

**ETHEKWINI MUNICIPAL COUNCIL**

Meeting held Tuesday, 2024-03-12T11:00, streamed from Durban City Hall

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

**ABSENT :** Councillors J Annipen, CB Dlamini, SN Gabela, GM Gasa, DM Gcabashe, NBC Godlwana, S Govender, SV Govender, LBS Jali, MH Khan, ND Khuzwayo, SR Madlala (leave), MA Madlala, FN Majola, SW Mcineka, K Mhlaba SE Mhlongo (leave), ME Mkhize, TJ Mnguni, ND Motseke (leave), OB Mvubu (leave), J Naidoo, MF Ndlovu, MS Nkosi (leave), DM Nsundwane,

SH Ntombela, NZ Ntuli (leave), MR Nxumalo (leave), BW Phewa, T Sabelo, BH Shange, BS Sivetye, ZA Solomon (leave-indisposed), ME Thusi (leave), T Xuma (leave-indisposed), TV Xulu and TG Zungu.

AMAKHOSI

PRESENT : None

AMAKHOSI

ABSENT : Inkosi EB Mlaba, S Mlaba and JJ Shangase.

OFFICIALS

PRESENT : Messrs/Mesdames Mr TB Mbhele (City Manager), M Mhlongo (Head: Legal & Compliance), S Mfingwana (Deputy Head: Legal & Compliance), BM Mhlongo (Deputy Head: Office of the Speaker), T Ndlovu (Senior Manager: Secretariat) and SC Kunene (Manager: Council Committees).

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(At the commencement of the meeting 167 Councillors were present, comprising ANC - 72, DA - 40, EFF - 14, IFP - 14, ASA - 04, ABC - 02, ACC - 02, ACDP - 02, AIC - 00, ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 00, DLC - 01, JEP - 01, KZNI - 01, MF - 01, MOSA - 01, NFP - 01, PFP - 01, PRM - 01, TA- 00, UIM - 01 and VF Plus - 01).

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1. NOTICE CONVENING THE MEETING

The City Manager, Mr TB Mbhele read the notice convening the meeting as per the statutory requirement.

2. OPENING

The Speaker declared the meeting open at 11h10 and extended a warm welcome to Councillors, Traditional Leaders, City Manager, Deputy City Managers, Legal & Compliance Team, other Unit Heads and Members of the Administration. A special warm welcome was extended to the 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

5.1 The Speaker advised that this meeting was convened to conclude the business of the Council adjourned 29 February 2024 due to time constraint, and preventing the meeting to prolong till later hours of the evening on the day.

5.2 The Speaker then made reference to the ongoing labour unrest within the City of eThekweni. Given the disruption in the normal Council business, in particular service delivery, as a result thereof, the Speaker extended a sincere apology to the eThekweni residents as well as the administration for the inconvenience suffered.

The attention was then drawn to ongoing efforts by the Municipality to negotiate towards resolving matters and restore the services back to normal business. Condolences were extended to the family and colleagues of the employee from the Parks, Recreation and Culture Unit who recently passed on after being attack whilst on duty.

5.3 With regard to the ordinary Council meeting scheduled for 28 March 2024, the Speaker reported that this will now be brought forward to 27 March 2024 in an attempt not to compete with the commencement of the Passover busy, but create convenience for those travelling for Church services and/or holidays.

5.4 In view of the meeting being conducted through Microsoft Teams, Councillors were encouraged ensure that their microphones are muted when not speaking. Councillors were further encouraged to conduct themselves with dignity and decency during the Council proceedings, and in compliant with the expectations in terms of the Councillors' Code of Conduct. In particular, reference being made that online and physical meetings subscribe to a similar conduct thus requiring Councillors to observe similar conduct applicable to the Council meetings in general.

6. SPEAKER'S REPORT

Purpose

In presenting his Report, the Speaker submitted that the purpose was to report activities undertaken by the Municipal Council during the month of February 2024, in line with the provision of Section 13(f) of the Rules of Order By-Law 2014, as amended.

6.1 Municipal Activities

6.1.1 Community /Stakeholder Engagement

6.1.1.1 The Municipality remains committed to one of its legislated responsibilities of enhancing public participation through its identified public participation platforms. Over the month of February, several community engagements have been held through

Mayoral Izimbizo, in response to water challenges experienced in some wards. The main objective of the said engagements addressing members of the public on water related matters, where a platform is created for the Municipality to advise the respective communities on plans in place to respond to the challenges and provide progress report on the implementation of intervention plans in place. This is in line with one of the public participation's objectives of keeping communities informed and involved in Municipality's plans and decisions. Wards that have been engaged include Ward 01; 07; 44; and other areas such as Verulam, KwaNyuswa.

- 6.1.1.2 Council to note that the limited water supply problem is not a challenge only being experienced in eThekweni Municipality but is also prevalent in other Municipalities across the different Provinces as well. This necessitating that intergovernmental efforts be implemented to address this challenge. Joint community engagements with Minister of Water and Sanitation and the Municipality leadership have also been held addressing the public on the said water issues. These joint meetings have been held in areas such as Phoenix; Chatsworth.; Umlazi.
- 6.1.1.3 In addition to the above mentioned Mayoral Izimbizo, Councillors have also hosted Community meetings, and Council to note that 22 Ward based community meetings were convened and reported over this period. Councillors are reminded to continuously hold at least quarterly these community engagements in compliance with the Code of Conduct for Councillors.
- 6.1.1.4 The Municipality has also been hosting stakeholder engagements on the Annual report as per the statutory requirement, with the next engagement being scheduled with Ward Committees for Saturday, 02 March 2024.
- 6.1.1.5 Another stakeholder engagement that the Municipality is going to host is with representatives from Ratepayers Associations to engage on water supply issues and the billing system. The meeting is scheduled for Friday, 01 March 2024.

## 6.2 Ward Committees

- 6.2.1 Ward Committees are statutory committees of the Municipal Council and functionality thereof is monitored, to ensure that their responsibility is carried as required. One of the monitoring tools in place, is oversight visits to these Committee meetings which are undertaken quarterly. In this current quarter, quarter 3, oversight Ward Committee visits commenced in February and are ongoing.
- 6.2.2 A total of 52 oversight visits have been successfully held and the remaining are being undertaken during the month of March 2024.
- 6.2.3 Council to further note that as indicated above, Ward Committees being statutory, functionality thereof is also monitored by the Department of Cooperative Governance and Traditional Affairs (COGTA). Quarterly functionality assessments are undertaken, and the next assessment was scheduled for Thursday, 07 March 2024, but was later postponed and a new date is awaited from COGTA.
- 6.2.4 In preparation for the said functionality assessment, Ward Councillors are urged to work with the Ward Committee's administration team, to ensure that all required documents for the assessment are for the Ward Committee to be deemed functional.

6.3 DEMOCRATIC ALLIANCE IN THE EXECUTIVE COMMITTEE

6.3.1 The Council is reminded that eThekweni Municipality is established as a Collective Executive system, with a Ward Participatory system. The Executive Committee (EXCO) therefore comprises of different Political Parties based on proportion.

6.3.2 Based on the proportional representation, the Democratic Alliance (DA) has three (03) seats on EXCO. At the last Council meeting held on 29 February 2024, Council took a decision to remove one of the DA Members, Councillor Beetge from EXCO in line with Section 53 of the Local Government: Municipal Structures Act which makes provision that the Municipal Council may by resolution remove from office one or more member(s) from its Executive Committee.

6.3.3 On Monday, 04 March 2024, correspondence was received by Speaker of Council from the DA's authorized representative appointing its Member to the Executive Committee, filling a vacancy that had been created. The said appointment being informed by Section 43(2)(e) of the Municipal Structures Act, which makes provision that in the event that there is a vacancy in EXCO, the Political Party to which the seat is allocated, will through its authorized representative appoint a Councillor to fill that vacancy.

6.3.4 Council to note that the DA's authorized representative appointed Councillor Beetge back to EXCO as a DA's representative in the Executive Committee, **NOTED.**

6.4 CHANGES IN THE DEMOCRATIC ALLIANCE'S (DA) REPRESENTATION ON THE ETHICS AND MUNICIPAL PUBLIC ACCOUNTS COMMITTEES (MPAC)

6.4.1 The Ethics Committee is one of the Municipal Council's statutory Committees, with a proportional representation as follows:

POLITICAL PARTY	NUMBER OF ALLOCATED SEATS	COUNCILLORS
African National Congress (ANC)	04	Councillor N Mthembu-Zondi Councillor S Ngcongco Councillor F Mdletshe Councillor Y Young
Democratic Alliance (DA)	03	Councillor T Pillay Councillor S Chebure Councillor H Shozi
Economic Freedom Fighters (EFF)	01	Councillor T Miya
Inkatha Freedom Party (IFP)	01	Councillor R Mbonambi

6.4.2 The Whip of the DA has made a submission to the Speaker, requesting that from the DA representation changes be undertaken with Councillor H Shozi, being replaced by Councillor Kissoon.

- 6.4.3 MPAC is also established as a Section 79A Municipal Council Committee, and is composed in terms of proportion as follows:

POLITICAL PARTY	NUMBER OF ALLOCATED SEATS	COUNCILLORS
African National Congress (ANC)	05	Councillor C Dlamini Councillor B Fortein Councillor M Thusi Councillor S.G. Gama Councillor B Mkhwanazi
Democratic Alliance (DA)	03	Councillor S DeBoer Councillor A Kissoon Councillor K.S. Sibisi
Economic Freedom Fighters (EFF)	01	Councillor Xuma
Inkatha Freedom Party (IFP)	01	Councillor J Naidoo
Action South Africa	01	Councillor A.D. Bisley

- 6.4.4 The DA Whip again made a submission to the Speaker, requesting for a change in the DA's representation in MPAC, by appointing Councillors Warren Burne and Caelee Laing replacing Councillors Shantel DeBoer and Allison Kissoon on the Committee.

- 6.4.5 Council is hereby requested to approve that:

- 6.4.5.1 The Democratic Alliance (DA) membership in the Ethics Committee be amended by the substitution of Councillor Hlengiwe Shoji by Councillor Allison Kissoon.

- 6.4.5.2 The Democratic Alliance (DA) membership in the Municipal Public Accounts Committee (MPAC) be amended by the substitution of Councillors Shantel DeBoer and Allison Kissoon, by Councillors Warren Burne and Caelee Laing.

**ADOPTED.**

## 7. APPLICATIONS FOR LEAVE OF ABSENCE

Regarding the Applications for Leave of Absence submitted for this meeting, it was accordingly,

### **RESOLVED:**

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

#### COUNCILLORS

Councillor SR Madlala	:	2024-03-12	Personal Commitments
Councillor X Mdlazi	:	2024-03-12	To leave early
Councillor SE Mhlango	:	2024-03-12	
Councillor ND Motseke	:	2024-03-12	Personal Commitments
Councillor OB Mvubu	:	2024-03-12	Personal Commitments

Councillor MS Nkosi	:	2024-03-12	Personal Commitments
Councillor Z Ntuli	:	2024-03-12	
Councillor MR Nxumalo	:	2024-03-12	Personal Commitments
Councillor H Shozi	:	2024-03-12	
Councillor S Sewshanker	:	2024-03-12	
Councillor Z Solomon	:	2024-03-12	
Councillor ME Thusi	:	2024-03-12	Indisposed
Councillor T Xuma	:	2024-03-12	Indisposed

8. DECLARATION OF INTEREST

It was noted that none of the Members of Council had declared interest on items appearing on the Agenda.

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

The Speaker advised that the Minutes of the previous ordinary Council meetings were confirmed during the Council meeting held on 2024-02-29.

The Council Minutes for the Special Meeting held on 2024-02-29 and the In-committee minutes for the meetings held on 2024-01-31 and 2024-02-14 were going to be confirmed during the Council meeting scheduled for 2024-03-27.

10. MATTERS ARISING

There were not matters arising for consideration at this meeting.

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

There were no questions for consideration at this meeting.

12. REPORTS:

*Prior to presenting the Second Report of the Executive Committee, His Worship the Mayor commenced by extending condolences to the family of an employee from the Parks, Recreation and Culture Unit who passed on as she succumbed to injuries following her attack while on duty during the period of the labour unrest. Further, His Worship wished the other employees who were also attacked and hospitalized, a speedy recovery.*

*The City Manager was then requested to present in this Council the developments with regard to the ongoing labour unrest for the information of the Council Members.*

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Thereafter, His Worship officially tabled the Second Report of the Executive Committee.

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## 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.

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*(Whilst the vote from Councillor Nkosi of the IFP is recorded where indicated, it be noted that, at his request, permission was granted for him to leave the meeting early due to other commitments. Therefore, this explains the non-indication of the vote of the IFP on matters discussed in Councillor Nkosi's absence)*

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

(Page R2)

#### 1.1 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 in different financial institutions and recorded to be a total amount of 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 Eighty-Two Million Rand) and, unutilised capital and operational grants as at end November 2023 reported to be R3 017 000 000.00 (Three Billion and Seventeen Million Rand). It being further noted that days' cash on hand sat at thirty-seven (37) days, excluding grants.

Accordingly,

#### COMMITTEE RECOMMENDS:

That the report on investments of the eThekweni Municipality as at 2023-11-30, which records total funds invested in financial institutions to be 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%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Local Government: Municipal Finance Management Act No. 56 2003, be noted.

#### **NOTED.**

#### 1.2 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 in different financial institutions recorded to be a total amount of R8 520 000 000.00 (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 unutilized capital and operational grants as at end of December 2023 reported to be R3 020 000 000.00 (Three Billion and Twenty



Million Rand). It being further noted that days' cash on hand sat at forty-three (43) days, excluding grants.

Accordingly,

**COMMITTEE RECOMMENDS:**

That the report on investments of the eThekweni Municipality as at 2023-12-31, which records total funds invested in financial institutions to be R8 520 000 000.00 (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 Local Government: Municipal Finance Management Act No. 56 2003, be noted.

**NOTED.**

1.3 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 an 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) represents a total value of tenders issued during the month of November 2023.

Accordingly,

**COMMITTEE RECOMMENDS:**

- 1.3.1 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.
- 1.3.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.
- 1.3.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 1.3.4 That the City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where willful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 1.3.5 That the 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.

**NOTED.**

1.4 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 an 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) represents a total value of tenders issued during the month of December 2023.

Accordingly,

COMMITTEE RECOMMENDS:

- 1.4.1 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.
- 1.4.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.
- 1.4.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 1.4.4 That the City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where willful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 1.4.5 That the 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.

**NOTED.**

1.5 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%. Cash collection of 95% as at November 2023 was reported higher when compared to the same period in the previous year (91%).

Unpacking the Report, 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 in the Municipal Entity, the Ushaka Marine World. Mention being made that service providers should be paid within a prescribed thirty (30) days period.

Commenting on the concerns raised, it was reported that a dedicated Municipal Task Team has been established to fastrack the meter reading process as the meter reading contract has since 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 eThekweni is the second leading City in terms of spending the USDG funding. A submission being also 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:**

- 1.5.1 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 (LG: MFMA) No. 56 of 2003, 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.
- 1.5.2 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.
- 1.5.3 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.

*During discussion of this matter, the DA expressed grave concern that the issue of unread meters continued to burden residents. That some residents are now confronted with high water bills following the estimates that have been done. The Debt Relief Programme was considered not helping the situation since customers were still expected to put a 5% Downpayment in this regard. The DA also drew the attention to the issue of unresolved meter replacement programme, that some customers have since been waiting for their meters to be replaced, with a waiting period even prolonging for six (06) months.*

*Speaking on the matter, the ActionSA pointed out that the Council needs to learn and improve its operations. The issue of meter reading was considered critical and impacting the Municipal revenue. The ActionSA critic the usage of private companies to undertake the meter reading function. A proposal being made that the meter reading function should be insourced.*

*The ANC then acknowledged the importance of meter reading and, in this regard, advised that this is the rationale behind the decision to centralize the meter reading function*

**Thereafter, recommendations 1.5.1 & 1.5.2 were NOTED, 1.5.3 being ADOPTED.**

1.6 **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.

On this basis,

**COMMITTEE RECOMMENDS:**

- 1.6.1 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 12 March 2024.

- 1.6.2 That subject to .1 above, the proposed amendments to the SCM Policy, be approved, by 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, read 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.

***Commenting on this matter, the ActionSA interpreted the MFMA requirements to be giving guidelines for financial management. Therefore, referring to the proposed threshold, the ActionSA felt this is opening the Municipality up for abuse. That with the amendments being recommended, big tenders will be awarded tenders based on a quotation system rather than a competitive bidding process. This being considered not an ideal business approach given an element of corruption. In this view, the ActionSA recommended an amendment for the threshold to be reduced from R750 000.00 to R500 000.00.***

***The ANC supported the SCM Policy amendments with regard to the procurement values, as gazetted by the National Government. The amendments were considered a progressive move to aid the Municipality’s response to service delivery matters, in particular during crisis, including disaster seasons, with the City of eThekweni, from time to time, being attacked by the floods disaster. The Policy amendments were considered responding to an outcry to address bottlenecks in the procurement processes for the Municipality to improve its turnaround time when responding to emergency matters in particular. Therefore, the amendments were supported, it being appreciated that this is lawful, also supported by the National Treasury. Therefore, that there was nothing untoward in approving such, as this falls within the parameters of the legislative framework.***

**AMENDMENT**

The ActionSA officially tabled its amendments, in terms of Rule 20(4) of the Rules of Order By-Law 2014, as amended. Accordingly, Councillor ZM Mncwango, seconded by Councillor Beesley moved that new prescribed threshold of R750 000.00 on the use of quotations during the procurement of services be reduced to R500 000.00

As some Councillors were not in support of the proposed amendment, the matter was put to the vote. With 167 Councillors present, 71 Councillors (DA-40, IFP-14, ActionSA-04, ACC-02, ACDP-02, DLC-01, ADEC-01, APF-01, KZNI-01, MF-01, MOSA-01, PFP-01, UIM-01 and VF PLUS-01) voted in support of the amendment and 96 Councillors (ANC-75, EFF-14, ABC-02, ATM-01, JEP-01, NFP-01, PRM-01 and TA-01) voted against the amendment.

**Thereafter the proposed amendment was by the majority vote NOT CARRIED.**

Thereafter, reverting to the substantive matter, the recommendations of the Executive Committee were then **ADOPTED.**

1.7

Update on Implementation of the Municipal Standard Chart of Accounts Roadmap (10/2/2):

(Page 321: Finance Committee Agenda - 2024-02-21)

It was recalled that the Municipal Regulations relating to the 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 01 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 the MSCOA and subsequently approved the MSCOA implementation at its meeting held 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 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 achieve the MSCOA compliance and address business process requirements across the entire Municipality's financial management accountability cycle. The MSCOA Roadmap was adopted by the Council at its meeting held 03 February 2023.

Further background was given that National Treasury has contracted an external Auditor to independently review the MSCOA implementation within the Municipality and thereafter provide the MSCOA Compliance Audit Report. It being noted that the Municipality is not required to commit to any timeframes in the external audit report, however, has to incorporate the findings, where considered applicable, into the MSCOA Roadmap and the 2022/2023 MTREF, assign responsibility and resources, as well as allocate timeframes as per the Municipality's own processes. Reflected in the table below is a critical summary of the recommendations made in the audit report, and which recommendations have since been factored into the MSCOA Roadmap. The Municipality is therefore required to ensure compliance with the following:

- (a) Provision of a system functionality to record and track resolutions of both internal and external audit findings as well as risk registers. Embed consequence management process in the systems or tools;
- (b) Instituting a systematic model to manage controls around the audit information flow;
- (c) Engaging system developers to facilitate integration between corporate governance and the budgeting module;
- (d) Considering developing the Municipal Manager dashboard to systematically feed off the subsystems with an alert system for early warning on deviant work focusses;



- (e) Providing section in E1 or EMPA to capture the GDS and SDF. Allowing report templates and linkage of these frameworks to the IDP and SDBIP to allow for project implementation, financial reporting, and monitoring;
- (f) Provision 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) Providing business intelligence reporting tool to allow for the extraction of the A, B and C schedules for National Treasury purposes;
- (i) Providing all mSCOA versions on the system for view by users in the budget department;
- (j) Allowing internal report templates for other stakeholders to simplify decision making processes;
- (k) Training 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 to new version strings;
- (n) Providing 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) Providing validation rules program file to validate extract files before submission to National Treasury;
- (p) Training Municipal staff to be able to run validations on their own;
- (q) Correcting report template for C schedule and ensure all supporting schedules are populating accurately;
- (r) Mapping accounts to correct report parameters for supporting schedules to populate;
- (s) Uploading 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) Developing and instituting integration requirements between the general ledger and the payroll systems.

## MSCOA Progress

The table below comprises 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"> <li>Development has concluded awaiting business to start capturing the SDBIP on the system.</li> </ul>
Municipal Website	Compliant	<ul style="list-style-type: none"> <li>There have been engagements with National Treasury and NT agreed that in terms of Municipal Website process we are compliant.</li> </ul>
Document Management	Compliant	<ul style="list-style-type: none"> <li>Transactional systems (including JDE system) are also compliant in terms of document management. Other upcoming systems will also incorporate document management system requirements.</li> </ul>
Reporting Mechanisms	Dec 2025	<ul style="list-style-type: none"> <li>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.</li> <li>There is currently an RFI process being benchmarked for the JDE reporting toll procurement which is aimed to be rolled out from July 2024 – July 2025.</li> </ul>
Internal, External Audit	Dec 2025	<ul style="list-style-type: none"> <li>Tender was advertised and potential timeframe of award is May 2024.</li> </ul>
Municipal Budgeting and Planning		
Sub-process	Estimate Timeframe	Status
Main Budget	Dec 2025	<ul style="list-style-type: none"> <li>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.</li> </ul>
Revenue	Dec 2025	<ul style="list-style-type: none"> <li>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.</li> </ul>
Human Resources and Payroll	June 2025	<ul style="list-style-type: none"> <li>Tender was advertised. Evaluation process is complete. Award for this tender is anticipated in April 2024.</li> </ul>
Financial Accounting		
Sub-process	Estimate Timeframe	Status
General Ledger	Dec 2025	<ul style="list-style-type: none"> <li>The general ledger functions as available on JDE are mSCOA compliant. However, overall compliance is dependent on the integration of</li> </ul>

		other sub systems such as Revenue Management, Asset management system etc.
Accounts Receivable	Dec 2025	<ul style="list-style-type: none"> <li>The accounts receivable module within the JDE system is mSCOA compliant however it is not integrated with the sundry system.</li> </ul>
Accounts Payable	Dec 2025	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Costing and Reporting</b>		
<b>Sub-process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Costing	June 2025	<ul style="list-style-type: none"> <li>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.</li> </ul>
Reporting	June 2024	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Project Accounting</b>		
<b>Sub-process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Project Creation and Planning	Dec 2025	<ul style="list-style-type: none"> <li>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.</li> </ul>
Project Management Module & Health and Safety	June 2024	<ul style="list-style-type: none"> <li>Adoption of the FIDPM Framework by Council.</li> <li>CIC supported implementation of the FIDPM and CIDMS</li> <li>Short Term system will be available by end March 2024.</li> </ul>
	June 2024	<ul style="list-style-type: none"> <li>Health and safety requirements will be included on the Project Management module.</li> </ul>
<b>Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable</b>		
<b>Sub-process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Supply Chain Management and Inventory	August 2024 (Phase 1 & 2)	<p><b>Phase 1 - 30<sup>th</sup> February 2024</b></p> <ul style="list-style-type: none"> <li>Vendor Portal and CSD Integration -100 % Live</li> <li>Tender Management: InProgress, UAT currently taking place</li> </ul> <p><b>Phase 2 - Online 30<sup>th</sup> August 2024</b></p> <ul style="list-style-type: none"> <li>Online Tender Management through the supplier portal</li> </ul>

		<p><b>Below modules timeframes will be confirmed in the next quarter:</b></p> <ul style="list-style-type: none"> <li>• Acquisitions and SSS Enhancements Development - BRS 100% Completed, Development is 0%. technical document is still in progress.</li> <li>• Demand Management - (Development) - BRS completed 100%, Development is at 80%.</li> <li>• Supplier Performance Management - (Migration) BRS completed 100%, Development is 0%.</li> </ul>
CRM (Oracle CX)	Oct. 2025	<p><b>Iteration 1 Fault Process @ 72%</b></p> <ul style="list-style-type: none"> <li>• UAT Completed</li> <li>• Transfer of skills to IMU technical team underway</li> <li>• Train the Trainer started</li> <li>• End User Training Preparations underway</li> <li>• The following sub-projects will continue in sequence after Fault Process has been completed: <ul style="list-style-type: none"> <li>○ Enquiries Process</li> <li>○ Complaints Process</li> <li>○ Service requests Process</li> </ul> </li> </ul>
<b>Full Asset Life Cycle Management including Maintenance Management</b>		
<b>Sub-process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Full Asset Life Cycle Management	Dec 2025	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• City Manager's recommendation was to appoint a professional consulting service to do an independent assessment on the two platforms CAMS and Ellipse.</li> <li>• 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</li> </ul>

		advisory recommendation by 31 March 2024.
Ellipse and JDE Integration	Dec 2024	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Real Estate and Resources Management</b>		
<b>Sub-process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Rental	Dec 2025	<ul style="list-style-type: none"> <li>BSC documents for Real Estate Integration tender have been finalised and submitted to SCM for the next BSC.</li> </ul>
General Process	Dec 2025	<ul style="list-style-type: none"> <li>Maintenance module for properties and facilities; and facilities management are dependent on the Capital Asset Management (s) project implementation.</li> </ul>
Property Valuation system.	June 2024	<ul style="list-style-type: none"> <li>Overall compliance in terms of systems integration is 80% as the internal processes are compliant. Demo on spatial view will also be done to National Treasury as part of an assessment of software applications.</li> <li>External entities that are currently not compliant are Surveyor and General and Deed's Integration.</li> <li>Integration to Building Inspectorate is dependent on the Building Inspectorate System.</li> </ul>
<b>Land Use and Building Control</b>		
<b>Sub-process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Land-use	Dec 2025	<ul style="list-style-type: none"> <li>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.</li> </ul>
Special	Dec 2025	<ul style="list-style-type: none"> <li>This is dependent on Revenue (Billing) system integration project. On GIS integration preparation is complete, awaiting the billing system implementation (integration).</li> </ul>
Building Control	June 2024	<ul style="list-style-type: none"> <li>For Building Inspectorate requirements have been completed and development have commenced and will be completed by March 2024.</li> </ul>
<b>Revenue Recycling Billing</b>		
<b>Sub-Process</b>	<b>Estimate Timeframe</b>	<b>Status</b>
Revenue Management System	Dec 2025	<ul style="list-style-type: none"> <li>Due to unforeseen circumstances and resource changes the tender validity was not renewed and became a non-award. Tender will be re-advertised.</li> <li>Based on the above-mentioned changes estimated timeframes for an award is July 2024.</li> </ul>
Pre-Payment Billing System	Dec 2025	<ul style="list-style-type: none"> <li>SUPRIMA is currently in place and there is a dependency of integration to the billing system to ensure mSCOA compliance.</li> </ul>
<b>Grants Management</b>		

Sub-Process	Estimated Timeframe	Status
Grants Module	On Hold	<ul style="list-style-type: none"> <li>Specification has been completed and development has commenced. The project will proceed after the implementation of the SCM migration due to resource constraints.</li> </ul>
<b>Treasury and Cash Management</b>		
Status	Estimated Timeframe	Status
Banking Module	On Hold	<ul style="list-style-type: none"> <li>Specification has been completed. (incl. Petty Cash Management). The project will commence after the implementation of the SCM migration due to resource constraints.</li> </ul>
Investment & Cash Flow Management		<ul style="list-style-type: none"> <li>The project will proceed after the implementation of the SCM migration due to resource constraints.</li> </ul>
Borrowings Module		
Adjustments Budget Module		
Budget Module	On Hold	<ul style="list-style-type: none"> <li>Dependent on the completion of the above modules.</li> </ul>

In this regard, the Committee noted detailed progress report of the MSCOA programme, which report includes update on the roadmap implementation and further incorporate audit recommendations 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. Also, non-compliance with the legislation will negatively impact 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 has since been incorporated into the MSCOA Roadmap and the 2022/23 MTREF budget, where applicable.

*Welcoming the report, the DA indicated that it was pleasing that the Municipality is adhering to the timelines to achieve the necessary MSCOA compliance requirements, and that relevant staff members will be trained on this function. The DA appreciated that the Finance Team is keeping to the schedule thus protecting the Municipality from losing grant funding, which is a sanction when missing the MSCOA compliance deadline.*

*Also, in support of the report, the ANC pointed out that with effective implementation of the MSCOA, this will assist the Municipality to resolve operational challenges, including the billing system. The leadership of the Chief Financial Officer, supported by his efficient Team, was then commended, wishing them well as they proceed with the activities to achieve the MSCOA compliance deadline.*

**The recommendations were thereafter, NOTED.**

1.8 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 now be referred to the Municipal Public Accounts Committee for further investigation and recommendation to either write off or recovery, based on the outcome of the investigation conducted.

Thereafter,

**COMMITTEE RECOMMENDS:**

- 1.8.1 That 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.
- 1.8.2 That depending on the outcome of the process detailed in terms of Section 32 of the Local Government: Municipal Finance Management Act No. 56 of 2003, further action may arise, including disciplinary action, recovery of monies and criminal charges being instituted where applicable.
- 1.8.3 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.

*The DA expressed concern that the Auditor-General raised the issue of Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UFWE) as a repeat finding and, that there was no evident consequence management on matters related thereto. The DA submitted that apparently the City Integrity and Investigations Unit is in crisis because of staff shortages and thus creation of backlog on matters requiring investigation.*

*Speaking on the matter, the ActionSA affirmed the view raised by the DA on lack of consequent management. The ActionSA also complained about not receiving Reports and therefore advising of its position not to note this UFWE Report*

*In concluding discussion, the ANC dismissed the view that consequence management is not prioritised and that irregular expenditure equates to corruption. The attention of the Council was drawn to the investigations done by the Municipal Public Accounts Committee on matters of this nature and the Reports regularly submitted to the Council in this regard. Confirmation being given that action was being taken for those find to be on the wrong side of the law.*

**The recommendations were thereafter, NOTED, by the majority and it being recorded that the ActionSA submitted was not noting the report.**

1.9 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 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%. 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.

**NOTED.**

1.10 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 (IRCARM) 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 3<sup>rd</sup> 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:

- 1.10.1 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:
- 1.10.1.1 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.
- 1.10.1.2 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.
- 1.10.1.3 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.
- 1.10.1.4 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.
- 1.10.2 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.
- 1.10.3 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.
- 1.10.4 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

***The DA spoke on the issue of the delays in issuing Rates Clearance Certificates and the negative economic impact as a result thereof. That because of the Municipality***

*dragging its feet, it becomes a challenge to sell; purchase or transfer property. That people earning on commission are left with no income for almost six (06) months due to the delays. In view of the foregoing, the tariffs increase was therefore not supported.*

*Also joining the discussion, the ActionSA pointed out that the issue of delays in issuing the Rates Clearance Certificates affects both buyers and sellers, thus crippling the property industry. The ActionSA was of the view that people contributing meaningfully into the City's economy were being deprived. Therefore, also not supporting the tariffs increase in view of the financial burden faced by the property industry.*

*The ANC supported the recommendation, pointing out the contradictions prevailing, in terms of the Municipality being regarded as not effectively collecting revenue, but also options to collect revenue not being supported by some of the members. The ANC then supported the recommendations and felt this would contribute to revenue collection*

*As some Councillors were not in support of the recommendations, the matter was put to the vote. With 178 Councillors present, 103 Councillors (ANC-81, EFF-14, ABC-02, AIC-01, ATM-01, NFP-01, PFP-01, PRM-01 and TA-01) voted in favour of the recommendations and 10 Councillors (ActionSA-04, DLC-01, ADEC-01, KZNI-01, MOSA-01, UIM-01 and VF PLUS-01) against the recommendations. 65 Councillors (DA-44, IFP-14, ACC-02, ACDP-02, APF-01, JEP-01 and MF-01) abstained.*

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

1.11

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:

- 1.11.1 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.
- 1.11.2 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.
- 1.11.3 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.

*The DA reiterated the concern of ever-increasing debt owed the Municipality and this placing burden onto the residents. That the financial burden suffered by the residents is manifested in the inability to pay for the Municipal services. That the issue of unread meters keeps on causing financial havoc due to inconsistent billing system. Concerns also expressed that the finalization of the transfer of the meter reading function from the Trading Services Cluster to the Revenue Unit remains outstanding. Further, concerns were reiterated with regard to lack of improvements to address water loss, now sitting at 55%, aging infrastructure, as well as insufficient number of plumbers.*

*In response to the concerns raised, the ANC reiterated that with regard to the bus operator debt, the Municipality is awaiting the Court processes to unfold. That the City's revenue collection rate of 95% is considered an achievement. The Council was informed that repairs to damaged infrastructure due to the floods damages is progressing well, and that the Municipality is concentrating efforts to address water issues. The Council was once again informed of the system implemented to deploy plumbers to various Wards and that information be obtained to access plumbers accordingly.*

Thereafter, recommendations **1.11.1 & 1.11.2** were; **NOTED**, **1.11.3** being; **ADOPTED**.

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

(Page R27)

- 2.1 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:

- 2.1.1 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.
- 2.1.2 That it be noted that the revised agreement contains the two amendments as follows:
- The revised agreement will be for a period of five (5) years.
  - 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
<b>TOTAL</b>	<b>R67 526 988</b>	<b>R43 489 741</b>	<b>R24 037 247</b>

**ADOPTED,** with the NFP commending the collaborations between the Municipality and the Provincial Department of Transport to bring the motor vehicle services closer to the people of eThekweni and the commission income generated by the Municipality in this regard.

- 2.2 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:

- 2.2.1 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.
- 2.2.2 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.
- 2.2.3 That the 2024/2025 training costs be provided in the budget preparation for 2024/25.
- 2.2.4 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
	<b><u>Training</u></b> • First Aid Training	R43 200	R43 200	R0
	SASSETA and Security Grades Training and Registration	R2 160 000	R600 000	R1 560 000
	<b>TOTAL COSTS</b>	<b>R3 744 000</b>	<b>R1 114 800</b>	<b>R2 629 200</b>

**ADOPTED,** with the NFP commending the specific focus on female youth members for this learnership, and also supporting the upskilling of the youth in general for empowerment purposes.

2.3

**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.

**ADOPTED.**



2.4

Outcomes of the 2019/2022 Lessons Learnt Exercise in respect of Disasters Incidents with the eThekweni Municipal Area (29/2/22):

(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:**

2.4.1

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.

2.4.2

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
	<b>Joint National/Provincial/Municipal Reviews</b>				
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
	<b>eThekweni actions, process and documentation reviews</b>				
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		✓	Deputy City Manager: Community and	Disaster Management, Metro Police, Fire & Emergency Services, Health, Human

	National Reviews	Score	Priority for Action	Lead	Key Stakeholders
	Centres) and define a single and integrated SOP or service agreement for ICS that is harmonised across all agencies and all facilities			Emergency Services	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)
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

	National Reviews	Score	Priority for Action	Lead	Key Stakeholders
	<b>eThekweni actions – capacity building and investment</b>				
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 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.		✓	Deputy City Manager: Community and Emergency Services	Disaster Management, DMAF, Owners of facilities used as a shelter, eThekweni departments, Faith Based Groups
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

- 2.4.3 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.
- 2.4.4 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.
- 2.4.5 That the City Manager be authorized to sign the Partnership Agreement between eThekweni Municipality and the South African Social Security Agency (SASSA).
- 2.4.6 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.

**ADOPTED,** *with the NFP advising that new strategies will be developed going forward arising from the lessons learnt, and that mitigating measures will be implemented drawing from the recommendations made as a result of this exercise.*

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

(Page R35)

3.1 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 to transfer 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 (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:

- 3.1.1 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.
- 3.1.2 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.

#### **ADOPTED.**

- 3.2 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:

- 3.2.1 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.
- 3.2.2 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.

*As some Councillors were not in support of the recommendations, the matter was put to the vote. With 179 Councillors present, 105 Councillors (ANC-82, EFF-14, ABC-02, DLC-01, ATM-01, MF-01, MOSA-01, NFP-01, PFP-01 and TA-01) voted in favour of the recommendations. There were no Councillors that voted against the recommendations and 69 Councillors (DA-44, IFP-14, ActionSA-04, ACDP-02, ADEC-01, APF-01, JEP-01 and VF PLUS-01) abstained on the matter.*

The recommendations were thereafter, **ADOPTED, by the majority vote.**

3.3 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:**

3.3.1 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.

3.3.2 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



*As some Councillors were not in support of the recommendations, the matter was put to the vote. With 179 Councillors present, 108 Councillors (ANC-82, EFF-14, ABC-02, ACC-02, AIC-01, DLC-01, ATM-01, NFP-01, PFP-01, TA-01, UIM-01 and VF PLUS-01) voted in favour of the recommendations. There were no Councillors that voted against the recommendations and 69 Councillors (DA-44, IFP-14, ActionSA-04, ACDP-02, ADEC-01, APF-01, JEP-01, KZNI-01, MF-01 and MOSA-01) abstained.*

The recommendations were thereafter, **ADOPTED, by the majority vote.**

3.4 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:**

- 3.4.1 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.
- 3.4.2 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

*As some Councillors were not in support of the recommendations, the matter was put to the vote. With 179 Councillors present, 105 Councillors (ANC-82, EFF-14, ABC-02, ACC-02, AIC-01, DLC-01, MF-01, NFP-01, PFP-01, PRM-01, TA-01, UIM01 and VF PLUS-01) voted in favour of the recommendations. There were no Councillors that voted against the recommendations and 67 Councillors (DA-44, IFP-14, ActionSA-04, ACDP-02, APF-01, JEP-01 and KZNI-01) abstained.*

The recommendations were thereafter, **ADOPTED, by the majority vote.**

### 3.5 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:**

- 3.5.1 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.
- 3.5.2 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

*As some Councillors were not in support of the recommendations, the matter was put to the vote. With 179 Councillors present, 103 Councillors (ANC-82, EFF-14, ABC-02, AIC-01, NFP-01, PFP-01, PRM-01 and UIM-01) voted in favour of the recommendations. 3 Councillors (DLC-01, TA-01 and VF PLUS-01) voted against the recommendations and 72 Councillors (DA-44, IFP-14, ActionSA-04, ACC-02, ACDP-02, ADEC-01, JEP-01, KZNI-01 and MOSA-01) abstained.*

The recommendations were thereafter, **ADOPTED, by the majority vote.**

- 3.6 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:**

- 3.6.1 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:
- 3.6.2 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.
- 3.6.3 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.

**ADOPTED.**

- 3.7 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:**

- 3.7.1 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.

3.7.2 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.

3.7.3 That the reviewed eThekweni Municipal Land Use Scheme and proposed amendments will be submitted to Council for adoption.

**ADOPTED.**

3.8 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:**

- 3.8.1 That the Draft Municipal Spatial Development Framework 2024-2025 be advertised for public comment.
- 3.8.2 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.
- 3.8.3 That the comments received during the Public Process be considered and amended Final Draft MSDF 2024/2025 be prepared.
- 3.8.4 That the Final Draft Municipal Spatial Development Framework Review 2024/2025 be tabled at the Council meeting in May 2024 for final adoption.

**ADOPTED.**

- 3.9 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:

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



		ZONE: MIXED USE 5: BRICKFIELD / SPARKS / RANGLES PRECINCT				
<b>SCHEME INTENTION:</b> 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.						
<b>MAP REFERENCE:</b>			<b>COLOUR NOTATION:</b> Blue and yellow cross-hatch			
PRIMARY		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none"><li>• Dwelling House</li><li>• Educational Establishment</li><li>• Flat</li><li>• Fuelling and Service Station</li><li>• Government / Municipal</li><li>• Health &amp; Beauty Clinic</li><li>• Health Studio</li><li>• Institution</li><li>• Office / Office – Medical</li><li>• Parkade</li><li>• Pet Grooming Parlour</li><li>• Private Open Space</li><li>• Place of Public Worship</li><li>• Retirement Centre</li><li>• Multiple Unit Development</li><li>• Restaurant / Fast Food Outlet</li><li>• Retirement Centre</li><li>• Shop</li><li>• Veterinary Clinic</li></ul>		<ul style="list-style-type: none"><li>• Car Wash</li><li>• Hotel</li><li>• Special Building</li><li>• Telecommunication Infrastructure</li><li>• Student Residence</li></ul>		Land uses not included in the Primary and Special Consent columns		
DEVELOPMENT PARAMETERS						
<p>1. All landscaping to the satisfaction of the municipality.</p> <p>2. <u>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:</u></p> <p><u>2.1 The maximum coverage for all buildings shall not exceed 86% of the development area</u></p> <p><u>2.2 The maximum FAR for all buildings shall not exceed 4.5 of the development area</u></p> <p><u>2.3 The maximum height for all buildings shall not exceed 7 storeys</u></p> <p><b>Height of 3 storeys apply to the following sites:</b></p> <p>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.</p> <p><b>Height of 4 storeys apply to the following sites:</b></p> <p>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.</p> <p>2. Sites fronting Moses Kotane Road between Browns Avenue and Booth Road.</p> <p>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.</p> <p><b>Height of 6 storeys apply to the following sites:</b></p> <p>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.</p>						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION	HEIGHT IN STOREYS	COVER AGE	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

**ADOPTED.**

3.10

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:

3.10.1 That the proposal is in alignment with the intention of Broadway being developed as a Mixed-Use Node and Retail Centre.

3.10.2 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		
<b>SCHEME INTENTION:</b> 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.		
<b>MAP COLOUR REFERENCE:</b> Black cross hatch with zone number		<b>MAP REFERENCE:</b>
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.		
<b>Land Use Component 1: Commercial</b>		
<b>Erven :</b> 1793, 1839, 1884-1885, 1887-1896, 1898-1899, 3764, 1926, 1929-1937 and 1939, all of Durban North. <b>Intention :</b> 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"> <li>*Flat</li> <li>*Shops</li> <li>Car Wash</li> <li>Health &amp; Beauty Clinic</li> <li>Health Studio</li> <li>Office</li> <li>Office - Medical</li> <li>Pet Grooming Parlour</li> <li>Restaurant/ Fast Food Outlet</li> </ul>	<ul style="list-style-type: none"> <li>Action Sports Bar</li> <li>Place of Public Entertainment</li> <li>Education Establishment</li> <li>Fuelling and Service Station</li> <li>Flea Market</li> <li>Night Club</li> <li>Special Building</li> <li>Student Residence</li> <li>Telecommunication Infrastructure</li> <li>Any other use authorised in terms of Section 9.4</li> </ul>	<ul style="list-style-type: none"> <li>All other uses</li> </ul>

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 <sup>2</sup> retail floor space and 600m <sup>2</sup> storage/warehouse						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m <sup>2</sup> )	HEIGHT IN STOREYS	COVERA GE	FLOOR AREA
BUILDING LINE	SIDE AND REAR SPACE					
3.0m	Nil	N/A	450	2	50%	N/A
<b>Land Use Component 2 : Residential Office Conversion and Redevelopment</b>  <b>Erven :</b> 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. .  <b>Intention:</b> 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	
• Dwelling House • Multiple Unit Development • Office • Office - Medical		• Crèche • Health & Beauty Clinic • Educational Establishment • Institution • Place of Public Worship • Special Building • Telecommunication Infrastructure			<b>All other uses</b>	
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 <sup>2</sup> 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: EThekwin 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.						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m <sup>2</sup> )	HEIGHT IN STOREYS	COVERA GE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2m	One dwelling house for every 900m <sup>2</sup>	900	2 (see 3.2.2 above)	40%	0.8 (see 3.2.1 above)
<b>Land Use Component 3: Residential Office Conservation</b>  <b>Erven :</b> 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.  <b>Intention:</b> 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			PRECLUD ED	
<ul style="list-style-type: none"><li>• Dwelling House</li><li>• Multiple Unit Development</li><li>• Office</li><li>• Office - Medical</li></ul>		<ul style="list-style-type: none"><li>• Health &amp; Beauty Clinic</li><li>• Educational Establishment</li><li>• Institution</li><li>• Place of Public Worship</li><li>• Special Building</li><li>• Telecommunication Infrastructure</li></ul>			<ul style="list-style-type: none"><li>• All other uses</li></ul>	
ADDITIONAL CONTROLS						
1.3.1 <b>Floor Area Ratio:</b> 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 <b>Signage, Hoarding and Advertising</b> 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 <b>Parking</b> shall be provided on-site at the ratio of one bay per 25m <sup>2</sup> 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.						
1.3.5 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 <sup>2</sup> )	HEIGHT IN STOREYS	COVERA GE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2M	One dwelling house for every 900m <sup>2</sup>	900m <sup>2</sup>	2;  (see 3.3.3)	40%	0.8 (see 3.2.1 in additional controls)

## ADOPTED.

- 3.11 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:

- 3.11.1 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 .
- 3.11.2 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.
- 3.11.3 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			
<b>SCHEME INTENTION:</b> 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. <b>MAP REFERENCE:</b> NS / 05 / 2012 <b>NOTATION:</b> Dark Brown			
<b>COLOUR</b>			
PRIMARY	SPECIAL CONSENT	PRECLUDED	
<ul style="list-style-type: none"><li>• Boarding House</li><li>• Chalet Development</li><li>• Conservation Area</li><li>• <b>Dwelling House*</b></li><li>• <b>Flat*</b></li><li>• Hotel</li><li>• Multiple Unit Development</li><li>• Retirement Centre</li></ul>	<ul style="list-style-type: none"><li>• Crèche</li><li>• Educational Establishment</li><li>• Health Studio</li><li>• Institution</li><li>• Laundry</li><li>• Mobile Home Park &amp; Camping Ground</li><li>• Private Open Space</li><li>• <b>Restaurant / Fast Food Outlet*</b></li><li>• <b>Shop*</b></li><li>• Special Building</li><li>• Student Residence</li><li>• Telecommunications Infrastructure</li></ul>	<ul style="list-style-type: none"><li>• Action Sports Bar</li><li>• Adult Premises</li><li>• Agricultural Activity</li><li>• Agricultural Land</li><li>• Airport</li><li>• Arts and Crafts Workshop</li><li>• Betting Depot</li><li>• Builder’s Yard</li><li>• Bus and Taxi Depot</li><li>• Car Wash</li><li>• Cemetery / Crematorium</li><li>• Container Depot</li><li>• Convention Centre</li><li>• Correctional Facility</li><li>• Direct Access Service Centre</li><li>• Display Area</li><li>• Escort Agency</li><li>• Flea Market</li><li>• Fuelling and Service Station</li><li>• Funeral Parlour</li><li>• Garden Nursery</li><li>• Government / Municipal</li><li>• Health &amp; Beauty Clinic</li><li>• Industry - Extractive</li><li>• Industry – General</li><li>• Industry – Light</li><li>• Industry – Noxious</li></ul>	<ul style="list-style-type: none"><li>• Landfill</li><li>• Mortuary</li><li>• Motor Garage</li><li>• Motor Display Area</li><li>• Motor Vehicle Test Centre</li><li>• Motor Workshop</li><li>• Museum</li><li>• Nature Reserve</li><li>• Night Club</li><li>• Office</li><li>• Office – Medical</li><li>• Parkade</li><li>• Pet Grooming Parlour</li><li>• Place of Public Entertainment</li><li>• Place of Public of Worship</li><li>• Recycling Centre</li><li>• Reform School</li><li>• Refuse Disposal</li><li>• Riding Stables</li><li>• Scrap Yard</li><li>• Transport Depot</li><li>• Transport Use</li><li>• Truck Stop</li><li>• Veterinary Clinic</li><li>• Warehouse</li><li>• Zoological Garden</li></ul>
ADDITIONAL CONTROLS			
<div>1. All landscaping to the satisfaction of the Municipality.</div> <div>2. Where an Erf is developed exclusively for a Dwelling House the Side and Rear Spaces shall be 3.0 metres.</div> <div>3. Restaurant / Fast Food Outlet permitted on the ground floor in a Flat only by Special Consent.</div> <div>4. Shop permitted on the ground floor in a Flat only by Special Consent.</div> <div>5. The maximum Coverage maybe increased by not more than 10% solely for the purpose of providing covered parking.</div> <div>6. Umdloti District:<div>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.</div></div>			

7. Umhlanga District:
- 7.1 Erf 3113 – Oyster Box Hotel: Coverage is limited to a maximum of 33.8 %.
- 7.2 Erf 1096 – Coverage is limited to 46 % and Floor Area Ratio of 2.2.
- 7.3 Erf 3464 – Beverly Hills Hotel: Coverage is limited to 35% and Floor Area Ratio of 1.2

**ADOPTED.**

3.12

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 Mtshebhene 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 iKhweni 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:**

- 3.12.1 That progress made on the development the eMtshebhene Node, be noted.
- 3.12.2 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 eMtshebhene 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 eMtshebhene access road as per COGTA approval.

**ADOPTED.**

- 3.13 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 Farmers 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, the ANC (04) and NFP (01) being in support,

#### COMMITTEE RECOMMENDS:

- 3.13.1 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.
- 3.13.2 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
EXPENDITUR E	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.**

*As some Councillors were not in support of the recommendations, the matter was put to the vote. With 179 Councillors present, 105 Councillors (ANC-82, EFF-14, AIC-01, ATM-01, MOSA-01, NFP-01, PFP-01, PRM-01 and UIM-01) voted in favour of the recommendations. 3 Councillors (DLC-01, TA-01 and VF PLUS-01) voted against the recommendations and 71 Councillors (DA-44, IFP-14, ActionSA-04, ACDP-02, ADEC-01, APF-01, JEP-01, KZNI-01 and MF-01) abstained.*

The recommendations were thereafter, **ADOPTED, by the majority vote.**

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

(Page R55)

*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.*

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4.1 Request for Project Authority to Upgrade Water and Sewer Infrastructure in Hostels (22/8/2/1 & 23/2/R):

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

Authority is sought 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 improving 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 Kranskloof.

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 been 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:

- 4.1.1 That authority be granted for the Head: Water and Sanitation Unit to upgrade water and sewer infrastructure in hostels within the eThekweni Municipality in line with the directive from the Public Protector as part of the recommendations which were identified with a view to improving the living conditions in the hostels.
- 4.1.2 That subject to the approval of .1 above, the savings be identified and be allocated to upgrade water and sewer infrastructure in the hostels within eThekweni Municipality.
- 4.1.3 That subject the approval of .1 above, authority be granted for 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.

**ADOPTED.**

- 4.2 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 the other Political Parties being in support,

COMMITTEE RECOMMENDS:

- 4.2.1 That Council approves 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 in 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.

#### 4.2.2

That in the event that expropriation is deemed necessary, authority be granted for the Head: Real Estate to proceed with the expropriation of 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.

4.2.3

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.

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

2023/2024 financial year)

FC No.: 365/C407

**ADOPTED.**

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*At this stage of the proceedings, time being 14h00, the meeting adjourned for a comfort break and resumed at 14h35.*

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- 4.3 Request for Authority to Enter into 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 to enter into 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 the 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 schools as well operation and maintenance support. Within the MOU, the DOE and the 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 the MOU, a block sum of R430 033 000.00 (Four Hundred and Thirty Million and 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 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 for the City Manager to, on behalf of the eThekweni Municipality, enter into a Memorandum of Understanding (MOU) with the Department of Education in the province of KwaZulu-Natal for the purposes of strategic collaborations to strengthen education infrastructure delivery together with water and sanitation services in schools within the eThekweni municipal area.

**ADOPTED.**

4.4

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

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

Authority is sought to approve the eThekweni Municipality Roads Policy attached in 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 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 funding strategy for the construction of new road infrastructure and maintenance of existing roads infrastructure.
- Define the concept of 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.

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

The Policy also provides framework within which to achieve strategic objectives focusing on deliverables such as access, level of service and reducing life-cycle cost. The following key aspects are outlined in further details in the policy:

- Provision of new infrastructure, including strategic capital projects, new access roads, sidewalks and upgrading of gravel roads to a surfaced standard.
- Routine and preventive maintenance of existing infrastructure, including rehabilitation.
- Working in public road reserve.
- Maintaining Road Assets Register.
- Developing Road Asset Management Plan.
- Backlog.
- Funding.

The public participation process was conducted as per the approval of 06 September 2022. Notices calling for stakeholder comments were publicized in in Ezasegagasini Metro Newspaper and uploaded on the Municipality’s website, with the process opened between 24 March and 24 April 2023, and there were no comments or objections received in this regard. The Policy was supported at the Support Committee level, and with a further decision to present the Policy to Party Caucuses.



However, the DA abstained on the matter, both at the Support Committee and at the Executive Committee levels. With the other Political Parties being support,

**COMMITTEE RECOMMENDS:**

That Council approves the eThekweni Municipality Roads Policy, 2022, as contained in Annexure “A” of the report by the Acting Head: Engineering dated 2023-07-20, and the Policy to be publicized in the relevant platforms, it being recorded that the Policy objectives are as follows:

- To direct strategic planning of road infrastructure.
- To ensure preventive and routine maintenance plans are designed to enhance value of the road infrastructure assets for the benefit of present and future communities and customers.
- To outline funding strategy for the construction of new road infrastructure and maintenance of existing roads infrastructure.
- To define concept of backlog and outline mechanisms for addressing the same.
- To outline roles and responsibilities of relevant stakeholders in the provision and management of road infrastructure.

**ADOPTED.**

4.5

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 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 the Electricity Unit in the 2023/2024 financial year.

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

**COMMITTEE RECOMMENDS:**

That authority be granted for 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 in the 2023/2024 financial year.

**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
	<b>R299 850.00</b>	<b>R152 191.35</b>	<b>R1 803 590.00</b>	<b>R58 000.00</b>	<b>R1 602 160.00</b>

**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
	<b>Total savings</b>	<b>R1 602 160.00</b>

**ADOPTED.**

4.6 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 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 33kV 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 proceedings, the DA at the Executive Committee level recorded its abstention on the matter, and with the other Political Parties being in support,

**COMMITTEE RECOMMENDS:**

4.6.1 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, and 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

4.6.2 That subject to the approval of .1 above, authority be granted for 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, and 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

4.6.3 That in the event that expropriation is deemed necessary, authority be granted for the Head: Real Estate 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 the Hand Plan SJ 4935/8.

4.6.4 That subject to the adoption of .3 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 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.

4.6.5 That subject to the adoption of .4 above, authority be granted for the Head: Real Estate to conclude the appropriate agreement and sign all necessary documents to effect the transfer or expropriation and registration in favour of the eThekweni Municipality

### **ADOPTED.**

4.7 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 (40m<sup>2</sup>) – 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 40m<sup>2</sup> top structure units.

Contract: 1H-45923 for the construction of seven hundred and sixty-eight (768) top structure units (40m<sup>2</sup>) at Sobonakhona, was approved by the Bid Specification Committee on 26 October 2020, then advertised as a task order on 30 October 2020 and thereafter a tender closed on 04 December 2020. The Bid adjudication Committee (BAC) approved award of Contract 1H-45923 to the three contractors for the construction of 768 housing units. Each contractor was tasked to construct 256 housing units, and the 24-month contract is still in effect until April 2024.

The impact of the COVID-19 pandemic placed a strain on contractors throughout the industry due to price increase for building material, and thus financial constraints to contractors. In this view, the Honourable MEC for the KZN Department of Human Settlements and Public Works approved application for funding allowance or alignment of 10.4% for services, top-structures and bulk infrastructure services for all contractually committed housing projects within the eThekweni Municipality, including Sobonakhona Housing project. 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 the BAC.

### **PERFORMANCE OF CONTRACTORS**

Despite challenges posed by the COVID-19 and social issues, the performance of the three contractors has been satisfactory and with all of them achieving above the stipulated targets in 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 two thousand eight hundred and fifty (2 850) houses, and to date, two thousand three hundred and two (2302) houses have been completed.

- The price revision will ensure that a 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 is one hundred (100) units in the 2023/24 financial year, and 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 one hundred and eighty (180) houses. If this budget is not spent, the PDHS may reallocate the grant to other spending Municipalities within the Province. In order to achieve this target and spend the allocated grant, a need exists to increase the scope of existing service providers as this 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 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 sites. 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 two hundred and thirty-one (231) top structure units to the original units of seven hundred and sixty-eight (768) units. With the amendment of scope, the three contractors will be allocated an additional seventy-seven (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 the KZN Department of Human Settlements, NBR & NHBRC 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 11 August 2023, the Unit issued a Public Notice advising of proposed Contract amendment on Metro Ezasegagasini for parties affected to respond by 15 September 2023. However, there were no objections received in this regard.

With the Committee noting compliance requirements associated with this matter,

#### **COMMITTEE RECOMMENDS**

##### **4.7.1**

That Council 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 seven hundred and sixty (768) houses (40m<sup>2</sup>) at Sobonakhona Rural Housing Project (Wards 67, 93, 96 and 109):

- (i) Increased scope of work by 30%, thus an addition of two hundred and thirty one (231) top structure units to the original units of seven hundred and sixty eight (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.

4.7.2 That Council 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.

4.7.3 That Council notes the financial implications of the proposed amendment is the contract authority of R32 036 988.06 (Thirty-Two Million and 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

## NOTED.

4.8 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 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 the eThekweni Municipal Academy (EMA) deploy most experienced teacher experts to render support and assistance to 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 Scientifics 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 practical's 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:**

- 4.8.1 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.
- 4.8.2 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.
- 4.8.3 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

4.8.4

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							

**ADOPTED.**

4.9

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 m<sup>2</sup> 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:**

4.9.1

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

4.9.1.1

The proposed Property described as Portions (A) and (C) of Erf 1243 Umlazi-H in extent 1946 and 1872 m<sup>2</sup> 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.



- 4.9.1.2 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 m<sup>2</sup>, 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.
- 4.9.1.3 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.
- 4.9.1.4 A thirty-year lease be granted in respect of the capital asset.
- 4.9.1.5 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.
- 4.9.1.6 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.
- 4.9.1.7 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.
- 4.9.1.8 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.
- 4.9.2 That the Municipal Council declares that of .1 above, is subject to the conditions that:
- 4.9.2.1 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 m<sup>2</sup> is required to be rezoned. The rezoning shall be undertaken at the cost of the prospective lessee.

- 4.9.3 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.
- 4.9.4 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.
- 4.9.5 That this closure is to be advertised via the Land Use Management application process.
- 4.9.6 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.
- 4.9.7 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.
- 4.9.8 That subject to the approval of .2 above, authority be granted to the Head: Real Estate to give effect to the abovementioned recommendations.

*The DA expressed that it was concerning that the responsibility of Councillors to play an oversight role was overruled at the Committee level, thus denying a request to conduct an inspection on the property concerned. The DA held a strong view that communities needed to be informed when decisions pertaining to their respective areas are made. Reference being made to what the DA indicated it has witnessed previously when the Reports submitted differ from what is actually happening on the ground, and two areas being cited in this regard.*

*The ANC then supported the recommendations, confirmation being given that Councillors are always at liberty to conduct inspections. Also, the ANC submitting that it does not recall anything untoward with regard to the inspections referred to by the DA.*

**The recommendations of the Executive Committee were ADOPTED by majority, and with the DA recording its abstention in this regard.**

- 4.10 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:

- 4.10.1 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:
- 4.10.1.1 That proposed portion [A] of Erf 810 Newlands in extent of 4756m<sup>2</sup> as depicted on Plan No: SJ4776/10 is not required to provide minimum level of basic services.

- 4.10.1.2 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.
- 4.10.2 That Council approves the proposed alienation of proposed portion [A] of Erf 810 Newlands for worship purposes to the applicant.
- 4.10.3 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.
- 4.10.4 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.
- 4.10.5 That all costs incidental to the transaction shall be at the cost of the purchaser, including rezoning.
- 4.10.6 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.
- 4.10.7 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.
- 4.10.8 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.
- 4.10.9 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.

**ADOPTED.**

- 4.11 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 30<sup>th</sup> 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 08<sup>th</sup> 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.”*

## **2. ENVIRONMENTAL AUTHORISATION VARIATION APPLICATION**

Pursuant to the Council Decisions taken on the 30<sup>th</sup> 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.”*

## **3. 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.

**3.1 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.

**3.2 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.

**3.3 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 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").

**4. ADDITIONAL CONSIDERATIONS**

**4.1 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.

**5. 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:**

- 4.11.1 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.
- 4.11.2 That the Shongweni Project Implementation Programme be noted.
- 4.11.3 That the following provisions of the waste license be noted:
- 4.11.3.1 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.
- 4.11.3.2 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.
- 4.11.3.3 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 30<sup>th</sup> of March 2023 (*Annexure 2*) with all other aspects remaining the same and to be read together:
- 4.11.4 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:*

- 4.11.5 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.*

4.11.6 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.*

4.11.7 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.*

*The DA abstained on this matter pending a site inspection recommended at the Support Committee level to gain broader understanding and insight on the matter in question. This being considered a matter of importance to also ensure the community was consulted accordingly, with the consultation process being considered a key aspect and that this should actually be undertaken till matters reach finality.*

**The recommendations of the Executive Committee were, thereafter, ADOPTED by majority and it being recorded that the DA abstained.**

4.12 Proposed Alienation of Proposed Portion A & B of Erf 1029 Isipingo by Direct Negotiations Plan No.SJ4705/3 in Extent 7461m<sup>2</sup> and 5876m<sup>2</sup> (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:**

4.12.1 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:

- 4.12.1.1 That the Property described as Proposed Portions A & B of Erf 1029 Isipingo in extent 7461m<sup>2</sup> and 5876m<sup>2</sup> 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.
- 4.12.1.2 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.
- 4.12.1.3 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.
- 4.12.2 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.
- 4.12.3 That, all cost incidental to the transaction shall be at the cost of the prospective buyer of the Property.
- 4.12.4 That all developmental plans and applications must be submitted and approved by the Local Authority prior to any commencement of construction on the Property.
- 4.12.5 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.
- 4.12.6 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.

- 4.12.7 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.

**ADOPTED,** *by the majority vote and it being recorded that the DA voted against the matter.*

- 4.13 Closure of Road Reserve Over Proposed Portion A of KwaMashu P in Extent Approximately 721m<sup>2</sup> 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:

- 4.13.1 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 721m<sup>2</sup> as depicted on the attached hand plan No.: SH 9842A, be permanently closed.
- 4.13.2 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.
- 4.13.3 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 721m<sup>2</sup> when it is advertised, the planning and land Use Management By-law process be followed to attend to these objections.
- 4.13.4 That authority be granted to the Head: Real Estate to sign all necessary documents to give effect to this decision.

**ADOPTED.**

- 4.14 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:

- 4.14.1 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:
- 4.14.1.1 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.

- 4.14.2 The Municipality declares in terms of Regulation 20(1)(f) of the Municipal Asset Transfer Regulations that:
- 4.14.2.1 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.
- 4.14.3 That in terms of Regulation 20(1)(f)(i) and (ii) of the Municipal Asset Transfer Regulations that:
- 4.14.3.1 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 4853m<sup>2</sup> 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.
- 4.14.3.2 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 1229m<sup>2</sup> as depicted on SJ 4779/3, be sold at the purchase price of R7, 600.00 (seven thousand six hundred rand) exclusive of VAT.
- 4.14.3.3 The Proposed Portion [A] of Erf 141 Cato Manor, Registration Division FT, Province of KwaZulu Natal in extent 196m<sup>2</sup> as depicted on SJ 4779/4, be sold at the purchase price of R1, 000.00 (one thousand rand) exclusive of VAT.
- 4.14.3.4 The Proposed Portion [A] (of 28) Erf 516 Bellair, Registration Division FT, Province of KwaZulu Natal in extent 58m<sup>2</sup> as depicted on SJ 4779/5, be sold at the purchase price of R1, 000.00 (One Thousand Rand) excluding VAT.
- 4.14.3.5 The Proposed Remainder of Portion 933 (of 11) of Erf 76 Cato Manor, Registration Division FT, Province of KwaZulu-Natal in extent 191m<sup>2</sup> as depicted on Plan No: SJ 4779/7, be sold at the purchase price of R1, 000.00 (one thousand rand) excluding VAT.
- 4.14.3.6 The Proposed Portion [A] of Erf 4279 Cato Manor, Registration Division FT, Province of KwaZulu Natal in extent 4179m<sup>2</sup> as depicted on Plan No.: SJ 4779/8, be sold at the purchase price of R1, 000.00 (One Thousand Rand) excluding VAT.
- 4.14.3.7 The Proposed Portion [A] (of 1) of Erf 16 Bellair, Registration Division FT, Province of KwaZulu-Natal in extent 312m<sup>2</sup> 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.
- 4.14.3.8 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.
- 4.14.4 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.

- 4.14.5 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.
- 4.14.6 All cost incidental to the transaction shall be at the cost of SANRAL. The transaction will attract the payment of VAT.
- 4.14.7 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.

**ADOPTED.**

- 4.15 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 Erf 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:

- 4.15.1 The Municipal Council declares in terms of Section 14 of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) that:-
- 4.15.1.1 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
- 4.15.1.2 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.
- 4.15.2 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:
- 4.15.2.1 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.



- 4.15.2.2 The rental be assessed on the open market value.
- 4.15.2.3 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.
- 4.15.2.4 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.
- 4.15.2.5 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.
- 4.15.2.6 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.
- 4.15.2.7 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.
- 4.15.3 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.
- 4.15.4 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.
- 4.15.5 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.

**ADOPTED.**

- 4.16 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:**

- 4.16.1 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.
- 4.16.2 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

**ADOPTED.**

4.17

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:

4.17.1 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.

4.17.2 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.

*As some Councillors were not in support of the recommendations, the matter was put to a vote. With 161 Councillors present, 103 Councillors (ANC-82, EFF-14, ABC-02, AIC-01, ATM-01, NFP-01, PRM-01 and TA-01) voted in favour of the recommendations. 2 Councillors (DLC-01 and MOSA-01) voted against the recommendations and 52 Councillors (DA-26, IFP-14, ActionSA-04, ACDP-02, JEP-01, KZNI-01, PFP-01, UIM-01 and VF PLUS-01) abstained.*

The recommendations were thereafter, **ADOPTED, by a majority vote.**

- 4.18 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:**

- 4.18.1 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:
- 4.18.1.1 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.
- 4.18.1.2 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.
- 4.18.1.3 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.
- 4.18.1.4 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.
- 4.18.1.5 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.
- 4.18.2 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.

- 4.18.3 That the Property cannot be developed on its own and is to be either consolidated or notarially tied with Erf 1254 Umlazi-H. All costs incidental to the transaction shall be at the cost of the prospective buyer of the Property.
- 4.18.4 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.
- 4.18.5 That all development plans be submitted to the Local Authority for approval prior to any construction.
- 4.18.6 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.

**ADOPTED,** *by the majority and it being recorded that the DA abstained on the matter.*

- 4.19 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:

- 4.19.1 That the Grade 12 Career Symposium Outreach Programme for a three-year period, be supported.
- 4.19.2 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.
- 4.19.3 That feedback and updates from career symposium will be provided to the Human Settlements and Infrastructure Committee every financial year.
- 4.19.4 That eThekweni Transport: City Fleet be mandated to utilize eThekweni Municipal Transport for learners for the duration of the programme.
- 4.19.5 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.

**ADOPTED.**

- 4.20 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:

- 4.20.1 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 3838m<sup>2</sup> 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.
- 4.20.2 That the public participation process be conducted in accordance with the provisions of Regulation 35 of the Municipal Asset Transfer Regulations 2008, including:
- 4.20.2.1 Inviting the local community and other interested parties to submit comments or representations;
- 4.20.2.2 Soliciting the views and recommendations of the National Treasury and the Provincial Treasury; and
- 4.20.2.3 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.
- 4.20.3 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 3838m<sup>2</sup> as depicted on hand plan SJ 4557/9.
- 4.20.4 That the Head: Human Settlements be authorized to sign all the documents necessary to give effect to the abovementioned recommendations.

**ADOPTED.**

4.21 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:

- 4.21.1 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:
  - 4.21.1.1 The property described as Erf 12373 Durban measuring in extent of approximately 1344m<sup>2</sup> is not needed to provide the minimum level of basic municipal service.
  - 4.21.1.2 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.
  - 4.21.1.3 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.
- 4.21.2 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 1344m<sup>2</sup> 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.
- 4.21.3 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.
- 4.21.4 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.
- 4.21.5 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.

- 4.21.6 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.
- 4.21.6.1 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.
- 4.21.6.2 The Head: Human Settlements shall ensure that the purpose of social housing is retained and not taken over by commercial entities.
- 4.21.6.3 All the requisite municipal processes being complied with together with approvals being granted for the development plans.
- 4.21.6.4 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.
- 4.21.7 That all developmental plans and applications must be submitted and approved by the Local Authority prior to any commencement of construction.
- 4.21.8 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
- 4.21.9 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.

**ADOPTED.**

- 4.22 Proposed Lease of Erf 4489 Wiggins Plan SJ4595/9: Extent 4060m<sup>2</sup> (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:

- 4.22.1 That the Municipality approves that a right be granted to use, control or manage the capital asset described as Erf 4489 Wiggins, in extent 4060m<sup>2</sup> 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.
- 4.22.2 That Erf 4489 Wiggins, in extent 4060m<sup>2</sup> is not required to provide the minimum level of a basic municipal service for a period of twenty years;



- 4.22.3 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.
- 4.22.4 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;
- 4.22.5 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;
- 4.22.6 That all developmental plans must be submitted to the Local Authority for approval prior to any construction.
- 4.22.7 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.

**ADOPTED.**

**DIRECT EXCO REPORTS**

5. **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:**

- 5.1 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

**ADOPTED.**

6. 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 has been 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 the 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:

- 6.1 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.
- 6.2 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 industries to own and operate 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.
- 6.3 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.

*Speaking on this matter, the IFP did not accept that the Municipality will be unable to afford the costs of insourcing the service. The IFP felt funding is already available as the service is being paid for but, currently, through a tender system, and that is being opposed, hence, the insourcing recommendation. The IFP suspected the Municipality is protecting certain parties in this regard.*

*The DA welcomed the report by the Executive Committee, however, expressed the view that the manner in which these service providers are engaged is questionable and they seem to lack experience. The DA was of the view that the provision of security services should be allocated to reputable companies. An option to insource was considered coupled with huge risk and that this cannot be done overnight, therefore the approach cannot be implemented in a haphazard manner.*

*The ActionSA expressed that the engagement of the security service providers did not represent a fair competitive bidding process. That since 2004 one and the same service provider has been rendering the security services in the Municipality for 20years now, and they work on a month-to-month contract extension basis, under the shield of Court interdict. That The excuses cited on the report for not accommodating the insourcing model were considered frivolous. Also, the issue of the unavailability of funding was considered unacceptable, reference being made to huge amounts normally being written off as a result of irregular expenditure, also fruitless and wasteful expenditure. That the Municipality has the ability to make some savings to fund the insourcing model recommended. With regard to the cleaning services, the ActionSA highlighted that the breakdown of costs to indicate how much we are paying for the cleaning services.*

*Joining the support of the insourcing model, the ADEC recommended that all contract workers should be engaged on a permanent basis, reference being made to the overall ANC decision that the Party committed to do away with contract employment. Therefore, the ADEC submitted that government should create jobs.*

*Commenting on the matter, the ANC started by reminding the Council of its Constitutional mandate, where in terms of the objects of the Municipality, the Council is expected to provide sustainable service delivery to the local communities. Also, to safeguard the use of public funds. In this view, the attention was also drawn to threshold applicable in terms of the number of staff members to be engaged to avoid ending up paying salaries without providing the required services to the eThekweni stakeholders. The due diligence done by the officials to critically analyse the insourcing model in comparison with the outsourcing model and/or combination thereof was greatly appreciated as this was considered to paint a clear picture for the Council to determine a way forward in this regard. The ANC further submitted that the Municipality could not act against the Court interdict, and therefore, not understanding entangling the ANC to issues of corruption in this regard. The Party then made a call for anyone with knowledge of corruption on this matter to use available platforms to report the case for an official investigation to be conducted.*

*The ANC also submitted that the Party is not in the business of collapsing the private sector. Therefore, the views submitted against the private sector business not being supported, but also not supporting exploitation of individuals engaged by this sector. In this regard, the ANC then submitted a further recommendation made and to be investigated by Management as part of uplifting the security and cleaning services. That of introducing the Social Solidarity Economy which will entail grouping individuals responsible for the provision of security and cleaning services, supported with skills to then provide this service for their own personal gain without relying on any third party.*

*The Municipality to support them to ensure there is no element of exploitation, but that they become fully-fledged and contribute into the economy of eThekweni and the entire country. It was reported that Management has been given a period of three (03) months to provide outcome on this proposal.*

*Debate then ensued whether the recommendations of the Executive Committee are submitted for approval or noting purposes. It was then clarified that the submitted to note the outcome of the investigation conducted on the insourcing model, and a further recommendation made by the Executive Committee to explore other beneficial option to empower and uplift the security and cleaning services personnel. As the ActionSA had a contrary view, the Party then submitted that its position is not to note the recommendations before the Council on this matter.*

Accordingly, the recommendations of the Executive Committee were **NOTED**, by the majority, with the exception of the ActionSA not noting the recommendations.

7. NOTING OF MUNICIPAL DEMARCATION BOARD OUTCOMES:  
RELOCATION OF THE 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:

- 7.1 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.
- 7.2 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 with the formalities to relocate the areas together with the resources applicable thereto.

**NOTED.**

13. NOTICES OF MOTION

There were not Notices of Motion for consideration at this meeting.

14. REPORT OF THE MAYOR IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT

There was no report for consideration at this meeting.

15. REPORT OF THE MUNICIPAL MANAGER

15.1 Progress Report on the management of unprotected and illegal strike

*Presenting the report, the City Manager alluded to the fact that the City was contending with the unprotected and unlawful strike that has negatively impacted service delivery and has led to destruction of property, staff injuries on duty and sadly the loss of life.*

*In providing the background, the Council was informed that on 2024-02-27, the South African Municipal Workers Union (SAMWU) employees requested an opportunity to have a general meeting with their members and the request was duly granted by the City administration in keeping with the policy and collective agreement provisions. However, it was unfortunate that the general meeting turned into an unprotected strike which proceeded to the City Hall that day. Employees started to damage Municipal infrastructure and drove Municipal vehicles contrary to traffic laws and used them in furtherance of their illegal strike.*

*The Council was advised that the main cause of the strike was related to the issue of Municipal wage curve and categorisation from Category 08 to Category 10. It being noted that this item is the competency of the national bargaining processes and the relevant structure at national level is seized with such. In view of the disruptions that had occurred, the Municipality obtained a court interdict on 2024-02-28 against SAMWU and this was followed by issuing an ultimatum for employees to return to work by a certain date, but this was ignored by the union and employees.*

*That further processed were then undertaken leading to 79 employees being suspended as they were linked to malicious damage of property, assault to fellow employees, driving Municipal vehicles contrary to traffic regulations, including the use of Municipal vehicles to blockade roads etc. It being noted that the disciplinary processes against the said employees had commenced, and it was anticipated that the conclusion will be made in the coming week.*

*The employees that ignored the call to return to work by the ultimatum date and continued to embark on the unprotected strike were being monitored and consequence management will be applied in accordance with the Consequence Management Policy. It be further noted that the Municipality is in the process of filing a lawsuit against the Union under whose banner the unprotected strike was undertaken, and this would be in respect of the damages incurred when the Municipal property was vandalised.*

*The impact of the strike is summarised as follows:*

- *One employee succumbed to her injuries and died after being attacked whilst attempting to perform her duties in the Municipal cemetery.*
- *In addition to one murder case, there are two confirmed cases of attempted murder and assault with an intention to cause grievous bodily harm and multiple cases of threat and intimidation.*
- *Impact on water and electricity provision was due to sabotage of infrastructure such as water valves, electricity installations, damage to municipal property such as vehicles, roads and general disturbance to municipal services.*

*Given the damages realised as a result of this illegal strike, the service delivery plan restoration plan has been developed and it includes the following:*

- i) Hire of private vehicles and trucks to restore services under heavy police and security guard.*
- ii) Volunteers and private company contractors have been engaged and used to provide basic clean up services.*
- iii) More plant and equipment have been hired to assist with the rubbish dumps.*
- iv) The Provincial Department of Co-operative Governance and Traditional Affairs has assigned 10 000 Community Development Workers to assist with the massive clean-up and the restoration of the City.*
- v) On the areas that are still without water and electricity such as Clairmont, Phoenix and some parts of the Central Business District, teams are working hard to restore the services in those areas.*

*As a way forward, mention was made that several meetings have been held with the Union representatives, the National Minister of Co-operative Governance and Traditional Affairs, KwaZulu-Natal Premier and the Provincial Member of the Executive Council for COGTA to arrive at an amicable solution. Part of the recommendations following these engagements included the following:*

- (a) That the Union should write a memorandum to its members advising them to return to depots by 2024-03-12*

*The status on employees at work from Key Service Delivery Units as at 2024-03-12 was reported as follows:*

<i>Unit</i>	<i>Remarks</i>
<i>Engineering</i>	<i>70% of the employees are going out to sites and 30% are waiting for the allocation of security personnel to escort them. In the North Central Region, most employees have reported sick, and they have been requested to submit sick notes even if the sick leave is for one (1) day. In the Umlazi depot, employees are at work but cannot go out to sites as there is no water.</i>



<i>Unit</i>	<i>Remarks</i>
<i>Water and Sanitation</i>	<i>99% of employees are at work and are going out to site and they are escorted by security personnel. 1% are refusing to go to sites and they will be issued with a Notice of Collective Misconduct.</i>
<i>Parks, Recreation and Culture</i>	<i>Employees are going out on site but are avoiding hot spots and they are escorted by security where possible. In some depots employees are at work but fear going out to sites following the trauma they suffered after the death of the Supervisor whilst on duty. It being noted that the employees are receiving counselling.</i>
<i>Electricity</i>	<i>Employees are at work; majority are not going out on sites citing threats and intimidation. Switching Officers are going out on site, and they are escorted by Security Management personnel. In instances of prolonged work (trench digging), employees are reporting fear of work not being completed and security having to leave before the work is complete. Other areas are providing private security at their cost. Majority of employees want to go out on sites but fear that they will be followed on their way back home.</i>
<i>Cleansing and Solid Waste</i>	<i>The majority of employees are at work but are refusing to go out. Employees will be issued with a Notice of Collective Misconduct</i>

*Commenting on the submission by the City Manager, the DA advised that as much as they respect the rights of the workers to express their demands, however, such should be done using suitable and legal platforms that do not interfere with the provision of Municipal services.*

*Condolences were then expressed to the family of the staff member that had passed on as result of being attacked during the illegal strike. The DA continued expressing concerns that communities are deeply affected by this illegal strike and the report presented has failed to indicate if the strike is officially over. It was cited that whilst indication has been made that some workers have returned to work, it was evident that they were not going out to sites as services remained unrestored. A plea was therefore made that Metro Police and other law enforcement agencies be engaged to escort employees to sites.*

*The DA further expressed that they were disappointed with the manner in which the Municipality has handled the communication aspect around the strike. Whilst the report made mention of undertaking lawsuits, it was expected that consequence management was going to be undertaken against those implicated.*

*The EFF thanked the leadership of the Municipality, particularly, His Worship the Mayor and the City Manager for their efforts during this trying time. They also expressed appreciation to His Worship the Mayor for honouring their request for a meeting held that day and that in this meeting the processes to be implemented in resolving this crisis were clearly outlined. With the City Manager having reported that most staff members had returned to work, it was expected that service delivery backlog in terms of water, electricity and the collection of waste should be restored in all areas affected.*

*The NFP extended an apology to the residents of eThekweni who have been affected by the illegal strike. The leadership by His Worship the Mayor was highly commended and this included the interventions by the District Development Model*

*team. Indication was given that it was envisaged that the recovery plan put in place will ensure that all Municipal services were restored.*

*Speaking on the matter, the ANC emphasised the importance of providing psychological support to staff members affected, and also burial support where applicable, in particular, in those Units where there have been lost of lives, including, the Parks, Recreation and Culture Unit, as per the report provided. Thereafter, the National Government Security Cluster Ministers, the Executive Committee, led by His Worship the Mayor were commended for their interventions. Indication was therefore given that it was expected that all workers will return to work to ensure the restoration of Municipal services.*

*The ANC thereafter supported the updated provided by the City Manager.*

Thereafter, the progress report on the management of unprotected and illegal strike was **NOTED**.

16. REPORT OF COMMITTEE DECISIONS

The report of Committee Decisions was considered during the Council Meeting held on 2024-02-29.

17. ITEMS FOR NOTING

The Items for Noting were considered during the Council Meeting held on 2024-02-29.

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The meeting terminated at 16h28.

ADOPTED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2024-08-01.

SPEAKER