DCM Economic Development and Planning DCM Community Services and Head Environmental Health DCM Community Services and Head Disaster Management
Other Key Observations	<p>Commended for considering performance and underperformance in previous IDP cycles and implementing measures accordingly</p> <p>Clear articulation of Goals and Vision and B2B improvements in the SDBIP are noted</p>	<ul style="list-style-type: none"> Include PMS Policy Framework 	<ul style="list-style-type: none"> Policy Framework to be attached once adopted 	<ul style="list-style-type: none"> 24/25 	<ul style="list-style-type: none"> Head PME to provide reviewed Policy Framework
District Development Model and One Plan	<p>DDM implementation is in its infancy.</p> <p>Alignment with National, Province and Local Government is commended</p>				
Engagement with Traditional leadership	Meaningful Participation is noted	<ul style="list-style-type: none"> Table the IDP with the Local House of Traditional Leadership or Traditional Council 	<ul style="list-style-type: none"> Comment is noted 	<ul style="list-style-type: none"> 24/25 	<ul style="list-style-type: none"> DCM Governance

In noting the report, the IFP was not impressed that the Municipal Integrated Development Plan 2023-24 has achieved credibility score of 83.77% arising from the assessment conducted by the MEC for Cooperative Governance and Traditional Affairs, including the scoring of 4.1 out of 5 for service delivery key performance areas (KPA).

However, the ANC mentioned that the Municipality will continue to monitor and improve in all its key performance areas (KPA). They commended the Finance Cluster for achieving the overall score of 4,75 out of 5 in respect of the financial management KPA as well as the Governance Cluster for obtaining 4,46 out of 5 for good governance. Mention being made that Councillors also contribute to the overall score under the good governance KPA with respect to adhering to the Council Committee meetings processes and procedures.

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

3. SUPPORT FOR OPERATION SUKUMA SAKHE CABINET DAY (2/3/2/1/2)

(Page 16)

The Executive Committee received a presentation by the KZN Provincial Head of Department (HoD) of Human Settlements, Mr Zungu, on preparation to host Operation Sukuma Sakhe (OSS) Cabinet Day in eThekweni on 06 March 2023. This is in line with this year's National Human Rights Day to be celebrated under the theme "Consolidating and Sustaining Human Rights culture into the future."

In his presentation, the HoD narrated that this day is aimed at rebuilding social fabric of the community by promoting human values, fighting diseases such as HIV/AIDS, TB and other social ills such as Gender Based Violence and substance abuse. At the same time, the programme will ensure moral generation whilst addressing issues of poverty and malnutrition in the community to then drive the implementation on integrated service delivery through the War Rooms and effective partnerships.

The Cabinet Day will be led by the Premier of the Province of KwaZulu-Natal, in conjunction with His Worship the Mayor of eThekweni Municipality and other key Political and Administrative Leadership.

Invitation will be issued accordingly to the other Parties to form part of the Cabinet Day, this including the eThekweni Municipal Councillors and relevant officials. The HOD also spoke on the issue of the functionality of War Rooms, advising that functional audit will be conducted in this regard. He indicated that while some War Rooms are effective, but there are areas that are lagging behind and with certain other areas not having established War Rooms at all. He cited this as concerning given the objectives of the War Rooms in terms of addressing service delivery matters at the Ward-based level. For instance, he referred to issues impacting Home Affairs which are often considered a major challenge and with lack of accountability in this area of service.

In a nutshell, the HoD submitted that structures aimed at improving service delivery at the Ward level will be assessed during this Cabinet Day thus ensuring that areas needing interventions are attended to. In response on enquiry made regarding a criteria used to deploy Members during this day, the HOD was requested to amend the presentation to specify that the eThekweni Political Parties Leadership will be considered for deployment purposes to achieve an all-inclusive service delivery monitoring and evaluation process.

Expected outcomes as a result of this initiative will include the following:

- Facilitating service delivery interventions (human right violation cases) to the wider vulnerable communities including referral to implementing departments;
- Coordinate and facilitate awareness session on rights and abuse for disability, farming community and senior citizens sectors;
- Inclusion of the Albinism Sector into Government programmes;
- Intervention in the provision of the senior citizens and the disabled sector;
- Referral of cases of those in need to houses to the implementing departments;
- Monitors institutions and residential facilities in response to human rights violation matters escalated to the Office of the Premier;
- Facilitate and monitor the farming communities' interventions of identity documents, accessibility to health clinics and schools;
- Facilitated provision of assistive devices to those in need;
- Coordinate the partnership in implementing active healthy lifestyles programmes and games for the elderly and disabled sector; and
- Enhanced partnerships with the civil society sector in implementing human right empowerment projects and programmes.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 3.1 That the Municipal Council notes plans underway, as driven at the Provincial level and in conjunction with the eThekweni Municipality, to host the Operation Sukuma Sakhe (OSS) Cabinet Day in eThekweni Municipal area on 06 March 2024.
- 3.2 That in view of .1 above, the Municipal Council approves the hosting referred to in .1 above. it being recorded that relevant parties within the Municipality will be invited accordingly and that financial implications associated with the logistical arrangement will be incurred by the Office of the Premier.
- 3.3 That the Municipal Council notes that a detailed programme comprising areas to be targeted by the OSS will be communicated in due course upon the finalization of the same by the Parties concerned.

The above report was noted with appreciation, mention being made that this is also in line with the intergovernmental relations principles, as well as enhancement of the District Development Model. It being reiterated that the day is aimed at rebuilding social fabric of the community by promoting human values, fighting diseases such as HIV/AIDS, TB and other social ills such as Gender-Based Violence and substance abuse. At the same time, the programme will ensure moral generation whilst addressing issues of poverty and malnutrition in the community to then drive the implementation on integrated service delivery through the War Rooms and effective partnerships.

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

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

SECOND REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2024-02-27)

PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), ZP Myeni (Deputy Mayor), A Beetge, Y Govender; NI Madlala, TM Mthethwa, OB Mvubu, MS Nkosi, BT Ntuli and ZR Sokhabase.

1. REPORT OF THE COMMUNITY SERVICES COMMITTEE: MEETING HELD 2024-02-21

(Page R1)

1.1 Request for Authority to Demolish Kiosk Building at La Mercy Lagoon (11/1/3): (Page 104: Community Services Committee - Agenda 2024-02-21)

The Community Services Committee, as part of playing its oversight role, conducted a site inspection at the La Mercy Lagoon to view the state of the Kiosk Building overseen by the Parks, Recreation and Culture (PRC) Unit. The inspection revealed severe damages to the infrastructure and therefore with the structural integrity of the Kiosk now being compromised as a result of the erosion of the ocean bank. It will be recalled that the area of La Mercy Lagoon was affected drastically during the April 2022 floods, where the bank was substantially damaged due to the accumulative amount of rainfall, more than 400 mm rainfall recorded and the abnormal water movement experienced. Consequently, at least 11000m² of the bank was eroded thus reducing the parking area and collapsing the Kiosk.

Given the condition outlined, it has now become unsafe to occupy the Kiosk. The PRC Unit has conducted a thorough investigation to establish whether the Kiosk could still be salvaged. However, the Unit discovered that saving the building will be a futile exercise as the bank protection solutions will not provide a permanent solution to the Kiosk building.

In view of the foregoing, a proposal to demolish the Kiosk was supported at both the Support Committee and the Executive Committee levels.

Accordingly,

COMMITTEE RECOMMENDS:

- 1.1.1** That, with a site inspection conducted by the relevant oversight structure revealing that the infrastructure of the Kiosk building located at La Mercy Lagoon is severely damaged as a result of the erosion of the ocean bank, thus compromising the structural integrity of this building, and therefore being a safety hazard to occupants, the Council supports a proposal to demolish this building, and grants authority for the Head: Parks, Recreation and Culture to facilitate the demolition process, at an estimated costs of R200 000.00 (Two Hundred Thousand Rand).

- 1.1.2 That, in view of .1 above, the Head: Parks, Recreation and Culture be mandated to conduct a feasibility study to explore measures which can be implemented to protect the eroded bank, and subsequently submit a comprehensive report to the Committee, unpacking the outcome of the feasibility study.

Financial Implications:

Operational vote number: 1602111660121200000 98278-10 W062; R200 000.00

FC Number: 35/557

Speaking on the matter, the IFP supported the demolition proposed and the budget thereof to address the issue of Kiosk building located at La Mercy Lagoon which was severely damaged as a result of the erosion of the ocean bank.

The ANC was also in support of the matter, stating that the Kiosk building is posing danger to the lives of the residents and that the City has a responsibility to save lives and to enhance tourism.

*Accordingly, the above recommendations were unanimously, **ADOPTED.***

2. REPORT OF THE FINANCE COMMITTEE: MEETING HELD 2024-02-21

(Page R2)

- 2.1 Quarterly Report on Withdrawals from the Municipal Bank Account, in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, Dated 09 January 2024 (7/8/6):
(Page 27: Finance Committee Agenda – 2024-02-21)

With the report having been noted accordingly,

COMMITTEE RECOMMENDS:

- 2.1.1 That the report on withdrawals from the Municipal bank account as at 31 December 2023, submitted in terms of Section 11(4) of the Local Government: Municipal Finance Management Act No. 56 of 2003, be noted, it being recorded that the withdrawals relate to the following:

- Section 11(f): To refund money incorrectly paid into a bank account.
- Section 11(g): To refund guarantees, sureties and security deposits.
- Section 11(h): Investment of money not immediately required.

- 2.1.2 That Council notes that the report on withdrawals will also be submitted to the Provincial Treasury and the National Treasury, as well as the Auditor-General, in line with the statutory requirement.

NOTED.

- 2.2 Review of Tariffs for Direct Debit Penalties in the 2024-2025 MTREF (7/6/1/5):
(Page 30: Finance Committee Agenda - 2024-02-21)

Authority is sought to review tariffs applicable to the Revenue Unit during the 2024-25 financial year. As per the provision of the legislation, the Municipality has powers to levy and review tariffs. The tariffs being reviewed in this regard relate to a penalty charged the Municipal customers for rejected direct debits on accounts

payments for the Municipal services. With regard to the tariffs currently in place, an amount of R80.00 (Eighty Rand) is charged for direct debit orders rejected by the bank. It is then recommended to effect a general increase of 8%, for implementation with effect from 01 July 2024. Adopting the revised tariffs will contribute in achieving the objectives of Plan 8 of the Integrated Development Plan: Financially Accountable and Sustainable City. The tariffs increase will also be incorporated to form part of draft budget tabled annually for consideration and approval by the Municipal Council.

As a way of background, the Municipal Receipting and Systems Control Section, under the Revenue Management Unit, is responsible to account for funds paid to the Municipality. These are receipted and customers' accounts credited accordingly to reflect all monies received. The Section also administers direct debit facility by capturing direct debit applications and ensure revenue collection takes place on the set strike date when a debit order is processed to customers' bank to pay their Municipal bills. The direct debits are administered on 4 strike dates in a month, and with the Section then monitoring and processing such, ensuring correct capturing and reporting thereon for both Municipal and customers' record purposes.

Debit orders are sometimes rejected due to insufficient funds or when reversed by customers. A penalty is therefore imposed thereby mitigating a risk of payment reversals, and also promoting responsible reversal where customers avoid disconnections and attract minimal penalty fee. The latter involves debit order reversal, but with a customer subsequently making late payment upon receiving a bill reflecting payment reversal.

Administering rejected debit orders has financial implications and requires a dedicated capacity in view of analysis being made per customer; capturing thereof; and the authorization. The Section monitors the process per customer and eventually cancel direct debits after observing three (03) consecutive rejections.

With the proposed 8% tariffs increase for rejected debit orders, and upon approval by the Council, customers due to be penalized for this conduct will be charged an amount of R87.00 (Eighty-Seven Rand), with effect from 01 July 2024, it being recorded that this penalty fee is in line with the fee charged across the board by the banking institutions for rejected debit orders.

At the Support Committee level, the DA, EFF, IFP and the ActionSA abstained on the proposed tariffs increase, with the majority of the other Political Parties present being in support. At the Executive Committee level, the DA; EFF; and the IFP abstained while other Political Parties indicated their support.

Accordingly,

COMMITTEE RECOMMENDS:

2.2.1

That Council resolves in terms of Section 75A of the Local Government: Municipal Systems Act No. 32 of 2000, that the proposed 8% tariffs increase for debit order rejections, be approved, to impose a penalty on eThekweni Municipal Customers reversing debit orders on accounts payment for the Municipal services, and with the charge to be an amount of R87.00 (Eighty-Seven Rand), to be implemented with effect from 01 July 2024.

2.2.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

2.2.3 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

Financial Implications:

Reason for debit Order Rejection	RMS Code	Present Tariff (2023/24)	Tariff (2024/25)	Tariff (2025/26)	Tariff (2026/27)
		R	R	R	R
Insufficient funds	02	80	87	94	102
Payment stopped by account holder	04	80	87	94	102
Debit not allowed on this account	03	80	87	94	102
Account frozen	06	80	87	94	102
Account in sequestration	08	80	87	94	102
Account in liquidation	10	80	87	94	102
Account closed	12	80	87	94	102
Account transferred within banking group	14	80	87	94	102
Account transferred to other banking group	16	80	87	94	102
Account holder deceased	18	0	0	0	0
Account effects not cleared	22	80	87	94	102
Invalid account	26	80	87	94	102
Recall/ Withdrawal	28	80	87	94	102
No authority to debit	30	80	87	94	102
Debit in contravention of payer's authority	32	80	87	94	102
Authorisation cancelled	34	80	87	94	102
Previously stopped via stop payment advise	36	80	87	94	102
Amount less than zero	44	0	0	0	0
Rejected on load report	50	80	87	94	102
Receipt Transfer - DD	70	0	0	0	0
Debit returned by branch	71	80	87	94	102

As some members were not in support of the recommendations, the matter was put to the vote. With 175 Councillors present, 118 Councillors (ANC - 87, EFF - 18, ABC - 02; ACC - 01, ACDP - 00, AIC - 01, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP - 01; PFP - 01, PRM - 01 and TA- 01) voted in favour of the recommendations. 57 Councillors (DA- 45, IFP -10, ActionSA - 01 and UIM - 01) abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

2.3 Review of Valuation Roll Tariffs in the 2024-2025 MTREF (7/6/1/5):
(Page 36: Finance Committee Agenda - 2024-02-21)

As per the statutory requirement, the Municipality undertakes general valuation at least once every four (04) year. Thereafter, objection period is opened against specified individuals' property. Where property owners submit queries after the objection period has closed, this attracts a tariff which is set based on resources; time; and efforts made to investigate and process queries. Each property query varies in nature and certain skills and expertise required to attend such, depending on the property category, the nature of a query etc.

Notwithstanding time consuming efforts and other complexities involved in researching and compiling reports relating to the valuation query, the Real Estate Unit proposes a "0" percent increase for all valuation roll tariffs to be levied with effect from 01 July 2024.

At the Support Committee level, the DA, EFF, IFP and the ActionSA abstained on the matter, and with the majority of the other Political Parties supporting the recommendations. The three (03) Political Parties represented in the Executive Committee also maintained an abstention on this matter.

The proposed increase having been supported by the ANC and the NFP at the Executive Committee level,

COMMITTEE RECOMMENDS:

2.3.1 That Council resolves in terms of Section 75A of the Local Government: Municipal Systems Act No. 32 of 2000, that there be a 0% increase in respect of tariffs levied for the valuation roll queries during the 2024-2025 financial year and with such being effective 01 July 2024, and relates to the following categories:

- (i) Valuation Roll in digital format
- (ii) Supplementary Valuation Roll in digital format
- (iii) Valuation Certificate
- (iv) Appeal against a value in the Valuation Roll (Section 78 Query: Residential and Non-Residential; and Section 53 Query: Request for Reasons: Residential and Non-Residential)

2.3.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

2.3.3 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

Financial Implications:

	2022/2023 Actual	2023/2024 Budget	2023/2024 Forecast	2024/2025 Budget
	R	R	R	R
Income	(407,202)	(300,000)	(320,000)	(100 000)
Expenditure	2,654,612	3,342,570	3,342,570	5,213,890
(Surplus)/Deficit	2,247,410	3,042,570	3,022,570	5,113,890

As some members were not in support of the recommendations, the matter was put to the vote. With 165 Councillors present, 119 Councillors (ANC - 87, EFF - 18, ABC - 02; ACC - 01, ACDP - 00, AIC - 01, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP -01; PFP - 01, PRM - 01, TA- 01 and UIM - 01) voted in favour of the recommendations. 46 Councillors (DA- 35, IFP -10 and ActionSA - 01) abstained on the matter.

*Thereafter, the above recommendations were by a majority vote, were **ADOPTED.***

2.4 Review of Revenue Management Deposit Revenue in the 2024-2025 MTREF (7/6/1/5):
(Page 42: Finance Committee Agenda - 2024-02-21)

Authority is sought to review the Revenue Unit tariffs for implementation during the 2024-25 financial year, as per the statutory requirement. While the Unit submitted a proposal for 15% tariffs increase on deposit levied from new customers applying for the Municipal services, the Committee deliberated and reached consensus for a 0% increase in this regard.

For ease of understanding, when new customers apply for the Municipal services, the process allows them to use the services in advance and/or on credit for the first month before payment is charged on their accounts. During this period the Municipality is required to pay both Umgeni Water and Eskom for the supply of the respective services. To cover this cost, the Revenue Unit imposes a deposit at the application stage to assist the Municipality to meet the payment obligation with the respective service providers to avoid interruption of supply. It being noted though that the deposit is not declared income, but rather deemed as security to protect both the interest of the Municipality and its customers in relation to water and electricity supply in the first month of applying for this service.

With the Committee having resolved to implement a 0% increase, with effect from 01 July 2024, accordingly,

COMMITTEE RECOMMENDS:

- 2.4.1 That Council resolves in terms of Section 75A of the Local Government: Municipal Systems Act No. 32 of 2000 that there be a 0% increase in respect of tariffs levied for the Revenue Management Deposit during the 2024-2025 financial year and with such being effective 01 July 2024.
- 2.4.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.
- 2.4.3 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

As some members were not in support of the recommendations, the matter was put to the vote. With 175 Councillors present, 120 Councillors (ANC - 87, EFF - 18, ABC - 02; ActionSA - 01, ACC - 01, ACDP - 00, AIC - 01, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP -01; PFP - 01, PRM - 01, TA- 01 and UIM - 01) voted in favour of the recommendations. 55 Councillors (DA- 45 and IFP -10) abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

2.5

Progress Report on R1.5 Billion Borrowings for Capital Projects, Dated 30 January 2024 (7/3/1/1/2):

(Page 47: Finance Committee - Agenda 2024-02-21)

It was recalled that Council, at its meeting on 31 May 2023 approved that the Municipality should borrow an amount of R1.5 billion during the 2023/2024 financial year to supplement the Capital Budget and meet financial obligations for capital projects.

In this regard, approval was giving to issue Request for Proposal (RFP), inviting prospective lenders to tender for the provision of long-term debt finance in the form of annuity loan. As such, the RFP inviting all financial institutions to submit proposals, was advertised on 02 November 2023 in the local newspaper publications. The closing date for the submission of proposals was 01 December 2023. In response to the RFP, three (03) financial institutions submitted proposals as follows:

- Standard Bank
- First National Bank (FNB)
- Development Bank of Southern Africa (DBSA)

In terms of the RFP, prospective lenders were requested to submit information as follows:

- Quotes to be provided for borrowings of up to R1.5 billion for 10 years; 12 years; and 15 years.
- Pricing for long-term loan with a fixed interest rate basis, in order to ensure comparability between the offers received, with prospective lenders being requested to submit their fixed interest rate offers on the following basis:
 - The swap offer rate* as at 11h00, Friday 17 November 2023, quoting on NACS basis;
 - The margin** over the swap offer rate as quoted in (i) above; and
 - The all-in fully inclusive rate i.e. (i) + (ii) quoted on NACS basis.

***NACS means Nominal Amount Compounded Semi-Annually**

As part of the proposal, financial institutions were to submit a draft loan agreement which the institution anticipates concluding with the Municipality. A total of three (03) financial institutions met technical specifications documented in tables 1 and 4 below:

Table 1 Fixed Term Loan - 10 Year:

BANK	STANDARD BANK	FIRST NATIONAL BANK (FNB)	DEVELOPMENT BANK OF SOUTH AFRICA (DBSA)		
QUANTITATIVE FACTORS	R500 million ONLY	R500 million ONLY	R500 million	R1 billion	R1.5 billion
LOAN AMOUNT (R)	500,000,000	500,000,000	500,000,000	1,000,000,000	1,500,000,000
BASE/SWAP RATE	9.200%	8.723%	9.190%	9.190%	9.190%
MARGIN	3.500%	2.577%	2.680%	2.680%	2.680%
TOTAL (ALL INCLUSIVE RATE)	12.700%	11.300%	11.870%	11.870%	11.870%
Compounding Method	NACS	NACS	NACS	NACS	NACS

- The Total Inclusive Rates are all reflected as effective interest rates for the comparison to be done across the different bank quotes.
- In the 10-year term, the FNB provides best all-inclusive interest rate of 11.30%. This pricing offers only R500 million. The next best pricing for a 10- year term is provided by the DBSA at 11.87% for R 500 million; R 1 billion; and R 1.5 billion. Lastly, the Standard Bank at 12.70% for R500 million only.

Table 2 Fixed Term Loan – 12 Year:

BANK	FIRST NATIONAL BANK (FNB)	DEVELOPMENT BANK OF SOUTH AFRICA (DBSA)		
QUANTITATIVE FACTORS	R500 million ONLY	R500 million	R1 billion	R1.5 billion
LOAN AMOUNT (R)	500,000,000	500,000,000	1,000,000,000	1,500,000,000
BASE/SWAP RATE	8.979%	9.520%	9.520%	9.520%
MARGIN	2.821%	2.770%	2.770%	2.770%
TOTAL (ALL INCLUSIVE RATE)	11.800%	12.290%	12.290%	12.290%
Compounding Method	NACS	NACS	NACS	NACS

- The Total Inclusive Rates are all reflected as effective interest rates for the comparison to be done across the different bank quotes.
- In the 12-year term, the FNB provides best all-inclusive interest rate of 11.80%. This pricing offers only R500 million. The next best pricing for a 12-year term is provided by the DBSA at 12.29% for R 500 million; R 1 billion; and R 1.5 billion.

Table 3 Fixed Term Loan – 15 Year:

BANK	FIRST NATIONAL BANK (FNB)	DEVELOPMENT BANK OF SOUTH AFRICA (DBSA)		
QUANTITATIVE FACTORS	R500 million ONLY	R500 million	R1 billion	R1.5 billion
Loan Amount (Rands)	500,000,000	500,000,000	1,000,000,000	1,500,000,000
Base/Swap Rate	9.254%	9.910%	9.910%	9.910%
Margin	3.106%	2.890%	2.890%	2.890%
All Inclusive Fixed Interest Rate	12.360%	12.800%	12.800%	12.800%
Compounding Method	NACS	NACS	NACS	NACS

- The Total Inclusive Rates are all reflected as effective interest rates in order for the comparison to be done across the different bank quotes.
- In the 15-year term, the FNB provides best all-inclusive interest rate of 12.36%. This pricing offers only R500 million. The next best pricing for a 15- year term is provided by the DBSA at 12.80% R 500 million; R 1 billion; and R 1.5 billion.

Table 4 Fixed Term Loan – 20 Year:

BANK	DEVELOPMENT BANK OF SOUTH AFRICA (DBSA)		
QUANTITATIVE FACTORS	R500 million	R1 billion	R1.5 billion
Loan Amount (Rands)	500,000,000	1,000,000,000	1,500,000,000
Base/Swap Rate	10.280%	10.280%	10.280%
Margin	3.060%	3.060%	3.060%
All Inclusive Fixed Interest Rate	13.340%	13.340%	13.340%
Compounding Method	NACS	NACS	NACS

- The Total Inclusive Rates are all reflected as effective interest rates in order for the comparison to be done across the different bank quotes.
- DBSA also provide an interest rate for a 20-year term loan where the rate is 13.34% for R500 million; R1 billion; and R1.5 billion.

Unsolicited Funding Proposals:

In terms of the above, the Municipality, from time to time, through its continuous contact with financial institutions, receives unsolicited funding proposals. The financial institutions, especially the Development Finance Institutions (DFIs), regularly express their interest in assisting the Municipality to achieve its service delivery mandate. The assistance takes various forms e.g., technical assistance in projects; grant funding and loan funding, amongst others. A Letter of Interest (LOI) was received in the current financial year 2023/2024 from the International Finance Corporation (IFC), as detailed in Table 5 below:

Table 5 Fixed Term Loan – Unsolicited 10 Year, 12 Year and 15 Year:

BANK	INTERNATIONAL FINANCE CORPORATION (IFC)		
DURATION OF LOAN	10 YEARS	12 YEARS	15 YEARS
LOAN AMOUNT	R750 million	R750 million	R750 million
BASE/SWAP RATE	9.070%	9.250%	9.440%
MARGIN	2.820%	2.810%	2.790%
TOTAL (ALL INCLUSIVE RATE)*	12.018%	12.177%	12.335%
Compounding Method	NACS	NACS	NACS

In December 2023, the IFC issued an LOI to the Municipality expressing their interest in supporting the Municipality's development agenda and further supporting capital expenditure projects. The LOI was received by the Municipality prior to the closing date of the RFP. To this end, the interest expressed is the form of the quote, as indicated in Table 8 above, a 10-, 12- or 15-year loan for an amount of R750 million. The all-in interest rates also include and consider upfront fee of 0,5% of the loan amount (upfront fee is payable at the start of the loan term).

It is recommended that the Municipality should borrow fixed interest term loans for a period of 10 and 15 years as these tenors provide good approximation of the asset and liability matching. To this end, an evaluation of proposals indicated that the FNB 10-year term, DBSA 10-year term and the IFC 15-year term are the most responsive bidders given the overall interest payable on these loans. An amount

of R500 million to be borrowed from each of these financial institutions, resulting in a total borrowing of R 1.5 billion for the 2023/2024 financial year.

During consideration of the matter at the Support Committee level, some members opposed the loan borrowing, citing the R1,7 million of Unauthorised, Irregular, Wasteful and Fruitless Expenditure deemed as recoverable from service providers and personnel implicated; the R3,17 million of Unutilized Grants as well as the R8 billion of Municipal investment as at the end of January 2024, as funds available for the Municipality to utilise for capital projects. Therefore, there being no need for the Municipality to continue with loan borrowings, emphasis also being made that the debt will cause a burden for the future generation.

Also, that the financial institutions had opted to offer the Municipality up to R500 million, which was viewed as an indication that the lenders were not pleased with the City's credit rating.

On the other hand, a proposal was made for the Municipality to undertake a comparison exercise for the past five (05) years, to determine whether the previous loan borrowings for capital projects was utilised for this purpose and that value for money was achieved in this regard. Further, that revenue collection strategies be strengthened, to recover monies owed by the Government Departments and the Parastatals to decrease loan borrowings. An enquiry also being made on whether the grant funding from the National Treasury can be utilised to settle the loans; and for the Municipality to explore other grant funding opportunities available from the DBSA etc.

For the information of the Committee, explanation was given that the National Treasury from time to time encourages the Municipalities to be visible and active on the credit space, mention being made that all Metropolitan Municipalities in the country issue RFPs, inviting prospective lenders to tender for the provision of long-term debt finance in the form of annuity loan, it being noted that the City of Cape Town had approved R2 billion loan borrowing; and the City of Johannesburg granting approval of R3.5 billion loan borrowing.

Further, that the capital projects to be implemented upon approval of the loan were part of the annual 2023-2024 Municipal budget already approved by the Council in May 2023. Also, that a list of capital projects was made available to the financial institutions to enable assessment of the finance loan application. Clarity being given that grant funding from the National Treasury and the Departments cannot be utilised to settle the Municipal loans, as those funds are conditional grants and earmarked for specific projects. Assurance also being given that various funding options are continuously being explored.

However, some members were still not in support of the recommendations at the Support Committee level. As such, the matter was put to the vote. With 31 Councillors present, the ANC (15), MF (01), AIC (01) and the PFP (01), voted in favour of the recommendations. The VF-Plus (01) voted against, and with the DA (07), EFF (02), IFP (02) and the ActionSA (01), abstaining on the matter. Thereafter, the submission was approved by a majority vote.

At the Executive Committee level, the DA, EFF and the IFP also abstained, and the matter passed by the majority of the ANC and the NFP. Accordingly,

COMMITTEE RECOMMENDS:

That authority be granted to engage in discussion with the following financial institutions as the preferred bidders with regard to the Council-approved borrowing of R1.5 billion for capital projects, to then agree in principle upon the final terms of the loan agreements, for approval by the Council, in accordance with Section 46(2) of the Local Government: Municipal Finance Management Act No 56 of 2003:

- (i) FNB for a 10-year fixed interest rate loan of R 500 million;
- (ii) DBSA for a 10-year fixed interest rate loan of R 500 million; and
- (iii) IFC for a 15-year fixed interest rate loan of R 500 million.

Capital Expenditure:

Council approved the Capital Budget for the three-year MTREF period as follows:

Table 1 Capital Budget:

2023/2024 RM	2024/2025 RM	2025/2026 RM
8,143	5,879	5,880

Table 2 Capital Budget Funding:

Funded as follows:	2023/2024 RM	2024/2025 RM	2025/2026 RM
Grant Funding	4,674	3,643	3,645
Internal Funding	1,969	1,236	1,235
External Funding	1,500	1,000	1,000
	8,143	5,879	5,880

With Table 2 above, it is evident that the Municipality is required to raise long-term debt of approximately R1.5 billion from external funding sources for the financial years 2023/2024 and then R1 billion for 2024/2025 and 2025/2026.

The raising of external funding is aimed at ensuring that critically needed expenditure continues and service delivery programme is not disrupted or postponed. The following departments will use new borrowings to fund their capital expenditure, as depicted in Table 3 below:

Table 3 Capital Budget Funding:

Department	CAPEX Budget 2023/24 R'000
Engineering	168,040
ETA	2,000
Water	244,646
Sanitation	354,017
Solid Waste	195,890
Electricity	166,946
EDP	42,220
CES - Health & Social Services	191,366
Finance – City Fleet & Bus Operations	133,731
OCM – Information Management	1,144
Total	1,500,000

Financial Implications:

The proposed 10 and 15-year fixed interest rate loans will result in a payment of total interest of R R1.2 billion over the two 10-year periods and 15-year periods, in addition to the repayment of the R1.5 billion capital repayment. After careful evaluation, new loan of R 1.5 billion will not negatively impact the sustainability of the Municipality as indicated in Table 4 below:

Table 4 Gearing and Debt Service Cost Ratio:

	FY 2023/2024	FY 2024/2025	FY 2025/2026
Gearing Ratio (National Treasury Benchmark of max 45%)	19,7%	18.0%	16.4%
Debt Service Cost (National Treasury Benchmark between 6% -8%)	3.8%	3.9%	3.5%

Commenting on the matter, the EFF expressed concern regarding the unutilized grants amounting to R3.2 million, as well as R1.7 million of Unauthorised, Irregular, Wasteful and Fruitless Expenditure deemed as recoverable from service providers and personnel implicated, which it considered as funds available for the Municipality to utilise for capital projects. Therefore, there being no need for the Municipality to continue with loan borrowings. The interest on loan was considered to impact negatively to taxpayers and therefore impact financial sustainability of the Municipality.

The ANC then reiterated that the Council had already approved the loan borrowings as part of the capital budget to supplement resources for capital projects. That the Report is the continuation of the process already started, and now to engage financial institutions in a bid to select a preferred bidder. The attention was drawn to the fact that the Municipality will obtain return on investment with the implementation of capital projects earmarked, including creation of employment opportunities etc.

However, as some members were not in support of the recommendations, the matter was put to the vote. With 175 Councillors present, 120 Councillors (ANC - 87, EFF - 18, ABC - 02; ActionSA - 01, ACC - 01, ACDP - 00, AIC - 01, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP -01; PFP - 01, PRM - 01, TA - 01 and UIM - 01) voted in favour of the recommendations. 55 Councillors (DA- 45 and IFP - 10) abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

2.6

Noting of Reasons to Amend Contract 1F-3185 in terms of Section 116 (3) of the Local Government: Municipal Finance Management Act No. 56 of 2003, for the Provision of Cash in Transit Services for a Period of 36 Months (8/2/1/4/3):
(Page 56: Finance Committee - Agenda 2024-02-21)

The Committee noted proposed amendment of Contract 1F-3185 for the provision of Cash in Transit Services in line with Section 116 (3) (a), (b) and (c) of the Local Government: Municipal Finance Management Act No. 56 of 2003, to allow for the adjustment of existing awarded contract price to include the Municipal library services to an existing contract price.

The Cash-in-Transit service provider ensures that all takings collected by the relevant Units of the Municipality are banked with the Municipality's bank the next day following collection, unless the next day falls on a Sunday or a public holiday, in which case takings are to be banked on the day following a Sunday or public holiday as the case may be.

It being noted that in instances where the service provider fails to deposit cash collected in terms of the agreement, the Municipality shall levy a penalty in respect of all cash collected and not deposited, as specified in the agreement, and such penalty shall be calculated at the prevailing rate of interest enjoyed by the Municipality with its bank.

The Tender 1F-3185 for Cash in transit originally included collections from the Municipal library sites, and upon evaluation, the library services had to be excluded from the Bid Committee decisions due to budget constraints.

The library services department has since identified budget for the service to collect cash, hence the request for contract extension. This service is deemed essential and must be continuously provided without any interruptions to the Municipality. This report therefore seeks to advise the Committee of the proposed amendment of the existing contract prices 1F-3185 for the Provision of Cash in Transit Services throughout the Municipality.

Additional background and motivation is highlighted below:

- (i) Contract 1F-3185 for the Provision of Cash in Transit Services was awarded to Fidelity Cash Solutions (Pty) Ltd for a contract value of R9 913 511.11 (Nine Million Nine Hundred and Thirteen Thousand Five Hundred and Eleven Rand Eleven Cents), including VAT, for a period of 36 months ending 31 March 2025. This is a revenue collection contract which covers some Municipal departments and entities, as per the LOA Fidelity Cash Solutions (Pty) Ltd 01/04/2022).
- (ii) To include the Municipal Library Service to the existing contract and thus a revised contract amount to R4 319 443.70 (Four Million Three Hundred and Nineteen Thousand Four Hundred and Forty-Three Rand Seventy Cents), for the remainder of the contract period that expires 31 March 2025.
- (iii) Contract Letter of Award be amended to now record a total contract sum of R14 232 954.81, as a result of the additional Municipal library service contract amount.
- (iv) It being recorded that status quo shall remain with the other terms and conditions of the tender.

In noting the report, some members were of the view that the revised amount of R4 319 443.70 for the remainder of the contract period which expires 31 March 2025 was exorbitant, an enquiry being made in terms of which previous mechanism were utilised to collect monies from the Municipal libraries to the bank.

Clarity was given wherein it was reiterated that this was an amendment of the existing contract to allow for the adjustment of the awarded contract price to include library services to the contract price since the extension was beyond the allowable 15% and therefore, Section 116 (3) of the LG: MFMA had to be followed for the remainder of the 15 months contractual period.

Confirmation also being given that the public participation process was followed in terms of the aforementioned Section of the LG: MFMA, as part of achieving compliance requirements pertaining to inviting public comments on the proposed

contract amendment. Feedback was given that there were no comments received from the public consultation process. It was then advised that in absence of the contract in place, the Municipal library employees are required to deposit the cash in the bank and which approach poses safety risks and contravenes the Labour laws.

Therefore, as a mitigating measure and to protect Municipal employees and associated revenue, a need exists to include the library services to the existing contract.

Accordingly,

COMMITTEE RECOMMENDS:

2.6.1 That Council notes the following reason necessitating the amendment of Contract 1F - 3185, in terms of Section 116 (3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (LG: MFMA), for the Provision of Cash-in-Transit Services for a period of thirty-six (36):

- (i) The Municipal library services department was originally included in the tender referred to in .1 above to collect cash from the library sites, but subsequently withdrawn due to budget constraints, and the department has identified savings, hence, the request to then incorporate this service in the existing tender.
- (ii) The cash collection service is required and failure to formalise this to be undertaken by a dedicated service provider exposes Municipal employees to safety risk when expected to make deposits, on the other hand the risk of the loss of Municipal revenue in the event of incidents of individuals being robbed.

2.6.2 That Council notes the public participation process was advertised through media, in terms of Section 116(3)(b)(i) of the LG: MFMA, as part of achieving compliance requirements pertaining to the public participation process to invite public comments on the proposed contract amendment, it being further noted that there were no comments received from the public consultation process.

Financial implications:

Additional funding for provision of cash in transit for Library Services will be provided in the operational budget. The details of the current contract 1F – 3185 for Cash in Transit including contract sum and the revised amount for the section 116 (3) authorization is shown below: -

No.	Service Provider	Contract Sum	Additional Amount (Library Services) incl. VAT	Total Amount Incl. VAT
01	Fidelity Cash Solutions PTY (LTD)	R9 913 511.11	R4 319 443.70	R14 232 954.81

Commenting on the matter, the DA was of the view that the revised amount for the remainder of the contract period which expires 31 March 2025 is exorbitant, and that further details be provided in this regard.

Meanwhile, the ANC noted the report and that this was an amendment of the existing contract in line with the LG: MFMA, to allow for the adjustment of the awarded contract price to include library services to the contract price. That this was to protect Municipal employees and associated revenue, and therefore a need exists to include the library services to the existing contract. It being emphasised that there were no comments received from the public consultation process.

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

2.7

Investments Report for the Month Ended 30 November 2023 (7/11/4):
(Page 63: Finance Committee - Agenda 2024-02-21)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R7, 812 241 000.00 (Seven Billion Eight Hundred and Twelve Million Two Hundred and Forty-One Thousand Rand), at an average rate of return on investments of 8,96%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eight Two Million Rand) and the unutilised Capital and Operational Grants as at the end of November 2023 was reported to be R3 017 000 000.00 (Three Billion Seventeen Million Rand). It being further noted that there was 37 (thirty-seven) days cash on hand excluding grants.

Thereafter,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2023-11-30, which records the total funds invested at financial institutions as R 7, 812 241 000.00 (Seven Billion Eight Hundred and Twelve Million Two Hundred and Forty-One Thousand Rand), at an average rate of return on investments of 8,96%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Municipal Finance Management Act No. 56 2003, be noted.

DEFERRED, to a Special Meeting.

2.8

Investments Report for the Month Ended: 31 December 2023 (7/11/4):
(Page 69: Finance Committee - Agenda 2024-02-21)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R 8, 520 00 000.00 (Eight Billion Five Hundred and Twenty Million Rand), at an average rate of return on investments of 9,07%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eight Two Million Rand) and the unutilized Capital and Operational Grants as at the end of December 2023 was reported to be R3 020 000 000.00 (Three Billion Twenty Million Rand). It being further noted that there were 43 (forty-three) days cash on hand excluding grants.

Thereafter,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2023-12-31, which records the total funds invested at financial institutions as R 8, 520 00 000.00 (Eight Billion Five Hundred and Twenty Million Rand), at an average rate of return on investments of 9,07%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Municipal Finance Management Act No. 56 2003, be noted.

DEFERRED, to a Special Meeting.

2.9 eThekweni Municipality Public Tender Awards for the Month Ended 30 November 2023 (9/1/3):
(Page 86: Finance Committee - Agenda 2024-02-21)

The Committee noted that the amount of R817 999 185.55 (Eight Hundred and Seventeen Million Nine Hundred and Ninety-Nine Thousand One Hundred and Eighty-Five Rand Fifty-Five Cents) was the total value of tenders issued during the month of November 2023.

COMMITTEE RECOMMENDS:

- 2.9.1 That the public tender awards by the City for the month of November 2023, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Acting Head: Supply Chain Management dated 2023-12-28, be noted.
- 2.9.2 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.
- 2.9.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 2.9.4 That the City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 2.9.5 That the City Manager shall table a report to the Committee relative to the disciplinary, criminal and recovery actions taken, it being recorded that the City Manager can only respond when the reports are available.

DEFERRED, to a Special Meeting.

2.10 eThekweni Municipality Public Tender Awards for the Month Ended 31 December 2023 (9/1/3):
(Page 114: Finance Committee - Agenda 2024-02-21)

The Committee noted that the amount of R143 177 985.95 (One Hundred and Forty Three Million One Hundred and Seventy Seven Thousand Nine Hundred and Eighty Five Rand Ninety Five Cents) was the total value of tenders issued during the month of December 2023.

COMMITTEE RECOMMENDS:

- 2.10.1 That the public tender awards by the City for the month of December 2023, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Acting Head: Supply Chain Management dated 2024-02-05, be noted.
- 2.10.2 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.

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

DEFERRED, to a Special Meeting.

- 2.11 Budget Statement Report for the Month Ended 30 November 2023 (7/1/4):
(Page 144: Finance Committee - Agenda 2024-02-21)

In scrutinizing the budget statement report, the Committee noted the actual operating revenue of 97% of the budget with a variance of -3% and the revenue generated to date was 41,4%. The actual operational expenditure was reported as a percentage of year-to-date budget at 94% with a variance of -6%; the operating expenditure spent to date was 40%. The reported capital expenditure was 54% of the year-to-date budget with a variance of -46% and the capital expenditure spent to date was 15,1%. A cash collection of 95% as at November 2023 was reported higher when compared to the same period in the previous year (91%).

The attention of the Committee was drawn to a slow pace in electricity and water meter readings, low expenditure on grants, concerns being raised regarding the ongoing labour disputes at the Municipal Entity, Ushaka Marine World. Mention being made that service providers had to be paid within a prescribed (30) days period. However, it was noted that a dedicated Municipal Task Team has been established to fastrack the meter reading process, since the contract for meter readings has been finalised, it being anticipated that the situation will be back to normal by end March 2024. On the other hand, the Committee was advised that the Municipality is the second leading City in terms of spending the USDG funding. A submission being made that update on the migration of the meter reading function from the Water and the Electricity Units to the Revenue Unit under the Finance Cluster, will be submitted at the next Committee meeting.

Accordingly,

COMMITTEE RECOMMENDS:

- 2.11.1 That the Budget Statement report for the month ended 2023-11-30 and the supporting documents, submitted by the City Manager as per his report dated 2023 12-18, in compliance with Section 71 and Section 52 (d) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (LG: MFMA), read together with Regulations Section 28 of the Municipal Budget and Reporting Regulations, and in terms of Government Notice 32141 dated 17 April 2009, on the implementation of the budget and financial affairs of the Municipality and its entities, be noted.

2.11.2 That, in compliance with Section 32(2) of the LG: MFMA, Council notes Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred in the month of November 2023, as detailed under Section 10 of the Budget Statement Report.

2.11.3 That the Municipal Council refers the UIFWE referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation with a view to achieving informed outcome whether recovery or write-off of the said expenditure is permissible as per the provisions in terms of Section 32(2)(b) of the MFMA, and that the MPAC report back to the Council the outcome of its investigations.

DEFERRED, to a Special Meeting.

2.12 Urgent Amendments to the 2023 eThekweni Municipality Supply Chain Management Policy to Align with the Municipal Finance Management Act Treasury Regulations (9/P):
(Page 315: Finance Committee Agenda - 2024-02-21)

Authority is sought to approve urgent amendments to the Municipal Supply Chain Management (SCM) Policy 2023 as a consequence of the Government Gazette No. 49863: Amendments to the Municipal Finance Management Act (MFMA) Supply Chain Management Regulations (*“The Regulations”*) issued 14 December 2023. The amendments were effected to the Regulations, published under General Notice No. 868 of May 2005, as amended by Government Notice No. R31 of 20 January 2017.

The National Treasury has revised threshold values for the procurement of goods and services, effective from the date of the publication of the Regulations, and this being informed by the rate of inflation which has resulted in drastic price increases experienced from time to time. This therefore necessitated the revision of the SCM Policy to enable procurement of goods and services adhering to the newly prescribed thresholds.

The new prescribed thresholds for formal written price quotations and for competitive bidding process are outlined herein below:

1.1 Formal written price quotations transaction values are as per below thresholds:

- (i) R2000 up to R300 000 (VAT included), in the case of a Local Municipality;
- (ii) R2000 up to R200 000 (VAT included), in the case of a District Municipality; and
- (iii) R2000 up to R750 000 (VAT included), in the case of a Metropolitan Municipality.

1.2 Competitive bidding process transaction values are as per below thresholds:

- (i) procurement above a transaction value of R300 000 (VAT included), in the case of a Local Municipality;
- (ii) procurement above a transaction value of R200 000 (VAT included), in the case of a District Municipality; and
- (iii) procurement above a transaction value of R750 000 (VAT included), in the case of a Metropolitan Municipality.

In terms of the legislative requirement implication for administration, the Accounting Officer of a Municipality is expected in terms of the SCM Regulations 2005, Regulation 3 (1)(b) to review the implementation of the SCM Policy, at least annually. The Accounting Officer has considered it necessary being empowered by Regulation 3(1)(c) of the Regulations to submit proposals for the amendment of the SCM Policy regarding amendments of procurement thresholds to the Council.

The below reflects proposed amendments to the SCM Policy, the deletion by the way of striking out a provision and addition by the way of underlining the relevant provision. Section outlined herein below must be read in conjunction with the said draft SCM Policy:

4.1 Definitions (Section 1, page 10)

The definition “written or verbal quotations” is hereby amended by deletion from the list of definitions. This deletion has led to the deletion of this phrase of words to various provisions contained within the SCM Policy. The provision to be deleted reads as follows:

“Written or verbal quotations” must mean quotations referred to in paragraph 12(1)(b) of this policy;

4.2 Range of Procurement Processes (Section 12, page 29)

Section 12(b) referring to written or verbal quotations is hereby deleted as dictated by the amendments in the Supply Chain Management Regulations. The provision to be deleted reads as follows:

“(b) written or verbal quotations for procurements of a transaction value up to R5 000 (VAT included), provided all verbal quotes are followed by a written confirmation for the successful bidder”

As a result of the deletion of paragraph (b) as explained above, the alphabetical order sequence has changed in section 12(1), and it is requested that the proposed alphabetical order sequence be adopted by the eThekweni Municipal Council.

The new proposed paragraph (b) shall going forward be containing a provision that relates to formal written price quotation. The said proposed paragraph (b) outlines new procurement thresholds for this range of procurement and it shall, going forward, reads as follows:

“(b) formal written price quotations for procurements of a transaction value over R2 000 up to R750 000 (VAT included);”

Paragraph (d) which relates to competitive bidding process in the currently approved SCM Policy has been deleted and replaced by the contents of the proposed paragraph (c). Proposed paragraph (c) outlines new procurement thresholds for this type of procurement method and it shall, going forward, reads as follows:

(d) a competitive bidding process for:

(i) procurements above a transaction value of R750 000 (VAT included);

4.3 List of accredited prospective providers (Section 14, page 31)

Reference to written or verbal quotations in section 14 (1)(a) has been deleted given the said deletion in the list of definitions as outlined in paragraph 4.1 of this report. The proposed provision shall, going forward, reads as follows:

“(a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the municipality through formal written price quotations; and are in keeping with the National Treasury Centralized Supplier Database”.

4.4 Written or Verbal quotations (Section 16, page 33)

Written or verbal quotations provision as set out in section 16 of the currently approved SCM Policy has been deleted in its entirety. This deletion is needed because written or verbal quotations are no longer one of the prescribed procurement methods that can be used in the procurement of goods and services.

As a result of this deletion, the numbering sequence has changed for all sections that follow thereafter in the proposed SCM Policy 2023 and it is requested that the proposed numbering sequence be adopted by the eThekweni Municipal Council.

4.5 Procedures for procuring goods or services through formal written price quotations (**proposed** Section 17, page 36)

This section has been amended by deleting wording that refers to “written or verbal quotations” to all affected provisions and shall, going forward, reads as follows:

4.5.1 The heading ***“Procedures for procuring goods or services through formal written price quotations”***

4.5.2 Sub-section 17(1) ***“The operational procedures for the procurement of goods and services through formal written price quotations are”***

4.5.3 Paragraph 17(1)(f) ***“The Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused”.***

4.5.4 Paragraph 17(1)(g) ***“The Accounting Officer or Chief Financial Officer must on monthly basis be notified in writing of all formal written price quotations accepted by an official acting in terms of a sub-delegation”***

4.6 Competitive Bidding Process (**proposed** Section 18, page 36)

Proposed section 18(1) has been amended by substituting procurement threshold value of R750 000 (VAT included) given the revised procurement threshold and the proposed provision shall going forward read as follows:

“Goods or Services above the transaction value of R750 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of the policy.

Proposed section 18(3) has been amended by substitution the procurement threshold value of R750 000 (VAT included) given the revised procurement threshold and the proposed provision shall going forward read as follows:

As a general requirement for goods and services above an estimated transaction value of R750 000.00 (VAT included), may not be deliberately be split into parts or items of lesser value merely for the sake of procuring the goods and services otherwise through a competitive bidding process.

However, the unbundling of large projects, where appropriate, into smaller contracts to ensure that a spread of opportunities are made available to suppliers, service providers and construction contractors of various sizes is permitted, but only with the approval of Bid Specification Committee.”

4.7 Appointment of Consultants (proposed Section 34, page 55)

Proposed section 34(2)(a) has been amended by the substitution of procurement threshold value of R750 000 (VAT included) and the proposed provision shall going forward read as follows:

“Consultancy services must be procured through competitive bids if:

(a) the value of the contract exceeds R750 000 (VAT included)”

5. Conclusion

There will be constant review of the Municipal Supply Chain Management Policy through its implementation and interaction with Council Committees, Auditor-General South Africa, National Treasury, etc. The Supply Chain Management Unit will continue reporting to the various Council Committees on the implementation of the policy as is prescribed on a regular and continuous improvement basis.

On this basis,

COMMITTEE RECOMMENDS:

That the Supply Chain Management (SCM) Policy 2023; amendments that relate to increasing the quotation procurement threshold values to a maximum of R750,000.00 (Seven Hundred and Fifty Thousand Rand) in line with amended MFMA SCM Treasury Regulations, be approved, it being further approved that the revised SCM Policy be adopted and approved for implementation with effect from 01 March 2024.

DEFERRED, to a Special Meeting.

2.13 Update on the Implementation of Municipal Standard Chart of Accounts Roadmap (10/2/2):
(Page 321: Finance Committee Agenda - 2024-02-21)

It was recalled that the Municipal Regulations on a Standard Chart of Accounts (MSCOA) was gazetted by the Minister of Finance on 22 April 2014, to give effect to Section 216 of the Constitution of the Republic of South Africa. The MSCOA

Regulations came into effect on 1 July 2017 and all Municipalities as well as Municipal Entities were required to comply with the regulations. Council noted the legislated requirements for the implementation of MSCOA and approved the MSCOA implementation at its meeting held on 02 February 2015.

In the above regard, the Municipality is required to adopt the MSCOA roadmap in compliance with the MSCOA Regulations. The intention is to establish an Integrated Enterprise Resource Planning System. To this effect Circular 80 of the Local Government: Municipal Finance Management Act No. 56 of 2003 was issued to specify minimum business processes and systems requirements to ensure MSCOA compliance and address business process requirements across the entire Municipality's financial management accountability cycle. The MSCOA Roadmap was adopted by Council at its meeting held on 03 February 2023.

Further background being given that National Treasury had contracted an External Auditor to independently review the MSCOA implementation at the Municipality and provide a MSCOA Compliance Audit Report. It being noted that the Municipality is not required to commit to any time frames in the external audit report however has to incorporate the findings, where considered applicable, into the MSCOA Road Map and 2022/2023 MTREF and assign responsibility to the resources as well as allocate time frames as per the Municipality's own processes. The below are the critical summary of recommendations made on the report which have been factored into the MSCOA Roadmap, the Municipality is to ensure the following:

- (a) Provision of a system functionality to record and track resolution of both internal and external audit findings as well as risk registers. Embed consequence management process in the systems or tools;
- (b) Institute a systematic model to manage controls around the audit information flow;
- (c) Engage system developers to facilitate integration between Corporate Governance and the budgeting module;
- (d) Consider developing the Municipal Manager dashboard to systematically feed off the subsystems with an alerting system for early warning on deviant work focusses;
- (e) Provide section in E1 or EMPA to capture the GDS and SDF. Allow report templates and linkage of these frameworks to the IDP and SDBIP to allow for project implementation, financial reporting, and monitoring;
- (f) Provide for seamless publishing of budget to the website to enable real time changes for transparency to the public;
- (g) Provision of system functionality that allows a generation of an annual report that can be edited on certain fields;
- (h) Provide business intelligence reporting tool to allow for the extraction of the A, B and C schedules for NT purposes;

- (i) Provide all mSCOA versions on the system for view to users in the budget department;
- (j) Allow internal report templates for other stakeholders to simplify decision making processes;
- (k) Train municipal staff to be able to generate schedules on their own to reduce reliance on external Vendors;
- (l) Training of staff to ensure that they have ability to access various levels of mSCOA chart versions;
- (m) Corrections of changes in the chart should be done by the municipality such as migration of data from old versions to new version strings;
- (n) Provide for scenario analysis within budget module and decision-making dashboard. Various assumptions and externalities can be applied to see shift in scenarios and decisions on the dashboard or budget module;
- (o) Provide validation rules program file to validate extract files before submission to National Treasury;
- (p) Train municipal to be able to run validations on their own;
- (q) Correct report template for C schedule and ensure all supporting schedules are populating accurately;
- (r) Map accounts to correct report parameters for supporting schedules to populate;
- (s) Upload information when reports are due and ensure the correct financial year is selected;
- (t) Provision for validation of data to ensure files are uploaded with accurate records; and
- (u) Develop and institute integration requirements between the general ledger and the payroll systems.

MSCOA Progress

Below is a detailed progress report of the mSCOA programme. The report entails update of the roadmap and incorporate audit recommendations from the National Treasury. It is anticipated that the Municipality will be mSCOA compliant by December 2025:

Corporate Governance		
Sub-process	Estimate Timeframe	Status
Performance Management System	June 2024	<ul style="list-style-type: none"> Development has concluded awaiting business to start capturing the SDBIP on the system.
Municipal Website	Compliant	<ul style="list-style-type: none"> There have been engagements with National Treasury and NT agreed that in terms of Municipal Website process we are compliant.

Document Management	Compliant	<ul style="list-style-type: none"> Transactional systems (including JDE system) are also compliant in terms of document management. Other upcoming systems will also incorporate document management system requirements.
Reporting Mechanisms	Dec 2025	<ul style="list-style-type: none"> There is a contract in place for Data and Analytics. However, reporting requirements for MSCOA listed sub-processes will be determined continuously as per each sub-process rollout. E.g.: Revenue management related reports integration to JDE etc. There is currently an RFI process being benchmarked for the JDE reporting tool procurement which is aimed to be rolled out from July 2024 – July 2025.
Internal, External Audit	Dec 2025	<ul style="list-style-type: none"> Tender was advertised and potential timeframe of award is May 2024.
Municipal Budgeting and Planning		
Sub-process	Estimate Timeframe	Status
Main Budget	Dec 2025	<ul style="list-style-type: none"> JDE as a core financial system is fully compliant. However, to achieve full compliance on the budgeting module, this requires all other sub-systems/3rd party systems (including billing system, HCM and CRM) to be compliant as well.
Revenue	Dec 2025	<ul style="list-style-type: none"> Due to unforeseen circumstances and resource changes the tender validity was not renewed and became a non-award. Tender will be re-advertised, and the project kick-off is targeted for July 2024.
Human Resources and Payroll	June 2025	<ul style="list-style-type: none"> Tender was advertised. Evaluation process is complete. Award for this tender is anticipated in April 2024.
Financial Accounting		
Sub-process	Estimate Timeframe	Status
General Ledger	Dec 2025	<ul style="list-style-type: none"> The general ledger functions as available on JDE are mSCOA compliant. However, overall compliance is dependent on the integration of other sub systems such as Revenue Management, Asset management system etc.
Accounts Receivable	Dec 2025	<ul style="list-style-type: none"> The accounts receivable module within the JDE system is mSCOA compliant however it is not integrated with the sundry system.
Accounts Payable	Dec 2025	<ul style="list-style-type: none"> The accounts payable module within the JDE system is currently mSCOA compliant however the outstanding items are an interface to the Loan Register, Investments, Interface to SARS e-Filing and Insurance Claims. These will be dependent on the revenue management system.
Costing and Reporting		
Sub-process	Estimate Timeframe	Status
Costing	June 2025	<ul style="list-style-type: none"> Compliant on JDE costs module. However, some tariffs are sitting on other systems e.g., Payroll data is seating in Payspace system, electricity tariffs are sitting on Ellipse system. These systems are interfaced with

		JDE system. Water department Is compliant with this functionality.
Reporting	June 2024	<ul style="list-style-type: none"> The financial system is compliant in terms of the general ledger and once our subsystems are fully MSCOA compliant and integrated into core financial system all reporting will be done directly from the core financial system.
Project Accounting		
Sub-process	Estimate Timeframe	Status
Project Creation and Planning	Dec 2025	<ul style="list-style-type: none"> All projects in the budget are derived from the IDP as per MSCOA requirements. The SDBIP will sit directly on top of this to measure project performance. SDBIP component is live. The city also utilize IDP Budget module to budget for its capital and operating requirements, which includes budgeting for repairs and maintenance. Other components are dependent on the Asset Management module project.
Project Management Module & Health and Safety	June 2024	<ul style="list-style-type: none"> Adoption of the FIDPM Framework by Council. CIC supported implementation of the FIDPM and CIDMS Short Term system will be available by end March 2024.
	June 2024	<ul style="list-style-type: none"> Health and safety requirements will be included on the Project Management module.
Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable		
Sub-process	Estimate Timeframe	Status
Supply Chain Management and Inventory	August 2024 (Phase 1 & 2)	<p>Phase 1 - 30th February 2024</p> <ul style="list-style-type: none"> Vendor Portal and CSD Integration -100 % Live Tender Management: InProgress, UAT currently taking place <p>Phase 2 - Online 30th August 2024</p> <ul style="list-style-type: none"> Online Tender Management through the supplier portal <p>Below modules timeframes will be confirmed in the next quarter:</p> <ul style="list-style-type: none"> Acquisitions and SSS Enhancements Development - BRS 100% Completed, Development is 0%. technical document is still in progress. Demand Management - (Development) - BRS completed 100%, Development is at 80%. Supplier Performance Management - (Migration) BRS completed 100%, Development is 0%.
CRM (Oracle CX)	Oct. 2025	<p>Iteration 1 Fault Process @ 72%</p> <ul style="list-style-type: none"> UAT Completed Transfer of skills to IMU technical team underway Train the Trainer started

		<ul style="list-style-type: none"> • End User Training Preparations underway • The following sub-projects will continue in sequence after Fault Process has been completed: <ul style="list-style-type: none"> ○ Enquiries Process ○ Complaints Process ○ Service requests Process
Full Asset Life Cycle Management including Maintenance Management		
Sub-process	Estimate Timeframe	Status
Full Asset Life Cycle Management	Dec 2025	<ul style="list-style-type: none"> • A benchmarking process for assessing different EAM systems including (Ellipse and CAM's as currently in use at EThekweni) was conducted to ensure that mSCOA compliance and functional capability of the two systems as per the ETK EA Policy were met. During the benchmarking, the implementation costs comparison and functional capabilities of the two systems was conducted. • The previously intended Asset Management tender for the implementation of CAMS is currently at BEC as awaiting the ICT Strategic decision support for either to cancel and follow the outcome of the benchmarking report or continue in order to avoid a probable wasteful expenditure caused by the delays to award. This process is to be facilitated through the office of the City Manager. • City Manager's recommendation was to appoint a professional consulting service to do an independent assessment on the two platforms CAMS and Ellipse. • A gap analysis was done in 2019 and a NT audit in 2021, the independent consultant will utilize that gap analysis and a scope to do the assessment. This process is anticipated to be concluded with the advisory recommendation by 31 March 2024.
Ellipse and JDE Integration	Dec 2024	<ul style="list-style-type: none"> • First integration has been completed and will be tested by the two Finance team. Development of the drill down functionality from the Core to the sub-system to commence after completion of the SCM Migration.
Real Estate and Resources Management		
Sub-process	Estimate Timeframe	Status
Rental	Dec 2025	<ul style="list-style-type: none"> • BSC documents for Real Estate Integration tender have been finalised and submitted to SCM for the next BSC.
General Process	Dec 2025	<ul style="list-style-type: none"> • Maintenance module for properties and facilities; and facilities management are dependent on the Capital Asset Management (s) project implementation.
Property Valuation system.	June 2024	<ul style="list-style-type: none"> • Overall compliance in terms of systems integration is 80% as the internal processes

		<p>are compliant. Demo on spatial view will also be done to National Treasury as part of an assessment of software applications.</p> <ul style="list-style-type: none"> External entities that are currently not compliant are Surveyor and General and Deed's Integration. Integration to Building Inspectorate is dependent on the Building Inspectorate System.
Land Use and Building Control		
Sub-process	Estimate Timeframe	Status
Land-use	Dec 2025	<ul style="list-style-type: none"> Land-use management is functional, however integration with the billing system will be required. Requirements analysis for the new property valuation system are also taking place for this process.
Special	Dec 2025	<ul style="list-style-type: none"> This is dependent on Revenue (Billing) system integration project. On GIS integration preparation is complete, awaiting the billing system implementation (integration).
Building Control	June 2024	<ul style="list-style-type: none"> For Building Inspectorate requirements have been completed and development have commenced and will be completed by March 2024.
Revenue Recycling Billing		
Sub-Process	Estimate Timeframe	Status
Revenue Management System	Dec 2025	<ul style="list-style-type: none"> Due to unforeseen circumstances and resource changes the tender validity was not renewed and became a non-award. Tender will be re-advertised. Based on the above-mentioned changes estimated timeframes for an award is July 2024.
Pre-Payment Billing System	Dec 2025	<ul style="list-style-type: none"> SUPRIMA is currently in place and there is a dependency of integration to the billing system to ensure mSCOA compliance.
Grants Management		
Sub-Process	Estimated Timeframe	Status
Grants Module	On Hold	<ul style="list-style-type: none"> Specification has been completed and development has commenced. The project will proceed after the implementation of the SCM migration due to resource constraints.
Treasury and Cash Management		
Status	Estimated Timeframe	Status
Banking Module	On Hold	<ul style="list-style-type: none"> Specification has been completed. (incl. Petty Cash Management). The project will commence after the implementation of the SCM migration due to resource constraints.
Investment & Cash Flow Management		<ul style="list-style-type: none"> The project will proceed after the implementation of the SCM migration due to resource constraints.
Borrowings Module		

Adjustments Budget Module		
Budget Module	On Hold	<ul style="list-style-type: none"> Dependent on the completion of the above modules.

In this regard, the Committee noted the detailed progress report of the MSCOA programme, and the report entailing an update of the roadmap and further incorporate audit recommendations that were made by the National Treasury. It being further noted that should the Municipality not comply with the MSCOA Regulations, the National Treasury can withhold the Municipality's Equitable Share allocation as prescribed in Section 38(1) (b) of the Local Government: Finance Management Act No. 56 of 2003. That further, to this non-compliance with the legislation will negatively impact on the Audit Opinion for the Municipality.

With the Committee acknowledging that the anticipated date for the Municipality to be MSCOA Compliant is December 2025,

COMMITTEE RECOMMENDS:

That Council notes progress to date with regard to compliance with the Municipal Standard Chart of Accounts (MSCOA) Programme to date; and further notes the recommendations made by the National Treasury through the external Audit report, which have since been incorporated into the MSCOA Roadmap and the 2022/23 MTREF budget, where applicable.

DEFERRED, to a Special Meeting.

2.14

Unauthorised Irregular Fruitless and Wasteful Expenditure Incurred for the Quarter Ended 31 December 2023 (7/R):

(Page 329: Finance Committee Agenda - 2024-02-21)

The Committee noted total irregular expenditure in the amount of R566 908 787.57 (Five Hundred and Sixty-Six Million Nine Hundred and Eight Thousand Seven Hundred and Eighty-Seven Rand Fifty-Seven Cents) incurred and reported by various Units for the quarter ended 31 December 2023. Background being given that these reports have been reviewed and analyzed by the Internal Control Unit, noted by the Bid Adjudication Committee, and would be referred to the Municipal Public Accounts Committee for recommendation for the write off or recovery, based on the outcomes of investigation conducted.

Thereafter,

COMMITTEE RECOMMENDS:

2.14.1

That the Unauthorised, Irregular, Fruitless and Wasteful Expenditure reported for the Quarter ended 31 December 2023 amounting to R566 908 787.57 (Five Hundred and Sixty-Six Million Nine Hundred and Eight Thousand Seven Hundred and Eighty-Seven Rand Fifty-Seven Cents), be noted.

2.14.2

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.

- 2.14.3 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 Local Government: Municipal Finance Management Act No. 56 of 2003.

DEFERRED, to a Special Meeting.

- 2.15 Investments Report for the Month Ended: 31 January 2024 (7/11/4):
(Page 334: Finance Committee Agenda - 2024-02-21)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R8 131 618 000.00 (Eight Billion One Hundred and Thirty-One Million Six Hundred and Eighteen Thousand Rand), at an average rate of return on investments of 9,09%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eight Two Million Rand) and the unutilized Capital and Operational Grants as at the end of January 2024 was reported to be R2 280 000 000.00 (Two Billion Two Hundred and Eighty Million Rand). It being further noted that there was forty-six (46) days cash on hand excluding grants.

Thereafter,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2024-01-31, which records the total funds invested at financial institutions as R 8 131 618 000.00 (Eight Billion One Hundred and Thirty-One Million Six Hundred and Eighteen Thousand Rand), at an average rate of return on investments of 9,09%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Municipal Finance Management Act No. 56 2003, be noted.

DEFERRED, to a Special Meeting.

2.16 Review of Revenue Clearance Certificate Tariffs Fee in the 2024-25 MTREF (7/6/1/5)
(Page 340: Finance Committee Agenda - 2024-02-21)

Authority is sought to approve the Revenue Clearance Section tariffs during the 2024-2025 financial year, as per the statutory requirements. The Revenue Management Unit is responsible to provide efficient and effective systems of revenue and customer management necessary to enable the Municipality to collect all monies due in respect of revenue services such as property tax, electricity, water sewerage and refuse collection and other services provided described as “sundry services”. It being noted that the main responsibility of the Revenue Clearance Section is to manage the issuing of Revenue Clearance Certificates by ensuring that debt is fully recovered before the certificate is issued.

The tariffs review emanates from the number of processes involved in the issuing of Clearance Certificate. It being noted that manual application requires certain human interventions, including manual checking for compliance, additional administration that is involved in rejections, capturing of information onto the system.

However, it was also noted that electronic applications by contrast eliminate many of the problems associated with manual applications, hence a higher charge for processing manual clearance applications must be applied.

It was recalled that the Interim Rates Clearance Application Management (IRCAM) system was developed to manage the process to Revenue Clearance application and the system was used to verify property information for pending property sales and determine all outstanding charges related to the property. Committee noted that currently all electronic applications, attorneys The IRCARM (Interim Rates Clearance Application Management) system was developed to manage the application process for Revenue Clearance applications. It was further noted that the system was used to verify property information for a pending property sales and determine all outstanding charges related to the property. It was noted that currently, for all electronic applications, attorneys access the system via 3rd party systems which were managed by E4 and Lexis Nexis.

On this basis, it was noted that a number of applications come through this platform and as a result, the Municipality has to invoice **E4 and Lexis Nexis** monthly. It was further reported that E4 and Lexis Nexis pays the Municipality a commission for all the applications that they were processing on Municipality’s behalf. The current deficit was expected to increase over time as indicated in the table of income and expenditure, this was due to the filling of vacant posts as required for department operations.

The Committee noted that the application fee has remained static and increased marginally and, as a result, the revenue clearance department must recover expenses of the Section from the revenue clearance application fees generated. Also acknowledging that the increase for this year considers the above-mentioned fact, to cover estimated expenditure of R16 1m in the next financial year, the tariffs would have to be increased by more than double the current tariffs to reduce the deficit that is being absorbed by the department as the tariffs relate to a service provided for the transfer of properties, the increase in the tariff’s will be limited to approximately 10%.

It being noted that the World Bank and National Treasury have conducted a study on “Doing Business in South Africa” and one of the areas investigated was the issuing of Revenue Clearance Certificates. In this regard, eThekweni Municipality did not fare well amongst the other Metros in the country and a strategy to improve subsequently suggested, to introduce new streamlined system that would automate some of the processes to improve customer service. The Committee noted the new streamlined (automated) system is expected to be implemented during the 2024-25 financial year, and with this also requiring appropriate tariffs to be introduced in respect of manual applications as one of the areas where the processes have slowed down.

The intention is to introduce new manual tariffs once the new system is being implemented and to cancel the current manual tariffs at the same time. Given the circumstances, it was reported that the new manual tariff would be considerably higher than the current tariffs as it would be representing the cost to company of the clerk that fulfils this duty.

During deliberations the DA, IFP and the ActionSA abstained on the matter, and it being supported by the majority of the other Political Parties present. At the Executive Committee level, the DA abstained, and with the other Political Parties present being support,

COMMITTEE RECOMMENDS:

- 2.16.1 That Council resolves in terms of Section 75A of the Local Government Municipal Systems Act No. 32 of 2000 that the current tariffs for the 2024-2025 financial year be increased by 10% with effect from 2024-07-01 and that the tariffs set out in Annexure “A” of the report of the Head: Revenue Management dated 2023-10-27 be levied in respect of the Revenue Clearance Certificate (RCC) as follows:
 - 2.16.1.1 The cost of processing an electronic application for a Rates Clearance Certificate be R264.00 (Two Hundred and Sixty-Four Rand) including VAT for properties below or equal to R185 000.00 and at R424.00, including VAT for properties above R185 000.00 in value.
 - 2.16.1.2 The cost of processing a manual application for a Rates Clearance Certificate be R535.00 (Five Hundred and Thirty-Five Rand) including VAT for properties below or equal to R185 000.00 and at R799.00 including VAT for properties above R185 000.00 in value.
 - 2.16.1.3 The cost of processing a manual application with the new system in place be R968.00 (Nine Hundred and Sixty-Eight Rand) including VAT for any application submitted through the Conveyancers.
 - 2.16.1.4 For each application applied for through Revenue Clearance system, vendors will pay R14.00 (Fourteen Rand) as a Commission to Council: R14.00 (Fourteen Rand) is inclusive of VAT.
- 2.16.2 That the new manual tariff as depicted in in Annexure “A” of the report of the Head: Revenue Management dated 2023-10-27, be implemented within a month after the new system used by conveyancers to apply for Revenue Clearance Certificates has been implemented.

2.16.3 That subject to the adoption of .1 and .2 above the City Manager be mandated to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

2.16.4 That the City Manager be mandated to send a copy of the notice to the KwaZulu-Natal MEC for Co-operative Governance and Traditional Affairs.

Financial Implications:

In terms of Section 17(3)(a)(ii) of the Local Government Municipal Finance Management Act No.56 of 2003 the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure as shown below:

Revenue Unit	2022/23 Actual	2023/24 Estimate	2023/24 Forecast	Proposed 2024/25 Estimate	Proposed 2025/26 Estimate	Proposed 2026/27 Estimate
	R	R	R	R	R	R
Income	(5, 141, 433.00)	(8,153, 300.00)	(8,153, 000.00)	(8,968,300.00)	(8,865,130.00)	(10,851, 643.00)
Expenditure	14,381,745.00	15,349,970.00	15,349,970.00	16,117,468.00	16,923,334.00	17,769,509.00
(Surplus)/ Deficit	9, 249,312.00	7,196,670.00	7,196,670.00	7,149,168.00	7,058,204.00	6,917,866.00

DEFERRED, to a Special Meeting.

2.17 Budget Statement Report for the Month Ended 31 January 2024 (7/1/4):
(Page 349: Finance Committee Agenda - 2024-02-21)

In giving an overview, the Head: Expenditure took the meeting through the salient features of the report relative to the actual operating revenue of 96% of the year-to-date budget, with a variance of -4%, and revenue generated to date is 59,9%. The actual operating expenditure reported as a percentage of year-to-date budget figure is 93% with a variance of -7% and Operating Expenditure spent to date is 54,4%. The reported capital expenditure is 62% of the budget with a variance of -38% and the capital year to date spent is 24,2%. A cash collection rate of 95,23% as at the end of January 2024 was reported, and higher when compared to the same period in the previous year (92,96%).

Upon consideration, the Committee expressed concerns on the anticipated over expenditure on EPWP and Security, escalating water distribution losses, projected revenue loss and that most unauthorised, irregular, fruitless and wasteful expenditure for the month of January 2024, were as a result of expired leases. Concerns also being raised regarding the escalating total debtors; reference being made to the unresolved ongoing litigation matter between Tansnat and the Municipality. Meanwhile, the Finance Cluster was commended for implementation of the Debt Relief Programme and for enabling the Municipality to obtain an unqualified audit opinion. Mention being made that the approved Water and Sanitation Strategy which contained clear actions to deal with water losses was already being implemented.

Thereafter,

COMMITTEE RECOMMENDS:

- 2.17.1 That the Budget Statement report for the month ended 2024-01-31 and the supporting documents, submitted by the City Manager as per his report dated 2024-02-16, in compliance with Section 71 and Section 52 (d) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (LG: MFMA), read together with Regulations Section 28 of the Municipal Budget and Reporting Regulations, and in terms of Government Notice 32141 dated 17 April 2009, on the implementation of the budget and financial affairs of the Municipality and its entities, be noted.
- 2.17.2 That, in compliance with Section 32(2) of the LG: MFMA, Council notes Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred in the month of November 2023, as detailed under Section 10 of the Budget Statement Report.
- 2.17.3 That the Municipal Council refers the UIFWE referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation with a view to achieving informed outcome whether recovery or write-off of the said expenditure is permissible as per the provisions in terms of Section 32(2)(b) of the MFMA, and that the MPAC report back to the Council the outcome of its investigations.

DEFERRED, to a Special Meeting.

3. REPORT OF THE SECURITY AND EMERGENCY SERVICES COMMITTEE:
MEETING HELD 2024-02-22.

(Page R27)

- 3.1 Request for Authority for the eThekweni Municipality to enter into a Memorandum of Agreement with the Provincial Department of Transport for the Management of Motor Vehicle Registration; Licencing; Learner and Driver's Licence Test Centre (28/2/8/1):

(Page 01: Security and Emergency Services Committee Agenda - 2024-02-22)

EThekweni Municipality through the Durban Metro Police Services Unit is currently managing the Driver's License Testing Centres at Verulam and Amanzimtoti as well as the Motor Vehicle Licensing Centres based in Verulam, Umhlanga and Amanzimtoti on an agency basis on behalf of the KwaZulu Natal Department of Transport. This agency agreement has been subject to a three-year agreement and has been renewed over the years. The current agreement is due to expire on 31 March 2024 and in light thereof the Department of Transport has submitted the revised agreement which now contains two key amendments as follows:

- It has been proposed that the revised agreement should be for a period of five years.
- It is proposed that the commission paid to the municipality in lieu of vehicle licensing offices be revised from 8.55% to 10%. It be noted that the revised commission came into effect on 01 July 2023.

The above suggested amendments are impacting on the Vehicle License Offices only. It be noted that the revised agreement will come into effect on date of the final signing of same by the City Manager and the Head of the KwaZulu-Natal Department of Transport.

COMMITTEE RECOMMENDS:

- 3.1.1 That authority be granted for the City Manager to enter into, and sign revised five-year agreement with the KwaZulu-Natal Department of Transport for the management of the Motor Vehicle Registration and Licensing Centres & the Learner and Driver License Testing Centres located in Verulam, Amanzimtoti and Umhlanga.
- 3.1.2 That it be noted that the revised agreement contains the two amendments as follows:
- (i) The revised agreement will be for a period of five (5) years.
 - (ii) The commission paid to the Municipality in lieu of vehicle Licencing offices is revised from 8.55% to 10%.

Financial Implications:

Council receives 100% of the total revenue generated at the Driver's Licence Test Centres and 10% of the total revenue generated at the Motor Vehicle Licencing Offices. The details of the expenditure and income for these facilities for the 2022/2023 financial year are as follows:

Facility	Actual 2022/2023		Net Surplus
	INCOME	EXPENDITURE	
Verulam and Amanzimtoti Driver Licence Testing Centres	R42 888 252	R30 600 049	R12 288 203
Verulam, Amanzimtoti and Umhlanga Vehicle Licencing Centres	R24 638 736	R12 889 692	R11 749 044
TOTAL	R67 526 988	R43 489 741	R24 037 247

DEFERRED, to a Special Meeting.

- 3.2 Request for Approval to Introduce and Implement the Security Management Learnership Program (6/2/1):
(Page 28: Security and Emergency Services Committee Agenda - 2024-02-22)

The Security Management Unit is intending to introduce and implement the Security Management Learnership Program during the 2023/2024. The objective of this learnership program is to build access to a wider spectrum of appropriately qualified security personnel with the required competencies to undertake a variety of security processes and practices. As mandated by section 63 of the Municipal Finance Management Act 56 of 2000, the municipality needs to ensure that all appropriate steps are taken to secure and safeguard council assets. Given this, a multi-faceted approach is required, and this is inclusive of the recruitment of competent security staff that would be able to respond to any identified risks and dangers within the city. Through this learnership, Security Management Unit will be able to produce well-trained, motivated, and dedicated workforce for consideration in future employment opportunities.

This learnership is intended to address scarcity that exists in the security sector by upskilling largely females and young people at an entry and operational levels. The program will be implemented in collaboration with the eThekweni Municipal Academy and would be tailored to attract and retain quality learners to improve the security service provided by the Unit.

The duration of this learnership would be twelve (12) months and it is anticipated that at the end of the program the learners would be able to:

- (i) Complete General Security Practices training through an industry-approved skills program.
- (ii) Provide clients with security services.
- (iii) Explain and apply current statutory requirements that pertain to the Unit operations.
- (iv) Understand the operational needs of providing security service while also contributing to a safe and secure workplace.
- (v) Interact with both internal and external customers.

The requirements for one to be considered for this learnership are as follows:

Essential minimum requirements:

- Grade 12 qualification
- Female candidate as an added advantage
- Driver's License with minimum Code B

Applicants should possess the following:

- South African citizen with a valid identity document
- Reside in the eThekweni Municipal area of jurisdiction (proof of residence required)
- 18-35 years (at the date of the closing of the advert)
- Not have any physical disabilities or medical infirmities/illnesses/condition
- No criminal record
- Must be physically fit due to security operational requirements
- Must be unemployed and not have participated in a similar program.

Applicants will be subjected to the following:

- Written assessment
- Fitness physical assessment
- Credential checking and assessment
- Security check
- Medical assessment

At the Executive Committee level, the EFF supported the matter with reservations, particularly, on the issue of the age limit. Emphasis being put to the significance of providing opportunities that will also consider and improve lives of people who have passed the age of 35. The concern was acknowledged accordingly, and it being clarified that this Programme is specifically targeted for the youth, and preferably females, in view of this department lacking females' incumbents and also individuals being unable to meet minimum entry requirements, hence the introduction of the learnership to empower and build capacity from within the department.

The Committee supported the matter with the approach being viewed to be of great assistance to the City to prevent crime and therefore a need to recruit incumbents fit to be groomed for this purpose. Therefore,

COMMITTEE RECOMMENDS:

- 3.2.1 That in conjunction with the eThekweni Municipal Academy, the Head; Security Management Unit be granted authority to introduce and implement the Security Management Learnership Program which is aimed at building access to a wider spectrum of appropriately qualified security personnel with the competencies required to undertake a variety of security processes and practices.
- 3.2.2 That the budget be made available for the 2023/2024 fiscal year from savings identified under the Units Uniform budget via adjustment budget: **(24420.22200.12120.000.MRC01.0010)** to fund the training of learners.
- 3.2.3 That the 2024/2025 training costs be provided in the budget preparation for 2024/25.
- 3.2.4 That it be noted that Security Management Unit and the eThekweni Municipal Academy are currently working on the financing application to be submitted to the Safety and Security Sector Education Training Authority (SASSETA) and is subject to their approval.

Financial Implications:

The total cost of the project is estimated at R3 744 000.00. A budget of R1.5 million is required to cater for the monthly stipend for 72 Learners for 12 months has been set aside by eThekweni Municipal Academy. The Security Management Unit will provide all program training and specialized Personal Protective Equipment, and this will be spread over two financial years (2023/2024 and 2024/2025) and this will be sourced from the Unit's budget as follows:

Unit	Item	Cost for 72 Learners	Budget required 2023/2024	Budget required 2024/2025
eThekweni Municipal Academy	Stipend/person @ R1650.00 for 12 months to commence 2024-03-01	R1 425 600	R356 400	R1 069 200
Security Management Unit	Personal Protective Equipment	R115 200	R115 200	R0
	<u>Training</u> • First Aid Training	R43 200	R43 200	R0
	SASSETA and Security Grades Training and Registration	R2 160 000	R600 000	R1 560 000
	TOTAL COSTS	R3 744 000	R1 114 800	R2 629 200

DEFERRED, to a Special Meeting.

3.3 Request for Approval to Write-off 236 Assets in the Security Management Unit (8/1/2):
(Page 39: Security and Emergency Services Committee Agenda – 2024-02-22)

Authority is sought for approval to write-off a number of two hundred and thirty-six (236) assets with a net book value of R62 257.27 (Sixty-Two Thousand Two Hundred and Fifty-Seven Rand Twenty-Seven Cents) within the Security Management Unit. The said assets could not be verified on the JDE system during the annual asset verification process conducted. The reconciliation process revealed several items appearing in the Asset Register which could not be located over the years.

In view thereof,

COMMITTEE RECOMMENDS:

That authority be granted for the Head: Security Management to facilitate a process to write-off a number of two hundred and thirty-six (236) assets, with a net book value of R62 257.27 as at 30 June 2023, as the reconciliation process have revealed that the assets in question could not be verified on the JDE system although appearing in the Unit's Asset Register.

DEFERRED, to a Special Meeting.

3.4 Outcomes of the 2019/2022 Lessons Learnt Exercise in respect of Disasters Incidents with the eThekweni Municipal Area (29/2/2/2):
(Page 180: Security and Emergency Services Committee Agenda – 2024-02-22)

The purpose of the report is to provide an update on the progress made in respect of the 2019/2022 Lessons Learnt Exercise (LLE). This exercise was necessitated by the fact that the City was increasingly exposed on the devastating effects of disasters including severe storms, floods, fire, drought as well as tornados. The study was therefore undertaken in 2020 as a collaborative project between the National Treasury's Cities Support Programme, eThekweni Municipality and the World Bank.

The LLE is seen as an important tool to support the municipality in improving staff and assistance needed to support those affected by disasters and to reduce the impact of disasters. Its aim was to facilitate discussions on systems, procedures and experiences related to the Emergency Preparedness and Response capacity in eThekweni and working with key government departments and disaster relief agencies in all spheres of government.

The strategic objective of the LLE seeks to have an understanding on the causes of disaster, their impact in the society and how to mitigate their effects. The LLE further seeks to achieve the following:

- (i) How the Municipality can better prepare its response during disasters.
- (ii) It further seeks to map out how the Municipality can better prepare in responding to disasters.
- (iii) To examine the Emergency Preparedness and Response (EP&R) systems, procedure and policy.
- (iv) To develop strategies to mitigate the effects and improve the ability for the municipality to respond.

In terms of the outcomes of the LLE, several issues and recommendations were identified. Seventeen recommendations for improvement were thereafter made in several thematic areas with five recommendations aimed at national and provincial spheres of government, and twelve being for implementation at metro levels.

The exercise was further followed by a debriefing session which was directed to the institutional response made by the City and responders and commenting on current structure and ways of working in dealing with extreme challenges. The debrief further sought to align with the LLE report and recommendations and to reinforce the existing recommendations, reprioritize or redefine existing recommendations and new ones if required.

It be noted that there are no additional financial implications to this programme since the implementation is mainstreamed through the current programme which is linked to collaborative agreements with Public Private Partnership and currently being Santam.

COMMITTEE RECOMMENDS:

3.4.1 That the Committee notes the Lessons Learnt Exercise undertaken in respect of disasters that had occurred within the eThekweni Municipal area and, with a view to achieving the following:

- (i) How the Municipality can better prepare its response during disasters.
- (ii) It further seeks to map out how the Municipality can better prepare in responding to disasters.
- (iii) To examine the Emergency Preparedness and Response (EP&R) systems, procedure and policy.
- (iv) To develop strategies to mitigate the effects and improve the ability for the municipality to respond.

3.4.2 That the Committee notes the revised recommendations of the Lessons Learnt Exercise, and its implementation plan as follows:

	National Reviews	Score	Priority for Action	Lead	Key Stakeholders
1.	Assess and review National Treasury financial incentives and requirements to encourage investment in risk mitigation and preparedness by Provinces and Municipalities.	3		National Treasury	Provincial & Metropolitan Finance Teams
2.	Optimise the disaster financing chain to reduce processing delays	3	✓	National Treasury	National, Provincial & Metropolitan Finance Teams and Disaster Management Centres
3.	Undertake a national review of emergency procurement/commissioning processes	4		National Treasury	Stakeholders from Provincial and Metropolitan sphere

	National Reviews	Score	Priority for Action	Lead	Key Stakeholders
	Joint National/Provincial/Municipal Reviews				
4.	Strengthen Disaster Management Centres capacity to deliver their statutory leadership and performance management role and refocus resources on risk mitigation and preparedness at all spheres of government	3		National Disaster Management Centre	Provincial & Metropolitan Disaster Management Centres, strategic and political leadership
5.	Undertake a comprehensive review of early warning provision to inform an improvement and capacity building programme	4	✓	National Disaster Management Centre	Provincial and Metropolitan Disaster Management Centers, Engineering/Stormwater Teams, Academia
	eThekweni actions, process and documentation reviews				
6.	Review multi-agency Incident Command Systems (ICS) and communication protocols, develop a standard training syllabus for all personnel that may be required to operate at the District Operation Centre/Joint Operations Centre, and build ICS capacity at all levels through regular training, drills and multi-agency exercises		✓	Head of Disaster Management and Emergency Control Unit	Metro Police, Fire & Rescue, Health and Department Heads
7.	Review existing plans and Standard Operating Procedures relating to emergency command and control facilities (DOC/JOC/Fusion Centre/Call Centres) and define a single and integrated SOP or service agreement for ICS that is harmonised across all agencies and all facilities		✓	Deputy City Manager: Community and Emergency Services	Disaster Management, Metro Police, Fire & Emergency Services, Health, Human Settlements, Engineering
8	Review existing hazard, risk and vulnerability data projects within the eThekweni Metropolitan Municipality and identify how decision makers from eThekweni departments, responders and the wider community can gain access to a single and authoritative source of information of emergency preparedness and response			Head: of Disaster Management and Emergency Control Unit	All eThekweni Departments, responders, academia, private sector operators of high-risk installations
9.	Review existing Climate and Resilience Strategies to identify opportunities for mainstreaming risk reduction and disaster risk management			Chief Strategy Officer	All eThekweni Departments (aligned to existing and ongoing project work)

	National Reviews	Score	Priority for Action	Lead	Key Stakeholders
10	Review current inventories of equipment/resources that can be used to respond to an emergency and produce a single consolidated database setting out the equipment available and the protocols for its mobilization and use in an emergency			Head: of Disaster Management and Emergency Control Unit	All eThekweni Departments (consolidate existing inventories and develop protocols for resource activation and deployment)
11	Undertake a review of the current usage of the TETRA Radio system and identify opportunities for its development to replace current reliance on WhatsApp			Head: Information Management Unit	Metro Police, Fire and Emergency, Disaster Management and other relevant Units
12	Review business planning processes for the DMAF to support their work in direction, planning and review of emergency preparedness and response			Chief Strategy Officer	DMAF members, assistance from eThekweni Disaster Management Centre (Capacity building support from National Cities Support Programme)
13	Review and harmonise the systems for authorization of high-risk industries and approval of off-site safety plans. Harmonise risk information requirements, placing the burden on the site operators where possible and building capacity to address the current backlog of statutory off-site plan			DCM: Community and Emergency Services	Members of the two current committees, industry representatives
	eThekweni actions – capacity building and investment				
14	Build the capacity of existing community structures and groups to enhance understanding of disaster risk and emergency preparedness		✓	Chief Learning Officer (Head: eThekweni Municipal Academy)	Fire and Rescue, Ward Committee, NGOs, Academia
15	Work with partners and volunteers to develop community based response plans supported by programmes for community sensitization on the risks they face. Plans must be reinforced through regular training and drills		✓	Head: of Disaster Management and Emergency Control Unit	Fire and Emergency, Ward Committees, NGOs, Academia, Volunteers, Communications Unit
16	Clarify who is responsible for emergency shelters, how many shelters are required in eThekweni to deal with anticipated disasters and invest in shelter development and		✓	Deputy City Manager: Community and Emergency	Disaster Management, DMAF, Owners of facilities used as a shelter, eThekweni departments, Faith Based Groups

	National Reviews	Score	Priority for Action	Lead	Key Stakeholders
	operation. In support of this task, there will be a need to develop minimum standards for shelter facilities and robust plans to ensure they can be developed, activated and managed to ensure safety and welfare of users.			y Services	
17	Review and assess current risks and special rescue/response needs. Conduct a gap analysis to identify capacity building requirements (personnel, equipment, training and SOPs) and an associated investment programme			Head: of Disaster Management and Emergency Control Unit	Fire & Rescue, Health, Metro Police, eThekweni Municipal Academy

3.4.3 That it be noted that there are no additional financial implications to the process; however, the implementation included collaborative agreements with Public Private Partnership and other spheres of government support.

3.4.4 That the City Manager be authorized to sign the Collaborative Agreement between eThekweni Municipality and Old Mutual. The agreement in is respect of disaster risk reduction and humanitarian relief.

3.4.5 That the City Manager be authorized to sign the Partnership Agreement between eThekweni Municipality and the South African Social Security Agency (SASSA).

3.4.6 That the Deputy City Manager: Community and Emergency Services be mandated to provide a close-out report bi-annually in respect of the implementation of the Lessons Learnt Exercise recommendations and activities.

DEFERRED, to a Special Meeting.

4. REPORT OF THE ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE: MEETING HELD 2024-02-22.

(Page R35)

4.1 Staffing Budget Transfer from the Urban Renewal – Beachfront Management Office to the Economic Development Unit (4/1/3):

(Page 01: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for the transfer of funds from the Urban Renewal – Beachfront Management Office within the Office of the Deputy City Manager: Economic Development and Planning to the Economic Development Unit (EDU), to fund a vacant and unfunded Project Manager post, to be utilised for the benefit of the Beach Management Office (BMO).

Additional background and motivation is highlighted below:

- (i) The member of staff in question (a Project Manager) was seconded from the Engineering Unit in 2013 to the then Strategic Project Unit (SPU).
- (ii) The erstwhile SPU was dissolved, and the staff and budget were used to establish the Catalytic Projects Unit (CPU) and create the Urban Renewal Office and the Beach Management Office (both offices report to the Deputy City Manager – Economic Development and Planning).
- (iii) At the time of the staff member's transfer, to continue with the role of Project Manager responsible for beachfront projects, the Beach Management Office at the time did not have an approved organogram, related and graded job description, nor did it have the budget.
- (iv) The staff member was transferred from the Engineering Unit to Economic Development Unit on 2019-02-01, a funded and vacant post (Post Id 22000076 – TK15) under the Economic Development Unit.
- (v) The Economic Development Unit, agreed to retain the staff member in question as a Project Manager against a funded and vacant post, however working as a Project Manager within Beach Management Office. This arrangement was based on an undertaking that the Beach Management Office will place the staff member in the project management post, once the organogram and the grading of the job description was done, and funding was made available. This arrangement continued to date. Whilst the organogram was approved (2 Project Manager posts and Administrative Assistant), however the actual post remained ungraded and without a budget.
- (vi) From July 2022, the Head (Economic Development Unit) indicated that the (Post ID: 22000076) currently occupied by the staff member will be filled shortly and therefore requested that the Beach Management Office would need to find a new post and funding for this individual.
- (vii) In 2022, a funding request was made for the BMO vacant, unfunded post (Project Manager) and this funding was made available, in the 2023/2024 financial year, however, the Job Description (JD) has not been approved for the post, so this post within the BMO cannot be filled until the post is graded.
- (viii) As Economic Development Unit require (Post ID: 22000076) to be made vacant, Human Capital has assisted with funding another vacant, unfunded post (Post ID: 22000210 – TK 15) under the EDU as an interim arrangement, on the condition that the BMO funds this post.
- (ix) Funding for this post is available from the Urban Renewal – Management Office Staffing vote as per g, above.
- (x) The Job Description approval process has also been initiated and it is envisaged that this will be completed within the next six (6) months.
- (xi) The Staff member in question, with the accompanied budget will then be able to move to this new post within the BMO (subject to the outcome of grading)

Having noted the foregoing,

COMMITTEE RECOMMENDS:

- 4.1.1 That the allocation of funds R800 000.00 (Eight Hundred Thousand Rand) from Urban Renewal Management Unit to Economic Development Unit to fund the unfunded position for Project Manager (Post ID22000210-TK 15), be approved.
- 4.1.2 That subject to the approval of .1 above, the re-allocation of budgets would then be regularised during the mid-term adjustment budget.

Financial Implications:

That savings of R800 000.00 (Eight Hundred Thousand Rand) on the operating budget vote for the 2023/2024 financial year has been identified from Urban renewal Unit. The savings are the result of the post not being filled, as it is not yet graded. These funds are to be transferred and used for funding the post Project Manager – TK 15 (22000210), for the staff member in question.

TRANSFER FROM SALARY VOTES (URU)					
BU	Item	Fund	Costing	Project	Region
26810	Various	12120	0000	MRC01	R001
TRANSFER TO SALARY VOTES (EDU)					
BU	Item	Fund	Costing	Project	Region
26104	Various	12120	0000	MRC01	R001

Funding for the future period has been made available under Urban Renewal Unit, the realignment of funds to be processed during the 2024/2025 Mid Term Revenue and Expenditure Framework.

DEFERRED, to a Special Meeting.

- 4.2 Review of Durban Tourism Tariffs in the 2024-25 MTREF (7/6/1):
(Page 07: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval for the zero percent increment of Durban Ricksha Bus tariffs for the 2024/2025 financial year in terms of Section 75A (1) (a) of the Local Government; Municipal Systems Acts No. 32 of 2000. The adoption of the Durban Ricksha Bus tariffs will contribute to the achievement of Plan 2 of the Integrated Development Plan: Developing a prosperous, diverse economy and employment creation.

In accordance with Section 75A (1) (a) of the Local Government; Municipal Systems Acts No. 32 of 2000, eThekweni Municipality has the power to impose tariffs annually for any of its functions or services, hence the tariffs at Durban Tourism Ricksha Bus Operations.

In terms of Section 17 (3)(a)(ii) of the Local Government: Municipal Finance Management Act No. 56 of the 2003, the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a Municipal Council.

It was noted that the core business of the Ricksha Bus Operations within the tourism office, is promoting Durban as a must visit destination through all the platforms enriched on the Visitor Marketing Strategy not specifically generating income from the service. The Durban Tourism Department utilises the Durban Ricksha Bus

Operations as one of key tourism experiences and destination marketing tools to expose the destination as a leisure and business travellers to the destination through bus tours.

Having noted the foregoing,

COMMITTEE RECOMMENDS:

- 4.2.1 That the Council of eThekweni Municipality resolves in terms of Section 75A of Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 2024-07-01 the tariffs set out in annexure “Ä” of the report of the City Manager dated 2023-01-16 be levied in respect of the Planning sector.
- 4.2.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A(3) and (4) of the said Act regarding the display of notices for such for such an increase.

Financial Implications:

In terms of Section 17(3)(a)(ii) of the Municipal Management Act 56 of 2003 the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure are shown below:

	FINANCIAL YEAR				
	2022/2023	2022/2023	2023/2024	2024/2025	2025/2026
	(Actual)	(Budget)	(Approx)	(Estimate)	(Estimate)
	R	R	R	R	R
Income (Excl. Grants)	(1 196 250)	(565 000)	(550 000)	(1 000 000)	(1 000 000)
Expenditure	1 824 826.96	1 726 041.72	1 895 221.92	1 944 583.78	1 995 505.75
Deficit	-628 576.96	-1 161 041.72	-1 345 221.92	-944 583.78	-995 505.75

NB The Income budget was increased by 82% as the procurement of 2 new Ricksha buses is currently underway. Revenue is expected to increase.

DEFERRED, to a Special Meeting.

- 4.3 Review of Itinerant Traders, Street Traders, Hive Sites and Containers Tariffs in the 2024-25 MTREF (7/6/1/6):
(Page 15: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval to implement a zero percent (0%) increase on tariffs for Business Support Unit for the 2024/2025 financial year effective from 2024-07-01. The adoption of the review of tariffs 2024/2025 for Itinerant traders, Street traders, Hive sites and Containers will contribute to the achievement of Plan 2 of the Integrated Development Plan: Developing a prosperous, diverse economy and employment creation.

In accordance with Section 75A (1) (a) of the Local Government; Municipal Systems Act No. 32 of 2000, eThekweni Municipality has the power to impose tariffs annually for any of its functions or services, hence the tariffs for Business Support Unit.

In terms of Section 17 (3)(a)(ii) of the Local Government: Municipal Finance Management Act No. 56 of the 2003, the setting of any Municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a Municipal Council.

It was noted that sourcing of products to be sold by the Informal Traders has become challenging, due to exorbitant costs from the suppliers. The Informal Traders Organisations and Committees have written letters to the eThekweni Municipality Informal Economy Forum and Council proposing that the rental not be increased for this period due to COVID-19, the April 2022 floods and economic hardships that they are currently facing.

At the Executive Committee level, the EFF abstained at this stage of the proceedings and with the majority of Political Parties being in support,

COMMITTEE RECOMMENDS:

- 4.3.1 That the Council of eThekweni Municipality resolves in terms of Section 75A of Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 1 July 2024 the tariffs set out in annexure “Ä” of the report of the Head: Development Planning, Environment and Management dated 202301-16 be levied in respect of the Planning sector.
- 4.3.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A(3) and (4) of the said Act regarding the display of notices for such for such an increase.

Financial Implications:

In terms of Section 17(3)(a)(ii) of the Municipal Management Act 56 of 2003 the setting of any municipal tariffs must be done in the form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure are shown below:

	FINANCIAL YEAR				
	2022/2023	2022/2023	2023/2024	2024/2025	2025/2026
	(Actual)	(Budget)	(Approx)	(Estimate)	(Estimate)
	R	R	R	R	R
Income (Excl. Grants)	-4 740 552	-6 495 300	-6 495 300	6 820 065	6 820 065
Expenditure	142 280 981	146 290 930	146 290 930	153 605 476	153 605 476
Deficit	-137 540 429	-139 795 630	-139 795 630	-146 785 411	-146 785 411

DEFERRED, to a Special Meeting.

- 4.4 Review of Planning Sector Tariffs in the 2024-25 MTREF (7/6/1/6):
(Page 23: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval to implement a zero percent increase on tariffs for Planning Sector for the 2024/2025 financial year effective from 2024-07-01. The adoption of the Planning Sector tariffs for the 2024/2025 financial year will contribute to the achievement of Plan 1 of the Integrated Development Plan: Develop and Sustain our Spatial, Natural and Built Environment as well as Plan 8: Financially Accountable and Sustainable City.

In accordance with Section 75A (1) (a) of the Local Government; Municipal Systems Act No. 32 of 2000, eThekweni Municipality has the power to impose tariffs annually for any of its functions or services, hence the tariffs at the Development Planning, Environment and Management Unit.

In terms of Section 17 (3)(a)(ii) of the Local Government: Municipal Finance Management Act No. 56 of the 2003, the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a Municipal Council.

It was noted that the tariffs applicable to the Unit were last revised on 2021-07-01.

Following discussion,

COMMITTEE RECOMMENDS:

- 4.4.1 That the Council of eThekweni Municipality resolves in terms of Section 75A of Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 1 July 2024 the tariffs set out in annexure “Ä” of the report of the City Manager dated 2023-01-16 be levied in respect of the Planning sector.
- 4.4.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A(3) and (4) of the said Act regarding the display of notices for such for such an increase.

Financial Implications:

In terms of Section 17(3)(a)(ii) of the Municipal Management Act 56 of 2003 the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure are shown below:

	FINANCIAL YEAR				
	2022/2023	2022/2023	2023/2024	2024/2025	2025/2026
	(Actual)	(Budget)	(Budget	(Estimate)	(Estimate)
	R	R	R	R	R
Income (Excl. Grants)	21 885 376	39 969 710	31 987 270	31 962 190	31 962 190
Expenditure	324 573 243	409 396 470	448 188 145	470 597 552	494 127 429
Deficit	302 687 867	369 426 760	416 200 875	438 635 362	462 165 239

DEFERRED, to a Special Meeting.

4.5 Review of Agri-Business Agripark Incubators Tariffs in the 2024-25 MTREF (7/6/1/6):
(Page 78: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval to implement a ten percent (10%) increase on tariffs for Agri-Business for the 2024/2025 financial year effective from 2024-07-01. The adoption of the Agri-Business tariffs for the 2024/2025 financial year will contribute to the achievement of Plan 2 of the Integrated Development Plan: Developing a prosperous, diverse economy and employment creation.

In accordance with Section 75A (1) (a) of the Local Government; Municipal Systems Act No. 32 of 2000, eThekweni Municipality has the power to impose tariffs annually for any of its functions or services, hence the tariffs for Agri-Business Department. In terms of Section 17 (3)(a)(ii) of the Local Government: Municipal Finance Management Act No. 56 of the 2003, the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a Municipal Council.

The eThekweni Agri-business Master Plan adopted by the Council in February 2020, outlined the key agriculture commodities which the Municipality should support for the development of the Agri-Business Sector. The Agri-business Master Plan outlined the need to have a value-chain approach to Agri-business Development with a strong emphasis of Agro-processing and Primary Production Development.

In an effort to create an enabling environment for the emerging Agri-Business enterprises, the Municipality has developed tariffs for the rental of the existing Municipal assets to stimulate Small, Medium and Micro Enterprise development. The Municipality under Agri-Business department has three incubators namely, Cato Ridge Agripark Incubator, Ottawa Agripark Incubator and Cottonlands Agripark Incubator.

As some Councillors were not in support of the proposed tariffs increase at the Support Committee level, the matter was put to the vote. With the ANC (13) and the MOSA (01) moving for approval of the recommendation, the DA (08), EFF (03) and the ActionSA (01) voting against and, with the ACDP (01) abstaining on the matter.

At the Executive Committee level, the DA (03) also voted against the matter. Therefore, with the ANC (04), EFF (01) and the NFP (01) being in support,

COMMITTEE RECOMMENDS:

- 4.5.1 That the Council of eThekweni Municipality resolves in terms of Section 75A of Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 1 July 2024 the tariffs set out in annexure “Ä” of the report of the City Manager dated 2023-01-16 be levied in respect of the Planning sector.
- 4.5.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A(3) and (4) of the said Act regarding the display of notices for such for such an increase.

Financial Implications:

In terms of Section 17(3)(a)(ii) of the Municipal Management Act 56 of 2003 the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure are shown below:

	FINANCIAL YEAR					
	2022/2023	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	(Actual)	(Budget)	(Approx)	(Estimate)	(Estimate)	(Estimate)
	R	R	R	R	R	R
Income (Excl. Grants)	6 355 485	8 295 300	8 295 300	8 710 065	8 710 065	8 710 065
Expenditure	145 396 923	146 290 930	146 290 930	153 605 476	153 605 476	153 605 476
Deficit	-139 041 438	-137 995 630	-137 995 630	-144 895 411	-144 895 411	-144 895 411

DEFERRED, to a Special Meeting.

4.6

Application in terms of Section 26 of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 Of 2021) to Amend Condition of Approval Granted by Council (21/7/4):

(Page 85: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for the approval to amend Condition 1 as contained in the Decision Notice of 2018-01-24 to allow for the submission of a revised Traffic Impact Assessment should the development exceed the original number of units (37) approved. This must be done prior to the submission of building plans. The current approved Floor Area Ratio and Coverage for Erf 1096 Umhlanga Rocks, 50 Lagoon Drive remain the same.

It was recalled that the Municipal Council at its meeting held on 2017-12-06 adopted an amendment to the North Scheme for Erf 2096 Umhlanga Rocks. The reasons for amending the North Scheme as contained in the Council Minutes, were then used as Conditions of Approval for the Decision Notice. The Decision Notice dated 2018-01-24 is attached as Annexure B of the report by the City Manager dated 2024-01-29.

The Land Use Management Branch received an application to amend Condition 1 of the conditions of approval as follows:

- 1) It was noted that the Traffic Impact Assessment by Astragal Project Management, dated 5 September 2016, Issue 0, Job number 601941-17 was based on thirty- seven units. The application has to comply with the number of units being capped at thirty – seven.

With (additions to Condition 1 in italics):

- 1) It is noted that the Traffic Impact Assessment by Astragal Project Management, dated 5 September 2016, Issue 0, Job number 601941-17 has been based on thirty- seven units. In the event of the number of units being exceeded, a revised Traffic Impact Assessment will be submitted for approval by the eThekweni Transport Authority, prior to the submission of building plans.

The proposed amendment will negate the need to do a full Scheme amendment for any unplanned increase in the number of units, provided that the responsible department monitors this. Additionally, this will save on time and development costs in the long term. Land Use Management Department have been including this additional wording in more recent applications with similar conditions in order to reduce red tape and improve the approval and implementation process.

The site is zoned General Residential 1, and the Development Facilitation Table (DFT) for the Zone indicates that there are specific controls relating to Erf 1096 Umhlanga Rocks regarding its Floor Area Ratio (FAR) and Coverage. Over and above what is reflected on the DFT, there was a Condition included in the Decision Notice issued in 2018 that restricted the number of units to be developed on the property to thirty-seven (37) residential units.

The capping of the numbers of units to be developed was at the time based on the Traffic Impact Assessment (TIA) submitted with the application as the North Scheme contains no limitations on the number of units allowed in the General Residential 1 Zone.

However, although the applicant does not intend to go above the capped number of units, in recent years Land Use Management has added wording to these sorts of conditions in order to allow for flexibility. The proposed wording permits eThekweni Transport Authority to accept a revised TIA and approve and amend the number of units permitted if they are satisfied that the traffic impact is reasonable. The FAR and the Coverage as indicated in the DFT remain unchanged.

The application for the amendment to the Decision Notice of a condition of approval was tabled at the Joint Advisory Committee (JAC) on the 17 April 2023 and was supported. The amendment to the condition was also supported by the eThekweni Transport Authority (ETA).

Having noted the foregoing, it was accordingly

COMMITTEE RECOMMENDS:

- 4.6.1 That in terms of Section 26(1) (b) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) the amendment to the Decision Notice dated 2018-01-24, (as per Council decision of 2017-12-06), for Condition 1 from:
- 4.6.2 It is noted that the Traffic Impact Assessment by Astragal Project Management, dated 2016-09-05, Issue 0, Job number 601941-17 has been based on thirty- seven units. This application has to comply with the number of units being capped at thirty – seven.
- 4.6.3 It is noted that the Traffic Impact Assessment by Astragal Project Management, dated 5 September 2016, Issue 0, Job number 601941-17 has been based on thirty-seven units. In the event of this number of units being exceeded, a revised Traffic Impact Assessment will be submitted for approval by the eThekweni Transport Authority, prior to the submission of building plans.

Financial Implications:

There are no financial implications envisaged for the Municipality. All costs, if any, will be borne by the applicant.

DEFERRED, to a Special Meeting.

- 4.7 Request for Permission to Advertise Review of the eThekweni Municipal Land Use Management Scheme (EMLUS) Comprising of Sub-Scheme Areas: Central, North, South, Inner West, Outer West (21/7/R):
(Page 96: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval to advertise the review of the eThekweni Municipal Land Use Scheme (EMLUS) for 2024. The eThekweni Municipal Land Use Scheme is comprised of Sub-schemes: namely the Central, North, South, Inner West, Outer West and all the land use regulations pertaining to these Sub-Schemes.

The review of the eThekweni Municipal Land Use Scheme is to ensure the alignment of terminology, processes, and development standards across all Land Use Management Planning Areas. The Department of Development Planning and more specifically the Land Use Management Branch annually embarks on a process to review its Land Use Schemes in-line with Section 19 (1) of the eThekweni Municipality: Planning and Land Use Management Second Amendment By-Law 2021. Such review is based on the need to remain pro-active 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 the foregoing,

COMMITTEE RECOMMENDS:

- 4.7.1 That the Land Use Management Branch proceed to advertise the Review of the eThekweni Municipal Land Use Scheme and Sub-Schemes: Central, North, South, Inner West and Outer West for public participation in terms of Section 14 of the eThekweni Municipality Planning and Land Use Management Second Amendment By-law, 2021.
- 4.7.2 That on conclusion of the public participation process, the Review of the eThekweni Municipal Land Use Scheme be further refined in response to comments received during the public participation process.
- 4.7.3 That the reviewed eThekweni Municipal Land Use Scheme and proposed amendments will be submitted to Council for adoption.

DEFERRED, to a Special Meeting.

- 4.8 Request for Authority to Advertise Draft 2024-2025 Municipal Spatial Development Framework (21/5/1).
(Page 99: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval of the Draft 2024-2025 Municipal Spatial Development Framework to be advertised for public comments between February and April 2024 in the Ezasegagasini and local newspapers circulating in the eThekweni Municipal area. The document will also be placed in all Sizakala Centres, Municipal Libraries and on the Municipal website. Municipal line Departments, Provincial Sector Departments and neighbouring Municipalities will also be invited to comment. Engagement with all stakeholders will be encouraged. Additionally, to provide an update of the Municipal Spatial Development Framework review process.

It was noted that the comments received will be considered, and an amended final draft Municipal Spatial Development Framework 2024-2025 will be prepared and tabled for adoption by Council in May 2024 for subsequent submission to the MEC for Co-operative Governance and Traditional Affairs and Gazetted as per the statutory requirement.

It is further proposed that presentations be given to the Portfolio Committees of Council, Ward Committees and the Traditional Leaders to understand all implications associated therewith prior to approving the SDF in May 2024.

The Municipal Spatial Development Framework (MSDF) 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 to play in guiding and managing Municipal decisions 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 Spatial Development Framework (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. It also provides an analysis of the spatial needs and issues and provides strategies and programs to address these challenges.

The SDF also facilitates effective use of scarce land resources, facilitates decision making regarding the location of service delivery projects, guides public and private sector investment, strengthens democracy, integration, inclusivity, and spatial transformation, promotes intergovernmental coordination on spatial issues, serves as a framework for land development decisions and the development of lower order plans and Schemes, guides and informs the spatial location of municipal infrastructure investment and spatial priorities, and provides visual representation of the desired urban form of the municipality in the short, medium and long term.

The Draft MSDF 2024-2025 has focused on the following:

- Achieving Spatial Planning and land Use Management compliance in terms of the required content of a Municipal SDF.
- Engaging with Cooperative Governance and Traditional Affairs to achieve alignment between the Provincial SDF and the Municipal SDF.
- On-going Sector engagements achieve better alignment of the municipal budget with spatial priorities.
- Ongoing Mapping Improvements and information updates.

Following presentation of the SDF to Committee,

COMMITTEE RECOMMENDS:

4.8.1

That the Draft Municipal Spatial Development Framework 2024-2025 be advertised for public comment.

- 4.8.2 That the Draft Municipal Spatial Development Framework 2024-2025 be referred to the respective Portfolio Committees for presentation to understand all implications associated therewith prior to approving the Spatial Development Framework in May 2024/2025.
- 4.8.3 That the comments received during the Public Process be considered and amended Final Draft MSDF 2024/2025 be prepared.
- 4.8.4 That the Final Draft Municipal Spatial Development Framework Review 2024/2025 be tabled at the Council meeting in May 2024 for final adoption.

DEFERRED, to a Special Meeting.

- 4.9 Application in terms of the eThekweni Municipality: Planning And Land Use Management Second Amendment By-Law, 2021 (Notice 95 Of 2021): Application to Amend the Central Sub-Scheme: Mixed Use 5: Brickfield/Sparks/Randles Precinct to Increase Coverage from 60% to 86%, Floor Area Ratio from 2.5 to 4.5, and Height From 6 to 7 Storeys, Portion 1 of Erf 472 Brickfield: Located at 472 Randles Road (21/7/11).

(Page 107: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval to amend the Central Sub-Scheme: Mixed Use 5: Brickfield/Sparks/Randles Precinct for the increase of coverage from 60% to 86%, floor area ratio from 2.5 to 4.5, and the height from 6 to 7 Storeys, on portion 1 of Erf 472 Brickfield: located at 472 Randles Road.

It was noted that the subject site, is located in the suburb of Sydenham, which site is accessed off Randles Road approximately 270m north of the Randles/Moses Kotane Road intersection.

The property was previously developed as a block of flats owned under a sectional title scheme, and the building was legally demolished, leaving behind a vacant site. The site is currently under construction as building plans have been approved for a parking structure only in terms of the current planning controls.

The proposal seeks to amend the controls in order to facilitate the approval of a licensed private hospital and in order to provide a functional hospital, the coverage, floor area ratio and height have had to be revised. Furthermore, the shape of the site and its topography has also dictated a review of the planning -built forms informants.

The hospital fits into the Medical Precinct of this area, and will provide an opportunity for more hospital beds. The resultant urban form fits in with the existing built form of the NuShifa Hospital, but also with surrounding residential high-rise buildings. The proposal also talks directly to the adopted Precinct Plan for this area in terms of its use. The proposal will create pre and post construction jobs and also add to the rates base of the Municipality.

It was noted that eThekweni Transport Authority has supported the application, and in the event of the application being approved, and building plans being submitted for a hospital, departments will again be given the opportunity to assess the proposal. Should there be any infrastructural upgrades required, this will be affected at the building plan stage. Such upgrades, if any, will be for the Developers account.

It was advised that the application was duly and properly advertised in the iSolezwe and Mercury Newspapers, respectively, on 2023-11-10 with the closing date for the lodgement of objections being 2023-12-11 and no objections or comments were received during this period. In circulating the Combined Application, to relevant Departments for evaluation and comment, all Departments supported the application

Having noted the foregoing,

COMMITTEE RECOMMENDS:

In terms of Section 46(1)(a) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) the application for the amendment to the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development Facilitation Table: Mixed Use 5: Brickfield/ Sparks / Randles Precinct for the increase in Coverage from 60% to 86%, Floor Area Ratio from 2.5 to 4.5, and the Height from 6 to 7 storeys; on Portion 1 of erf 712 Brickfield: 472 Randles Road, **be approved** for the following reasons:

- 9.1 The proposed Coverage, Floor Area Ratio and Height are in keeping with the built form of the surrounding land uses;
- 9.2 The additional hospital beds are warranted to make the medical precinct functionally effective;
- 9.3 There is sufficient infrastructure to support the proposal.

ZONE: MIXED USE 5: BRICKFIELD / SPARKS / RANGLES PRECINCT		
SCHEME INTENTION: The purpose of this zone is to accommodate a wide range of commercial, office, medical office, residential, social and recreational uses. This zone shall apply to the respective Precinct only.		
MAP REFERENCE:		COLOUR NOTATION: Blue and yellow cross-hatch
PRIMARY	SPECIAL CONSENT	PRECLUDED
<ul style="list-style-type: none"> Dwelling House Educational Establishment Flat Fuelling and Service Station Government / Municipal Health & Beauty Clinic Health Studio Institution Office / Office – Medical Parkade Pet Grooming Parlour Private Open Space Place of Public Worship Retirement Centre Multiple Unit Development Restaurant / Fast Food Outlet Retirement Centre Shop Veterinary Clinic 	<ul style="list-style-type: none"> Car Wash Hotel Special Building Telecommunication Infrastructure Student Residence 	Land uses not included in the Primary and Special Consent columns
DEVELOPMENT PARAMETERS		
<ol style="list-style-type: none"> All landscaping to the satisfaction of the municipality. The following controls shall apply to the property described as Portion 1 of Erf 712 Brickfield :472 Randles Road: and the following conditions shall apply to any development of the land comprising this Site: <ol style="list-style-type: none"> The maximum coverage for all buildings shall not exceed 86% of the development area The maximum FAR for all buildings shall not exceed 4.5 of the development area The maximum height for all buildings shall not exceed 7 storeys 		

Height of 3 storeys apply to the following sites:

1. Sites fronting Randles Road from the intersection of Moses Kotane Road and Randles Road heading west to Everton Road, on the northern side of Randles Road.

Height of 4 storeys apply to the following sites:

1. Sites fronting Felix Dlamini Road from the intersection of Moses Kotane Road and Felix Dlamini Road heading west to Villa Road, on the northern side of Felix Dlamini Road.
2. Sites fronting Moses Kotane Road between Browns Avenue and Booth Road.
3. Sites fronting Randles Road from the intersection of Moses Kotane Road and Randles Road heading west to Methodist Road, on the southern side of Randles Road.

Height of 6 storeys apply to the following sites:

1. Sites fronting Randles Road from the intersection of Moses Kotane Road and Randles Road heading east to the intersection of Randles Road and Rippon Road, Clare Road and Dr RD Naidu Drive.

DEVELOPMENT PARAMETERS

SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA RATIO
BUILDING LINE	SIDE & REAR SPACE					
7.5 m	3.0 m	Not applicable	To the satisfaction of the municipality	3 – 4 – 6 See additional controls	60 %	2.5

DEFERRED, to a Special Meeting.

4.10

Application in terms of the eThekweni Municipality: Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021): Proposed Amendment to Special Zone 26: Broadway Precinct within the eThekweni Municipal Land Use Scheme: Central Sub-Scheme by Deletion of Erf 1839 from Clause 3.2 Land Use Component 2: Residential Office Conversion and Redevelopment; and Addition of Erf 1839 to Clause 2.1 Land Use Component 1: Commercial (21/7/4):
(Page 112: Economic Development and Planning Committee Agenda – 2024-02-22)

Authority is sought for approval of the proposed amendment to Special Zone 26: Broadway Precinct within the eThekweni Municipal Land Use Scheme: Central Sub-Scheme by the deletion of Erf 1839 from Clause 3.2 Land Use Component 2: Residential Office conversion and redevelopment; and the addition of Erf 1839 to Clause 2.1 Land Use Component 1: Commercial in terms of Section 26 (b) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021). The application contains a Category 3 Component, however, only the Category 1 component is presented as Council is the decision maker in this regard. The remaining component has been supported by the Joint Advisory Committee but are dependent of this Category 1 application being approved.

The application focuses on Broadway Precinct in Durban North which has been expanding due to market pressure. The application site is currently used as medical offices together with other office land uses. The proposed change will further allow commercial activities on the site. The application was duly advertised, and one objection was received.

It was noted that currently the site sits within Land Use Component 2 within the Broadway Special Zone. which allows the site to be used for Residential as well as office use. This application seeks to amend the Scheme, moving the site to Land Use Component 1 which allows commercial activities. A number of properties have made similar applications including Kensington Square which sits below the site, as well as 4 Swapo which sits above the site.

A detailed land use survey was provided by the applicant indicating that most properties along Swapo have a commercial component and therefore operating in contravention of the zone controls.

Additionally, the applicant seeks approval to remove all unnecessary restrictive conditions. The conditions are in favour of the Durban North Estates limited and deal with the type and quality of building material to be used during construction. The restrictions do not relate to land use limitations and therefore doesn't affect the scheme amendment.

It was noted that the Combined Application was circulated to relevant Departments for evaluation and comment. All Departments supported the application subject to various conditions. The amendments are all supported as they contribute to a better-quality environment and add to the Municipal economy.

Having noted that the proposed amendment is appropriate and meets the development principles as set out in the current planning legislation, promotes efficient and sustainable economic development and use of infrastructure.

COMMITTEE RECOMMENDS:

- 4.10.1 That the proposal is in alignment with the intention of Broadway being developed as a Mixed-Use Node and Retail Centre.
- 4.10.2 That the concerns raised by the objectors are noted however cognisance has to be given to the facts that the strategic plan for Swapo Road was to create an activity spine which will create a certain amount of noise and traffic given the nature of the land use activities. It is natural for the land use to intensify and expand over time which can be seen from the land use map and the development of the area.

In terms of Section 46(1)(a) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) the application for the amendment to the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development Facilitation Table by the Amending Special Zone 26 by:

THE DELETION OF ERF 1839 FROM CLAUSE 3.2 LAND USE COMPONENT 2: RESIDENTIAL OFFICE CONVERSION AND REDEVELOPMENT; AND THE ADDITION OF ERF 1839 TO CLAUSE 2.1 LAND USE COMPONENT 1: COMMERCIAL

Resulting in the following changes to the Development Facilitation Table of Special Zone 26:

SPECIAL ZONE 26: BROADWAY PRECINCT	
SCHEME INTENTION: To provide, preserve, use land or buildings for a limited mix of land-uses, as listed below. The purpose of this zone is to promote and manage residential, business and office uses in close proximity to or integrated with each other within the Broadway Precinct to reinforce its status as a neighbourhood shopping and convenience node.	
MAP COLOUR REFERENCE: Black cross hatch with zone number	MAP REFERENCE:
<ol style="list-style-type: none">1. This special zone shall apply to the following properties:- Erven 1791-1798, 1826-1827, 1830-1831, 1834-1845, 1848-1849, 1879-1904, 1917-1926, 1929-1943, 1973, 1976-1991, 1994-1995, 1998, 2020-2021, 2023-2028, 2030-2031, all of Durban North.2. The Broadway Precinct drawing hereunder forms an integral component of the Zone and indicates the broad land use treatment thereof. This special zone comprises 3 land use components, i.e. Commercial, Residential Office Conversion and Redevelopment, Residential Office Conservation.	

SPECIAL ZONE 26: BROADWAY PRECINCT						
Land Use Component 1: Commercial						
Erven : 1793, <u>1839</u> , 1884-1885, 1887-1896, 1898-1899, 3764, 1926, 1929-1937 and 1939, all of Durban North. Intention : A retail and office area which may comprise a mix of residential, retail, offices, restaurants and by Special Consent entertainment uses.						
PRIMARY		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none"> *Flat *Shops Car Wash Health & Beauty Clinic Health Studio Office Office - Medical Pet Grooming Parlour Restaurant/ Fast Food Outlet 		<ul style="list-style-type: none"> Action Sports Bar Place of Public Entertainment Education Establishment Fuelling and Service Station Flea Market Night Club Special Building Student Residence Telecommunication Infrastructure Any other use authorised in terms of Section 9.4 		<ul style="list-style-type: none"> All other uses 		
ADDITIONAL CONTROLS						
1. *The controls in accordance with that applicable to a Limited Commercial Zone shall apply. 2. A three storey height may be permitted on a sloping site by Special Consent 3. The Commercial Component of Erf 1793 Durban North will be limited to a maximum 140m ² retail floor space and 600m ² storage/warehouse						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION(m ²)	HEIGHT IN STOREYS	COVER AGE	FLOOR AREA
BUILDING LINE	SIDE AND REAR SPACE					
3.0m	Nil	N/A	450	2	50%	N/A
Land Use Component 2 : Residential Office Conversion and Redevelopment						
Erven : 1794,1834, 1835, <u>1840</u> to 1841, 1881, 1886, 1897, 1902, 1919, 1925, 1938, 1940, 1980 to 1982, 1986 and 1987, 2026 all of Durban North. . Intention: A residential area where offices may be permitted through the conversion of existing buildings or through redevelopment provided that neighbourhood amenity is not materially impacted on.						
PRIMARY		SPECIAL CONSENT			PRECLUDED	
<ul style="list-style-type: none"> Dwelling House Multiple Unit Development Office Office - Medical 		<ul style="list-style-type: none"> Crèche Health & Beauty Clinic Educational Establishment Institution Place of Public Worship Special Building Telecommunication Infrastructure 			All other uses	
ADDITIONAL CONTROLS						
3.2.1 Floor Area Ratio: where a dwelling unit is to be converted or redeveloped for suburban office purposes, then the floor area ratio for office purposes shall not exceed 0.5 to 1.						
3.2.2 On sloping ground, 3 storeys shall be permitted, provided that such building at no point exceeds more than 2 storeys in a vertical line.						
3.2.3 Signage, Hoarding and Advertising shall be in accordance with sub-section 1.20 of this scheme.						
3.2.4 Parking shall be provided on-site at the ratio of one bay per 25m ² of offices and in the case of any other use, parking shall be provided in terms of section 8. of this scheme. Such parking shall be screened and constructed of pervious material to the satisfaction of the Head: EThekweni traffic authority.						
3.2.5 All properties converted or redeveloped for office use within this component shall be landscaped to the satisfaction of the Municipality.						

SPECIAL ZONE 26: BROADWAY PRECINCT						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m ²)	HEIGHT IN STOREY S	COVE RAGE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2m	One dwelling house for every 900m ²	900	2 (see 3.2.2 above)	40%	0.8 (see 3.2.1 above)
Land Use Component 3: Residential Office Conservation						
Erven : 1791, 1792,1795 to 1798, 1826, 1827, 1830, 1831, 1836 to1838, 1842 to 1845, 1848, 1849,1879, 1880, 1882, 1883, 1900, 1901, 1903, 1904, 1917, 1918, 1920, 1921, 1924, 1941 to 1943, 1973, 1976 to 1979, 1983 to 1985, 1988 to 1991, 1994, 1995, 1998, 2020, 2021, 2023 to 2028, 2030 and 2031.						
Intention: A residential area where non-intrusive offices may, in addition, be permitted through the conservation and conversion of existing buildings whilst still protecting the neighborhood amenity.						
PRIMARY		SPECIAL CONSENT			PRECLUDED	
<ul style="list-style-type: none">Dwelling HouseMultiple Unit DevelopmentOfficeOffice - Medical		<ul style="list-style-type: none">Health & Beauty ClinicEducational EstablishmentInstitutionPlace of Public WorshipSpecial BuildingTelecommunication Infrastructure			<ul style="list-style-type: none">All other uses	
ADDITIONAL CONTROLS						
1.3.1 Floor Area Ratio: where a dwelling unit is to be converted for suburban office purposes, then the floor area ratio for office purposes shall not exceed 0.3 to 1.						
1.3.2 Signage, Hoarding and Advertising shall be in accordance with sub-section 1.20 of this scheme.						
1.3.3 The Municipality may authorise on a sloping site the erection of a building which is more than 3 storeys in height if such building will at no point have more than 2 storeys in a vertical line or the erection of a building which is 3 storeys in height.						
1.3.4 Parking shall be provided on-site at the ratio of one bay per 25m ² of offices and in the case of any other use, parking shall be provided in terms of section 8. of this scheme. The parking shall be screened and constructed of pervious material to the satisfaction of the duly authorised official of the Municipality.						
3.3.6 In the case of any alteration or renovation of any residential dwelling and/or ancillary outbuilding within this component, such alteration and/or renovation shall retain the appearance of a residential dwelling to the satisfaction of the Head: Development Planning, Environment and Management.						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m ²)	HEIGHT IN STOREY S	COVE RAGE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2M	One dwelling house for every 900m ²	900m ²	2; (see 3.3.3)	40%	0.8 (see 3.2.1 in addition control s)

DEFERRED, to a Special Meeting.

4.11

Application in terms of the eThekweni Municipality: Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021): Proposed Amendment to Special Zone 26: Broadway Precinct within the eThekweni Municipal Land Use Scheme: Central Sub-Scheme by Deletion of Erf 1839 from Clause 3.2 Land Use Component 2: Residential Office Conversion and Redevelopment; and Addition of Erf 1839 to Clause 2.1 Land Use Component 1: Commercial (21/7/4):
(Page 122: Economic Development and Planning Committee Supplementary Agenda – 2024-02-22)

Authority is sought for the approval for the amendment of the eThekweni Municipal Land Use Scheme: North Sub-Scheme: Section 7: Development Facilitation Table: General Residential 1 Zone by the insertion of an Additional Control for Erf 3464 Umhlanga Rocks, situated at 1 Lighthouse Road, to permit the increase in Floor Area Ratio (FAR) from 0.9 to 1.2 and increase in Coverage from 30% to 35%.

The proposed redevelopment of the Beverly Hills hotel will provide a much-needed hotel of international 21st century tourist standards in a convenient location, in close proximity to other hotels such as the Pearls of Umhlanga, Oyster Box Hotel and Oceans developments, so offering a wider choice.

The proposed increase in the development controls is site specific and is still limited in terms of the General Residential 1 zoning and the development parameters of the zone. The site is large enough to accommodate the proposed development which is designed to fit in with the surrounds by producing a hotel of international standards on the Umhlanga beachfront.

From a land use compatibility perspective, the proposed use will complement, improve and extend the business and non-residential land uses in the vicinity of Umhlanga beachfront and popular whalebone pier.

Given that the subject site is not developed to its maximum potential, the proposed development will intensify the use of the site, improve the value by virtue of the investment and in turn increase the rates that will accrue to the municipality, whilst offering a hotel to international standards.

Having noted that the proposed amendment is appropriate and meets the development principles as set out in the current planning legislation and promotes sustainable economic development,

COMMITTEE RECOMMENDS:

That in terms of Section 26(1) (b) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) the application for the amendment of the eThekweni Municipal Land Use Scheme: North Sub-Scheme: Section 7: Development Facilitation Table: General Residential 1 Zone by the inclusion under additional controls as follows:

Additional Control

Erf 3464 – Beverly Hills Hotel: Coverage is limited to 35% and Floor Area Ratio of 1.2

be **APPROVED** for the following reasons:

- 4.11.1 The development proposal for an increase in Floor Area Ratio and Coverage is not seen as circumventing the intention of the North Sub-Scheme in that the existing Beverly Hills Hotels re-development brings the iconic hotel up to date with international hotel standards and developments in Umhlanga such as The Oceans, The Pearls, The Oyster Box and Fleetwood on Sea have similar development controls which means the Beverley Hills Hotel is in keeping with the existing built form and does not create a precedent .
- 4.11.2 The development proposal cannot be achieved within the existing Zone's development controls of Floor Area Ratio and Coverage, given the site's constraints of three frontages, the beach amenity reserve and sloping topography. The site is unique and is encumbered by a substantial area of Beach Amenity Reserve which creates a narrow strip of developable land, which limits development potential within the prescribed Floor Area Ratio and Coverage of the Zone, and therefore the amendment is warranted, and the increases proposed not unreasonable.
- 4.11.3 The objection received against this application has been carefully considered in the decision-making process, and the Department is of the view that the issues raised have been adequately responded to.

The eThekweni Municipal Land Use Scheme: North Sub-Scheme will be amended to reflect the following amended Development Facilitation Table as follows:

		ZONE: GENERAL RESIDENTIAL 1 PAGE 1 OF 2					
SCHEME INTENTION: To provide, preserve, use land or buildings for higher density of residential accommodation, a range of ancillary uses which service the day to day needs of a residential community. MAP REFERENCE: NS / 05 / 2012 NOTATION: Dark Brown							
PRIMARY		SPECIAL CONSENT		PRECLUDED			
<ul style="list-style-type: none">• Boarding House• Chalet Development• Conservation Area• Dwelling House*• Flat*• Hotel• Multiple Unit Development• Retirement Centre		<ul style="list-style-type: none">• Crèche• Educational Establishment• Health Studio• Institution• Laundry• Mobile Home Park & Camping Ground• Private Open Space• Restaurant / Fast Food Outlet*• Shop*• Special Building• Student Residence• Telecommunications Infrastructure		<ul style="list-style-type: none">• Action Sports Bar• Adult Premises• Agricultural Activity• Agricultural Land• Airport• Arts and Crafts Workshop• Betting Depot• Builder's Yard• Bus and Taxi Depot• Car Wash• Cemetery / Crematorium• Container Depot• Convention Centre• Correctional Facility• Direct Access Service Centre• Display Area• Escort Agency• Flea Market• Fuelling and Service Station• Funeral Parlour• Garden Nursery		<ul style="list-style-type: none">• Landfill• Mortuary• Motor Garage• Motor Display Area• Motor Vehicle Test Centre• Motor Workshop• Museum• Nature Reserve• Night Club• Office• Office – Medical• Parkade• Pet Grooming Parlour• Place of Public Entertainment• Place of Public of Worship• Recycling Centre• Reform School• Refuse Disposal• Riding Stables• Scrap Yard• Transport Depot• Transport Use	

		ZONE: GENERAL RESIDENTIAL 1 PAGE 1 OF 2	
		<ul style="list-style-type: none"> • Government Municipal • Health & Beauty Clinic • Industry - Extractive • Industry – General • Industry – Light • Industry – Noxious 	<ul style="list-style-type: none"> • Truck Stop • Veterinary Clinic • Warehouse • Zoological Garden
ADDITIONAL CONTROLS			
<p>1. All landscaping to the satisfaction of the Municipality.</p> <p>2. Where an Erf is developed exclusively for a Dwelling House the Side and Rear Spaces shall be 3.0 metres.</p> <p>3. Restaurant / Fast Food Outlet permitted on the ground floor in a Flat only by Special Consent.</p> <p>4. Shop permitted on the ground floor in a Flat only by Special Consent.</p> <p>5. The maximum Coverage maybe increased by not more than 10% solely for the purpose of providing covered parking.</p> <p>6. Umdloti District:</p> <p>6.1 No building shall exceed a height of 6 storeys above natural ground level provided that no building shall protrude higher than 2 storeys above highest natural ground level.</p> <p>7. Umhlanga District:</p> <p>7.1 Erf 3113 – Oyster Box Hotel: Coverage is limited to a maximum of 33.8 %.</p> <p>7.2 Erf 1096 – Coverage is limited to 46 % and Floor Area Ratio of 2.2.</p> <p>7.3 Erf 3464 – Beverly Hills Hotel: Coverage is limited to 35% and Floor Area Ratio of 1.2</p>			

DEFERRED, to a Special Meeting.

4.12

UMtshebheni Node Facilitation of Road Upgrade (25/4/6/1):

(Page 129: Economic Development and Planning Committee Supplementary Agenda – 2024-02-22)

Authority is sought for the approval to transfer the unspent savings from the KwaZulu-Natal Department Cooperative Governance and Traditional Affairs (COGTA) grant that was approved for the implementation of the Hazelmere Dam Roads project within eMtshebheni Node. Following extensive engagement and intervention from the Municipality Chief Financial Officer the application for the redirecting of the unspent grant to eMtshebheni Node was approved by Provincial COGTA as highlighted in Annexure 1 of the report by the City Manager dated 2024-02-06.

Subsequent to the economic downturn caused by the Covid 19 pandemic the Municipality has had to significantly reduce its budget set aside for township development and nodes such as eMtshebheni node. Having identified that road infrastructure would be a major hinderance for future growth in the node, the upgrading of the Access Roads and 48555 TRK were prioritised, and funds made available. However, due to the financial constraints and subsequent financial cuts resulting from post COVID budget constraints, some of the funds were lost

to the node, as well as the reduction in the budget made it impossible for the project team to deliver both roads in time for the development of private sector initiatives.

The delivery of the road has now become critical to the investment decision of Boxer Pty Ltd and other private tenants that have been secured by the developers. This could have an adverse impact on the future investment in this node and other township nodes. To expect tenants to take occupation of a building with an untarred informal road is not in line with the City's vision for township economic development.

Following discussion with all stakeholders the delivery of this project has been prioritised. The below proposed solution and way forward have been agreed by all stakeholders in principle subject to council approval.

- (i) The Municipality will utilise internal resources (EWS and CIP) to supervise the implementation of the project above.
- (ii) That the amount of R2 546 086.43 (Two Million Five Hundred and Forty-Six Thousand and Eighty-Six Rand Forty-Three Cents) to be transferred from unspent savings from the Hazelmere Dam Road project, funded through the COGTA grant.

It was noted that the Municipality has developed the INK Nodes and Corridors Development Plan to create, unlock and promote development opportunities that exist within the INK area. This Strategy identified six nodes and 3 corridors/activity spines as economic development focus areas in line with the INK Local Economic Development (LED) Strategy.

The Mtshebeni Node was one of the six nodes identified in the strategy. Significant amount of planning has been done in this area to ensure that this organic node develops in a structured and sustainable manner.

The Municipality through the Economic Development Programmes Unit has funded the development of an alternative road to the provincial road (M25). The access road runs parallel to the M25 and allows access to local businesses, the first phase of the road was completed at the cost of R 7,0 million and the second phase of the road which costed R 9 027 000.00 (Nine Million and Twenty-Seven Thousand Rand), and was completed in July 2023. This road infrastructure has alleviated traffic congestion on the M25 which has been a negative externality of development in this node.

In addition, the Economic Development Unit has also supported and facilitated several private sector investments in the node including the now completed Spar supermarket as well as the currently under construction iKhawani Junction and the new petrol filling station. The New Spar Supermarket has a capital investment of over R 70 million and employed over three hundred (300) people during construction and now employs over forty (40) full time employees. The Spar has also opened opportunities for local companies to provide services to the centre such as security and cleaning services.

In view of the foregoing,

COMMITTEE RECOMMENDS:

- 4.12.1 That progress made on the development the eMtshebheni Node, be noted.
- 4.12.2 That the Council note COGTA approval of the transfer of the grant of R2 546 086.43 (Two Million Five Hundred and Forty Six Thousand and Eighty Six Rand Forty Three Cent) from Hazelmere Dam Roads project to eMtshebheni Access Road, 48555, in order to unlock development within the node.

Financial Implications:

The savings amount of R2,546,086.43 (Two Million Five Hundred and Forty Six Thousand and Eighty Six Rand and Forty Three Cent) previously held in unspent COGTA grant has been incorporated into the mid-term adjustment budget to be transferred to the eMtshebheni access road as per COGTA approval.

DEFERRED, to a Special Meeting.

- 4.13 Review of Bulk Fresh Produce Market Tariffs in the 2024-25 MTREF (7/6/1/6):
(Page 134: Economic Development and Planning Committee Supplementary Agenda – 2024-02-22)

Authority is sought for the approval to implement revised tariffs for the Bulk Market with effect from 2024-07-01, in terms of Section 75A(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

The Bulk Market in addition to its core business of commission income provides other associated rental space and services to facilitate trade. In respect of the rentable space and other services, tariffs charges are levied. The Bulk Market proposes the following tariffs for the 2024/2025 financial year as reflected in Annexure A of the City Manager report dated 2024-01-31:

- Administrative Tariffs, item 2 increase of 6.67% is attributable to the increased cost of producing of a card.
- Parking Reservation, item 3(c)(i) and (ii) increase of 7.14% and 6.45 % respectively is mainly as a result of increased maintenance costs.
- Transaction Fee, Item 3(d) is considered fair and reasonable, thus no increase is proposed.
- Cold Storage of fresh produce or other articles, item 6(a), (b), (c) and Multipurpose Room, Item 7, increase of 7.42%, 7.47%, 7.42% and 7.55% respectively, is substantially due to the increased cost of maintaining the facility, coupled with the anticipated 12% increase in electricity costs.
- Farmers Retail market, item 11(a) to (d), no increase is proposed due to the need to compensate the impact of poor economic conditions experienced by these users of Famers Retail Market.

It was advised that should the above proposed tariffs not be adopted, the Municipality risks realising a loss of income for the various types of Bulk Market tariffs.

As some Members were not in support of the proposed tariffs increment, the matter was put to a vote. With the ANC (13) and MOSA (01) voting in favour of the recommendation, and the DA (08), EFF (03), Action SA (01), ACDP (01) and AL-JAMAH (01) voting against, the outcome of the voting process resulted in a tie of 14 Members in voting favour of the recommendation and 14 voting against. The Acting Chairperson, who voted in favour of the recommendation utilised her casting vote.

The outcome of the process therefore resulted in fifteen (15) Councillors voting for approval of the recommendation, and fourteen (14) against.

At the Executive Committee level, the DA (03) also voted against the item and the EFF (01) abstained at this stage. Accordingly, with the ANC (04) and NFP (01) being in support,

COMMITTEE RECOMMENDS:

4.13.1 That the Council of eThekweni Municipality resolves in terms of Section 75A of Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 2024-07-01 the tariffs set out in annexure “Ä” of the report of the City Manager dated 2023-01-16 be levied in respect of the Planning sector.

4.13.2 That subject to the adoption of .1 above the City Manager be mandated to comply with the provisions of Section 75A(3) and (4) of the said Act regarding the display of notices for such for such an increase.

Financial Implications:

In terms of Section 17(3)(a)(ii) of the Municipal Management Act 56 of 2003 the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be tabled for approval before a municipal Council. Data relating to income and expenditure are shown below:

	FINANCIAL YEAR					
	2022/2023	2023/2024	2023/2024	2024/2025	2025/2026	2026/2027
	(Actual)	(Budget)	(Approx)	(Estimate)	(Estimate)	(Estimate)
	R	R	R	R	R	R
INCOME (Excl. Grants)	(21 493 002)	(22 868 890)	(21 158 510)	(22 145 140)	23 370 650	24 656 570
EXPENDITURE	17 248 678	17 924 603	18 100 000	19 969 180	21 263 193	22 640 781
DEFICIT	4 244 324	4 944 2870	3 058 510	2 175 960	2 107 457	2 015 789

Note: The core business of the Bulk Market, which is commission income is NOT reflected in the above figures.

DEFERRED, to a Special Meeting.

5. REPORT OF THE HUMAN SETTLEMENTS AND INFRASTRUCTURE
COMMITTEE: MEETING HELD 2024-02-22.

It should be noted that the DA recorded its abstention in all items contained therein, submitting that the Report of this Committee was received late, thus the inability for them to caucus on the items.

Commenting on the view by the DA, the Executive Committee Madlala requested that the Chairpersons of Support Committees should review their respective Committee sittings to ensure that meetings are convened in a manner that create space for Reports arising therefrom to be compiled and submitted for consideration by the Executive Committee meeting.

(Page R55)

5.1 Request for Project Authority to Upgrade Water and Sewer Infrastructure in Hostels
(22/8/21 & 23/2/R):

(Page 47: Human Settlements and Infrastructure Committee Agenda – 2024-02-22)

Authority is sought for approval to upgrade water and sewer infrastructure in the hostels within eThekweni Municipality in line with the directive from the Public Protector as part of recommendations which were identified with a view to improve the living conditions in the hostels.

It was indicated that failure to comply with the recommendations made by the Public Protector will have legal implication for eThekweni Municipality and these are hostels that will be targeted for this intervention KwaMashu A, Dalton, Jacobs, Glebe, Thokoza, KwaMakhutha, SJ Smith, Umlazi T, Klaarwater and Kranskoof.

During discussion, Members were of a view that the Head: Water and Sanitation need to provide a report on issues pertaining to the revenue collected from hostels to the next meeting of the Human Settlements and Infrastructure. In addition, it was indicated that the financial year has already overtaken by the event. On that basis, it was requested that the Head: Water and Sanitation should align the relevant financial year and submit a report to the Committee at the next meeting.

It was agreed that this item should remain a standing matter on the Committee agenda to enable the Head: Water and sanitation to provide regular updates for those projects with challenges.

At the Executive Committee level, the DA recorded their abstention on the matter. With other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.1.1 That authority be granted to the Head: Water and Sanitation Unit to upgrade water and sewer infrastructure in the hostels within eThekweni Municipality in line with the directive from the Public Protector as part of recommendations which were identified with a view to improve the living conditions in the hostels.
- 5.1.2 That subject approval of .1 above, the savings be identified and be allocated to upgrade water and sewer infrastructure in the hostels within eThekweni Municipality.
- 5.1.3 That subject approval of .1 above, authority be granted to the Deputy City Manager: Finance to include in his adjustment budget.

Financial implications:

The financial implications will be confirmed once the scoping exercise by the consultants is concluded. However, provision is requested to be made as follows; -

Item	Project Number	2022/2023	2023/2024	2024/2025
Design and Construction supervision	X8326	R10m	R10m	R10m
Construction	X8326	R50m	R100m	R100m
Total		R60m	R110m	R110m

The provision for construction is proposed as a blocksum at this stage to be unbundled as the project progresses.

DEFERRED, to a Special Meeting.

5.2

Request for Authority for Real Estate to Register Servitude for North Park Area, Northdene: Sewer Reticulation and Tie-In Project in Ward 63 (23/2/1/3/5/1):
(Page 50: Human Settlements and infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval for the Real Estate to register servitudes in the North Park Area – Northdene: for the Sewer Reticulation and Tie-in Project in Ward 63. It was advised that the estimated costs for acquiring services is R500 000.00 (Five Hundred Thousand Rand) (Excl. VAT). The budget has been provided in the 2023/2024 financial year under Project No.: Y7083 – North Park Area.

At the Executive Committee level, the DA recorded their abstention on the matter. With other Political Parties being support,

COMMITTEE RECOMMENDS:

5.2.1

That authority be granted the approval for the acquisition of a sewer servitude within the properties described below, from the private owner via donation, private treaty or expropriation if necessary, and this to follow the procurement process as prescribed by the relevant legislation, including the Municipal Supply Chain Management Policy, where applicable.

- (1) ERF 2528 Queensburgh;
- (2) ERF 2529 Queensburgh;
- (3) ERF 2530 Queensburgh;
- (4) Remainder of ERF 2532 Queensburgh;
- (5) ERF 2535 Queensburgh;
- (6) ERF 2535 Queensburgh;
- (7) ERF 3197 Queensburgh;
- (8) ERF 3201 Queensburgh;
- (9) ERF 3202 Queensburgh;
- (10) ERF 3206 Queensburgh;
- (11) ERF 3207 Queensburgh;
- (12) ERF 3208 Queensburgh;
- (13) ERF 3212 Queensburgh;
- (14) ERF 3213 Queensburgh;
- (15) ERF 3215 Queensburgh;
- (16) ERF 3225 Queensburgh;
- (17) ERF 3228 Queensburgh;
- (18) ERF 3229 Queensburgh;
- (19) ERF 3234 Queensburgh;
- (20) ERF 3233 Queensburgh;

- (21) ERF 3236 Queensburgh;
- (22) ERF 3237 Queensburgh;
- (23) ERF 3239 Queensburgh;
- (24) ERF 3241 Queensburgh;
- (25) ERF 3286 Queensburgh;
- (26) ERF 3998 Queensburgh;
- (27) Portion 1 of ERF 2548 Queensburgh;
- (28) Portion 3 of ERF 2777 Queensburgh;
- (29) ERF 2999 Queensburgh;
- (30) Remainder of Erf 4207 Queensburgh;
- (31) ERF 4351 Queensburgh;
- (32) Portion 2 of ERF 4207 Queensburgh;
- (33) ERF 4510 Queensburgh;
- (34) Portion 1 and 2 of ERF 336 Queensburgh;
- (35) Portion 1 of ERF 223 Queensburgh;
- (36) ERF 224 Queensburgh;
- (37) ERF 225 Queensburgh;
- (38) ERF 226 Queensburgh;
- (39) Portion 1, 2, 3, 4, 5, 6 and Portion 7 of ERF 330 Queensburgh;
- (40) Erf 337 Queensburgh;
- (41) Erf 344 Queensburgh;
- (42) Erf 345 Queensburgh;
- (43) Erf 346 Queensburgh;
- (44) Erf 347 Queensburgh;
- (45) Remainder of Erf 348 Queensburgh;
- (46) Erf 349 Queensburgh;
- (47) Erf 350 Queensburgh;
- (48) Portion 1 and 2 of ERF 352 Queensburgh;
- (49) Portion 2 and 3 of ERF 352 Queensburgh;
- (50) Remainder of ERF 352 Queensburgh; and
- (51) Portion 1 of ERF 376 Queensburgh.

5.2.2

That in the event that expropriation is deemed necessary, authority be granted for the Head: Real Estate to proceed with the expropriation of a sewer servitude over the properties reflected below:

- 1. ERF 2528 Queensburgh;
- 2. ERF 2529 Queensburgh;
- 3. ERF 2530 Queensburgh;
- 4. Remainder of ERF 2532 Queensburgh;
- 5. ERF 2535 Queensburgh;
- 6. ERF 2535 Queensburgh;
- 7. ERF 3197 Queensburgh;
- 8. ERF 3201 Queensburgh;
- 9. ERF 3202 Queensburgh;
- 10. ERF 3206 Queensburgh;
- 11. ERF 3207 Queensburgh;
- 12. ERF 3208 Queensburgh;
- 13. ERF 3212 Queensburgh;
- 14. ERF 3213 Queensburgh;
- 15. ERF 3215 Queensburgh;
- 16. ERF 3225 Queensburgh;
- 17. ERF 3228 Queensburgh;
- 18. ERF 3229 Queensburgh;

19. ERF 3234 Queensburgh;
20. ERF 3233 Queensburgh;
21. ERF 3236 Queensburgh;
22. ERF 3237 Queensburgh;
23. ERF 3239 Queensburgh;
24. ERF 3241 Queensburgh;
25. ERF 3286 Queensburgh;
26. ERF 3998 Queensburgh;
27. Portion 1 of ERF 2548 Queensburgh;
28. Portion 3 of ERF 2777 Queensburgh;
29. ERF 2999 Queensburgh;
30. Remainder of Erf 4207 Queensburgh;
31. ERF 4351 Queensburgh;
32. Portion 2 of ERF 4207 Queensburgh;
33. ERF 4510 Queensburgh;
34. Portion 1 and 2 of ERF 336 Queensburgh;
35. Portion 1 of ERF 223 Queensburgh;
36. ERF 224 Queensburgh;
37. ERF 225 Queensburgh;
38. ERF 226 Queensburgh;
39. Portion 1, 2, 3, 4, 5, 6 and Portion 7 of ERF 330 Queensburgh;
40. ERF 337 Queensburgh; Erf 344 Queensburgh;
41. ERF 345 Queensburgh;
42. ERF 346 Queensburgh;
43. ERF 347 Queensburgh;
44. Remainder of ERF 348 Queensburgh;
45. ERF 349 Queensburgh;
46. ERF 350 Queensburgh;
47. Portion 1 and 2 of ERF 352 Queensburgh;
48. Portion 2 and 3 of ERF 352 Queensburgh;
49. Remainder of ERF 352 Queensburgh; and
50. Portion 1 of ERF 376 Queensburgh.

5.2.3 That subject to the approval of .2 above, authority be granted for the Head: Real Estate to assess compensation in terms of Section 25(3) of the Constitution of the Republic of South Africa Act No. 108 of 1996, read in conjunction with the Expropriation of Land Act No. 63 of 1975, as the proposed acquisition is in the public interest and/or for public purposes and such the acquisition is deemed compulsory.

5.2.4 That subject to the adoption of .3 above the Head: Real Estate be authorized to conclude the appropriate agreement and sign all necessary documents to effect transfer, donation or expropriation and registration in favour of the eThekweni Municipality.

Project No.: Y7083 R1 150 000.00 Incl. VAT (Provided in the capital budget for the 2023/2024 financial year)

FC No.: 365/C407

DEFERRED, to a Special Meeting.

5.3

Request for Authority to Enter into an Agreement with the Department of Education for the Provision of Basic Water and Sanitation Services in Schools (WS2023/223) (23/1/R):

(Page 53: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval to enter into an agreement with the Infrastructure Unit of the Department of Education (DOE) to establish an overarching framework for strategic collaboration between the eThekweni Municipality and the Department of Education, focusing on the provision of basic water and sanitation related services, infrastructure development and strategic innovations in schools within eThekweni Municipality.

The Committee was advised that in August 2010, a Memorandum of Understanding (MOU) was signed between the DOE and the eThekweni Municipality with the objective of providing water and sanitation in the schools as well operation and maintenance support. Within the MOU, DOE and eThekweni Municipality recognized the importance of:

- Augmenting institutional and infrastructure capacity building to raise the quality of education and promote socio-economic growth within the Province of KwaZulu-Natal.
- Collaborating closely and synchronizing initiative within their respective mandates and resources for the purposes of achieving desired deliverables whilst simultaneously maximizing efficiencies and economies.
- The Department and the eThekweni Municipality will enter into this agreement for the purposes of strengthening their relationship in the spirit of co-operative government as envisaged in the Constitution of the Republic of South Africa.

It was indicated that arising from MOU, a block sum of R430 033 000.00 (Four Hundred and Thirty Million Thirty-Three Thousand Rand) has been provided by the DOE between 2010 and 2023 to urgently address the backlog of water and sanitation to schools as well to provide assistance with operational and maintenance of existing schools mainly, in the rural areas of the eThekweni Municipality.

It was further reported that the DOE has allocated Thirty-Three (33) new schools to be provided with new infrastructure of water and sanitation and a further Six Hundred and Three (603) schools have been allocated to eThekweni Municipality under the Maintenance Plan Programme. During discussion, the Committee undertook to conduct a site inspection as part of oversight and to manage this matter together with the Department of Education in the KwaZulu-Natal to be held in due course.

At the Executive Committee level, the DA recorded their abstention on the matter. With other Political Parties being support,

COMMITTEE RECOMMENDS:

That authority be granted to the City Manager to enter into a Memorandum of Understanding (MOU) with the Department of Education in the province of KwaZulu-Natal for the purposes of strategic collaboration for the strengthening of education infrastructure delivery together with water and sanitation services in schools within the eThekweni municipal area.

DEFERRED, to a Special Meeting.

5.4

eThekweni Municipality: Roads Policy: 2022 (2/4/P):

(Page 82: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval of the proposed eThekweni Municipality Roads Policy attached in the Annexure “A” of the report by the Acting Head: Engineering dated 2023-07-20. The primary purpose of this policy is to deal with the following:

- Direct the strategic planning of road infrastructure.
- Ensure that preventive and routine maintenance plans are designed to enhance the value of the road infrastructure assets for the benefit of present and future communities and customers.
- Outline the funding strategy for the construction of new road infrastructure and the maintenance of existing roads infrastructure.
- Define the concept of a backlog and outline mechanisms for addressing the same.
- Outline the roles and responsibilities of all relevant stakeholders involved in the provision and management of road infrastructure.

It was advised that this policy relates specifically to roads and parking areas under the jurisdiction and ownership of eThekweni Municipality and its therefore applicable to both the Roads Provision Department and the Roads and Stormwater Maintenance Department who own and manage eThekweni’s road network respectively.

The policy provides framework for achieving the strategic objective focusing on deliverables such as access, level of service and reducing life-cycle cost. The following key aspects are outlined in further detail in the policy:

- The provision of new infrastructure including strategic capital projects, new access roads, sidewalks and upgrading of gravel roads to a surfaced standard.
- The routine and preventive maintenance of existing infrastructure including rehabilitation.
- Working in the public road reserve.
- Maintaining a road asset register.
- Developing a road Asset Management Plan.
- Backlog.
- Funding.

It was noted that members were advised that this policy was approved by the Human Settlements and Infrastructure Committee at its meeting held on 6 September 2022 for public participation process. The notices calling for public participation was published in Ezasegagasini Metro Newspaper and uploaded on the Municipality’s website on 24 March 2023. The public participation ran from 24 March to 24 April 2023 and there were no comments or objections received. It was noted that most of the Committee Members were in support of the recommendations and thereafter requested a presentation to be undertaken to Party caucuses in the first instance.

The DA abstained on the matter both at the Support Committee and at the Executive Committee levels, with other Political Parties being support,

COMMITTEE RECOMMENDS:

That the proposed eThekweni Municipality: Roads Policy, 2022, as contained in the annexure “A” of the report by the Acting Head: Engineering dated 2023-07-20, be adopted for final publication aimed to address the following:

- Direct the strategic planning of road infrastructure.
- Ensure that preventive and routine maintenance plans are designed to enhance the value of the road infrastructure assets for the benefit of present and future communities and customers.
- Outline the funding strategy for the construction of new road infrastructure and the maintenance of existing roads infrastructure.
- Define the concept of a backlog and outline mechanisms for addressing the same.
- Outline the roles and responsibilities of all relevant stakeholders involved in the provision and management of road infrastructure.

DEFERRED, to a Special Meeting.

5.5

Request for Authority to Transfer Funds within the Electricity Unit Budget in 2023/2024 Financial Year:

(Page 110: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought approval to transfer funds in the amount of R1 602 160.00 (One Million Six Hundred and Two Thousand One Hundred and Sixty Rand) identified as savings in the approved budget for the Protection and Test Branch within Electricity Unit for the 2023/2024 financial.

At the Executive Committee level, the DA recorded their abstention on the matter. With other Political Parties being support,

COMMITTEE RECOMMENDS:

That authority be granted to the Head: Electricity to transfer funds in the amount R1 602 160.00 (One Million Six Hundred and Two Thousand One Hundred and Sixty Rand) identified as savings in the approved budget for the Protection and Test Branch within the Electricity Unit for the 2023/2024 financial.

Financial Implications:

Details of expenditure:

Vote	Approved Budget	Actual Expenditure	Planned Expenditure	Outstanding Invoices	Total required savings
37974.11570	R95 000.00	R45 390.00	R553 390.00	R58 000.00	R450 000.00
37975.14300	R204 850.00	R106 801.35	R1 250 200.00	R0.00	R1 152 160.00
	R299 850.00	R152 191.35	R1 803 590.00	R58 000.00	R1 602 160.00

Details of savings identified:

Vote	Vote Description	Savings
37972.14300	Material and supplies (Engineering Division)	R602 160.00
37975.11430	Contracted Services (DC Division)	R1 000 000.00
	Total savings	R1 602 160.00

DEFERRED, to a Special Meeting.

- 5.6 Servitude Acquisition for the 11kV Karim Lane to Prasa Booth Underground Cables (17/2/1/1/2):
(Page 114: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval for the Head: Real Estate to acquire servitude rights over property described as Portion 17 (of 10) of Erf 745 of Sea View as per Hand Plan No.: SJ 4935/8 contained in the report by the Head: Electricity dated 2023-12-07. It was advised that the existing 33 kV cables that supplied the PRASA Booth Substation exist over this property for which a servitude has not been registered. The intention is to register the servitude and replace the existing cables with 11kV cables to supply the PRASA Booth Substation.

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.6.1 That authority be granted for the acquisition of an electric cable servitude over the Proposed Portion described as Portion 17 (of 10) of Erf 745 of Sea View as per Hand Plan No.: SJ 4935/8 via donation, private treaty, or expropriation if necessary, following the appropriate procurement process as prescribed by the relevant legislation, including the Municipal Supply Chain Management Policy, if applicable

Description	Owner	Approximate Extent (sqm)
Portion 17 (of 10) of Erf 745 of Seaview	Tongaat Hullet Group Ltd	79

- 5.6.2 That subject to approval of .1 above, authority be granted to the Head: Real Estate to deviate from the Supply Chain Management Regulations and negotiate for the acquisition of the Municipality's requirements utilizing Regulation 36 (1)(a)(ii) and 36 (12) (a) of the Supply Chain Management Regulations. This may include cancellation of an electric cable servitude over the portion listed below, as per Hand Plan No.: SJ 4935/8.

Description	Owner	Approximate Extent (sqm)
Portion 12 (of 10) of Erf 672 of Seaview	Tongaat Hullet Group Ltd	105

- 5.6.3 That in the event that expropriation is deemed necessary the Head: Real Estate be authorized to proceed with the expropriation of the electric cable servitude over Portion 17 (of 10) of Erf 745 of Sea View in extent of approximately 79 square metres, as per hand plan SJ 4935/8.
- 5.6.4 That subject to the adoption of .3 above, the Head: Real Estate be authorized to assess compensation in terms of Section 25(3) of the Constitution of the Republic of South Africa Act 108 of 1996 read in conjunction with the Expropriation Act No. 63 of 1975, as the proposed acquisition is in the public interest and/or for public purposes and as such the acquisition is deemed compulsory.
- 5.6.5 That subject to the adoption of 4 above, the Head: Real Estate be authorized to conclude the appropriate agreement and sign all necessary documents to effect the transfer or expropriation and registration in favour of the eThekweni Municipality

DEFERRED, to a Special Meeting.

5.7

Noting of Reasons to Amend Contract No: 1H-45923 in terms of Section 116 (3) of the Local Government: Municipal Management Act No. 56 of 2003 for the Construction: of 231 Houses (40m²) – Sobonakhona Rural Housing Project (Wards 67,93 & 109) (22/7/1/1/3):

(Page 241: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

The existing Sobonakhona Rural Housing Project is a low-income housing project located 30km to the South - West of the Durban. It is situated within four Wards (67, 93, 96 and 109) of the eThekweni Municipality. The KZN Department of Human Settlements has approved the yield of 2850 40m² top structure units.

The contract: 1H-45923 Construction of 768 top structure units (40m²) at Sobonakhona, was approved at BSC on the 26 October 2020, then advertised as a task order on the 30th of October 2020 and the tender closed on the 4th of December 2020. The Bid adjudication Committee (BAC) approved the award of contract 1H-45923 to three contractors for the construction of 768 housing units. Each contractor was tasked with constructing 256 housing units, and the 24-month contract is still in effect until April 2024.

The impact of COVID-19 placed a strain on contractors throughout the industry due to the increase on building material which caused financial constraints to contractors. The Honourable MEC for the KZN Department of Human Settlements and Public Works approved an application for funding allowance or alignment of 10.4% for services, top-structures and bulk infrastructure services on all contractually committed housing projects within eThekweni municipality, including Sobonakhona Housing project. The letters stating the 10.4% increase in contract authority were issued to the three contractors who were awarded under Contract 1H-45923 as approved by BAC.

PERFORMANCE OF CONTRACTORS

Despite challenges posed by COVID-19 and social issues, the performance of the three contractors has been satisfactory and with all of them achieving above the stipulated targets for the previous financial years which has displayed high degree of dedication. The assessments of all contractors were conducted quarterly.

MOTIVATION

- The Sobonakhona Project yield is 2850 houses, to date 2302 houses have been completed.
- This will also ensure that the balance of the projects scope is achieved sooner and the remaining beneficiaries within the project area will be able to receive their houses. The project is critical to ensure delivery of houses to the most vulnerable, previously disadvantaged communities.
- The SBDIP target for this project 100 units for 2023/24 financial year this is based on the balance of the current scope at hand for these contractors, however, the revised budget for this financial year allocated by the Provincial Department of Human Settlement (PDHS) is R28 000 000.00 (Twenty-Eight Million Rand) which is for the construction of 180 houses. If the budget is not spent, PDHS may reallocate the grant to other spending municipalities within the Province. In order to achieve this target and spent allocated grant we need to increase the scope of existing service providers as it will improve turnaround

time. The annual target will be increased during midterm budget adjustment period to ensure that the allocated budget is spent. It would further delay the project to start the new procurement process which will take a minimum of 6 months to be finalized.

- The extension of this contract will benefit the project as there won't be any additional setting up fees that will be required for the contractors are already established on various site. The projects established local unskilled, semi-skilled labour, subcontractors and businesses will be continuing to benefit from the existing relations with these well established and reputable companies.
- The scope of work will increase by 30%, an addition of 231 top structure units to the original units of 768 units. With the amendment of scope, the three contractors will be allocated an additional of 77 housing units each. The scope of work includes construction of raft foundation, houses are typically of concrete block with tiled roof, trusses, and ceiling, insulation, electricity, and water tanks. The houses are to be built in accordance with enhanced norms and standards of KZN Department of Human Settlements, NBR & NHBC Regulations. The adjustment of the contract authority to be approved in accordance with Section 116(3) of the Municipality Finance Management Act.

PUBLIC PARTICIPATION ADVERTISEMENT

On the 11th of August 2023, the Unit issued a Public Notice of Amendment of Contract on Metro Ezasegagasini for affected parties to respond by 15 September 2023 and there were no objections received in this regard.

With the Committee noting compliance requirements associated with this matter,

COMMITTEE RECOMMENDS

5.7.1

That the Committee notes reasons to amend Contract No.: 1H-45923 in terms of Section 116(3) of the Local Government: Municipal Management Act 2003, for the construction of 768 houses (40m²) at Sobonakhona Rural Housing Project (Wards 67, 93, 96 and 109) with the following reasons:

- (i) Increased scope of work by 30%, thus an addition of 231 top structure units to the original units of 768 units, in view of revised budget allocation by the Provincial Department of Human Settlement (PDHS) thus an additional allocation of R28 000 000.00 (Twenty-Eight Million Rand) for additional housing construction.
- (ii) If the budget allocated remains unspent, the PDHS may reallocate the grant to other spending Municipalities within the Province, whilst the eThekweni Municipal area also has demand for housing.
- (iii) Starting a new procurement process will involve delays thus the intention to extend duration of the existing contractor by ten months (10) in order to carry out the additional 231 units.

5.7.2 That the Committee notes that there were no comments received arising from the public participation process advertised through the media, in terms of Section 116(3) of the Municipal Finance Management Act as part of achieving compliance requirements.

5.7.3 That the financial implication of the proposed amendment is that the contract authority of R32 036 988.06 (Thirty-Two Million Thirty-Six Thousand Nine Hundred and Eighty-Eight Rand Six Cent) excluding VAT.

CONTRACTOR	ADDITIONAL UNITS	COST PER UNIT	ADDITIONAL CONTRACT AUTHORITY	ADDITIONAL CONTRACT AUTHORITY
Tauris Garden	77	R 138 688.26	R 10 678 996.02	R 12 280 845.42
RGZ Construction	77	R 138 688.26	R 10 678 996.02	R 12 280 845.42
Makhathini Projects	77	R 138 688.26	R 10 678 996.02	R 12 280 845.42
Totals	231	R416 064.78	R 32 036 988.06	R 36 842 536.26

DEFERRED, to a Special Meeting.

5.8 Approval for Authority to Host Grade 12 Winter School Outreach Programme: Science, Technology, Engineering and Mathematics (STEM) Educational Support Programme for 2024-2026 Three Year Programme: Aligned to Curriculum Assessment Policy Statement (CAPS):
(Page 347: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval to host Grade 12 Winter School Outreach Educational Support Programme for a three (3) year period for 2024 -2026. The Programme is to provide educational support to deep rural schools in Grade 12 for Science, Mathematics and English subjects.

The Support Services and eThekweni Municipal Academy (EMA) deploy the most experienced teacher experts to render support and assistance to the learners in dire need of assistance in Mathematics, Physical Science and English and for expertise to develop a resource material that will be beneficial for the learners. The programme covers concepts that might have been unclear to learners and assist in amplifying complex topics.

The Winter school programme encourages learners to think out of their comfort space and be able to take steps academically to achieve better marks by grasping more knowledge to prepare for their trial-exams. Learners are brought together from different schools to be inspired to dream and have goals in life, to boost their achievement and to encourage them to pursue university degrees and employment in STEM fields. During normal school hours, a learner's time is limited due to different periods, the winter school has no restraints as learners receive an opportunity to focus on work that was missed out on earlier in the year, covering all sections that the learners struggled with in the past.

The programme is flexible and provides concentrated study experience that may have a positive impact in learners as it offers Grade 12 the opportunity to learn from experienced teachers in the different subject fields.

- **Motivational talks**

The eThekweni Municipality brings experts to motivate and to gear up learners for their final examination. There will be speakers from various institutions and organisations that will motivate the learners. Motivated learners will be encouraged and inspired to work hard to be accepted into universities. Our dynamic Engineers from the City will give an insight into engineering careers and interact with the learners with the aim to ensure our Mathematics and Physical Science pass rates are comparable with, if not better than, nations of similar size and budget. Learners will also meet other learners from different walks of life and share on common learning difficulties. The talks will include bursary opportunities and internship programmes within the city and institutions.

- **STEM Subjects**

Learners spend their days engaging in a holistic development by attending lectures in Physical Science, Life Science and Mathematics to prepare them for the exams. The subjects develop young, ambitious Scientificals and Researchers by offering scientific knowledge, skills and providing a platform for learners to think out of the box and beyond the curriculum. Learners focus in Physical Science areas of Mechanics, Electric Circuits, Internal resistance, Acids, and Bases (particularly, Titration experiment in acids and bases). In Mathematics areas, they will focus on Algebra, Number Patterns, Functions, Euclidean Geometry, and a bit of Analytical Geometry. STEM focuses on the application of the subjects in a challenging and rigorous manner to prepare learners for university education and opportunities.

- **Science Experiments**

Science experiments are beneficial for deep rural schools as they do not receive enough exposure to enhance learning due to unavailability of science centres in rural areas. The provision of science experiments aims to improve the learners' marks and to expose learners into different fields of practicals in engineering and science problems.

The experiment offers learners an insight on career choices in STEM and spark their interest to feed their curiosity. It is also a more enjoyable method of learning science and gives learners an opportunity to participate in the physical science experiments using a hands-on approach.

- **English Language Learning**

Majority of the subjects are conducted in English, Winter school assists learners to improve in vocabulary, knowledge, Writing Skills, Literature and Language. The tutoring sections assist learners to improve their confidence in reading and writing with the aim to improve their marks and to enhance their confidence in their speaking abilities by creating a classroom environment where learners practice to speak English in class. The programme improves the quality of learning of English for the under-resourced selected schools to benefit the learners and promote literacy. Learners will be trained how to answer specific questions and how to eliminate common errors in the exam papers.

- **Learner Material**

Learners are provided with study material that covers content of the subjects and easier ways for learners to understand. Teachers use past examination papers to prepare learners for the exams and to help them improve their chances of passing matric. Learner material is provided for each subject to assist learners with frequently asked questions in the examination for the learners to pass their matric.

SELECTED SCHOOLS FOR 2024 to 2026

A selection criterion is piloted by the Department of Education, Ward Councillors and District Managers in deep rural schools within eThekweni Municipal. A list of schools from the three Districts namely Umlazi, Pinetown and Ugu, will be submitted to the Office of the Deputy City Manager: Human Settlements, Engineering and Transport Authority for a proper allocation of resources and support to the schools within eThekweni Municipal area that are in dire need of assistance. Schools selected are from quintile 1, 2 and 3 based on academic performance in mathematics and science and the unavailability of resources.

INDEMNITY FORMS & PUBLIC LIABILITY

Learners and their parents will be required to sign consent/indemnity forms, to confirm and accept participation in the Winter School Outreach Programme and its activities. The indemnity forms will also ensure that in the event of any accident and/or injury or any other harm occurring while the learner is under the control and care of the winter school officials and representatives, to lay no claim whatsoever for any compensation against those officials or against the Municipality. Public Liability insurance will be procured through the Insurance Department in the Municipality.

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.8.1 That authority be granted to the Acting Deputy City Manager: Human Settlements and Infrastructure to implement the three (3) year programme for 2024 to 2026, Winter School Outreach Programme for Grade 12 learners for Educational Support in partnership with the Department of Education and eThekweni Municipal Academy Unit of eThekweni Municipality.
- 5.8.2 That authority be granted to the Department of Education: District Managers and Ward Councillors to identify 60 learners to participate in the Winter School Outreach Programme over five (5) days to enhance their pass rate in Mathematics, Science and English.
- 5.8.3 That all Supply Chain Management processes will be followed and adhered to for the procurement of all items indicated in the report:
 - That an advert through SCM Office, suitable training venue with a laboratory, trained and experienced facilitators in Science, Mathematics and English.
 - Procurement of eThekweni Transport (City Fleet) buses for 5 days.

- Ambulance on site to adhere to all Occupational Health and Safety requirements.
- Refreshment and Lunch Packs for 60 Learners; and
- Learner Stationery Packs and backpack

5.8.4 That it be noted that the advert will be advertised through the Supply Chain Management Unit and all processes will be followed.

Financial Implications:

The Winter School Programme had been budgeted in the 2024/25, 2025/26 and 2026/27 financial year.

BUDGET PROVISION AND FC NUMBER

Mscoa and Budget Provision							
Financial Year	BU	Item	Fundin g	Costin g	Project	Region	To be provided
2023/24	6800 1	10975	12120	0000	39500	0010	R771 736.68
FC NO: 2023/68/33							

DEFERRED, to a Special Meeting.

5.9 Proposed Granting of Rights to Use, Control or Manage Proposed Portions (A) and (C) of Erf 1243 Umlazi-H in Extent 1946 and 1872 Square Metres as Depicted on Hand Plan No.: SJ 4900/9 by Way of Long-Term Lease to Permanently Close the Road Area as Depicted on Plan No.4900/9 Over Proposed Portions (A) and (C) of Erf 1243 Umlazi H in Accordance with Section 211 of the Local Authorities Ordinance No.25 of 1974 (17/2/1/2/5):
(Page 467: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval for the proposed granting of rights to use, control or manage the proposed Property described as Portions (A) and (C) of Erf 1243 Umlazi-H in extent 1946 and 1872 m² as depicted on Hand Plan No.: SJ 4900/9 by way of long-term lease.

The intention is to permanently close the road area over proposed Property described as Portion (A) and (C) of Erf 1243 Umlazi-H in accordance with Section 211 of the Local Authorities Ordinance No.: 25 of 1974.

During discussion, some Members requested a site inspection to be conducted in the first instance as part of oversight. However, most Members were of view that the item be approved by the Committee and thereafter a site inspection for the Committee be undertaken at a date to be confirmed by all Party Whips within the Committee.

The DA abstained both at the Support Committee and at the Executive Committee levels, with other Political Parties being support,

COMMITTEE RECOMMENDS:

5.9.1 That the Municipal Council declares in terms Section 14 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 that:

- 5.9.1.1 The proposed Property described as Portions (A) and (C) of Erf 1243 Umlazi-H in extent 1946 and 1872 m² respectively as depicted on hand plan SJ 4900/9 are not needed to provide the minimum level of basic municipal services and are considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said properties.
- 5.9.1.2 The current market value of the proposed portions (A) and (C) of Erf 1243 Umlazi-H as depicted on Hand Plan No.: SJ 4900/9 in extent 1946 and 1872 m², respectively are R87 5700.00 and R84 2400.00 (Eight Hundred and Seventy Five Thousand Seven Hundred Rand) and (Eight Hundred and Forty Two Thousand Four Hundred Rand)) at an assessed market rental of R87 570.00 and R84 240.00 (eighty seven thousand five hundred and Seven Rand) and (Eighty Four Thousand Two Hundred and Forty Rand) per annum, and R7 298.00 and R7 020.00 (Seven Thousand Two Thousand and Ninety Eight Rand) and (Seven Thousand and Twenty Rand) per month has been considered these amounts are excluding VAT.
- 5.9.1.3 The Municipal Council approves that a right be granted to use, control or manage the capital asset described as the proposed Portions (A) and (C) of Erf 1243 Umlazi-H in extent 1946 and 1872 square metres respectively as depicted on hand plan SJ 4900/9 in terms of Regulation 34(1)(b) read together with Regulation 36, and 41(1) of the Municipal Asset Transfer Regulations, 2008. It being recorded that after the proposed lease period has lapsed, control of the properties will revert to the Municipality.
- 5.9.1.4 A thirty-year lease be granted in respect of the capital asset.
- 5.9.1.5 All conditions received from the Municipality's service delivery units as detailed in paragraph 5 of the report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 5.9.1.6 The subject properties described as proposed portions (A) and (C) of Erf 1243 Umlazi-h in extent 1946 and 1872 square metres as depicted on hand plan SJ 4900/9 be leased in accordance with the Municipal Supply Chain Management policy, at a base rental of R7 298.00 and R7 020.00 (Seven Thousand Two Thousand and Ninety Eight Rand) and (Seven Thousand and Twenty Rand) per month, excluding VAT, escalating by 7% per annum and reviewable every five (5) years for a period of thirty (30) years.
- 5.9.1.7 That the rental be suspended for the development period stipulated on the bidders proposal or until the Practical Completion Certificate is issued (whichever comes first) from date of registration of the lease, to allow for the development of the property, provided that the development period or period until the practical completion certificate is issued does not exceed two years from the date of registration of the lease and provided that the capital investment is above R15,000,000 (Fifteen Million Rand). That the effective date of the Lease be the date of practical completion.
- 5.9.1.8 That should the developer not complete the development within a two-year period, an application can be made to the Head: Real Estate to submit a request to full Council to consider an extension of time to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.

- 5.9.2 That the Municipal Council declares that of .1 above, is subject to the conditions that:
- 5.9.2.1 The proposed Portions (A) and (C) of Erf 1243 Umlazi-H as depicted on Hand Plan No.: SJ 4900/9 in an extent 1946 and 1872 m² is required to be rezoned. The rezoning shall be undertaken at the cost of the prospective lessee.
- 5.9.3 That should the prospective lessee fail to finalise the closure, survey and rezoning within two (02) years from date of signature of the lessee, the Head Real Estate shall request the prospective lessee to submit a duly motivated application for an extension of time for the survey, closure and rezoning of the Property to take place. Such extension of time will need to be approved by Council.
- 5.9.4 That in terms of Sections 211 of Ordinance 25 of 1974, read together with section 28(2)(e) of the eThekweni Municipal Planning and Land Use Management By-Law 2016, as amended, the closure of the road areas over proposed portions (A) and (B) of Erf 1243 Umlazi-H as depicted on hand Plan No.: SJ 4900/9, be approved.
- 5.9.5 That this closure is to be advertised via the Land Use Management application process.
- 5.9.6 That in the event of objections being lodged to the proposed closure of the road areas over proposed portions (A) and (C) of Erf 1243 Umlazi-H as depicted on SJ 4732/9 when it is advertised process in the eThekweni Municipal Planning and Land Use Management By-Law 2016 as amended be followed to address these objections.
- 5.9.7 That all costs incidental to the transaction shall be borne by the prospective lessee and all development plans are to be submitted to the Local Authority for approval prior to any construction taken place.
- 5.9.8 That subject to the approval of .2 above, authority be granted to the Head: Real Estate to give effect to the abovementioned recommendations.

DEFERRED, to a Special Meeting.

- 5.10 Proposed Alienation of Proposed Portion [A] of ERF 810 Newlands, by Direct Negotiation for Worship Purposes (17/2/1/2/3):
(Page 490: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.10.1 That the Municipal Council declares in terms of Regulation 5(1) (b), Regulation 7 and Regulation 11 of the Municipal Asset Transfer Regulations, Section 14(2) (a) and (b) of the Local Government Municipal Finance Management Act that:
- 5.10.1.1 That proposed portion [A] of Erf 810 Newlands in extent of 4756m² as depicted on Plan No: SJ4776/10 is not required to provide minimum level of basic services.
- 5.10.1.2 The current market value of the property is currently assessed at a value of R4 756 000.00 (Four Million Seven Hundred and Fifty-Six Thousand Rand) excluding VAT.

- 5.10.2 That Council approves the proposed alienation of proposed portion [A] of Erf 810 Newlands for worship purposes to the applicant.
- 5.10.3 That the sale price will be discounted to 90% of the fair market value having duly considered the principles as set out in Regulation 13(2) MATR, the discounted value is determined to be R475 600.00 (Four Hundred and Seventy-Five Thousand Six Hundred Rand) exclusive of VAT.
- 5.10.4 That a reversionary clause be included in the Title Deed of the property stating that the subject property can only be utilized for religious purposes and for ancillary purposes thereto and no other purpose whatsoever.
- 5.10.5 That all costs incidental to the transaction shall be at the cost of the purchaser, including rezoning.
- 5.10.6 That a public notice be issued to afford the affected community and opportunity to comment or object on the proposed alienation of the property by direct negotiations to the Applicant prior to transfer.
- 5.10.7 That in the event of objections being lodged to the proposed sale of proposed Portion [A] of Erf 810 Newlands to the applicant, the matter be referred to the Accounting Officer for a final decision in terms of Section 50 of the Supply Chain Management Policy headed “Resolution of Disputes, objections, complaints and queries” and thereafter to the Minister of Cooperative Governance and Traditional Affairs for consent.
- 5.10.8 That subject to the adoption of paragraph 1 to 7 above, the Head: Real Estate be authorized to sign all documents necessary to give effect to this transaction.
- 5.10.9 That subject to the adoption of .1 to .8 above and the approval by the Bid Adjudication Committee, the Head: Real Estate be authorized to sign all documents necessary to conclude the required lease agreement.

DEFERRED, to a Special Meeting.

- 5.11 Shongweni General Landfill Project- Proposed Alienation of Proposed Portion of Proposed Portion [A] of the Farm Kirkfalls No. 14227 (17/2/1/2/3):
(Page 507: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

The Committee received the status of the Shongweni General Regional Landfill Site Project for the proposed Portion of described as Proposed Portion A of the Farm Kirkfalls No.14227, Registration Division FT, Province of KwaZulu-Natal in extent approximately 43,04 hectares (“the Property”) and to sought authority to amend certain specific decisions that were taken by the eThekweni Municipal Council (“EMC”) at its meeting held on the 30th March 2023 for reasons detailed within this report.

BACKGROUND AND DISCUSSION

The Real Estate Unit and the Cleansing and Solid Waste (CSW) Units submitted a report dated 08th November 2022. The purpose of this report was to formally bring to the attention of the eThekweni Municipality the challenges faced by CSW

in securing the proposed Shongweni General Regional Landfill Site and seeks the leadership in unblocking the challenges faced by the CSW.

The Council having considered the report and recommendations adopted the following on 30 March 2023:

“13.1 The Municipal Council declares that in terms of Section 14(6) of the Municipal Finance Management Act 56 of 2003 read with Regulation 20(1)(f) of the Municipal Asset Transfer Regulations that: -

13.1.1 That the Property described as Proposed Portion of Proposed Portion A of the Farm Kirkfalls No 14227, Registration Division FT, Province of KwaZulu Natal in extent approximately 43,04 hectares, as depicted on Plan Annexure 1 is determined by resolution of Council to be not needed for the provision of minimum level of basic Municipal services and to be surplus to the requirements of the Municipality.

13.1.2 The current market value of the Property is currently assessed at a value of R1 850 720,00 (One Million Eight Hundred and Fifty Thousand Seven Hundred & Twenty Rand) exclusive of VAT.

13.1.3 Council approves that the proposed alienation/transfer to The Ingonyama Trust being an organ of state for housing, social, traditional and community purposes will be discounted to a nominal amount of R1000 (One Thousand Rand) excluding VAT. This transaction will attract the payment of VAT.

13.2 That it should be a condition of transfer that:

(i) the Property is alienated for Housing, Social and Community Purposes and will be subject to a reversionary clause relative to the use which can only be utilised for social and community purposes and for ancillary purposes thereto and no other purpose whatsoever being registered against the title deed of the Property;

(ii) a reversionary clause to be included in the sale agreement stating that in the event of the Property not being utilised by the prospective buyer for the purpose as indicated in this report then ownership of the Property will revert to the Municipality. In such event the Property will be transferred by the prospective buyer at no cost to the Municipality free of any encumbrances, liens, hypothec and mortgage bonds. The prospective buyer to sign all documents necessary to give effect to such transfer of the Property to the Municipality. This provision to be included in the sale agreement between the prospective buyer and the Municipality and to be carried forward to the title deed.

13.3 That, all cost incidental to the transaction shall be borne by the Ingonyama Trust

13.4 That all developmental plans and applications must be submitted and approved by the Local Authority prior to any commencement of construction on the Property.

- 13.5 *Municipal Council approves that 13.1 above is subject to the condition that Proposed Portion of Proposed Portion A of the Farm Kirkfalls No 14227, Registration Division FT, Province of KwaZulu Natal in extent approximately 43,04 hectares be sold to The Ingonyama Trust at a purchase price of R1000,00 (One Thousand Rand) excluding VAT and in full compliance with the prevailing municipal legislative framework including the Municipal Supply Chain Management Policy.*
- 13.6 *That subject to the adoption of paragraphs 13.1 – 13.5 above, the Head Real Estate be authorized to sign all the documentation 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 the Municipality's interest.*
- 13.7 *The Head Cleansing and Solid Waste-DSW Unit be authorized to engage with eThekweni Planning and Climate Protection Department (EPDC) to identify suitable land for the offset requirements in terms of the Environmental Authorization which will be determined by the outcome of the variation application process.*
- 13.8 *Subject to adoption of 13.7 and in the event of any land identified that needs to be acquired, the Head: Real Estate be authorized to acquire the land identified for offsets by private treaty or expropriation.”*

ENVIRONMENTAL AUTHORISATION VARIATION APPLICATION

Pursuant to the Council Decisions taken on the 30th of March 2023, the CSW Unit duly submitted a variance application to the Department of Economic Development, Tourism and Environmental Affairs which was subsequently approved on 25 May 2023.

The variation approval is subject to the following conditions: -

- “3.1. *The conditions contained in the waste management license with reference No. DM/WML/0009/2010 granted on the 4 August 2016 is still applicable and must be adhered to.*
- 3.2 *The 43.04ha of land will be set aside as per Point 1.2 above must be clearly demarcated and access prohibited to prevent any unlawful entrance into the landfill.*
- 3.3 *A firebreak of 20 metres must be created and maintained between the landfill footprint site and the 43.04ha of land that will be set aside.*
- 3.4 *The overall monitoring regime for the landfill must include groundwater monitoring that could potentially affect the area set aside for communal grazing.*
- 3.5 *The activity which is authorized by this license may only be carried out at the site at the location of the site as indicated on the Proposed Landfill Map prepared by Lx/Wilson and Pass Inc JV dated 08 May 2023, attached as Annexure 1 of this addendum to the license.”*

LAND TRANSFER PROCESS

The previous report (*Annexure 1*) dealt extensively with the process and the rationale for the proposed transfer of the 43.04 hectares of land for community purposes. In essence the transfer was to address various conditions of the waste license together with the historic land claim issues that were raised by the local community which are detailed under 3.1 - 3.3 below.

1. The provision of alternative livestock grazing land which is currently located within the landfill footprint.

Condition 5.2.4 of the waste license requires the license holder (the Municipality) to identify alternative areas for livestock grazing and suitable routes for the movement of persons and livestock.

2. The relocation of certain housing encroachments.

Condition 5.4.26 of the waste license requires the license holder to maintain a buffer area of at least 200 metres around the perimeter of the landfill footprint, with no human settlements permitted within the buffer area.

3. Historical land claims made to the previous landowner by the Traditional Authority.

The traditional leader claimed that a request was made to the previous landowner to transfer a portion of land which is deemed to have traditional significance. The previous landowner did not address this matter and it now incumbent for the Municipality as the current landowner to address.

His Worship the Mayor Councillor Kaunda, municipal officials together with the social facilitator have had various subsequent engagements with the local community representatives which included traditional, community leaders and the ward councillor regarding the land transfer process.

The local community representatives raised various concerns regarding the intention to transfer the land to the Ingonyama Trust Board. These concerns related specifically to the standing of the local community and their legal rights to own the land given the historic land claim.

At a meeting held with the local community representatives on the 06 October 2023, at the Pinetown Civic Centre which was led by His Worship the Mayor Councillor Kaunda with various municipal officials in attendance, it was in-principle accepted that it would be in the best interest of all parties to transfer the 43.04 hectares of land to a local community trust which would need to be established. The establishment of the local community trust is a prerequisite to the transfer/disposal of the Property.

In order to give effect to transferring the land to the local community trust to be established, the eThekweni Municipality would need to consider additional requirements and approve amendments to the previous Council Decisions specifically relating to the legal implications and the Regulations of the Municipal Asset Transfer Regulations, 2008 ("MATR").

ADDITIONAL CONSIDERATIONS

1. Legal Implications

In terms of Regulation 7 of the MATR, the Municipal Council must consider a number of factors when considering any proposed transfer or disposal of a non-exempted capital asset, and it is herewith confirmed that:

- (a) **whether the capital asset may be required for the Municipality or a municipal entity under the Municipality's sole or shared control at a later date;**

The relevant service delivery unit of the Municipality has confirmed in writing that the Property is not needed to provide a basic municipal service and to be surplus to the requirements of the Municipality.

- (b) **the expected loss or gain that is expected to result from the proposed transfer;**

The market value of the Property has been determined to be R1 850 720,00 (One Million Eight Hundred and Fifty Thousand Seven Hundred and Twenty Rand) excluding VAT. The expected gain to result from the proposed transfer of the Property to a local community trust to be established at a nominal amount of R1000.00 (one thousand rand) which has been discounted from the fair market value for housing, social and community purposes.

The transfer will also promote the realisation of housing, traditional and socio-economic needs in the area. The proposed transfer will satisfy the condition of the waste license to implement the proposed landfill. The strategic objective is to protect and enhance the health of the communities by providing reasonable measures for the prevention of pollution and ecological degradation by ensuring compliance and enforcement through an environmentally acceptable, cost effective and sustainable waste management service.

- (c) **the extent to which any compensation to be received in respect of the proposed transfer will result in a significant economic or financial cost or benefit to the Municipality;**

The Property is being transferred to a local community trust to be established as a non-profit entity, for housing, social and community purposes at a nominal discounted purchase price of R1000.00 (one thousand rand) subject to a reversionary clause being registered against the title deed of the Property.

The Municipality will receive a financial benefit in the form of a less than fair market value. The proposed sale price for the Property has been discounted to a nominal amount of R1000.00 (One Thousand Rand) excluding VAT. The proposed transfer will satisfy the conditions of the waste license and will indirectly provide housing, social, traditional and community benefits. The local community will be better served by transferring the Property less than its market value.

The fundamental rights of all parties will not be deprived nor adversely affected as the property will be used for housing, social purposes, traditional, community upliftment and community support services which

are essential to the functioning of the Municipality as a whole and the local community of Shongweni in particular.

There is no significant economic benefit to the Municipality in terms of the compensation to be received as the compensation is nominal. The proposed transfer will satisfy the conditions of the waste license and will indirectly provide housing, social, traditional and community benefits.

- (d) **the risks and rewards associated with the operation or control of the capital asset that is to be transferred in relation to the interests of the Municipality or municipal entity;**

There are no operational or control risks to the Municipality. Risk of illegal invasion on the Property by the community will be eliminated.

- (e) **the effect that the proposed transfer will have on the ability of the Municipality or municipal entity to raise long-term or short-term borrowings in the future;**

The transfer of the capital asset will not have an effect on the Municipality's ability to raise long term and short-term borrowings in the future.

- (f) **any limitations or conditions attached to the capital asset or the transfer of the asset, and the consequences of any potential non-compliance with those conditions;**

The limitation extends to the use of the Property for housing, social, traditional and community benefits. A suitable reversionary clause will be registered against the title deed of the Property which will be triggered in the event of the Property ceasing to be used for housing, social, traditional and community purposes.

Such reversionary condition entitles the Municipality to demand compensation equal to the difference between the actual purchase price and the current fair market value of the Property, or that the Property can be transferred into the ownership of the Municipality at no cost to the Municipality.

- (g) **the estimated cost of the proposed transfer;**

The Property transfer shall be conducted by a conveyancer from the Municipal conveyancing panel at the tendered rates. All associated costs shall be for the local community's trust's account.

- (h) **the transfer of any liabilities and reserve funds associated with the capital asset;**

There is no transfer of any liabilities and reserve funds associated with the capital asset.

- (i) **any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;**

The local ward councillor (Ward 40), traditional and community leaders have supported this proposal and has raised no objection. The local community will benefit from the transfer of the Property for housing, social, traditional and community benefits.

- (j) **any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant Provincial Treasury.**

The asset considered for transfer is not a “High Value Asset” as defined in terms of Regulation 5(2) of the MATR therefore public participation and Treasury written views are not required.

- (k) **the interests of any affected organ of state, the Municipality's own strategic, legal and economic interests and the interests of the local community; and**

None of the interests will be compromised as a result of the transfer of the asset.

- (l) **compliance with the legislative regime applicable to the proposed transfer or disposal.**

The disposal of the asset is compliant with the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the MATR.

Regulation 13(2) of the MATR

If a Municipality on account of the public interest, in particular to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the Municipality or entity must, when considering the proposed transfer, take into account:

- (a) **The interests of:**
- (i) **The state** - the Municipality, as an organ of state, will be relieved of its maintenance burden in respect of the Property. It will further satisfy the Municipality's obligations in terms of the waste license.
 - (ii) **The local community** - a wide range of community, housing and social care activities will be better facilitated and will continue to be provided to the residents in and around Shongweni.
- (b) **The strategic and economic interest of the Municipality including the long-term effect of the decision on the Municipality.**

Socio-economic upliftment opportunities will be promoted. The Property is being transferred to a local community trust to be established as a non-profit entity, for housing, social and community purposes at a nominal discounted purchase price of R1000.00 (one thousand rand) subject to a reversionary clause being registered against the title deed of the Property.

The proposed transfer will satisfy the conditions of the waste license and will indirectly provide housing, social, traditional and community benefits. The local community will be better served by transferring the Property less than its market value.

The fundamental rights of all parties will not be deprived nor adversely affected as the property will be used for housing, social purposes, traditional, community upliftment and community support services which are essential to the functioning of the Municipality as a whole and the local community of Shongweni in particular.

There is no significant economic benefit to the Municipality in terms of the compensation to be received as the compensation is nominal. The proposed transfer will however satisfy the conditions of the waste license and will indirectly provide housing, social, traditional and community benefits.

(c) The Constitutional rights and legal interest of all affected parties.

The fundamental rights of all parties will not be deprived nor adversely affected as the Property will be used for housing, social purposes, traditional, community upliftment and community support services which are essential to the functioning of the Municipality as a whole and the local community of Shongweni in particular.

The intended use of the Property will also promote the constitutionally protected rights to equitable access to land.

(d) Whether the interest of the parties to the transfer should carry more weight than the interest of the local community and how the individual interest is weighed against the collective interest.

There will be no conflict between the interest of the individuals and that of the collective as the Property will be used for the benefit of the public even if registered in the name of a community trust to be established.

In fact, the interest of the community weighs heavier, in that a condition of transfer will ensure that the Property is used for community, housing and social purposes. A suitable reversionary clause will be registered against the title deed of the Property which will be triggered in the event of the Property ceasing to be used for community, housing and social purposes. Such reversionary condition entitles the Municipality to demand compensation equal to the difference between the actual purchase price and the current fair market value of the Property at the time of the Property being used for purposes other than community, housing and social purposes, or that the Property can be transferred into the ownership of the Municipality at no cost to the Municipality.

(e) Whether the local community would be better served if the capital asset is transferred for less than its fair market value as opposed to transfer of the asset at fair market value.

The Property will be transferred to a local community trust to be established as a non-profit entity with community-based initiatives in the form of housing, socio-economic and community upliftment projects.

The transfer of the Property at fair market value will thus divert funding from their objectives of achieving such social returns. These community-based initiatives assist the Municipality in fighting social ills related to

drugs, crime, unemployment and also provide a platform for feeding schemes and hunger relief projects. The local community will not be adversely affected by the transfer at less than fair market value.

PROJECT IMPLEMENTATION PROGRAMME

In light of the variation approval for the Environmental Authorization, addressing the waste license requirements and the local community concerns, it now paves the way to finally implement the Shongweni Landfill Project.

During discussion, majority of the Members undertook to conduct a site inspection as part of oversight however, some of the Committee members were of view that the site inspection be conducted in the first instance.

The DA abstained both at the Support Committee and at the Executive Committee levels. Accordingly, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.11.1 That the Council notes the Environmental Authorisation variation approval by the Department of Economic Development, Tourism and Environmental Affairs as contained in the Annexure 3 of the report by the Head: Real Estate dated 2023-11-10.
- 5.11.2 That the Shongweni Project Implementation Programme be noted.
- 5.11.3 That the following provisions of the waste license be noted:
 - 5.11.3.1 The provision of alternative livestock grazing land which is currently located within the landfill footprint. The condition of the waste license (condition 5.2.4) requires the license holder (the Municipality) to identify alternative areas for livestock grazing and suitable routes for the movements of persons and livestock.
 - 5.11.3.2 The relocation of certain housing encroachments. The condition of the waste license requires the license holder to maintain a buffer area of at least 200 metres around the perimeter of the landfill footprint, with no human settlements permitted within the buffer area.
 - 5.11.3.3 To address the waste license requirements and issues raised by the local community, eThekweni Municipality approves the following amendments to the previous decisions taken on the 30th of March 2023 (*Annexure 2*) with all other aspects remaining the same and to be read together:
- 5.11.4 That the following Council decision dated 30 March 2023, be amended:

“1.14.1 That the Municipal Council declares in terms of Section 20(1) of the Municipal Asset Transfer Regulations 2008 that: ”

“

To be amended and be replaced with:

The Municipal Council declares in terms of Regulation 5(1)(b), Regulations 7,11,12 and 13 of the Municipal Asset Transfer Regulations, 2008, read together with Section 14 (2)(a) and (b) of the Local Government: Municipal Finance Act, No.56 of 2003 that:

5.11.5 That the following Council decision dated 30 March 2023, be amended:

“1.14.2 Council approves that the proposed alienation/transfer to the Ingonyama Trust, being an organ of state, for housing, social, traditional and community purposes, and to be discounted to a nominal amount of R1000.00 (One Thousand Rand), excluding VAT. This transaction will attract the payment of VAT”.

To be amended and be replaced with:

Council approves that the proposed transfer/disposal to the local community trust to be established as a non-profit entity for housing, social, traditional and community purposes will be discounted to a nominal amount of R1000.00 (One Thousand Rand) excluding VAT having duly considered the principles of Regulation 13(2) of the Municipal Asset Transfer Regulations, 2008. This transaction will attract the payment of VAT.

5.11.6 That the following Council decision dated 30 March 2023, be amended:

“1.14.4 That all costs incidental to the transaction shall be borne by the Ingonyama Trust”.

To be amended and be replaced with:

That, all costs incidental to the transaction shall be borne by the local community trust to be established.

5.11.7 That the following Council decision dated 30 March 2023, be amended:

“1.14.6 That the Municipal Council approves that 1 above is subject to the condition that the Proposed Portion A of the Farm Kirkfalls No. 14227, Registration Division FT, Province of KwaZulu-Natal, in extent approximately 43,04 hectares, to be sold to the Ingonyama Trust at a purchase price of R1 000.00 (One Thousand Rand), excluding VAT, and in full compliance with the prevailing Municipal legislative framework, including the Municipal Supply Chain Management Policy”.

To be amended and be replaced with:

That the Municipal Council approves that 1 above is subject to the condition that the Proposed Portion A of the Farm Kirkfalls No. 14227, Registration Division FT Province of KwaZulu-Natal, in extent approximately 43,04 hectares, to be sold to the local community trust to be established at a purchase price of R1000.00 (one thousand rand), excluding VAT, and in full compliance with the prevailing Municipal legislative framework, including the Municipal Supply Chain Management Policy.

DEFERRED, to a Special Meeting.

5.12 Proposed Alienation of Proposed Portion A & B of ERF 1029 Isipingo by Direct Negotiations Plan No.SJ4705/3 In Extent 7461m² and 5876m² (17/2/1/2/3):
(Page 574: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

5.12.1 The Municipal Council declares that in terms of Regulation 5(1) (b), Regulation 7, Regulation 11 of the Municipal Asset Transfer Regulations, 2008, read together with Section 14 (2) (a) and (b) of the Municipal Finance Management Act No. 56 of 2003 that:

- 5.12.1.1 That the Property described as Proposed Portions A & B of Erf 1029 Isipingo in extent 7461m² and 5876m² respectively, as depicted on Plan SJ 4705/3 is not needed to provide the minimum level of basic Municipal services and to be surplus to the requirements of the Municipality.
- 5.12.1.2 The current market value of the property is currently assessed at a value of R1 800 000 (One Million Eight Hundred Thousand Rand) excluding VAT.
- 5.12.1.3 Council approves that the proposed alienation for social and community purposes will be discounted by 90% of the fair market value having duly considered the principles as set out in Regulation 13(2) MATR and Clause 5.4.1(2) and (3) of the eThekweni Municipality Land Disposal and Granting of Rights Policy, the discounted valued is determined to be R180 000,00. (One Hundred and Eighty Thousand Rand excluding VAT). The transaction will attract the payment of VAT.
- 5.12.2 That it should be a condition of transfer that:
- (i) The Property is alienated for the Social and Community Purposes and will be subject to a reversionary clause relative to the use which can only be utilised for social and community purposes and for ancillary purposes thereto and no other purpose whatsoever being registered against the title deed of the Property;
 - (ii) A reversionary clause to be included in the sale agreement that in the event of the Property not being utilised by the prospective buyer for the purpose as indicated in this report then ownership of the Property will revert to the Municipality. In such event the Property will be transferred by the prospective buyer at no cost to the Municipality free of any encumbrances, liens, hypothec and mortgage bonds. The prospective buyer to sign all documents necessary to give effect to such transfer of the Property to the Municipality. This provision to be included in the sale agreement between the prospective buyer and the Municipality.
- 5.12.3 That, all cost incidental to the transaction shall be at the cost of the prospective buyer of the Property.
- 5.12.4 That all developmental plans and applications must be submitted and approved by the Local Authority prior to any commencement of construction on the Property.
- 5.12.5 That all conditions by the Municipality's Service Delivery Units as detailed in point 5 of the report will form part of the sale agreement.
- 5.12.6 That Council approves that .1 above is subject to the condition that Proposed Portions A & B of Erf 1029 Isipingo be sold by direct negotiations to The International Islamic Relief Organization of South Africa (IIROSA) at a purchase price of R207 000,00 (Two Hundred and Seven Thousand Rand) including VAT and in full compliance with the prevailing municipal legislative framework including the Municipal Supply Chain Management Policy.
- 5.12.7 That subject to the adoption of paragraphs .1 – .6 above, the Head: Real Estate be authorized to sign all the documentation 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 Municipal Finance Management Act,

No 56 of 2003, the Land Disposal and Granting of Rights Policy of the Municipality as amended 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 Municipality's interest.

DEFERRED, to a Special Meeting.

- 5.13 Closure of Road Reserve Over Proposed Portion A of KwaMashu P in Extent Approximately 721m² as Depicted on Hand Plan SH 9842A (17/2/1/2/3):
(Page 593: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.13.1 That in terms of Section 211 of Ordinance No. 25 of 1974 the road reserve over proposed property described as Portion A of KwaMashu-P in an approximate total extent of 721m² as depicted on the attached hand plan No.: SH 9842A, be permanently closed.
- 5.13.2 That the closure is to be advertised via the land Use Management application process and is to be read in terms of Section 211 of Ordinance No. 25 of 1974 together with Section 28(2)(e) of the eThekweni Municipality: Planning and Land Use Management By-law 2016.
- 5.13.3 That in the event of objections being lodge to the proposed closure of the road reserve over Proposed Portion A of KwaMashu-P in an approximate total extent of 721m² when it is advertised, the planning and land Use Management By-law process be followed to attend to these objections.
- 5.13.4 That authority be granted to the Head: Real Estate to sign all necessary documents to give effect to this decision.

DEFERRED, to a Special Meeting.

- 5.14 Proposed Alienation of Portions of Land to South African National Roads Agency SOC Ltd (SANRAL) for Road Upgrade of Edwin Swales Interchange to The South of EB Cloete Interchange:
(Page 616: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.14.1 The Municipality declares in terms of section 14(6) of the Municipal Finance Management Act 56 of 2003 read with Regulation 20(1)(f)(i) of the Municipal Asset Transfer Regulations that:
- 5.14.1.1 The capital assets to be transferred are determined by resolution of the council to be not needed for the provision of the minimum level of basic Municipal services and to be surplus to the requirements of the Municipality.

- 5.14.2 The Municipality declares in terms of Regulation 20(1)(f) of the Municipal Asset Transfer Regulations that:
- 5.14.2.1 Some of the above-mentioned capital assets are to be transferred at less than the fair market value and the Municipality has taken into account factors in Regulation 20(1)(f)(ii) of the Municipal Asset Transfer Regulations.
- 5.14.3 That in terms of Regulation 20(1)(f)(i) and (ii) of the Municipal Asset Transfer Regulations that:
- 5.14.3.1 That proposed Portions [A] (of 218) and [B] (of 219), Remainder of Portions 213,222, and 223 all of Erf 76 Cato Manor, Registration Division FT, Province of KwaZulu-Natal in extent 4853m² as depicted on SH 9947, be sold at the purchase price of R167, 046.00 (One Hundred and Sixty-Seven Thousand and Forty-Six Rand) excluding VAT.
- 5.14.3.2 The Proposed Portion [A] of Erf 149 and Portion [B] (of 1) of Erf 147 both Cato Manor, Registration Division FT, Province of KwaZulu Natal in extent 1229m² as depicted on SJ 4779/3, be sold at the purchase price of R7, 600.00 (seven thousand six hundred rand) exclusive of VAT.
- 5.14.3.3 The Proposed Portion [A] of Erf 141 Cato Manor, Registration Division FT, Province of KwaZulu Natal in extent 196m² as depicted on SJ 4779/4, be sold at the purchase price of R1, 000.00 (one thousand rand) exclusive of VAT.
- 5.14.3.4 The Proposed Portion [A] (of 28) Erf 516 Bellair, Registration Division FT, Province of KwaZulu Natal in extent 58m² as depicted on SJ 4779/5, be sold at the purchase price of R1, 000.00 (One Thousand Rand) excluding VAT.
- 5.14.3.5 The Proposed Remainder of Portion 933 (of 11) of Erf 76 Cato Manor, Registration Division FT, Province of KwaZulu-Natal in extent 191m² as depicted on Plan No: SJ 4779/7, be sold at the purchase price of R1, 000.00 (one thousand rand) excluding VAT.
- 5.14.3.6 The Proposed Portion [A] of Erf 4279 Cato Manor, Registration Division FT, Province of KwaZulu Natal in extent 4179m² as depicted on Plan No.: SJ 4779/8, be sold at the purchase price of R1, 000.00 (One Thousand Rand) excluding VAT.
- 5.14.3.7 The Proposed Portion [A] (of 1) of Erf 16 Bellair, Registration Division FT, Province of KwaZulu-Natal in extent 312m² as depicted on SJ 4779/9, be sold at the purchase price of R24, 720.00 (Twenty-Four Thousand Seven Hundred and Twenty Rand) exclusive of VAT.
- 5.14.3.8 The Proposed Portion [A-E] of Erf 513 Bellair, Registration Division FT, Province of KwaZulu-Natal in extent 1.7757 Ha as depicted on SH 9937, be sold at the purchase price of R1, 000.00 (One Thousand Rand) excluding VAT.
- 5.14.4 That portions of public open space over Proposed Portion [A] (of 28) of Erf 516 Bellair, Proposed Portion [A] of Erf 4279 Cato Manor and Proposed Portions [B] – [D] of Erf 513 Bellair be formally closed. The closure of the public open space will be dealt with via the Land Use Management application process and is to be read in terms of section 212 of the Local Authorities Ordinance No. 25 of 1974, read together with section 28 (2) (e) of the eThekweni Municipality Planning and Land Use Management By-law 2016, as amended.

- 5.14.5 All conditions by the Municipality's service delivery units as detailed in point number 5 of this report will form part of the sale agreement.
- 5.14.6 All cost incidental to the transaction shall be at the cost of SANRAL. The transaction will attract the payment of VAT.
- 5.14.7 That subject to the adoption of paragraphs .1 – .6 above, authority be granted to the Head: Real Estate to sign all the documentation necessary to give effect to this transaction in terms of the supply chain management policy of the City 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 Municipality's interest.

DEFERRED, to a Special Meeting.

- 5.15 Proposed Granting of Rights to Use, Control or Manage a Property by Way of a Long-Term Lease and to Approve the Closure of a Right of Way Reserve Over Proposed Lease EFR E Durban Situated on the Remainder of ERF 1 Durban as Depicted on Hand Plan SH 9918A:

(Page 659: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At the Support Committee level, a request was made for the relevant Ward Councillor be consulted on the matter.

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.15.1 The Municipal Council declares in terms of Section 14 of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) that:-
- 5.15.1.1 That the proposed Lease Erf E situated on the Remainder of Erf 1 Durban as depicted on hand plan SH 9918A is not needed to provide the minimum level of basic Municipal services and is considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said property is proposed; and
- 5.15.1.2 The Municipality has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset. The current market value of the subject property is R57 400 000.00 (Fifty-Seven Million Four Hundred Thousand Rand) at an assessed market rental of R4 879 000.00 (four million eight hundred and seventy-nine thousand rand) per annum or R406 584.00 (Four Hundred and Six Thousand Five Hundred and Eighty Four Rand) per month, excluding VAT, has been considered.
- 5.15.2 That the Municipal Council approves, in principle, that a right be granted to use, control or manage the capital asset described as, Proposed Lease Erf E situated on the Remainder of Erf 1 Durban as depicted on hand plan SH 9918A in terms of Regulation 34(1)(b) read with Regulations 36, and 41(1) of the Municipal Asset Transfer Regulations, 2008 as follows:
- 5.15.2.1 The long-term right is proposed to be granted in respect of, Proposed Lease E situated on the Remainder of Erf 1 Durban as depicted on Hand Plan No.: SH 9918A.

- 5.15.2.2 The rental be assessed on the open market value.
- 5.15.2.3 That all conditions received from the Municipality's Service Delivery Units as detailed in Paragraph 7 of this report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 5.15.2.4 The property described as Proposed Lease E situated on the Remainder of Erf 1 Durban as depicted on hand plan SH 9918A be leased by way of a public tender in accordance with the eThekweni Municipality: Supply Chain Management Policy at a base rental of R4 879 000.00 (Four Million Eight Hundred and Seventy Nine Thousand Rand) per annum or R406 584.00 (Four Hundred and Six Thousand Five Hundred and Eighty Four Rand) per month, excluding VAT escalating by 7% per annum and be reviewable every 5 (five) years for a period of 50 (fifty) years.
- 5.15.2.5 All costs incidental to the transaction shall be borne by the lessee, and all the developmental plans must be submitted to the Local Authority for approval prior to any construction.
- 5.15.2.6 The rental be suspended for the development period stipulated on the bidders proposal or until the Practical Completion Certificate is issued (whichever comes first) from date of registration of the lease, to allow for the refurbishment/development of the property, provided that the development period or period until the practical completion certificate is issued does not exceed 3 years from the date of registration of the lease and provided that the capital investment is above R500 000 000.00 (Five Hundred Million Rand). That the effective date of the Lease be the date of practical completion.
- 5.15.2.7 Should the developer not complete the development within a three-year period an application must be made to the Head: Real Estate to submit a request to the Municipal Council to consider an extension of time, to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.
- 5.15.3 That subject to the adoption of .1 to .2 above and compliance with the eThekweni Municipality: Supply Chain Management policy, authority be granted to the Head: Real Estate to sign all documents necessary to conclude the required Lease Agreement.
- 5.15.4 That the designated road reserve over Proposed Lease Erf E as depicted on hand plan SH9918A, be closed in terms of Section 211 of the Local Authorities Ordinance No. 25 of 1974 read together with Section 28(2)(e) of the eThekweni Municipality: Planning and Land Use Management By-law 2016 as amended, be closed. Once the Municipal Council approval is received, this closure is to 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, as amended.
- 5.15.5 That in the event of objections being lodged to the proposed closure of the designated road reserve over the property described as Proposed Lease Erf E as depicted on hand plan SH9918A when it is advertised, the eThekweni Municipality: Planning and Land Use Management By-law, 2016 as amended process be followed to attend to these objections.

DEFERRED, to a Special Meeting.

5.16 Request for Authority to Transfer Funds Within the Electricity Unit Budget in the 2023-24 Financial Year (7/1/2/2)
(Page 754: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval to transfer fund in the amount of R200 000.00 (Two Hundred Thousand Rand) savings identified in the approved 2023/2024 financial year for the Electricity Unit to fund expenditure for the supply, delivery, installation, testing, commission and handing over a fully functional 50 kN electromechanical universal testing machine.

During discussion, the Committee suggested to have a joint meeting between the Human Settlements and Infrastructure Committee and the Security and Emergency Services to discuss challenges encountered on cables theft within eThekweni Municipality. In addition, it was agreed that the relevant official from Finance Unit be invited to conduct a brief presentation on issues related the adjustment budget with processes that need to be undertaken to enable Councillors to play an oversight role on such issues.

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

5.16.1 That authority be granted for transfer of funds in the amount of R200 000.00 Two Hundred Thousand Rand) savings identified in the approved 2023/2024 financial year for the Electricity Unit.

5.16.2 That authority be granted to the Deputy City Manager: Finance to include in the adjustment budget report, the transfer of funds from the projects where savings have been identified to the list of projects where funding is required .

Financial Implications:

Funding will be prioritized from existing funded votes to ensure operational needs are met. This result in a zero increase in the overall bottom line of the 2023/24 Medium Term Revenue & Expenditure Framework (MTREF) budget. The proposal is to reprioritise funds as detailed below:-

Vote	Approved Budget	Actual Expenditure	Planned Expenditure	Outstanding Invoices	Total required savings
37901.44350	R1 227 000.00	R84 361.00	R1 427 000.00	R0	R200 000.00
	R1 227 000.00	R84 361.00	R1 427 000.00	R0	R200 000.00

Details of Savings identified:

Vote	Vote Description	Savings
3401.42945 (Project: HV125Z1)	Toyota 11 Kv switchgear replacement	R200 000.00

DEFERRED, to a Special Meeting.

5.17 Review of Tariffs: Surveying and Land Information: 2024/2025 (7/6/1/2):
(Page 757: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

Authority is sought for approval for the implementation of increase in tariffs for the Engineering Unit – Surveying and Land Information with effect from 1 July 2024 as contained in the Annexure A of the report by Acting Head: Engineering dated for the 2024/2025 financial year in terms of Section 75A (1) of the Local Government Municipal System Act, 2000, (Act No. 32 of 2000)

It was advised that in terms of Section 17(3)(a)(ii) of the Local Government: Municipal Finance Management Act, 2003, (Act No. 56 of 2003), the setting of any municipal tariffs must be done in a form of a draft resolution that must accompany an annual budget to be table for approval before a municipal Council.

During discussion on this matter, 12 Councillors (ANC – 10 and EFF – 2) were in support of the recommendations while 12 Councillors (DA – 9, EFF – 1 and KZNI – 1) abstained on the matter. On the basis that numbers were tied, the Chairperson casted his vote in support of the recommendations. Therefore, by majority vote, matter was approved.

Discussion ensued centered around issue of voting by the Chairperson during the voting process and casting of votes by the Chairperson.

As such, some Members requested for a legal opinion of which it was provided that the Chairperson has a right to vote and in the event there is a tie, the Chairperson has a right to cast a vote.

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.17.1 That Council resolves in terms of Section 75A of the Local Government: Municipal Systems Act No. 32 of 2000 for the implementation of increase in tariffs with effect from 01 July 2024, the tariffs set out in Annexure A of the report by the Acting Head: Engineering.
- 5.17.2 That subject to the approval of .1 authority be granted to the City Manager to comply with the provisions of Section 75A (3) and (4) of the said Act to display notices of such an increase.

DEFERRED, to a Special Meeting.

- 5.18 Proposed Alienation of Proposed Portion (B) of ERF 1243 Umlazi-H for Commercial Purposes to the Adjoining Owner of 21 Nyathi Crescent in Extent 1375 Square Metres as Depicted on Hand Plan SJ 4900/9 (17/2/1/2/3):
(Page 766: Human Settlements and Infrastructure Committee- Agenda 2024-02-22)

It was noted that some Members of the Committee requested a deferment on this matter to enable the Committee to conduct a site inspection in the first instance however, most of the Members had a dissenting. The matter was therefore put to a vote.

During discussion, some Members were not in support of the recommendations. Accordingly, with 24 Councillors present, 15 Councillors (ANC – 11, EFF – 2 and IFP – 2) voted in support of the recommendations. and 9 – DA Councillors abstained.

The DA also recorded its abstention at the Executive Committee level. Accordingly, with other Political Parties being in support,

COMMITTEE RECOMMENDS:

- 5.18.1 That the Municipal Council declares in terms of regulation 5(1) (b), 7 and 11 of the Municipal Asset Transfer Regulations, 2008, read together with Section 14 (2) (a) and (b) of the Municipal Finance Management Act No. 56 of 2003 that:
- 5.18.1.1 The Proposed property described as Portion (B) of Erf 1243 Umlazi-H in extent approximately 1375 square metres as depicted on hand plan SJ 4900/9, is not required to provide the minimum level of a basic municipal services; and is surplus to the requirements of the Municipality.
- 5.18.1.2 In terms of Section 211 of the Local Authorities Ordinance No. 25 of 1974 the closure of a portion of an existing street area on proposed portion (B) of Erf 1243 Umlazi-H, be approved.
- 5.18.1.3 The closure is to be advertised in terms of the Land Use Management process and is to be read together with section 211 of the Local Authorities Ordinance No. 25 of 1974 and with section 28(2)(e) of the eThekweni Municipality: Planning and Land Use Management By-law 2016, as amended.
- 5.18.1.4 In the event of objections being lodged to the proposed closure of the road over the Property being proposed portion (B) of Erf 1243 Umlazi-H in extent approximately 1375 square metres as depicted on hand plan SJ 4900/9 the process detailed in the eThekweni Municipality: Planning and Land Use Management By-law 2016, as amended will be followed to attend to these objections.
- 5.18.1.5 That proposed portion (B) of Erf 1243 Umlazi-H be alienated at a purchase price assessed at a value of R550 000.00 (Five Hundred and Fifty Thousand Rand) excluding VAT, such price reflecting the current market value as assessed by a registered valuer which is to be paid by the purchaser to the Municipality.
- 5.18.2 That Municipal Council approves that .1 above is subject to the condition that proposed portion (B) of Erf 1243 Umlazi-H in extent approximately 1375 square metres as depicted on hand plan SJ 4900/9, be alienated in full compliance with the prevailing municipal legislative framework at a purchase price of R550 000.00 (Five Hundred and Fifty Thousand Rand) excluding VAT, such price reflecting the purchase price based on the current market value of the Property as assessed by a registered valuer.
- 5.18.3 That the Property cannot be developed on its own and is to be either consolidated or notorially tied with Erf 1254 Umlazi-H. All costs incidental to the transaction shall be at the cost of the prospective buyer of the Property.
- 5.18.4 That all conditions by the Municipality's Service Delivery Units as detailed in point 5 of the report will form part of the sale agreement.
- 5.18.5 That all development plans be submitted to the Local Authority for approval prior to any construction.

- 5.18.6 That subject to the adoption of paragraphs 8.1-8.5 above, the Head: Real Estate be authorized 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 Municipal Finance Management Act, No 56 of 2003, the Land disposal and Granting of Rights Policy of the Municipality as amended 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 the Municipality's interest.

DEFERRED, to a Special Meeting.

- 5.19 Request for Approval to Host Annual Grade 12 Career Symposium: Science, Technology, Engineering and Mathematics (STEM): Three-Year Programme 2024-2026: Aligned to the Department of Education Curriculum Assessment Policy Statement (APS) (1/3/2/6):
(Page 791: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.19.1 That the Grade 12 Career Symposium Outreach Programme for a three-year period, be supported.
- 5.19.2 That Ward Councillors and District Managers: Department of Education will identify and select the schools in each Ward and submit to the Office of the Acting Deputy City Manager: Human Settlements, Engineering and Transport Authority: Support Services for implementation.
- 5.19.3 That feedback and updates from career symposium will be provided to the Human Settlements and Infrastructure Committee every financial year.
- 5.19.4 That eThekweni Transport: City Fleet be mandated to utilize eThekweni Municipal Transport for learners for the duration of the programme.
- 5.19.5 That all Supply Chain Management processes will be followed and adhered to for the procurement of all items indicated in the report. Adverts will be prepared and submitted to the SCM Office for the required notice period for advertising. The tender process will be strictly guided by the SCM Office.

DEFERRED, to a Special Meeting.

- 5.20 Authority to Conduct a Public Participation Process in Terms of the Municipal Asset Transfer Regulations 2008, to Grant Rights to Use, Control or Manage the Proposed Lease in Respect of Social Housing Over Erven 2102 And 2103 Both of Pinetown (22/8/2/2):
(Page 821: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.20.1 That the Accounting Officer be authorized to conduct a public participation process as envisaged in terms of Regulation 34(1)(a) read together with Regulation 34(3)(b) of the Municipal Asset Transfer Regulations, 2008 for the proposed granting of long-term rights to use, control or manage the Property described as Erven 2102 and 2103,

both of Pinetown in joint extent of approximately 3838m² as depicted on hand plan SJ4557/9. It being recorded that the fair market value of the property exceeds R10 000 000 (Ten Million Rand) and the duration of the proposed rights to be granted exceed 3 (three) years.

- 5.20.2 That the public participation process be conducted in accordance with the provisions of Regulation 35 of the Municipal Asset Transfer Regulations 2008, including:
- 5.20.2.1 Inviting the local community and other interested parties to submit comments or representations;
- 5.20.2.2 Soliciting the views and recommendations of the National Treasury and the Provincial Treasury; and
- 5.20.2.3 Complying with Section 21A of the Local Government: Municipal Systems Act, No.32 of 2000 by publishing the notification through the media, in a local newspaper(s) published in the area of jurisdiction of the Municipality, in a newspaper(s) circulating in its area of jurisdiction and determined by the Municipality as a newspaper of record, or by means of radio broadcasts covering the area of jurisdiction of the Municipality.
- 5.20.3 That the Accounting Officer conduct such public participation process as envisaged in .1 above at least 60 (sixty) days before the meeting of the Municipal Council at which the decision referred to in Regulation 34(1)(b) of the Municipal Asset Transfer Regulations, 2008 is to be considered. At the aforementioned meeting, a report will be submitted to the Municipal Council apprising the Municipal Council on the outcome of the public participation process conducted and requesting an in principle approval in terms of Regulation 34(1)(b) read with Regulation 35 of the Municipal Asset Transfer Regulations, 2008 for the proposed granting of long-term rights to use, control and manage the capital asset described as Erven 2102 and 2103 both of Pinetown, in joint extent of approximately 3838m² as depicted on hand plan SJ 4557/9.
- 5.20.4 That the Head: Human Settlements be authorized to sign all the documents necessary to give effect to the abovementioned recommendations.

DEFERRED, to a Special Meeting.

- 5.21 Proposed Granting of Rights to Use, Control or Manage ERF 12373 of Durban for Social Housing Purposes in Terms of Chapter 4 of the Municipal Asset Transfer Regulations (21/8/3 & 2/1/1):
(Page 848: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.21.1 That the Municipal Council declares in terms of Section 14(2)(a) and 14(2)(b) of the Local Government: Municipal Finance Management Act No.56 of 2003 that:
- 5.21.1.1 The property described as Erf 12373 Durban measuring in extent of approximately 1344m² is not needed to provide the minimum level of basic municipal service.

- 5.21.1.2 The Municipality has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset. The asset is regarded as surplus to the requirements of the Municipality for the period of the proposed granting of rights to use, control or manage the said Property, subject to the provision that the property be used for Social Housing Development.
- 5.21.1.3 The market value of the property is currently assessed at a value of R15 590 000 (Fifteen Million Five Hundred and Ninety Thousand Rand) with an annual market rental value of R1 559 000 .00 (One Hundred Five Hundred and Fifty-Nine Rand) per annum and both excluding VAT.
- 5.21.2 That the Municipal Council notes the outcome of the public participation process undertaken for the development of Social Housing in terms of Regulation 35 of the Municipal Asset Transfer Regulation and herein approves the granting of rights in terms of Regulation 34(1)(b) read with Regulation 13, Regulation 36 and Regulation 41(1) of the Municipal Asset Transfer Regulation for granting of long-term rights to use, control and manage the property described as Erf 12373 Durban in extent of approximately 1344m² for a period of 50 (fifty) years. It being recorded that after this lease period has lapsed the control of the aforementioned property and all improvements thereon will revert to the Municipality.
- 5.21.3 That the Municipal Council approves in principle that the proposed lease for exclusive social housing development will be discounted by up to 90% of the fair market rental value and the calculation of the rentals payable by an accredited Social Housing institution in respect of the property will accordingly, be amount of R155 900.00 (One Hundred and Fifty Five Thousand Nine Hundred Rand) per annum representing 10% of the market related rental value.
- 5.21.4 That the Municipal Council approves the suspension of rental payment during planning, funding approval and construction phase of the proposed social housing development on the Property. The conditions specific to the rental suspension during the construction phase will be provided for in the land availability agreement, project agreement and lease agreement to be concluded between the appointed SHI and the Municipality.
- 5.21.5 That the SHI will be required to undertake the construction for a period of 36 months from the date of receiving its letter of award in respect of the site failing which the Municipality must exercise its right to retrieve the site from the SHI and re-advertise the property to an alternative SHI from the panel.
- 5.21.6 That the Municipal Council approves in principle that in the event of the commercial opportunities being created within the proposed social housing developments the commercial leases will be leased at full market value subject to the following.
- 5.21.6.1 Should SHI wish to change the current use (Social Housing) to commercial, the SHI will prior to change of business use, request approval from the Municipality's Head: Human Settlements and/or the Head: Development Planning who shall submit a report to the eThekweni Municipal Council apprising the eThekweni Municipal Council of the change in use being created within the proposed social housing development.
- 5.21.6.2 The Head: Human Settlements shall ensure that the purpose of social housing is retained and not taken over by commercial entities.

- 5.21.6.3 All the requisite municipal processes being complied with together with approvals being granted for the development plans.
- 5.21.6.4 Confirmation that all conditions and obligations details in the various agreements concluded between the Municipality and the SHI including the Social Housing Lease Agreement in terms of this proposed development have complied with.
- 5.21.7 That all developmental plans and applications must be submitted and approved by the Local Authority prior to any commencement of construction.
- 5.21.8 That all conditions received from the Municipality's service delivery units as detailed in paragraph 5 of this report will form part of the lease agreement to be concluded between the Municipality and successful tender
- 5.21.9 That the Municipal Council delegates the City Manager to sign all the documents necessary to give effect to this transaction subject to the provisions and compliance with the Delegations of Authority, any processes provided for in the Supply Chain Management Policy, the Land Disposal and Granting of Rights Policy of the Municipality, the Municipal Asset Transfer Regulations 2008, the Local Government: Municipal Finance Management Act, No 56 of 2003, and any other applicable legislation.

DEFERRED, to a Special Meeting.

- 5.22 Proposed Lease of ERF 4489 Wiggins Plan SJ4595/9: Extent 4060m² (File Reference No. 58/1/7115/2 F4) (17/2/1/2/5):
(Page 950: Human Settlements and Infrastructure Committee – Agenda 2024-02-22)

At this stage of the proceeding, the DA at the Executive Committee level recorded its abstention on the matter, with other Political Parties being support,

COMMITTEE RECOMMENDS:

- 5.22.1 That the Municipality approves that a right be granted to use, control or manage the capital asset described as Erf 4489 Wiggins, in extent 4060m² as depicted on Hand Plan no. SJ 595/9 in terms of Regulation 34(1) (b) read together with Regulations 36, 40 and 41 of the Municipal Asset Transfer Regulations for a period of 20 years.
- 5.22.2 That Erf 4489 Wiggins, in extent 4060m² is not required to provide the minimum level of a basic municipal service for a period of twenty years;
- 5.22.3 That the current market rental value of the property is currently assessed at a base value of R336 000.00 per annum exclusive of VAT and the rental is to reviewed on an annual basis with an escalation of eight percent (8%) per annum.
- 5.22.4 That the property described as Erf 4484 Wiggins be leased by way of public tender at a base rental of R336 000.00 per annum exclusive of VAT for a period of 20 years;
- 5.22.5 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;
- 5.22.6 That all developmental plans must be submitted to the Local Authority for approval prior to any construction.

- 5.22.7 That subject to the adoption of .1 – .8 above and the approval of Bid Adjudication Committee, the Head: Real Estate be authorized to sign all documents necessary to conclude the agreement.

DEFERRED, to a Special Meeting.

DIRECT EXCO REPORTS

6. REQUEST TO IMPLEMENT SMART POLICING WITHIN THE ETHEKWINI MUNICIPAL AREA (28/1/1/1)

(Page 1)

The Executive Committee received with great appreciation a Report advising of plans to implement smart policing within the City of eThekweni. This being done to augment policing in view of warm bodies not being adequate to cover all areas for crime-prevention purposes. Of the major importance was an indication that the smart policing will also address the thorny issue of the vandalization of the City infrastructure, mainly, the water and electricity infrastructure. With the Trading Services therefore being a major part of this process to then determine measures to be implemented to safeguard the City infrastructure.

Basically, the smart policing will aid the City to achieve the following, amongst the other benefits:

- (i) Crime Prevention Smart Policing
- (ii) Improved Response Times
- (iii) Enhanced Investigative Capabilities
- (iv) Better Resource Allocation
- (v) Increased transparency
- (vi) Improved Community Relations
- (vii) Integrated Traffic Enforcement
- (viii) Access to Restricted Licenses

While the Metro Police recruitment drive is still being implemented to eventually reach a target of six thousand (6 000) personnel, electronic equipment will be of great assistance to cover broader scope for crime-prevention purposes. Financial contribution will be done jointly between the Community and Emergency Services Cluster and the Trading Services Cluster, given the mutual interest to protect the City's assets.

With the Committee reiterating its support for this initiative,

COMMITTEE RECOMMENDS:

- 6.1 That authority be granted for the Metro Police Unit to procure and use Smart Dispatching Solution and the Intelligent Traffic Solution, as part of Smart Policing Equipment, with a view to obtaining benefits as follows:

- (i) Crime Prevention Smart Policing
- (ii) Improved Response Times
- (iii) Enhanced Investigative Capabilities
- (iv) Better Resource Allocation
- (v) Increased transparency

- (vi) Improved Community Relations
- (vii) Integrated Traffic Enforcement
- (viii) Access to Restricted Licenses

DEFERRED, to a Special Meeting.

7. OUTCOME OF THE FEASIBILITY STUDY UNDERTAKEN IN RESPONSE TO THE NOTICE OF MOTION REQUESTING THE ETHEKWINI MUNICIPALITY TO CONSIDER INSOURCING SECURITY AND CLEANING SERVICES CURRENTLY RENDERED BY EXTERNAL COMPANIES ON AN OUTSOURCING MODEL BASIS

(Page 11)

It will be recalled that the Municipal Council previously accepted a Notice of Motion submitted by the ActionSA, requesting consideration to be given to insourcing security services, and with the addition at the Municipal Council level, that the insourcing also includes the cleaning services, both services currently rendered to the eThekweni Municipality using an outsourcing model at this stage.

The Executive Committee received detailed report, which is circulated separately for ease of reference by the Council members. Basically, a comprehensive investigation was undertaken, focusing on critical elements impacting the scope of operations under the services concerned and other labour-related and legislative matters to be complied with. Amongst the analysis made, Management considered scope of service provided; nature of equipment required; protective clothing; legislative requirements applicable to the industries; cost-benefit analysis versus budget availability within the Municipality etc, but it being recorded the analysis excludes office accommodation which is also a critical requirement in the in-sourcing model.

From the financial perspective, the study relating to the insourcing of security services looked at three (03) options, namely, (i) the current versus proposed approach; (ii) provision of hybrid security services; and (iii) options available if 100% insourcing is implemented. It was reported that currently the Municipality is spending an estimated R1.3 billion for a number of one thousand three hundred (1 300) sites, and with five hundred forty-seven (547) guards engaged.

For the hybrid solution, the estimated costs to fund this ranged at R2.6 billion and the hire of seven thousand five hundred and sixty-five (7 565) guards for national key points and landfill sites. The 100% insourcing was estimated to cost more than R4 billion and the costs to include operating and capital budget related thereto. The scope of security services includes inhouse security capacity; land invasion protection; VIP services; national key points and landfill sites protection.

With regard to the cleaning services, it was reported that the approach is similar in terms of cost implications, with a view being expressed that any change in the operational model would render the provision of this service to be unaffordable. It was explained that currently General Assistants are engaged for the cleaning services, as employed through the normal internal Recruitment and Selection process, and the resource being supplemented through the outsourcing model by engaging the Coops, with a process in this regard being managed by the

Supply Chain Management Unit. That the scope of the cleaning operations involves stream cleaning; grass cutting; and office cleaning.

The overall outcome thereon was that the outsourcing model comes at an exorbitant cost, and therefore not affordable within the current Municipal budget. It being recommended therefor that the status quo should remain in terms of combining insourcing and outsourcing model to achieve adequate provision of the services required.

During discussion, the EFF submitted it was not convinced that the Municipality is unable to fund the insourcing model. The plight of the individuals engaged under these services was narrated it being cited that this outsourcing benefits only one individual owning the company, and with the rest of the team members being subjected to exploitation. The EFF felt that the Municipality can enhance its debt collection strategy to recover monies owed by different parties. Further, that the Municipality is also losing funds as it always writes-off Unauthorized; Irregular; Fruitless; and Wasteful Expenditure incurred by various Municipal Units.

Therefore, the EFF felt that if the internal control environment can be improved, the Municipality can recover lot of funding to assist contribute in funding the insourcing model. As such, the EFF dissented on the matter. Also requesting information on the status of the current security tender which apparently keeps on being extended for a number of years now.

Speaking on the matter, the ANC supported the view by the EFF with regard to observing exploitation prevailing in the security and cleaning industries. That, indeed, personnel engaged thereon deserves better in terms of conditions of employment. The ANC then spoke on its vision to alleviate poverty and with several interventions having been introduced to support households to meet their basic needs.

With regard to the matter at hand, while acknowledging the report on the state of funding, that the insourcing model is unaffordable, the ANC submitted that it has best interest at heart for those suffering under the hands of exploiters. As such, a recommendation was made that Management investigates this matter further, to explore the option of introducing Social Solidarity Economy to bring the industry into the mainstream economy. This was intended to empower individual security personnel to become their own bosses rather than being exploited by one individual. Management was therefore requested to fastrack investigation in this regard and provide report in three (03) months' time, and with report being biased towards starting implementing the Social Solidarity Economy thus promotion social enterprises forthwith.

Accordingly, with the EFF dissenting on the submission that the insourcing model is unaffordable, and with the other Political Parties receiving the outcome of the feasibility study, but then recommending a further option that of introducing the Social Solidarity Economy,

COMMITTEE RECOMMENDS:

7.1

That the Municipal Council receives outcome of the feasibility study undertaken in response to the Motion proposing the insourcing of the security and cleaning services currently provided by the external companies, which outcome reveals that the insourcing model is not affordable, after a careful analysis of factors involved such as operational and capital costs; risks involved; regulations and legislations applicable, and, therefore a recommendation that status quo should remain with

regard to the implementation of the outsourcing model combined with limited internal capacity, and this viewed to provide best value for money for the Municipality.

7.2 That, in view of .1 above, the Executive Committee recommends a further investigation for the eThekweni Municipality to consider introducing Social Solidarity Economy to empower individuals engaged in the security and the cleaning to own and operation social enterprises to be governed by the Municipality thereby preventing potential exploitation, and with this model to also create job opportunities for other people at the local community level.

7.3 That subject to .2 above, the outcome of the further investigation be submitted to the Executive Committee within a period of three (03) months, and it being anticipated that such outcome will detail the approach to start implementing the Social Solidarity Economy forthwith.

DEFERRED, to a Special Meeting.

8. NOTING OF MUNICIPAL DEMARCATION BOARD OUTCOMES:
RELOCATION OF AREAS OF MOPHELA IN THE WESTERN REGION AND
EMBO THIMUNI IN THE SOUTHERN REGION RESPECTIVELY (21/1)

(Page 37)

The Municipal Council is aware that the Municipal Demarcation Board (MDB) is in the process of redetermining the Municipal boundaries. Feedback report in this regard has been consistently submitted to the Municipal Council, together with the consultative meetings having been held to deliberate on the concerns raised by the Wards impacted.

This submission therefore serves to advise of the final outcome of the MDB, regarding the relocation from within the eThekweni Municipal boundary, of the area of Mophela in the Western region and the area of Embo Thimuni in the Southern region. In view thereof, the Deputy City Manager: Governance and International Relations will facilitate stakeholder meetings to formalize the relocation process and ensure all formalities are attended to for all resources pertaining to these areas to then be reallocated accordingly.

Convening the stakeholder meetings is estimated to cost in the region of R450 000.00 (Four Hundred and Fifty Thousand Rand). The stakeholder meetings represent a compliance matter, and therefore, it being mandatory to convene such, hence, authority being requested to incur expenditure as outlined herein. With the Committee noting that this is now a compliance matter given the conclusion of the consultation process and the final decision of the MBD,

COMMITTEE RECOMMENDS:

8.1 That the Municipal Council notes final outcome of the Municipal Demarcation Board (MBD) regarding the relocation from within the eThekweni Municipal boundary, of the area of Mophela in the Western region and the area of Embo Thimuni in the Southern region.

8.2 That, in view of .1 above, authority be granted for the Deputy City Manager: Governance & International Relations, in his capacity as the champion of this project, to then convene stakeholder feedback meetings, at an estimated costs of R450 000.00 (Four Hundred and Fifty Thousand Rand), to facilitate the process of

unpacking to the relevant stakeholders the impact as a result of this MDB outcome, and commence the formalities to relocate the areas together with the resources application thereto.

DEFERRED, to a Special Meeting.

(Prior to considering the Adjustment Budget 2023-2024, time being 17h50, the DA requested a caucus for 20 minutes and it was accordingly granted by the Speaker. Thereafter, the meeting resumed at 18h34.)

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

THIRD REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2024-02-29)

PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), ZP Myeni (Deputy Mayor), Y Govender; NI Madlala, TM Mthethwa, MS Nkosi, BT Ntuli and ZR Sokhabase

ABSENT : Executive Committee Member OB Mvubu (Indisposed)

1. REQUEST FOR APPROVAL OF ETHEKWINI MUNICIPALITY ADJUSTMENT BUDGET 2022-2023 (7/1/2/2)

(Circulated separately)

As per the statutory requirement, the performance of the Municipality and its Entities must be reviewed during the first half of the financial year and the approved Medium-Term Revenue and Expenditure Framework (MTREF) be revised regarding revenue projections and expenditure trends. Accordingly, the Mid-Year Budget and Performance Assessment was taken into consideration in producing this adjustment budget. The 2023-24 additional adjustment budget does not affect the long-term financial sustainability of the Municipality.

The main reasons for the adjustment are summarized as follows:

- Adjustments in respect of the withholding of grants allocation to the Municipality as per the amended Division of Revenue for: Public Transport Network Grant (R130 Million), Neighbourhood Development Partnership Grant (R15 Million), Urban Settlements Development Grant (R92.7 Million) and Informal Settlements Upgrading Partnership (R49.7 Million). Further reduction of R220 Million for Public Transport Network Grant.

- Approved grant rollovers mainly Municipal Disaster Recovery grant (R238.7 Million) and additional grants EDTA (1.8 Million), COGTA corridor development (R2.5 Million), Housing Cornubia development (R8.1 Million).
- Re-prioritization of projects, mainly, from Human Settlements, Engineering, eThekweni Transport Authority, Electricity and Sanitation and Water.
- Reduction of budget based on midyear performance however the allocation will be moved to 2024/2025 MTREF
- Unbundling of Zonal plans budget to specific projects.

In presenting the budget, the Committee was informed that in addition to changes in the Municipal operations for certain reasons and thus a need for budget to be adjusted, the Municipal budget is also susceptible to prevailing economic turmoil and thus impact on the revenue generated.

Detailed adjustment budget report is attached herein for ease of reference. Factors impacting the adjustments were alluded to as contained in the report as attached, and the synopsis thereof as follows:

- (i) Adjustments as a result budget rollover for infrastructure rehabilitation purposes due to storm damages;
- (ii) Anticipated budget rollover of the RPTN grant given the delays in implementing grant were the result of unresolved matters amongst the stakeholders involved. That discussions are underway involving parties in the three spheres of government to reach consensus on this matter and thus grant rollover;
- (iii) Additional budget for repairs and maintenance undertaken Municipal-wide;
- (iv) Additional budget for the Presidential Public Employment Programme (PEP) to cover implementation of this Programme from March to June 2024. It being mentioned that processes in this regard will be strengthened for accountability purposes. Also, that the Minister of Finance has made allocation in the amount of R107 Million to proceed with this programme in the 2024-25 financial year;
- (v) Adjustments as a result of increased fuel costs impacting largely the Cleansing and Solid Waste (CSW) Unit in view of landfill sites being at a distance; and
- (vi) Increased security costs to secure facilities under the Parks; Recreation; and Culture Unit, as well as allocation for verge maintenance.

During discussion, the IFP recommended that additional budget be sourced to fund the PEP beyond the period of June 2024. On the issue of the reason for increased fuel costs, it was already noted that this is as a result of the long distance travelled by the CSW to the landfill sites. The ANC also supported the issue of funding the PEP, citing the meaningful contribution made as a result of this programme. The allocation of budget in the amount of R107 Million to take this programme forward and with this to be monitored as budget shortfall might be experienced once more due to the growth of this programme.

In responding to a request for budget breakdown to understand the Units impacted, as raised by the DA, the attention of the Committee was drawn to Page 6 of the Report which highlights the Units and the respective budget adjustments. Also, reference was made to critical infrastructure challenges under the Water and the Electricity Unit. Mention being also made of the Council-approved Water Turnaround Strategy with its implementation requirement budget in the region of R2 billion.

Thereafter, confirmation was given that the budget allocation for the Water and Sanitation Unit for the 2024-25 is already in the region of R2 billion. That the operations budget of this Unit has increased, in particular, due to additional water tankers as well as the function pertaining to the emptying of VIP toilets.

The DA abstained on the adjustments approval at this stage as they were of the view that this matter is of critical importance and thus a need to invest time to scrutinise the report and understand the content thereof as well as implications with respect to the service delivery on the ground. The IFP also abstained at this stage of the proceedings.

The ANC and the NFP then supported the adjustments budget and appreciating the adjustments in critical matters such as the PEP and the provision of water tankers, amongst other additional funding made.

Accordingly,

COMMITTEE RECOMMENDS:

1.1

That in accordance with the provisions of Section 28 of the Local Government: Municipal Finance Management Act No. 117 of 1998, and in compliance with the Municipal Budget and Reporting Regulations, the additional adjustments to the 2023-2024 Budget of the eThekweni Municipality (Parent Municipality), as reflected in Annexure “A” & “B” of the report of the City Manager dated 2024-02-25, be approved, it being recorded that the approval of the capital adjustment budget constitutes project approval of the specific projects, and the summary as per the table below:

Total Adjusted Budget for 2023/2024 as revised below:

Consolidated Budget (including entities):

Details	Original Budget 2023/2024	Adjustment Budget 2023/2024
	R’000	R’000
Operating Budget	57 372 967	57 541 450
Capital Budget	8 143 224	7 664 868
Total Budget	65 516 191	65 206 318

Parent Municipality (excluding entities):

Details	Original Budget 2023/2024	Adjustment Budget 2023/2024
	R’000	R’000
Operating Budget	56 811 229	57 007 619
Capital Budget	8 100 844	7 602 768
Total Budget	64 912 073	64 610 387

- 1.2 That Council approves additional capital projects for single and multi-years amounting to R506m in the 2023-24, as per Annexure C in the Adjustments Budget document, and which are now funded from savings.
- 1.3 That Council notes the adjustment budget amounting to R162m, as per Annexure D for projects declared as savings which have now been deferred to the 2024-25 financial year.
- 1.4 That the Council grants authority to accelerate implementation of approved projects where savings in the current year's capital budget are identified, subject to be included in the final adjustments budget.

During discussion, the DA advised of insufficient time provided to fully interrogate the adjustments budget due to late receipt of such Report. Although pleased that some of the proposals made by this Party had been incorporated, but cited difficulty to formalize a position on the matter, and thus recommended to be furnished with the Report at least a day before the meeting in future. This to then enable the Party to engage on critical service delivery matters contained in the budget.

Meanwhile, the EFF welcomed the report and mentioned that it relates to essential service delivery matters, reference being made to the allocation of R9 Million for soup kitchens, funding being set aside for additional water tankers, refurbishment of the R293 houses, roll-over of R1,5 billion conditional grants etc. They anticipated that such interventions would address majority of the City's challenges, including those of water and sanitation infrastructure.

The ActionSA on the other hand reiterated the concern of insufficient time to interrogate the Report. Also recommending deliberations on the Adjustments Budget to also take place at the Support Committee level in the first instance. In view thereof, the ActionSA dissented in approving the Report.

Speaking on the Adjustments Budget, the IFP welcomed the Report, and commended in particular the initiative to resuscitate the Presidential Public Employment Programme.

In concluding discussion, the ANC extended an apology for the late circulation of the Adjustment Budget report. However, the rationale behind adopting this approach was explained, that this is mainly aimed at protecting the Council and its Councillors since distributing the Report in advance leave the Council and its Councillors vulnerable in public since matters appear in the Media without having been interrogated and fully understood.

Thereafter, the Finance Team was commended for compiling a fully balanced adjustment budget, it being highlighted that the Municipality does not owe any amounts for bulk water and electricity supply to Umgeni Water and Eskom respectively. This being viewed as an indication that the Municipality is financially stable. Emphasis being also made that all funded projects will have to be implemented.

The ANC reminded the Council of the across-the-board reduction in grant funding from the National Government, due to prevailing economic turmoil in the country. That this resulted in the reduction in capital budget. However, that the Municipality prides itself for having commenced with most of planned capital projects, including Tshelimnyama Bridge, Nqaba Road etc. It was also emphasised that funding has been set aside for water and sanitation projects, including upgrading of Southern Main water pipe, Ntuzuma Pump Station and Northern Wastewater Treatment Plant, rehabilitation of the old Ohlange Pump Station to complement operations of the new pump station.

Thereafter, as some members were not in support of the recommendations, the matter was put to the vote. With 178 Councillors present, 133 Councillors (ANC - 90, EFF - 19, IFP - 09, ABC - 02; ACC - 01, ACDP - 00, AIC - 02, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP - 01; PFP - 01, PRM - 01, TA- 01 and UIM - 01) voted in favour of the recommendations. 45 Councillors (DA- 44 and ActionSA - 01) abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

2. REQUEST FOR AUTHORITY TO TRANSFER FUNDS WITHIN THE WATER AND SANITATION CAPITAL BUDGET FROM SAVINGS IDENTIFIED IN THE 2022/2023 FINANCIAL YEAR

(Laid-on-Table)

It will be recalled that the Municipal Council at its meeting of 31 January 2024 acknowledged the importance of paying service providers for the provision of water and sanitation services to human settlements and schools. Attached is the report giving background information, and in particular, a Council decision which confirmed that additional savings will be identified to pay the service providers once the work undertaken has been vetted by the Independent Auditors and determining further amounts due for payment in this regard.

This submission is therefore confirming the identification of savings in the amount of R14 291 000.00 (Fourteen Million Two Hundred and Ninety-One Thousand Rand) to pay the service providers as per the work vetted by the Independent Auditors.

In this regard, the DA requested assurance that the savings identified will not impact certain projects, where funding declared as savings has been drawn from, in particular, that no project will be stalled as a result of the funds taken away, and/or halted completely as a result thereof. Accordingly, the Committee was assured that the savings will not impact any project planned and committed in certain Wards.

In view of the foregoing,

COMMITTEE RECOMMENDS:

- 2.1 That authority be granted for the Deputy City Manager: Trading Services to transfer savings in the amount of R14 291 000.00 (Fourteen Million Two Hundred and Ninety-One Thousand Rand) to fund expenditure incurred in Project Y6525: Provision of water and sanitation services to human settlements and school during the 2019-20 financial year.
- 2.2 That subject to the approval of 2.1 above, the Deputy City Manager: Finance includes this in the final adjustment budget report for the 2023-2024 financial year.

Financial Implications:

Savings have been identified from the projects below amounting to R14 291 000.00

Description	Capital Budget No	Available for savings
Umlazi 2	X7997F	0.533
Inlet Main to Adams Mission 6	X8006B	0.000
Adams 5 Reservoir	X8067C	1.400
Waterloo Res to Katzkop Res; Upgrade of GRP Water	X8244	0.175
Nyokeni Reservoir- Upgrade In	X8468A	2.100
Maphephethweni 2 Res Trunk Main	X8574B	0.483
Ridge End Reservoir WPS	X8585A	0.700
St Thomas Reservoir WPS FUNC Upgrade	X8586A	1.925
Umlazi 2 Reservoir WPS- Functional Upgrade	X8587	2.402
Groundwater Wells for Phoenix	Y8702C	0.075
Riverside Rd Rising Main Reloc	Y8743	2.953
KwaMashu WWTW Upgrade to 80ml/day	Y8939B	0.175

Description	Capital Budget No	Available for savings
WEWE Trunk Main	Y8940A	0.145
Sanitation Infrastructure/Reticulation/Ntuzuma B Sewer Reticulation	Y8844	1.225
		14.291

Speaking on the matter, the DA submitted it was not in support of these recommendations, stating that approval of this report is a sign of injustice to the residents living within the Wards where savings have been identified from projects originally earmarked for them. Mention being made that these should not actually be declared as savings as some projects will be negatively affected. The view was that the Municipality do have other line items which could be reprioritized to, for instance, beef up capital budget for water and sanitation infrastructure rehabilitation.

The ANC in its submission commended the Trading Services Cluster for identifying funding for to beef up water and sanitation capital budget. It was then reiterated that in an endeavour to address findings by the Auditor-General on water losses, the Municipality has since allocated Plumbers per each Ward to fix water leaks, while others attend to sewer spillages.

Speaking on the budget and financial management principles, the ANC submitted that funding for projects completed and savings identified due to certain reasons are to be reallocated to other deserving projects to avoid under-expenditure.

However, as some members were not in support of the recommendations, the matter was put to the vote. With 180 Councillors present, 133 Councillors (ANC - 90, EFF – 19, IFP - 09, ABC – 02; ACC - 01, ACDP – 00, AIC – 02, DLC – 00; ADEC – 00; APF – 01; ATM - 01; ALJAMAH – 00; JEP - 01; KZNI - 01, MF – 01, MOSA – 00, NFP -01; PFP – 01, PRM – 01, TA- 01 and UIM - 01) voted in favour of the recommendations. 47 Councillors (DA- 46 and ActionSA – 01) voted against the recommendations. There were no abstentions recorded.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

(At this stage of the proceedings Councillor T Xuma, in his capacity as the Chairperson of the Municipal Public Accounts Committee, presented the First Report of the Committee).

FIRST REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. REPORT OF THE MPAC FOR THE 2023/2024 SECOND QUARTER ENDING DECEMBER 2023
(As contained in the Council Agenda: 2024-02-29)

2023/2024: Quarterly Report: MPAC

December 31
2023

Report of the Municipal Public Accounts Committee (MPAC) for the second quarter of 2023/2024 financial year: October to December 2023

Municipal Public
Accounts Committee
(MPAC)

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1. CHAIRPERSON'S STATEMENT

It is my pleasure to present the Second Quarter Report of the Municipal Public Accounts Committee (MPAC) which records the activities undertaken by the Committee from October to December 2023.

We have been playing “catch up” with the processing of Unauthorised, Irregular, Fruitless & Wasteful (UIFW) expenditure from previous financial years and it has been very frustrating for us to have to deal with such matters especially as many of these matters should have been considered in previous terms of office. We have received backlash for recommending the write off of irregular expenditure incurred and we believe that a greater understanding is required of the City's UIFW Expenditure Reduction Strategy and Plan. A further challenge is that Heads of Units do not timeously submit reports on the UIFW expenditure incurred by their Units and this impacts on the pace of our work. It further has an impact on the Municipality as a whole, because matters prescribe after a certain period of time which means that those responsible for the irregularities cannot be held accountable.

We are also very concerned about the functionality of the City Integrity and Investigations Unit due to challenges relating to staff capacity, funding, office accommodation, business continuity and morale. We, therefore, urge the City Manager to take note of our concerns which have been reported in this platform.

As it is the beginning of a brand-new year, we take this opportunity to wish Councillors and Officials a bright and fruitful year. May we all work together to build this Municipality into an entity that can be proud of its service delivery with residents being satisfied.

Councillor Thamisanqa Xuma
Chairperson: Municipal Public Accounts Committee
eThekweni Municipality

2. MEMBERSHIP AND MEETINGS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Committee comprises of 11 members appointed by full Council on a proportional representation basis.

2.1 Membership of the Municipal Public Accounts Committee during the second quarter of 2023/2024:

NO.	SURNAME	NAMES	DESIGNATION	PARTY
1.	Xuma	Thamisanqa	Chairperson	EFF
2.	Dlamini	Conrad Bongumusa	Deputy Chairperson	ANC
3.	Beesley	Alan David	Member	Action SA
4.	De Boer	Shontel	Member	DA
5.	Fortein	Barbara	Member	ANC
6.	Gama	Sizeni Gladness	Member	ANC
7.	Kissoon	Alicia	Member	DA
8.	Mkhwanazi	Brenda	Member	ANC
9.	Naidoo	Jane	Member	IFP
10.	Sibisi	Siboniso	Member	DA
11.	Thusi	Muzikayise	Member	ANC

2.2 Attendance of Members at Municipal Public Accounts Committee for the second quarter 2023/2024:

NAME	OCT 03	OCT 05	OCT 12	OCT 13	OCT 19	NOV 02	NOV 07	NOV 23
COUNCILLOR T XUMA	L	C A N C E L L E	C A N C E L L E	P O S T P O N E	L	P	P	L
COUNCILLOR AD BEESLEY	L				L	P	P	P
COUNCILLOR SV DE BOER	P				L	P	P	P
COUNCILLOR CB DLAMINI	P				P	P	P	P
COUNCILLOR BA FORTEIN	P				P	P	P	P

NAME	OCT 03	OCT 05	OCT 12	OCT 13	OCT 19	NOV 02	NOV 07	NOV 23
COUNCILLOR SG GAMA	P	D	D	D	P	P	P	L
COUNCILLOR A KISSOON	P	*	*	**	P	P	P	P
COUNCILLOR B MKHWANAZI	P				P	P	P	L
COUNCILLOR J NAIDOO	P				P	P	P	P
COUNCILLOR KS SIBISI	P				L	P	P	P
COUNCILLOR M THUSI	P				P	L	P	P

* Cancelled due to the non-submission of reports.

** Postponed to 2023-1-02 at the request of the Chairperson.

3. ROLE OF THE COMMITTEE AND COMMENTS

The primary function of the Municipal Public Accounts Committee is to help Council to hold the Administration, Municipal Agencies and Entities accountable for their management of municipal funds and assets in order to ensure the efficient and effective utilisation of council resources. This includes the Council's Support Committees, Executive Committee as well as Councillors. MPAC plays a role in increasing public and Council awareness of the financial and performance issues of the Municipality and its Entities.

4. SUMMARY OF COMMITTEE ACTIVITIES FOR PERIOD OCTOBER TO DECEMBER 2023

The Committee's activities include a mix of self-initiated and referred enquiries. We therefore receive submissions and conduct briefings/hearings on such matters as and when required.

Activity	Number
Reports Tabled	25
Deliberative Meetings	5
Interviews with Officials	35
Hearings	Nil
Briefings	14
Witnesses Appearing	Nil

5. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE COMMENTS AND FINDINGS FOR THE SECOND QUARTER OF 2023/2024

5.1 MPAC Workplan 2023/2024

As per the MPAC Workplan 2023/2024, the following reports were received and considered by Committee during the 2nd quarter:

- Budget Statement Reports for the months ending August, September and October 2023
- Review of External Service Provider Performance Monitoring by Units within the Municipality for Quarter 1 of 2023/2024 Financial Year
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure recommended for Write Off or Recovery as at 30 June 2023
- City Integrity and Investigations report for the 1st quarter 2023/2024
- Update on implementation of AG's Action Plan 2021/2022 from Parks, Recreation and Culture, Information Management and Water and Sanitation Units
- Irregular Expenditure

5.2 CIIU Investigations

We scheduled special meetings on 2nd and 7th November to exclusively receive briefings from CIIU on the following investigations:

INV NUMBER	
1.	INV193/01/2020
2.	INV001/07/2020
3.	INV099/12/2022
4.	INV008/08/2022
5.	INV041/10/2021
6.	INV191/05/2021
7.	INV236/03/2019
8.	INV219/03/2019
9.	INV112/05/2022
10.	INV093/10/2020
11.	INV559/05/2017
12.	INV095/03/2022
13.	INV139/06/2022
14.	INV217/03/2019
15.	INV091/10/2020
16.	INV101/03/2022

5.3 Challenges

One of our biggest challenges in dealing with UIFW expenditure is the non-submission of reports by some Units which leaves us with no choice but to keep cancelling special meetings scheduled. This, invariably, results in delays especially as we have been attending to the backlog. We have had no choice but to recommend the write-off of some expenditure due to prescription.

5.4 Water losses

Our concerns regarding water losses and the continual breakdown of infrastructure and equipment which result in residents having to go without water for extended periods, are monumental. We have received the Turnaround Strategy from the Water and Sanitation Unit which has been compiled in conjunction with a team deployed by National Treasury to render support to the municipality. However, we are yet to see the expected results of these interventions. We therefore urge the City Manager and the Executive Management Committee to keep a close watch on the implementation of the strategy developed to turnaround the water and sanitation operations and combat water loss.

6. **WORKSHOPS AND TRAINING**

KZNCOGTA conducted training for MPAC members on Unauthorised, Irregular, Fruitless and Wasteful (UIFW) Expenditure at an MPAC meeting held on 2023-10-19. This proved to be an extremely fruitful session and we are hopeful that quarterly reports will be provided to the Committee to enable us to assess our oversight of the following matters:

- UIFW Expenditure Reduction Strategy
- UIFW Plan
- Remedial action to address non-compliance with SCM Policy and Regulations
- Unauthorised expenditure and irregular expenditure incurred in multi-year contracts

Furthermore, we requested that a meeting be co-ordinated to ensure that quarterly reporting on UIFW expenditure is undertaken by the following Units/Department:

- Internal Control
- Legal and Compliance Services
- City Integrity and Investigations
- Internal Audit
- Human Resources
- Office of the City Manager

As this is a serious matter and will have implications on the Municipality should UIFW expenditure not be reduced, we have requested the City Manager to ensure that UIFW expenditure is a standing item on the Executive Management Committee's agenda.

As reducing UIFW will require the concerted efforts of all Portfolio Committees and Management, we have further requested the Office of the Speaker to arrange compulsory training with COGTA on UIFW expenditure for all Portfolio Committees and senior management.

In addition, as CIU is involved extensively in the investigation of UIFW expenditure, we have urged the City Manager, again, to provide quarterly reports on the capacitation of the Unit to enable the Unit to conclude investigations expeditiously.

Members also attended the Fraud and Corruption Awareness Seminar hosted by the City Integrity and Investigations Unit on 29 November 2023 at the Durban International Convention Centre.

7. RECOMMENDATIONS

COMMITTEE RECOMMENDS:

That Council notes the report of the Municipal Public Accounts Committee for quarter 2 of the 2023/2024 financial year, i.e., the period ended 31 December 2023, it being recorded that the activities undertaken during the period under review include:

- (i) Review of the 2021-22 eThekweni Municipality's Annual Report
- (ii) Oversight role of the Municipality's financial management;
- (iii) Monitoring compliance with procurement processes;
- (iv) Monitoring performance of appointed service providers;
- (v) Oversight of Unauthorised; Irregular; Fruitless and Wasteful Expenditure;
- (vi) Tracking implementation of mitigating measures arising from the findings raised by the Auditor-General; and
- (vii) Monitoring of investigations undertaken by the City Integrity and Investigation Unit.

NOTED.

(At this stage of the proceedings Councillor T Xuma, in his capacity as the Chairperson of the Municipal Public Accounts Committee, presented the Second Report of the Committee).

SECOND REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. **IRREGULAR EXPENDITURE: LOCAL CONTENT**
(As contained in the Council Agenda: 2024-02-29)

BACKGROUND

Section 32(2) of the MFMA provides that a Municipality must recover Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure, except where the unauthorised expenditure is regularised through an adjustments budget, or where the expenditure 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:

- A report was prepared by the Unit that incurred irregular expenditure after investigation by the said Unit. The report disclosed the deviation from Supply Chain Management Policy, the reasons for the deviation and the value of the expenditure.
- The report 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 the 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

The Office of the Auditor-General South Africa, during an audit, identified non-compliance with Regulation 8(1) and (2) of the Preferential Procurement Regulations (PPR) 2017. The Regulations required an organ of state to, in the case of a designated sector, advertise the invitation to tender with a specification condition that only locally produced goods or locally manufactured goods, meeting a stipulated minimum threshold for local production and content would be considered.

We noted that 243 contracts had been awarded by the Municipality in contravention of local content provisions. The details of the contracts are reflected in Annexure A attached hereto. The contracts have a total value of **R2,030,763,586.25** (Two billion thirty-seven hundred sixty-three million five hundred eighty-six rands and twenty-five cents). All these contracts were acquired through public tender processes.

It should further be noted that we previously supported a write-off of R495,377,082.01 (four hundred ninety-five million three hundred seventy-seven thousand eighty-two rands and one cent) in relation to Local Content in the past financial year. As the contracts were deemed irregular by the Auditor-General from inception all expenditure incurred until the contracts end will be irregular.

We interviewed the Acting Head: Supply Chain Management to establish the root cause of the non-compliance and we have received the assurance that there was no breach of the Municipal Finance Management Act. It has been acknowledged that the root cause of the issue was due to oversight by Line Departments, Supply Chain Management and Bid Committees and that this was a mistake of a technical nature.

In addition, we have been informed that Preferential Procurement Regulations 2017 were repealed on 2023-01-15 as these Regulations were deemed unconstitutional. The Regulations were replaced by Preferential Procurement Regulations 2023. Local Content is no longer applicable in terms of these new Regulations. State Organs can now decide how they address Local Production and Local Content.

It should also be noted that some contracts have run their course and have reached their end dates. However, active contracts cannot be terminated as service providers have complied with all their contractual obligations. These are contracts that will continue to incur irregular expenditure until the contractual period ends. Many other tenders which were still in the procurement processes were not awarded, thus preventing irregular expenditure.

Having duly considered and deliberated on the irregular expenditure concerned,

COMMITTEE RECOMMENDS:

- 1.1 That, having examined the reasons provided for the Irregular Expenditure incurred on various contracts due to non-compliance with Local Content requirements, the amount of R2,030,763,586.25 (Two Billion Thirty Million Seven Hundred and Sixty Three Thousand Five Hundred and Eighty Six Rand and Twenty Five Cents) be written off on the basis that the matter be submitted for consequence management processes to be instituted.
- 1.2 That it be noted that any consequence management recommendations will be dealt with in accordance with the Council Policy in relation to financial misconduct and oversight by the Financial Misconduct Disciplinary Board.

Speaking on the matter, the DA mentioned that the findings of the Auditor-General were explicit in terms of the implementation of consequence management and lack thereof. It being emphasised that those responsible for maladministration should be held accountable. Mention being made that certain Municipal Units do not submit reports to the Committees and that the City Manager should take responsibility in this regard. It being also emphasized that the Report of the Financial Misconduct Disciplinary Board should be submitted to the Council for consideration, including interventions being implemented to curb the water losses.

As some members were not in support of the recommendations, the matter was put to the vote. With 179 Councillors present, 134 Councillors (ANC - 90, EFF - 19, IFP - 09, ActionSA - 01, ABC - 02; ACC - 01, ACDP - 00, AIC - 02, DLC - 00; ADEC - 00; APF - 01; ATM - 01; ALJAMAH - 00; JEP - 01; KZNI - 01, MF - 01, MOSA - 00, NFP - 01; PFP - 01, PRM - 01, TA - 01 and UIM - 01) voted in favour of the recommendations. 45 DA Councillors abstained on the matter.

*Thereafter the above recommendations were by a majority vote, were **ADOPTED.***

(At this stage of the proceedings Councillor T Xuma, in his capacity as the Chairperson of the Municipal Public Accounts Committee, presented the Third Report of the Committee).

THIRD REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFWE): MULTIPLE FINANCIAL YEARS FROM 2017/2018 TO DATE (2022/2023)**

(As contained in the Council Supplementary Agenda: 2024-02-29)

BACKGROUND

Section 32(2) of the MFMA provides that a Municipality must recover Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure, except where the unauthorised expenditure is regularized through an adjustments budget, or where the expenditure 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 Internal Control Unit after its investigation of the irregular expenditure. The reports disclosed the deviation from Supply Chain Management Policy, the reasons for the deviation and the value of the expenditure.

1.1 **Irregular Expenditure Incurred Due to False or Failure to Submit Conflict of Interest Declarations by Suppliers and Officials:**

SCM Regulation 46(2)(e) requires officials within the Municipality to declare to the Accounting Officer details of any private or business interests with any person or family member, partner or associate who may be involved in any proposed procurement or any award of a contract by the Municipality.

We were advised that awards made to close family members, associates or partners of officials employed by the Municipality were identified by the Auditor General and deemed to constitute irregular expenditure where both the supplier and the official failed to declare or made false declarations of interest. Similarly, the Auditor General also identified awards that were made to suppliers whose directors were in the employ of other Organs of State and failed to make declarations in their tender submissions. The failure by awarded suppliers and related municipal employees to declare conflict of interest during the 2022/2023 audit cycle amounted to **R4,794,574.96**.

We were informed that the root cause of this issue was that the Municipality does not have access to the PERSAL System which is the payroll system for National and Provincial Governments. Access to this system would enable compliance teams in the Municipality to identify conflicted directors who are employed by other Organs of State.

Additionally, we took note that false or no declaration by close family members and associates remains a challenge as directors of companies with close relations to municipal officials may tender for contracts without the knowledge of the officials thereby resulting in non-compliance.

We have been advised that to mitigate against this, all municipal employees are required to complete conflict of interest declarations prior to being appointed and every 3 years. These declarations are periodically reviewed and maintained by the Performance Monitoring and Evaluation Unit and any non-compliance is escalated to the Unit Head to institute disciplinary action against the staff concerned. In addition, we note that the Municipality's electronic procurement system is integrated with the National Treasury Central Supplier Database and all conflicted directors are flagged. Conflict of interest matters identified by the Auditor General are submitted to the Conflict of Interest and Blacklisting Committees for the necessary action to be taken.

Having duly considered and deliberated on the irregular expenditure concerned,

COMMITTEE RECOMMENDS:

- 1.1.1 That, having examined the reasons provided for the irregular expenditure incurred due to false or failure to submit conflict of interest declarations by suppliers and officials, the amount of **R4,794,574.96** (Four Million Seven Hundred and Ninety-Four Thousand Five Hundred and Seventy-Four Rand and Ninety-Six Cents) be written off on the basis that the matter be submitted for consequence management processes to be instituted.
- 1.1.2 That it be noted that any consequence management recommendations will be dealt with in accordance with the Council Policy in relation to financial misconduct and oversight by the Financial Misconduct Disciplinary Board.

ADOPTED.

1.2 Irregular Expenditure Incurred - Repeat Transgressions on Similar Contracts and Leases:

We noted that additional irregular expenditure was incurred on contracts that MPAC had previously recommended the write-off of irregular expenditure for. These repeat items amount to **R28,281,681.23** and we noted that they related to:

- (a) **Lease of Smart Exchange Building - R7,766,389.66:** The landlord refused to comply with regulations and to accept the new market related rental proposal while the building was occupied by the Municipality. The continued use of an expired lease resulted in the rental expenditure being deemed irregular.
- (b) **Lease of Sparks Estate Library – R118,063.88:** The landlord was non-compliant which prevented the extension of the current lease while negotiations for a new lease were on-going.
- (c) **Lease of Isipingo Customer Service Centre – R213,787.00:** The landlord was deceased and negotiations were ongoing with the Estate. The construction of the Electricity Unit's own building is still underway.
- (d) **Lease of Durban Club Chambers – R2,179,900.00:** The landlord was non-compliant which prevented the extension of the current lease while negotiations for the new lease were underway.
- (e) **Contract for Maintenance and Management of Papwa and Windsor Golf Courses – R4,525,752.14:** As a result of SCM processes, there were delays in the award of the new tender which resulted in the continued use of an expired contract.
- (f) **Contract for Electronic Payment Services – R13,459,808.55:** SCM Section 24 negotiations for revised rates took longer than expected which resulted in the continued use of an expired contract.

To eliminate issues which cause the use of expired leases, the Real Estate Unit is in constant communication with landlords to comply with the SCM Policy and ensure that their tax matters are in order prior to concluding new leases. We note that negotiations are currently underway for the new lease at Smart Exchange Building. We have been informed that new contracts have been awarded and are currently active for the golf courses and the electronic payment services.

Having considered this matter at length,

COMMITTEE RECOMMENDS:

- 1.2.1 That, having examined the reasons provided for the irregular expenditure incurred by repeat transgressions on similar contracts and leases, the amount of **R28,281,681.23** (Twenty Eight Million Two Hundred and Eighty-One Thousand Six Hundred and Eighty-One Rand and Twenty-Three Cents) be written off on the basis that the matter be submitted for consequence management processes to be instituted.

- 1.2.2 That it be noted that any consequence management recommendations will be dealt with in accordance with the Council Policy in relation to financial misconduct and oversight by the Financial Misconduct Disciplinary Board.

ADOPTED.

1.3

Irregular Expenditure Incurred Prior to the Implementation of MFMA Section 32 Process by the Municipality:

In our deliberations on this matter, we noted that prior to 2019/2020 the City's processes for addressing UIFW expenditure were not aligned to MFMA Section 32 and the amended National Treasury Circular 68. This misalignment resulted in the accumulative UIFW expenditure balance not being timeously dealt with by Council. There was a further negative impact on record keeping and the maintenance of supporting documentation for UIFW expenditure matters identified in prior years.

We have thus mitigated against these internal control deficiencies through the implementation of the Council approved UIFW expenditure process, the maintenance of an accurate and complete UIFW expenditure register as well as the development and implementation of the UIFW expenditure reduction strategy.

Furthermore, UIFW amounting to **R254,189,387.26**, as identified and reported by the Auditor General as non-compliance with the MFMA and SCM Policy during the period 2008 to 2016 cannot be traced back to relevant Units or contracts due the internal control deficiencies mentioned above. This amount forms part of the cumulative UIFW expenditure balance as reflected in the Annual Financial Statements. The details of the expenditure incurred are outlined below:

NO.	NON-COMPLIANCE	DESCRIPTION OF NON-COMPLIANCE	VALUE	PERIOD ITEMS REPORTED
1.	Non-Compliance with SCM Policy	Various non-compliances with the SCM policy. Expenditure deemed to be irregular by the Auditor General due to public tender and quotation processes not being adhered to.	R54,249,942.26	2008-2012
2.	Non-Compliance with SCM Policy	Various non-compliances with the SCM policy. Expenditure deemed to be irregular by the Auditor General due to public tender and quotation processes not being adhered to.	R5,248,829.00	2013-2014
3.	Non-Compliance with SCM Policy	Various non-compliances with the SCM policy. Expenditure deemed to be irregular by the Auditor General due to public tender and quotation processes not being adhered to.	R69,125,238.00	2014-2015
4.	Non-Compliance with SCM Policy	Various non-compliances with the SCM policy. Expenditure deemed to be irregular by the Auditor General due to public tender and quotation processes not being adhered to.	R111,254,794.00	2015-2016

NO.	NON-COMPLIANCE	DESCRIPTION OF NON-COMPLIANCE	VALUE	PERIOD ITEMS REPORTED
5.	Non-Compliance with SCM Policy.	Various non-compliances with the SCM policy. Expenditure deemed to be irregular by the Auditor General due to public tender and quotation processes not being adhered to.	R14,310,584.00	2016-2017
TOTAL			R 254,189,387.26	

We have noted that the root cause of these transgressions was improper planning and the lack of training on the SCM Policy. The Internal Control Unit has confirmed that these contracts are old and no longer active. We have further noted that SCM staff have ongoing training on the Policy and that all Section 5 awards are now verified by the Internal Control Unit for compliance prior to being approved by the City Manager. In addition, the Supplier Self-Service System has been introduced for the procurement of goods and services that require the quotation process. This eradicates any non-compliance due to the failure to obtain and advertise quotations for the required period of time.

Having duly deliberated on the irregular expenditure concerned,

COMMITTEE RECOMMENDS:

- 1.3.1 That, having examined the reasons provided for the irregular expenditure incurred prior to the implementation of the Municipal Finance Management Act (MFMA) Section 32 process by the Municipality, the amount of **R254,189,389.26** (Two Hundred and Fifty-Four Million One Hundred and Eighty-Nine Thousand Rand Three Hundred and Eighty-Nine Rands Twenty-Six Cents) be written off on the basis that the matter be submitted for consequence management processes to be instituted.
- 1.3.2 That it be noted that any consequence management recommendations will be dealt with in accordance with the Council Policy in relation to financial misconduct and oversight by the Financial Misconduct Disciplinary Board.

ADOPTED.

**NOTICE OF MOTION
IN TERMS OF SECTION 18 OF THE RULES OF ORDER
BY-LAW, 2014, AS AMENDED**

1. NOTICE OF MOTION: PROPOSED BY COUNCILLOR MS GWALA AND SECONDED BY COUNCILLOR MS NKOSI: REMOVAL OF THE SPEAKER OF ETHEKWINI MUNICIPAL COUNCIL, COUNCILLOR TE NYAWOSE IN TERMS OF SECTION 40 OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURE ACT NO.117 OF 1998 IN REGULATIONS (3/4/9)

This Council noting that:

The Speaker of Council is custodian of the Council Rules of Order and Code of Conduct for Councillors. Over the past twenty-four (24) months, there has been instability during Full Council meetings caused by the way the Speaker conducts Council meetings.

Further to that there are occasions where during meetings the Speaker refuses Councillors access to equal opinions.

More than two (02) years after the beginning of this term many Councillors do not have Offices.

Therefore, this resolves noncompliance with Section 40 of the Local Government: Municipal Structures Act to immediately remove the Speaker of eThekweni Council.

(Prior to considering the above matter, the Speaker of Council recused himself from the meeting).

ELECTION OF ACTING SPEAKER

The City Manager presided over the process to elect Acting Speaker. Having explained the nomination process, the City Manager called for nominations, which were processes as follows:

- (i) Councillor NI Madlala, seconded by Councillor ON Zondi, nominated Councillor BT Ntuli, who then accepted his nomination accordingly*
- (ii) Councillor MS Gwala, seconded by Councillor RP Mbonambi, nominated Councillor I Syed, but Councillor Syed declined the nomination.*
- (iii) Councillor MR Nxumalo, seconded by Councillor I Syed, nominated Councillor VG Reddy who subsequently declined the nomination.*

Accordingly, there being no further nominations, Councillor BT Ntuli of the ANC was duly elected as the Acting Speaker.

Therefore, it was

RESOLVED:

That, in terms of Rule 15 (4) of the Rules of Order By-Law, 2014, as amended, Councillor Braveman Thembubuhle Ntuli of the African National Congress, be, elected the Acting Speaker to preside over the Notice of Motion pertaining to Proposed Removal of Councillor TE Nyawose as the Speaker of the eThekweni Municipal Council.

Thereafter, Councillor BT Ntuli proceeded to the Podium to take over the chairing process.

The Acting Speaker then officially tabled the Motion and requested the Council to confirm if the Motion is supported. In response, some Council members opposed the motion. The Author, Councillor MS Gwala, elaborated on the Motion.

Speaking on the Motion, Councillor Gwala submitted that the Speaker is the custodian of the Council's Rules of Order and Code of Conduct for Councillors. That over the past twenty-four (24) months he has been failing to conduct Council meetings in a fair and unbiased manner. Further, citing instability and delays during the full Council meetings as a result of the conduct by the Speaker. In this view, that the IFP Caucus is no longer satisfied with the service of the Speaker and emphasised that his incompetence to continue holding the position of the Speaker of Council.

Supporting the Motion, the DA reiterated an element of instability during the Council meetings, with the Speaker ignoring the Rules of Order, being biased in his rulings; and his inability to admit own mistakes during the proceedings. As the Presiding Officer in all Council meetings, the DA felt the Speaker should actually advance economic processes on behalf of the Council, maintain order and discipline as the custodian of the Code of Conduct for Councillors.

Further, that the performance or lack thereof of the Speaker impacts directly on Councillors as the public representatives. At this stage, the DA also brought the issue of some PR Councillors not having been allocated offices since year 2021. It was maintained that it is the responsibility of the Speaker to ensure wellbeing of all Councillors. In this regard, the DA also emphasised that Councillor Nyawose is no longer fit to occupy the position of becoming the Speaker of Council.

Also joining the debate, the PRM submitted that the Office of the Speaker is the most important Office in the Municipality, citing that significant decisions are made in that Office. Further, that the Speaker of Council provides stability in Council, and therefore not supporting the Motion to remove the Speaker. The PRM registered a vote of confidence for the Speaker, until such time his own Political Party decides otherwise.

Also commenting on the matter, the APF acknowledged that there were challenges within the Council, citing sewer spillages, electricity blackouts etc. However, that removing the Speaker cannot be undertaken haphazardly. The APF rejected the Motion citing the Speaker is still competent to occupy the position until the outcome of the 2026 Local Government Elections.

The NFP joined the Parties dissenting on the Motion and viewed this as a political ploy to garner the elections votes. The attention was drawn to the governance processes to be followed to register concerns on what is regarded as unsatisfactory conduct, including the Speaker and Party Whips Committee. That, to date, no formal Report has been received on the conduct of the Speaker.

Having listened to diverse views on the Motion under discussion, the ANC registered its disappointment over the Political Parties in support of the Motion. The Motion and its motivation, including views submitted, was considered unsubstantiated and non-factual. That there should be a distinction between motions; facts; and statutory requirements. In this regard, the ANC reported that through the intervention and leadership of the Speaker, all Section 79 and 80 Council Support Committees, with approved terms of reference, were established and are fully functional to date.

The Speaker was considered to have had exceeded the norm by far beyond the expectations in terms of convening monthly Council meetings, whereas the legislative requirements only prescribe that all Municipalities should hold quarterly meetings. That the Speaker has accordingly successfully facilitated the public participation process, reference being made to all Council meetings being streamed live on various media platforms for the community members to follow the discussions during the proceedings. Further, Ward Committees were established for all 110 Wards, with the exception of Ward 39 after the IFP Ward 39 Councillor cited instability and violence within the Ward and therefore being the only Ward without a Ward Committee.

Commenting further on the matter, the ANC submitted the Speaker has always acted impartial and unbiased during the Council meetings. It being mentioned that all Political Party Caucuses requested during the meetings were accordingly granted by the Speaker, even where he was not actually obligated to do so.

Reference was then made that the Council has, on numerous occasions, been subjected to Motions requesting removal of the leadership. That these are actually attempts to destabilize the Municipality. On the issue of Councillor offices, it was advised that this has to do with the procurement processes and therefore beyond the control of the Speaker. Also, the Supply Chain Management Unit not being deliberate with non-awards, but service providers (tenants) not complying with the Regulations.

Based on the submission above, the ANC stated that the Motion to remove the Speaker is categorically rejected.

Meanwhile, the ADEC shared a contrary view and submitted that the Speaker is incompetent to hold the position. That the Council meetings have been delayed, sometimes prolonging till midnight, this being evident the Speaker lacked the ability to manage politics and the Council meeting processes and procedures.

Therefore, as some Councillors were not in support of the above motion. The matter was put to the vote. With 202 Councillors present, 74 Councillors (DA – 52, IFP – 17; Action SA – 02, ACDP - 01, ADEC – 00 and UIM – 01) voted in favour of the motion and 108 Councillors (ANC - 92; ABC - 02, ACC – 02, AIC – 02, DLC – 00, APF – 01, ATM – 01, ALJAMAH- 01, JEP - 01, KZNI - 01; MF – 01; MOSA – 00; NFP -01 , PFP – 01; PRM – 01, TA – 01 and VF Plus – 00) voted against the motion. 20 EFF Councillors abstained on the matter.

*Accordingly, the above motion was by the majority vote, **NOT CARRIED.***

At this stage of the proceedings, time being 12h51, the Speaker of Council, Councillor TE Nyawose re-joined the meeting and presided over the meeting.

He then pointed out no one is immune to the process which has just unfolded, and citing that democratic processes should always prevail. Further, stating that there were few stable Municipalities in the Country.

The Speaker then extended gratitude to the Parties still having confidence in his leadership.

2. NOTICE OF MOTION: PROPOSED BY COUNCILLOR Y GOVENDER AND
SECONDED BY COUNCILLOR S SINGH: WATER CHARGES TO
PROPERTIES VALUED ABOVE R250 000.00 (7/6/3/1)

This Council noting that:

Thousands of residents have received exorbitant bills due to water charges for properties valued above R250 000.00 attributed to water back billing of a 6kl water charge between 2020 and 2023.

This Council resolves that:

Executive Committee considers the following recommendations and reports its findings to Council:

1. In terms of Section 29.1 (n) read with Section 9.7 (b) of the Municipality's Credit Control and Debt Collection Policy 2023/2024, debt is irrecoverable if the outstanding amount is as a result of an administrative error and interest may be reversed accordingly.
2. That all debt due to the 6kl administrative error be deemed irrecoverable.

The Speaker tabled the Motion and requested Council to confirm if this is supported. Accordingly, some Council members opposed the motion. He then requested the Author, Councillor Y Govender to elaborate thereon.

Speaking on her Motion, Councillor Govender of the DA mentioned advised this relates to water back billing of a 6kl water charge between 2020 and 2023. That there were significant challenges related to erroneous billings which were estimates. As a result a number of forty nine thousand (49 000) customers were not billed or were under-billed due to revenue management technical error.

On a point of order raised, Councillor Syed of the ACC advised that a Motion similar to the one under discussion has already been recently carried by the Council. Following explanation and referring to the requirements of the Rules of Order By-Law, the Speaker advised that the Motion by Govender permitted as having been processed administratively, and that any technicalities surrounding this and the other previous Motion would be dealt with by the Executive Committee and the City Manager.

To be on the safe side, Councillor Ntuli of the ANC requested a legal opinion on this matter.

In this regard, the Head: Legal and Compliance advised that a decision to include a Motion on the Council agenda, is the competence of the Speaker, and that with the Motion being on the agenda it is because it was considered competent to serve before the Council.

With the matter having been clarified, Councillor Govender continued with her motivation, reiterating the billing error dating three (03) years back. That apparently thousands of residents have received exorbitant bills due to water charges for properties valued above R250 000.00, it being emphasised that this debt was irrecoverable as the outstanding amount was because due to an administrative error. It was reported that customers affected have also submitted complaints to the Ratepayers Associations and Councillors, as the incorrect inflated bills have affected many residents, including women-headed households, pensioners etc.

It was acknowledged that the Municipality has noted the error and had requested customers to come forward to sign a 36-month payment plan. However, according to the DA, this was not approach to resolved the matter, but that adherence be made to the Policy requirements, reference being made to Section 29.1 (n) read with Section 9.7 (b) of the Municipality's Credit Control and Debt Collection Policy 2023/2024, stipulating debt is irrecoverable if the outstanding amount is due to an administrative error and that interest may be reversed accordingly. That this approach would result in customers affected having their debts completely written off.

Commenting on the Motion, the ANC felt it was inopportune to submit such given that two weeks back the Council carried a Motion on water charges which is still being investigated and with the outcome thereof still pending. In this view, the ANC rejected this Motion as the same matter is already under investigation.

Therefore, as some Councillors were not in support of the above motion. The matter was put to the vote. With 186 Councillors present, 90 Councillors (DA – 50, EFF – 19, IFP – 15; Action SA – 01, ACC – 02, ACDP – 01, MF - 01 and UIM – 01) voted in favour of the motion and 95 Councillors (ANC - 87; ABC - 02, AIC – 02, DLC – 00, ADEC – 00, APF – 01, ATM – 00, ALJAMAH- 00, JEP - 01, KZNI – 01; MOSA – 00; NFP -01, PFP – 00; TA – 00 and VF Plus – 00) voted against the motion. 01-PRM Councillor abstained on the matter.

*Accordingly, the above motion was by the majority vote, **NOT CARRIED.***

At this stage of the proceedings, time being 14h25, Council took a comfort break and the meeting resumed at 16h42 to consider the 2023/2024 Adjustment Budget and In-committee matters.

3. NOTICE OF MOTION: PROPOSED BY COUNCILLOR WJD BURNE AND
SECONDED BY COUNCILLOR S MNGADI: INVESTIGATION ON THE
PRESIDENTIAL EMPLOYMENT PROGRAMME (4/3/5/1)

This Council noting that:

The Presidential Employment Program (the “Program”) started late in February 2022, with Ward Councillors being asked to nominate 36 individuals and a supervisor to be allocated to departments to do various functions. From the outside, the operation of the program was chaotic and shrouded in confusion and/or secrecy. It later became apparent that about 8 000 people were employed in the Program. Other than paying amounts to thousands of people, the Program has not delivered any measurable results.

Accordingly, Council hereby resolves that the Executive Committee must:

1. Authorise the establishment of a forensic investigation to establish and identify:-
 - a) How much money was paid out in terms of the Program?
 - b) Who was employed by the Municipality to administer the Program?
 - c) What processes were followed to employ those people?
 - d) What benefits the Municipality got out of the total expenditure on the Program?
2. Report back to Council on the Report of the forensic investigation.

The Speaker then tabled the Motion and requested the Council to confirm if this was supported. Accordingly, some Council members opposed the motion. He then requested the Author, Councillor WJD Burne, to motivate his Motion.

Speaking on his Motion, Councillor Burne advised of a need to conduct a thorough investigation on the Presidential Employment Program (PEP) which had commenced in February 2022, with an allocated budget of R293 Million from the National Treasury for a three (03) year period. As part of background information, Councillor Burne reported that Ward Councillors were requested to nominate thirty (36) individuals and a supervisor to be allocated to departments to do various functions. An indication given that from the outset, the operation of the PEP was chaotic and shrouded in confusion and/or secrecy. That it later became apparent that about eight thousand (8 000) people were employed under PEP.

The DA was of the view that other than paying amounts to thousands of people, the PEP has not delivered any measurable results. That the allocation of workers was done haphazardly and graduates being poorly deployed. Also, that not all PR Councillors were invited to nominate beneficiaries of PEP. In this regard, the DA felt an investigation be carried out to determine whether there were benefits achieved with the R293 million grant funding from National.

Commenting on the Motion, the ANC mentioned that PEP is a high-level response to slow economic growth caused by the Covid-19 pandemic. It being reiterated that this pandemic resulted in devastating economic impacts, threatening jobs and livelihoods of many South Africans, especially, the most vulnerable. That the pandemic also exacerbated the South Africa's pre-existing crisis of poverty and unemployment. Therefore, PEP sought to confront this impact directly, as part of the government's broader economic recovery agenda. That the intention was to use direct public investment to support employment opportunities. A call was then made for Councillors to liaise with the relevant parties to gain more insight on the programme; its objectives; and the achievements thereof. Confirmation was then given that the program will be resuscitated to continue assisting vulnerable communities.

As some Councillors were not in support of the above motion. The matter was put to the vote. With 196 Councillors present, 87 Councillors (DA – 51, EFF – 16, IFP – 16; Action SA – 02, ACDP – 01 and UIM – 01) voted in favour of the motion and 108 Councillors (ANC - 93; ABC - 02, ACC – 01, AIC – 02, DLC – 00, ADEC – 01 , APF – 01, ATM – 01, ALJAMAH- 01, JEP - 01, KZNI – 01; MOSA – 00 ; NFP -01 , PFP – 01; PRM – 01, TA – 01 and VF Plus – 00) voted against the motion. 01-MF Councillor abstained on the matter.

Accordingly, the above motion was by the majority vote, **NOT CARRIED.**

4.

NOTICE OF MOTION: PROPOSED BY COUNCILLOR NL KHUZWAYO AND
SECONDED BY COUNCILLOR CB DLAMINI: REMOVAL OF
COUNCILLOR A BEETGE AS THE MEMBER OF THE EXECUTIVE
COMMITTEE IN TERMS OF SECTION 53 (1) OF THE LOCAL GOVERNMENT:
MUNICIPAL STRUCTURES ACT, NO.117 OF 1998 AND RULE 18 OF THE
RULES OF ORDER BY-LAW 2014, AS AMENDED

Whereas, in accordance with section 53 (1) of the Local Government: Municipal Structures Act, No.117 of 1998 and Rule 18 of the Rules of Order By-Law 2014, as amended, a motion is hereby submitted to remove Councillor A Beetge from the Executive Committee for consideration and resolution by the Council.

Whereas Councillor Beetge currently holds a position of significant importance within the Municipality, being a member of both the Finance Committee and the Executive Committee, thereby constituting an integral part of the Municipality's leadership collective.

Whereas, while freedom of expression is a fundamental right enjoyed by all Councillors in Council, it is also recognised that Executive Committee members have a duty to uphold certain standard of honesty and integrity in their conduct and interactions within the Municipal Governance Framework.

Whereas, during recent deliberations concerning a motion against the Mayor, Councillor Beetge. In his capacity as a member of the Executive Committee, failed to uphold the responsibilities inherent in his position. His conduct during these proceedings has undermined the trust relationship between himself and the Mayor, who chairs the Executive Committee.

Whereas Councillor Beetge's action have not only compromised the effectiveness of the Executive Committee but have also damaged the integrity and trust within the Municipality's leadership structure.

Therefore, be it resolved, that Councillor Beetge be removed from his position within the Executive Committee, effective immediately.

Prior to the Motion being discussed, the IFP enquired whether the Motion is legally competent to be considered as this contradicts the standard in terms of the Rules of Order, where Motion is expected not to exceed a number of one hundred and fifty (150) words.

The DA also shared a similar view, pointing out the Motion is not legally competent to be considered by this Council, reference being made to Rule 19 (c) of the Rules of Order, By-Law, which was read as follows "The Speaker must disallow a notice of motion that is longer than 150 words or contains unnecessary, factually incorrect, incriminating, disparaging or improper suggestions."

However, in response, the Speaker reported that all Motions were scrutinized by the Legal and Compliance Unit prior to their inclusion on the Council agenda. Therefore, the motion met all requirements as per the guidance from the Municipal legal team. It was mentioned that the responsibility of the Legal and Compliance Unit is to guide Council through the Speaker. In this regard, the Speaker mentioned that his Office was satisfied with the advice provided by the Legal and Compliance Unit. Mention being made that if there are parties feeling aggrieved, the necessary processes should be followed accordingly. The attention was then drawn to powers vested upon the Speaker, in terms of the Rules of Order By-Law, to rule on matters. In this regard, the Speaker permitted that the Council continues to deal with the Motion.

Thereafter, the Speaker tabled the motion and requested Council to confirm if the motion is supported. Accordingly, some Council members opposed the motion. He then requested the Author, Councillor NL Khuzwayo, to motivate his motion.

Speaking on his motion, Councillor Khuzwayo mentioned that the Executive Committee is the highest body of Council, and its powers and functions are listed in Section 44 of the Local Government: Municipal Structures Act, No.117 of 1998 (LG: MSA). It was mentioned that the Municipality subscribes to a collective Executive Committee Systems and processes reports for consideration by the Council.

Thereafter, the attention was drawn to failure by Councillor Beetge to canvass issues at the Executive Committee level and further pursue them at the Council level. That this erodes the trust relationship that exists amongst the Executive Committee members. It being mentioned that Councillor Beetge in his capacity as a member of the Executive Committee, has failed to uphold the responsibilities inherent in his position. Further, that Councillor Beetge's action have not only compromised the effectiveness of the Executive Committee but have also damaged the integrity and trust within the Municipality's leadership structure, it being cited that at one of the previous Council meetings, Councillor Beetge was removed from the Council due to his improper conduct. On this basis, the ANC submitted that Councillor Beetge be removed from his position within the Executive Committee, effective immediately.

Speaking on the Motion, the DA reiterated that it is legally flawed, mentioning that their lawyers had formally written to the Office of the Speaker in this regard, questioning compliance with Section 53 (01) of the LG: MSA and Rule 19 (1) (c) of the Rules of Order, By-Law. The Council was informed of the deliberations as the Speakers and Party Whips Committee meeting, where it was reported that this Motion was received on Monday, 26-02-2024, therefore it should not have been part of the normal process to vet Motions for the Council agenda purposes.

However, the Speaker ruled that Councillors should confine themselves to the Motion and not to narrate the events leading up to the submission of this Motion. Therefore, as some Councillors were not in support of the above motion. The matter was put to the vote. With 198 Councillors present, 109 Councillors (ANC - 93; ABC - 02, ACC - 02, AIC - 02, DLC - 00, ADEC - 01, APF - 01, ATM - 01, ALJAMAH- 01, JEP - 01, KZNI - 01; MOSA - 00; NFP - 01, PFP - 01; PRM - 01, TA - 01 and VF Plus - 00) voted in favour of the motion. 20 Councillors (EFF- 18, MF- 01 and UIM - 01) abstained on the matter.

*Accordingly, the above motion was by the majority vote, **CARRIED.***

(It should be noted that even though the 69 Councillors (DA - 51, IFP - 14, Action SA - 02 and the ACDP - 02) were present, they chose not to participate in the voting process.)

5. NOTICE OF MOTION: PROPOSED BY COUNCILLOR NL LUSHABA AND SECONDED BY COUNCILLOR NS NDLOVU: REMOVAL COUNCILLOR T XUMA IN TERMS OF SECTION 79 (1)(3)(4) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, NO.117 OF 1998 AND RULE 18 OF THE RULES OF ORDER BY-LAW 2014, AS AMENDED

Whereas, in accordance with section 79(1)(3)(4) of the of the Local Government: Municipal Structures Act, No.117 Of 1998 and Rule 18 of the Rules of Order By-Law 2014, as amended, this Council has authority to deliberate and resolve upon matters concerning the appointment and removal of Committee Chairpersons.

Whereas the Municipal Public Accounts Committee (MPAC) is recognised as one of the most crucial Committee of this Council, entrusted with the responsibility of overseeing the financial affairs and accountability of the Municipality.

Whereas Councillor Xuma was appointed by this Council to Chair the MPAC on 26 August 2022, with the expectation that he would fulfil his duties with utmost dedication and commitment.

Whereas it has become evident that since assuming the role of Chairperson of the MPAC, Councillor Xuma has demonstrated a consistent lack of punctuality by arriving late or leaving early, thereby undermining the efficiency and effectiveness of the Committee's proceedings.

Whereas the sensitivity of some of the matters discussed by the Committee requires some level of confidentiality, especially before matters are resolved. Councillor Xuma has been found discussing such matters in the media.

Whereas Councillor Xuma has failed to fulfil his obligations to table reports of MPAC to Council as required by the rules and regulations governing the operations of the Committee, with a failure rate exceeding 90%, indicating a serious dereliction of duty and disregard for established protocols.

Therefore, be it resolved that this Council hereby moves to remove Councillor Xuma from the position of Chairperson of the Municipal Public Accounts Committee, effective immediately, in accordance with the provisions outlined in the aforementioned statutes and regulations.

WITHDRAWN.

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. **EXECUTIVE COMMITTEE**

Meetings held on	:	2024-01-23
	:	2024-01-29
	:	2024-01-31

ITEMS FOR NOTING

The Items for Noting, reflected on Pages 28 to 36 of the Agenda, pertaining to the items discussed and resolved at the Executive Committee level during the month of January 2024 were, **NOTED.**

The meeting terminated at 19h40 and moved into in-committee.

APPROVED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2024-03-26.

SPEAKER