

No. 73

MINUTES

OF

ETHEKWINI MUNICIPAL COUNCIL

Meeting held on Thursday, 2024-08-29T10:00,
Inkosi Albert Luthuli International Conventional Centre, Durban.

PRESENT : Councillors BT Ntuli (Acting Speaker), VC Xaba (Mayor), ZP Myeni (Deputy Mayor), J Annipen, A Beetge, T Biyela, M Brauteseth, WJD Burne, MH Buthelezi, KPM Cele, SB Cele, SP Chebure, J Chetty, R Cloete, CB Dlamini, Z Dzanibe, J Essop, BA Fortein, SN Gabela, SG Gama, GM Gasa, DM Gcabashe, FO Gcabashe, G Govender, S Govender, SV Govender, Y Govender, BR Gumede, S Gumede, MS Gwala, GJ Hegter, MM Hlengwa, SD Hlongwa, MF Ismail, LBS Jali, DM James, M Johnson, MA Mgobhozi, MH Khan, SM Khanyile, NP Khawula, MN Khubisa, KNN Khubone, NL Khuzwayo, SNC Khwela, A Kissoon, BG Kubheka, V Kunju, CJ Laing, SW Lushaba, M Lutchen, WM Luthuli, ME Mabaso, RD Macpherson, MA Madlala, NI Madlala, SR Madlala, RP Maharaj, S Maharaj, FN Majola, TG Makhanya, HS Makhathini, MW Manqele, JB Maphumulo, NJ Maphumulo, TZ Mathe, SH Mazibuko, WM Mazibuko, M Mbambo, KT Mbhele, RP Mbonambi, BA Mchunu, JL Mchunu, NP Mchunu, SW Mcineka, RL Mckenzie, X Mdlazi, FW Mdletshe, DL Mea, SP Mfeka, MA Mgobhozi, DPM Mhlongo, GN Mhlongo, SE Mhlongo, T Miya, MB Mjadu, AZ Mkhize, KV Mkhize, MA Mkhize, ME Mkhize, MP Mkhize, NN Mkhize, SM Mkhize, TJ Mkhize, B Mkhwanazi, BR Mngadi, DF Mngadi, SV Mngadi, TJ Mnguni, ZM Mncwango, DP Mngoma, ZO Mnomiya, S Mnyandu, T Mohamed, R Moses, ND Motseke, SB Mpanza LI Msomi, SSS Mthethwa, TD Mthethwa, TM Mthethwa, N Munien, SK Mzimela, BD Naidoo, J Naidoo, S Nala, NB Ndlela, AB Ndlovu, MF Ndlovu, PB Ndlovu, PC Ndlovu, NS Ndlovu, TB Ndlovu, V Ndlovu, SG Nene, S Ngema, SB Ngcongo, DB Ngubane, LE Nkomeni, MS Nkosi, DR Nowbuth, XM Nqweniso, DM Nsundwane, SH Ntombela, PC Ntshangase, N Ntuli, NZ Ntuli, PB Ntuli, B Nxumalo, PH Nxumalo, TS Nxumalo, NN Nyanisa, AM Nyembezi, MV Nzimande-Madlala, AAK Paruk, NE Patchapen, AE Peterson, AS Phahla, BW Phewa, D Pillay, P Pillay, GDA Pullan, R Rampersad, S Sewshanker, A Shaheed, BH Shange, MG Shange, TE Shezi, IM Shinga, HP Shoji, JN Sibisi, KS Sibisi, WP Sibisi, BSB Sindane, EL Singh, J Singh, R Singh, S Singh, PS Sishange, CN Sisoka, NI Sithole, BS Sivetye, EG Smith, AD Snyman, ZR Sokhabase, ZA Solomon, I Syed, ME Thusi, M Thusi, ZN Tshazela, NT Tyelinzima, JC Van den Berg, HM Van Der Ryst, NI Webster, SM Windvogel, NL Xulu, TV Xulu, NY Young, M Zondi, N Zondi, SS Zuma, TG Zungu and there being four (04) vacancies.

ABSENT : Councillors A Abdul, JM Black (Indisposed), NP Hlomuka (Personal Commitments), F Ismail (Indisposed), K Khambule (Indisposed), ZW Khuzwayo, K Mhlaba, NA Mkhize (Indisposed), NM Mhlongo, E Mngadi (Indisposed), BV Mngwengwe (Indisposed), MR Mngonyama (Indisposed), DV Msweli (Indisposed), OB Mvubu (Indisposed), V Ncukana, NC Ntshayintshayi (Personal Commitments), T Nyawose (Municipal Business), TH Nene, MR Nxumalo (Leave), T Sabelo, LP Shange (Indisposed),

LC Sikhakhane Indisposed), BB Thusi (Indisposed), NB Vilakazi, T Xuma and ON Zondi-Mthembu (Indisposed).

AMAKHOSI

PRESENT : None

AMAKHOSI

ABSENT : Inkosi S Mlaba, Inkosi JJ Shangase and Inkosi EB Shozi (Indisposed)

OFFICIALS

PRESENT : Messrs/Mesdames TB Mbhele (City Manager), M Mhlongo (Head: Legal & Compliance), S Mfingwana (Deputy Head: Litigation), A Seheri (Head: City Administration), W Khuzwayo (Acting Senior Manager: Office of the Speaker) and S Kunene (Manager: Council Committees).

At this stage of the proceedings, time being 11h16, the City Manager reported that the Speaker of Council was away on municipal business. In this regard, that the Council would be expected to elect the Speaker of the day to preside over this Council meeting. Meanwhile, the City Manager kindly requested the Council members to take their seats to enable Secretariat to confirm the number of Councillors present in this meeting.

(Thereafter, at the commencement of the meeting, 188 Councillors were present, comprising ANC - 88, DA - 49, EFF - 17, IFP - 14, ASA - 04, ABC - 02, ACC - 01, ACDP - 01, AIC - 00, ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 01, DLC - 00, JEP - 01, KZNI - 01, MF - 01, MOSA - 01, NFP - 01, PFP - 00, PRM - 00, TA- 01, UIM - 00 and VF Plus - 01).

ELECTION OF ACTING SPEAKER

The City Manager drew the attention of Council to Rule 15 (4) of the Rules of Order By-Law, 2014, as amended, which indicates as follows:

“If the Speaker is not present at a meeting, the Municipal Manager must preside over the process to elect an acting Speaker”.

In this regard, the City Manager outlined the process in respect of such election. He advised that a platform will be opened to call for nominations, where a mover must nominate a Councillor; and the nomination to be seconded accordingly, thereafter a Councillor being nominated to accept the nomination. That in the event there is more than one (01) nomination, the election process will be undertaken through a show of hands. Ultimately, a Councillor who receives the majority of votes would preside over this meeting as the Acting Speaker.

This was accordingly, NOTED.

The City Manager, being duly authorised to preside over the election process invited nominations for the election of a Councillor to temporarily serve as the Speaker in this Council meeting. conducted the process to elect the acting Speaker and invited nominations for the appointment of a Councillor as the acting Speaker. Councillor NI Madlala, seconded by Councillor PC Ndlovu, nominated Councillor BT Ntuli. Councillor Ntuli accepted the nomination.

Councillor MM Hlengwa seconded by Councillor ZM Mncwango, nominated Councillor TM Mthethwa who subsequently declined the nomination.

As there were no further nominations, it was unanimously,

RESOLVED:

That, in terms of Rule 15 (4) of the Rules of Order By-Law, 2014, as amended, Councillor Braveman Thembubuhle Ntuli of the African National Congress, be elected the acting Speaker for this eThekweni Municipal Council meeting.

In this regard, Councillor BT Ntuli proceeded to the Podium as the acting Speaker to preside over this meeting.

1. NOTICE CONVENING THE MEETING

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

At this stage of the proceedings, Councillor TM Mthethwa of the DA, advised that there was an urgent Notice of Motion submitted to the Office of the Speaker for consideration at this meeting. He therefore enquired if same would be considered as it has not been circulated.

Responding thereon, the acting Speaker advised that in view of him assuming the acting Speaker position at this time, he is unable to provide the response as he has not had sight of the said urgent Notice of Motion.

2. OPENING

The acting Speaker declared the meeting open at 11h20 and extended a warm welcome to Councillors; Traditional Leaders; City Manager; Deputy City Managers; Head: Legal and Compliance and other Unit Heads present; Members of the Administration; Media; and Members of the Public viewing on social media live streaming.

3. AFRICAN UNION AND NATIONAL ANTHEM

At the request of the acting 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 in preparation to hold a successful meeting.

5. **OFFICIAL ANNOUNCEMENTS**

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

5.1.1 In commemoration of the Women's month, it was reported that the City will be hosting eThekweni Women's Assembly on 07 September 2024 where issues affecting women will be discussed.

5.1.2 Councillor Sithembiso Ngema from the Democratic Alliance who has joined the Municipal Council to replace the erstwhile Councillor Mzamo Billy was officially welcomed.

5.1.3 Councillors were encouraged to conduct themselves with dignity and decency during the Council proceedings, and in compliance with the expectations of the Councillors' Code of Conduct.

5.1.4 Whips of Committees were reminded that it is also their duty to manage the behaviour of their Councillors. Emphasis being made that when a matter is being put to the vote there should be no movement as this has a negative impact on the numbers.

5.1.5 Well wishes were extended to all Councillors who celebrating their birthdays in August 2024.

6. **SPEAKER'S REPORT**

The acting Speaker presented the Speaker's Report as follows:

6.1 **PURPOSE**

The eThekweni Municipality Rules of Order By-Law (2014) makes provision, as part of the order of business for Council meetings, for the Speaker to table a report to Council detailing key strategic activities undertaken by the Municipality over the month and/or any changes impacting the Municipal Council.

6.2 **MUNICIPAL ACTIVITIES**

6.2.1 **Community Engagements:**

6.2.1.1 Councillors are required to have community engagements at least once a quarter in line with the Code of Conduct for Councillors.

6.2.1.2 Twenty-four (24) wards held their community engagements in the month of July 2024.

6.2.1.3 Councillors who have not convened their meetings as per the requirement are urged to do so as they are left with only one month to convene their meetings for the first quarter.

6.2.2 Ward Committees:

6.2.2.1 As Councillors are aware that the functionality of Ward Committees is assessed by the Department of Cooperative Governance and Traditional Affairs (COGTA) on a quarterly basis, it is imperative that Councillors submit evidence of Ward Committee meetings held.

6.2.2.2 In the month of July 2024, the number of Ward committee meetings held were ninety-three (93), however, only sixty-two (62) wards submitted their evidence to date.

6.2.3 Stakeholder Engagements:

6.2.3.1 His Worship the Mayor, Councillor Xaba, through the Office of the Speaker is in constant engagement with various stakeholders within the City and as part of these engagements, the Mayor met with the Ratepayers' Associations from across the municipality on 16 August 2024 with the aim of responding to service delivery issues raised at the previous meeting held on 01 March 2024. Engagements with individual Ratepayers' associations are ongoing.

6.2.3.2 Other engagements were held with the business sector where executives and management of strategic partners and key business investors from Airports Company South Africa (ACSA), Dube Trade Port, the Port of Durban and KZN Growth Coalition with the aim of building investor confidence by being proactive in attending to their service delivery needs.

6.2.4 Launch of Maritime Assets:

6.2.4.1 On 05 August 2024, Sandock Austral Shipyards and Transnet National Ports Authority (TNPA) celebrated the christening of two new vessels, Queen Modjadji and Noah, at the Sandock Austral Shipyards in Durban which are set to enhance TNPA's marine operations at the Port of Cape Town. These vessels, built by Sandock Austral Shipyards, mark a significant milestone for the local maritime industry, highlighting the region's capability to produce high-quality marine vessels.

6.2.4.2 On 15 August 2024, Transnet National Ports Authority (TNPA) took a significant step in enhancing operations at the Port of Durban by unveiling five new tugboats, part of a R1 billion investment in modernizing its marine fleet. These new vessels were christened during a ceremony and are intended to boost the efficiency of South Africa's busiest port. The addition is a key component of TNPA's Marine Fleet Renewal Program, which aims to strengthen port operations through the acquisition of advanced marine assets.

6.2.5 Automotive Body Parts Manufacturing Plant

On 23 August 2024, Ogihara South Africa's new body part manufacturing plant was officially launched at the Dube Trade Port Special Economic Zone in KwaZulu-Natal. This strategic development, representing a R1.2 billion investment from a joint venture between Toyota Tsusho Africa and Ogihara, is a significant endorsement of South Africa's economic potential.

6.3 CHANGES IN THE MUNICIPAL COUNCIL AND COMMITTEE MEMBERSHIPS

- 6.3.1 The Council currently has four (4) Ward Councillor vacancies for wards 33, 34, 35 and 36 which will be filled during the by-elections scheduled for 28 August and 11 September 2024.
- 6.3.2 Council to note that the vacancy which occurred due to the resignation of Councillor Mzamo Billy (PR) from the Democratic Alliance has been filled by Councillor Sithembiso Ngema (Democratic Alliance).
- 6.3.3 Cllr Paruk from Action SA has been appointed to serve on the MPAC Committee, replacing erstwhile Cllr Beesley (Action SA).

Following consideration,

COMMITTEE RECOMMENDS:

- 6.3.4 That the Speaker's Report detailing key strategic activities undertaken by the Municipality over the month and changes impacting the Municipal Council, be noted.
- 6.3.5 That it be noted that the vacancy of the Action SA at the Municipal Public Accounts Committee will now be filled by Councillor AAK Paruk who is replacing the erstwhile Councillor Beesley.

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 and Amakhosi be granted leave of absence as indicated below be noted:

COUNCILLORS

Councillor JM Black	:	2024-08-29	Indisposed
Councillor J Essop	:	2024-08-29	To leave at 16:30
Councillor SN Gabela	:	2024-08-29	To leave at 16h00
Councillor S Gumede	:	2024-08-29	To leave at 16:30
Councillor NP Hlomuka	:	2024-08-29	Personal Commitments
Councillor F Ismail	:	2024-08-29	Indisposed
Councillor K Khambule	:	2024-08-29	Indisposed
Councillor MH Khan	:	2024-08-29	To leave at 15h00
Councillor NA Mkhize	:	2024-08-29	Indisposed
Councillor E Mngadi	:	2024-08-29	Indisposed
Councillor BV Mngwengwe	:	2024-08-29	Indisposed
Councillor MR Mngonyama	:	2024-08-29	Indisposed
Councillor T Mohamed	:	2024-08-29	To leave at 16:00
Councillor DV Msweli	:	2024-08-29	Indisposed
Councillor OB Mvubu	:	2024-08-29	Indisposed
Councillor NC Ntshayintshayi	:	2024-08-29	Personal Commitments

Councillor T Nyawose	:	2024-08-29	Municipal business
Councillor MR Nxumalo	:	2024-08-29	
Councillor P Pillay	:	2024-08-29	To leave at 13h00
Councillor A Shaheed	:	2024-08-29	To leave at 15h00
Councillor LP Shange	:	2024-08-29	Indisposed
Councillor HP Shozi	:	2024-08-29	To leave at 15h30
Councillor LC Sikhakhane	:	2024-08-29	Indisposed
Councillor BB Thusi	:	2024-08-29	Indisposed
Councillor NI Webster	:	2024-08-29	To leave at 16h00
Councillor ON Zondi-Mthembu	:	2024-08-29	Indisposed

AMAKHOSI

Inkosi EB Shozi : 2024-08-29 Indisposed

8. **DECLARATION OF INTEREST**

It was noted that none of the members of Council had declared any interest on the matters contained in the agenda.

9. **PRESENTATION: ETHEKWINI WATER SUPPLY DISRUPTION: CAUSES AND ACTION PLAN**

Presented by Head: Water and Sanitation: Mr E. Msweli

Council received a presentation detailing circumstances and the action plan to circumvent this situation. Council was informed that water supply from the Durban Heights Water Treatment started to be reduced on 16 August 2024 due to the presence of two unusual algae (anabaena and cylindrospermopsis) in the raw abstracted by Umngeni-uThukela Water at Nagle Dam. That this originates from the raw water sources from Umngeni River System and can reproduce and multiply rapidly under certain conditions. It was reported that the algae has continued to increase, and has since blocked the water treatment filters which are part of the process of cleaning raw water for safe drinking.

With the clogging caused by algae, uMngeni-uThukela Water has not been able to provide safe drinking water to the City. The reduced water supply was witnessed between 16 August to 27 August 2024 and reaching critical levels forcing the supply line to the City's Northern Aqueduct to be shut down. This thereafter affected the northern areas of eThekweni.

Given this problem, the Water and Sanitation department has undertaken to conduct an urgent investigation on the possible causes of the surge in algae. This will involve taking water samples at the Nagle Dam and Albert Falls Dam and further upstream if necessary. This investigation will also assist to mitigate the risk of this situation recurring. In further managing the risk, pumps at Inanda Dam will be commissioned in view of the lower concentration of algae and water abstracted from Nagle Dam can be diluted with water from Inanda Dam.

Council was informed that preliminary results have since revealed that algae levels have started to reducing from 25 August 2024, and this has allowed for filters to be

cleaned less frequently and thus enabling more production of treated water. Also, the reduction in algae levels was not due to any actions by uMngeni-uThukela Water but they reduced on their own. Note being made that the continuous reduction of algae levels has enabled water levels to increase at the Durban Heights. However, the northern areas will continue experiencing water supply disruptions until such time the City's water distribution system has fully recovered.

Given the above, an interim solution which included deployment of water tankers in areas affected has been implemented. This deployment plan includes the provision of 30 (thirty) additional tankers by uMngeni-uThukela Water. The tanker deployment plan is detailed below:

Ward	Area	Number of tankers	
		Morning Shift	Afternoon Shift
35	uMhlanga Rocks	5	5
48	Mt Edgecombe	5	6
50	Woodview	2	2
102	Parkgate/Ottawa	5	6
	Gandhi Hospital	10	10
106	Verulam	3	6
58	Tongaat	-	4
59	Osindisweni	10	6
	Trenance Park	5	5
	Buffelsdraai	3	2
	Zwelisha	2	1
	Phase 5	4	1
60	Canelands	6	2
	Busamed Hospital	4	4
	uMhlanga Hospital	3	3
61	Tongaat	3	0
62	Tongaat	1	1
49	Phoenix	6	9
36	Durban North	4	4
34	Avoca	3	3
51	Brookdale	7	7
52	Brooksfarm	7	9
110	Glen Anil	On request	On request
43	Ntuzuma	4	3
38	Ntuzuma	6	6
55	Congo	5	2
56	Amatikwe	4	2
107	Ntuzuma	2	3
37	Newlands	1	2

Ward	Area	Number of tankers	
		Morning Shift	Afternoon Shift
104	KwaMashu	1	0
45	Ntuzuma	3	0
54	Newtown C	5	2
47	Bester	3	1
42	Ntuzuma	2	3
40	KwaMashu	0	2
41	KwaMashu	0	2
46	KwaMashu	0	1
52	Redfern	0	4
55	Ntuzuma Bus Depot	0	2

Continuing with his presentation, the Head: Water and Sanitation stated that the communication strategy on this matter will be managed jointly by eThekweni Municipality, Department of Water and Sanitation and uMngeni-uThukela Water. The focus of the communication strategy sought to achieve the following:

- *To update the media, public and stakeholders on the status of treated water volumes being supplied to eThekweni.*
- *To explain the cause of the reduced production and drop in reservoir levels.*
- *To re-assure the public and stakeholders that the water system is currently stable, although still under strain.*
- *To make the customers in Northern areas aware that the system is under strain and water had to be used sparingly to allow the recovery of reservoirs.*
- *To warn public that this situation might change should algae spike again as the cause is still being identified.*
- *To give an update to the public and stakeholders on when the situation will normalize.*

In conclusion, Council was advised that:

- uMngeni-uThukela Water will provide daily updates to the Municipality and in turn eThekweni Water and Sanitation Department will update Councillors. These will be further communicated to the public including the use of social media platforms.*
- Engagements between the Minister of Water and Sanitation and the Mayor will be re-convened if the problem worsened.*
- The results of the investigation on the cause for algae will be communicated as soon as they are available.*

In the interest of time, the Speaker requested that the debate on the presentation be made towards the conclusion of the meeting.

[The debate made at the conclusion of the meeting is recorded herein to maintain the sequence.]

Political Parties expressed the need of uMngeni-uThukela Water representatives to be in attendance during the debate to allow for their input on issues that might be raised. It was further suggested that the Mayor's Friday meeting with uMngeni-uThukela Water be extended to the rest of Councillors for the purposes of engaging further on this matter. This proposal was unanimously supported.

Reverting back to the order of proceedings, the Speaker requested the Whip of Council to give feedback on the engagement held with Whips of Parties on the prioritisation of items taking into consideration that the agenda was voluminous. Thereafter, the Whip of Council advised that it has been agreed that speaking times be reduced as follows:

<i>Political Party</i>	<i>Revised allocated speaking time per item</i>
<i>ANC</i>	<i>3 minutes</i>
<i>DA</i>	<i>2 minutes</i>
<i>All other political parties</i>	<i>1 minute</i>

Political Party Whips further resolved that responses to questions contained in the agenda should be submitted to the authors by the Office of the Speaker.

At this stage of the proceedings (12h29-12h39), the DA requested for a caucus break, and this was duly granted.

10. CONFIRMATION OF MINUTES: MEETINGS HELD 2024-08-01 (Ordinary); 2024-08-01 (In-Committee).

At the request of the acting Speaker, it was

RESOLVED:

That the confirmation of minutes for meetings held 2024-08-01 (Ordinary) and 2024-08-01 (In-Committee), be **DEFERRED** to the next meeting.

11. MATTERS ARISING

This item was deferred to the next meeting.

The Speaker advised that the responses to the following questions and contained on Page 5 to Page 9, will be provided to the authors by the Office of the Speaker.

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

12.1 Questions submitted by Councillor I Syed: Vector Control function (24/5)

Presently the City is faced with an exponential challenge around service delivery, more so around sewage, sanitation and dumping, compounded by sporadic DSW strike. The City and residential areas have become dumping grounds.

In the eThekweni Municipality, as a Metropolitan, there are communities living near each other with a high rate of urbanization. Dumping especially, together with raw sewage flowing almost everywhere, the risk factors of disease being spread is great. The City is saddled with rat infestation just about everywhere, flies, mosquitos, ticks, fleas and lice.

In line with this, we, the Active Citizens Coalition, rise to present the following questions in Council for an informed response:

- 1. How many Vector Control Centres does the City house have, and where?**
- 2. To what extent has the City's Environmental Health Services been effective identifying vectors, their habits and breeding places?**
- 3. How serious is the rate infestation in the City?**
- 4. Is the City maintaining a strong public health infrastructure and undertaking research activities directed at improved means of control and how does this lessen the threat to human health?**
- 5. What are the key components that determine the occurrence of vector-borne disease?**
- 6. When it comes to operational strategy, what are the key elements used for the successful implementation thereof?**
- 7. Notwithstanding the fact that there are hundreds of informal settlements in and around the City, these areas are hardest hit when it comes to the lack of proper sanitation, amongst other issues. What is the vector impact on such informal communities?**
- 8. Has any health care survey been conducted in informal settlements to determine the spread of disease and that these organisms can be spread to humans through vector-bearing insects and pests?**
- 9. Have any diseases been identified?**
- 10. While residents in such areas live below the breadline with a lack of health care, as one example, they also live around much filth because of dumping including rotting food, has a link been established in the spread of disease where such organisms might thrive?**
- 11. Have there been any educational drives thereto?**
- 12. Who heads such programmes or departments?**
- 13. Can we have a list of activities on vector control around the City for the last six months – December 2023 to May 2024.**

12.2 Questions submitted by Councillor J Annipen: Integration of Revenue and Electricity Departments (27/2/5/4)

On the 2nd of September 2022, the Electricity Unit introduced, in line with Council's Credit Control and Debt Recovery Policy, a debt recovery programme using the prepaid electricity metering system. This has widely become known as the 80/20 system. In essence, the system allows for customers who are in arrears with the City for utilities to ring fence their debt and pay back the debt through electricity purchases. Unfortunately, since the programme went live, the electricity, revenue and IMU Departments have been unable to integrate the billing system used by electricity, (SUPREMA) and the billing system used to generate customer accounts (RMS)

In lieu of this withholding of information and in the interest of good governance and transparency, I pose the following questions:

1. **Why have not the Departments of Revenue and Electricity been able to integrate Suprema with RMS?**
2. **How far have these Departments gone in the process of integrating these systems?**
3. **When is it expected that the integration will be completed?**
4. **When the programme went live customers were informed that no interest will be charged after they signed their Acknowledgement of Debt (AOD), this has not been the case, Will the interest, which has been incurred on the account after the customers signed their AOD, be written-off?**
5. **Will the City code the accounts of customers who are waiting for the installation of these prepaid boxes because of back order of stock?**

12.3 Questions submitted by Councillor MF Ismail: Water Outage and Rationing (23/1/11/1/1/1)

Ward 31, among other Wards, continue to suffer from water outages. Burst pipes are the order of the day, and there seems to be no solution in sight as areas buckle under weakening infrastructure. The problem is exacerbated by what is perceived as to be water shedding in Ward 25, 27, and 31 and immediately surrounding Wards due to the supply from the Wiggins Reservoir.

With these serious persistent problems, we, the Active Citizen Coalition, rise to present the following questions in Council for an informed response:

1. **Noting that on the 15 March 2023, we presented to this Council several questions, with a particular one that read:**

“When will the Peter Mokaba Ridge Road line, which runs from St Thomas to Earl Haig Road be replaced in its entirety?”

The answer was:

“It will take 6 to 10 weeks to design and produce drawings and submit to our construction team. Budget still need to be allocated, so it can only be implemented in next financial year, if budget is approved.”

We therefore ask:

- 1.1 Has this study been concluded?
- 1.2 If so, when?
- 1.3 Where is the study results for presentation?
- 1.4 Has the entire Ward 31, including Wards 25, 27 and 30 been studied to this effect?
- 1.5 If your answers are in the negative, considering your former answer as quoted above, has such budget been allocated? Alternatively, has a budget been prioritized for this study?
- 1.6 If not, why; and was this matter regarding budget allocation brought up at committee level for consideration, noting the urgency?
2. How many water pipes bursts and leaks have been reported in Wards 25, 27 and 31 respectively, since that last submission of questions to this Council in our evenly dated correspondence of 15 March 2023? This means from 01 April 2023 to 31 July 2024. Please tabulate.
3. What has the cost of repairs to attend to these burst pipes cost the Municipality from 01 April 2023 to date 31 July 2024?
4. Has the total loss of water in kilolitres for this period been determined?
5. Has the loss of water for this period contributed to water shedding over the last few weeks in these Wards, say from 01 April 2023 to 31 July 2024?
6. If there is indeed water shedding to reserve water levels in the Sherwood, North Ridge, Sea Cow Lake and other reservoirs servicing these Wards? Please tabulate each reservoir.
7. If there is indeed water shedding, why has there been no community education around this?
8. What would be the water shedding times in relation to this, if there is indeed such a programme?
9. What is the supply and demand ratios from Wiggins to the mentioned reservoirs?
10. It is understood that major works was, or is being carried out at Wiggins in presently, what is the status of the upgrade thus far?
11. How will this alleviate water shortages, or low reservoir levels in the specified Wards?

12. Have there been any reports of sabotage, at these and other reservoirs in the City's jurisdiction?
13. If there has indeed been evidence of sabotage, have the perpetrators been identified?
14. How many TLBs does the City have in service at any given time to attend to faults?
15. How many TLBs are out of service, and for how long?
16. What is the determined time factor for a TLB, once requested to attend to an excavation?
17. What is the determined time factor to backfill to be sent to a site once repairs have been completed?

(His Worship the Mayor, Councillor VC Xaba presented the First Report of the Executive Committee)

FIRST REPORT OF THE EXECUTIVE COMMITTEE

(Meetings held 2024-07-30)

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

ABSENT : Executive Committee Members NI Madlala and OB Mvubu (Both on Personal Commitments leave).

1. REPORT OF THE SECURITY AND EMERGENCY SERVICES COMMITTEE:
MEETING HELD 2024-07-25

(Page R3)

1.1 Project Authority and Reprioritization of the 2024/2025 Capital Budget for the Homeless Facility, Sakhithemba Home, Illovo (7/1/2/2):
(Page 14: Security and Emergency Services Committee - Agenda 2024-07-25)

The report seeks approval to reprioritise the capital budget amounting to R13 641 000.00 earmarked for new projects in the 2024/2025 financial year. Upon reprioritisation approval, the said budget will be re-allocated for the construction of a 400-bed homeless facility situated in Portion 2 of Erf 16946 of Illovo No. 16946

to be known as Sakhithemba Home. This funding was initially earmarked for the Block AK project which was to be located within the Durban CBD precinct.

However, upon advice and recommendations by the Inner-City Regeneration Committee that the Block AK site would not be suitable due to its proximity to tourist attractions such as the Moses Mabhida Stadium and Greyville Race Course, the Economic Development & Planning and Safer Cities Units were tasked to identify an alternative suitable site hence the identification of Portion 2 of Erf 16946 in Illovo.

The Sakhithemba Home will provide the following:

- (a) Health Screening and Assessments
- (b) Feeding
- (c) Social Work Services
- (d) Security
- (e) Drug Rehabilitation

Other than the above-mentioned services, more focus will be on skills development and to also reunite the homeless with their families as there was no expectation for them to stay in the facility for longer periods.

The Committee welcomed the report and emphasised that in view of more homeless people residing in the CBD and surrounding areas of eThekweni, it was important that alternative sites/facilities to cater for this area be explored. Emphasis was made that proper screening should be done to the homeless people that will be transferred to the Sakhithemba Home to ensure that those with outstanding criminal offenses were dealt with by the relevant stakeholders.

On the issue of alternative facilities to cater for the CBD area, indication was made that would be resolved through the Better Buildings Programme, a programme earmarked to refurbish old buildings. A policy issue was also being explored to introduce some form of subsidy to cater for the homeless people that may opt to go to private shelters.

During discussion at the Executive Committee level, the DA emphasized the need for a more comprehensive report detailing how the facility will address the accommodation needs of both genders, as well as addressing concerns related to water supply and sewer reticulation, given the current non-operational nearby pump station. Additionally, it was emphasized that the Committee should receive feedback from the public participation process to better understand the community perspectives on the matter.

Joining the discussions, the IFP expressed concerns about the voluntary presence of some individuals on the streets who may have stable housing options. They advocated for a thorough profiling exercise to ensure that only those in genuine need are accommodated. That those with stable homes be reunited with their families. Furthermore, the Municipality was encouraged to strengthen its Bylaws to manage homelessness effectively and emphasized the importance of prioritizing ratepayers' needs, focusing on crime prevention and maintaining cleanliness.

The NFP supported the initiative and highlighted the necessity of backing the Safer Cities program. They stressed the importance of implementing measures to restore the inner city's appeal, thereby attracting more visitors.

Also contributing to the discussion, the (ANC) emphasized that the primary goal of the Economic Development initiative should be to ensure the safety of visitors throughout their stay in eThekweni. They suggested exploring alternative sites outside the City Centre to accommodate homeless individuals and reiterated the need for a comprehensive profiling exercise.

The Management acknowledged the inputs from the Committee and emphasized that this initiative is aligned with the Municipality's goal of making eThekweni the most caring and liveable City. That the Municipality is receiving substantial support from the Public Sector to ensure that homeless individuals are provided with adequate accommodation and effective rehabilitation support. It was mentioned that sites are being explored all over eThekweni to migrate people from the inner city.

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

COMMITTEE RECOMMENDS:

- 1.1.1 That authority be granted for the construction of a 400-bed homeless shelter facility situated on Portion 2 of Erf 16946 of Illovo No. 16946 to be known as Sakhithemba Home.
- 1.1.2 That Council approves the reprioritization of R13 641 000.00 (Thirteen Million Six Hundred and Forty-One Thousand Rand) from Block AK project to the Sakhithemba Home in Illovo for the financial year 2024/2025 financial year.
- 1.1.3 That subject to the approval of .2 above, Council approves the reprioritization to be included in the adjustment budget.

Financial Implications:

Since it has been agreed by the Inner-City Regeneration Committee that Block AK will be an unsuitable for use as a homeless facility, a total amount of R13 641 000.00 (Thirteen Million Six Hundred and Forty One Thousand Rand) for the financial year 2024/2025 allocated for the Block AK project is to be reprioritized to the new Sakhithemba Home Illovo for the financial year 2024/2025 through budget adjustment.

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Commenting on this matter, the DA expressed that even though they were not opposed to the construction of the Sakhithemba facility, but the unavailability of the statistics for the homeless people residing within the Municipality remained a cause for concern. The construction of a homeless facility in one area was seen not ideal given that the challenge of homelessness was vast. Further concern was expressed that the community within the vicinity of Sakhithemba has not been consulted about this facility. Referring to the inspection conducted the previous week; indication was given that the allocated budget will not be sufficient. The DA was of an idea that each region should have its homeless facility to ensure a wide coverage.

In support, the IFP stated that this initiative is viewed as an investment to the wellbeing of the vulnerable people as they were not only going to be rehabilitated but were also so going to be equipped with the necessary skills for job opportunities. On the same note, the EFF expressed that the facility would assist to restore the dignity in view of the holistic approach being implemented.

The ActionSA alluded to the fact that the Municipality has a responsibility to integrate communities; however, the relocation of the Block AK facility to Illovu was seen to be contrary to the said objective. It being further noted that the relocation will force the homeless people to be away from the economic zone.

The ACC pointed out that homelessness remains a major challenge for the City and it was noted with concern that the Sakhithemba facility will only accommodate 400 people. It was suggested that other stakeholders such as the Department of Social Development and Correctional Services should also be involved.

Joining the debate, the NFP acknowledged the work done thus far in addressing the issue of homelessness. It being agreed that more facilities were needed and discussions with other spheres of government to partner with them thus ensuring that more facilities of this nature were implemented in other areas.

As some Councillors were not in support of the recommendations, the matter was put to the vote. With 188 Councillors present, 180 Councillors (ANC-88, DA-50, EFF-17, IFP-13, ABC-02, ACDP-02, ADEC-01, ATM-01, ALJAMAH-01, JEP-01, KZNI-01, MOSA-01, NFP-01 and VF PLUS-01) voted in favour of the recommendations and 8 Councillors (Action SA-04, ACC-02, APF-01 and MF-01) abstained.

Thereafter, the item was by the majority vote, **ADOPTED.**

1.2

Adoption of the eThekweni Municipality Disaster Risk and Response Management Level 2 Plan (29/2/21):

(Page 68 and Executive Summary on Page 114 Supplementary Agenda - Security and Emergency Services Committee - Agenda 2024-07-25)

The Disaster Management Corporate Plan was developed in 2011 and adopted in August 2013. The Disaster Management and Emergency Control Unit further embarked on developing a Level 2 Disaster Management Plan which is a statutory requirement as determined by the Disaster Management Act 57 of 2002. The process required a city-wide risk and vulnerability assessment and this was initiated in 2013 and concluded in 2017.

The need to review this plan arises from the recognition that disaster management is an evolving field, continually shaped by new challenges, vulnerabilities and emerging risks. The review is also imperative to ensure that the Municipality remains proactive, adaptive and resilient in the face of evolving, disaster risks.

The Level 2 Disaster Risk and Response Management Plan focuses on establishing processes for a comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing supportive information management and communication system and emergency communication capabilities. It being noted that the plan further seeks to protect lives, property and the environment, strengthen community resilience and ensure that eThekweni Municipality is better equipped to face challenges posed by various disaster risks.

The primary purpose of the plan includes:

- (a) Risk reduction strategies

- (b) Enhanced preparedness
- (c) Effective and efficient response
- (d) Building community resilience
- (e) Legal and policy compliance
- (f) Efficient resource allocation
- (g) Effective co-ordination and collaboration
- (h) Public awareness and education
- (i) Efficient funding arrangements

During consideration at the Executive Committee level, issues of policies were considered critical. That the Support Committee report was not as detailed for Members to grasp the whole concept. In this regard, a view was submitted and agreed upon by all Members that moving forward, the Executive Committee be provided with the actual policy documents in order to interrogate the matter and make an informed decision.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 1.2.1 That the work involved in the finalising of the eThekweni Disaster Management Risk and Response Level 2 Plan, be noted.
- 1.2.2 That the summary of the eThekweni Disaster Management Risk and Response Level 2 Plan contained in the report of the Head: Disaster Management & Emergency Control dated 2024-05-13, be noted.
- 1.2.3 That Council approves the implementation of the eThekweni Disaster Management Risk and Response Level 2 Plan.
- 1.2.4 That the Deputy City Manager: Community and Emergency Services seeks the necessary resources and provides bi-annual reports linked to the implementation of activities detailed the Level 2 Plan.
- 1.2.5 That the Deputy City Manager: Community and Emergency Services initiates a review of the institutional arrangements of the Disaster Management and Emergency Control Unit to align to the recommended institutional arrangements as detailed in the Level 2 Plan.
- 1.2.6 That authority be granted to the Head: Disaster Management and Emergency Control to workshop local communities on the updated eThekweni Disaster Management Risk and Response Level 2 Plan and workshop the Council's support Committees and other stakeholders in view of disaster management being a transversal matter.
- 1.2.7 That the Deputy City Manager: Finance seeks the required budget to support the implementation of .5 and .6 above.

Financial Implications:

Budgets are to be mainstreamed using existing programmes for the implementation of the eThekweni Disaster Management Risk and Response Level 2 Plan.

Commencing the debate, the IFP mentioned that the City has, in the previous experienced unprecedented disasters and on these disasters lessons have been learnt on how to improve on various aspects. Reference on the recent fire disaster that occurred in a residential home in Phoenix was made and dissatisfaction was

expressed on the failure by the Disaster and Emergency Services Unit to visit this home as part of their functions. In support of the policy, a call was made for the Disaster and Emergency Services Unit to also consider including aspects of support, turnaround time, socio-economic relief, psychological assistance, and counselling amongst others.

In support, the NFP alluded that the focus of this policy included the establishment of the process for the comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms amongst others. That this policy was previously adopted in 2011 and it was being reviewed based on the lessons learnt from the previous disasters.

ADOPTED.

2. REPORT OF THE FINANCE COMMITTEE: MEETING HELD 2024-07-25

(Page R6)

2.1 Public Tender Awards of eThekweni Municipality for the Month Ended: 30 June 2024 (9/1/3): (Page 197: Finance Committee - Agenda 2024-07-25)

The Committee noted that the amount of R393 031 550.04 (Three Hundred and Ninety-Three Million and Thirty-One Thousand Five Hundred and Fifty Rand Four Cents) was the total value of tenders issued during the month of June 2024.

In noting the report, the Committee expressed concern that the tenders awarded to Youth owned business enterprises equate to 4% and recommended that such opportunities for the eThekweni Youth be maximized. Further, a concern was expressed on what they viewed as a high percentage of Section 36 tender awards being issued for the month of June 2024; emphasis being made that the aforesaid Section is to be utilized only for emergency purposes. Reference was also made to contract extension in terms of Section 116(3) of the Local Government: Municipal Finance Management Act No 56 of 2003. It being cited that this was depriving service provider that have been rejected at the initial tender award stage based on expensive tender cost. That when a decision is taken to extend the contract it becomes the same as the tender initially rejected in view of the escalating cost as the result of the extension.

Whilst noting the concerns raised, Management clarified that the use of Sections referred to is permitted in terms of the Act and that due diligence is followed in this regard, including the vetting process at various stages internally. Therefore, the implementation in this regard being justified but that what is critical is the constant monitoring of the potential abuse of awarding tenders these Sections.

With the Committee noting the tender awards report subject to comments above, accordingly,

COMMITTEE RECOMMENDS:

2.1.1 That the public tender awards by the City for the month of June 2024, 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 2024-07-04, be noted.

- 2.1.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.
- 2.1.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 2.1.4 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.
- 2.1.5 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.

- 2.2 Investment Report for the Month Ended: 31 May 2024 (7/11/4):
(Page 242: Finance Committee - Agenda 2024-07-25)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R 8, 214 175 000.00 (Eight Billion and Two Hundred and Fourteen Million One Hundred and Seventy-Five Thousand Rand), at an average rate of return on investments of 8,98%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eighty-Two Million Rand) and the unutilised Capital and Operational Grants as at the end of June 2024 was reported to be R1 054 000 000.00 (One Billion and Fifty-Four Million Rand). It being further noted that there was 52 (fifty-two) days cash on hand excluding grants.

Thereafter, the Committee noted the records of funds invested in different institutions, with a recommendation to focus attention on attracting more investors for the City to become an investment hub. That consideration be given to re-engineering processes to arrive at tangible actions to yield desired results. A recommendation having been made to review the investment policy; the attention of the Committee was drawn to the fact that investment matters fall under the jurisdiction of the Durban Invest Unit under the Economic Development & Planning Cluster.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2024-05-31, which records the total funds invested at financial institutions as R8 214 175 000.00 (Eight Billion Two Hundred and Fourteen Million One Hundred and Seventy Five Thousand Rand), at an average of return on investment of 8.98%, 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, 2003, be noted.

NOTED.

2.3 Investment Report for the Month Ended: 30 June 2024 (7/11/4):
(Page 248 : Finance Committee - Agenda 2024-07-25)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R 8, 338 459 000.00 (Eight Billion and Three and Thirty-Eight Million Four Hundred and Fifty-Nine Thousand Rand), at an average rate of return on investments of 8,88%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eighty-Two Million Rand) and the unutilised Capital and Operational Grants as at the end of June 2024 was reported to be R876 000 000.00 (Eight Hundred and Seventy-Six Million Rand). It being further noted that there was 58 (fifty-eight) days cash on hand excluding grants.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2024-06-30, which records the total funds invested at financial institutions as R8 338 459 000.00 (Eight Billion Three Hundred and Thirty Eight Million Four Hundred and Fifty Nine Thousand Rand), at an average of return on investment of 8.88%, 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, 2003, be noted.

NOTED.

2.4 Quarterly Report on Withdrawals from Municipal Bank Account in Terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, Dated 08 April 2024 (7/8/6):
(Page 265 : Finance Committee - Agenda 2024-07-25)

Committee noted the report, as per the transactions narrated relating to Section 11(f); (g); (h) of the MFMA, to refund incorrect payments; to refund guarantees, sureties and security deposits; as well as investing funds not required for immediate use.

Accordingly,

COMMITTEE RECOMMENDS:

2.4.1 That the report on withdrawals from the Municipal bank account as at 30 June 2024, submitted in terms of Section 11(4) of the Municipal Finance Management Act, be noted, it being recorded that the withdrawals relate to the following:

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

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

NOTED.

3. REPORT OF THE HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: MEETING HELD 2024-07-25

(Page R19)

(It should be noted that at the Support Committee level, the DA abstained on all items of this Committee due its inability to interrogate the Report as it was received late)

3.1 Acquisition/Expropriation for 11kV Distributor Substation 2586 at Emthethweni Road, Umlazi P Section (17/2/2/1/4):

(Page 50: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought to acquire/expropriate proposed property described as Erf P1168, 256 Emthethweni Road, Umlazi P Section. This is required to grant eThekweni Municipality a legal authority to access, install, maintain, and operate a 11Kv distributor substation. This substation supplies electricity to Umlazi Section P, R and Section M. Final costs relating to the acquisition of land will be determined through a land valuation process. Funding for the servitude acquisition and registration will be provided via the budget adjustment.

As indicated, the DA abstained, and, with the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

3.1.1 That authority be granted for the Head: Real Estate to acquire/expropriate via donation, private treaty or expropriation, if necessary, the proposed property described as Erf 1168, from the registered owner at Umlazi P Section, and such land acquisition/expropriation to be undertaken in line with applicable legislation as well as the Supply Chain Management Policy, where required.

3.1.2 That in the event expropriation is deemed necessary, authority be granted to the Head: Real Estate to proceed with the expropriation of Erf 1168 Umlazi P.

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

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

ADOPTED.

3.2 Adoption of the Wastewater Environmental Management Policy (WS2024/030) (23/1/P):

(Page 104: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought to adopt Wastewater Environmental Management Policy developed in response to the findings by the Auditor-General in June 2021. The policy provides a guideline for the water and sanitation Unit as well as the Municipality

as a whole to prevent environmental risks related to wastewater as well as manage wastewater related incidents in accordance with environment legislation.

The implementation of this policy will guide the procedures of the Water and Sanitation Unit towards safeguarding precious water sources and minimizing environmental impacts through the effective management of wastewater in eThekweni Municipality.

The DA abstention was noted, and, with the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.2.1 That Council approves the Wastewater Environmental Management Policy developed to guide the procedures of the Water and Sanitation Unit towards safeguarding precious water sources and minimizing environmental impacts through the effective management of wastewater within the eThekweni Municipality, and which policy aims to achieve the following objectives:
 - 3.2.1.1 To ensure efficient and effective identification and management of environmental risks relating to wastewater generation, reticulation, treatment, and discharge within the eThekweni Municipality.
 - 3.2.1.2 To prevent pollution, contamination and spillage incident arising from wastewater and/or its by-products within the eThekweni Municipality and its resultant socio-economic, environment and public health impact by ensuring effective implementation of the various, comprehensive, and multifaceted management system in place.
 - 3.2.1.3 To censure management and mitigation, of all wastewaters related incidents such that the socio-economic, environmental, and public health impacts are minimized, and measures are put in place to prevent their recurrence.
 - 3.2.1.4 To ensure compliance with the eThekweni Municipality's By-law as well all governmental legislative requirements for wastewater which are binding to the Municipality through the permit and licenses and other environmental authorisations issued.

ADOPTED.

- 3.3 Acquisition/Expropriation for the Sewer and Drainage (S&D) 53 North Beach Road, Umdloti Ward 58 (17/2/1/1/4) & (25/1/1/2/2):
(Page 196: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

A severe storm in April/May 2022 affected wide-spread regions of the eThekweni Municipality. Related continuous rainfall in the preceding days resulted in high ground saturated level, and high intensity flow, causing wide-spread damages in Umdloti.

In view of the foregoing, authority is sought to acquire/expropriate from the registered landowner, via donation, private treaty or expropriation, if necessary, proposed property described as 36 Bellamont Road, for the sewer and drainage at No. 53 North Beach Road, Umdloti, Ward 58. Such acquisition and/or expropriation to be undertaken in compliance with applicable legislation, as well as with the Municipal Supply Chain Management Policy.

The land acquisition/expropriation would grant the eThekweni Municipality a legal authority to access, install, maintain, and operate stormwater and sewer within the servitude. Final costs relating to the acquisition of land will be determined through a land valuation process. Funding for the servitude acquisition and registration will be provided via the budget adjustment.

The DA abstention was noted, and, with the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.3.1 That authority be granted for the Head: Real Estate to acquire the following properties from the registered landowner, via donation, private treaty or expropriation if necessary, such to be undertaken in compliance with appropriate procurement process as prescribed in the relevant legislation, including the Municipal Supply Chain Management Policy, if applicable:
 - 3.3.1.1 270m² of S&D servitude over portion 1580 (1578) of the farm Cotton lands No. 1575
 - 3.3.1.2 102m² of S&D Servitude over Portion 1636 of the farm Cotton lands No. 1575
 - 3.3.1.3 688m² of S&D Servitude over Portion 2069 of the farm Cotton lands No. 1575
- 3.3.2 That in the event that expropriation is deemed necessary, authority be granted to the Head: Real Estate to proceed with the expropriation as indicated .1 above.
- 3.3.3 That subject to the adoption of .2 above, authority be granted to 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, with the proposed acquisition being considered to be in the public interest and/or for the public purposes, as such, the acquisition is deemed compulsory.
- 3.3.4 That subject to the adoption of .3 above, authority be granted to the Head: Real Estate to conclude the appropriate agreement and sign all necessary documents to effect the transfer, donation or expropriation and registration in favour of the eThekweni Municipality.

Financial Implications:

Vote No.: 46300.11580.12120.0000.89686.0010

ADOPTED.

- 3.4 Acquisition/Expropriation for the Sewer and Drainage (S&D) 36 Bellamont Road, Umdloti Ward 58 (17/2/1/1/4 & 25/1/1/2/2):
(Page 200: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

The DA abstention was noted, and, with the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.4.1 That authority be granted for the Head: Real Estate to acquire for the sewer and drainage (S&D) 36 Bellamont Road, Umdloti, the following properties from the registered landowner, via donation, private treaty or expropriation if necessary, and such to be acquired in compliance with the appropriate procurement process

as prescribed by the relevant legislation, including the Municipal Supply Chain Management Policy, if applicable:

- 3.4.1.1 226m² of S&D servitude over Portion 2239 of the farm Cotton lands No. 1575
- 3.4.1.2 268m² of S&D Servitude over Portion 2247 (of 421) of the farm Cotton lands No. 1575
- 3.4.1.3 139m² of S&D Servitude over Portion 2248 (of 421) of the farm Cotton lands No. 1575
- 3.4.2 That in the event that expropriation is deemed necessary, authority be granted to the Head: Real Estate to proceed with the expropriation.
- 3.4.3 That subject to the adoption of .2 above, authority be granted to 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, it being recorded that the proposed acquisition is in the public interest and/or for the public purposes, as such, the acquisition is deemed compulsory.
- 3.4.4 That subject to the adoption of .3 above, authority be granted to the Head: Real Estate to conclude the appropriate agreement and sign all necessary documents to effect the transfer, donation or expropriation and registration in favour of the eThekweni Municipality.

Financial Implications:

Vote No.: 46300.11580.12120.0000.89686.0010

ADOPTED.

- 3.5 Request for Permission to Enter into Memorandum of Understanding Between eThekweni Municipality and Passenger Rail Agency of South Africa in Respect of the Construction of GO! Durban IPTN Corridor Work Package 5:
(Page 339: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought to enter into a Memorandum of Understanding (MOU) between eThekweni Municipality and Passenger Rail Agency of South Africa (PRASA) for the implementation of the proposed Go! Durban Integrated Public Transport Network (IPTN) Corridor 1 Work Package 5 (C1 WP5) which comprises the demolition and replacement of three (3) existing rail-over-road steel bridges, crossing Inanda Arterial Road between Sea Cow Lake (to the West) and Chris Hani Road (to the East) in Springfield, Durban, KwaZulu-Natal, South Africa, with three (3) reinforce concrete rail-over-road bridges.

The DA abstention was noted, and, with the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That authority be granted for the City Manager to engage with the Passenger Rail Agency of South Africa (PRASA) for the purpose of developing and concluding a new Memorandum of Understanding between the eThekweni Municipality and the PRASA in respect of the needed collaboration for the implementation of corridor C1, Work Package 5 (*Realignment of Inanda Arterial Between Sea Cow Lake and Chris Hani Road Phase Including widening the existing overhead Rail Bridges*).

Financial Implications:

- (a) The current cost estimate for the implementation of the project stands at R119 756 319.70 (One Hundred and Nineteen Million Seven Hundred and Fifty-Six Thousand Three Hundred and Nineteen Rand Seventy Cent), excl VAT, contingencies, and escalation.
- (b) It is conservatively estimated that the professional fees for the supervision of these works will be in the region of R9 982 500.00 (Nine Million Nine Hundred and Eighty-Two Thousand Five Hundred Rand), excl VAT, contingencies and escalation.

With the ongoing delays for the Go! Durban to go live, the ActionSA requested His Worship the Mayor to also focus on this project as it has the potential to boost tourism. The EFF requested that the programme should also incorporate other groups, such as women, youth and people living with disabilities in implementing Work Package 5.

ADOPTED.

- 3.6 Closure of Public Open Space and Road Reserve Over Portions of Proposed Portions (A) and (B) of Erf 1029 Isipingo and Proposed Portion (C) (of 14) of Erf 1029 Isipingo, Hand Plan No: SH 9944 (21/7/R):
(Page 474 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

During discussion, Members requested the Head : Real Estate to conduct a consultation processes with the Ward Councillor as well as affected Community in this Ward. The Head undertook to conduct a public consultation process including the Ward Councillor immediately once the matter has been approved by Council.

Some of the members were not in support of the recommendations and the matter was accordingly put to vote and passed by the majority vote. With 29 Councillor present, 22 Councillors (ANC -13, IFP - 3, EFF - 4, KZNI -1 and ACC – 1) voted in support of recommendations and 7 – DA Councillors voted against the recommendations. In view thereof, accordingly

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.6.1 That in terms of the Section 211 and 212 Ordinance 25 of 1974 Portions of Proposed Portions described as (A) and (B) of Erf 1029 Isipingo and Proposed Portion C (of 14) of Erf 1029 Isipingo in extent 1,1727ha, 3,0521ha and 1,8128ha, respectively designated as public open space and road reserve respectively, depicted on Plan No. SH 9944 be permanently closed.
- 3.6.2 That the closure is to be advertised via the Land Use Management application process and is to be read together with Section 28(2)(e) of the eThekweni Municipality Planning and Land Use Management By-Law 2016.
- 3.6.3 That in the event of objections being lodged to the proposed closure of the public open space and road reserve areas over portions of Proposed Portions A and B of Erf 1029 Isipingo and Proposed Portion C (of 14) of Erf 1029 Isipingo in extent 1,1727ha, 3,0521ha and 1,8128ha respectively when it is advertised, the Planning and Land Use Management By-Law process be followed to attend to these objections.

- 3.6.4 That should the disposal of the property be deemed necessary at a later stage, a further report in accordance with the applicable legislation will be submitted by the Head: Real Estate for Consideration.
- 3.6.5 That authority be granted to the Head: Real Estate to sign all documents necessary documents to give effect to this decision.

As some Councillors were not in support of the item, the matter was put to the vote. With 186 Councillors present, 136 Councillors (ANC-85, EFF-15, IFP-14, ActionSA-04, ABC-02, ACC-02, ACDP-02, ADEC-01, APF-01, ATM-01, AL JAMAH-01, KZNI-01, MF-01, MOSA-01, NFP-01, PFP-01, TA-01 and VF PLUS-01) voted in support of the recommendations and 50 Councillors (DA-50) abstained.

The recommendations were by majority vote, ADOPTED.

- 3.7 Proposed Registration of a Tunnel Servitude Over Municipal Owned Road Being the Remained of Erf 501 Umlazi-S (Griffiths Mxenge/Mangosuthu Highway) in Favour of Mangosuthu University of Technology for Pedestrian Walk and Vehicle Access Within the Tunnel Plan No: SJ 4904/08 Extent 826M²:
(Page 486 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.7.1 That the Municipal Council declares in terms of Regulation 5(1)(b), Regulation 7 and Regulation 11 of the MATR read together with Section 14(2)(a) and (b) of the MFMA that:
- 3.7.1.1 The capital asset over which tunnel servitude is to be registered, being Erf 501 Umlazi S in extent approximately 826m² as depicted on hand plan SJ 4904/08 is determined by resolution of the Council to be not needed for the provision of a minimum level of basic municipal services and to be surplus to the requirements of the Municipality.
- 3.7.1.2 The current market value of the portion of land wherein the tunnel servitude will be registered and thereafter is currently assessed at a value of R130 000.00 (One Hundred and Thirty Thousand Rand) exclusive of VAT. This transaction will attract the payment of VAT.
- 3.7.2 That all conditions by the Municipality's service delivery units as detailed in point number 5 of this report will inform part of the servitude agreement and carried forward to the notarial deed of servitude.
- 3.7.3 That all costs incidental to the registration of the tunnel servitude shall be at the cost of the Mangosuthu University of Technology.
- 3.7.4 That subject to the adoption of paragraph .1 to .3 above, authority be granted to the Head: Real Estate to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality 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.

- 3.8 Proposed Granting of Rights to Use, Control or Manage Properties by Way of a Long-Term Lease on Portion 1 of Erf 546, Rem of Erf 546, Erf 547 and 548 All Sea View, in Total Extent 1 1601 Ha as Depicted on Had Plan SJ 4823/2 (17/2/1/2/5):
(Page 521 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.8.1 That the Municipal Council declares in terms of Section 14 of the Local Government: Municipal Finance Management Act No 56 of 2003 (MFMA) that:
- 3.8.1.1 The subject properties described as Portion 1 of Erf 546, Rem of Erf 546, Erf 547 and 548 all Sea View as depicted on hand plan SJ plan are not needed to provide the minimum level of basic municipal services and are surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said properties is proposed and
- 3.8.1.2 That the Municipality has considered the fair market value of the asset and the economic and community value to be received in exchange for the subject properties. That the current value of the subject properties is R31 000 000.00 (Thirty-One Million Rand) and an assessed market value rental of R174 000.00 (One Hundred and Seventy-Four Thousand Rand) per month excluding VAT has been considered.
- 3.8.2 That the Council grants approval in principle that a right be granted to use, control or manage the capital asset described as Portion 1 of Erf 546, Erf 547 and 548 all of Sea View as depicted on Hand Plan No. SJ 4823/2 in terms of Regulation 34(1)(b) read with Regulation 36 and 41(1) of the MATR 2008 as follows that:
- 3.8.2.1 A long-term right is proposed to be granted in respect of Portion 1 of Erf 546, rem of erf 546, 547 and 548 all of Sea View as depicted on Hand Plan No. SJ 4823/2.
- 3.8.2.2 The rental be assessed on open market value.
- 3.8.2.3 All conditions received from the Municipality's service delivery units as detailed in the report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 3.8.3 The subject properties described as Portion 1 of Erf 546, rem Erf 546, Erf 547 and 548 all of Sea View as depicted on hand plan SJ 4823/2 be leased by way of a public tender in accordance with the eThekweni Municipality: Supply Chain Management Policy at a base rental of R174 000.00 per month excluding VAT escalating by 8% for a period of 45 years. Both rental reviewable every five (5) year. The reviewable rental cannot be lower than the value at the time of the award.
- 3.8.4 That 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.
- 3.8.5 That the rental be suspended for the development period stipulated of 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 of the subject properties provided that the development period until practical completion certificate is issued does not exceed 3 years from date of registration of the lease and provided

that the capital investment is above R30 000 000.00 (Thirty Million Rand). That the effective date of the lease be the date of practical completion.

- 3.8.6 That 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.
- 3.8.7 That subject to the adoption of .1 to .6 above and compliance with eThekweni Municipality Supply Chain Management Policy the Head: Real Estate be granted authority to sign all documents necessary to conclude the required lease agreement.

ADOPTED.

- 3.9 Proposed Alienation of Land for General Industry Purposes on Erven 21 and 23 Both of Phoenix Industrial Park, as Depicted on Plan No SJ 4912/5 (17/2/1/2/3):
(Page 582 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

During discussion, it was noted that some of the members were not in support of the recommendations and the matter was accordingly put to vote and passed by the majority vote. With 29 Councillor present, 22 Councillors (ANC -13, IFP - 3, EFF - 4, KZNI -1 and ACC – 1) voted in support of recommendations and 7 – DA Councillors voted against the recommendations. In view thereof, accordingly.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.9.1 The Municipal Council declares in terms of Regulations 5(1)(b), 7 and 11 of the MATR read together with Section 14(2)(a) and (b) of the MFMA that:
- 3.9.1.1 Erven 21 and 23 both of Phoenix Industrial Park in total extent of 1079m² as depicted on Hand Plan No. SJ 4912/5, a copy of the hand plan is attached (**See Annexure “A”**) are not required to provide the minimum level of basic municipal services and are surplus to the requirements of the Municipality.
- 3.9.1.2 Erven 21 and 23 both of Phoenix Industrial Park be alienated at a purchase price as assessed at a value of R2,160,000.00 (Two Million One Hundred and Sixty 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.
- 3.9.2 That all costs incidental to the transaction shall be at the cost of the purchaser.
- 3.9.3 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.
- 3.9.4 That all development plans be submitted to the Local Authority for approval prior to any construction.
- 3.9.5 That authority be granted to the Head: Real Estate to sign all the documents necessary to give effect to this transaction in terms of the Municipality's Supply Chain Management Policy 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.

- 3.10 Proposed Granting of Rights to Use Control or Manage Rem of Erf 105 Wentworth for Social Housing Purposes in Terms of Chapter 4 of the Municipal Asset Transfer Regulation (17/2/1/2/3):
(Page 609 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

During discussion, the Committee undertook that this item be brought back to a special meeting of the Human Settlements and infrastructure to be held in due course to enable the relevant official from the Human Settlements Unit to provide a brief presentation on issues related to Social Housing for information. In addition, it was agreed that the Ward Councillor and Community be consulted on this project.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.10.1 That the Municipal Council declares that in terms of Section 14 (2)(a) and 14(2)(b) of the Local Government : Municipal Finance management Act, No. 56 of 2003 that:
- 3.10.1.1 The Proposed Property described as Rem of Erf 105 Wentworth in extent of approximately 2 1412 hectares per SJ No. 4886/9 is not needed to provide the minimum level of basic Municipal services.
- 3.10.1.2 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 requirement 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 primarily for social housing development.
- 3.10.1.3 The current market value of the property is currently assessed at a value of R8 640 000.00 (Eight Million Six Hundred and Forty Thousand Rand) with an annual market rental value of R864 000.00 (Eight Hundred and Sixty Thousand Rand).
- 3.10.2 That the Council 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 2008 for granting of long-term rights to use, control or manage the property described as Rem of Erf 105 Wentworth in extent of approximately 2 1412 hectares as per SJ No. 4886/9 for a period of 50 (fifty) years. It being recorded that after this lease period has lapsed, control of the afore mentioned property and all improvements thereon will revert to the Municipality.
- 3.10.3 That the Council approves that the proposed leases 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 an amount of R86 400.00 (Eighty-Six Thousand Four Hundred Rand) per annum representing 10% of the market rental value.
- 3.10.4 That the Council approves that the proposed leases for exclusive Social Housing development will be discounted up to 90% of the fair market rental value and the calculation of rentals payable by an accredited Social Housing Institution in respect of the Property will accordingly be an amount of R86 400.00 (Eighty-Six thousand and Four Hundred Rand) per annum representing 10% of the market value.

- 3.10.5 That 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 Municipality.
- 3.10.6 That the SHI will be required to undertake the planning, funding approval and construction for a period of 36 (Thirty-Six) 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 readvertise the property to the panel of accredited SHI for the appointment of an alternative SHI.
- 3.10.7 The Council approves in principle that in the event of commercial opportunities being created within the proposed social housing development, the commercial leases will be leased at full market value as set out in Regulation 13(1) of the MATR subject to the following that:
- 3.10.7.1 Should the 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 Head: Human Settlement and/or the Head: Development Planning who shall submit a report to the eThekweni Municipal Council apprising the Council of the change in use being created within the proposed social housing development.
- 3.10.7.2 The Head: Human Settlement shall keep a record of the conversions to ensure that the purpose of social housing is retained and not taken over by commercial entities and report such statistics to the eThekweni Municipal Council quarterly.
- 3.10.7.3 All the requisite municipal processes being complied with together approvals being granted for the development's plans.
- 3.10.7.4 The confirmation that all conditions and obligations detailed in the various agreements concluded between the Municipality and the SHI including the social housing lease agreement in terms of this proposed developments have been complied with.
- 3.10.8 That all conditions by the Municipality's service delivery units as detailed in annexure B of the report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 3.10.9 That all cost incidental to the transaction shall be at the cost of the duly appointed SHI to whom the right to use, control or manage capital asset is to be granted.
- 3.10.10 That all development plans and applications must be submitted and approved by the local authority prior to any commencement of construction.
- 3.10.11 That the Council delegates the City Manager to sign all 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 Municipal Finance Management Act No.56 of 2003, Municipality Land Disposal and Granting of Rights Policy and any other applicable legislation.

In support of the recommendations, the IFP mentioned that housing provision remains a crucial mandate for the Municipality. However, that challenges remain in terms of the ongoing rental schemes associated with social housing. In this regard, the IFP believed that the first step towards economic and social emancipation is home ownership. That people residing in these social housing schemes were to be provided ownership and issued with title deeds. Reference was made on the notice of motion sponsored by the IFP whereby the City Manager was tasked to undertake a feasibility study in these social housing projects and to date an update in that regard has not been received.

The ANC welcomed the report and advised that the identified portion of land in Wentworth will be utilized for social housing which will cater for beneficiaries that do not qualify for RDP houses.

ADOPTED.

- 3.11 Proposed Alienation of Erf 526 Lovu for Worship Purposes Plan No SJ 470/9 & Extent 822m² (17/2/1/2/3):
(Page 650 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.11.1 That the Municipal Council declares that in terms of Regulation 5(1) (b) regulation 7 and Regulation 11 of the MATR read together with Section 14(2) and (b) of the MFMA that:
- 3.11.1.1 The Proposed Property described as Portion Erf 526 Lovu in extent 822m² as depicted on plan No. SJ 4740/9 is not required to provide the minimum level of basic municipal services and
- 3.11.1.2 The current market value of the property is currently assessed at a value of R670 000 (Six Hundred and Seventy Thousand Rand) Exclusive of VAT.
- 3.11.2 That the land described as Erf 526 Lovu Registration Division FT in the Province of Kwa-Zulu Natal, in extent 822m² depicted on Plan Number SJ 4740/9, be sold in freehold to the Lovu Assembly Of God with registration number 118-1'91 NPO at a purchase price of R67 000 (Sixty Seven Thousand Rand) such price reflecting a 90% discount of the current market value of R670 000 (Six Hundred and Seventy Thousand Rand) being assessed value by a registered valuer in full compliance with the prevailing municipal legislative framework including the municipal Supply Chain Management Policy.
- 3.11.3 That Council approves that the proposed alienation for worship purposes 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 R67 000 (Sixty Thousand Rand) exclusive of VAT.
- 3.11.4 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.

- 3.11.5 That no encroachment over municipal sewer servitude is permitted. Prior to any development a sewer impact analysis is to be done prior to building plans submitted for approval.
- 3.11.6 That all cost incidental to the transaction shall be at the cost of the purchaser, including the submission and approval of special consent to the land Use Management Department.
- 3.11.7 That a public notice be issued to afford the affected community an opportunity to comment or objection on the transfer of the property to Illovu Assembly of God with registration number 118-191 NPO.
- 3.11.8 That in the event of objections being lodged, 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
- 3.11.9 That the Head: Real Estate be granted authority to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and that it shall be further subject to such further conditions as the Head: Real Estate considers necessary to protect the municipal interest.

The IFP pointed out that the allocation of this parcel of land was a great investment to the community and surroundings, in view of religious structures playing a crucial role in addressing social ills and strengthening social cohesion. Noting that the right to worship is a fundamental human right to be protected and promoted in a democratic society.

In support, the EFF advised of the need for the Municipality developing a policy that would guide on how land was to be donated religious structures given an increase in the number of charismatic churches.

The ANC acknowledged the role played by churches in restoring one’s dignity and contribute on various initiatives within their communities. Apart from providing land to churches, it was suggested that this initiative should be extended to issuing of title deeds to ensure complete ownership.

ADOPTED.

- 3.12 Proposed Granting of Rights to Use, Control or Manage Property by Way of a Long-Term Lease on the Remainder of Erf 776 Sea View and the Remainder of Erf 784 Dunns Grant, in Total Extent 1 1062ha as Depicted on Hand Plan SJ 4809/8A (17/2/1/2/5):
(Page 668 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.12.1 That the Council declares in terms of Section 14 of the Municipal Finance Management Act No 56 of 2003 (MFMA) that:

- 3.12.1.1 The Proposed Properties described as Remainder of Erf 776 Sea View and Remainder of Erf 784 Dunns Grant as depicted on Hand Plan No.SJ 4809/8A 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.
- 3.12.1.2 That the Municipality has considered the fair market value of the properties and the economic and community value to be received in exchange for the properties. The current market value of the subject properties is R29 000 000 (Twenty-Nine Million Rand) at an assessed market rental of R170 000.00 (One Hundred and Seventy Thousand Rand) per month excluding VAT has been considered.
- 3.12.2 That the Council approves in principle that a right be granted to use, control or manage the capital asset described as proposed lease over Rem of Erf 776 Sea View and Rem of Erf 784 Dunns Grant as depicted on hand plan SJ Plan 4809/8A in terms of Regulation 34(1)(b) read with Regulation 36 and 41 of the Municipal Asset Transfer Regulation 2008 as follows that:-
- 3.12.2.1 The long-term right is proposed to be granted in respect of proposed lease over the Remainder of Erf 776 Sea View and the Remainder of Erf 784 Dunns Grant as depicted on hand plan SJ 4809/8a.
- 3.12.2.2 The rental be assessed on the open market value.
- 3.12.2.3 All conditions received from the Municipality's service delivery units as detailed in Section 6 of this report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 3.12.2.4 The properties described as Remainder of Erf 776 Sea View and Remainder of Erf 784 Dunns Grants as depicted on hand plan SJ Plan 4809/8A be leased by way of a public tender in accordance with eThekweni Municipality Supply Chain Management Policy at a base rental of R170 000.00 (One Hundred and Seventy Thousand Rand) per month excluding VAT escalating by 8% per annum and be reviewable every 5 years for a period of 45 (Forty-Five) years.
- 3.12.2.5 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.
- 3.12.2.6 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 properties 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 Notarial Deed of Lease and provided that the capital investment is above R30 000 000 (Thirty Million Rand). The effective date of the lease shall be the date of practical completion.
- 3.12.2.7 Should the developer not complete the development within a 3-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.

- 3.12.3 That subject to adoption of .1 .2 above and compliance with the eThekweni Municipality Supply Chain Management Policy, the Head: Real Estate be granted authority to sign all documents necessary to conclude the required lease agreement.

ADOPTED.

- 3.13 Proposed Amendment of Council Decision of 25 March 2010 Relative to the Donation of Land for Cemetery Purpose: Secker and Horace Roads Woodlands Proposed Erf A of Mobeni and Erf 3647 Mobeni Plan No SH 9939 Extent 1.4073 Ha, 5.2700 Ha and 8602m² (17/2/1/2/1) & (31/8/6/1/5):
(Page 711 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

The Committee received a report requesting an amendment to the donation agreement previously approved by the Municipal Council at its meeting held 25 March 2010. The Council decision related to the donation of Proposed Portion [A] and Erf 3647 both of Mobeni in extent approximately 2,0109 ha and 5,3737 ha, depicted on Plan Numbers SH 9423A and SG2550/2001, respectively, to prelude investments Registration No.1989/004652/07, for cemetery purposes.

The amendment related to now giving the approval for the following:

- The allocation of Proposed SA891 in part of Remainder of Erf 1 of Mobeni in extent approximately 8602m² depicted on Plan Number SH9939, to the Parks Recreation and Culture Unit for Heroes Acre. This is a newly created Portion from the land that was originally identified for donation;
- The donation of Proposed Portion [B] of Erf 3647 Mobeni in extent of approximately 5,2700ha, as shown on Plan number SH 9939, for cemetery purposes; and
- The donation of Proposed Erf [A] of Mobeni in extent 1,4073ha, as shown on Plan Number SH9939 for parking access purposes.

The Executive Committee resolved to conduct a site inspection to ascertain the current status of the land in question. That it should be noted that this action is not intended to undermine the work of the Human Settlements and Infrastructure Committee. That the Real Estate Unit will be engaged to lead the site inspection.

Accordingly, the DA maintained its abstention on the matter due to insufficient time to thoroughly review the report. With the other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.13.1 That the Municipal Council concurs that the following decisions adopted on 25 March 2010 relative to the donation of Proposed Portion A and Erf 3647 both of Mobeni in extent approximately 2,0109 HA and 5,3737ha on Plan Numbers SH 9423A and SG 2550/2001 respectively, to Prelude Investments Registration No.1989/004652/07, for cemetery purposes, be rescinded in its entirety:

“34.1 That the Council declares in terms of Section 14(2) of the Municipal Finance Management Act:

- 34.1.1 That the said properties are not needed to provide the minimum level of basic municipal services; and

- 34.1.2 That the fair market value of the assets has been assessed at a R4 Million and economic and community value to be received have been considered.
- 34.1.3 That the necessary clearance to sell these properties has been obtained from the Housing Department
- 34.2 That in terms of Section 14 the Municipal Finance Management Act 56 of 2003 which read in conjunction with the Section of Supply Chain Management Policy headed “Disposal Management “Proposed Erf [A] of Mobeni, in extent approximately 2,1019 Ha depicted on plan SH 9423A be donated to Prelude Investments Pty Ltd Reg No 1989/004652/07, subject to terms and conditions No. 4692B Laid on table.
- 34.3 That in terms of Section 14 of the Municipal Finance Management Act 56 of 2003 which read in conjunction with Section of the Supply Chain Management Policy “Disposal Management” Proposed Erf 3647 Mobeni in extent 5 373Ha depicted on Plan SG No 2550/2001, be donated to Prelude Investments (Pty) Ltd Reg No. 1989/004652/07, subject to terms and conditions donation No 4692B laid on table.
- 34.4 That in the event of objection being lodged to the proposed donation of Proposed Erven [A] and 3647 both of Mobeni when it is statutorily advertised, the matter be referred to the City Manager for a decision, in terms of that Section of the Supply Chain Policy headed “Resolution of Disputes, Objections Complaints and Queries”
- 34.5 That for the following reasons:
 - 34.5.1 Independent development is not an option given the limited practical access off Horace Road.
 - 34.5.2 Provision of additional cemetery graves/site facilities at tariffs rates is in the interest of the community.
 - 34.5.3 That the Head: Real Estate be authorized to sign all documents necessary to conclude the donation agreement.”
- 3.13.2 That the Municipal Council approves that 34.1 to 34.5.3 above be rescinded, and replaced with the following recommendations:
- 3.13.3 That the Municipal Council declares in terms of Regulation 5(1)(b), Regulation 7 and Regulation 11 of the Municipal Asset Transfer Regulations 2008, Section 14 (2) (a) and (b) of the Local Government: Municipal Finance Management Act No. 56 of 2003 that:
- 3.13.4 Proposed Erf [A] and Proposed Portion [B] both of 3647 in extent approximately 1,4073Ha and 5,2700 Ha respectively, all depicted on Plan Number SH 9939 and SG 2550/2001 are not required to provide minimum level of basic Municipal services; and
- 3.13.5 The current market value of the above two properties is currently assessed at a total value of R14 700 000.00 (Fourteen Million Seven Hundred Thousand Rand) exclusive of VAT.

- 3.13.6 That for proposed Erf [A] and proposed Portion [B] both of Erf 3647 Mobeni in extent approximately 1,4073 Ha and 5,2700Ha respectively, all depicted on Plan Number SH 9939, Prelude Investments is to:
- (a) fence off the land reserved for the Heroes' Acre to separate it from the private cemetery
 - (b) Provide road and pedestrian access to the Heroes' Acre and
 - (c) Provide use of the car parking facilities to mourners accessing the Heroes' Acre for burials and visits free of charge.
- 3.13.7 That proposed SA 891, on part of Remainder of Erf 1 of Mobeni, valued at R3 440 000.00 (Three Million Four Hundred and Forty Thousand Rand), in extent approximately 8602m² depicted on Plan Number SH 9939, be allocated to Parks, Recreation and Culture Unit for the Heroes' Acre.
- 3.13.8 That proposed SA 891 and Proposed Portion [B] of Erf 3647 Mobeni are currently zoned Special Residential 650m² and will be rezoned for cemetery purposes by Prelude Investments.
- 3.13.9 That proposed Erf [A] of Mobeni is currently zoned for public open space purposes and needs to successfully be rezoned to special Zone 20; Parking Zone by Prelude Investments at their own cost.
- 3.13.10 That in the event of objections lodged to the proposed rezoning of proposed Erf [A] and Proposed Portion [B] and Proposed SA 891 all of Erf 3647 Mobeni when statutorily advertised, the matter be referred to the MEC for Co-operative Governance and Traditional Affairs for consent.
- 3.13.11 That to transfer the properties for less than their market value having duly considered the principles set out in terms of Regulation 13(2) of the MATR.
- 3.13.12 That a reversionary clause be included in the Title Deed of the property restricting the use of the subject property to access parking and cemetery purposes only and no longer purposes whatsoever.
- 3.13.13 That all cost incidental to the transaction shall be at the cost of the done, including survey, subdivision, and conveyancing.
- 3.13.14 That all conditions by the Municipality's Service Delivery Units, as detailed in the report will form part of the donation agreement.
- 3.13.15 That in the event of objections being lodged to the proposed donation of proposed Erf [A] and Proposed Portion [B] both of Erf 3647 Mobeni to Prelude Investments Registration No 1989/004652/07, 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 Co-operative Governance and Traditional Affairs for consent.

- 3.13.16 That subject to the adoption of paragraph .4 to .15 above, the Head: Parks, Recreation and Culture be granted authority to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality, the MATR, MFMA, the Land Disposal and Granting of Rights Policy of the Municipality, as amended, and any other applicable legislation; and that it shall be further subjected to such conditions as the Head: Real Estate considers necessary to protect the Municipality's interest.

REFERENCE BACK

In terms of Rule 20 (l)(c) of the Rules of Order By-law 2014, as amended, Councillor MM Hlengwa seconded by Councillor L Nkomeni moved a motion to refer this item back to the Human Settlements and Infrastructure Committee as it was alleged that the recipient of the land to be donated sought to maximise profits.

As some Councillors were not in support of the reference back, the matter was put to the vote. With 187 Councillors present, 7 Councillors (ActionSA-04, ADEC-01, APF-01 and ATM-01) voted in support of the reference back and 180 Councillors (ANC-86, DA-48, EFF-17, IFP-14, ABC-02, ACC-02, ACDP-02, AL-JAMAH-01, JEP-01-KZNI-01, MF-01-MOSA-01, NFP-01, PFP-01, TA-01 and VF PLUS-01) voted against the reference back.

The reference back was thereafter, by majority vote NOT CARRIED.

Reverting to the substantive matter, the recommendations were, **ADOPTED.**

- 3.14 Request for Authority to Enter Into a Memorandum of Understanding (MOU) Between eThekweni Municipality and the Bremen Overseas Research and Development Association (BORDA) to Support the Implementation of Dewats & Piloting of Off-Grid Sanitation Solutions in eThekweni Municipality (WS2024/110) (23/1/11/2/1/1):
(Page 796 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought for approval into a Memorandum of Understanding (MOU) between the eThekweni Municipality and the Bremen Oversea Research and development Association (BORDA) to support the implementation of decentralised wastewater treatment and management solutions that follows the BORDA Decentralised wastewater treatment Solutions (DEWATS) principles and support the piloting of off-grid sanitation solution in eThekweni Municipality for a period of three (3) years.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.14.1 That authority be granted to the City Manager to enter into a Memorandum of Understanding (MOU) with Bremen Overseas Research and Development Association (BORDA) to support the implementation of Decentralized Wastewater Treatment Solution (DEWATS) within eThekweni Municipality and the piloting of off-grid sanitation solutions in eThekweni Municipality for a period of three years.

- 3.14.2 That it be noted that there are no financial implications that will be borne by eThekweni Municipality as a result of this amendment.

ADOPTED.

- 3.15 Request for Authority to Undertake Public Participation for the 2024-2029 Comprehensive Integrated Transport Plan (CITP) for eThekweni (26/3/1/1/):
(Page L111 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

That authority be granted to the eThekweni Transport Authority (ETA) to undertake a public participation process for the 2024-2029 Comprehensive Integrated Transport Plan (CITP) for eThekweni to allow the public an opportunity to provide comments before finalizing the CITP.

There are various sources of funding, for example, for the various capital transport projects which include the Public Transport Network Grant (PTNG) funds allocated by the Department of Transport for the implementation of public transport systems and internal municipal funds. The CITP needs to be endorsed as to maintain current sources of funding and to ascertain future funding. Table 1 below sets out the total cost of the 3-year capital programme for the first five-year period of the CITP implementation programme.

Capital Budget Description	Sum of budget Amount allocated	2023/24	2024/35	2025/26
Bridge City Terminal	R481 204 000.00	R48 372 000.00	R205 290 000.00	R227 524 000.00
Corridor C1	R920 495 000.00	R236 229 000.00	R380 309 000.00	R303 957 000.00
Corridor C3	R461 178 000.00	R321 178 000.00	R140 000 000.00	R0.00
Corridor C9	R263 908 000.00	R 63 908 000.00	R0.00	R200 000 000.00
ITS & IFMS- PTIS funded	R49 841 000.00	R14 950 000.00	R 17 020 000.00	R 17 871 000.00
IPTN	R2 176 626 000.00	R684 637 000.00	R742 619 000.00	R749 370 000.00
Intelligent Transport Sys New Controller	R9 500 000.00	R 2 000 000.00	R 3 500 000.00	R 4 000 000.00
Guardrails	R 3 897 000.00	R 439 000.00	R 1 500 000.00	R1 958 000.00
IFLS	R32 400 000.00	R32 400 000.00	R0.00	R0.00
Traffic UPS/RMS System	R2 800 000.00	R 800 000.00	R 1 000 000.00	R 1 000 000.00
Pedestrian safety	R21 520 000.00	R8 170 000.00	R0.00	R13 350 000.00
Pedestrian crossing	R1 750 000.00	R100 000.00	R1 650 000.00	R0.00
PT Shelters and PT Lay byes	4 000 000.00	R0.00	R0.00	R 4 000 000.00
Traffic calming	R17 405 000.00	R7 770 000.00	R4 635 000.00	R 5 000 000.00
Traffic signals	R1 100 000.00	R1 100 000.00	R0.00	R0.00
Sub Total B	R94 372 000.00	R52 779 000.00	R12 285 000.00	R29 308 000.00
Total	R2 270 998 000.00	R737 416 000.00	R754 904 000.00	R778 678 000.00

Whilst in support, the IFP expressed concern on the delays for the Go! Durban project going live. The ANC emphasised that assurance would be made to ensure that the public participation process was adequately undertaken.

ADOPTED.

DIRECT EXCO REPORTS

4. ADOPTION OF REVISED SUPPLY CHAIN MANAGEMENT POLICY 2024 (9/P)

(Page 60)

Authority is sought to approve proposed amendments to the Supply Chain Management (SCM) Policy 2024. This submission is in line with with Regulation 3(1)(b) of the Municipal Supply Chain Management Regulations 2005, which expects the City Manager to review, on an annual basis, the SCM Policy for Council approval. Proposed amendments in this regard are detailed in the recommendations below.

Noting DA abstention, and with the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

4.1 That Council approves the revised Supply Chain Management Policy 2024 hereinafter referred to as “the Policy”, it being recorded that the revised policy is included in the report of the City Manager dated 2024-07-26, with the amendments incorporating the following:

1. Definitions (Clause: 1)
2. Supply Chain Management Policy: Clause 2
3. Sub delegation: Clause 5
4. System of Demand Management: Clause 10
5. System of acquisition management: Clause 11
6. Range of procurement processes & Petty cash purchases: Clauses 12 and 15
7. Formal written quotations: Clause 16
8. Procedures for Procuring Goods or Services through written or verbal quotations and Formal Written Price Quotations – Clause 17
9. Competitive bidding process: Clause 18
10. Bid documentation for competitive bids: Clause 20
11. Procedure for handling, opening and recording of bids: Clause 23
12. Negotiations with preferred bidders: Clause 24
13. Bid Specification Committee: Clause 27
14. Bid Evaluation Committee: Clause 28
15. Bid Adjudication Committee: Clause 29
16. Procurement of goods and services under contracts secured by other organs of state : Clause 32
17. Deviations from normal procurement process: Clause 36
18. Logistics Management: Clause 39
19. Prohibition on Awards to Persons Whose Tax Matters are Not in Order: Clause 43
20. Objections and Complaints: Clause 49
21. Resolution of disputes, objections, complaints and queries: Clause 50
22. Preferential Procurement: Clause 52
23. Green Procurement: Clause 54
24. Amendments to Contracts- MFMA section 116(3): Clause 55

25. Municipality contracting with another organ of state MFMA 110: Clause 57
26. Special Deviations: Clause 58
27. Tender Validity: Clause 59
28. Other immaterial and minor amendments

PROPOSED TECHNICAL AND MATERIAL AMENDMENTS

Below is a summary of the changes proposed:

1. Definitions (Clause: 1)

- 1.1 The following definitions have been inserted in the draft SCM Policy 2024 and shall going forward be used in the implementation of the SCM Policy 2024:

“ad-hoc Bid Evaluation Committee” must mean a Bid Evaluation Committee, led by SCM; constituted by the Accounting Officer or his/ her delegate, for each tender;

“ad-hoc Bid Specification Committee” must mean a Bid Specification Committee, led by SCM; constituted by the Accounting Officer or his/ her delegate, for each tender;

“B-BBEE strategies” must mean the procurement strategies that incorporate preferential procurement goals as defined in the Preferential Procurement Policy Framework Act;

“Complaint” must mean a written grievance, excluding an Objection, brought a person:

- (a) *in relation to the technical requirements contained in the bid specification or in the request for quotations;*
- (b) *in relation the adjudication criteria set out in the bid specification or in the request for quotations;*
- (c) *in relation to tender conditions set out in the bid specification or in the request for quotations;*
- (d) *in relation to terms and conditions contained in bid specification documents or in the request for quotations;*
- (e) *in relation to the implementation of a contract already awarded through the SCM process;*
- (f) *requesting an enquiry relating to fraud or corruption during the awarding stage or during the execution of the contract; or*
- (g) *any other matter which is not specifically mentioned arising from the implementation of the supply chain management implementation system,*

“Demand Management” must mean ensuring that the resources required to fulfil the needs identified in the strategic plan of the Municipality are delivered at the correct time, price and place and that the quantity and quality satisfies those needs, as part of this element of SCM, a total needs assessment should be undertaken, this analysis should be included as part of the strategic planning process of the institution and hence will incorporate the future needs;

“emergency” must mean a serious or unexpected situation that poses an immediate risk to health, life, property or environment which calls the Municipality to action and there is insufficient time to invite competitive bids;

“Objection” must mean a written grievance brought by an unsuccessful bidder against the award of a bid to another/other tendering entities, this includes awards via the quotation management system and the bid committee system;

“Official” must mean a full-time employee, and excludes any person employed on a part time basis or a person earning a stipend, provided that such person be verified and

cleared in terms of conflicts of interest by the COI Task Team, “employee” shall have a corresponding meaning;

“Objection Authority” must mean an independent and impartial person appointed by the Accounting Officer in terms of Regulation 50 of the Local Government Municipal Supply Chain Regulations;

“Prospective Provider” must mean a person, business or enterprise registered with the Municipality in respect of specified categories of goods or services for which price quotations are invited as and when required;

“unconditional discounts” must mean that the Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally., a discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is effected;

- 1.2 The following definitions are hereby deleted from the Policy:

“Appeal Authority” must mean an independent and impartial person appointed by the Accounting Officer in terms of Regulation 50 of the Local Government Municipal Supply Chain Regulations; to allow for the establishment of an objections authority

“Service Provider” must mean a contractor;

“Targeted-Procurement” means a policy or programme of an Entity that targets a percentage of procurement exclusively for certain categories of enterprises.

- 1.3 The definition of “**in the service of state**” has been amended by exempting board members of the Municipal Entity from being defined as the persons in the service of the state. The enhanced definition is outlined herein below for ease of reference:

“a member of the board of directors of any Municipal entity, excluding non-executive board members of a Municipal entity but only in relation to supply chain awards by a municipal entity that they do not serve on;”

- 1.4 The below clauses are deleted from the Policy:

“The Minister of Finance has specifically exempted non-executive board members of a Municipal entity from the prohibition for being in the service of the state but only in relation to supply chain awards by a municipal entity that they do not serve on, to allow for the redefining of this exclusion as catered for in (b) of the definition of in the service of the state

An official or employee means a full time employee, and excludes any person employed on a part time basis or a person earning a stipend, provided that such person be verified and cleared in terms of conflicts of interest by the COI Task Team”;

- 1.5 The amendments in the following definitions are meant to enhance the meaning of the definition and this enhancement is explained on a case-by-case basis to provide the exact nature of the change that has been effected.

- 1.5.1 The definition of BBEE and PFMA has been amended by the inclusion of Act number and the year of promulgation.

“B-BBEE” must mean broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act 53 of 2003;

“PFMA” must mean Public Finance Management Act, 1999 (Act No.1 of 1999);

- 1.6 The following definition has been amended by the deletion of the general notice number and the date of promulgation. This amendment was effected because the SCM Regulations are amended as and when necessary:

“Regulation” must mean the Local Government: Municipal Supply Chain Management Regulations promulgated under General Notice 868 of 2005 dated 31 May 2005, as amended from time to time;

2. Supply Chain Management Policy: Clause 2

The following definition has been amended by the deletion of the word “eThekweni” and by deletion of clause 2.1 (ii) to remove all self-referencing and repetition.

- “2.1 ~~The eThekweni Municipality~~ resolves in terms of section 111 of the Act to have and implement a supply chain management policy that:

- (a) gives effect to section 217 of the Constitution; and
~~(ii) Part 1 of Chapter 11 and other applicable provisions of the Act.”~~

3. Sub delegation: Clause 5

- 3.1 The amendment is proposed to align the delegations’ framework with the recently approved amendments of the procurement thresholds in line with the SCM Regulations. The proposed amendment is as follows;

“5.2(c) not exceeding ~~R200 000~~ R750 000 (VAT included), may be sub-delegated in terms of the supply chain management code of delegations approved by the Accounting Officer.”

4. System of Demand Management: Clause 10

- 4.1 Clause 10 on demand management has been amended to provide for the clarification of the BEE Strategies which are to be considered and submitted to Bid Specification Committee with projects above R10 million. The clarification of the BEE strategies has been amended to align with the definition of B-BBEE strategies as defined in the B-BBEEA Act. The proposed amendment is as follows:

“10.6 Further, all contracts exceeding R10 million (VAT inclusive) must be accompanied by project-specific procurement and B-BBEE strategies when presented to the Bid Specification Committee. These should be discussed and agreed between multi-disciplinary teams beforehand.”

- 4.2 The aim of demand management has been removed from the clause, as demand management has now been defined in the definitions of the Policy. The below clause has therefore been deleted:

“The aim of demand management is to ensure that the resources required to support the strategic and operational commitments are delivered at the right time, at the right price and at the right location, and that the quantity and quality satisfy the need of the Municipality.”

5. System of acquisition management: Clause 11

The System of acquisition management clauses has been amended to ensure that only Council approved National Treasury Circulars and guidelines are applicable to the procurement processes. This is consistent with section 168(3) of the MFMA. The proposed amendment is as follows:

“An official or bid adjudication committee to which the power to make final awards has been sub-delegated must ensure that:

(e) any Treasury guidelines applicable on acquisition management are properly taken into account.

- (c) procurement circulars or guidelines issued by the National or Provincial Treasury and specifically adopted by Council are taken into account.

6. Range of procurement processes & Petty cash purchases: Clauses 12 and 15

- 6.1 The amendment of clause 12 is intended to align the petty cash threshold consistently across the Policy. The effects of the threshold alignment also extends to clause 15 to align all references to petty cash threshold to read as a maximum of R2000 (vat inclusive). The proposed amendments are as follows;

“12(1) The procurement of goods and services through this Policy can only be undertaken by way of:

- (a) *petty cash purchases, up to a transaction value of R2000 (VAT included);*

15.1.1 Petty Cash Limits:

- (a) *The purchase of a single item must not exceed an amount R 2000”*

7. Formal written quotations: Clause 16

- 7.1 Clause 16(1)(d) currently refers to a quotation’s threshold of R200 000 and must be amended to R750 000 (inclusive of vat) in alignment with the SCM Regulations. The amendment will read as follows:

“16(1)(d) If the invitation for quotations is not done in the course of normal procurement (i.e. in accordance with the electronic quotations system for goods and services under ~~R200 000~~ R750 000 (VAT included) the following shall apply.”

8. Procedures for Procuring Goods or Services through written or verbal quotations and Formal Written Price Quotations – Clause 17

This clause is amended to allow for a reduced advertising period to be approved by the CFO or his/her delegate for procurements which are less than R750 000 (vat inclusive) and further provide for advertising on both the website and the official notice board or either one at any given time. The proposed amendment is as follows:

“17(1) The operational procedure for the procurement of goods or services through formal written price quotations are:

- (a) *all goods or services in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of this clause, be advertised for at least seven days on the website and/or an official notice board of the Municipality and municipal entity unless a shorter period of advertisement is approved by the Chief Financial Officer or his or her delegate;”*

9. Competitive bidding process: Clause 18

- 9.1 The proposed amendment deletes the provision on the unbundling of large projects into smaller projects as this determination will be made at the procurement planning stage and not at the procurement stage. The proposed deletion is as follows:

“18(3) 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 the Bid Specification Committee.”

10. Bid documentation for competitive bids: Clause 20

The proposed amendment empowers the Chief Financial officer or his/her delegate to approve deductions of surety against monies due to the contractor. The proposed amendment is as follows;

“20(4) In the event that a contractor is unable to raise the required surety, ~~The Head SCM~~ Chief Financial Officer or his/her delegate may allow such surety to be deducted in full or part from monies that are to become due to the contractor, this may take the form of deductions from the first three [3] payment certificates due to the contractor.”

11. Procedure for handling, opening and recording of bids: Clause 23

Clause 23 is amended to include expression of interest and to align the procedure for the handling of task orders which are above R750 000 (vat inclusive) to comply with the procedures as set for tenders/bids. The proposed amendment is as follows;

“23(1) The following procedures for the handling, opening and recording of bids including Framework Contracts or panel, Expression of Interest and task orders, applies:

23(2) Task orders that arise as a result of Expression of Interest or Framework contracts with a total transaction value of R750 000 and above inclusive of VAT must be opened in the same manner as process contemplated in clause 23.1(a)(i) above.”

12. Negotiations with preferred bidders: Clause 24

- 12.1 The proposed amendment confers the responsibility of breaking deadlocks and empowers the Accounting Officer to terminate any negotiation after having made consideration of the circumstances. The proposed insertion will read as follows;

“24(12) If negotiations fail to result in acceptable contract terms, the Accounting Officer or his / her delegate:

(a) may terminate the negotiations; and

(b) must inform the original preferred bidder(s) of the reasons for termination of the negotiations.”

13. Bid Specification Committee: Clause 27

- 13.1 Clause 27 introduces the establishment of an ad-hoc Bid Specification Committee to compile all bid specifications and bid documentation. It further introduces the determination of quorum as the majority of members. The proposed insertions are as follows;

“27.1 All bid specifications and bid documentation must be compiled by an ad-hoc Bid Specification Committee led by SCM; constituted for each tender or procurement activity.

27.4 Bid Specification Committee must only undertake business when an appropriate quorum is present, consisting of a majority of its members, subject to clause 27.5 below.”

- 13.2 We propose the following clause be deleted as no compliance checks are performed for reports submitted to Bid Specification Committee.

~~27 (5) No item may be considered at the Bid Specification Committee unless the appropriate SCM compliance check process has been undertaken and the item has been cleared for acceptance onto the agenda~~

14. Bid Evaluation Committee: Clause 28

- 14.1 Clause 28 introduces the establishment of an ad hoc Bid Evaluation Committee to do a preliminary evaluation of bids received. It further introduces the determination of quorum as the majority of its members. The proposed insertions are as follows;

“28(1) An ad-hoc Bid Evaluation Committee, led by SCM; must be constituted for each tender or procurement activity, to do a preliminary evaluation of bids received.

28(4) Bid Evaluation Committee must only undertake business when an appropriate quorum is present, consisting of the majority of its members, subject to clause 28.2(a) above”.

14.2 Deletions proposed:

~~(h) ensure that Health and Safety Plans are submitted at the time of tender where applicable; and this needing to be a BSC consideration~~

~~(j) If a municipality is in possession of a bidders original tax clearance certificate or tax compliance status with a PIN number and B-BBEE certificate through the municipality's database, it is not necessary to obtain a new tax clearance certificate or tax compliance status with a PIN number or B-BBEE certificate each time a price quotation or bid is submitted from that specific bidder. This provision may be applied only if at the closing date of the price quotation or bid falls within the expiry date of the tax clearance certificate or tax compliance status and B-BBEE certificate that is in municipality's possession. Whenever this ruling is applied, cross reference must be made to the original tax clearance certificate or tax compliance status and B-BBEE certificate for audit purposes.~~

14.3 Paragraph (j) has been moved to 13- General preconditions for the consideration of written quotations or bids. Other changes have resulted in the renumbering of the existing clauses.

15. Bid Adjudication Committee: Clause 29

This clause is amended to include the determination of quorum and further to remove the time factor within which the Accounting Officer must notify the listed stakeholders in terms of section 114 of the MFMA in cases where a bid other than the one recommended is awarded. The MFMA imposes no timeframe to this process. The proposed amendments are as follows:

“29(3) Bid Adjudication Committee must only undertake business when an appropriate quorum is present, consisting of the majority of its members, subject to clause 29.29(b) above.

29(9) The Accounting Officer must comply with section 114 of the Act ~~within 10 working days~~ if the decision is to award a bid other than the one recommended.”

16. Procurement of goods and services under contracts secured by other organs of state : Clause 32

The proposed amendment is to include the Accounting Officer in the approval of clause 32 appointments in addition to the Bid Adjudication Committee. The proposed insertion is as follows:

“32(3) Any procurement of goods and services under contracts secured by other organs of state must be approved by the Accounting Officer or Bid Adjudication Committee after it has considered the following documents:”

17. Deviations from normal procurement process: Clause 36

17.1 The proposed amendments as listed below are intended to allow for the CFO, in addition to the Head SCM and Accounting Officer, to consider requests for authority to deviate from normal procurement process, and further allows for the CFO or his delegate to consider deviation awards below R750 000. The proposed amendments are as below:

“36(3) Prior authority to invite quotations invoking the use of clause 36 must be sought from:

- (a) the Accounting Officer;*
- (b) the Chief Financial Officer; or*
- (c) the Head: Supply Chain Management Unit.*

(36(4) The ~~Head SCM~~ Chief Financial Officer or his/her delegate has authority to make a final award on deviations below R750 000, these must be included in the reports contemplated in clause 36.2 above, on a quarterly basis.

36(6) All emergency procurement must be formalised in a report to the Accounting Officer within 5 working day.

~~36(9) The Municipality must comply with section 217(1) of the Constitution in the event of an emergency situation with specific reference to obtaining goods and services on the best possible terms.~~

36(13)(c) The response to the circular and compilation of the list of sole suppliers must be categorised, screened and supported by a relevant team appointed by the Head SCM, and in instances where there is no consensus among the team members, such must be escalated to Head: SCM for a decision and support;

36(13)(d) The supported list of sole suppliers must be advertised for public comments and objections for no less than 14 days;

36(14) The Units or Departments invoking the use of clause 36.1(a)(v) must, in all reports to BAC or Accounting Officer, demonstrate that the use of this provision:

36(15) The respective Unit Head must sign off a report to BAC/ Accounting Officer invoking clause 36.1(a)(v) that is accepting full responsibility and accountability for the report and its contents.

18. Logistics Management: Clause 39

- 18.1 We propose a deletion of the following clause as it poses a contractual risk to the Municipality where acceptance of delivery is also an acknowledgement of quality of goods or services.

~~39(5) The acknowledgment of the receipt of goods and/or services and/or works by the Municipality means that the Municipality acknowledges those goods and/or services and/or works have been received and are in accordance with the quality and standard required.~~

~~(a) The acknowledgement by the Municipality also serves to confirm that payment for received goods and/or services and/or works can be effected.~~

- 18.2 We further propose the deletion of the previous clause 38(7) so as not to duplicate processes which may add to ambiguity. The following clause is therefore deleted:

“38(7) Reminder letters may be sent to contractors based on the reminder levels (days before delivery due date) that are set out in the purchase order.”

19. Prohibition on Awards to Persons Whose Tax Matters are Not in Order: Clause 43

The proposed amendment is to ensure full tax compliance checks for all procurement regardless of value. The proposed amendment reads as follows:

43.1. The Accounting Officer must ensure that, irrespective of the procurement process followed, no award ~~above R30 000~~ is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

20. Objections and Complaints: Clause 49

- 20.1 Clause 49 on objections and complaints is amended by deletion of the following clauses to allow for the separation of procedures for complaints and objections:

“(1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action to the City Manager unless it is an emergency procurement.

(2) If aggrieved person(s) request a copy of tender submission(s) a non-refundable administrative charge of R500.00 shall be applicable if hard copies of tender submission(s) are to be obtained from the Municipality.”

- 20.2 As a result of the above deletions, the following clause has been inserted in order to separate processes for complaints and objections. The separation is duly explained in the definitions added for complaints and objections in clause 1 of the Policy:

49. Complaints and Objections

49.1 Complaints

- 49.1.1 *The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes to assist in the resolution of complaints.*
- 49.1.2 *A flat, non-refundable tariff as per approved Council tariffs is payable by the Complainant to the Municipality.*
- 49.1.3 *Proof of the payment of the Fee must be attached to the Complaint.*
- 49.1.4 *The independent and impartial person contemplated in clause 49.1.1 decides matters on paper.*
- 49.1.5 *The Complainant shall cause to be lodged, a written complaint with all supporting documents, addressed to: The City Manager using the email address as directed in the tender document.*
- 49.1.6 *The following time frames apply to the different types of complaints:*
- (a) the complaint must be filed before closure of bid, in the case of a complaint relating to:*
 - (i) the technical requirements contained in the bid specification;*
 - (ii) the adjudication criteria set out in the bid specification;*
 - (iii) the tender conditions set out in the bid specification; or*
 - (iv) the terms and conditions contained in bid specification documents,*
 - (b) the complaint must be filed before closure of the quotation management system, for complaints relating to requests for quotations; and*
 - (c) the complaint must be filed within 14 days of the Complainant reasonably becoming aware of the cause of complaint relating to:*
 - (i) the implementation of a contract already awarded through the SCM process;*
 - (ii) the request for an enquiry relating to fraud or corruption during the awarding stage or during the execution of the contract; or*
 - (iii) any other matter which is not specifically mentioned arising from the implementation of the supply chain management system.*
- 49.1.7 *Proof of payment as contemplated in clause 49.1.2 above, must accompany the complaint for it to be regarded as properly lodged.*
- 49.1.8 *Should the Complainant omit to attach the required proof of payment/s, Legal and Compliance may provide the Complainant with an indulgence to furnish the omitted proof within two (2) calendar days from the date of receipt of the complaint being lodged.*
- 49.1.9 *Failure to send the required proof of payments, shall be regarded as abandonment of the complaint and the matter must be regarded as being finalised.*
- 49.1.10 *Should a party not be satisfied with the ruling of the independent and impartial person contemplated in clause 49.1.1, the next step will be a review in a competent Court of Law.*

49.1.11 *In the event where the Bidder has requested information from the Municipality in order to formalise the complaint, the Bidder must be given 14 days from the time of receiving the documents or information to formalise and submit the formal complaint.*

49.1.12 *Failure to send the required formal complaint within the stipulated timelines contemplated in clause 49.1.6, shall be regarded as abandonment of the complaint and the matter must be regarded as being finalised.*

49.2 *Objections*

49.2.1 *An Objector must cause to be lodged a written Objection, with all supporting documents and payments within 14 days of notification that he/she is unsuccessful.*

49.2.2 *The Objection must be addressed to: The City Manager, c/o Simone Pillay (Legal and Compliance Unit) using the email address as directed in the tender document.*

49.2.3 *A flat, non-refundable tariff as reviewed annually as per approved Council tariffs is payable by the Objector to the Municipality.*

49.2.4 *Proof of the payment of the Fee must be attached to the Objection, should the Objector omit to attach the required proof of payment of the Fee; Legal and Compliance may provide the Objector with an indulgence to furnish the omitted proof within two (2) calendar days from the date of receipt of the Objection being lodged (as evidenced on the Outlook system).*

49.2.5 *Failure to attach or send the required proof of payment by the timeframe stipulated above, shall be regarded as abandonment of the Objection and the matter must be regarded as being finalised.*

49.2.6 *In the event where the Bidder has requested information from the Municipality in order to formalise the objection, the bidder must be given 14 days from the time of receiving the documents or information to formalise and submit the formal objection.*

49.2.7 *An Objection shall have the effect of causing all procurement processes to be held in abeyance until the Objection Authority rules on the Objection, save for in exceptional circumstances below:*

- (a) where the outcome of the Objection will not affect the appointment of other bidders to a framework or panel, to which a successful Objector (after resolution by the Objections Authority) may be added; or*
- (b) where emergency procurement necessitates that the work or part of the work be commenced with to remove potential danger.*

49.2.8 *The Objections Authority:*

- (a) must decide matters on paper; or*
- (b) may in exceptional circumstances and in its sole discretion; subject only to the consent of Head Legal and Compliance, convene an oral hearing.*

49.2.9 *All Bidders in the tender process must keep a copy of their own documents as a record, should the bidder fail to keep a copy of his or her documents; the Municipality must charge a flat non-refundable tariff.*

49.3 *In the case of emergency procurement contemplated in clause 36(1)(a)(i) above, clause 49 shall not apply.*

“48 (3) In the case of emergency procurement, Section 36(1)(a)(i) of the SCM Policy, the Accounting Officer is permitted to ~~adjust the period for Objections and Complaints to 48 hours.~~ This will accordingly be reported as a note in the SCM Monthly Awards reports.

21. Resolution of disputes, objections, complaints and queries: Clause 50

Clause 50 proposes the correction of the resolution of disputes processes for appeals to that of objections, queries and complaints. The proposed clause is as follows:

50(7) Reports on Appeals-Objections and Complaints must be included in the normal SCM monthly, quarterly and annual reports.

22. Preferential Procurement : Clause 52

- 22.1 The Policy proposes the deletion of the list of generic codes to prevent omission of any future gazette sector codes from implementation. Moreover, the amendment of clause 52.4.2 is amended to allow for the direct notification of bidders in a tender that is being cancelled as opposed to publishing the cancellation in the same media that the original advert of bid was published.

23. Green Procurement: Clause 54

The clause has been deleted and replaced with the below proposed clause to allow for consideration of Green procurement at Bid Specification Committee where possible. Proposed clause is as follows:

“54(1) Wherever possible green procurement must be supported so that the related environmental impact is minimised.”

24. Amendments to Contracts- MFMA section 116(3): Clause 55

- 24.1 Clause 55 is amended to include clause 55.3.3 (b) (c) & (d) to allow for BAC to consider amendment against the contract value as opposed to the contract authority and further to approve major amendments subject to the tabling of the intention to amend the contract at council. The effects of the amendments are as follows;

- (b) consideration of Section 33 of the MFMA must be made for contract extensions that will exceed three years; and
- (c) *where the contract ~~authority~~-value exceeds R10 million, or is a long-term contract, final authority rests with the Accounting Officer.*
- (d) *where the contract ~~authority~~ value exceeds R10 million, or is a long-term contract, final authority rests with the Accounting Officer.*

- 24.2 Furthermore clause 55.4.1(b)(c)(d) is proposed for amendment as follows;

- (b) *consideration must be made of section 33 of the MFMA for contracts extensions that will exceed three years;*
- (c) *Minor amendments may only be considered if the total amended value does not exceed 20% of its original contract ~~authority~~-value for construction related goods, services or infrastructure projects and 15% for all; and*
- (d) *where the contract ~~authority~~-value exceeds R10 million, or is a long-term contract, final authority rests with the Accounting Officer.*

- 24.3 The effects of the above proposed amendments are to ensure that clause 33 is only considered where the additional contract amendment will exceed 3 years which may fall outside of the MTREF and further to ensure that the contract amount is considered as the price to be adjusted instead of the contract authority when determining the calculation of the percentage of the contract amendment.

25. **Municipality contracting with another organ of state MFMA 110: Clause 57**
Clause 57(1),(2),(3) & (5) which dealt solely with Botanical Gardens and ICC has been deleted. Further proposed amendment is the addition of the Accounting Officer for the approval of contracts with a value above R10million in order to align with the delegation ranges for all awards.
26. **Special Deviations: Clause 58**
Special deviations are proposed for amendment to include the approval by the Accounting Officer for clause 58 transactions that are above R10 million.
27. **Tender Validity: Clause 59**
Clause 59 is relocated to clause 21 to retain numbering of critical Policy clauses which are linked to established administrative processes, procedures and templates.
28. **Other immaterial and minor amendments**
As part of the review of the Policy the grammatical errors, numbering and self-referencing have been proposed for amendment which cuts across all Policy clauses.
29. **Conclusion**
There will be constant review of the Policy through its implementation and interaction with Council Committees, Auditor General, etc. The SCM 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.

4.2 That subsequent to approval of .1 above, the Supply Chain Management Unit be mandated to conduct workshops to Party Caucuses on the Revised Supply Chain Management Policy, 2024.

Recommendations were amended to include that the Supply Chain Management Unit be mandated to conduct workshops to Party Caucuses on the Revised Supply Chain Management Policy, 2024 and thereafter ADOPTED.

(His Worship the Mayor, Councillor VC Xaba presented the Second Report of the Executive Committee)

SECOND REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2024-08-20)

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

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1. RATIFICATION OF DECISION TAKEN IN TERMS OF RULE 28(1)(a) OF THE RULES OF ORDER BY-LAW 2014, AS AMENDED, TO ENTER INTO MEMORANDUM OF AGREEMENT BETWEEN ETHEKWINI MUNICIPALITY AND DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS TO RECEIVE MUNICIPAL SYSTEMS IMPROVEMENTS GRANT FOR IMPLEMENTATION OF DISTRICT DEVELOPMENT MODEL ONE PLAN PROJECTS IN THE 2024-25 FINANCIAL YEAR (7/4/2)

(Page 3)

The eThekweni Municipality has received an indirect in-kind financial support from the Department of Cooperative Governance (DCoG) at an amount of R9 450 000.00 (Nine Million Four Hundred and Fifty Thousand Rand) through the Municipal Systems Improvement Grant (MSIG), for the implementation of the District Development Model (DDM) One Plan projects. In terms of the MSIG conditions, the eThekweni Municipality is required to sign a Memorandum of Agreement (MOA) to regulate the working relationship with the Department and ensure efficient and effective implementation of the MSIG funded projects.

The Municipal Council is required to note that the DCoG initially undertook to facilitate the procurement process and taking accountability of the expenditure under the MSIG. However, due to certain challenges this undertaking is no longer possible on the side of the department. Therefore, the eThekweni Municipality has been delegated authority by the DCoG to undertake procurement relating to the DDM One Plan projects. In this regard, it has become extremely urgent to fastrack such processes to avoid forfeiting the grant due to time constraints.

In view of the above and with the Municipal Council meeting only convening on 29 August 2024, a decision was taken by the City Manager, in consultation with His Worship the Mayor to approve in terms of Rule 28 (1) (a) of the Rules of Order By-Law 2014, as amended, the signing of a Memorandum of Agreement between the eThekweni Municipality and the Department of Cooperative Governance (DCoG) to receive grant funding and subsequently commence with the procurement process as a matter of urgency due to time constraints before the end of the current financial year.

The decision taken in this regard is therefore submitted for ratification, in line with the requirements of the Rules of Order By-Law.

The DDM One Plan projects to be funded under the MSIG are listed in the table below:

	Projects Proposed Submitted	eThekweni Municipality Units	2024/25
eThekweni Municipality	1. Development of an Economic Intelligence Data System on Durban's Industrial, Township and Secondary CBD Areas.	Economic Development Unit, Policy Strategy, information and Research	R1 112 500.00
	2. Development of an Economic Intelligence Data System on Durban's Inner City	DCM: ECOD- Urban Renewal	R1 112 500.00
	3. Ocean Economy-Evaluation of Supply and Demand Capacity in eThekweni Region	Office of Strategic Management- CSO	R1 112 500.00
	4. Total infrastructure Management System software license renewal and upgrade	Office of Strategic Management- Infrastructure Asset Management	R 2 000 000.00
	5. Development of the Inner City and Secondary CBDs Building Management System	Development Planning Unit - Development Management.	R1 112 500.00
	6 Development of Multi-media videos promoting the eThekweni Integrated Development Plan	Office of Strategic Management- Integrated Development Plan	R1 000 000.00
	7 Localizing of the 9 Economic Sector Master Plan	Economic Development Unit – Industrial Support Programme	R1 000 000.00
	8 Development of eThekweni Smart Coastal Cities Framework Strategy and Implementation Plan	Economic Development Unit – Industrial Support Programme and the Office of Strategic Management	R1 000 000.00
	Total		R9 450 000.00

It should be noted that some projects may be undertaken simultaneously for ease of procurement and management.

With the Committee noting that this is for ratification purposes,

COMMITTEE RECOMMENDS:

- 1.1 That Council notes the request of the eThekweni Municipality to partner with Department of Cooperative Governance and Traditional Affairs (DCoG) on the Municipal System Improvement Grant (MSIG) for the implementation of the District Development Model (DDM) One Plan Projects.
- 1.2 That Council notes allocation of the DCoG MSIG in the amount of R9 450 000.00 (Nine Million Four Hundred and Fifty Thousand Rand) in the 2023/2024 financial year, to implement the DDM One Plan Projects for the eThekweni Municipality.

- 1.3 That subject to the approval of .1 and .2 above, authority be granted for the City Manager to enter into partnership and sign a Memorandum of Agreement (MoA) between eThekweni Municipality and DCoG to receive grant funding and to regulate working relations in this regard.
- 1.4 That Council notes the delegation by the DCoG for the eThekweni Municipality to take responsibility for the procurement of goods and services to implement the projects.
- 1.5 That in view of .2 and .3 above, Council ratifies the decision taken through invoking Rule 28(1)(a) of the Rules of Order By-Law 2014, as amended, as a need existed to fast-track the procurement process, this then necessitating to grant authority to the City Manager to enter into and sign the MoA with DCoG, given that it is impractical to obtain the Council authority soonest, while there is pressure to urgently receive the MSIG and fast-track the procurement process to avoid forfeiting grant funding due to time constraints before the end of the current financial year.

ADOPTED.

At this stage of the proceedings (14h50-15h24), the meeting adjourned for a lunch break

(His Worship the Mayor, Councillor VC Xaba presented the Third Report of the Executive Committee)

THIRD REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held on 2024-08-27)

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

1. REPORT OF THE HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: MEETING HELD 2024-08-22

(Page R1)

- 1.1 Request to Approve Reallocation of Savings Identified from Block Sum Projects Within the Water & Sanitation Unit 2024-25 Capital Budget (23/1/11/3/1) & (7/1/2/2):
(Page 77: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

Authority is sought to reallocate savings in the amount of R30 000 000.00 (Thirty Million Rand) identified from the Water and Sanitation Unit 2024-25 Capital Budget under project X4217: Relay and Extension Block Sum. The savings will now

be utilised to implement approved projects in this Unit, as detailed in the table contained under the recommendations and dealing with water pipe bursts.

With the Committee having no objections in this regard,

COMMITTEE RECOMMENDS:

1.1.1

That authority be granted to reallocate savings in the amount of R30 000 000.00 (Thirty Million Rand) identified from the Water and Sanitation Unit 2024-25 Capital Budget under project X4217: Relay and Extension Block Sum Block Sum Project No. X4212, to then implement approved projects within this Unit as detailed in the table below:

Project No.	Project Description	Ward	Reason	Value
X7992	Duffs Road	39	Frequent Bursts	R 800 000.00
X8218	Bowker Road	63	Frequent Bursts	R 500 000.00
X8008	Waterkant Road	12	Frequent Bursts	R 500 000.00
X8249	Riley Road	31	Frequent Bursts	R 100 000.00
X5288	Nyokeni Booster Main	60	Frequent Bursts	R1 200 000.00
X8385	Mamba Ridge Main	37	Frequent Bursts	R 300 000.00
X8316	Hurtley Road	31	Frequent Bursts	R 400 000.00
X8559	175 Redbury Road	48	Frequent Bursts	R 150 000.00
X8569	Frasers to Greylands	62	Frequent Bursts	R 250 000.00
X8325	Mosely Park	16	Frequent Bursts	R 500 000.00
X8577	La Mercy main	58	Frequent Bursts	R2 000 000.00
X8265	Elgie Road	33	Frequent Bursts	R1 000 000.00
X8599	Bellgat Tongaat	61	Frequent Bursts	R 550 000.00
X8408	Swallow Road	99	Frequent Bursts	R 150 000.00
X8663	Astral Drive	70	Frequent Bursts	R 150 000.00
X8365	Inwabi Trunk Main	100	Frequent Bursts	R 750 000.00
X8591	Hoylakje Road	102	Frequent Bursts	R1 300 000.00
X8269	Point M Montsteel Inchanga	4	Frequent Bursts	R2 000 000.00
X8366	Prospecton Road	90	Frequent Bursts	R4 000 000.00
X8590	Maasbanker Avenue	48	Frequent Bursts	R2 000 000.00
X8445	Coleus Road	71	Frequent Bursts	R 500 000.00
X8449	Mvelase Road Chesterville	24/29	Frequent Bursts	R2 000 000.00
X8683	Cornubia Blackburn Village	35	Frequent Bursts	R2 000 000.00
X8645	Biggarsberg Street	32	Frequent Bursts	R2 000 000.00
X8221	Huntley Road	63/65	Frequent Bursts	R2 000 000.00
X8542	Grange to Mt View Reservoir	106	Frequent Bursts	R2 000 000.00
X8040	Burlington Greenfields EXT	65	Frequent Bursts	R1 400 000.00
			TOTAL	R30 500 000.00

- 1.1.2 That subject to the adoption of .1 above, authority be granted for the Deputy City Manager: Finance to include in his Adjustment Budget Report the transfer of funds from the Capital Block Sum projects to individual projects as outlined above and reflected in the report by the Head: Water and Sanitation dated 2024-06-07.

Financial Implications:

Relays and Extensions	R30 000 000.00	To be met by vote transfer 2024/2025 Project X4217
TOTAL	R30 000 000.00	

Cost Centre 69100 and 69200

FC No.: 364/C398

ADOPTED.

- 1.2 Authority to Unbundle Housing Projects Block Sum No.: X8595B (Report No. WS 2023/212) (27/7/1/1/2):
(Page 83: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

Authority is sought to unbundle Housing Block Sum from the Project No.: X8595B to fund the projects within the eThekweni Municipal area as detailed in the table below:

Project No.	Description	Amount to transfer (Rands)
Y9515	Provision of Water and Sanitation to Human Settlements	R10 000 000.00
Y8857	Pilgrim X Sewer Gravity Main, Rising Main and PS Upgrade	R8 000 000.00
Y8210	Luganda/Intake Bulk Sewer Main	R1 000 000.00
Y8485	Progress Place/Intake Road Reservoir	R1 000 000.00
	Total	R20 000 000.00

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

That authority be granted to unbundle a total amount of R20 000 000.00 (Twenty Million Rand), excluding VAT, from Projects No. X8595B - Housing Block Sum, to implement approved projects in the 2024-25 financial year, as detailed in the table below:

Project No.	Description	Amount to transfer (Rands)
Y9515	Provision of water and Sanitation to Human Settlements	R10 000 000.00
Y8857	Pilgrim X Sewer Gravity Main, Rising Main and PS Upgrade	R8 000 000.00
Y8210	Luganda/Intake Bulk Sewer Main	R1 000 000.00
Y8485	Progress Place/Intake Road Reservoir	R1 000 000.00
	TOTAL	R20 000 000.00

ADOPTED.

- 1.3 Proposed Alienation of Erf 535 Klaarwater by Public Tender for Social Purposes Plan: SJ 4737/2 Extent 900m² (17/2/1/2/3):
(Page 90: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

At the Support Committee level, the DA did not support the item but proposed that a site inspection be conducted in the first instance. With there being divergent views, the matter was then passed through a vote. With 24 Councillors present, 18 Councillors (ANC – 14, IFP – 2 and EFF – 2) voted in support of the recommendations and 6 - DA Councillors abstained.

At the Executive Committee level, the DA abstained as well. With the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 1.3.1 That the Municipal Council declares in terms of Regulation 5(1)(b), Regulation 7 and Regulation 12 of the Municipal Assets Transfer Regulations (MATR) 2008 read together with Section 14(2)(a) and (b) of the Local Government Municipal Finance Management Act No 56 of 2003 that:
- 1.3.1.1 The proposed property described as Erf 535 Klaarwater in extent 900m², depicted on Plan No. SJ 4737/2 is not needed to provide the minimum level of basic Municipal services and is regarded a surplus to the requirements of the Municipality.
- 1.3.1.2 The current market value of Erf 535 Klaarwater is assessed at a value of R252 000.00 (Two Hundred and Fifty-Two Thousand Rand), excluding VAT.
- 1.3.2 That the Council approves that the proposed alienation for social purposes be discounted by 90% of the fair market value, having duly considered the principles as set out in Regulation 13(2) of the MATR 2008 and Cause 5.4 1(2) and (3) of the eThekweni Municipality Land Disposal and Granting of Rights Policy, with the discounted value determined to be R25 200.00 (Twenty-Five Thousand Two Hundred Rand), excluding VAT.
- 1.3.3 That the subject property is alienated for social purposes and will be subject to a reversionary clause relative to the use which can only be utilized for social and community purposes and for ancillary purposes thereto and no other purpose whatsoever being registered against the title deed of the property.
- 1.3.4 That property described as Erf 535 Klaarwater be sold by public tender at a reserve price of R25 200.00 (Twenty-Five Thousand Two Hundred Rand) excluding VAT.
- 1.3.5 That all conditions by the Municipality's Service Delivery Units relevant for this alienation will form part of the sale agreement.
- 1.3.6 That subject to the adoption of .1 to .5 above, authority be granted for 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 Municipality and any other applicable legislation and that it shall be further subject to conditions as the Head: Real Estate considers necessary to protect interest of the Municipality.

With the DA abstaining, the item was by majority, ADOPTED.

1.4

Request for the 2024-25 Capital Budget Reprioritization for Roads Provision under the Engineering Unit:

(Page 235: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

Authority is sought to reprioritize the 2024-25 capital budget in the amount of R6 415 000.00 (Six Million Four Hundred and Fifteen Thousand Rand) identified as savings in the 2024/2025 financial year. The funds will be used for roads provision under the Engineering Unit.

The Roads Provision Department has gravel to surface upgrades to be undertaken in the 2024-25 financial year. A number of projects are currently in advanced planning stage, with some already under construction and requiring additional funding to ensure successful completion thereof. It is imperative to consider reprioritizing budget to focus on these projects. This would minimize health and safety-related concerns and fastrack service delivery to the communities concerned.

It being noted that the Unit has complied with the internal administrative process of not proceeding with unfunded projects for the purpose of avoiding irregular expenditure. With savings having been identified, authority is sought to allocate these to fund the projects reflected in the table below:

P No	Ward	Road Name	Budget Amount 2024/2025	Actual Budget Required	Additional Amount Required	Comments
P14409	55/57	Thabiso Sibiya way (108689 street)	R0.00	R2 394 900.00	R2 394 900.00	Priority project to be implemented with savings identified
P14266A	38	Gravel to asphalt roads in Ntuzuma A and B	R4 000 000.00	R6 500 000.00	R2 500 000.00	
P14432	4		R4 500 000.00	R6 020 000.00	R1 520 100.00	
TOTAL			R8 500 000.00	R14 915 000.00	R6 415 000.00	

With Committee being in support of the proposed budget reprioritization to complete the projects in the table above,

COMMITTEE RECOMMENDS:

1.4.1

That authority be granted to reprioritize the 2024-25 capital budget in the amount of R6 415 000.00 (Six Million Four Hundred and Fifteen Thousand Rand) identified as savings within the Engineering Unit, and to be utilised for roads provision as per the projects detailed in the table below:

Project No	Ward	Road Name	Budget Amount 2024/25	Actual Budget Required	Additional Amount Required	Comments
P14409	55/57	Thabiso Sibiya way (108689 street)	R0.00	R2 394 900.00	R2 394 900.00	Priority project to be implemented with savings identified
P14266A	38	Gravel to asphalt roads in Ntuzuma A and B	R4 000 000.00	R6 500 000.00	R2 500 000.00	
P14432	4		R4 500 000.00	R6 020 000.00	R1 520 100.00	
TOTAL			R8 500 000.00	R14 915 000.00	R6 415 000.00	

1.4.2 That due to the urgency to attend to the roads projects outlined, Council approves budget reprioritization for implementation to commence immediately thereby allowing continued roads upgrades.

1.4.3 That it should be noted that this reprioritization budget submission will be incorporated in the Council's 2024/25 adjustment budget.

Financial Implications:

TABLE 1 : Savings identified in the roads provision flood damage block sum allocation

Project No	Ward No	Road Name	Budget Amount	Actual Budget Required	Savings	Comment
P14424	54	Khoza Avenue	R1 080 000.00	R910 000.00	R170 000.00	Allocated budget exceeds tender value. Savings identified
P14425	55	108828 Street	R4 050 000.00	R3 450 000.00	R600 000.00	
P14426	38	Hlekani Road	R3 000 000.00	R2 950 000.00	R50 000.00	
P14428	38	Ndlebenye Road	R2 700 000.00	R2 400 000.00	R300 000.00	
P14419	45	Umgwenya Circle	R6 000 000.00	R4 705 000.00	R1 295 000.00	
P14452A	37	Peter Road	R1 000 000.00	R0.00	R1 000 000.00	
P14433	1	Track 93328	R4 500 000.00	R1 500 000.00	R3 000 000.00	
		Total	R22 330 000.00	R15 915 000.00	R6 415 000.00	

Due to the above savings in projects above and delays in procurement and continuation of projects the following projects required funding for 2024/2025 financial year, it recommended in table 2 below receive funding allocated by savings identified above.

Table 2: Projects requiring budget

Project No	Ward	Road Name	Budget Amount 2024/25	Actual Budget Required	Additional Amount Required	Comments
P14409	55/57	Thabiso Sibiya way (108689 Street)	R0.00	R2 394 900.00	R2 394 900.00	Priority project to be implemented with savings identified
P14266A	38	Gravel to asphalt roads in Ntuzuma A and B	R4 000 000.00	R6 500 000.00	R2 500 000.00	
P14432	4		R4 500 000.00	R6 020 000.00	R1 520 100.00	
TOTAL			R8 500 000.00	R14 915 000.00	R6 415 000.00	

ADOPTED.

1.5 Request for Approval to Co-Host the 2024 New Energy Vehicle Indaba (26/2/3/R):
(Page 238: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

Authority is sought to enter into a strategic partnership with the Mobility Solutions Africa and co-host the 2024 New Energy Vehicle (NEV) Indaba from 02-03 October 2024, with the Municipality to contribute an amount of R879 021.00 (Eight Hundred and Seventy-Nine Thousand and Twenty-One Rand) for this purpose.

The eThekweni Transport Authority seeks to enter into partnership with the Mobility Solutions Africa, a Non-Profit Company based in Durban, Kwazulu-Natal Province, aimed at creating platforms for the South African business leaders with vested interest in electric vehicles, to share ideas and network with automobile manufacturing, government entities, and relevant stakeholders on different opportunity and challenges in electric vehicles.

The eThekweni Transport Authority will be communicating its involvement in this Indaba through various media platforms and be included in branding material prepared for this event. The National Department of Science and Innovation will cover the costs of the venue, including catering. The Mobility Solutions Africa will cover the costs of electric vehicles exhibitors, speakers, and ushers' costs.

During discussion, it was suggested that all members of the Human Settlements and Infrastructure Committee be invited to be part of the NEV Indaba.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 1.5.1 That authority be granted for the Head: eThekweni Transport Authority to enter into a strategic partnership with the Mobility Solutions Africa and co-host the 2024 New Energy Vehicle (NEV) Indaba from 02 to 03 October 2024, with the Municipality to contribute an amount of R879 021.00 (Eight Hundred and Seventy-Nine Thousand and Twenty-One Rand) and the NEV Indaba intended creating platforms for South African business leaders with vested interest in electric vehicles, to share ideas and network with automobile manufacturing, government entities, and relevant stakeholders on different opportunity and challenges in electric vehicles.
- 1.5.2 That it be noted that the eThekweni Transport Authority will be communicating its involvement in this Indaba through various media platforms and be included in branding material prepared for this event, with the National Department of Science and Innovation to cover the costs of the venue, including catering and the Mobility Solutions Africa to cover the costs of electric vehicles exhibitors, speakers and ushers' costs

ITEM	AMOUNT
Venue hire: Mayoral Gala Dinner 250 delegates (including catering, AV equipment, IT Support, set up and contingency fee)	R188 250.00
Marketing and communication support Branding and promotional items (including graphic service and print collateral)	R156 000.
Publicity and event promotion (including radio promos, print outdoor and digital media)	R344 771.00
Event pre-activation	R110 000.00
Other external services	
Entertainment (including MC's and performing artist)	R80 000.00
TOTAL	R879 021.00

ADOPTED.

- 1.6 Request for Authority to Conduct Public Participation Process in terms of the Municipal Asset Transfer Regulation 2008: to Grant Rights to Use, Control or Manage Proposed Lease Over Portion 34 of Erf 957 Durban North:
(Page 275: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 1.6.1 That authority be granted for the City Manager to facilitate a process of conducting a public participation process as envisaged in terms of Regulation 34(3)(a) read together with Regulation 34(3)(b) of the Municipal Asset Transfer Regulation 2008, for the proposed granting of long-term rights to use, control or manage the property described as Portion 34 of Erf 957 Durban North in extent 7592m² as depicted on Hand Plan SJ 4837/5, it being recorded that the respective fair market value of the property exceeds R10 000 000.00 (Ten Million Rand) and the duration of the proposed rights to be granted exceed 3 years.
- 1.6.2 That the public participation process be conducted in accordance with the provisions of Regulation 35 of the Municipal Asset Transfer Regulations, 2008 including that:
- 1.6.2.1 Inviting the local community and other interested parties to submit comments or representations.
- 1.6.2.2 Soliciting views and recommendations of the National Treasury and the provincial Treasury.
- 1.6.3 That in compliance with Section 21A of the Local government: Municipal Systems Act No. 32 of 2000, publication be issued notifying the community through media, local newspaper(s) published in jurisdiction of the eThekweni 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.
- 1.6.4 That authority be granted for the Head: Real Estate to sign all the documents necessary to give effect to the above-mentioned recommendations.

ADOPTED.

- 1.7 Proposed Closure of Road Servitude and Alienation of Municipal Rights Over Portion of the Remainder of Erf 575 Kloof (25 Temple Road):
(Page 283: Human Settlements and Infrastructure Committee - Agenda 2024-08-22)

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 1.7.1 That the Municipal Council declares in terms of Regulation 5 (1) (b) of the Municipal Asset Transfer Regulations 2008, read together with Section 14(2)(a) and (b) of the MFMA No 56 of 2003 that:
- 1.7.1.1 The road servitude over the property measuring 279 square meters, in extent as depicted on the Hand Plan SJ No.: 4896/2A, is not required to provide the minimum level of basic Municipal services and is surplus to the requirement of the Municipality.

- 1.7.1.2 The compensation in the amount of R11 000.00 (Eleven Thousand Rand) exclusive of VAT, such price reflecting the current market value in respect of the alienation of rights of a portion of the first road servitude measuring 84 square metres in extent as assessed by a registered valuer, be claimed from the registered owner of the property.
- 1.7.2 That in terms of the Section 211 of Ordinance 25 of 1974, read together with Section 28(2) of the eThekweni Municipal Planning and Land Use Management By-Law 2016, as amended, the alienation of the Municipal rights in respect of a portion of road servitude over the property measuring 84 square meters in extent, be approved, and that:
- 1.7.2.1 The portion of the road servitude to be closed be advertised via the Land Use Management application process read together with Section 28(2) of the eThekweni Municipality: Planning and Land Use Management By-law 2016, as amended.
- 1.7.2.2 In the event of objections being lodged to the proposed closure of the road servitude over the property when it is advertised, that the process as detailed in the eThekweni Municipality Planning and Land Use Management By-law 2016, as amended, will be followed to address these objections.
- 1.7.2.3 That all conditions by the Municipality's Service Delivery Units, as detailed in point 5 of the report will form part of a Memorandum of Agreement and will be carried forward into the notarial deed of cancellation of servitude.
- 1.7.3 That the current market value of the right to be alienated is assessed at a value of R11 000 (Eleven Thousand Rand) excluding VAT, which is to be paid by the registered owner of the property to the Municipality.
- 1.7.4 That all costs incidental to the transaction shall be borne by the registered owner of the property.
- 1.7.5 That all developmental plans are to be submitted to the local authority for approval prior to any construction.
- 1.7.6 That authority be granted for the Head: Real Estate to sign all documents necessary to give effect to this transaction and that it shall be further subject to such conditions as the Head: Real Estate considers necessary to protect the interest of the Council.

ADOPTED.

- 1.8 Reprioritisation of Capital Budget for Water and Sanitation Unit for the 2024/2025 and 2025 /2026 MTREF (7/1/2/2):
(Laid-on-Table: Human Settlements & Infrastructure Comm: Agenda 2024-08-22)

Authority is sought to reprioritize the Water and Sanitation Unit Capital Budget in the amount of R11 380 000.00 (Eleven Million Three Hundred and Eighty Thousand Rand) in the 2024/2025 financial year and R12 500 000.00 (Twelve Million Five Hundred Thousand Rand) in the 2025/2026 financial year respectively.

The table contained under the recommendation gives detailed of the projects to be undertaken and where savings have been identified. Funding will be used for the restoration of water infrastructure in areas identified as reflected in the table.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

1.8.1 That authority be granted to reprioritize the Water and Sanitation Capital Budget in the amount of R11 380 000.00 (Eleven Million Three Hundred and Eighty Thousand Rand) in the 2024/2025 financial year and R12 500 000.00 (Twelve Million Five Hundred Thousand Rand) in the 2025/2026 financial year respectively, as per the details in the table below and also contained in Annexure A of the report by the Head: Water and Sanitation.

1.8.2 That the Deputy City Manager: Finance include in his adjustment budget report the transfer of funds from the projects where savings have been identified to projects where additional budget is required.

Annexure A: Report No.: WS 2024/146:

2024/2025 Financial Year Capital Funding Adjustment:

FUNDS REQUESTED								FUNDED FROM							
	Description	Account Number					Amount Required	Description	Amount Available	Account Number					Amount Transfer
		BU.	Funding	Costing	Project	Region	R			B.U.	Funding	Costing	Project	Region	R
1	42 Alexander Road Sewer Pipe Re-instatement		USDG		Y9530		750,000	Reservoir refurbishment	33,158,000		USDG		X5188		750,000
2	Surprise Road Sewer Pipe Washaway		USDG		Y9367		750,000	Reservoir refurbishment	33,158,000		USDG		X5188		750,000
3	20 Peace Crescent River Crossing		USDG		Y9529		750,000	Reservoir refurbishment	33,158,000		USDG		X5188		750,000
4	67 Woodlands Ave Sewer Line Replacement		USDG		Y9528		750,000	Reservoir refurbishment	33,158,000		USDG		X5188		750,000
5	Riet River		ISUPG		Y8139		1,000,000	Gwala Farm Trunk Sewer Upgrade	25,100,000		ISUPG		Y6983		1,000,000
6	Durban Harbour Risingmain Replacement		USDG		Y8930		2,000,000	Reservoir refurbishment	33,158,000		USDG		X5188		2,000,000
7	Nyokeni Pipeline		ISUPG		X4668		2,000,000	Gwala Farm Trunk Sewer Upgrade	25,100,000		ISUPG		Y6983		2,000,000
8	Cato Ridge Booster Pumpstation		USDG		X8547		750,000	Reservoir refurbishment	33,158,000		USDG		X5188		750,000
9	Canelands bridge		ISUPG		Y6524		500,000	Gwala Farm Trunk Sewer Upgrade	25,100,000		ISUPG		Y6983		500,000
10	Hazelmere t Grange pipeline		ISUPG				2,000,000	Gwala Farm Trunk Sewer Upgrade	25,100,000		ISUPG		Y6983		2,000,000
11	Construction of Trunkmain Between Adams Mission 5 Reservoir and Adams Mission 2 Reservoir		USDG		X8007		130,000	Reservoir refurbishment	33,158,001		USDG		X5189		130,000

FUNDS REQUESTED								FUNDED FROM							
	Description	Account Number					Amount Required	Description	Amount Available	Account Number					Amount Transfer
		BU.	Fundin g	Co sti ng	Project	Re gio n	R			B U .	Fund ing	C o s t i n g	Project	R e g i o n	R
	TOTAL						11,380,000	TOTAL							11,380,000

2025/2026 Financial Year Capital Funding Adjustment:

FUNDS REQUESTED								FUNDED FROM							
	Description	Account Number					Amount	Description	Amount Available	Account Number					Amount Transfer
		BU.	Fundin g	Co sti ng	Project	Re gio n	R			B U	Funding	C o s t i n g	Project	Re g i o n	R
1	North Park Sewer Reticulation		USDG		Y7083		2,500,000	Sea Outfall Replacement	20,000,000		USDG		Y8768		2,500,000
2	Ngoqokazi Collector Sewer		internal		Y8912		8,000,000	Mahatma Ghandi Emergency Work	96,641,000		Internal		Y8725		8,000,000
3	Durban Harbour Rising Main Replacement		USDG		Y8930		2,000,000	Sea Outfall Replacement	20,000,000		USDG		Y8768		2,000,000
	TOTAL						12,500,000								12,500,000

Financial Implications:

The proposed adjustments for 2024/2025 financial year and 2025/2026 financial year is as follows:

FINANCIAL YEAR	BUDGET REPRIORITIZATION AMOUNTS
2024/25	R11 380 000.00
2025/26	R12 500 000.00

ADOPTED.

- 1.9 Request for Authority to Transfer Funds Within the Water and Sanitation Capital Budget in the 2024/2025 Financial Year for the Storm Damaged Projects (7/1/2/2):
(Laid-on-Table: Human Settlements and Infrastructure Comm: Agenda 2024-08-22)

Infrastructural damages as a result of storm form part of emergency work for the purpose of effective restoration of services. Therefore, it is critical to source funds and remedy the situation to mitigate health and safety hazards arising therefrom.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 1.9.1 That authority be granted for the budget transfer within the Water and Sanitation Unit Capital Budget in the amount of R81 342 000.00 (Eighty-One Million Three Hundred and Forty-Two Thousand Rand), excluding VAT, in the 2024/2025 financial year to fund urgent projects where water and sewer challenges have been identified.

1.9.2 That subject to .1 above, the Deputy City Manager: Finance, be requested to include the budget transfer in his final adjustment budget report for the 2024/2025 financial year.

1.9.3 That a list of projects that require additional budget allocation and support savings, be noted, as reflected in the table below.

Financial implications:

Budget Transferred To:

Project	Capital Budget Description	Budget Transfer	SCM Status	Reasons
Y9184	Sewer repairs to flood damaged works to 151 Wager Ave, Izinga Estate	R10 000 000.00	There is an existing contract awarded on S36 for similar scope of work to be used and upon approval, report to BAC for noting will be submitted	The Unit needs to implement critical and urgent project that were not provided for in the budget. Most of these projects are sewer repairs that are urgent To alleviate pollution
Y9181	Sewer repairs to flood damaged works to 8 Rana Road	R10 000 000.00		
Y9187	Sewer repairs to flood damaged works to 794 Silverglen Drive	R3 800 000.00		
Y9195	Sewer repairs to flood damaged works to 196 Heron Street	R5 100 000.00		
Y9196C	Emergency sewer repairs and rehabilitation to existing sewer network through the Palmiet River- Birdhurst Road, Cowies Hill Park	R40 000 000.00		
Y9499	Emergency sewer repairs and rehabilitation and repairs to existing sewer network 20-17 Pioneer Road & 23-17 Aller Crescent	R2 100 000.00		
Y9499	Emergency sewer repairs and rehabilitation and repairs to existing sewer network 20-17 Pioneer Road & 23-17 Aller Crescent	R10 342 000.00		
	TOTAL	R81 342 000.00		

Budget Transferred From:

Project	Capital Budget Description	Budget Transfer	Reasons
Y8958	Croftdene-Relay of elevated SE	R1 500 000.00	Reprioritization to address implementation of urgent sewer repairs to alleviate pollution to the environment

Project	Capital Budget Description	Budget Transfer	Reasons
X7986	Pinkney Park Outlet	R3 000 000.00	Reprioritization to address implementation of urgent sewer repairs to alleviate pollution to the environment
X6714E	Inlet Trunk main to Hammarsdale	R65 000 000.00	Non-award and reprioritized to address implementation of urgent projects
Y9250	KwaMashu, Bridge City Sewer UPG	R3 341 000.00	Reprioritization to address implementation of urgent sewer repairs to alleviate pollution to the environment
Y8612D	Northdale pump station	R4 001 000.00	
Y8960	Silverglen Sewer Relay & Prote	R4 500 000.00	
	TOTAL	R81 432 000.00	

Additional storm damage and other critical projects that require funding which is currently not available are listed below:

No.	Project No.	Projects	Estimated Amount Required (Excl. VAT)
1.	Y9404B	Marian Park, Track 5014 Of Greyville Road, Repairs	R9,800,000.00
2.	Y9500	Mpumalanga, Dubazana Road, No.12: Replacement of a damaged 600mm diameter concrete sewer pipe	R16,500,000.00
3.	Y9437	Milky Way/Pegasus Road project.	R13,000,000.00
4.	Y9152	Sithundu Hills, Pinetown repairs to washed away 400mm diameter Inlet at Dassenhoek Treatment Works - Isithundu Hills	R2,500,000.00
5.	Y9262	Vusi Mzimela Road Trunk Sewer 600mm diameter trunk Sewer going along the river	R5,000,000.00
6.	Y9406	52 Motala Road, Motala Heights Repairs to 250mm diameter Ac sewer pipe wash away, 180m long	R1,000,000.00
7.	TBC	Rehabilitation And Repairs to Flood Damage Works at Avenue East Rising Main, Across Prospecton Bridge Next to Golf Course	R2,552,770.00
8.	TBC	Rehabilitation And Repairs to Flood Damage Works at Umlazi W Section	R18,158,763.00
9.	TBC	Rehabilitation And Repairs to Flood Damage Works at Mega Philani Mall – Directional Drilling	R18,220,183.00
10.	TBC	Rehabilitation And Repairs to Flood Damage Works at Ngonyameni Rural Area – Pipe Bridge	R7,742,268.00
11.	TBC	Permanent Sewer Repairs to Flood Damage Works at 1 Emzini Estate	R8,313,355.00
12.	TBC	Rehabilitation And Repairs to Flood Damage Works at Nerina Road	R48,875,138.00
13.	TBC	Emergency Sewer Repair - Rehabilitation and Repair to Existing Sewer Network - Gordon Road	R2,999,401.00
14.	TBC	Rehabilitation And Repairs of Flood Damage Works at Seaward Road For eThekweni Water and Sanitation - Sewer Pipe Bridge Site 1 Seaward Rd	R8,698,283.00
15.	TBC	Rehabilitation And Repairs of Flood Damage Works at Mowat Road (Sea View) For eThekweni Water and Sanitation - Sewer Pipe Bridge Site 2	R15,920,144.00
16.	TBC	Rehabilitation And Repairs of Flood Damage Works At 80 Walmer Avenue For eThekweni Water and Sanitation	R3,170,351.00
17.	Y9405	Y9405- Pinetown, Gillits Road, No. 28 to Marianhill Road, No. 28 Repairs to a washed away 300mm diameter Vitrous Clay pipe	R20,000,000.00

No.	Project No.	Projects	Estimated Amount Required (Excl. VAT)
18.	X8364B	Ofudu to Inwabi Reservoir Trun	R9,300,000.00
19.	X8552	Mt. View to TP1 Functional Upgrade	R7,000,000.00
20.	X8587	Umlazi Functional Upgrade	R4,000,000.00
21.	X8019	SCADA and Telemetry for water facilities	R10,000,000.00
22.	X8578	Design, Manufacture, Delivery, Installation, testing, and commissioning of Standby Generators for Water and wastewater pump Station	R80,000,000.00
		TOTAL	R312,750,656.00

FC No.: 365/C444

ADOPTED.

2. REPORT OF THE COMMUNITY SERVICES COMMITTEE: MEETING HELD 2024-08-22

(Page R14)

2.1 Request to Enter into Service Level Agreement Between KwaZulu-Natal Provincial Department of Health and eThekweni Municipality (30/1/6/R):
(Page 9: Community Services Committee - Agenda 2024-08-22)

It is vital to note that there is a long-standing arrangement between the KwaZulu-Natal Provincial Department of Health (KZN PDoH) and eThekweni Municipality regarding the assignment of primary health care clinic services to the Municipality as prescribed in Section 156(4) of the Constitution of the Republic of South Africa and Section 32(3) of the National Health Act, 2003.

Terms and conditions governing these prescribed services were captured in a three-year agreement from 01 April 2021 to 31 March 2024 which has since expired before the new agreement could be entered into, due to delays in finalizing pertinent matters relating to the Service Level Agreement. It is crucial to note that an agreement is entered into for the purpose of allowing reimbursement of funds by the KZN PDoH to the Municipality.

The eThekweni Municipality Health Unit, In January 2024, received a newly proposed Service Level Agreement (SLA), covering 01 April 2024 to 31 March 2027, from the KZN PDoH with major changes from the recently expired agreement. The major changes identified in the proposed SLA included the following:

- The total exclusion of primary health care service provincialization process and
- The taking over of mobile clinic service points by the KZN PDoH.

These changes necessitated that the eThekweni management initiative thorough engagements to consult on the SLA content before submitting a response. The Health Unit also engaged with the Finance Department during the preliminary discussions with the KZN PDoH.

Following a series of engagements, the conclusion of negotiations between the Health Unit and the KZN PDoH took much longer than expected due to the salient features of the newly proposed agreement and the repeated major changes in decisions made by the KZN PDoH, which had substantial financial implications for the Municipality, especially issues pertaining to the provincialization such as:

- (i) *Provincialisation of all Municipal clinics formed part of the previous SLA, but the current proposed SLA remained silent on this matter despite the processes having commenced to realise the movement of clinics to the KZN PDoH.*
- (ii) *The movement of clinics to the Province is crucial due to a huge financial burden carried by the Municipality, since the KZN PDoH does not fully reimburse the Municipality as there is exclusion of financial support for infrastructure development projects.*
- (iii) *In the previous financial year, the Municipality carried close to 40% of the salaries and costs related to primary health care clinic services.*
- (iv) *The Municipality has not been reimbursed this 40% portion by the KZN PDoH as it only allocated R272 761 000.00 (Two Hundred and Seventy-Two Million Seven Hundred and Sixty-One Thousand Rand) for salaries in the 2023/24, whereas the actual annual total cost carried by the Municipality was almost R401 808 183.00 (Four Hundred and One Million Eight Hundred and Eight Thousand One Hundred and Eighty-Three Rand). Therefore, the Municipality was left to carry the liability of R 129 047 183 (One Hundred and Twenty-Nine Million and Forty-Seven Thousand One Hundred and Eight Three Rand), for costs related to salaries and provision of PHC clinic services.*

In conclusion, the Health Unit negotiated and reached an understanding with the KZN PDoH that the Health Unit will submit a request to review the matter relating to the provincialization of the primary health care services in the ensuing budget year, to then allow the KZN PDoH to seek additional funding and the necessary authority in this regard.

Accordingly,

COMMITTEE RECOMMENDS:

- 2.1.1 That authority be granted for Head: Health, to submit claims for reimbursement of expenditure incurred by the eThekweni Municipality for rendering health services covered in the Service Level Agreement (SLA) during the expired period of the previous SLA, which is from April 2024 to August 2024 and thereafter continue to submit such claims on a monthly basis until such time the new SLA is signed off.
- 2.1.2 That, subject to the approval of .1 above, authority be granted for the Head: Health to submit proposed three (3) year SLA, covering the period 01 April 2024 to 31 March 2027 to the eThekweni Legal and Compliance Unit to guide the signatories of the SLA to make an informed decision before the final sign off.
- 2.1.3 That subject to the approval of .1 and .2 above and the vetting of the SLA by the Legal and Compliance Unit, authority be granted to the City Manager to sign off the 3-year SLA between eThekweni Municipality and the KZN Department of Health to render primary health care services.

ADOPTED.

- 2.2 Request for Approval of Policy Recommendations for Controlled Fuels Policy of eThekweni Municipality in Collaboration with C40 Clean Air Accelerator (30/2/4/2/1/2):
(Page 66: Community Services Committee - Agenda 2024-08-22)

The strategic focus area of the eThekweni Health Unit is to promote health of the eThekweni citizens by implementing functional strategies to improve mortality and morbidity of the citizens. The environmental impact to human health is poor air quality which affects the respiratory, cardiovascular, cerebrovascular, and reproductive systems. Poor air quality has also been found to increase neonatal mortality and increased pediatric morbidity.

This was confirmed by the health study conducted in 2006. To deal with the environmental causes, in particular, air quality, the Health Unit has developed the Controlled Fuels Policy, in collaboration with the C40 African Cities for Clean Air fundings. The policy aims to bring down fine Particulate Matter (PM) concentrations to below the revised National Ambient Air Quality Standards (NAAQS) of 15pg/m3 by 2030 thereby improving health of citizens.

In light of the above,

COMMITTEE RECOMMENDS:

- 2.2.1 That authority be granted for the Head: Health to conduct public participation process in respect of the Controlled Fuels Policy wherein comments will be called through two newspaper advertisements published in local languages and that public engagements be conducted for each district within the eThekweni Municipality.
- 2.2.2 That subject to the approval of .1 above, authority be granted for the Head: Health to submit suggested recommendations of the Controlled Fuels Policy for final adoption by the Council.
- 2.2.3 That subject to the approval of .1 and .2 above, authority be granted for the Head: Health to set aside funds to cater for logistical arrangements pertaining the public participation process.

ADOPTED.

- 2.3 Request for Authority to Approve Exchange of Birds Between Umgeni River Bird Park and Mitchell Park Zoo with Accredited Zoos and Private Breeders in South Africa (31/1/1/1):
(Page 74: Community Services Committee - Agenda 2024-08-22)

Since 2019 several off springs have been born from the Birds & Animal Collection at Umgeni River Bird Park & Mitchell Park Zoo, resulting in surplus birds and animal stock that cannot be bred, as this will cause inbreeding. Most of the birds and animals collection is now quite old, and new, young animal breeders are in all accredited facilities in South Africa. It being noted that the Municipality has a history of doing birds and animals trade.

By granting authorization to the Head: Parks, Recreation & Culture to approve all future trade for the zoo and bird park, the process of trading out excess stock and getting in new species to the zoo and bird park will move a lot quicker. Exchanges will enhance the collection at Umgeni River Bird Park and Mitchell Park Zoo and will

add value considering Council's IDP Plan in particular, the bird/animal collection at Umngeni River Bird Park Zoo which has attracted many visitors over the years.

Accordingly,

COMMITTEE RECOMMENDS:

- 2.3.1 That authority be granted for the Head: Parks, Recreation and Culture to authorise all future exchanges or trades of birds and animals of equal value, between the Council's Umngeni River Bird Park and Mitchell Park Zoo as per the list of zoos and private breeders in the country.
- 2.3.2 That subject to the approval of .1 above, authority be granted for the Head: Parks Recreation and Culture to update a list of birds and animals in terms of Zoological Information Management System (ZIMS), to reflect the birds received from these bird/animal's facilities by Umngeni River Bird Park/Mitchell Park Zoo and vice versa.
- 2.3.3 That subject to the approval of .1 and .2 above, authority be granted for the Head: Parks Recreation and Culture to obtain the necessary transportation and permits of keeping live birds in cages.

ADOPTED.

- 2.4 Consolidated Programmes Report for 2024/25 Financial Year for Community Participation and Action Support Unit (2/10/1/1/1/1):
(Page 90: Community Services Committee - Agenda 2024-08-22)

In terms of the Integrated Development Plan (IDP), the Community Participation and Action Support Unit contributes towards the well- being of citizens by supporting the indigents through approved Municipal policy and by providing security for vulnerable groups. The Unit further contributes to ensuring accessibility by creating mechanisms, processes and procedures for citizen participation. The key outcomes of the Unit programmes are as follows:

- To support civil society actions and initiatives by capacitating advising, financing, and referring organizations to relevant channels.
- To facilitate community input in policy development, decision-making, budgeting, IDP processes and performance management.
- To co-ordinate community mobilization by partnering with other Units within the Municipality, Provincial and National Departments.
- Monitor compliance with policies that are related to the Unit's programmes.

In order to fulfil the mandated scope of work, the following departments within the Community Participation and Action Support Unit have planned various programmes to be implemented in the 2024/2025 financial year:

- (i) **Policy and Administration department:**
Responsible for Grant-in-Aid, Policy, Administration as well as Community Liaison Office programmes.
- (ii) **Regional Services department:**
Responsible for Stakeholder Participation, Community Based Planning, Community Based Structures, Ward Committees, Operation Sukuma Sakhe, Masakhane Outreach Campaigns, Regional Co-ordination, and Traditional Leadership programmes.

(iii) **Sectoral Programmes department:**

Responsible for Poverty Alleviation, Youth, Gender, and Vulnerable Groups (children, disabled persons, and senior citizens) programmes.

On this basis,

COMMITTEE RECOMMENDS:

That authority be granted for the Head: Community Participation and Action Support to incur expenditure in the amount of R271 140 710.00 (Two Hundred and Seventy One Million One Hundred and Forty Thousand Seven Hundred and Ten Rand) to co-ordinate and implement the programmes for the 2024/25 financial year.

Financial Implications:

(a) Grant-in-Aid, Policy, Administration and Community Liaison Section:

Business Unit	Programmes	Budget (R)
1. Grant-in-Aid (32301)	Sundry Grants for Distribution	5 896 430
	Ad-hoc Grants	188 720
	Distribution Event Costs	217 150
	Application and Adjudication Costs	102 100
	Capacity Building Workshops	184 080
	Monitoring and Evaluation of Programme	30 240
	Internal Charges (Transport and Printing)	64 260
	Sub-Total	6 682 980
2. Policy (32308)	Policy Review	250 000
	Policy Development	128 920
	SLA and SOP (Develop and Review)	50 000
	MOU and MOA (Develop and Review)	18 660
	Sub-Total	447 580
3. Community Liaison and Monitoring (32317)	Communication Support	61 180
	Internal Departmental Charges (Vehicle Hire, Insurance, Transport, Office Rental)	11 970 130
	Municipal Running Cost-Depreciation of Assets	1 273 090
	Workshops, Seminars and Training	246 700
	Sub-Total	96 729 130
	Total for GIA, Policy and Admin Section	104 131 210

(b) **Regional Services Section:**

Business Unit	Programmes	Budget (R)
1. Special Projects (32305)	Ward based Support Programmes (National and Provincial Initiatives)	812 540
	Civic Recognition Support Programmes	852 980
	Sectoral Awareness Campaigns	937 470
	Internal Charges (Transport)	104 850
	Sub-Total	2 707 840
2. Masakhane (32306)	Masakhane Outreach Programme	2 293 940
	Community Roadshows	273 220
	Protest Management	179 940
	NPRC (ID Project)	5 656 290
	Disaster Relief	100 000
	Internal Charges (Transport)	377 890
	Internal Charges (Hall Hire)	0
	Sub-Total	8 881 280
3. Regional Co-Ordination (32310)	Provincial and National Commemoration Days (Human Rights Day, Freedom Day, Youth Day, Women's Day, Heritage Day, Transport Month, World Aids Day)	400 000
	Operation Sukhuma Sake (OSS)	162 410
	Community Development Initiatives	1 013 590
	Community Mobilisation Initiatives	87 500
	Ward Based Support Programmes	87 500
	Civic and Voter Education Programmes	139 650
	Internal Charges (Transport)	15 390
	Internal Charges (Hall Hire)	
	Sub-Total	1 906 040
4. Stakeholder Participation (32313)	Community Based Planning-CBP	1 300 000
	Stakeholder Forums	1 030 000
	Empowerment Programmes for Community Based Structures (CBS)	699 240
	Internal Charges (Transport) (WC)	33 210
	Internal Charges (Hall Hire)	25 360
	Sub-Total	3 087 810

Business Unit	Programmes	Budget (R)
5. Traditional Leadership (32314)	Traditional Programmes (Maidens Conference, Reed Dance, Umkhosi WeLembe)	2 475 720
	Empowerment Programmes for Traditional Leaders	494 760
	Programmes for Traditional Councils (Capacity building workshops, empowerment initiatives)	300 000
	Traditional Leadership Forums (Development projects, Ndlunkulu sector programmes, Amakhosi sectoral programmes)	402 140
	Internal Charges (Transport)	29 970
	Internal Charges (Hall Hire)	
	Workshops, Seminars, Training	
	Sub-Total	3 702 590
	Total for Regional Services	20 285 560

(c) Sectoral Programmes Section:

Business Unit	Programmes	Budget (R)
1. Gender (32303)	Women's Sector (International Women's Day, National Women's Day, International Day for Rural Women, International Day for Widows, Regional Women's Month events)	268 230
	Men's Sector (International Men's Day, Men's month Celebrations-city wide and regional celebrations)	300 000
	LGBTIQ+ Community Sector (Pride Month Activities, Awareness against Hate Crimes)	400 000
	365 Days of Activism	250 000
	GBV and Femicide Programmes	150 000
	Gender Awareness Programmes	588 600
	Gender Empowerment Initiatives	350 000
	Internal Charges (Transport)	501 610
	Internal Charges (Hall Hire)	122 870
	Sub-Total	2 931 310

Business Unit	Programmes	Budget (R)
2. Poverty (32309)	Community Gardens	5 520
	Soup Kitchen Launches	0
	International Day of Poverty Alleviation	0
	Volunteer Recognition Day	66 150
	Food Aid Programme (Soup Kitchens)	137 246 060
	Repairs and Maintenance	157 880
	Internal Departmental Charges	119 070
	Municipal Running Cost-Depreciation of Assets	551 990
	Sub-Total	138 146 670
3. Youth (32315)	International and National Commemoration Days	330 000
	Youth Empowerment Initiatives	274 600
	Youth Awareness Campaigns	475 000
	Youth Engagement Forums (Strengthen and establish)	60 000
	Internal Charges (Transport)	116 140
	Internal Charges (Hall Hire)	30 730
	Sub-Total	1 286 470
4. Vulnerable Groups (32316)	Children's Sector	800 000
	- International and National Commemoration Children's Day	
	- Sanitary Dignity Campaign	
	- Children Protection Programmes	
	- Empowerment Initiatives for children	
	Disability Sector	2 120 000
	- PWD Campaigns (9)	
	- Disability Parliament	
	- Mayoral Council for Disabled	
	- PWD Forums	
	- Healthy and Active Living Programmes (Sports)	
	- Empowerment Initiatives for Disabled	
	- Sign Language Services	

Business Unit	Programmes	Budget (R)
	Senior Citizen's Sector	1 000 000
	- International and National Senior Citizens Commemoration Day	
	- Senior Citizens Parliament	
	- Healthy and Active Living Programmes (Sports)	
	- Senior Citizen's Forum	
	- Empowerment Initiatives for Senior Citizens	
	- Awareness Programmes for Senior Citizens	
	Internal Charges (Transport)	289 490
	Internal Charges (Hall Hire)	
	Early Childhood Development (ECD Centres)	150 000
	Sub-Total	4 359 490
	Total for Sectoral Programmes	146 723 940
	Total Budget for Programmes to be implemented in 2024-25	271 140 710

FC No.: 2025/06/01

ADOPTED.

2.5

Request for Authority to Reprioritise the 2024/2025 Approved Capital Budget to Fund Urgent Rehabilitation and Upgrade of the Kings Park Pool and Other Key Facilities/ Projects with Budget Shortfall:

(Page L125: Community Services Committee - Agenda 2024-08-22)

Most of facilities within the Parks, Recreation and Culture (PRC) Unit have deteriorated because of ageing infrastructure and lack of maintenance due to budget constraints. In the 2024/2025 financial year, the PRC Unit was allocated R185 864 000.00 (One Hundred and Eighty Five Million Eight Hundred and Sixty Four Thousand Rand) for capital projects, with an intent to develop new infrastructure, rehabilitation and upgrade of the existing facilities.

It should be noted that inclement weather changes are also a major contributing factor to the deterioration of facilities. The Unit has identified an urgent need to rehabilitate and upgrade the Kings Park Pool and other key facilities that could not be rehabilitated previously due to financial constraints.

Capital projects that may be placed temporarily on hold within the Unit have been identified, to allow preliminary work of costing and packaging to continue. Budget for the implementation will be identified during mid-term budget adjustments process.

This will assist to attend to facilities in need of urgent rehabilitation, and with this to be undertaken during the first and second quarter of the current financial year.

Some Committee members expressed reservations regarding the reprioritisation of funds and citing lack of detailed information. It was therefore recommended to conduct oversight visit prior to implementation. The matter was thereafter put to the vote and the ANC-11 and the DLC-01 voted in support of the recommendations. The EFF-03 and the TA-01 voted against the recommendation, with the DA-07, IFP-03 and the ActionSA-01 abstaining. The item was, thereafter, approved by the majority vote at the Support Committee level.

With the Executive Committee being in concurrence,

COMMITTEE RECOMMENDS:

2.5.1

That Council approves the reprioritisation of the 2024/2025 Parks, Recreation and Culture Capital Budget (from various projects) to fund urgent rehabilitation and upgrade of the Kings Park Pool and other key facilities and projects that have budget shortfall.

Project requiring urgent rehabilitation:

FUNDED TO:

Description	Scope of Works	Ward No.	Amount	Reasons
Kings Park Pool N5001	Upgrade of pool	27	R50 995 000.00	Urgent rehabilitation and upgrade to Kings Park Pool

Projects to be reprioritised and fund Kings Park Pool:

FUNDED FROM:

Project Description	Ward	Amount R	Reasons/Comments
Tongaat Town Hall (N2308A4)	62	500,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Montview Hall - Verulam (N2308Z1)	106	800,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Sastri Park Hall (N2993A)	51	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Redfern Hall (N2993B)	54	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Newlands Hall (N2993D)	11	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Iziko Hall (N2993E)	93	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Ilovu C Hall (N2993F)	109	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool

Project Description	Ward	Amount R	Reasons/Comments
Umlazi AA Hall (N2993G)	84	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Cato Crest Hall (N2993I)	101	1,000 000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Umkhumbaan Hall (N2993J)	29	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Havenside Hall (N2993K)	69	1,000 000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Bayview Hall (N2993L)	70	1,000 000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Brighton Beach Lifeguard (N2991B)	68	1,000 000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Pinetown Natural Resources - Roof (N2992D)	18	1,350,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Cato Ridge Depot (N1642B)	01	400,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Phoenix Depot (N1642L)	52	500,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Lahee Park Depot (N1642N)	18	500,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
KwaMashu Indoor Sports Hall (N2993C)	45	1,000 000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Umlazi Indoor (Mxenge) - Flood lights (N2993H)	87	1,000 000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Research Centre – Upgrade (N1354)	28	4,310,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Cato Manor Museum (1340AZ6)	101	1,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Mobeni Heights Crematoria (N1011)	69	11,635,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
Newlands Pool (N1651Y)	37	9,000,000.00	Project temporarily on hold until midterm adjustment to prioritize urgent rehabilitation and upgrade of Kings Park Pool
TOTAL		R42,995,000.00	

2.5.2

That subsequent to the approval of .1 above, authority be granted for the Head: Parks, Recreation and Culture to proceed with the implementation of the urgent rehabilitation

of Kings Park Pool and upgrade of key facilities projects in the 2024/25 financial year in the amount of R42 995 000.00 (Forty-Two Million Nine Hundred and Ninety-Five Thousand Rand).

- 2.5.3 That subject to the approval of .1 above, authority be granted for the Head: Parks, Recreation and Culture, to report the transfer budget in the amount of R42 995 000.00 (Forty-Two Million Nine Hundred and Ninety-Five Thousand Rand) to the Deputy City Manager: Finance as part of the adjustment budget 2024/25.
- 2.5.4 That subject to the approval of .1 and .2 above, authority be granted for the Head: Parks, Recreation and Culture to identify budget within the City during the mid-term budget adjustment process to recover the budget for the projects where budget has been reprioritised from to undertake the rehabilitation and upgrade of key facilities project.

FC No.:59/1394

Commenting, the DA pointed out that they were in support of the item and mention being made that the inspection conducted revealed that additional budget was required over and above what has been allocated.

As some Councillors were not in support of the recommendations, the matter was put to the vote. With 184 Councillors present, 149 Councillors (ANC-84, DA-49, ActionSA-04, ABC-02, ACC-02, ADEC-01, APF-01, ATM-01, JEP-01, KZNI-01, MF-01, MOSA-01 and NFP-01) voted in support of the recommendation and 35 Councillors (EFF-17, IFP-14, ACDP-02, UIM-01 and VF PLUS-01) abstained.

*Thereafter, the item was by majority vote, **ADOPTED.***

- 2.6 Request for Authority to Approve Annual Maidens Conference 2024:
(Page L126: Community Services Committee - Agenda 2024-08-22)

The Governance Framework Act, 2003 (No. 41 of 2003) sets out the procedure for the recognition of traditional communities and traditional leaders, it is for this reason Community Participation and Action Support Unit (CPAS) develop programmes which address issues that affect traditional communities and traditional leaders. The CPAS unit work directly with all traditional Councils that operate within eThekweni Municipality.

It is within the traditional Council scope of work to host the Maidens Conference as part of the SDBIP targets. The Maiden's Conference is the precursor to the Annual Reed Dance cultural celebration for maidens through KwaZulu-Natal and neighbouring provinces. The late His Majesty, the late King Zwelithini kaBhekuzulu revived this cultural practice as a means of instilling the indigenous behavioural system in ensuring the capacitation of young women with cultural and behavioural practices that are sacred within the nation.

The Provincial Government and Municipalities embraced this custom as means of suppressing delinquency, misbehaviour and teenage sexual activities. On such basis, eThekweni Municipality will be hosting the 2024 Maiden's Conference for the purpose of educating, facilitating and creating awareness programmes against social havocs to the young women. The programme is expected to be attended by approximately three thousand (3000) maidens within eThekweni Wards.

With DA abstaining on the basis that the report was submitted late and did not afford sufficient time for Councillors to interrogate the report, the item was approved by majority vote from all other parties as follows: (ANC – 11, EFF – 03, IFP – 03, TA – 01, ABC – 00, DLC – 00 and ASA – 01).

In response to the question raised by the DA on the Executive Committee considering the report, *post facto*, the Deputy City Manager: Governance and International Relations advised that the report was delayed by insufficient budget which was secured late following declaration of savings by other departments.

Accordingly,

COMMITTEE RECOMMENDS:

That authority be granted to Head: Community Participation and Action Support to incur expenditure of R864 000 to co-ordinate and implement the Annual Maidens Conference 2024 which was held at Manzolwandle Sportsground, KwaXimba, Ward 01 on Saturday 2024-08-25.

Financial Implications:

Item	Vote number	Estimated costs
Marquee, chairs	32314.18950.10.12120.0000.39131.0010	R55 000.00
Catering/cows	32314.11400.12120.0000.39131.0010	R430 000.00
Marshalls	32314.11330.12120.39131.0010	R7 000.00
Lighting	32314.18950.12120.39131.0010	R5 000.00
Water tanker	32314.18950.12120.39131.0010	R3 000.00
Plant décor	32314.11640.12120.39131.0010	R5 000.00
Transport	32314.21805.12120.39131.0010	R329 000.00
TOTAL		R864 000.00

The total estimated costs for the 2024 Maiden's Conference R997 000.00. It be noted that the following Units will contribute as follows:

Department/Unit	Amount
Intergovernmental Relations	R10 000.00
Department of Sports, Arts and Culture	R55 000.00
Parks, Recreation and Culture	R5000.00

FC No.:2025/06/03

The item was supported by political parties and on the request for the provision of additional buses, indication was given that the Municipality was mainly supporting the Department of Sports, Arts and Culture hence it was impractical to adhere to the request. On the issue of skills programme to the mothers looking after the maidens, it was said that workshops were being held in this regard.

ADOPTED.

- 2.7 Request for Approval for eThekweni Municipality to Host the 2024 KZN SALGA - DSAC Games:
(Page L127: Community Services Committee - Agenda 2024-08-22)

SALGA Games are the annual event hosted by different District Municipalities each year. Ten District Municipalities and eThekweni participate in 16 different sporting codes which involves athletics, basketball, boxing, football etc.

The SALGA Provincial Executive Committee meeting held on 25 April 2024 officially announced that SALGA Games 2024 will be hosted at eThekweni Municipality. It was reiterated that SALGA Games should have greater focus on proactive and sport infrastructure development because only municipal facilities will be used and that the focus must be on township and rural areas. This event will assist in the rehabilitation of sports facilities in the previously disadvantaged areas.

The eThekweni Municipality prioritises its people, their ideas, talents lived historical experiences and heritage of music in different genres. These games will have a positive impact in the development of eThekweni Municipality's economy. And will strengthen the eThekweni's reputation as a destination to host major sporting events.

With the DA abstaining on the basis that the report was submitted late and did not afford sufficient time for Councillors to interrogate the report, the item was approved by majority vote from all other parties as follows: (ANC – 11, EFF – 03, IFP – 03, TA – 01, ABC – 00, DLC – 00 and ASA – 01).

Accordingly,

COMMITTEE RECOMMENDS:

- 2.7.1 That authority be granted for the Head: Stadia and Facilities Unit to enter into agreement with SALGA for the hosting of 2024 SALGA games in eThekweni Municipality.
- 2.7.2 That subject to the approval of .1, authority be granted for the Head: Stadia and Facilities to incur the expenditure of R9 200 000.00 (Nine Million Two Hundred Thousand Rand) in the 2024/25 financial year, for preparations to host 2024 SALGA games in eThekweni Municipality.

Financial Implications:

No	Item	Cost Estimates
1.	Dressing of facilities and overlaps to purpose the venues	R800 000.00
2.	City dressing, marketing and community mobilisation	R1 000 000.00
3.	Volunteers, volunteer management, accreditation, directional signage in different venues	R200 000.00
4.	Temporal seating in different venues	R2 000 000.00
5.	Temporal seating and change rooms and ablution facilities	R500 000.00
6.	Provision of technical areas and administrative centres	R100 000.00
7.	Fencing for crowd control and safety in various venues	R300 000.00
8.	Risk management and security services during the games and crowd control	R500 000.00
9.	Ceremonies (opening, closing, launch, draw and Mayoral Reception)	R3 800 000.00
	Total	R9 200 000.00

Financial Authority:

FY	Budget Required	Savings Identified	Additional Budget required
2024/2025	R9 200 000 00	R4 000 000 00	R5 200 000.00

Savings identified from:

- Moses Mabhida Stadium – R1 Million (FC: 2025/30/01)
- Parks, Recreation and Culture – R2 Million (FC: 35/600)
- Office of the Deputy City Manager: Community and Emergency Services - R1 Million (FC: 32/074)

The item was supported by political parties and in view of the request made to also consider participation by children in rural areas, it was advised that this will be addressed by the eThekweni Games convened to select participants for the SALGA gamed and these will be hosted in all Wards.

ADOPTED.

3. **REPORT OF THE SECURITY AND EMERGENCY SERVICES COMMITTEE:
MEETING HELD 2024-08-23**

(Page R28)

3.1 **Close Out Report: Fire Incident that Occurred on 14 July 2024 at Siyathuthuka Informal Settlements (Ward 34) (29/1/4):**

(Page 35: Security and Emergency Services Committee - Agenda 2024-08-23)

The Committee received the report detailing measures undertaken including inter-departmental interventions in response to the infrastructure damages as a result of fire that occurred on 14 July 2024 at Siyathuthuka Informal Settlements located in Sea Cow Lake area. This unfortunate incident resulted to 253 households being displaced and one (1) fatality being reported. The incident was attended to by the Fire and Emergency Services Department, South African Police Services, eThekweni Metro Police including Emergency medical Rescue Services and the Disaster Management and Emergency Services. The assessment conducted revealed the following:

Category	Numbers				
Fatalities	01				
Injuries	00				
Damaged dwellings	253				
People affected	<table> <tr> <th>Adults</th><th>Children</th></tr> <tr> <td>363</td><td>91</td></tr> </table>	Adults	Children	363	91
Adults	Children				
363	91				

Services provided by other departments is summarized as follows:

Department	Service
Disaster Management	<ul style="list-style-type: none"> Teams were deployed to conduct assessment and provide required relief measures (immediate short-term relief) Provision of food hampers Compilation of beneficiary lists
Fire and Emergency	<ul style="list-style-type: none"> Response, extinguishing and controlling fires in the area
Metro Police	<ul style="list-style-type: none"> Responded to all calls for emergency assistance and traffic related incidents Deployment of police members to the affected area including working with SAPS for crowd management
Health	<ul style="list-style-type: none"> Provision of mobile clinic Provision environmental health services in respect of water, sanitation, waste management and general housekeeping
Water and Sanitation	<ul style="list-style-type: none"> Provision of additional ablution facilities
Cleansing and Solid Waste	<ul style="list-style-type: none"> 1 x TLB Provision of skip bins for disaster waste disposal
Human Settlements	<ul style="list-style-type: none"> Damaged housing structures verification Provision of building material to the 253 affected household
KZN Department of Cooperative Governance and Traditional Affairs	<ul style="list-style-type: none"> Support and co-ordination of resources
KZN Department of Social Development	<ul style="list-style-type: none"> Meal planning and processing of beneficiary vouchers
Social Partners and Organisations (Red Cross, SASSA, Darul Ihsan, UIP, Al-Imdaad, Salt and Light Foundation, Save the Children Foundation, Shoprite, political parties)	<ul style="list-style-type: none"> Blankets, hot meals, food hampers, toiletries Health and medical assistance by Doctors without Borders

Part of the interventions implemented included temporal shelter in a form of two marquees, one allocated to females and one allocated to males respectively, provision of support by the Disaster Management Co-ordinators to the displaced victims placed at the shelters. Aid in terms of the building materials was also co-ordinated by eThekweni Disaster Management and the National Department of Human Settlements. This has resulted in temporary shelters being removed and the reconstruction phase has been completed.

On the issue of the unavailability of water in informal settlements and particularly during the incident at Siyathuthuka informal settlements as it occurred at night, the Deputy City Manager: Community and Emergency Services indicated that access to water was affected by the planned water shedding implemented to increase the water capacity in the reservoirs. Mention was made that discussions on the matter would need to be made between Water and Sanitation Department as well as the Fire and Emergency Services Unit for a way forward.

The Democratic Alliance expressed a view that the servicing of fire hydrants function was moved from the Fire and Emergency Services Unit to Water and Sanitation. In that regard, it was suggested that the Water and Sanitation Department should be requested to submit a strategy on the servicing of the fire hydrants or that consideration be made to return the function to Fire and Emergency Services Unit.

With the committee being in support,

COMMITTEE RECOMMENDS:

- 3.1.1 That the Close Out Report relative to the fire incident that occurred on 14 July 2024 at Siyathuthuka Informal Settlements in Ward 34 be, noted.
- 3.1.2 That the interventions provided by various government departments and stakeholders in response to the incident be, noted.
- 3.1.3 That it be noted that there was no declaration or classification in terms of Section 36 of the Disaster Management Act (Act 57 of 2002).
- 3.1.4 That the cost implications incurred in response to the Siyathuthuka Informal Settlements fire incident, be noted as depicted below:

No.	Unit	Description	Costs
1.	Disaster Management & Emergency Control	Food Hampers and marquees	R496 500.00
2	Human Settlements	Provision of building material kits	R3 004 046.10
	TOTAL		R3 500 546.10

The DA expressed appreciation to the Fire and Emergency Services Unit for the concerted efforts in responding to emergencies.

NOTED.

- 3.2 Request for Authority for the City Manager to Enter Into Memorandum of Agreement Between the Durban Metropolitan Police Services and Toyota South Africa for the Provision of Traffic Management Services Within the Prospecton Precinct (28/2/R):
(Page 57: Security and Emergency Services Committee - Agenda 2024-08-23)

Authority is being sought for the City Manager to enter into a Memorandum of Agreement between the Durban Metropolitan Services and Toyota South Africa. This Memorandum of Agreement is for the provision of traffic management services within the Toyota SA precinct located in Prospecton.

Durban Metro Police Services is currently providing traffic management services to Toyota SA at their plant in Prospecton. This is a dedicated service explicitly provided for Toyota SA in response to their request to have a dedicated team from Durban Metro Police from Monday to Friday at specific times identified by themselves for the purpose of traffic management and enforcement in terms of the National Road Traffic Act, enforcement of eThekweni Municipality law enforcement by-laws and related functions.

The purpose of the Memorandum of Agreement aims to:

- (a) To foster mutual understanding, agreement, and alignment of responsibilities between Toyota SA and Durban Metropolitan Police Services within which the services are provided.
- (b) To provide the framework within the services will be provided.
- (c) To further establish a framework for future co-operation between Toyota SA and Durban Metropolitan Police Services

Following consideration,

COMMITTEE RECOMMENDS:

That the City Manager be authorized to enter into, and sign, on behalf of eThekweni Municipality, a Memorandum of Agreement (MoA) between Durban Metropolitan Police Services and Toyota South Africa to ensure mutual understanding and alignment of obligations and responsibilities for both stakeholders in respect of traffic management and enforcement in terms of the National Road Traffic Act, enforcement of eThekweni Municipality law enforcement by-laws and related functions.

In support of the item, the DA advised that this Memorandum of Agreement has served the Prospecton area very well and indication was made that there were other areas within eThekweni that required Metro Police function in a similar format.

The Public Private Partnership of this nature was supported by the NFP and the business community in other areas was encouraged to partner with eThekweni Municipality on the provision of a similar function.

ADOPTED.

4. REPORT OF THE GOVERNANCE AND HUMAN RESOURCE COMMITTEE:
MEETING HELD 2024-08-23

(Page R31)

4.1 Request for Budget Reprioritisation for Human Capital Unit for 2024/25 Financial Year (7/1/2/2):

(Page 9: Governance and Human Resource Committee - Agenda 2024-08-23)

Authority is sought to reprioritize the Human Capital Unit Capital Budget to fund the balance of Project No.: CSA3119 at Archie Gumede Place for the balance of work in the 2024/2025 financial year whilst maintaining the current approved budget quantum. The report outlines the proposed changes to current budget allocation in response to the recent changes in the Unit's strategic priorities.

The reprioritisation emanates from the limited of funding against the contractual and legal commitments eThekweni municipality has entered with appointed Service Provider. In 2023/2024 financial year prior to the commencement of the 2024/2025 financial year, carry over became necessary due to procurement related delays, long Supply Chain Management procurement processes and bottlenecks.

With Members of the Democratic Alliance abstaining at Support Committee and Executive Committee respectively, it was by majority

COMMITTEE RECOMMENDS:

- 4.1.1 That the budget reprioritization to fund the balance of Project CSA3119 at 21 Archie Gumede Place Human Capital Centre for Excellence structural repairs for 2024/2025 financial year, be approved.
- 4.1.2 That it be noted that the reprioritization budget submission does not result in a request for any additional funding and will be incorporated in the Councils next 2024/2025 Financial Year Adjustment budget.

Financial Implications:

1. The Human Capital Unit has advanced stages of procurement planning and the contractual commitments to date, there is opportunity to reprioritise or reallocate budget from the 2024/2025 financial year projects to meet the 2023/2024 financial year contractual commitments.
2. The reprioritised budget will result in more improved expenditure which in turn will reflect positively in terms of the IDP and SDBIP expectations and will not jeopardise future allocations to the Municipality.

Estimated Costs to Council		
Item	Excl. VAT	Incl. VAT
Quotes	R3 739 102.53	R4 299 967.90
	R373 910.25	R411 301.28
Contract authority (Sub-total 1)	R4 113 012.78	R4 711 269.18

Departmental Cost	R-	R-
Service Relocations	R-	R-
Design and Supervision	R-	R-
Consultant fees	R-	R-
Related Costs (Sub-total 2)	R-	R-
Total projects costs (sub total1+2)	R4 311 012.78	R4 711 269.18

Budget Provision and Service Number:

MSCOA and budget provision							
Financial year	BU	Item	Funding	Costing	Project	Region	To be provided (excl. VAT)
2023/24	33163	45506.22	30015	0000	10060AD	0010	R2 340 000
2024/25	33163	45506.22	30015	0000	10060AD	0010	R1 773 012.78

Based on this recommendation, the revised cost to Council is R2 000 000.00 excluding VAT and sufficient funding to meet the current financial year contractual obligation will be provided on Vote:

Business Unit	Item.sub	Funding	Costing	Project	Region
33111	45506	30015	0000	10091	10

The authority to re-prioritise capital budget sought in terms of the report is not considered to be an amendment of the contract in terms of Section 116 (3) of the MFMA, nor at this stage is not considered a breach of the SCM Policy in terms of DCM: Treasury Circular 2013/14.

ADOPTED.

4.2 Request for Authority to Participate in and Support the Inter-Varsity BRICS+Future Skills Challenge:

(Page 13 : Governance and Human Resource Committee - Agenda 2024-08-23)

Authority is sought for approval for the eThekweni Municipality to participate in and support the Inter-varsity BRICS+Future Skills Challenges, planned to take place in November 2024. The Inter-varsity BRICS+ Skills Change provide a platform for students from BRICS Countries (Brazil, Russia, India, China South Africa and Egypt, Ethiopia, Iran, Saud Arabia and United Arab Emirates) to tackle real-world problems through interdisciplinary approaches. This program encourages students to apply their knowledge in practical scenarios, fostering innovation and cooperation in skills research and development, standards formulation, and international skills training.

The students from diverse academic backgrounds including Science, Technology, Engineering, and Mathematics will collaborate to solve challenges related to sustainable development, technology innovation, healthcare accessibility, urban planning, and entrepreneurial initiatives, aligning with the development priorities and sustainable goals of the participating countries. This program will also include workshops, seminars, and mentorship sessions to enhance students' problem-solving abilities, project management skills, and teamwork dynamics.

COMMITTEE RECOMMENDS:

- 4.2.1 That authority be granted to eThekweni Municipality through the Office of the Strategy and eThekweni Municipal Academy to participate in the Inter-Varsity BRICS +Future skills challenge to be held in Durban in November 2024.
- 4.2.2 That subject to the adoption of .1 above the estimated budget contribution of R5,4 million be approved to secure the venue for the actual competition and meals during the competition fund to be sourced from savings and fundraising.
- 4.2.3 That subject to the approval of .1 and .2 above the authority be granted to the Chief Learning Officer of eThekweni Municipal Academy and the Acting Chief Strategy Officer to source funding to cater for any short falls.
- 4.2.4 That authority be granted to the Chief Learning Officer to enter into a Memorandum of Understanding (MOU) or agreement with willing parties.

ADOPTED.

4.3

Naming of Street in Ward 103 Covering Dunrobin Estate (25/4/15/1):
(Page 32 : Governance and Human Resource Committee - Agenda 2024-08-23)

During the discussion of the matter, the Committee was advised that the street in question was within a private estate and therefore public consultation was not essential. With the Committee having been advised that the relevant Ward Councillor was consulted,

COMMITTEE RECOMMENDS:

That authority be granted for the naming of Street, Ward 103 covering Dunrobin Estate, given all requirements for naming of the Streets have been satisfied and that it is in the interest of eThekweni Municipality and the developer to name the Street to Dunrobin Close.

As some Councillors were not in support of the recommendations, the matter was put to a vote. With 170 Councillors present, 155 Councillors (ANC-80, DA-46, IFP-14, Action SA-04, ABC-02, ACC-01, ATM-01, JEP-01, KZNI-01, MF-01, MOSA-01, NFP-01, UIM-01 and VF PLUS-01) voted in support of the recommendations, 15 Councillors (EFF-14 and APF-01) voted against the recommendations.

Thereafter, the item was by majority vote, ADOPTED.

4.4

Proposal to Form a Tripartite Sister City Relationship Between the eThekweni Municipality with the Free Hanseatic City of Bremen, Germany and the City of Windhoek, Namibia (20/1/6/3):
(Page 38 : Governance and Human Resource Committee - Agenda 2024-08-23)

This report seeks to obtain authority from the eThekweni Municipality for His Worship the Mayor to sign the Letter of Intent that will concretize the relationship between eThekweni Municipality with the current Sister City Free Hanseatic City of Bremen ultimately forming the tripartite partnership with the City of Windhoek.

The proposed relationship will further present the framework, objectives, benefits, and implementation strategies for the proposed tripartite partnership between the Free Hanseatic City of Bremen (Germany), the City of Windhoek (Namibia), and the eThekweni Municipality (South Africa). This groundbreaking partnership between the three cities is aimed at enhancing the current existing relationships between the three cities. This collaboration seeks to enhance cooperation in areas of mutual interest, fostering economic, cultural, and social ties among the three Cities.

PROPOSED AREAS OF COOPERATION FOR THE TRIPARTITE PARTNERSHIP FOR ALL THREE CITIES INCULDE THE FOLLOWING:

- To support the interchange and cooperation of experiences and information on Projects, culture, sport, education, social development, tourism and any other that may arise.
- To plan common programmes on youth and interchange art exhibitions, books, conferences and publications of interesting matters for each City.
- Collaboration on matters of politics, management, economy and administration whilst interchanging experiences on both Cities.

- Exchange of official delegations, social foundations, universities and schools in building union ties and friendship.
- To support the engagements arising from water reticulation and any other water related matters that may arise; and
- Collaboration matters on science, technology, investments, trade, public health and innovation.

BENEFITS OF THE TRIPARTITE PARTNERSHIPS TO THE CITY AND OTHER PARTNER CITIES

The Tripartite Partnership between the three cities namely eThekweni Municipality, City of Windhoek and the Free Hanseatic City of Bremen will be a groundbreaking collaborative approach involving three partners that aims at developing innovative management models.

Engaging in sister city partnership will derive the following benefits to the eThekweni Municipality:

- Facilitate information, knowledge sharing, good practice, and innovation in all aspects of service delivery and governance.
- Improve skills and building managerial and technical capacity to improve productivity and promote the city as an attractive location for investment and tourism.
- Develop project partnerships for mutual benefit,
- Address regional and global challenges that have local impact by engaging in programmes that are based on shared concern.
- Contribute to a global understanding, and body of knowledge, that leads to internationally accepted norms and practices.
- Ensure engagements are structured for mutual benefit to participating municipalities and organizations.
- Develop programmes that build and expand the culture of learning.
- Promote programmes that build and expand the Municipality's key themes including a sustainable and resilient city, transformed city, smart city and learning city.
- Promote the Municipality as a model of excellence and innovation in government.
- Gain policy and strategy insights from global players.
- Support the shaping and development of the economic and social policy agendas in Africa and abroad, particularly regarding matters of redress, transformation, delivery, and tolerance; and
- Support the country, province and city initiatives that will take the country out of its current junk status.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 4.4.1 That authority be granted to the International Relations Department of eThekweni Municipality to facilitate the intention to sign the tripartite partnership with both cities (Free Hanseatic City of Bremen-Germany and the City of Windhoek-Namibia), that will visit eThekweni Municipality in September 2024.
- 4.4.2 That authority be granted to the International Relations Department of eThekweni Municipality host both the Mayors and the accompanying delegation of the visiting cities to sign the letter of intent in eThekweni Municipality.

- 4.4.3 That the International Relations Department facilitates the logistical support associated with the signing ceremony.
- 4.4.4 The International Relations Department organizes the signing ceremony in consultation with the relevant stakeholders.
- 4.4.5 That the Mayor be granted authority to sign the letter of intent between eThekweni Municipality, Free Hanseatic City of Bremen and City of Windhoek in the presence of eThekweni Municipality's Executive Committee on the identified and communicated dates in Durban.
- 4.4.6 That the eThekweni Municipality includes the visiting Mayors on the programme that will be active during that time.

ADOPTED.

- 4.5 Approval for the Implementation of District HIV/AIDS Programmes (30/1/10/4):
(Page 118 : Governance and Human Resource Committee - Agenda 2024-08-23)

With the Democratic Alliance, Inkatha Freedom Party and APF abstaining, it was by majority

COMMITTEE RECOMMENDS:

- 4.5.1 That authority be granted to the Head : Mayoral Parlour to incur the expenditure in the amount of R1 139 696.96 (One Million One Hundred and Thirty Nine Thousand Six Hundred and Ninety Six Rand Ninety Eight Cent) for the implementation of HIV/AIDS response programme for effective functionality of eThekweni District AIDS Council to take place from 01 July 2024 – 30 June 2025.
- 4.5.2 That the approval be granted to process budget transfer within their specific votes within the HIV/AIDS programme as per the virement template amounting to R300 000.00 (Three Hundred Thousand Rand).

Financial Implications:

No.	PROJECT NAME	ESTIMATED COSTS
1.	Adolescent Girls and Young Women Empowerment programme	Hygiene packs: R42 980 Catering: R49, 790 Hire of Equipment: R30 000 Hire of venue: R10 000 Hire of transport: R7 000
2.	Maternal and Women's health	Catering: R20 000 Hire of Equipment: R25 000 Hire of venue: R15 000
3.	Men's health service campaign	IEC Material: R20 000 Venue Hire: R20 000 Catering: R40 000
4.	Key and vulnerable populations programme	Catering: R30 000 Venue Hire: R30 000
5.	Civil Society Workshop	Catering: R40 000 Programme Directors: R30 000 Hire of equipment: R40 000 Hire of venue: R20 000

No.	PROJECT NAME	ESTIMATED COSTS
6.	World AIDS Day	Catering: R50 000 Hire of equipment: R36 443 Artists: R40 000 Promotional Packs: R100 000 Hire of Transport: R7 0000
7.	District AIDS Council Mayoral Roadshows	Catering: R55 435 Programme Directors: R40 000 Hire of venue: R15 000 Hire of equipment: R53 850 Hire of transport: R9198.98
8.	Ward AIDS Committees sensitization workshops	Catering: R30 000 Hire of venue: R10 000
9.	HIV youth Prevention Strategy	Catering: R40 000 Programme Directors: R40 000 Hire of venue: R30 000 Hire of equipment: R70 000 Promotional packs: R50 000
10.	Fast track Cities	Own funding
11.	U=U Campaign	Own funding
	TOTAL	R1 139 696.98

Vote Number							
	BU	ITEM	Funding	Costing	Project	Region	
Hire charges	32601	18950.10	12120	0000	32100-2	0010	R255 293.00
Venue hire	32601	22710.30	12120				R150 000
Catering	32601	11400	12120				R355 225
Artist	32601	11330	12120				150 000
Gift packs	32601	16325	12120				212 980
Transport hire	32601	21805	12120				16 198.98
	Total budget for the year						R1 733 170.0
	Anticipated expenditure for the year						R1 139 696.98

FC No.: 2025/08/04

There are individual votes within the HIV & AIDS programme that had budget shortages. Savings have been identified within the HIV & AIDS project programme segment as per the virement template below:-

No		FUNDS REQUESTED						FUNDED FROM					
							Amount	Description					
1	Artists	32601.11 330	12120	0000	32100-2	0010	150 000	Hire Charges	32601.189 5010	12120	0000	0010	300 000
2	Hire of venue	32601.12 2710.30	12120	0000	32100-2	0010	150 000						
							300 000						300 000

ADOPTED.

4.6 Approval for the Implementation of Youth Development Office Programmes (19/1/1/3):
(Page 125 : Governance and Human Resource Committee - Agenda 2024-08-23)

In response to the query about the establishment of Youth Councils, the Committee was informed that in terms of the Mayoral Parlour's Business Plan, this key performance area was due to be implemented in quarter 2.

COMMITTEE RECOMMENDS:

4.6.1 That authority be granted to the Head : Mayoral Parlour to incur the expenditure in the amount of R7 576 819.05 (Seven Million Five Hundred and Seventy Six Thousand Eight Hundred and Nineteen Rand Five Cent) for the implementation of Youth Programme of eThekweni Municipality as contained in the report by the Head: Mayoral Parlour dated 2024-07-09.

4.6.2 That authority be granted to the Head : Mayoral Parlour to process budget transfer within specific votes within the youth programme as per the virement table amounting to R1 016 607.00 (One Million and Sixteen Thousand Six Hundred and Seven Rand).

Financial Implications:

Vote Number							
	BU	Item	Funding	Costing	Project	Region	
Hire charges	32601	18950.10	12120	0000	39720-3	0010	R255 293.00
Venue hire	32601	22710.30	12120				R150 000
Catering	32601	11400	12120				R355 225
Artist	32601	11330	12120				150 000
Gift packs	32601	16325	12120				212 980
Transport hire	32601	21805	12120				16 198.98
Artist	32601	11330	12120	0000		0010	760 000.00
Medical service	32601	10730	12120				50 000
Poverty relief	32601	24410.19	12120				250 000
Bursaries	32601	16310	12120				1 000 000
Total budget for the year							R7 856 792.80
Anticipated expenditure for the year							R7 576 819.05

There are individual votes within the Youth Programme that had budget shortages. Savings have been identified within the Youth Project segment as per the virement template below:-

FUNDS REQUESTED							FUNDED FROM					
						Amount	Description					
Artists	32601.16 310	12120	0000	39720-3	0010	388 000	Sound	12120	0000	39720-3	0010	388 000
ICC Venue Hire	12601.11 330	12120	0000	39720-3	0010	328 607	Poverty Relief	12120	0000	39720-3	0010	328,607
	12601.22 710.30	12120	0000	39720-3	0010	300 000	Occ Health and Safety	12120	0000	39720-3	0010	200 000

FUNDS REQUESTED						FUNDED FROM					
					Amount	Description					
							12120	0000	39720-3	0010	100 000
					1,016,607						1,016,607

FC No.: 2025/08/03

ADOPTED.

4.7

Co-Operative Education Policy Review (6/P):

(Page 135 : Governance and Human Resource Committee - Agenda 2024-08-23)

The Committee received report related to the Co-operative Education Policy which was developed to regulate the implementation and intake of student seeking work experience, practical exposure for qualification completion, and /or professional registration. In addition, this programme was initiated to contribute to the broader goals of human resources management planning and development as well as to the Country's development agenda. The graduates require corporate work skills to aid with job readiness and enable them to enter the labour market.

eThekweni Municipality recognises the importance of developing a framework or policy to address the challenges that graduates confront due to lack of corporate experience and professional registration. Furthermore, the approach of matching job opportunities with career aspirations and eliminate barriers to navigating the transition between education and employment is critical. The Internship Programme is expected to break the cycle of employers denying employment applications due to the applicant's lack of experience and corporate skills.

This policy applies to all Units within eThekweni Municipality that implement the Internship Programme and supervise learners as well as individual who have been accepted into the Internship Programme. This policy also applies to strategic partners, such as tertiary institutions, private businesses, Sector Education and Training Authority (SETAs), and/or sister government department, who collaborate with the eThekweni Municipality to implement and manage internship sub programme. The policy name will change from 'Cooperative Education Policy' to 'Internship Policy' to align with Ministerial determination terminology and definitions.

The eThekweni Municipal Academy is responsible for the development of this policy and ongoing monitoring thereof. Any input and amendments to this policy will be directed to the Chief Learning Officer and shall be reviewed every three (3) years or earlier as determine by the Chief Learning Officer.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 4.7.1 That the changes proposed in the current Cooperative Education Policy to name from the Cooperative Education Policy' to 'Internship Policy' to align with Ministerial determination terminology and definitions, be adopted.
- 4.7.2 That authority be granted to the Chief Learning Officer to implement the reviewed policy within eThekweni Municipality.

- 4.7.3 That it be noted that eThekweni Municipal Academy is responsible for the development of this policy and ongoing monitoring thereof. Any input and amendments to this policy will be directed to the Chief Learning Officer and shall be reviewed every three (3) years or earlier as determine by the Chief Learning Officer.

ADOPTED.

- 4.8 Noting the Reasons to Amend Contract for Lease of Premises Megacity Shopping Centre, 50 Griffith Mxenge Highway, Umlazi for Sizakala Customer Services in Terms of Section 116(3) of the Local Government Municipal Finance Management Act No 56 of 2003 (22/8/2/1):
(Page 159 : Governance and Human Resource Committee - Agenda 2024-08-23)

The Committee received the report to note the amendment required for the for lease of premises Megacity Shopping Centre, 50 Griffith Mxenge Highway, Umlazi for Sizakala Customer Services in terms of Section 116(3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 with the that the current lease is expiring on 30 November 2024 without any right of renewal.

There are no suitable municipal building premises or buildings available in the area to accommodate the Sizakala Customer Services and the shopping centres are known to attracting large number of people; hence this location is ideal as short-term plan to enable the public to gain access to Municipal services.

At the advice from Legal and Compliance, recommendation 4.8.4 and as detailed below, was deleted as the said aspect was not the competency of the Executive Committee but that of the Bid Adjudication Committee:

“4.8.4 That the approval is sought to grant authority to the Head: Real Estate to negotiate rent final terms and conditions of the extended lease agreement considering the market rates, report same to the Bid Adjudication Committee and sign all necessary documents to conclude this process.”

With the Committee noting compliance requirement associated with this matter,

COMMITTEE RECOMMENDS:

- 4.8.1 That the Committee notes reasons to amend contract for the Sizakala Customer Service Unit to renew the lease of Megacity Customer Service in terms of Section 116(3) (a) of the Municipal Finance Management Act No 56 of 2003 for the extension of the current lease agreement for a further period of three (3) years, commencing from 01 December 2024 to 30 November 2027.
- 4.8.2 That the public notice in terms of section 116(3)(b) of the Municipal finance Management Act requesting public comments regarding the proposed amendments was advertised in the print media for the prescribed time as part of achieving compliance requirements pertaining to the public participation process.
- 4.8.3 That it is recorded that there were no objections to the proposed extension of the lease.

Financial Implications:

In terms of the existing lease agreement, the current rental is R106 189.47 (One Hundred and Six Thousand One Hundred and Eighty Nine Rand Forty Seven Cents) (excluding VAT, Rates and Taxes, Municipal Fees, Operating Costs and Utilities) per month. The new rates will be negotiated by the Real Estate Unit once approval is obtained.

The period of the lease is as follows:

PERIODS	RENTAL	PARKING FEES
01 December 2024 to 30 November 2025	R1 469 160.00	R20 388.38
01 December 2025 to 30 November 2026	R1 557 309.60	R21 611.68
01 December 2026 to 30 November 2027	R1 650 748.10	R22 908.38
This is the gross rental excluding VAT, Rates, and Taxes, Municipal Charges, Operating Cost.		

Vote Number:

32535	15200	12120	0000	MRC01	R005
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FC No.: 2025/29/02

The proposal from the IFP to amend the report by including the name “Mangosuthu Highway” on the subject of the report was not supported based on the view provided by the Head: Legal and Compliance that Council was only expected to note the reasons for amending the contract.

NOTED.

4.9

Access Control, Time and Attendance and Biometrics Policy:

(Circulated separately: Governance and Human Resource Committee - Agenda 2024-08-23)

The Committee received the report requesting the approval of Access Control, Time and Attendance and Biometrics Policy by Council. It was advised that an investigation was conducted by Management wherein it was revealed that Line Managers welcomed the access control of Municipal buildings for safety and security reasons. This will effectively control employee's entry into Municipal buildings and mitigate huge financial losses for the City with the potential to compromising service delivery, hence the need for Council wide policy on access control for security reasons.

The Biometric time and attendance system has more advantaged in contrast to the manual attendance register as it assists with the positive identification of individuals and act without any discrimination. The data collected by the system is the official institutional record of time and attendance information. The respective Clusters shall not utilise any alternate system to track time and attendance which shall be phased in only once all the biometric readers have been successfully installed and piloted in all municipal owned/leased buildings and workstations for a minimum of 12 months.

In responding to the query raised regarding the involvement of Labour Component regarding the policy, it was advised that consultation was to be undertaken, however; the onus was upon Council to approve and put in place security measures in place. With the Committee being in support,

COMMITTEE RECOMMENDS:

That the changes proposed in the current Access Control, Time and Attendance and Biometrics Policy, be adopted.

ADOPTED.

4.10 Employee Recognition and Rewards Policy Review:
(Circulated separately: Governance and Human Resource Committee - Agenda 2024-08-23)

The Committee received the report requesting the approval of Employee Recognition and Rewards Policy with a view to recognise excellence in performance and achievements by employees using the rewards that are creative, meaningful and flexible. When administered and communicated effectively, recognition and rewards are an important part of a total package for the employees of the Municipality. The types of recognition and rewards that employees enjoy are a major contributing factor to their level of satisfaction. Properly rewarded and recognised employees are more satisfied with their professional and personal lives.

This programme is designed to recognise individual employees and/or teams for extra effort, creativity or special achievements that exceed expectations or objectives and have a positive impact on the organisation. It is also aimed at recognising and rewarding employees whose actions demonstrate organisational values.

On this basis,

COMMITTEE RECOMMENDS:

That the reviewed Employee Recognition and Rewards Policy, be adopted.

ADOPTED.

4.11 International and Intergovernmental Relations Policy (12/8/P):
(Circulated separately: Governance and Human Resource Committee - Agenda 2024-08-23)

The Members were advised that matter in question had been a subject of a finding by the Auditor General and therefore it was imperative for the Municipality to formulate the Policy on International and Intergovernmental relations. It was advised that the policy was providing guidance on how intergovernmental relations were to be conducted by the Municipality.

It was advised that this policy will guide and direct the way the Municipality engage with international, national, provincial and local role players to ensure mutual benefit, which for the Municipality means that the objectives of its integrated development plan and longer-term goals are supported. In addition, the policy serves to ensure that any initiative embarked upon by the Council are in line with the National Development Plan, the Provincial Growth and Development Plan, the Municipal Integrated Development Plan.

It also serves to ensure effective and strategic positioning of eThekweni Municipality in the international Relations environment; therefore, it is imperative that the Municipality adopts a structured approach by developing a policy to be adopted by Council which would act as the catalyst that will assist the municipality to:

- Speed up development in line with other international city plans.
- Develop strategies to be explored in order to overcome ever increase challenges facing our government by continuously embarking on initiatives and seeking alternative capacity and resources e.g., revenue, co-operative partnership, knowledge etc., in order to accomplish its goals and objectives.

It was noted that there no financial implications in the development of the policy as internal resources were utilised. The other financial implication involved in the implementation of the policy provisions will be catered for under the respective Units operating budgets and various budget provisions for the international and intergovernmental relations programmes and arrangement.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 4.11.1 That authority be granted to the Head : Intergovernmental Relations to implement the International and Intergovernmental Relations Policy as contained in the report dated 2023-04-06, aimed:
- 4.11.1.1 To guide and direct he way the Municipality to engage with international, national, provincial, and local role players to ensure mutual benefit, which for the Municipality means that the objectives of its integrated development plan and longer-term goals are supported.
- 4.11.1.2 To ensure that any initiative embarked upon by the Council are in line with the National Development Plan, the Provincial Growth and Development Plan, the Municipal Integrated Development Plan.
- 4.11.1.3 It also serves to ensure effective and strategic positioning of eThekweni Municipality in the international Relations environment; therefore, it is imperative that the Municipality adopts a structured approach by developing a policy to be adopted by Council which would act as the catalyst that will assist the municipality to:
- (a) Speed up development in line with other international city plans.
 - (b) Develop strategies to be explored in order to overcome ever increase challenges facing our government by continuously embarking on initiatives and seeking alternative capacity and resources e.g., revenue, co-operative partnership, knowledge etc., in order to accomplish its goals and objectives
- 4.11.2 It be noted that there are no financial implications in the development of the policy as internal resources were utilised. The other financial implication involved in the implementation of the policy provisions will be catered for under the respective Units operating budgets and various budget provisions for the international and intergovernmental relations programmes and arrangement.

ADOPTED.

- 4.12 Durban City Hall Restoration Masterplan: Capital Projects Status Report and Request for Additional Funding (8/1/6/1):
(Circulated separately: Governance and Human Resource Committee - Agenda 2024-08-23)

Authority is sought for the approval of additional funding in the amount of R65 780 000.00 to cater for the planned approach of the City Hall restoration masterplan as well as to provide an update on renovations currently underway and highlight additional budget requirements within the overall masterplan. The City Hall has undergone numerous *ad hoc* upgrades and renovations over its 113-year lifespan to maintain its status and to ensure the facility remains a relevant, modern functional and secure space aligned to users' expectations. With the building falling short in some

areas, there was an urgent need for development of a masterplan to guide a more integrated and planned response to maintenance work and the much-needed upgrades. With the structure having been listed with KwaZulu Natal AMAFA Institute as a heritage building and provincial monument, approval from the Institute was therefore required.

The intervention required includes a range of work packages identified and grouped according to the construction trades and prioritised as immediate, short- and medium-term timeframes linked to the current condition and maintenance cycles. The need to retain operations at City Hall during renovations, municipal budget cycles and constraints were considered.

The Executive Committee requested that they be provided with the progress report on the ongoing renovations undertaken at the City Hall. This was said against the backdrop of expenditure that continued to be incurred. It was further recommended that an inspection of the City Hall precinct be undertaken by the Executive Committee at its next meeting.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 4.12.1 That the supplementary budget requirements for additional renovations integral to the City Hall Storm damage repair projects, be approved.
- 4.12.2 That subject to approval of .1 above, an additional amount of R65 780 000.00 (Sixty Five Million Seven Hundred and Eighty Thousand Rand) be provided to enable implementation of identified works under the City Hall storm damage repairs project during the 2024/2025 financial year.
- 4.12.3 That the Executive Committee, at its next meeting, conducts an inspection of the City Hall in view of renovations currently undertaken and the progress report on the renovations be provided at this session.

Financial implications

The budget allocated under the Unit's 2024/2025 capital budget is inadequate to address additional renovations that were unearthed after commencement of the project and investigative inspections concluded.

Contract No	Project	Project value	2024/25	2025/26	2026/27
CSA3237	Aircon HV AC/ Aircon upgrade Phase 2	R23 000 000	R16 467 000.00	R1 200 000.00	-
CSA3119	Domestic pipes and fire hydrant upgrade	R3 676 433	R2 415 000.00	-	-
CSA3298	Substation upgrade	R21 000 000	R18 459 000.00	R250 000.00	-
CSA3119	City Hall storm damage repairs- Phase 1 Auditorium	R17 138 015.07 (Excl. VAT)	R8 274 000.00	R6 000 000.00	R3 000 000.00
CSA3119	City Hall Renovations	R10 000 000	R10 000 000.00	-	
	Printing hoist Upgrade (Lift)		R2 000 000.00	-	-

(The City Hall Masterplan sub-projects Capital budgets: Mid-Long-term renovations)

The City Hall Masterplan sub-projects and capital renovations needed which fall under the proposed mid to long term renovations will be further reviewed. Detailed capital budget cost estimates and the operating maintenance budget to support the City Hall life cycle capex spend will be finalised and submitted for further consideration and approval.

The DA expressed with concern that the renovations at the City Hall have taken longer than necessary. This resulting to the Main Auditorium being unavailable for use for various functions including Council meetings and the incurring of expenditure to utilize other suitable venues. The IFP also expressed that revenue was being lost as the City Hall was not available for bookings by other stakeholders. The proposal to conduct an inspection was supported by all political parties.

ADOPTED.

5. REPORT OF THE ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE: MEETING HELD 2024-08-22

(Page R44)

5.1 Request to Authorize the Destination Promotion Leveraging Partnership and Sponsorship with Lamontville Golden Arrows for Financial Year 2024/2025, 2025/2026 and 2026/2027 (20/1/4/3):

(Page 4 : Economic Development and Planning Committee - Agenda 2024-08-22)

Authority is sought for approval for Durban Tourism to continue destination promotion leveraging partnership with local Premier Soccer league team Golden Arrows Football Club for the 2024/2025, 2025/2026 and 2026/2027 financial years. Additionally, authority is sought for approval for the destination brand leverage partnership and sponsorship with Golden Arrows FC. Lastly, authority is sought for the Head (Business Support, Tourism and Markets) to negotiate appropriate partnership mileage, commensurate with the investments of Golden Arrows FC and for partnership subject to team participation in National competitions such as Premier Soccer League division.

This partnership presents the eThekweni Municipality, in particular, Durban Tourism, with abundant marketing opportunities through which potential tourists can be engaged as they have the most recognised football teams in the country. Soccer is a sport that is most watched locally and in our key source markets. Match leveraging, especially those played in domestic markets, will create an opportunity to conduct in-market activation programs through which Durban can be profiled as a tourist destination.

Potential visitors can be engaged with the “Durban Experience”, in partnership with Durban’s most recognised brand ambassadors (Golden Arrows FC), it being noted that football has the highest number of supporters with the majority in the 6-8 LSM category. The gross multimedia exposure value per team is in the region of R49,2 Million per season.

The City of Durban would yield the following benefits of brand exposure through this partnership with Golden Arrows FC will grant the City the following rights for the next 3 years:

- Official Designation/Host City Rights.

- City Branding/logo on the front position of the playing kit for all the local teams.
- City branding logo inclusion in the players training and casual apparel.
- 2 x Perimeter advertising boards at all home matches for the local teams
- Durban Tourism opportunity to partner with local soccer teams during their away matches for activation purposes to drive destination promotion.
- Durban Tourism opportunity to conduct off field promotions on match days, including spectator concourse areas. Opportunity to place one canvas banner at the stadium.
- Opportunity to run Durban related banner adverts and promotions in national programs like PSL Sekunjalo each program will allocate 3 minutes to Durban Tourism
- Each team to facilitate at least three Football matches in partnership with Durban Tourism in effort to promote township tourism.
- Website link from goldenarrows.co.za to visitdurban.travel
- Golden Arrows FC to avail 10 Presidential suite and 100 stand tickets for their PSL home games per team and assist Durban Tourism in facilitating key Cup Games hospitality tickets that are managed by sponsors.
- Opportunity to engage with these local team's followers in their platforms to promote the destination such as, social media membership will be available to Durban Tourism, Supporters website. Teams Photographs- use of team and player photographs

At the Support Committee level, the Democratic Alliance (07) abstained on this matter, and with the ANC (14), EFF (02), IFP (03), ActionSA (01) and AL-JAMAAH (01) voted in support of the matter. The recommendations were thereafter approved by the majority vote.

In response to the query raised on the support for other soccer within the Municipality, the Deputy City Manager advised that there were existing partnerships with other sporting teams such as the Sharks Rugby Team, Dolphin Cricket Team and AmaZulu Football Club. On the quantification of the return on investment on the support and partnership with these sport teams, indication was given that a report will be submitted at the next meeting.

With the DA abstaining and by majority,

COMMITTEE RECOMMENDS:

- 5.1.1 That Durban Tourism continue destination promotion leveraging partnership with Lamontville Golden Arrows Football Club for financial year 2024/2025, 2025/2026 and 2026/2027, be approved.
- 5.1.2 That the partnership funding for Golden Arrows Football Club team for three years (2024/2025, 2025/2026 and 2026/2027), be approved.
- 5.1.3 That subject to the approval of .1 above, the City Manager through the Head: Business Support Tourism & Markets Unit be authorised to negotiate benefits and rights to leverage the destination and profile Durban through this partnership.
- 5.1.4 That subject to the approval of .1 above, the City Manager be authorised to conclude contracts with the Golden Arrows Football Club against the partnership investment, which Memorandum of Agreement will be subject to the review of the annual financial

statements for the period 01 January 2023 - 31 December 2023 and issuing of a Section 67 compliance certificate by City Treasury.

Financial implications:

The total financial implication over 3 financial years will be R3 800 000.00 (Three Million Eight Hundred Thousand Rand) excluding VAT per year with a total financial implication of R11 400 000.00 (Eleven Million Four Hundred Thousand Rand) excluding VAT which will be paid over three years as per below table.

TEAM & Vote Number	1 st YEAR (2024/2025)	2 nd YEAR (2025/2026)	3 rd YEAR (2026/2027)
Golden Arrows FC Vote No.: 26723 16315 12120 0000 85520 0010	R3,8 Million – 2024/25	R3,8 Million – 2025/26	R3,8 Million – 2026/27

FC No.: 2025/13/04

With the DA abstaining, the item was, by majority, ADOPTED.

5.2

Permission to Advertise the Spatial Planning and Land Use Management Act, 2016: Application for the Back of Port: Clairwood:

Category A Application in Terms of Chapter 8 of eThekweni Municipality Planning and Land Use Management By-Law 2016 (Municipal Notice 114 of 2017) and Second Amendment By-Law (Notice 95 of 2021) for a Scheme Amendment to Introduce a New Zone and Associated Controls into the eThekweni Municipality's Central Sub-Scheme to Be Known as "Special Zone: Clairwood Logistics Park" and the Adoption of a Masterplan for Clairwood (21/5/1):

(Page 15 : Economic Development and Planning Committee - Agenda 2024-08-22)

At its meeting held on 2014-12-04 the Council approved the Draft Back of Port (BOP) Local Area Plan for Clairwood to become the Logistics Port for the City.

Three years ago, a consortium of specialists was appointed to undertake the work. The consortium was contracted to prepare all the specialist work for the Municipality so that it could take a competent planning application in terms of the Spatial Planning and Land Use Management Act, 2016, before the decision maker.

While the specialist work is ready, due statutory process in terms of the Planning Bylaw must be followed, therefore, authority is sought for approval to advertise the below application for public participation for a period of sixty (60) days.

"Category A application in terms of Chapter 8 of the eThekweni Planning and Land Use Management Second Amendment By-Law (Notice 95 of 2021) for a Scheme Amendment to introduce a new zone and associated controls into the eThekweni Municipality's Central Sub-Scheme to be known as "Special Zone: Clairwood: Logistics Park" and the adoption of a Masterplan for Clairwood".

In accordance with Chapter 9, Section 33(3) of the Planning and Land Use Management Second Amendment By-Law 2021, makes provision for a 30-day time period for the lodging of objections, however, this application, due to its history, and public interest, it is recommended that the public be given an opportunity to peruse the application in detail. As part of the public participation, it is also intended to hold key focus meetings with the intention of providing as much detail as possible.

Once public participation is completed, all comments/objectives will be evaluated and, if necessary, changes will be made. Thereafter, a report detailing the outcomes, together with a recommendation will be brought back to the Economic Development and Planning Committee for a decision.

Having noted that there are no financial implications at this stage of the project. The adverts will be placed in the eThekweni Metro eZasegagasini newspaper.

Having noted the foregoing,

COMMITTEE RECOMMENDS:

- 5.2.1 That the Development Facilitation Department proceed to advertise the SPLUMA Application for The Back of Port: Clairwood, be approved:
- 5.2.1.1 Category A Application in Terms of Chapter 8 of eThekweni Municipality Planning and Land Use Management By-Law 2016 (Municipal Notice 114 of 2017) and Second Amendment By-Law (Notice 95 of 2021) for a Scheme Amendment to Introduce a New Zone and Associated Controls into the eThekweni Municipality's Central Sub-Scheme to be Known as "Special Zone: Clairwood Logistics Park" and the Adoption of a Masterplan for Clairwood in terms of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021.
- 5.2.2 That on conclusion of the public participation process, any comments submitted be considered; and the report returned to Economic Development and Planning Committee for consideration.

ADOPTED.

- 5.3 Inkosi Albert Luthuli ICC (Trading as the Durban ICC): Authority to Call for Nominations to Fill Non-Executive Director Vacancies (4/3/2):
(Page 20 : Economic Development and Planning Committee - Agenda 2024-08-22)

Authority is sought to call for nominations for two (2) Non-Executive Directors to serve on the board of the Durban International Convention Centre (ICC). Additionally, authority is sought for the City Manager to call for nominations in accordance with the eThekweni Municipality Policy and Process for the Appointment of Directors of the Boards of Municipal Entities.

It was advised that the Durban ICC is a municipal entity of the eThekweni Municipality and needs to have a complement of 9 Non-Executive Directors within every term to be fully functional. The selection and appointment of Non-Executive Directors is undertaken in accordance with the eThekweni Municipality Policy and Process for the Appointment of Directors of the Boards of Municipal Entities. It is expected that Non-Executive Directors are appointed timeously to ensure that the board remains functional.

It was noted that there are 2 Non-Executive Director's whose term will end on 2025-04-30. These Non-Executive Directors have completed 2 terms are not eligible for an extension.

Having noted the foregoing,

COMMITTEE RECOMMENDS:

- 5.3.1 That the call for nominations for 2 Non-Executive Directors to serve on the board of the Durban International Convention Centre (ICC), be approved.

- 5.3.2 That subject to the adoption of .1 above, the City Manager be authorised to call for nominations in accordance with the eThekweni Municipality Policy and Process for the Appointment of Directors of the Boards of Municipal Entities.

ADOPTED.

- 5.4 Furniture Development Programme: KwaMashu Furniture Incubator (20/1/6/3) & 7/4/1):
(Page 22 : Economic Development and Planning Committee - Agenda 2024-08-22)

The Economic Development Programmes & Planning Unit (EDP&PU) is the responsible line function that is mandated to develop and implement the municipality's sector development Programmes through the EDP&PU's Industry Development Department (IDD). IDD seeks to create an enabling environment for industry to improve employment creation within the eThekweni Municipal area; achieved by implementing interventions that have economic growth potential and potential for new labour absorption.

One of the interventions is the Furniture Industrial Development Programme which includes the KwaMashu Furniture Sub-Programme which is managed by Furniture Technology Centre Trust (Furntech) the operational entity (a non-profit trust) managing the KwaMashu Furniture Incubator. Furntech is a manufacturing business incubator that is focused in the Wood Products Manufacturing Sector and the scope of their core delivery objective is business incubation, and accredited occupational skills development programmes for the furniture and wood products sector.

Therefore, authority is sought for approval:

1. To continue to partner and fund the KwaMashu Furniture Incubator (KFI), an initiative of eThekweni Municipality in collaboration with Furniture Technology Centre Trust (Furntech) the operational entity (a non-profit trust) managing the KwaMashu Furniture Incubator.
2. To enter into a new MOA with Furntech to manage and operate KFI for the next three (3) year cycle starting 1 July 2024 to 30 June 2027.
3. For the Head (Real Estate) to enter into a three-year renewable lease agreement with Furntech, of a portion of the remainder of Erf 1134 of KwaMashu E.
4. In terms of Regulations 13(2), 34 (1)(b) read with Regulations 36 and 40 of the Municipal Asset Transfer Regulations, 2008. (MATR) for the Proposed Short-Term Granting of Rights by way of a lease for a period of 3 (three) years over the Property described as Proposed Long-Term Lease 1 and Proposed Short Term Leases 2 and 3 all over the Remainder of ERF 1134 Kwamashu E as depicted on Plan SJ4696/2A in extent of approximately 1,0648ha² ("the Property").
5. To consider Regulation 13 (2) of the MATR for the leasing of the Property for less than their fair market values;
6. For the extended partnership and co-location between SmartXchange and Furntech to run the Skills Programme from the site of the KwaMashu Furniture Incubator.

7. To disburse funding in terms of Section 67 of the Municipal Finance Management Act (MFMA) and the Memorandum of Agreement (MOA).

It was noted that the furniture manufacturing sector is a traditional sector in eThekweni and is regarded as a priority job creating sector for its ability to absorb skills and low barriers to entry. For this reason, the eThekweni Municipality partnered with Furntech to manage and operate the Furniture Incubator in KwaMashu for the development of furniture manufacturing skills and businesses in the township.

The Department partnered with Furntech due to their National footprint and sector specific programmes and institutional maturity. Furntech operates the centre independently without support from eThekweni Municipality for operations. Furntech also, supports the centre through use of its own manufacturing equipment valued over R20 million (Replacement Value). Furntech operates seven (7) incubators independently and in partnership with local government around South Africa.

The facility undertakes skills training in furniture manufacturing and has incubation manufacturing spaces for micro businesses. Apart from the skills training in SETA accredited courses such as Wood Machining, Cabinet Making, Upholstery and Wood Finishing, that Furntech runs, they also provide business incubation and support services. These services are available to internal learners, incubates as well as external businesses, and includes:

- Shared administration services
- Access to machinery
- Business mentorship
- Technical mentorship
- Access to internet
- Meeting rooms
- Marketing and clustering opportunities

Following consideration of the above,

COMMITTEE RECOMMENDS:

- 5.4.1 That the Head: Economic Development Programmes & Planning be authorised to continue participating in the Furniture Industry Development Programme for the development of the sector.
- 5.4.2 That the Furniture Technology Centre Trust (Furntech) be appointed as a preferred partner of eThekweni Municipality to manage and operate the KwaMashu Furniture Incubator.
- 5.4.3 That subject to the approval of .1 and .2 above, the City Manager be authorised to conclude a new Memorandum of Agreement (MOA) with the Furniture Technology Centre Trust (Furntech) to give effect to the above for the next three-year period, starting 01 July 2024 to 30 June 2027, which MOA will be subject to the review of the annual financial statements for the period 01 April 2023 to 31 March 2024 and issuing of a S67 compliance certificate by City Treasury.
- 5.4.4 That subject to the approval of .1, .2 and .3 above, the Head: Economic Development Programmes & Planning Unit be authorised in accordance with the Memorandum of Agreement (MOA), to disburse funding to Furntech amounting to R1 157 625.00 (One Million One Hundred and Fifty Seven Thousand, Six Hundred and Twenty Five Rand)

excluding VAT for 2024/25 financial year, R1 215 506.25 (One Million Two Hundred and Fifteen Thousand Five Hundred and Six Rand Twenty Five Cents) excluding VAT for 2025/2026, and R1 276 281.56 (One Million Two Hundred and Seventy Six Thousand Two Hundred and Eighty One Rand Fifty Six Cents) excluding VAT for 2026/2027 financial year, in terms of Section 67 of the Local Government Municipal Finance Management Act and in accordance with the MOA.

- 5.4.5 That subject to the adoption of .1, .2, .3 and .4 above, the Head: Real Estate be authorised to enter into a three (3) year renewable lease agreement with Furntech, and to sign any documents pertaining to the lease; and lease the land and building at a waived cost for the three (3) year's period (36 months), of a Portion of the Remainder of Erf 1134 of KwaMashu E, which Portion is to be properly defined in the Memorandum of Agreement (MOA);
- 5.4.6 That the extended partnership and co-location between SmartXchange and Furntech to run the Skills Programme from the site of the KwaMashu Furniture Incubator, be approved.
- 5.4.7 That subject to the approval of .6 above, it be noted that the parties (Furntech and SmartXchange) will conclude a sub-lease, and this will be effective for the duration of the main lease with Furntech (2024/07/01-2027/06/30) or until the parties deem the project as concluded.
- 5.4.8 That the right be granted to use, control or manage the capital asset described as Proposed Long Term Lease 1 and Proposed Short Term Leases 2 and 3 all over the Remainder of Erf 1134 KwaMashu E as depicted on Plan SJ4696/2A, in extent of approximately 1,0648ha² in terms of Regulation 34(1)(b) read with Regulations 36 and 40 of the Municipal Asset Transfer Regulations, 2008 Municipal Asset Transfer Regulations be approved in principle.
- 5.4.9 That the property is not required to provide the minimum level of Municipal services for a period of 3 (three) years, being the duration of the proposed lease.
- 5.4.10 That the current market value of the property is currently assessed at a value of R13 700 000,00 (Thirteen Million Seven Hundred Thousand Rand) exclusive of VAT as detailed in Annexure B of the City Manager's Report dated 2024-07-16.
- 5.4.11 That the rental value of R10,00 (Ten Rand) per annum, having considered the fair market value as indicated in Annexure B of the City Manager's report dated 2024-07-16 together with the principles as set out in Regulation 13(2) of the MATR be approved in principle.
- 5.4.12 That .8 above is subject to the condition that the appointment of the lessee shall be by direct negotiation and in full compliance with the prevailing municipal legislative framework including the eThekweni Municipality's Supply Chain Management Policy.
- 5.4.13 That all costs incidental to the transaction shall be at the cost of the lessee to whom the right to use, control or manage the capital asset is to be granted.
- 5.4.14 That all developmental plans must be submitted to the Local Authority for approval prior to any construction on the property.

- 5.4.15 That all conditions by the Municipality's Service Delivery Units form part of the lease agreement.
- 5.4.16 That subject to the approval of .8, .9, .10, .11, .12, .13, .14 and .15 above, and the approval of the Bid Adjudication Committee, the Head: Real Estate be authorised to sign all the documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality, the Municipal Asset Transfer Regulations 2008, the Land Disposal and Granting of Rights Policy of the Municipality and any other applicable legislation and that it shall be further subject to conditions as the Head: Real Estate considers necessary to protect Municipality's interest.
- 5.4.17 That the Head: Economic Development Programmes & Planning be authorised to report progress on this initiative on an annual basis.

Financial Implications:

The Programme's current funding is governed by a Memorandum of Agreement (MOA). Furntech is a legally registered Non-Profit Entity and follows the principles of the New Companies Act (2008 & 2013) as well as the King IV Report on Corporate Governance in South Africa 2016. The Legal & Compliance Services Unit will vet the new 2024-2027 MOA which will govern compliance, monitoring and deliverables between the parties over the next three (3-year term) (2024/2025, 2025/2026 and 2026/2027).

The total proposed budget for KwaMashu Furniture Incubator for the period July 2024 to June 2027 is R11.864,000.00 (Eleven Million Eight Hundred and Sixty Four Thousand Rand) with R3 649,412.81 (Three Million Six Hundred and Forty Nine Thousand Four Hundred and Twelve Rand Eighty One Cent) of this amount requested from eThekweni Municipality. The amount of R8 214,587.19 (Eight Million Two Hundred and Fourteen Thousand Five Hundred and Eighty Seven Rand Nineteen Cents) comes from Furntech's own contributions and/or other funders. This effectively means that funding requirements for the next three (3) financial years from eThekweni Municipality is as follows: 2024/2025 (R1 157 625.00); 2025/2026 (R1 215 506.25); and 2026/2027 (R1 276 281.56).

Description	BU	Item	Fund	Costing	Project	Region	Proposed Expenditure (No VAT)	Financial Year
Grant-in-Aid	26102	25030.17	12120	0000	MRC01	0010	R1,157,625.00	2024/25
Grant-in-Aid	26102	25030.17	12120	0000	MRC01	0010	R1,215,506.25	2025/26
Grant-in-Aid	26102	25030.17	12120	0000	MRC01	0010	R1,276,281.56	2026/27

FC No.: 2025/18/04

ADOPTED.

- 5.5 Application 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) for the Amendment of the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development Facilitation Table: Special Zone 26: Broadway Precinct (4 Swap Road, Durban North) (21/7/4):
(Page 46 : Economic Development and Planning Committee - Agenda 2024-08-22)

Authority is sought for approval for the amendment of the Central Sub-Scheme, Section 7: Development Facilitation Table: Special Zone 26: Broadway Precinct, with particular reference to Erf 1838 Durban North, situated on 4 Swap Road, Durban North.

The intention of the application is to move Erf 1838 Durban North from Land Use Component 3 (Residential Office Conservation) to Land Use Component 1 (Commercial) within the Broadway Precinct. The application seeks to allow the

subject site to be utilised for commercial rather than office purposes within the Broadway Precinct. A decision in terms of Section 26(1) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) is required for the proposed amendment to the Central Sub-Scheme.

The proposed uses would be in line with the overall zonings for the area as the site is surrounded by commercial land uses, offices, and restaurants. The Precinct exhibits precedents such as Erf 1793 Durban north where the scheme regulations were amended to extend the commercial component of the Precinct.

The proposed development is in line with the strategic intentions of eThekweni Municipality, which include the Spatial Development Framework, North Spatial Development Plan, Broadway Precinct Plan and the Central Spatial Development Plan. The merits of the proposed application have also been assessed in terms of the provisions of Section 44 (1) of eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) and Chapter 2 of the Spatial Planning and Land Use Management Act, 2013 (Act No. 6 of 2013).

The proposal is expected to enhance the amenity of the area while increasing the economic viability of the area. Furthermore, the proposal is in line with the eThekweni Municipality's objective to promote spatial efficiency by optimizing development in areas of greatest opportunity and encouraging efficient use of infrastructure and facilities.

The subject site, Erf 1838 Durban North, situated at 4 Swapo Road, is located North of the Ruth First Highway (M4) and is accessed via Swapo Road. Currently, the site is in Land Use Component 3: Residential Office Conservation of the Broadway Special Zone.

It was noted that the zone currently permits the land to be utilized for both residential and office purposes. This application proposes to amend the Scheme by changing the property from Land Use Component 3: Residential Office Conservation to Land Use Component 1: Commercial, which permits commercial activity.

The properties which fall under Special zone 26: Broadway Precinct are divided into 3 Components as follows:

- Land Use Component 1: Commercial
- Land Use Component 2: Residential Office Conversion and Redevelopment
- Land Use Component 3: Residential Office Conservation

The subject site falls under Land Use Component 3, which is primarily for residential development where office usage may be permitted in addition to residential. This land use component is designed to act as a buffer between commercial activity and the surrounding residential development.

The existing zoning controls and proposed Scheme amendment are explained in the table below:

	Existing	Proposed
Zoning	Special Zone 26: Broadway Precinct	Special Zone 26: Broadway Precinct
Land Use Component	Land Use Component 3: Residential Office Conservation	Land Use Component 1: Commercial
Environmental Status	Not within D'MOSS	Not within D'MOSS

	Existing	Proposed
Erf Size	N/A	N/A
Number of Units	One Dwelling house/900m ²	N/A
Coverage	40%	50%
F.A.R	0.8	N/A
Height (Storeys)	2 Storeys	2 Storeys
Building Line	7.5 m	3.0 m
Side space (left)	2.0 m	Nil
Side space (right)	2.0 m	Nil
Rear space	2.0 m	Nil
Parking	As per the scheme	As per the scheme
Primary Uses	<ul style="list-style-type: none"> • Dwelling House • Multi-Unit Development • Office • Office - Medical 	<ul style="list-style-type: none"> • *Flat • *Shop • Car Wash • Health & Beauty Clinic • Health Studio • Office • Office – Medical • Pet Grooming Parlour • Restaurant/Fast Food outlet
Consent Uses	<ul style="list-style-type: none"> • Health & Beauty Clinic • Educational Establishment • Institution • Place of Public Worship • Special Building • Telecommunication Infrastructure 	<ul style="list-style-type: none"> • Action Sport Bar • Place of Public Entertainment • Educational Establishment • Fuelling and services station • Flea Market • Night Club • Special Building • Student Residence • Telecommunications Infrastructure • Any other use authorised in terms of Section 9.4

Having noted that the proposal is in line with the purposes and intent of the eThekweni Central Sub-Scheme with regards to promoting all forms of development and growth through sound planning principles,

COMMITTEE RECOMMENDS:

5.5.1 That in terms of Section 46(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 to the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development Facilitation Table: Special Zone 26 Broadway Precinct, by the deletion of property Erf 1838 Durban North from Clause 3.3 Land Use Component 3: Residential Office Conversion; and the addition of Erf 1838 Durban North to Clause 2.1 Land Use Component 1: Commercial, be **APPROVED** for the following reasons:

5.5.1.1 The proposal is in alignment with the intention of the Broadway Precinct being developed as a mixed-use node and commercial centre.

5.5.1.2 The proposal is expected to enhance the economic viability of the area and the proposal is in line with the eThekweni Municipality's objective to promote spatial efficiency by optimizing development in areas of greatest opportunity and encouraging efficient use of infrastructure and facilities.

5.5.1.3 The Scheme amendment promotes a more compact urban form that is highly integrated and utilises an existing non-residential footprint, and desirability of the proposed development is not only based on the need for an increase in residential, business, and office uses in the area but also on the need for urban, economic, architectural, and social upliftment.

SPECIAL ZONE 26: BROADWAY PRECINCT		
SCHEME INTENTION: To provide, preserve, use land or buildings for a limited mix of land-uses, as listed below. The purpose of this zone is to promote and manage residential, business and office uses in close proximity to or integrated with each other within the Broadway Precinct to reinforce its status as a neighbourhood shopping and convenience node.		
MAP COLOUR REFERENCE: Black cross hatch with zone number		MAP REFERENCE:
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.		
2.1 Land Use Component 1: Commercial Erven : 1793, 1838, 1884-1885, 1887-1896, 1898-1899, 3764, 1926, 1929-1937 and 1939, all of Durban North. Intention : A retail and office area which may comprise a mix of residential, retail, offices, restaurants and by Special Consent entertainment uses.		
PRIMARY	SPECIAL CONSENT	PRECLUDED
<ul style="list-style-type: none"> *Flat *Shops Car Wash Health & Beauty Clinic Health Studio Office Office - Medical Pet Grooming Parlour Restaurant/ Fast Food Outlet 	<ul style="list-style-type: none"> Action Sports Bar Place of Public Entertainment Education Establishment Fuelling and Service Station Flea Market Night Club Special Building Student Residence Telecommunication Infrastructure Any other use authorised in terms of Section 9.4 	All other uses
ADDITIONAL CONTROLS		
1. *The controls in accordance with that applicable to a Limited Commercial Zone shall apply. 2. A three storey height may be permitted on a sloping site by Special Consent 3. The Commercial Component of Erf 1793 Durban North will be limited to a maximum 140m ² retail floor space and 600m ² storage/warehouse 4. The Commercial Component of Erf 1838 Durban North will be restricted to the following uses and development controls, with the maximum floor areas allowed limited to: <ul style="list-style-type: none"> Restaurant/Fast Food Outlet = 52 m² Health Studio = 57 m² Offices = 60 m² Any deviations from the above uses and their respective areas, may require a further Traffic Impact Assessment report to be assessed by eThekweni Transport Authority prior to any rezoning and/or development of the site and the extent of development may be restricted based on available road infrastructure capacity. Access to the proposed development is restricted to a left-in left-out arrangement via Swapo Road.		

DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION(m²)	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA
BUILDING LINE	SIDE AND REAR SPACE					
3.0m	Nil	N/A	450	2	50%	N/A
3.2 Land Use Component 2 : Residential Office Conversion and Redevelopment						
Erven : 1794,1834, 1835, 1839 to1841, 1881, 1886, 1897, 1902, 1919, 1925, 1938, 1940, 1980 to 1982, 1986 and 1987, 2026 all of Durban North.						
Intention : A residential area where offices may be permitted through the conversion of existing buildings or through redevelopment provided that neighbourhood amenity is not materially impacted on.						
		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none">Dwelling HouseMultiple Unit DevelopmentOfficeOffice - Medical		<ul style="list-style-type: none">CrècheHealth & Beauty ClinicEducational EstablishmentInstitutionPlace of Public WorshipSpecial BuildingTelecommunication Infrastructure		All other uses		
ADDITIONAL CONTROLS						
3.2.1 Floor Area Ratio: where a dwelling unit is to be converted or redeveloped for suburban office purposes, then the floor area ratio for office purposes shall not exceed 0.5 to 1.						
3.2.2 On sloping ground, 3 storeys shall be permitted, provided that such building at no point exceeds more than 2 storeys in a vertical line.						
3.2.3 Signage, Hoarding and Advertising shall be in accordance with sub-section 1.20 of this scheme.						
3.2.4 Parking shall be provided on-site at the ratio of one bay per 25m² of offices and in the case of any other use, parking shall be provided in terms of section 8. of this scheme. Such parking shall be screened and constructed of pervious material to the satisfaction of the Head: EThekweni traffic authority.						
3.2.5 All properties converted or redeveloped for office use within this component shall be landscaped to the satisfaction of the Municipality.						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION(m²)	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2m	One dwelling house for every 900m²	900	2 (see 3.2.2 above)	40%	0.8 (see 3.2.1 above)
3.3 Land Use Component 3: Residential Office Conservation						
Erven : 1791, 1792,1795 to 1798, 1826, 1827, 1830, 1831, 1836 to1837, 1842 to 1845, 1848, 1849,1879, 1880, 1882, 1883, 1900, 1901, 1903, 1904, 1917, 1918, 1920, 1921, 1924, 1941 to 1943, 1973, 1976 to 1979, 1983 to 1985, 1988 to 1991, 1994, 1995, 1998, 2020, 2021, 2023 to 2028, 2030 and 2031.						
Intention: A residential area where non-intrusive offices may, in addition, be permitted through the conservation and conversion of existing buildings whilst still protecting the neighbourhood amenity.						
PRIMARY		SPECIAL CONSENT			PRECLUDED	
<ul style="list-style-type: none">Dwelling HouseMultiple Unit DevelopmentOfficeOffice - Medical		<ul style="list-style-type: none">Health & Beauty ClinicEducational EstablishmentInstitutionPlace of Public WorshipSpecial BuildingTelecommunication Infrastructure			All other uses	

ADDITIONAL CONTROLS						
1.3.1	Floor Area Ratio: where a dwelling unit is to be converted for suburban office purposes, then the floor area ratio for office purposes shall not exceed 0.3 to 1.					
1.3.2	Signage, Hoarding and Advertising shall be in accordance with sub-section 1.20 of this scheme.					
1.3.3	The Municipality may authorise on a sloping site the erection of a building which is more than 3 storeys in height if such building will at no point have more than 2 storeys in a vertical line or the erection of a building which is 3 storeys in height.					
1.3.4	Parking shall be provided on-site at the ratio of one bay per 25m ² of offices and in the case of any other use, parking shall be provided in terms of section 8. of this scheme. The parking shall be screened and constructed of pervious material to the satisfaction of the duly authorised official of the Municipality.					
3.3.6	In the case of any alteration or renovation of any residential dwelling and/or ancillary outbuilding within this component, such alteration and/or renovation shall retain the appearance of a residential dwelling to the satisfaction of the Head: Development Planning, Environment and Management.					
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m ²)	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2M	One dwelling house for every 900m ²	900m ²	2; (see 3.3.3)	40%	0.8 (see 3.2.1 in additional controls)

ADOPTED.

- 5.6 Application 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) for the Amendment of the eThekweni Municipal Land Use Scheme: Central Sub-Scheme, Section 7: Development Facilitation Table: Special Zone 26: Broadway Precinct (45 Adelaide Tambo Drive, Durban North) (21/7/4):
(Page 58 : Economic Development and Planning Committee - Agenda 2024-08-22)

Authority is sought for approval for the amendment of the Central Sub-Scheme, Section 7: Development Facilitation Table: Special Zone 26: Broadway Precinct, with particular reference to Erf 1903 Durban North, situated at 45 Adelaide Tambo Drive, Durban North.

It was noted that the Central Sub-Scheme will need to be revised by deleting the description of the property from the list of properties allocated to Land Use Component 3 and adding it to the Land Use Component 1 list.

The intention of the application is to move Erf 1903 Durban North from Land Use Component 3 (Residential Office Conservation) to Land Use Component 1 (Commercial) within the Broadway Precinct. The application seeks to allow the subject site to be utilised for commercial rather than office purposes within the Broadway Precinct. A decision in terms in terms of Section 26(1) of the eThekweni Municipality Planning and Land Use Management Second Amendment By-Law, 2021 (Notice 95 of 2021) is required for the proposed amendment to the Central Sub-Scheme.

The application to amend Special Zone 26: Broadway Precinct as relates to Erf 1093 Durban North so that the controls for Component 1 within Special Zone 26: Broadway Precinct are applicable to the application site and aligns with the spatial intentions of the Spatial Development Framework and package of plans, will lead to the optimal use of the site in an area that is in transformation with respect to economic development and in residential density.

The proposed project will fit into the character of the area and will not negatively impact the amenity of the area. The proposal is likely to enhance the amenity of the area while increasing its economic viability. Furthermore, the proposal is in line with the eThekweni Municipality's objective of promoting spatial efficiency by optimizing development in areas of greatest opportunity and encouraging efficient use of infrastructure and facilities.

The subject site is located at 45 Adelaide Tambo and the site is 1269m² in extent and has frontage onto Adelaide Tambo Drive. Currently, the site falls into the Land Use Component 3: Residential Office Conversion component of Special Zone 26: Broadway Precinct. The site has previously been used for office and office medical purposes.

The application site contains a small residential structure and outbuildings, a portion of which was used a medical practice. Over time, previous owners converted the entire building into an office, and the residential element fell away.

The site directly adjoins a commercial development, and with the changes happening within the Broadway Precinct internally there is merit in looking at commercial uses, as offices rentals post COVID have not really recovered.

To the North of the site is a parking garage that services the Spar Supermarket and shops within the existing shopping node. In close proximity is a house with a Suburban Office Zone and to the rear are various developments with a combination of office and retail activities. Such activities are taking place across from the site on Adelaide Tambo Drive.

Recently, there has been an increased interest from developers for commercial and office space along Swapo Road, Adelaide Tambo Drive, and Umhlanga Rocks Drive. There has been an increase in applications for higher residential redevelopment in the Durban North region. Durban North is an area in transformation, and this application may be viewed as an enhancement of the existing control within Special Zone 26: Broadway Precinct as applicable to the site so that the site may be optimally used.

The existing zoning controls and proposed Scheme amendment are explained in the table below:

	Existing	Proposed
Zoning	Special Zone 26: Broadway Precinct	Special Zone 26: Broadway Precinct
Environmental Status	Not within D'MOSS	Not within D'MOSS
Land Use Component	Land Use Component 3: Residential Office Conservation	Land Use Component 1: Commercial
Erf Size	N/A	450m ²
Number of Units	One Dwelling house/900m ²	N/A
Coverage	40%	50%
F.A.R	0.8	N/A
Height (Storeys)	2 Storeys	2 Storeys
Building Line	7.5 m	3.0 m
Side space (left)	2.0 m	Nil
Side space (right)	2.0 m	Nil

	Existing	Proposed
Rear space	2.0 m	Nil
Parking	As per the scheme	As per the scheme
Primary Uses	<ul style="list-style-type: none"> • Dwelling House • Multi-Unit Development • Office • Office - Medical 	<ul style="list-style-type: none"> • *Flat • *Shop • Car Wash • Health & Beauty Clinic • Health Studio • Office • Office – Medical • Pet Grooming Parlour • Restaurant/Fast Food outlet
Consent Uses	<ul style="list-style-type: none"> • Health & Beauty Clinic • Educational Establishment • Institution • Place of Public Worship • Special Building • Telecommunication Infrastructure 	<ul style="list-style-type: none"> • Action Sport Bar • Place of Public Entertainment • Educational Establishment • Fuelling and services station • Flea Market • Night Club • Special Building • Student Residence • Telecommunications Infrastructure • Any other use authorised in terms of Section 9.4

Having noted that the proposal is in line with the purposes of the eThekweni Central Sub-Scheme with regards to promoting all forms of development and growth through sound planning principles,

COMMITTEE RECOMMENDS:

- 5.6.1 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: The Development Facilitation Table by the deletion of Erf 1903 Durban North from Clause 3.3 Land Use Component 3: Residential Office Conversion; and the addition of Erf 1903 Durban North to Clause 2.1 Land Use Component 1: Commercial, be **APPROVED** for the following reasons:
- 5.6.1.1 The proposal is in alignment with the intention of Broadway Precinct being developed as a mixed-use node and retail centre.
- 5.6.1.2 The residential amenity of Adelaide Tambo Road is compromised by the busy road and existing commercial activities. The proposal is anticipated to integrate seamlessly with the existing surrounding zones and land uses as Land Use Component 1 Zone is in proximity to the subject site.
- 5.6.1.3 The amendment of the Central Sub-Scheme for the subject site is a continuation of an established commercial node and the proposal will provide complementary services to the surrounding residential uses to that provided by the shopping centre, shops, banks on Adelaide Tambo Road.

		SPECIAL ZONE 26: BROADWAY PRECINCT				
SCHEME INTENTION: To provide, preserve, use land or buildings for a limited mix of land-uses, as listed below. The purpose of this zone is to promote and manage residential, business and office uses in close proximity to or integrated with each other within the Broadway Precinct to reinforce its status as a neighbourhood shopping and convenience node.						
MAP COLOUR REFERENCE: Black cross hatch with zone number				MAP REFERENCE:		
3. 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.						
4. 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.						
4.1 Land Use Component 1: Commercial						
Erven : 1793, 1838, 1884-1885, 1887-1896, 1898-1899, 3764, 1903 , 1926, 1929-1937 and 1939, all of Durban North.						
Intention : A retail and office area which may comprise a mix of residential, retail, offices, restaurants and by Special Consent entertainment uses.						
PRIMARY		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none">• *Flat• *Shops• Car Wash• Health & Beauty Clinic• Health Studio• Office• Office - Medical• Pet Grooming Parlour• Restaurant/ Fast Food Outlet		<ul style="list-style-type: none">• Action Sports Bar• Place of Public Entertainment• Education Establishment• Fuelling and Service Station• Flea Market• Night Club• Special Building• Student Residence• Telecommunication Infrastructure• Any other use authorised in terms of Section 9.4		All other uses		
ADDITIONAL CONTROLS						
5. *The controls in accordance with that applicable to a Limited Commercial Zone shall apply.						
6. A three storey height may be permitted on a sloping site by Special Consent						
7. The Commercial Component of Erf 1793 Durban North will be limited to a maximum 140m² retail floor space and 600m² storage/warehouse						
8. The Commercial Component of Erf 1838 Durban North will be restricted to the following uses and development controls, with the maximum floor areas allowed limited to:						
<ul style="list-style-type: none">• Restaurant/Fast Food Outlet = 52 m²• Health Studio = 57 m²• Offices = 60 m²						
Any deviations from the above uses and their respective areas, may require a further Traffic Impact Assessment report to be assessed by eThekwinI Transport Authority prior to any rezoning and/or development of the site and the extent of development may be restricted based on available road infrastructure capacity.						
Access to the proposed development is restricted to a left-in left-out arrangement via Swapo Road.						
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION(m²)	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA
BUILDING LINE	SIDE AND REAR SPACE					
3.0m	Nil	N/A	450	2	50%	N/A
3.2 Land Use Component 2 : Residential Office Conversion and Redevelopment						
Erven : 1794,1834, 1835, 1839 to1841, 1881, 1886, 1897, 1902, 1919, 1925, 1938, 1940, 1980 to 1982, 1986 and 1987, 2026 all of Durban North.						
Intention : A residential area where offices may be permitted through the conversion of existing buildings or through redevelopment provided that neighbourhood amenity is not materially impacted on.						
PRIMARY		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none">• Dwelling House• Multiple Unit Development• Office• Office - Medical		<ul style="list-style-type: none">• Crèche• Health & Beauty Clinic• Educational Establishment• Institution• Place of Public Worship• Special Building• Telecommunication Infrastructure		All other uses		

ADDITIONAL CONTROLS						
3.2.1	Floor Area Ratio: where a dwelling unit is to be converted or redeveloped for suburban office purposes, then the floor area ratio for office purposes shall not exceed 0.5 to 1.					
3.2.2	On sloping ground, 3 storeys shall be permitted, provided that such building at no point exceeds more than 2 storeys in a vertical line.					
3.2.3	Signage, Hoarding and Advertising shall be in accordance with sub-section 1.20 of this scheme.					
3.2.4	Parking shall be provided on-site at the ratio of one bay per 25m ² of offices and in the case of any other use, parking shall be provided in terms of section 8. of this scheme. Such parking shall be screened and constructed of pervious material to the satisfaction of the Head: EThekwini 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 ²)	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2m	One dwelling house for every 900m ²	900	2 (see 3.2.2 above)	40%	0.8 (see 3.2.1 above)
3.3 Land Use Component 3: Residential Office Conservation						
Erven : 1791, 1792,1795 to 1798, 1826, 1827, 1830, 1831, 1836 to1837, 1842 to 1845, 1848, 1849,1879, 1880, 1882, 1883, 1900, 1901, 1904, 1917, 1918, 1920, 1921, 1924, 1941 to 1943, 1973, 1976 to 1979, 1983 to 1985, 1988 to 1991, 1994, 1995, 1998, 2020, 2021, 2023 to 2028, 2030 and 2031.						
Intention : A residential area where non-intrusive offices may, in addition, be permitted through the conservation and conversion of existing buildings whilst still protecting the neighbourhood amenity.						
PRIMARY		SPECIAL CONSENT			PRECLUDED	
<ul style="list-style-type: none">• Dwelling House• Multiple Unit Development• Office• Office - Medical		<ul style="list-style-type: none">• Health & Beauty Clinic• Educational Establishment• Institution• Place of Public Worship• Special Building• Telecommunication Infrastructure			All other uses	
ADDITIONAL CONTROLS						
1.3.5	Floor Area Ratio: where a dwelling unit is to be converted for suburban office purposes, then the floor area ratio for office purposes shall not exceed 0.3 to 1.					
1.3.6	Signage, Hoarding and Advertising shall be in accordance with sub-section 1.20 of this scheme.					
1.3.7	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.					
1.3.8	Parking shall be provided on-site at the ratio of one bay per 25m ² of offices and in the case of any other use, parking shall be provided in terms of section 8. of this scheme. The parking shall be screened and constructed of pervious material to the satisfaction of the duly authorised official of the Municipality.					
3.3.6	In the case of any alteration or renovation of any residential dwelling and/or ancillary outbuilding within this component, such alteration and/or renovation shall retain the appearance of a residential dwelling to the satisfaction of the Head: Development Planning, Environment and Management.					
DEVELOPMENT PARAMETERS						
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUBDIVISION (m ²)	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA
BUILDING LINE	SIDE SPACE REAR SPACE					
7.5m	2M	One dwelling house for every 900m ²	900m ²	2; (see 3.3.3)	40%	0.8 (see 3.2.1 in additional controls)

ADOPTED.

5.7

Reprioritization of the Business Support, Markets, Tourism and Agribusiness Unit Capital Budget from Cato Ridge Chicken Abattoir and Processing Facility to Fund Refurbishment of Chicken Houses in Cato Ridge Agripark Incubator (7/1/2/2):

(Page 68 : Economic Development and Planning Committee - Supplementary Agenda 2024-08-22)

Authority is sought to approve the reprioritisation of capital budget from Cato Ridge abattoir and meat processing facility project which has an amount of R2 300 000. 00 (Two Million Three Hundred Thousand Rand) in the 2024/2025 financial year to fund Cato Ridge chicken houses project.

Poultry Industry development within the City is one of the opportunities identified in the Agri-Business Masterplan. Cato Ridge Agri-Park Incubator: broiler chicken production has unlocked commercial economic opportunities for local Small and Medium-Sized Enterprises (SMEs) to participate in the commercial production of broiler chicken and meat value chain.

The Agri-Business Department conducted the assessment of the approved budget for 2024/2025 financial year against the progress on the 100% operationalisation of the Cato Ridge Agri-Park Incubator project. The project was under budgeted for, and there is a need to improve the production capacity, as well as the operational efficiency for Cato Ridge Agri-Park Incubator farm to reach its full or commercial potential. The Cato Ridge Agri-Park broiler houses have the potential to accommodate two hundred and fifty (250 000) birds per cycle, translating to an estimated income of R102 million per annum. A low intensity manual abattoir facility was established in the 2023/2024 financial year and the expansion therefore should be catered for in the out financial years.

The Cato Ridge Chicken Houses Refurbishment has a capital budget of R2 200 000.00 (Two Million Two Hundred Thousand Rand) in the 2024/2025 financial year and this budget is committed to deliver on the following:

- Upgrade electricity in production houses,
- Upgrade automated drinking water system,
- Silos feeder line system, and
- Procure 400kVa diesel generator as a power backup.

The additional capital budget of R2 300 000.00 (Two Million Three Hundred Thousand Rand) from Cato Ridge Chicken Abattoir and Processing Facility will be required to:

- Procure 5 of 300kw coal heat exchangers,
- Improve ventilation and cooling system.

At the Support Committee, the Democratic Alliance (07) abstained on this matter, and the ANC (14), EFF (02), IFP (03), ActionSA (01) and AL-JAMAAH (01) were in support.

With the DA abstaining at the Executive Committee and with the majority of members in support thereof,

COMMITTEE RECOMMENDS:

- 5.7.1 That the reprioritisation of capital budget R2 300 000.00 (Two Million Three Hundred Thousand Rand) from Cato Ridge Chicken Abattoir and Processing Facility to fund Refurbishment of Cato Ridge Chicken Production Houses, be approved.
- 5.7.2 That subject to the approval of .1 above, Council approves that R2 300 000.00 (Two Million Three Hundred Thousand Rand) be included in the adjustment budget.
- 5.7.3 That subject to the approval of .1 and .2 above, the Deputy City Manager (Finance) be authorised to issue financial clearances for procurement processes to continue.

Financial Implication:

The project requires the additional budget of R2 300 000.00 (Two Million, Three Hundred Thousand Rand) to procure 5 of 300kw coal heat exchangers, improve ventilation and cooling system in the chicken production houses and funds will be reprioritized from chicken abattoir and processing facility project.

Transfer From:

BU	Item	Fund	Costing	Project	Region	Amount	Reason
26540	45304.30	91104	0000	S3118K	W005	R2 300 000.00	Reprioritization of capital budget to fund refurbishment of Cato Ridge chicken houses

Transfer To:

BU	Item	Fund	Costing	Project	Region	Amount	Reason
26501	45304.28	91104	0000	S3118B	W005	R2 300 000.00	Required to procure 5 of 300kw coal heat exchangers, improve ventilation and cooling system in the chicken production houses

The DA indicated that they were not in support of this item, mentioning that historically the takeover of these types of projects have not been effective. They further requested a site inspection be conducted to take an informed decision.

Contrary to the DA and in support of the item, the ANC stated in 2016, close to 2000 people were retrenched from this facility and in that regard a decision was approved by Council to take over the project with a view to retain jobs.

With the DA abstaining, the recommendations were by majority, ADOPTED.

5.8

Business Empowerment and Information Dissemination Programme for 2024/2025 (20/1/4/3):

(Page 88 : Economic Development and Planning Committee - Supplementary Agenda 2024-08-22)

Authority is sought for approval to continue supporting the Business Empowerment and Information Dissemination Programme for 2024/2025 financial year.

The Business Support, Market, Tourism and Agri-Business Unit is responsible for rolling out business empowerment workshops/ road shows in various wards and Amakhosi Areas, targeting Small, Medium and Micro Enterprise (SMMEs) within the Municipality. These Empowerment and Information Dissemination Workshops are aimed at empowering SMMEs with business development information critical for the success of their business, compliance as well as business opportunities available to sustain them. In addition, these sessions also seek ensure compliance for Council approved by-laws and strategies including eThekweni Municipality: Accommodation Establishment Bylaw 2022; that provides for the regulation of accommodation establishments.

In line with the Unit's development strategies, to encourage compliance of various businesses including accommodation establishments and the business state of readiness on the implementation, the Unit will intensify its awareness campaigns to educate the business community and other relevant stakeholders on the developments of the accommodation Bylaw, revised requirements and compliance standards.

It was noted that twenty-eight (28) approved workshops were facilitated during the 2023/2024 financial year, successfully held across wards, with a total number of three thousand one hundred and thirteen (3113). Participants.

The implementation process is outlined as follows:

- Workshop planning meetings are co-ordinated working the respective ward Councillors or tribal authority leadership for the approved Wards.
- During such meetings and including war room meeting; proposed dates, workshop purpose, targeted participants, content or themes and required logistical arrangements are discussed and agreed upon.
- It is through support of respective ward Councillors, tribal leadership, Community Participation Action Services and Communications Unit that the participation of local SMMEs is effectively achieved.

The empowerment workshops are co-ordinated and executed with an extensive focus of the following key business development elements:

- Access to information and finance
- Attracting and accessing the targeted markets
- Implementation of the Preferential procurement policy Framework act (PPPFA) and Radical Economic Transformation Strategies
- Compliance with Supply Chain Management and Tendering processes.
- Agri-Business sector matters, Bulk Markets and related Value Chain
- Informal Trading compliance procedures and permits
- Starting a new business venture and process
- Business licencing and liquor licencing processes
- Contractor Development programme compliance
- Business Support Programmes offerings
- Business License Compliance procedures

➤ Cooperative Development

It was noted that the programme intends to reach all wards, however based on annual project plans and budget. Business Support, Tourism, Markets and Agri-Business Unit can only reach a certain number of wards per financial year. It also strives to create a balance amongst wards where workshops have been implemented and those that we have not reached in previous years.

Twenty-eight (28) Business Empowerment Workshops are proposed for various Wards and Traditional Leadership Areas for 2024/2025 financial year as follows:

Quarter 1(July – Sept 2024)	No.	Proposed date	Location/Area	Ward No
	1.	14 Aug 2024	Wentworth	68
	2.	21 Aug 2024	Ntshongweni	07
	3.	28 Aug 2024	Kwa Mashu	41
	4.	04 Sept 2024	Pinetown	19
	5.	11 Sept 2024	Springfield	25
	6.	17 Sept 2024	Matikwe	56
	7.	20 Sept 2024	Burlington	65
Quarter 2(Oct – Dec 2024)	No.	Proposed date	Location/Area	Ward No
	1.	03 Oct 2024	Newland west	37
	2.	09 Oct 2024	Nyuswa	02
	3.	16 Oct 2024	Lamontville	74
	4.	23 Oct 2024	Umlazi G	79
	5.	12 Nov 2024	Amanzimtoti	97
	6.	15 Nov 2024	Umbhayi	61
	7.	27 Nov 2024	Magabheni	99
Quarter 3 (Jan – Mar 2025)	No.	Proposed date	Location/Area	Ward No
	1.	12 Feb 2025	Kwa Mashu K	38
	2.	19 Feb 2025	Umlazi J, H, L, M	83
	3.	26 Feb 2025	Kwa Mashu C	40
	4.	05 Mar 2025	Malukazi	89
	5.	12 Mar 2025	Amaoti	53
	6.	19 Mar 2025	Luganda	13
	7.	26 Mar 2025	Lamontville	75
Quarter 4 (April – June 2025)	No.	Proposed date	Location/Area	Ward No
	1.	09 Apr 2025	Umzinyathi	03
	2.	16 Apr 2025	Molweni	09
	3.	07 May 2025	Klaar water	17
	4.	14 May 2025	Clermont	22
	5.	21 May 2025	Albert Park	32
	6.	04 Jun 2025	Umlazi M	81
	7.	11 Jun 2025	Adams Mission	67

At the Support Committee, the Democratic Alliance (07) abstained on this matter, and the ANC (14), EFF (02), IFP (03), ActionSA (01) and AL-JAMAAH (01) were in support.

With the DA abstaining at the Executive Committee and with the majority of members in support thereof,

COMMITTEE RECOMMENDS:

5.8.1

That the Business Empowerment and Information Dissemination Programme for the 2024/2025 financial year, as outlined below, be approved:

Quarter 1(July – Sept 2024)	No.	Proposed date	Location/Area	Ward No
	1.	14 Aug 2024	Wentworth	68
	2.	21 Aug 2024	Ntshongweni	07
	3.	28 Aug 2024	Kwa Mashu	41
	4.	04 Sept 2024	Pinetown	19
	5.	11 Sept 2024	Springfield	25
	6.	17 Sept 2024	Matikwe	56
	7.	20 Sept 2024	Burlington	65
Quarter 2(Oct – Dec 2024)	No.	Proposed date	Location/Area	Ward No
	1.	03 Oct 2024	Newland west	37
	2.	09 Oct 2024	Nyuswa	02
	3.	16 Oct 2024	Lamontville	74
	4.	23 Oct 2024	Umlazi G	79
	5.	12 Nov 2024	Amanzimtoti	97
	6.	15 Nov 2024	Umbhayi	61
	7.	27 Nov 2024	Magabheni	99
Quarter 3 (Jan – Mar 2025)	No.	Proposed date	Location/Area	Ward No
	1.	12 Feb 2025	Kwa Mashu K	38
	2.	19 Feb 2025	Umlazi J, H, L, M	83
	3.	26 Feb 2025	KwaMashu C	40
	4.	05 Mar 2025	Malukazi	89
	5.	12 Mar 2025	Amaoti	53
	6.	19 Mar 2025	Luganda	13
	7.	26 Mar 2025	Lamontville	75
Quarter 4 (April – June 2025)	No.	Proposed date	Location/Area	Ward No
	1.	09 Apr 2025	Umzinyathi	03
	2.	16 Apr 2025	Molweni	09
	3.	07 May 2025	Klaar water	17
	4.	14 May 2025	Clermont	22
	5.	21 May 2025	Albert Park	32
	6.	04 Jun 2025	Umlazi M	81
	7.	11 Jun 2025	Adams Mission	67

- 5.8.2 That subject to adoption of .1 above, the Head: Business Support, Tourism, Markets and Agri-Business, in liaison with the various Ward Councillors and traditional authorities, continue with the implementation of the Programme at an estimated budget of R1 132 000.00 (One Million One Hundred and Thirty Two Thousand Rand) for the 2024/2025 financial year
- 5.8.3 That subject to adoption of .1 and .2 above, the Head (Business Support, Tourism, Markets & Agri Business) continuously inform the Economic Development and Planning Committee on the progress of the implementation of the Programme.
- 5.8.4 It was noted that the specified dates above are only proposed and will be confirmed working with concerned Ward Councillors and Traditional Leaders.

Financial Implications:

Local community halls and other public facilities are used as venues for these workshops. However, there are some ward areas where infrastructure such as marquees and other services are required for the successful execution of the Programme. Therefore, workshop planning meetings are held with respective ward Councillors to identify and assess needs required for each workshop before it is hosted.

The below estimated budget is utilised to provide catering services and other infrastructure requirements such as marquees (if required), technical services including generator, ablution facilities, sound system and promotional items for marketing.

The estimated budget allocated for the programme is R1 132 000.00 (One Million One Hundred and Thirty Two Thousand Rand) for 2024/2025 financial year (*Please note that not all overall budget will be utilised and may be re-directed to other business support programmes*)

FC No.: 2025/32/05

The DA expressed concern that consultation with Ward Councillors was not adequate and they were not included during the planning process of these programmes nor informed timeously when these are hosted in their respective Wards.

In support, the ANC stated that these programmes were vital and were in line with the priorities aimed at transforming the economy.

ADOPTED.

At this stage of the proceedings (17h12-17h24), Council adjourned for a comfort break.

6. **REPORT OF THE FINANCE COMMITTEE: MEETING HELD 2024-08-22**

(Page R66)

6.1 **Budget Statement Report for the Month Ended 31 July 2024 (7/1/4):**
(Page 18: Finance Committee - Agenda 2024-08-22)

The Committee noted the overall financial performance analysis of the Municipality as at the end of July 2024. The actual operating revenue of 104% of the year-to-date budget, with a variance of 4%. The actual operating expenditure was reported as a percentage of year-to-date budget figure of 75% with a variance of -25%. The capital expenditure was reported to be sitting at 68% of the budget and with a variance of -32%. The capital year to date spent was reported to be sitting at 2,7%. The cash collection rate of 95% sits in similar rate as the same period the previous year (95%).

During deliberations, the following salient points were raised, it being noted that some of the points have been raised repeatedly with no progress seen to address the same:

- Escalating Government Departments debts, now reaching R1.6 million;
- Escalating Ingonyama Trust debt, now reaching R263 million;
- Meter reading function not yet relocated from the Water & Sanitation Department to the Revenue Unit, as per the previous Council decision, it being noted though that this matter has since been escalated to the Executive Committee for the necessary intervention. Also, the Finance Committee further requested that the City Manager be instructed to implement the Council decision regarding the transfer of the water meter reading function to the Revenue Unit.
- A need to monitor debts owed by Councillors and employees, hence, costs breakdown being required in this regard.

The Committee noted with appreciation though the Finance Committee Turnaround Plan introduced by His Worship the Mayor. That of separating the Committee meetings into two (02) to have a platform purely focusing on revenue matters which will obviously draw certain information from trading services. Meter reading for instance being considered a critical aspect in the revenue value chain of the City.

While issues to be dealt with by the Finance Committee cut across other Support Committees, confirmation was given that Finance will not invade territory of these Committees. That the ideal approach would be to, from time to time, invite relevant officials to obtain information impacting revenue mechanisms. Ultimately, the primary objective is to improve the Municipal revenue streams.

Taking into account the Turnaround Plan, cognisance was then taken that issues relating to meter reading; water loss; water outages etc. will be linked to the Revenue session of the Finance Committee. Likewise, debts owed by certain Government Departments and parastatals.

Noting plans in place to improve the Municipal revenue streams and to find mechanisms to clear debts owed the Municipality, the content of the Budget Statement Report itself was noted.

Accordingly,

COMMITTEE RECOMMENDS:

- 6.1.1 That the Budget Statement report for the month ended 2024-07-31 and supporting documents, submitted by the City Manager as per his report dated 2024-08-15, in compliance with Section 71 of the Local Government: Municipal Finance Management Act (LG: MFMA) No. 56 of 2003, and in terms of Government Notice 32141 dated 17 April 2009, relating to the MFMA, the Municipal Budget and Reporting Regulations, be noted.
- 6.1.2 That, in compliance with Section 32(2) of the MFMA, Council notes Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred for the month of July 2024 as detailed on section 10 of the Budget Statement Report.

- 6.1.3 That Council refers the UIFWE referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation into the recovery or write-off of the said expenditure, in terms of Section 32(2)(b) of the MFMA and thereafter request the MPAC to report back to Council on the outcome of its investigations.

The DA expressed concern with the uncollected debt of R39 billion and in this regard, mention was made that at the Support Committee level, His Worship the Mayor has been requested to submit a plan on how this debt will be reduced. Also, it was mentioned that there was no stable income received because of unread meters.

The ActionSA also recorded its concern about government debt and His Worship the Mayor was encouraged to engage with the departments affected in a bid to ensure the payment of these debts. The issue of unread meters was raised with concern as this compelled ratepayers to make payments on estimated bills and consideration to insource this function was suggested.

In noting the report, the IFP made mention that the issue of water losses continues to be concerning. The engagement with government departments, particularly the Department of Education was emphasised as schools were being disconnected.

On the issue of uncollected debt, the ANC advised some measures to encourage the payment of debts were being implemented and mention being made of the Debt Relief Programme as well as the write off in terms of the deceased estate debts. Indication was made that the issue of meter reading was being attended to ad note being made that Council was still to consider this matter at this meeting. It was also mentioned that the Finance Committee has restructured itself by the inclusion of an additional slot at its meeting to ensure focus on other strategic issues.

NOTED.

- 6.2 Public Tender Awards of eThekweni Municipality for the Month Ended: 31 July 2024 (9/1/3):
(Page 206: Finance Committee - Agenda 2024-08-22)

The Committee noted that the amount of R134 394 649.18 (One Hundred and Thirty Four Million Three Hundred and Eighty-Four Thousand Six Hundred and Forty-Nine Rand Eighteen Cents) was the total value of tenders issued during the month of July 2024.

Whilst noting that certain circumstances warrant the use of Section 36 and contracts amendments in terms of Section 116(3) of the MFMA, it was reiterated that potential abuse be monitored for these Sections to be implemented responsibly and in the manner that achieves compliance and accountability. The attention of the Committee was drawn to the fact that, in terms of the report under discussion, only 22% accounts for the Section 36 awards, with 58% awards undertaken formal a normal tender process.

Unpacking factors that sometimes lead to consideration being given to implementing the Section 36 Awards, the Committee recommended beefing up internal capacity to avoid for instance incurring huge expenditure on consultation services. That where departments require services on an ongoing basis, the best route is a normal tender process rather than opting for Section 36 or Section 116(3) implementation.

Basically, the message was clear in terms of striving to comply with applicable supply chain management process in the procurement of goods and services, with deviations to remain an exception rather than a norm.

With there being a general consensus,

COMMITTEE RECOMMENDS:

- 6.2.1 That the public tender awards by the City for the month of July 2024, 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 2024-08-12, be noted.
- 6.2.2 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.
- 6.2.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 6.2.4 That the City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 6.2.5 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.

- 6.3 Investments Report for the Month Ending 31 July 2024 (7/11/4):
(Page 258: Finance Committee - Agenda 2024-08-22)

The Committee noted the Municipal funds invested in different Financial Institutions are recorded to amount to R7 100 143 000.00 (Seven Billion One Hundred Million One Hundred and Forty-Three Thousand Rand), at an average rate of return on investments of 9,10%. 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 the end of July 2024 sat at R986 000 000.00 (Nine Hundred and Eighty-Six Million Rand). It being further noted that days' cash on hand sat at 45 (Forty-Five) days, excluding grants.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2024-07-31, which records the total funds invested in financial institutions as R7 100 143 000.00 (Seven Billion One Hundred Million One Hundred and Forty-Three Thousand Rand), at an average of return on investment of 9.10%, 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, 2003, be noted.

NOTED.

6.4

Deceased and Insolvent Estate Debt Write Off (7/6/3/R):

(Page 269 & LOT Addendum Report: Finance Committee - Agenda 2024-08-22)

The Municipality has accumulated debts for services in relation to deceased and insolvent estate. A need exists to consider write-off of these debts, subject to terms and conditions. The Local Government: Municipal Finance Management Act No. 56 of 2003 and the eThekweni Municipality Credit Control and Debt Collection Policy 2023-24 make provision for write-off under these circumstances.

Currently, the total debt owed by the deceased estates, where executors were not appointed, is estimated at R944 525 984.67 (Nine Hundred and Forty-Four Million Five Hundred and Twenty-Five Thousand Nine Hundred and Eighty-Four Rand Sixty-Seven Cents).

As a way of background, the points below explain the manner in which deceased estate is handled:

- (i) When a person passes away, their debt does not vanish, instead, it becomes part of their deceased estate, which is the legal term for all their assets, income and liabilities;
- (ii) The executor, appointed by the Master of the Hight Court, plays a crucial role in handling debt within the deceased estate;
- (iii) Creditors have the right to claim from the estate during the administration process;
- (iv) The executor settles debts using the estate's assets before distributing anything to heirs; and
- (v) The executor is not personally liable for the debts but acts on behalf of the estate to manage its financial affairs.

General consensus was reached that write-off is necessary in relation to deceased and insolvent estate. It being recorded that the write-off will only be considered under the following circumstances:

- To consider deceased and insolvent estate for residential households not business;
- Debt involved to be older than twenty-four (24 months);
- To consider the availability of a survivor beneficiary or next of keen to avoid re-emergence of debt; and
- To stipulate threshold that write-off in this regard can only consider properties up to a maximum value of R1 million.

With the Committee noting that the proposed write-off is legally competent,

COMMITTEE RECOMMENDS:

6.4.1

That Council resolves that all monies owed by deceased and insolvent estates residential with a property value of up to a maximum of R1 Million, excluding businesses, and debt to be older than twenty-four (24) months, be written off.

- 6.4.2 That, subject to .1 above, the write-off will be considered on condition that there is a surviving beneficiary to take over after the write-off to avoid the re-emergence of the debt.
- 6.4.3 That Council notes that, currently, the total debt owed by the deceased estates, where executors were not appointed, is estimated at R944 525 984.67 (Nine Hundred and Forty-Four Million Five Hundred and Twenty-Five Thousand Nine Hundred and Eighty-Four Rand Sixty-Seven Cents), and this impacting households located in various parts within the eThekweni Municipal area.
- 6.4.4 That Council resolves that where next of kin is a minor and/or indigent, this aspect be catered for through the Council-approved eThekweni Municipality's Indigent Policy.
- 6.4.5 That Council approves that in cases where there is no next of kin willing to take over a responsibility of paying for the Municipal services, and/or an executor has not been appointed, the Council reserves the right to terminate Municipal services to avoid the ballooning of debt.

The decision to write off debts by deceased and insolvent estates was welcomed and residents were encouraged to take advantage of this offer. It was mentioned that this was in line with the Municipal Finance Management Act and the Credit Control Policy. It was believed that this will also increase revenue collection.

ADOPTED.

- 6.5 Unauthorised, Irregular, Fruitless and Wasteful Expenditure Incurred for the Year Ended 30 June 2024:
(Page 274: Finance Committee - Agenda 2024-08-22)

Committee noted the total irregular expenditure of R1 573 782 042.50 (One Billion Five Hundred and Seventy-Three Million Seven Hundred and Eighty-Two Thousand and Forty-Two Rand Fifty Cents) has been incurred and reported by various Units for the quarter ended 30 June 2024.

Background being given that these reports have been reviewed and analysed by the Internal Control Unit, noted by the Bid Adjudication Committee, and would be referred to the Municipal Public Accounts Committee for recommendation for the write off or recovery based on the outcomes of investigation.

During consideration at the Executive Committee, the Deputy City Manager: Finance clarified that bulk of the UIFWE pertained to contracts that were awarded, and the local content requirement was not complied with. Note was made that in view of some of the contracts being in place, this will continue to be raised as irregular expenditure until such time the said contract expires.

Secondly, the splitting of orders by line departments have resulted in irregular expenditure being incurred and in terms of the regulations, the splitting of orders was prohibited. Committee was informed that guidance was sought from National Treasury for them to consider condoning contracts that had not complied with the local content requirements, and this was not supported.

In view of the foregoing,

COMMITTEE RECOMMENDS:

- 6.5.1 That the Unauthorised, Irregular, Fruitless and Wasteful Expenditure reported for the Quarter ended 30 June 2023 amounting to R1 573 782 042.50. (One Billion Five Hundred and Seventy-Three Million Seven Hundred and Eighty-Two Thousand and Forty-Two Rand Fifty Cents) in the 2023/2024 financial year, be noted.
- 6.5.2 That depending on the outcome of the process detailed in terms of Section 32 of the Municipal Finance Management Act No. 56 of 2003, further action may arise, including disciplinary action, recovery of monies and criminal charges being instituted where applicable.
- 6.5.3 That a report be prepared and submitted to the MEC for Co-operative Governance and Traditional Affairs, National Treasury and the Office of the Auditor-General in terms of Section 32 and Section 170 of the Municipal Finance Management Act No. 56 of 2003.

The EFF expressed concern with regard to officials delaying to report UIFWE matters and emphasis being made that they should be held accountable.

His Worship the Mayor stated that whilst noting concerns around UIFWE, he alluded to the fact that the aspect for value for money was confirmed and in some matters were no elements of fraud. These UIFWE were mainly due to certain supply chain management requirements not being adhered to.

NOTED.

- 6.6 Meter Reading Transfer Challenges (23/1/11/6/3):
(Page 264 & LOT Addendum Report: Finance Committee - Agenda 2024-08-22)

The Municipal Council at its meeting of 31 August 2020 resolved to combine the Electricity and the Water & Sanitation Meter Reading Departments for these to be then located within the Finance Cluster. The Finance Cluster has a responsibility to maintain proper and accurate accounts, as per the provision in the eThekweni Municipality Credit Control and Debt Collection By-Law and related Policy. In terms of the Council decision, the migration process was due to be completed by 30 June 2021. The primary objective was to minimise the rate of estimated charges on accounts, ensuring accurate and smooth billing process.

It should be noted that the Revenue Management Unit initiated the consultation process in preparation to implement the Council decision in this regard. The intention was to agree on the workflows for the Revenue Management Billing Section to be administratively involved in the meter reading value chain, working hand in hand with both Electricity Unit and Water & Sanitation Unit. However, the Water & Sanitation Unit felt this process should be put on hold until the matter of single point of reporting or authority within this Unit is resolved. On the other hand, the Electricity Unit undertook to first consult with its Labour representatives regarding the staffing matters. No positive response has ever been received from the Electricity Unit on progress made to consult Labour.

With this process not moving forward, challenges are still being experienced regarding the meter reading function, including:

- (i) The Municipality continuing to experience high number of estimates thus inaccurate billing, and negative impact to revenue collection.
- (ii) Referral of meter reading and billing enquiries to the Service Units thus a delay with investigations and ultimately resorting to accounts estimating billing.
- (iii) Non-reading of water meters for a period longer than three (03) months depriving customers of the opportunity to detect water leaks, and when meters are eventually read to then result in unaffordable bills.
- (iv) Unaffordable bills increasing debtors' book and decreasing collection rates.
- (v) The Revenue Management Unit expected to provide responses on water meter reading challenges yet this does not form part of its core functions as its role is confined only to sending bills.
- (vi) Meter reading and billing are critical functions in the Municipal revenue value chain and thus the significance to put solid structures and related resources thereby achieving alignment between meter reading and the billing system.

The Finance Committee acknowledged the role played by the trading services as the revenue stream of the Municipality. The Committee is extremely concerned though with the delays in implementing the Council decision, whereas the migration is perceived to achieve effective coordination; accurate billing; and satisfied customers given transparency and accuracy of the billing system.

As such, the Committee resolved to recommend to the Executive Committee for the City Manager to be instructed to implement the Council decision thereby completing the migration process.

The attention of the Committee having drawn to implications that might be experienced in view of the Water & Sanitation Strategy making provisions for a single point of authority and accountability, His Worship the Mayor, together with the City Manager instructed that the Council decision of August 2020 be implemented. Therefore, the Executive Committee reaffirmed the Council decision to proceed with the migration of the meter reading function into the Revenue Management Unit.

For the migration process to be undertaken within the parameters of a structured process, a Service Level Agreement be entered into in this regard for the Trading Services and the Finance Cluster to outline terms and conditions associated with the migration process, and for each Cluster to understand its obligations in this process as well as associated timelines.

This taking into cognisance challenges on the ground that highly impacts the City's revenue collection and potential reputational risk in view of residents feeling aggrieved, hence, the significance to accelerate the migration process.

With there being consensus,

COMMITTEE RECOMMENDS:

- 6.6.1 That Council notes prevailing challenges as a result of the non-implementation of the Council decision of 31 August 2020 to relocate the meter reading function from the Service Units, namely, Water & Sanitation and Electricity Units to be migrated to the Revenue Management Unit, which challenges mainly include meter reading backlogs and resultant accounts estimating billing, thus the negative impact on revenue collection and attracting a number of customers feeling aggrieved due to imposed unaffordable bills.
- 6.6.2 That Council notes the directive of the Executive Committee reaffirming the Council decision of 31 August 2020, and instructing the implementation of the meter reading migration process thus tasking the Deputy City Manager: Trading Services to cooperate with the Finance Cluster in this regard and finalize outstanding process as per the initiative by the Revenue Management Unit to deal with workflow process associated therewith; including staffing matters; tools of trade; and budget implications.

NOTED.

DIRECT EXCO REPORTS

7. **ELECTION OF CHAIRPERSONS: HUMAN SETTLEMENTS COMMITTEE AND THE TRADING SERVICES COMMITTEE (3/2/2)**

(Page 1)

The Municipal Council, in line with the Local Government: Municipal Structures Act 1998, established Section 80 Committees to assist the Executive Committee to efficiently carry out its statutory responsibility. The six (06) Support Committees in existence are listed in the table below:

Legislative Provision	Council Committee
Section 80	i) Governance and Human Resources ii) Economic Development & Planning iii) Community Service iv) Human Settlements and Infrastructure v) Finance Committee vi) Security and Emergency Services

The Municipal Council at its meeting held 01 August 2024 resolved to split the Human Settlements and Infrastructure Committee into two (02) to then have the Human Settlements, Engineering and Transport Committee; and the Trading Services Committee to enhance dedicated capacity with a view to improving service delivery to the local communities. This split then necessitating that Committee Membership be reconfigured and reallocated accordingly, and with respective Chairpersons also having to be appointed for each Committee.

Section 80(3)(a) Local Government: Municipal Structures Act gives authority to the Executive Committee to appoint Chairpersons of Section 80 Committee amongst its members. This submission then serves to deal with the appointment of the Chairpersons of the newly established Committees.

It should be noted that an item to appoint Chairpersons of new Committees served in the previous Executive Committee meeting, but was subsequently deferred to enable the Political Parties to engage and take the necessary position on the matter. With the matter having been resubmitted, His Worship the Mayor then administered the election process, taking into account the election process previously explained by the Deputy Head: Legal and Compliance Unit.

The table below reflects the nomination process as facilitated by His Worship the Mayor:

Committee	Nominator	Nominated	Seconded	Acceptance
Trading Services	Councillor NI Madlala	Councillor MS Nkosi	Councillor ZR Sokhabase	Councillor Nkosi accepted the nomination
Human Settlements; Engineering & Transport	Councillor ZP Myeni	Councillor T Mthethwa	-	Councillor Mthethwa did not accept the nomination pending a mandate from his Political Party

With Councillor Nkosi having been nominated unopposed, the Executive Committee then declared him the Chairperson of the newly established Trading Services Committee. It being noted that the position of Chairperson for the Human Settlements; Engineering; and Transport Committee remains vacant with Councillor Mthethwa having declined the nomination pending the mandate of his Political Party.

Accordingly,

With His Worship the Mayor having called for the nominations for the Chairperson of the Human Settlements Committee, a request for a caucus break was made by the ANC component and this was duly granted.

Accordingly,

COMMITTEE RECOMMENDS:

- 7.1 That the Municipal Council notes that the Executive Committee, as per the powers vested in it in terms of Section 80(3)(a) of the Local Government: Municipal Structures Act No. 117 of 1998, unanimously appointed Councillor MS Nkosi of the Inkatha Freedom Party to serve as Chairperson of the Trading Services Committee.
- 7.2 That Council notes the position of Chairperson of the Human Settlements; Engineering; and Transport Committee remains vacant as the candidate nominated has declined the nomination, and that this would be attended to at the next meeting of the Executive Committee.

The election of Councillor MS Nkosi as the Chairperson of the Trading Services Committee was welcomed by political parties as this will ensure stability and the implementation of service delivery programmes. Emphasis was made that consideration be made for the filling of positions for senior management within this portfolio as they have remained vacant for some time.

NOTED.

8. BUDGET PREPARATION PROCESS 2025/2026 – 2027/2028 SCHEDULE OF KEY DEADLINES (7/1/2/1)

(Page 3)

The Committee received a schedule of key deadlines for the 2025/2026-2027/2028 financial years budget preparation process. This is in line with Section 21 of the Local Government: Municipal Finance Management Act No 56 of the 2003 which requires the Mayor of the Municipality to table the schedule of key deadlines for the budget preparation process before the Municipal Council ten (10) months before the start of the financial year. It being noted that the submission outlines the following:

- (i) The preparation, tabling and approval of the annual budget,
- (ii) the annual review of the Integrated Development Plan and other Budget Related Policies,
- (iii) the tabling and adoption of any amendments to the IDP and Budget related policies, and
- (iv) any consultative process forming part of the processes referred to in (i), (ii), and (iii) above.

Accordingly,

COMMITTEE RECOMMENDS:

- 8.1 That Council notes the schedule of key deadlines in respect of budget preparation and associated processes, including the Integrated Development Plan (IDP); Service Delivery and Budget Implementation Plan; Performance Management; and Annual Report processes for the 2025/2026 - 2027/2028 financial years, submitted in compliance with the requirements of Section 21 of the Local Government: Municipal Finance Management Act No. 56 of 2003 and, which process is outlined in detail in the report by the City Manager dated 2024-08-23, with the synopsis thereof being recorded as follows:

KEY BUDGET PROCESS DEADLINES:

Key deadlines	Target
Schedule of key deadlines for budget preparation and approval	29 August 2024
Budget Planning: <ul style="list-style-type: none"> ➤ IDP Budget Priorities and strategic planning to improve service delivery. ➤ Public Participation – Community Budget participation on formulating the draft budget e.g., Capital projects. ➤ Prepare Quality Assurance Certificates for 2025/2026 Capital Projects. CPAS/ Departments/Ward Councillor's – Road shows/Budget participation comments.	During August/ September
Strategic Planning Workshops: <ul style="list-style-type: none"> ➤ Review of previous years' spending and commitments to inform 2025/2026 MTREF – Financial and Non-Financial. ➤ Draft Budget Principles which will inform budget process and identify key priorities including strategic objectives for service delivery. ➤ Budget prioritization discussion on capital and operating budgets. ➤ Integrated Asset Management Plan and Strategic Asset Management Plan 	16 – 30 September 2024

Key deadlines	Target
IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans. Administrative workshops/Political Leadership workshop	
Capital Budget Approval in principle by Council.	28 November 2024
Adjustment Budget for 2024/2025.	27 February 2025
Mid-year budget and performance assessment – NT.	February/March 2025
Draft budget with tariff increases tabling.	27 March 2025
Consultative process on budget – all stakeholders.	During April and May 2025
National Treasury benchmark.	April/May 2025
Final approval of Budgets.	29 May 2025
Approval of SDBIP.	24 June 2025

8.2 That Council notes the deadlines incorporate specific processes including preparation, tabling and approval of the annual budget; the annual review, tabling and adoption of any amendments to the IDP and the budget related policies; and any consultative engagements forming part of the processes.

8.3 That Council notes that progress reports will be submitted to the respective Council Committees during the course of the budget process.

NOTED.

9. DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS FOR THE FINANCIAL YEARS 2023/2024 AND 2024/2025 (3/5/4)

(Page 37 & 70)

[This item was dealt with in conjunction with the report contained in Page 70 of the Supplementary Agenda]

The Committee received Circular 19/2024 from SALGA requesting municipalities to submit written comments on the Draft Notice on the Determination of Upper Limits of Salaries, Allowances and Benefits of different members of Municipal Councils for the 2023/24 and 2024/2025 financial years. Section 219(1) and (5) of the Constitution and read with Section 8(4) of the Independent Commission for the Remuneration of Public Office Bearers, is mandated to make annual recommendations relating to salaries, allowances as well as the tools of trade required by the Public Office Bearers that will enable them to perform their duties effectively.

The Committee noted that part of the issues to be negotiated includes all Councillors being deemed fulltime and the provision of assisted education to be considered beyond the current format to include tertiary education.

Following consideration,

COMMITTEE RECOMMENDS:

- 9.1 That Council notes the content of Circular 19/2024 from SALGA pertaining to the Minister of Co-operative Governance and Traditional Affairs Honourable Velenkosi Hlabisa's draft Government Notice dated 19 August 2024 on Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils for financial years 2023/2024 and 2024/2025.
- 9.2 That Council notes the key features of the draft notice, and further critical matters that SALGA will continue to lobby for on behalf of Municipalities.
- 9.3 That Council notes that due to the urgency to finalise proposals contained in the draft Government Notice from Minister: COGTA, SALGA requests for written comments from Municipalities on the said draft notice, and such comments be submitted to SALGA National Office by Monday, 26 August 2024.
- 9.4 That in view of the SALGA's submission date in .3 above, authority be granted to the City Manager to engage with respective Executive Committee Members and Party Whips on the draft Government Notice, consolidate inputs/comments and submit to SALGA National Office on behalf of the Municipality.
- 9.5 That subject to the approval of .4 above, comments/inputs submitted by the City Manager on behalf of the Municipality be reported back at the next meeting of the Executive Committee.

With the EFF abstaining, the item was by majority, ADOPTED.

10. AUTHORITY TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN ETHEKWINI MUNICIPALITY AND NATIONAL DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE TO DRIVE INNER CITY REGENERATION PROGRAMMES AND INFRASTRUCTURE DEVELOPMENT (20/1/7/1)

(L 11)

Since the beginning of 2024, the City leadership intensified its effort and resources allocation towards addressing these challenges. There has been remarkable improvement noticed. The level of service delivery has improved greatly. The inner city is a lot cleaner. Due to collaborative effort between South African Police Services (SAPS) and Metro Police, there is more visibility of policing and less crime incidents reported. The condition of Bad Buildings has changed for the better, with building owners putting more effort in maintain their buildings to improve their look and feel as well as health and safety compliance. These changes have also attracted positive feedback from the public, both local and national. The work which is expected to continue is based on the 14 workstreams as reflected below:

Inner-City Regeneration Action Plan:

- (a) Workstream 1: Establishment of Inner-City Entity
- (b) Workstream 2: Public Realm Management
- (c) Workstream 3: Problem Building Programme Implementation
- (d) Workstream 4: Transport Inner-City Pedestrianization
- (e) Workstream 5: Extend the UIP to include the CBD
- (f) Workstream 6: Social Housing Development

- (g) Workstream 7: Informal Trade
- (h) Workstream 8: Trade Bazar
- (i) Workstream 9: Safety & Security Management
- (j) Workstream 10: Inner-City Ablution Programme
- (k) Workstream 11: Stakeholder Engagement
- (l) Workstream 12: International Events Schedule
- (m) Workstream 13: Implementation of Key Inner-City Development Projects (Woza Basket)
- (n) Workstream 14: Optimisation of Underutilised Buildings

The work will need alignment with District Development Model (DDM) and other Intergovernmental governmental relations (IGR) protocol.

In fostering a collaborative relationship between the Department of Public Works & Infrastructure (PW&I) and the eThekweni Metropolitan Municipality, it is concluded that:

- A Memorandum of Understanding (MoU) needs to be signed by the Minister of PW&I and the Mayor within the next two weeks.
- The MoU would lay a solid foundation for effective urban management and development initiatives in Durban
- The MoU needs to talk about the establishment of a Political Committee and a Technical Committee, which should meet monthly and every second month respectively.
- The Political Committee to be co-Chaired by representatives from PW&I and eThekweni Municipality.
- Mandate: A Technical Committee will be established as a result of this meeting. This committee will be responsible for the detailed planning and execution of initiatives related to problematic buildings, revenue collection, and inner-city regeneration.
- Composition: The committee will consist of representatives from the eThekweni Metropolitan Municipality and the Department of Public Works and Infrastructure. It will include technical experts, urban planners, legal advisors and financial analysts.
- Frequency of Meeting: The committee will convene on a monthly basis to review progress, address challenges, and update strategies as necessary.
- Reporting: The committee will provide regular reports to the Political Committee, led by the Minister of PW&I and the Mayor of eThekweni. These reports will include progress updates, key decisions, and any issues requiring higher-level intervention.
- Expected Outcomes:
 - A clear and actionable plan for addressing problematic buildings within eThekweni, and their potential redevelopment.
 - Improved revenue collection processes and enhanced financial sustainability for both the Municipality and the Department of PW&I.
 - A roadmap for Inner-City Regeneration that aligns with both local and national development goals

COMMITTEE RECOMMENDS:

- 10.1 That Council notes the deliberations which took place between His Worship the Mayor, Councillor Xaba and the Minister of Public Works & Infrastructure, Hounarable Minister MacPherson to discuss the challenges and the government collaboration related to the management of bad buildings and revenue collection as part of Inner-City Regeneration Programme, as well as infrastructure development to support private development.
- 10.2 That Council mandates the His Worship the Mayor and the City Manager to enter into a Memorandum of Understanding (MoU) with the Minister and Director General of Public Works & Infrastructure PW&I) to establish a collaborative framework between the Department of PW&I and the eThekweni Municipality, with primary focus on Inner-City Regeneration work related to problematic buildings, ensuring effective revenue collection from state departments and spearheading infrastructure development to attract and promote private sector investment.
- 10.3 That subject to the approval of the .2 above, the terms of reference for the MoU to be signed needs to be informed by the following principles:
- 10.3.1 Establishment of a Political Committee and Technical Committee, which should meet monthly and every second month, respectively.
- 10.3.2 The Political Committee to be Co-Chaired by the Minister of PW&I and the Mayor of eThekweni Municipality.
- 10.3.3 The Technical Committee to be co-Chaired by the representatives from the Department of PW&I and eThekweni Municipality.
- 10.3.4 The committee will be responsible for the detailed planning and execution of initiatives related to problematic buildings, revenue collection, and Inner-City Regeneration.
- 10.3.5 The committee will consist of representatives from the eThekweni Municipality and of Department of PW&I, it will include technical experts, urban planners, legal advisors, and financial analysts.

Financial Implications:

There are no financial implications to the Municipality at the moment. Any financial implications arising out of the approval of the action plan will follow the normal approval process within Council

ADOPTED.

11. MANDATE OF FACILITATORS' PROPOSAL: SALARY AND WAGE COLLECTIVE AGREEMENT (4/5/1/1)

(L12)

In view of the current salary and wage agreement expired on 30 June 2024, the Committee received the report relative to the mandate on the Facilitator's proposal on the salary and wage collective agreement to be applicable from 01 July 2024. The negotiations for the new agreement commenced in July 2024 and it is anticipated that this process will be concluded in September 2024.

The purpose of this submission is to submit the Facilitator's proposal as detailed under the recommendation. It being recorded that the Municipality has approved budget of 5.2% for staff salaries in the 2024-25 budget.

The DA abstained in this regard, but with the other Political Parties present,

COMMITTEE RECOMMENDS:

- 11.1 That the Governance and Human Resources Committee Chairperson, Councillor Madlala; Deputy City Manager: Corporate and Human Capital, Ms Makhathini; and the Deputy City Manager: Finance, Dr Mnguni be mandated to represent the Municipality supported by the Head: Human: Capital, Mr. Mkhize and the Deputy Head: Employment Relations, Ms Ngcobo.
- 11.2 That South African Local Government Association (SALGA) be mandated to accept the Facilitators' proposals, as follows:

The facilitators' proposal is detailed as follows:

- (a) A five (5) year agreement effective from 01 July 2024, ending 30 June 2029.
- (b) For the first year, a salary increase of 4.5% from 01 July 2024 and a further 1.5% increase from March 2025. Thereafter CPI based percentage increases (Year 2: CPI plus 0.75%; Year 3: CPI plus 0.75%; Year 4: CPI plus 1.25%; and Year 5: CPI plus 1.25%)
- (c) Benefits linked to salary increases to increase in line with the increases set out above, save for the housing allowance and medical Aid, which will only increase by 4.5% and not the additional 1.5%.
- (d) A gap market allowance of R2000.00 (Two Thousand Rand) once off, for employees earning less than R22 000.00 (Twenty Two Thousand Rand) who do not receive any housing allowance or subsidy.
- (e) Housing investigation for gap market employees to be conducted by SALGBC and concluded by 31 March 2025.
- (f) The issue of service stands for employees to be addressed at the local level (LLFs).
- (g) The exemption procedure has been refined to provide for mediation.
- (h) Maternity, paternity and adoption leave, to be dealt with in the negotiations on the Main Collective Agreement.
- (i) A productivity clause – parties commit to engage towards optimization of productivity.

Financial Implications:

The Municipality approved a (five-point two percent) 5.2% increase for salaries in the 2024/2025 budget.

With the DA abstaining, the item was by majority, ADOPTED.

(At this stage of the proceedings Councillor CB Dlamini, in his capacity as the Deputy Chairperson of the Municipal Public Accounts Committee, presented the First Report of the Committee).

REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

FIRST REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. RESCISSION OF COUNCIL RESOLUTION: SUBMISSION OF CIIU REPORTS TO THE MUNICIPAL COUNCIL

(as contained in the Supplementary Council Agenda 2024-08-01)

1.1 Background:

MPAC, has amongst its mandates, a duty to investigate Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure and make recommendations to Council for recovery or write off depending on the outcome of its investigations. This function originates from the Municipal Finance Management Act (MFMA) No. 56 of 2003 which provides that irregular expenditure may only be written off by Council after an investigation has been conducted by a Council committee and is certified as irrecoverable. The Council committee which carries out this function is MPAC. In carrying out this function MPAC conducts its investigations through City Integrity & Investigations Unit (CIIU) since it has no capacity to carry such investigations on its own through its members.

1.2. CIIU Investigation Mandate:

CIIU conducts investigations of fraud and corruption, service delivery complaints and administrative malpractices, amongst others. Its investigations are preliminary in nature and require further processing by responsible functionaries ranging from the Accounting Officer or Council Committees [MPAC or Executive Committee (processing bodies)]. The Unit does not provide final adjudications or decisions hence it only issues recommendations for further processing by the Processing Bodies. Due to their preliminary nature, CIIU reports are not meant for wider audiences or consumption and as such are confidential. They are meant to be viewed by select committees or functionaries to protect and maintain their confidentiality. Another major reason why they are kept confidential is that they cite the names of people on allegations that are still to be tested through appropriate forums (disciplinary hearing or a court processes; criminal or civil proceedings, *etc.*)

1.3 Discussion:

It will be recalled that, at the Council meeting held on 28th June 2024, Council took a resolution that:

“CIIU reports must be made available to Council for accountability purposes.”

The above resolution came as an amendment to MPAC’s recommendations that dealt with UIFW expenditure; with a rider that MPAC review the legal ramifications of CIIU’s investigation reports being made available to the Municipal Council.

During deliberations at the MPAC meeting held on 25th July 2024, a legal opinion was sought to determine whether there were any risks in making CIIU’s reports available to Council.

1.4 **Risk in Submitting CIU Reports to Council:**

We were advised that it would be impossible for Council to maintain the confidentiality required in CIU reports due to the size of the Forum. An example was cited that reports considered “In-Committee” at Council did get leaked, without any trace of who leaked such documents.

We feel that if CIU reports were to be deliberated upon at Council, preliminary as these are, the Municipality would expose itself to defamation lawsuits by those who may challenge the CIU reports successfully and have these investigations set aside. In addition, the lives of witnesses would be endangered as their names are mentioned in the reports. Furthermore, the identities of whistleblowers likewise may be compromised. Additionally, disciplinary action against employees would be compromised, if not made impossible, as the names of those against whom allegations of misconduct are made would be publicised before facing any formal disciplinary hearing.

1.5 **Conclusion:**

We therefore believe it would be prejudicial and would expose the Municipality to defamation lawsuits or civil action if the CIU investigation reports were made available to the municipal Council. This would also compromise the proper processing of recommendations made in the reports.

Having duly deliberated on the matter,

COMMITTEE RECOMMENDS

That the resolution taken by Council on 2024-06-28, in respect of CIU reports being submitted to Council for accountability purposes, be rescinded.

ADOPTED.

(At this stage of the proceedings Councillor CB Dlamini, in his capacity as the Deputy Chairperson of the Municipal Public Accounts Committee, presented the Second Report of the Committee).

SECOND REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

2. 2023/2024 QUARTERLY REPORT FROM JANUARY 2024 TO MARCH 2024
(as contained in the Supplementary Council Agenda 2024-08-01)

2023/2024:
Quarterly
Report:
MPAC

March 31

2024

Report of the Municipal Public Accounts Committee (MPAC) for the
third quarter of 2023/2024 financial year: January to March 2024

Municipal Public
Accounts
Committee
(MPAC)

TABLE OF CONTENTS

1. CHAIRPERSON'S STATEMENT
2. MEMBERSHIP AND MEETINGS OF THE MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE
3. ROLE OF THE COMMITTEE
4. SUMMARY OF COMMITTEE ACTIVITIES FOR PERIOD
OCTOBER 2023 TO DECEMBER 2023
5. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE COMMENTS
AND FINDINGS FOR SECOND QUARTER OF 2023/2024
6. WORKSHOPS AND TRAINING
7. RECOMMENDATIONS

1. CHAIRPERSON'S STATEMENT

It is my pleasure to present the Third Quarter Report of the Municipal Public Accounts Committee (MPAC) which records the activities undertaken by the Committee from January to March 2024.

We have spent the third quarter interrogating the 2022/2023 Annual Report; including the Auditor General's report for the same period. Officials appeared before MPAC to respond to the AG's findings and more importantly to indicate the mitigation measures implemented to address such findings. However, it must be noted that our programme to prepare the Draft Oversight Report in February and March was largely impacted by the municipal workers' illegal strike action. This resulted in senior management being unable to attend MPAC meetings and scheduled public hearings for the annual report had to be cancelled due to security concerns. Nonetheless, we completed our Oversight Report timeously and it was adopted by Council on 26th March 2024.

As an oversight Committee, we are working steadily to address the many issues which impact service delivery. The findings in the 2022/2023 Audit Report attest to these concerns. It is our aim to hold Management accountable and contribute fully to the achievement of clean administration and good governance by the Municipality.

Councillor Thamisanqa Xuma
Chairperson: Municipal Public Accounts Committee
eThekweni Municipality

2. MEMBERSHIP AND MEETINGS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Committee comprises of 11 members appointed by full Council on a proportional representation basis.

2.1 Membership of the Municipal Public Accounts Committee during the third quarter of 2023/2024:

NO.	SURNAME	NAMES	DESIGNATION	PARTY
1.	Xuma	Thamisanqa	Chairperson	EFF
2.	Dlamini	Conrad Bongumusa	Deputy Chairperson	ANC
3.	Beesley	Alan David	Member	ActionSA
4.	De Boer*	Shontel	Member	DA
5.	Fortein	Barbara	Member	ANC
6.	Gama	Sizeni Gladness	Member	ANC
7.	Kissoon*	Alicia	Member	DA
8.	Mkhwanazi	Brenda	Member	ANC
9.	Naidoo	Jane	Member	IFP
10.	Sibisi	Siboniso	Member	DA
11.	Thusi	Muzikayise	Member	ANC

*** On 2024-03-12, Councillors De Boer and Kissoon were replaced by Councillors WJM Burne and CJ Laing respectively.**

2.2 Attendance of Members at Municipal Public Accounts Committee for the third quarter 2023/2024:

NAME	JAN 18	FEB 02	FEB 06	FEB 14	FEB 16	FEB 22	MAR 05	MAR 07
COUNCILLOR T XUMA	P	L	L	C A N C E L L	C A N C E L L	P	P	P
COUNCILLOR AD BEESLEY	P	L	P			P	L	P
COUNCILLOR SV DE BOER	P	L	L			P	L	L
COUNCILLOR CB DLAMINI	P	L	P			P	P	P
COUNCILLOR BA FORTEIN	P	P	P			P	L	P

COUNCILLOR SG GAMA	P	P	P	A T I O N *	A T I O N **	L	P	P
NAME	JAN 18	FEB 02	FEB 06			FEB 22	MAR 05	MAR 07
COUNCILLOR A KISSOON	P	L	P			P	P	L
COUNCILLOR B MKHWANAZI	L	P	P			L	L	L
COUNCILLOR J NAIDOO	P	P	L			P	P	L
COUNCILLOR KS SIBISI	L	L	P			P	P	L
COUNCILLOR M THUSI	L	P	P			P	L	L

* 14th February meeting was cancelled due to the Quarter 2 Performance Review Session scheduled by the City Manager with all Deputy City Managers and Heads.

** 16th February meeting was cancelled with the concurrence of the Chairperson.

NAME	MAR 13	MAR 15	MAR 19	MAR 20	MAR 22	MAR 25
COUNCILLOR T XUMA	P	P	P O S T P O N E D *	L	C A N C E L L E D **	P
COUNCILLOR AD BEESLEY	P	P		L		P
COUNCILLORWJM BURNE	P	P		P		P
COUNCILLOR CB DLAMINI	P	P		P		P
COUNCILLOR BA FORTEIN	P	A		P		P
COUNCILLOR SG GAMA	P	P		P		P
COUNCILLOR CJ LAING	P	P		L		P
COUNCILLOR B MKHWANAZI	P	A		L		P
COUNCILLOR J NAIDOO	P	P		L		A
COUNCILLOR KS SIBISI	P	P		P		P
COUNCILLOR M THUSI	A	A	*	P	**	P

* 19th March meeting was postponed to 20th March due to a special Council meeting.

** 22nd March meeting cancelled with the concurrence of the Chairperson.

3. ROLE OF THE COMMITTEE AND COMMENTS

The primary function of the Municipal Public Accounts Committee is to help Council to hold the Administration, Municipal Agencies and Entities accountable for their management of municipal funds and assets in order to ensure the efficient and effective utilisation of council resources. This includes the Council's Support Committees, Executive Committee as well as Councillors. MPAC plays a role in increasing public and Council awareness of the financial and performance issues of the Municipality and its Entities.

4. SUMMARY OF COMMITTEE ACTIVITIES FOR PERIOD JANUARY TO MARCH 2024

The Committee's activities include a mix of self-initiated and referred enquiries. We therefore receive submissions and conduct briefings/hearings on such matters as and when required.

Activity	Number
Reports Tabled	50
Deliberative Meetings	10
Interviews with Officials	54
Hearings	2
Briefings	2
Witnesses Appearing	Nil

5. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE COMMENTS AND FINDINGS FOR THE THIRD QUARTER OF 2023/2024

As per the MPAC Workplan 2023/2024, the following reports were received and considered by Committee during the 3rd quarter:

- Budget Statement Reports for the months ending November and December 2023, January 2024
- Monthly Public Tender Awards of EtheKweni Municipality for month of October, November and December 2023, January 2024
- Audit and Risk Report for the 1st quarter ended 30 September 2023
- Review of External Service Provider Performance Monitoring by Units within the Municipality for Quarter 2 of 2023/2024 Financial Year
- City Integrity and Investigations Report for the 2nd Quarter 2023/2024
- Irregular Expenditure : Various Financial Years

- Preparation of Oversight Report 2022/2023

A recurring matter of concern has been the high water losses. We received a presentation on the Water & Sanitation Unit's Turnaround Strategy and we hope that the funding provided to the Unit will contribute to the reduction of water losses.

6. WORKSHOPS AND TRAINING

No workshops or training were undertaken during this quarter.

7. RECOMMENDATIONS

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes the report of the Municipal Public Accounts Committee for quarter 3 of the 2023/2024 financial year, ended 31 March 2023; it being recorded that the activities undertaken during the period under review include:

- (i) Review of the 2022-23 eThekweni Municipality's Annual Report
- (ii) Oversight of the Municipality's financial management;
- (iii) Monitoring compliance with procurement processes;
- (iv) Monitoring performance of appointed service providers;
- (v) Oversight of Unauthorised; Irregular; Fruitless and Wasteful Expenditure;
- (vi) Tracking implementation of mitigating measures arising from the findings raised by the Auditor-General; and
- (vii) Monitoring of investigations undertaken by the City Integrity and Investigation Unit

NOTED.

(At this stage of the proceedings Councillor CB Dlamini, in his capacity as the Deputy Chairperson of the Municipal Public Accounts Committee, presented the Third Report of the Committee).

THIRD REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

3. 2024/2025 WORK PLAN PROGRAMME
(as contained in the Supplementary Council Agenda 2024-08-01)

Municipal Public Accounts Committee Work Programme

2024/2025

TABLE OF CONTENTS

1. OUR MANDATE
2. IDP, BUDGET AND MUNICIPAL PERFORMANCE
3. ANNUAL FINANCIAL STATEMENTS
4. ANNUAL REPORT PROCESS
5. IN-YEAR REPORTING
6. AUDIT COMMITTEE
7. 2024/2025 MPAC WORK PROGRAMME

This Work Programme outlines the activities that will be undertaken by eThekweni Municipality's Public Accounts Committee in the 2024/2025 financial year.

Our Mandate

The key functions of the Municipal Public Accounts Committee are:

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

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

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

Our Terms of Reference as approved by Council are:

1.1 To examine the following documents:

- (a) Audit Reports on Annual Financial Statements of the Municipality and its Entities;
- (b) Audit opinion, other reports and recommendations from the Audit Committee;
- (c) Any reports issued by the Auditor General on the affairs of the Municipality and its Entities;
- (d) Any report on the outcome of any investigation relating to the financial affairs of the Council;
- (e) The annual reports and information on performance of the Municipality and of any Municipal Entity under the Municipality's shared or sole control;
- (f) The Mayor's quarterly reports on the implementation of the budget and the financial state of affairs of the Municipality; and
- (g) Any other financial statements or reports referred to us by the Council;

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

IDP, Budget and Municipal Performance

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

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

We will monitor the preparation of the annual performance plan.

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

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

Annual Financial Statements

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

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

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

Annual Report Process

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

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

In-year monitoring

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

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

Audit Committee

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

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) WORK PLAN: 2024/2025

	Deliverable	Statutory Reference	Purpose	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Responsibility
1	Municipal Finance Management Act (MFMA)															
	1.1 Unauthorised, irregular or fruitless and wasteful expenditure: <ul style="list-style-type: none"> Interrogate reports of any unauthorised, irregular or fruitless and wasteful expenditure by the Council, the Mayor, Executive Committee or any political office bearer of the municipality Obtain reports from the Municipal Manager on all steps taken to either authorise or certify the payment or to recover or write off the expenditure Receive reports from the Municipal Manager on whether any criminal action was instituted in this regard and report to the Council on the appropriateness of any criminal or civil steps taken and reported where no further action was taken and why 	MFMA s32	For review and recommendation to Council		X									X	X	Mayor and City Manager
	1.2 Monthly budget statements: <ul style="list-style-type: none"> Interrogate the monthly budget statements and report 	MFMA s71	For review and recommend	X	X	X	X	X	X	X	X	X	X	X	X	Mayor, CFO and City Manager

	Deliverable	Statutory Reference	Purpose	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Responsibility
	any matter of concern on the statement to the Council		ation to Council													
	1.3 Mid-year budget and performance assessment: <ul style="list-style-type: none"> Interrogate the Municipality's mid-year budget and performance assessment and submit comments on the assessment to the Council 	MFMA s72	For review and recommendation to Council							X						Mayor, CFO and City Manager
	1.4 Mid-year budget and performance assessment of the municipal entities: <ul style="list-style-type: none"> Interrogate the Entities mid-year budget and performance assessment reports and report matters of concern to the Council 	MFMA s88	For review and recommendation to Council							X						Mayor, CFO and City Manager
	1.5 Disclosures concerning Councillors, directors and officials: <ul style="list-style-type: none"> In interrogating the annual financial statements, ensure that the necessary disclosures were made in the financial statements, including: <ul style="list-style-type: none"> Salaries, allowances and benefits of political 	MFMA s124	For review and recommendation to Council								X					City Manager and CFO

	Deliverable	Statutory Reference	Purpose	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Responsibility
	<p>bearers and Councillors of the Municipality</p> <ul style="list-style-type: none"> Arrears owed by individual Councillors by the Municipality for more than 90 days Salaries, allowances and benefit of the Municipal Manager, CFO, DCMs and Senior Managers Salaries, allowances and benefits of the board of Directors of Municipal entities Salaries, benefits and allowances of the chief Executive Officer and Senior Managers of Municipal entities 															
	<p>1.6 Submission and auditing of annual financial statements:</p> <ul style="list-style-type: none"> Receive the annual financial statements of the Municipality and all its entities that are submitted to the Auditor General of South Africa (AGSA) 	MFMA s126	For review and recommendation to Council						X							CFO and City Manager
	<p>1.7 Submission of the annual report:</p> <ul style="list-style-type: none"> Receive the annual report no later than the second of February 2023. 	MFMA s127									X					City Manager

	Deliverable	Statutory Reference	Purpose	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Responsibility
	<ul style="list-style-type: none"> Monitor that the annual report has been submitted to the AGSA, as well as the provincial government departments required and has been published for comment 															
	1.8 Oversight report on the annual report: <ul style="list-style-type: none"> Consider the annual report and prepare a draft oversight report to be submitted to the Council for purposes of adopting the oversight report 	MFMA s129 N.T. Circular 32	For review and recommendation to Council							X	X	X				City Manager
	1.9 Issues raised by the Auditor General in audit reports: <ul style="list-style-type: none"> Interrogate report prepared to address issues raised by the AGSA and make recommendations to the Council 	MFMA s131	For review and recommendation to Council			X			X			X			X	City Manager and CFO
	1.10 Audit Committee: <ul style="list-style-type: none"> Interrogate audit committee reports to be informed of matters requiring the attention of the Council and to be capacitated 			X			X			X			X			

[illegible]

	Deliverable	Statutory Reference	Purpose	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Responsibility
7	Special Meetings: <ul style="list-style-type: none"> To conduct public hearings To consider issues raised by the Auditor General To consider outstanding matters To consider matters reported to MEC 		As and when required													MPAC Secretariat
8	Consequence Management <ul style="list-style-type: none"> Monitor the implementation of consequence management matters 		For monitoring	X			X			X			X			Deputy City Manager
9	Financial Misconduct Disciplinary Board <ul style="list-style-type: none"> Monitor the implementation of Financial Misconduct matters 		For Monitoring	X			X			X			X			Deputy City Manager CHC
10	Water losses <ul style="list-style-type: none"> Monitor the implementation of the Turnaround Strategy of the Water and Sanitation Unit 		For Monitoring	X			X			X			X			Deputy City Manager Trading Services
11	Blacklisting Committee <ul style="list-style-type: none"> Monitor the implementation of companies recommended for blacklisting 		For monitoring	X			X			X			X			City Manager

COMMITTEE RECOMMENDS:

That the 2024/2025 Work Plan Programme for the Municipal Public Accounts Committee, be adopted.

ADOPTED.

(At this stage of the proceedings Councillor CB Dlamini, in his capacity as the Deputy Chairperson of the Municipal Public Accounts Committee, presented the Fourth Report of the Committee).

FOURTH REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

4. 2023/2024 ANNUAL REPORT FOR ACTIVITIES OF THE COMMITTEE
(as contained in the Supplementary Council Agenda 2024-08-01)

2023/2024:
Annual
Report:
MPAC

June 30

2024

TABLE OF CONTENTS

1. CHAIRPERSON'S STATEMENT
2. MEMBERSHIP OF THE COMMITTEE
3. ROLE OF THE COMMITTEE
4. REVIEW OF THE IMPLEMENTATION OF THE 2022/2023 RECOMMENDATIONS
5. REPORTING ARRANGEMENTS
6. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE COMMENTS,
FINDINGS AND RECOMMENDATIONS FOR 2023/2024
7. CONFERENCES, WORKSHOPS AND TRAINING
8. REVIEW OF EFFECTIVENESS
9. RECOMMENDATIONS
10. ANNEXURE: A 2022/2023 OVERSIGHT REPORT
11. ANNEXURE B 2022/23 ACTION PLAN FOR AUDITOR GENERAL FINDINGS

1. CHAIRPERSON'S STATEMENT

The 2023/2024 financial year was a challenging one for the Municipal Public Accounts Committee as it dealt with Unauthorized, Irregular, Fruitless & Wasteful (UIFW) expenditure matters dating back from 2016 to date. This resulted in us having to address a huge backlog. We are however pleased to announce that we have made great inroads processing UIFW matters on the City's books. We are grateful for the dedication of those MPAC members who made every effort to be present at special meetings so that we could accomplish our oversight of these matters.

We bade farewell to Councillor Alicia Kissoon who left MPAC to join the Ethics Committee. In addition, Councillors Shontel De Boer and Alan Beesley have left to become members of parliament. We extend our congratulations to them on their new appointments. It was a pleasure to welcome Councillors Warren Burne and Caelee Laing to the Committee in March this year.

As the primary aim of MPAC is to ensure that there is good governance, proper service delivery, sound financial management and a clean administration, we are all committed to undertaking our oversight responsibility to attain these goals.

It is our pleasure to therefore present to you the Annual Report of the Municipal Public Accounts Committee which records the activities of the Committee undertaken during the 2023/2024 financial year.

Councillor Thamisanqa Xuma
Chairperson: Municipal Public Accounts Committee
eThekweni Municipality

2. MEMBERSHIP OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Members of the Municipal Public Accounts Committee (MPAC) are non-Executive Members of Council. The Mayor, Members of the Executive Committee, Speaker and the Whip of Council may not serve on MPAC. Councillors serving on MPAC do not serve on other Committees of Council to prevent conflicts of interest.

The Committee comprises of 11 members appointed by full Council on a proportional representation basis.

The current membership of the Committee is therefore as follows:

NO.	SURNAME	NAMES	DESIGNATION	PARTY
1.	Xuma	Thamisanqa	Chairperson	EFF
2.	Dlamini	Conrad Bongumusa	Deputy Chairperson	ANC
3.	Burne	Warren Jerome Marigny	Member	DA
4.	Fortein	Barbara	Member	ANC
5.	Gama	Sizeni Gladness	Member	ANC
6.	Laing	Caelee	Member	DA
7.	Mkhwanazi	Brenda	Member	ANC
8.	Naidoo	Jane	Member	IFP
9.	Sibisi	Siboniso	Member	DA
10.	Thusi	Muzikayise	Member	ANC
11.	Vacancy		Member	Action SA

Councillors Burne and Laing replaced Councillors De Boer and Kissoon at MPAC in March 2024. Councillor Beesley of Action SA resigned in June 2024.

3. ROLE OF THE COMMITTEE

The primary function of the Municipal Public Accounts Committee is to help Council to hold the Administration, Municipal Agencies and Entities accountable for their management of municipal funds and assets in order to ensure the efficient and effective utilisation of council resources. This includes the Council's Support Committees, Executive Committee as well as Councillors. MPAC plays a role in increasing public and Council awareness of the financial and performance issues of the Municipality and its Entities.

The Committee's activities include a mix of self-initiated enquiries and referred enquiries. The Committee receives submissions and conducts briefings and hearings on such matters as required.

Together with the usual reports outlined in the Committee's Terms of Reference and reports featured in the Work Programme of the Municipal Public Accounts Committee, there are also issues pertaining to the monitoring of the implementation of Committee's recommendations to Council; the effective execution of consequence management throughout the City, more vigorous oversight over the implementation of the action plan in response to the audit findings, supply chain management oversight, monitoring of the performance of plan owners as well as oversight in respect of financial management.

MPAC remains firm in its stance that consequence management is the key to circumventing fraud, corruption and maladministration as well as enhancing good governance. To this end, we receive reports from Corporate Human Capital in relation disciplinary matters as well as reports from the Financial Misconduct Disciplinary Board. We continue to urge Heads of Units to conduct disciplinary hearings as it is the responsibility of the Unit to initiate and ensure that such hearings are finalised.

It is also a priority for MPAC to ensure that we receive investigations conducted by City Integrity and Investigations Unit and urge the City Manager to ensure that recommendations made by the said Unit in this regard are implemented.

Effective participation in the work of the Municipal Public Accounts Committee makes huge demands on the time and energy of members. There were 33 Committee meetings held during the 2023/2024 financial year and it is important to note the volume of reading and preparation that must be undertaken by members for these meetings. It must be highlighted that Members of the Committee are part time Councillors, some of whom are also Ward Councillors.

Summary of Committee Activities for 2023/2024:

Activity	Number
Reports Tabled	213
Deliberative Meetings	33
Interviews with officials	217
Hearings	2
Briefings	Nil
Witnesses Appearing	Nil

4. REVIEW OF THE IMPLEMENTATION OF THE 2022/2023 RECOMMENDATIONS

The Municipal Public Accounts Committee highlights its recommendations to the Council arising from the interrogation of the Annual Report and its examination of the management

of municipal funds and assets throughout the year. The purpose of these recommendations is to draw attention to issues which, in the opinion of the Municipal Public Accounts Committee, warrant follow up action. The Committee believes that it is significantly important for its recommendations to Council to be actioned as this will go a long way in achieving a clean audit outcome and ensure good governance in the Municipality. These issues raised include:

- Significant uncertainties: Claims lodged against the city
- Expenditure Management
- Consequence Management
- Environmental Management
- Procurement and Contract Management
- Internal Control Deficiencies
- Material debt impairments
- Material Irregularities: Current and Prior years
- Material Water Losses
- Material Electricity Losses
- Material Findings on reported performance information
- Underspending of the budget

To enable systematic implementation of its recommendations, Committee previously requested the City Manager to institute arrangements for the tracking of remedial actions by management and preparation of periodic progress reports on their implementation. The Committee believes that this would enhance the effectiveness of its work by both minimising the need for unnecessary repetition of recommendations and by providing a framework for dialogue with management on issues arising from the implementation process.

Committee is pleased to note that the implementation of its recommendations, together with those of other Committees, is being monitored via a Council Resolutions Register which is compiled and submitted to the Executive Management Committee by the City's Secretariat Department. In addition, we have been allocated an official from the Performance Monitoring and Evaluation Unit who tracks the implementation of recommendations made by MPAC to Council. It is our hope that such implementation of our recommendations to Council will enable the municipality to obtain a clean audit outcome.

5. REPORTING ARRANGEMENTS

The Municipal Public Accounts Committee reports directly to Council. In addition to reporting on issues which require the attention of the Council on an adhoc basis, MPAC also reports to Council on a quarterly basis as well as annually at financial year end.

6. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE COMMENTS, FINDINGS AND RECOMMENDATIONS FOR 2023/2024

The Municipal Public Accounts Committee, having deliberated on several issues, made recommendations to Council in relation to the following matters:

- Irregular Expenditure
- Consequence Management
- Material Water and Electricity Losses
- Financial Management

One of our core functions is to investigate Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFWe). Based on explanations presented by Units as well as our deliberations, we then resolve to recommend write-off or recovery of the expenditure incurred. In our engagements with the respective Units, we note the same concerns expressed in the prior year where reports contain insufficient information, or no reports are provided despite requests for the same. We have emphasised that verbal reporting will not be accepted, and we find it astonishing that Heads of Units still appear before the Committee without a formal report being submitted. This results in matters being deferred and impacts on the Committee's turnaround time in addressing UIFWe. Such delays place the Municipality at risk of receiving repeat findings from the Auditor-General as well as impacts on the outcomes of investigations conducted by the City Integrity and Investigations Unit (CIIU).

Furthermore, in this regard, a significant factor we identified during our interrogation of UIFWe is that investigations can take up to two to three years to be finalised. The consequence of the length of time to finalise investigations often results in recommendations being unimplementable due to the departure of implicated officials. We have ascertained that this can be directly attributed to the lack of staff capacity at CIIU and urge the City Manager to ensure the vacant posts are filled speedily. This will also assist to expedite consequence management as well as help the Financial Misconduct Disciplinary Board to ensure that disciplinary proceedings are undertaken more effectively.

The high-water losses continue to be a concern for us. The proposed Turnaround Strategy, which has the backing of National Treasury and Department of Water Affairs has shed light on how the situation in eThekweni may be reversed. However, we are not happy with the progress and implore the City Manager to take the necessary steps to ensure the implementation of the Turnaround Strategy is monitored effectively.

We continue to monitor the finances of the City and receive regular reports on the financial state of the Municipality. While we make every effort to oversee the public purse, we believe that additional and intensified efforts of Support Committees to keep a handle on matters under their areas of jurisdiction will also assist us to attain a clean audit opinion.

7. CONFERENCES, WORKSHOPS AND TRAINING

The Municipal Public Accounts Committee recognises that training and capacity building interventions assist its members enhance the quality and effectiveness of their performance. It is therefore imperative that members are given the opportunity to receive ongoing training to keep abreast with the requisite skills and knowledge necessary to enhance the Committee's oversight role. The effectiveness and success with which the Committee performs its functions is dependent on its members having the necessary skills and knowledge.

In 2023/2024 financial year, the Committee attended the following conferences/workshops/training:

NO	TRAINING/WORKSHOPS	DATES	VENUE
1	CIGFARO CONFERENCE	24 th to 26 th October 2023	Cape Town
2	FRAUD AWARENESS	29 th November 2023	Durban ICC
4	COGTA	19 th October 2023	City Hall

8. REVIEW OF EFFECTIVENESS

The Committee has built a reputation for its insistence on proper governance within the municipality and its aim is to achieve a clean audit outcome from the Auditor General.

To this end, the Committee is concentrating its efforts on ensuring that consequence management is executed throughout the Municipality. However, we find ourselves frustrated with the slow progress made and feel powerless sometimes that we are unable to create a greater impact on delivery of services as well as generating a sense of urgency on matters which are repeatedly brought before us. Nonetheless, it is the determination of the Committee that its recommendations to Council are thoroughly researched, Departments properly interrogated and the results targeted towards a city proud of its clean administration. There is still some way to go, but the Committee is hopeful it will achieve this aim.

9. RECOMMENDATIONS

COMMITTEE RECOMMENDS:

That the Annual Report of the Municipal Public Accounts Committee detailing the activities of the Committee for the 2023/2024 financial year, be noted.

NOTED.

(At this stage of the proceedings Councillor CB Dlamini, in his capacity as the Deputy Chairperson of the Municipal Public Accounts Committee, presented the Fifth Report of the Committee).

FIFTH REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

5. **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL (UIFW) EXPENDITURE: MULTIPLE FINANCIAL YEARS**
(as contained in the Supplementary Council Agenda 2024-08-29)

BACKGROUND

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

The section reads as follows:

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

- (a) in the case of unauthorised expenditure, is—
 - (i) authorized in an adjustments budget; or
 - (ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and
- (b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the Council.”

ANALYSIS OF UIFW CASES FINALISED

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

- Reports were prepared by the Units that incurred irregular expenditure after investigation by the said Unit. The reports disclosed the deviation from Supply Chain Management Policy, the reasons for the deviation and the value of the expenditure.
- The reports together with supporting documents were submitted to the Internal Control Unit for review and thereafter were submitted to the Bid Adjudication Committee for noting purposes.
- The Internal Control Unit reviewed and applied its mind on the reports and considered whether there was any value for money obtained by the municipality, or any losses suffered by the municipality due to non-compliance detected using the following questions:
 - (a) The nature of the irregularity
 - (b) Whether or not the contracts followed the SCM public tender process
 - (c) Whether or not the Unit Heads had certified that value for money was received

- (d) Whether or not the Unit Heads had confirmed that goods or services were delivered as per contract specifications and initial contract rates
- (e) Whether corrective action needed to be undertaken
- (f) Whether preventative measures were required to be implemented and the status of such actions, where deemed necessary
- Other irregularities were also identified through an audit by the Auditor-General. These were further investigated by Provincial Treasury/Office of the Premier as directed by Council.

Irregular, Fruitless & Wasteful expenditure totaling **R249,864,508.89** (Two hundred forty-nine million eight hundred sixty-four thousand five hundred eight rands and eighty-nine cents) was identified as follows:

Source	Annexure	Amount
Internal Control	A	R163,675,424.54
Auditor General	B	R86,189,084.35
TOTAL		R249,864,508.89

Unauthorised, Irregular, Fruitless and Wasteful expenditure amounting to **R86,189,084.35** (Eighty-six million one hundred eighty-nine thousand eighty-four hundred rands and thirty-five cents) was deemed recoverable by an investigation commissioned by Provincial Treasury/Office of the Premier.

Whilst we believe that officials should be held responsible for incurring UIFW expenditure and believe that the necessary disciplinary proceedings should be instituted in this regard, it is unfortunately not our responsibility to undertake such actions. It is the sole responsibility of the Accounting Officer and his management; with the Financial Misconduct Disciplinary Board playing a role in instances of financial misconduct. However, as part of our oversight duties we receive quarterly reports from the Financial Misconduct Disciplinary Board and the team, that is led by the Deputy City Manager: Corporate and Human Capital, to monitor the implementation of consequence management in the municipality.

Having duly considered and deliberated on the UIFW expenditure concerned,

COMMITTEE RECOMMENDS:

- 5.1 That in compliance with Section 32(2) of the Municipal Finance Management Act (MFMA), irregular, fruitless and wasteful expenditure totaling **R163,675,424.54** (One hundred sixty-three million six hundred seventy-five thousand four hundred twenty-four rands and fifty-four cents) as detailed in “**Annexure A** of this report be certified as irrecoverable and written-off by Council based on the outcomes of the investigation of such expenditure.
- 5.2 That in compliance with Section 32(2) of the Municipal Finance Management Act (MFMA), fruitless and wasteful expenditure totaling **R86,189,084.35** (Eighty-six million one hundred eighty-nine thousand eighty-four hundred rands and thirty-five cents) as detailed in **Annexure B** of this report be recovered from the relevant former officials of the Municipality as well as entities/service providers.

- 5.3 That it be noted that any consequence management recommendations will be dealt with in accordance with the Council Policy in relation to financial misconduct and oversight by the Financial Misconduct Disciplinary Board.

With the Action SA voting against, the item was, by majority, ADOPTED.

(At this stage of the proceedings Councillor CB Dlamini, in his capacity as the Deputy Chairperson of the Municipal Public Accounts Committee, presented the Sixth Report of the Committee).

SIXTH REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

6. **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE FROM PERIOD 1ST APRIL 2024 TO 30TH JUNE 2024: LOCAL CONTENT**
(as contained in the Supplementary Council Agenda 2024-08-29)

BACKGROUND

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

The section reads as follows:

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

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

ANALYSIS OF UIFW CASES FINALISED

The Office of the Auditor-General South Africa, during an audit, identified non-compliance with Regulation 8(1) and (2) of the Preferential Procurement Regulations (PPR) 2017. The Regulations required an organ of state to, in the case of a designated sector, advertise the invitation to tender with a specification condition that only locally produced goods or locally manufactured goods, meeting a stipulated minimum threshold for local production and content would be considered.

We noted that 62 contracts had been awarded by the Municipality in contravention of local content provisions. The details of the contracts are reflected in **Annexure A** attached hereto. The contracts have a total value of **R481,247,836.75** (Four hundred eighty-one million two hundred forty-seven thousand eight hundred thirty-six rands and seventy-five cents). All these contracts were acquired through public tender processes.

It should be noted that we previously supported a write-off of R495,377,082.01 (four hundred ninety-five million three hundred seventy-seven thousand eighty-two rands and one cent) relative to Local Content in the past financial year. In relation thereto, we further supported a write-off of R2,030,763,586.25 (Two billion, thirty million, seven hundred sixty-three thousand, five hundred eighty-six rands and twenty-five cents) in February 2024. Committee then supported the write-off of R931,345,188.13 (Nine hundred thirty-one million three hundred forty-five thousand one hundred eighty-eight rands and thirteen cents) in June 2024. As the contracts were deemed irregular by the Auditor-General from inception, all expenditure incurred until the contracts end will be irregular.

We interviewed the Acting Head: Supply Chain Management to establish the root cause of the non-compliance and we have received the assurance that there was no breach of the Municipal Finance Management Act. It has been acknowledged that the root cause of the irregularity was due to oversight by Line Departments, Supply Chain Management and Bid Committees and that this was an error of a technical nature.

In addition, we have been informed that the Preferential Procurement Regulations 2017 were repealed on 2023-01-15 as these Regulations were deemed unconstitutional. The Regulations were replaced by Preferential Procurement Regulations 2023. Local Content is no longer applicable in terms of these new Regulations. While State Organs were allowed to decide how they address Local Production and Local Content, it must be noted that these transactions may be impacted by the promulgation of the Public Procurement Act and the new local content requirements.

It should also be noted that some contracts have run their course and have reached their end dates. However, active contracts cannot be terminated as service providers have complied with all their contractual obligations. These are contracts that will continue to incur irregular expenditure until the contractual period ends. We have also requested the Acting Head: SCM to quantify the balance of local content transactions which still require consideration by us. It must be noted, however, that many other tenders which were still in the procurement processes were not awarded, thus preventing additional irregular expenditure.

Having duly considered and deliberated on the irregular expenditure concerned,

COMMITTEE RECOMMENDS:

- 6.1 That, having examined the reasons provided for the Irregular Expenditure incurred on various contracts due to non-compliance with Local Content requirements, the amount of **R481,247,836.75** (Four hundred eighty-one million two hundred forty-seven thousand eight hundred thirty-six rands and seventy-five cents) as contained in **Annexure A** to the report be written off on the basis that the matter be submitted for consequence management processes to be instituted.
- 6.2 That it be noted that any consequence management recommendations will be dealt with in accordance with the Council Policy in relation to financial misconduct and oversight by the Financial Misconduct Disciplinary Board.

The EFF expressed that they were noting the report with concerns and alluded to the fact that consequence management continued to be ignored on UIFWE matters. Indication was made that it has come to their attention that apparently some officials deliberately concealed reports involving irregular expenditure with a view to avoiding disciplinary actions being undertaken.

Also commenting, the ANC advised that implementation of consequence management was emphasized on an ongoing basis. It being further noted that training, more specifically of the Supply Chain Management officials has been recommended. Also, that cases of alleged misconduct were being reported to the City Integrity and Investigations Unit.

With the ActionSA voting against, the item was, by majority, ADOPTED.

**NOTICE OF MOTION
IN TERMS OF SECTION 18 OF THE RULES OF ORDER
BY-LAW, 2014, AS AMENDED**

1. NOTICE OF MOTION: PROPOSED BY COUNCILLOR ZM MNCWANGO AND SECONDED BY COUNCILLOR BG KUBHEKA: RENAMING OF ETHEKWINI MUNICIPALITY TO PRINCE MANGOSUTHU BUTHELEZI METROPOLITAN.

This Council noting that:

1. Prince Mangosuthu Buthelezi of KwaPhindangene is the former and long serving prime minister of the Zulu Nation.
2. The President of South Africa afforded Prince Buthelezi the state funeral (category 1), honouring him for the contribution he made to the people of South Africa and KwaZulu-Natal.
3. Ethekwini Municipality is the only Metro in KwaZulu-Natal.

Council hereby resolves that the Executive Committee investigates the following and report back to the Council:

1. The eThekwini Municipality be renamed to Prince Mangosuthu Buthelezi Metropolitan.
2. The proper public consultation process to followed and the budget implications to be conducted.

The ANC begged the indulgence of Council that this motion be withdrawn on the basis that the proposed name was way above the level of Council. The relevant structures in the form of the Royal House and the Buthelezi clan are to be consulted in the first instance. The proposal was also supported by the IFP and the DA respectively. It was thereafter, resolved that the Notice of Motion, be
WITHDRAWN.

2. NOTICE OF MOTION: PROPOSED BY COUNCILLOR MM HLENGWA AND SECONDED BY COUNCILLOR NE PATCHAPEN: REPRIORITIZATION OF FUNDS FROM OTHER PROGRAMMES TO ACCOMMODATE EXPANDED PUBLIC WORKS PROGRAMME AND PEP WORKERS.

This Council notes that:

EThekweni Municipality employs more than 9000 (nine thousand) Expanded Public Works Programme (EPWP) and more than 6000 (six thousand) Public Employment Programme (PEP) workers through both programmes.

The two programmes are a much-needed contributing factor to poverty alleviation and crime elimination.

The total annual expenditure of the EPWP programme is R297 000 000.00 (Two Hundred and Ninety Seven Million Rand) the Department of Public Works has reduced the incentive grants to R18 700 000.00 (Eighteen Million Seven Hundred Thousand Rand) will create a shortfall of R278 300 000.00 (Two Hundred and Seventy Eight Million Three Hundred Thousand Rand) making the programme unsustainable.

Further noting that:

All these workers will now go back to the unemployment pool increasing both the unemployment and crime rate.

This Council resolves that the Executive Committee investigate the following and report back to the Council:

1. EThekweni Municipality to reprioritize funds from other programmes to accommodate EPWP and PEP workers.
2. Both EPWP and PEP be adopted as eThekweni Municipality programmes and included in eThekweni Annual Budget.

Presenting the motion, Councillor Hlengwa of the APF advised that it was critical for Council to approve this motion as it will assist in saving job opportunities provided in implementing the EPWP and PEP programmes. That consideration be also made to absorb beneficiaries on these programmes permanently.

In support of the motion, the IFP proposed that funding from projects that have not been implemented for various reasons, be reprioritized to fund the EPWP and PEP programmes. Also, in support the ActionSA pointed out that beneficiaries on these programmes have been engaged for at least more than two years and this meant that their services were required hence the request that they be absorbed on a permanent basis.

The DA acknowledged that the programmes in question were funded through grants with no budget allocation from the Municipality. They therefore reminded Council that recommendation 1 of the motion has already been addressed in view of the previous resolution approved by Council. In terms of recommendation 2, they suggested that His Worship the Mayor should constitute a delegation to engage with the government departments currently funding these programmes that they continue allocating the required budget.

The DA further emphasized on their call for physical verification of the beneficiaries to be undertaken.

Contrary to the views expressed by other political parties, the ANC stated that they were against the notion of people losing jobs; however, the Municipality was not able to absorb the beneficiaries of these programmes on a permanent basis in the absence of funding. They further mentioned that the proposal will not be approved by the National Treasury based on the 30% threshold in respect of the salaries budget. Mention being made that the Municipality was already at 27% and if the beneficiaries for these programmes were absorbed, the threshold will be exceeded, and this would deem the Municipality non-compliant.

As some Councillors were not in support of the motion, the matter was put to the vote. With 158 Councillors present, 34 Councillors (EFF-12, IFP-12, ActionSA-04, ATM-01, MF-01, MOSA-01 and UIM-01) voted in support of the motion, 121 Councillors (ANC-75, DA-44, NFP-01 and VF PLUS-01) voted against and 3 Councillors (ABC-02 and ACC-01) abstained.

The Notice of Motion was by majority vote, NOT CARRIED.

3. NOTICE OF MOTION: PROPOSED BY COUNCILLOR J ANNIPEN AND SECONDED BY COUNCILLOR J NAIDOO: REINSTATEMENT OF THE DEBT RELIEF PROGRAMME (7/6/3/1)

This Council notes that:

The six (06) months debt relief programme offered by the Municipality expired on 31 July 2024.

Further notes that:

Hundreds of customers are now being billed for water charges dating back to 2021 because the City failed to bill them correctly based on the increases to their property value.

This Council resolves that the Executive Committee consider the following and report its findings at the next Council meeting:

The debt relief programme be reinstated for a further six months, uninterrupted, to allow affected residents, most of whom would now qualify as indigent customers, to take advantage of the benefits of the debt relief programme.

CARRIED.

4. NOTICE OF MOTION: PROPOSED BY COUNCILLOR J NAIDOO AND SECONDED BY COUNCILLOR J ANNIPEN: EXISTING MEMORANDUM OF UNDERSTANDING BETWEEN THE KZN DEPARTMENT OF EDUCATION AND THE MUNICIPALITY WITH REGARD DEBT RECOVERY OWED BY SECTION 20 AND 21 SCHOOLS (27/2/5/4)

This Council notes that:

1. The Finance Committee was appraised of an existing Memorandum of Understanding (MoU) between the KZN DOE and this Municipality with regard to recovery of debt owed by Section 20 and 21 schools.

2. This Council has to sight of this MoU which speaks to issues of disconnection of public schools.
3. In recent days schools have been disconnected by the City despite the MoU in place.
4. An IFP sponsored motion was carried in June 2022 to stop disconnections pending an engagement with the KZN DOE.

This Council resolves that the Executive Committee CONSIDER the following and present its findings at the next Council sitting:

1. Investigate the origins of this MoU and table it before this Council.
2. Enforce the resolution taken by this Council in June 2022 to implement a moratorium on disconnection of services to all public schools.

CARRIED.

REPORT OF COMMITTEE DECISIONS

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

1. **CENTRAL EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT COMMITTEE**

Meeting held on : 2024-04-23

2. **ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE**

Meeting held on : 2024-07-11

3. **EXECUTIVE COMMITTEE**

Meetings held on : 2024-03-26
: 2024-04-16
: 2024-04-23
: 2024-05-02
: 2024-05-03
: 2024-06-11
: 2024-06-24
: 2024-07-23
: 2024-07-30

4. **FINANCE COMMITTEE**

Meeting held on : 2024-06-19
: 2024-07-25

5. GOVERNANCE AND HUMAN RESOURCES COMMITTEE

Meetings held on : 2024-04-18
: 2024-07-24

6. HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE

Meetings held on : 2024-06-20
: 2024-07-25

7. LOCAL LABOUR FORUM: ECONOMIC DEVELOPMENT AND PLANNING

Meetings held on : 2024-04-30
: 2024-07-23

8. LOCAL LABOUR FORUM: TREASURY AND OFFICE OF THE CITY MANAGER

Meeting held on : 2024-07-26

9. SECURITY AND EMERGENCY SERVICES COMMITTEE

Meetings held on : 2024-04-12
: 2024-07-25

10. SPEAKER'S COMMITTEE

Meeting held on : 2024-06-25

ITEMS FOR NOTING

The Items for Noting, reflected on Pages 55 to 81 of the Agenda, pertaining to the items discussed and resolved at the Executive Committee level during the months of March, April, May, June and July 2024 were, **NOTED.**

The meeting terminated at 19h45.

APPROVED THE MEETING OF THE ETHEKWINI COUNCIL ON 2024-10-03.

SPEAKER

At the conclusion of the Ordinary Council meeting and prior to Council considering In-Committee Agenda, the EFF requested a caucus break, and this was duly granted.