



eThekweni Municipal Council

MINUTES

**Special Meeting held Tuesday,
2022-06-07**

No. 15

MINUTES

OF

ETHEKWINI MUNICIPAL COUNCIL

Special Meeting held on Tuesday, 2022-06-07T10h00
at Inkosi Albert Luthuli International Conventional Centre, Durban.

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

ABSENT : Councillors SP Mfeka, SG Nene, I Syed (left early), J Essop (left early), B Fortein (Municipal Business), SPG Ngcobo (leave), BV Mngwengwe (left early), FN Majola, TJ Mnguni, CN Sisoka, MM Ngiba, SR Ngiba, A Shaheed, HM Van Der Ryst (leave – Personal Commitment), Y Govender (leave), RD McPherson (leave), NP Msomi (leave), A Rampersad (leave), KS Sibisi (leave), PB Ntuli (leave) and DM James.

AMAKHOSI

PRESENT : None

AMAKHOSI

ABSENT : Inkosi S Mlaba, Inkosi JJ Shangase and Inkosi EB Shoji (all Personal Commitments Leave).

OFFICIALS

PRESENT : Messrs/Mesdames TB Mbhele (Acting City Manager), M Mhlongo (Head: Legal & Compliance), BM Mhlongo (Deputy Head: Office of the Speaker), T Ndlovu (Senior Manager: Secretariat) and N Mthembu Chief Committee Officer).

(At the commencement of the meeting 209 Councillors were present, comprising ANC - 93, DA - 53, EFF - 21, IFP - 16, Action SA - 04, ABC - 02, ACC 02, ACDP - 02, AIC -02, ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 01, DLC - 01, JEP - 01, KZNI - 01, MF - 01, MOSA - 01, NFP - 01, PFP - 01, PRM - 01, TA- 01, UIM - 01 and VF Plus - 00).

1. NOTICE CONVENING THE MEETING

The Acting City Manager read the Notice convening the Special Council meeting which was a continuation of the Special meeting adjourned on 2022-05-31 to consider incorporating in the budget the views submitted by different stakeholders.

2. OPENING

The Speaker declared the meeting open and extended a warm welcome to everybody present, His Worship the Mayor and Members of the Executive Committee, Honourable Councillors and Traditional Leaders, the Acting 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 streaming, appreciating them for participating in the Municipal business.

3. AFRICAN UNION AND NATIONAL ANTHEM

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

4. OPPORTUNITY FOR PRAYER/MEDITATION

The Speaker requested Council to observe moment of silence for prayers and personal reflections.

5. OFFICIAL ANNOUNCEMENTS

The Speaker presented the following announcements:

- i) That Council notes the meeting will convene in two sessions, starting with this Special Budget Meeting and thereafter the Ordinary Council Meeting. He then advised that special budget speaking time has been allocated to Political Parties.

The Speaker then made reference to the debate at the previous Council meeting regarding the donation of speaking times, where reference was made to the requirements of the Rules of Order Bylaw in this regard, as it pertains to the donation arrangement to be confirmed in writing. He then confirmed requests made in writing with regard to this budget meeting and with the donation arrangement involving the following parties:

- MOSA donating its 1 minute to TA
- ANC donating its 10 minutes to ABC

- ii) The Speaker introduced a new DA PR Councillor Zondi, who was replacing Councillor Langa. On behalf of Council, the Speaker extended a warm welcome to Councillor Zondi to the family of eThekweni Municipality, citing that his contribution to Council work will be appreciated.

- iii) The attention of Councillors was drawn to the Rule of Order Bylaw 26(8)-(9) which indicates that a Councillor may not vote on a question unless they were present when the question was put to the meeting; and that during the taking of a vote, a Councillor may not leave or enter the Council Chamber.

In line with the requirements of the Rules, the Speaker requested Councillors to respect the Rule pertaining to voting, emphasizing that they should minimize movement during the Council proceedings, in particular, when a matter has been put to the vote, thereby preventing disruptions.

- iv) Councillors were also brought to the attention of Rule of Order Bylaw 16(1) (a)-(e) and (4), (5), (6), (7) and (9).

As per these Rules, Councillors were requested to conduct themselves in a respectful manner, to refrain from interrupting the proceedings and are encouraged to conduct business with the highest decorum and integrity that the occasion and the residents of the municipality deserve.

- v) Best wishes were extended to Councillors celebrating their birthdays.

6. APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED:

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

COUNCILLORS

Councillor B Fortein	:	2022-06-07 (Municipal Business)
Councillor: SPG Ngcobo	:	2022-06-07 to 2022-09-01
Councillor J Essop	:	2022-06-07 (Requested to leave at 15h30)
Councillor I Syed	:	2022-06-07 (Request to leave at 16h30)
Councillor BV Mngwengwe:	:	2022-06-07 (Request to leave at 16h30)
Councillor Van Der Ryst	:	2022-06-07 (Personal Commitment)
Councillor Y Govender	:	2022-06-07 (leave)
Councillor RD Mcpherson:	:	2022-06-07 (leave)
Councillor NP Msomi	:	2022-06-07 (leave),
Councillor A Rampersad	:	2022-06-07 (leave)
Councillor KS Sibisi	:	2022-06-07 (leave)
Councillor PB Ntuli	:	2022-06-07 (leave)

AMAKHOSI

Inkosi S Mlaba	:	2022-06-07 (Personal Commitment)
Inkosi JJ Shangase	:	2022-06-07 (Personal Commitment)
Inkosi EB Shozi	:	2022-06-07 (Personal Commitment)

8. DECLARATION OF INTEREST

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

RAISED VERBALLY

i) **Request for Opportunity to Caucus**

Prior to the tabling of the budget report, the EFF requested the opportunity to caucus for an hour since the report has been received on the day of the meeting. In response, the Speaker requested that the matter be dealt with after His Worship has tabled the budget.

However, the Whip of Council subsequently supported the EFF caucus but that it be reduced to 30 minutes. This was then acceded to by the Speaker. On a concern raised that a different approach to the request of caucus was taken now that the matter has been raised by the Whip of Council, clarity was provided that the Whip of Council is responsible for the whippery of all Political Parties, and therefore has deemed it suitable for the caucus to precede the tabling of the budget. Further, that amongst the roles of the Whip of Council, is to support the Speaker to manage the Council meetings proceedings.

ii) **Procession by Speaker and City Manager During Council Meetings**

The IFP Councillor Nkosi made reference to the procession used to be done by the Speaker together with the City Manager to officially start the Council meeting once all Councillors have settled down. He then enquired why this is no longer happening. The Speaker then undertook to look into this matter.

iii) **Update on Provision of Councillors' Offices**

The DA Councillor Mthethwa advised of the inconvenience suffered by Councillors and local communities due to lack of facilities for Councillors to do community work. He then requested explanation for Councillors not being provided with offices when more than 6 months have already lapsed since the establishment of Council.

The Speaker agreed that the matter raised by Mthethwa is of a serious nature and thereafter advised that the issue of Councillors' offices was receiving the necessary attention, with his office and that of the Acting City Manager working together with the Supply Chain Management Unit to address this matter within the relevant procurement requirements. He advised feedback will be provided in the relevant structures, also highlighting that progress reports on this matter had been provided to the Speaker's Committee.

(At this stage of the proceedings, the time being 11h03, the meeting adjourned for a 30-minutes caucus)

At the resumption of the meeting at 12h05, the Speaker drew the attention that Council was still to convene for the ordinary Council meeting to proceed with the Agenda for the meeting adjourned 31 May 2022. He advised that the Agenda for this meeting was huge, with most of the items having Councillors who have indicated interest to speak. Therefore, that the issue of time management was of an essence.

The Speaker having allowed the EFF to report on their caucus, the EFF submitted that there are areas of concern in some parts of the budget. That they support some sections of the budget and with other sections requiring further consideration. In this view, the EFF requested that budget approval be then deferred to a Council meeting to be reconvened the following day to approve the budget. This view was supported by the ADEC.

Several other Political Parties shared a unanimous view that passing the budget today was important, drawing the attention that the budget approval had already been deferred from the previous Council meeting to allow for the incorporation of changes in certain areas. Also drawing the attention to the fact that the EFF was ready to pass the budget on 31 May, citing cost implications associated with reconvening Council meeting when the other Parties agreed to a proposal made to reconvene in 7 days for budget approval.

Further, the meeting was reminded of the legal timeframes within which to pass the budget, as well as the service delivery obligations to the local communities which were linked to the budget approval. As such, it was unanimously recommended to proceed with the tabling, consideration and the approval of the budget in this meeting.

With preparations being made to put to the vote the proposal to defer the budget approval to the following day, the EFF submitted that this was not necessary as they were simply raising their concerns. That since the majority views support the budget approval, this is accepted, but that the EFF would abstain on the matter. This was noted.

Thereafter, the Speaker requested His Worship the Mayor to officially table the 2022-23 budget.

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

While noting that a detailed budget speech was presented at the 31 May 2022 Special Budget Meeting, His Worship in this meeting presented synopsis of the changes made to the budget in aspects raised to be of concern. The synopsis presentation is attached herein for ease of reference.

His Worship then thanked the cooperation displayed by the Political Parties to prioritise the people of eThekweni, and deliberated on the budget matters highlighting areas requiring improvements, for the budget to focus more on service delivery matters.

He appreciated the political maturity which then enabled the leadership of eThekweni to resubmit a revised draft budget. His Worship drew the attention to the fact that the bottom line is still the same, but that work has been done to reshuffle allocations to accommodate the views made, which then resulted to changes in certain elements. The following points were then highlighted by him with regard to changes made:

- **That feedback was awaited from the National Treasury arising from the meeting held with them on 02 June 2022 regarding the decision on flood damages grant, which decision has an impact on the City's loan borrowings.**
- **50% reduction in the Trading Services Cluster overtime budget, which then provides for R216 Million reduction in monetary value.**
- **R71 Million reduction in the security budget of the Trading Services Cluster for the funds to be redirected to recruit additional Metro Police personnel.**
- **No budget allocated for staff bonuses at all levels, with only budget allocated for salary increments to meet the obligations as per the Collective Agreement.**
- **Reduction of the Events budget to R16.6 Million in the 2022-23 financial year, with events hosting to be subject to the demonstration of cost-benefit and return on investment.**
- **Appreciation to the Human Settlements Committee and the Budget Steering Committee for reworking the budget to cover the budget shortfall of the Trading Services Cluster.**
- **Commitment to improve consultation with the Ingonyama Trust Board regarding the outstanding amounts owed to the City. Also, engaging Amakhosi to assist with further community engagements regarding a proposal to introduce the R100 flat rate.**
- **Cognisance taken that the City owns some land parcels available for expropriation to relocate people from floodplains. In addition, the budget of R28 Million has been allocated for land acquisition.**

His Worship then resubmitted the budget comprising R49.8 Billion operating budget and R5.6 Billion capital budget, highlighting that the total budget remains at R55.4 Billion for the 2022-23 financial year.

His Worship then reiterated his gratitude to different Political Parties for their fruitful contribution; the Administration led by the Acting City Manager, and most importantly the Chief Financial Officer and his Team, for arriving at a balanced and credible budget under constrained and challenging times.

FIRST REPORT OF THE EXECUTIVE COMMITTEE (Special Meeting held 2022-06-06)

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

1. ETHEKWINI MUNICIPALITY BUDGET FOR 2022/2023 – 2024/2025 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (7/1/2/2)

(Circulated Separately)

It will be recalled that the Municipal Council at its meeting held on 31 May 2022 received draft budget and deliberated thereon. The Municipal Council then agreed to hold approval of the budget in abeyance to further look into the aspects of having the budget addressing certain issues raised as needing improvements.

It should be noted that the Municipality's bottom line has not changed. Therefore, the amendments, where practical, had to be effected within the context of the existing budget, which needed to be reprioritized accordingly for this purpose. That this has been a daunting exercise, since a change in a budget element negatively affects another element. Hence, concerted efforts have been made to formulate a balanced budget in addressing some of the concerns raised.

The attention is drawn to the fact that not all concerns raised have been addressed due to the Municipality being in a precarious financial condition. However, that these have not been discarded, but will be parked and attended to as the financial situation improves.

Detailed below are the responses on the issues raised as tabled to Council on 31 May 2022, this also including some of the comments raised in addition to responses:

No.	Item	Response
1.	Flood Disaster Fund by National Treasury	<ul style="list-style-type: none"> National Treasury confirmed receipt of the application by eThekweni Municipality and currently finalising feedback in this regard. The funding application by the Municipality is in compliant with the National Treasury Regulations, hence, there is no further information outstanding from the Municipality in this regard. In view of an urgent need to restore critical infrastructure, the Municipality had to reprioritise its funding in the

No.	Item	Response
		<p>meantime and to supplement this with a R500 Million borrowing.</p> <ul style="list-style-type: none"> Restoration of infrastructure impacts the City's economic growth and revenue base, hence, the importance to prioritise repair works.
2.	Reduction in Security Costs; Overtime Costs; Staff Bonuses; and Salary Increments	<ul style="list-style-type: none"> 50% reduction in overtime for Trading Services, thus R216 Million to be obtained in this regard and to be redirected towards funding vacant posts within this Cluster. Trading Services security budget amended by R71 Million to augment Metro Police capacity required to support the Cluster in its operations. Staff bonuses not budgeted for in response to austerity measures. Salary increment budgeted for since this is controlled at the Collective Bargaining Council level and the Municipality will have to comply as per the outcome at this level.
3.	Reduction in Events Considered not Beneficial to the City	<ul style="list-style-type: none"> Attention is drawn to the fact that events budget has been reduced from R40 Million over years thus reaching R16 Million in the current budget. Detailed breakdown to be submitted to Support Committees on each event to be held at a time and the benefits thereof. However, that events stimulate tourism and economic growth. That the lesser number of people to the City, the greater the negative impact on business establishments such as hotels, and other small businesses benefitting when the City is hosting events.
4.	Relooking Trading Services Budget to Covers Shortfall	<ul style="list-style-type: none"> Projects relooked and funds reprioritized to focus mainly on water and electricity issues.
5.	Improved Communication with Ingonyama Trust Board (ITB)	<ul style="list-style-type: none"> Communications in progress with ITB regarding rates and arrears. Amakhosi engaged regarding the introduction of flat rate and have

No.	Item	Response
		<p>committed to assist in further community engagements.</p> <ul style="list-style-type: none"> Meeting between eThekweni Municipality and ITB scheduled for sometime during this week, pending confirmation by one of the critical stakeholders.
6.	Land Acquisition & Expropriation	<ul style="list-style-type: none"> Municipality to use parcels of its own land to deal with relocation of people from floodplains. To also engage the Provincial Department of Public Works regarding vacant buildings and land available which can be used for decanting purposes Land use to be managed effectively and also land feasibility to achieve necessary compliance. Municipality set aside R28 Million to secure land in the 2022-23 financial year. Purchase of land also attract other operating costs, such as security costs to prevent land invasion; and also infrastructural requirements. People sometime not willing to relocate to an area far from where they've been residing before the floods. Monitoring to be strengthened to prevent them from relocating themselves back to floodplains. Process of relocating families displaced by floods underway, and this being done in small chunks for effective coordination. Request made that focus be given on formalizing certain informal settlements, Wards 60 and 64 being cited in this regard, and with land subdivision to assist in building formal structures for middle class
7.	Capital Projects Borrowing	<ul style="list-style-type: none"> That securing a loan for infrastructure restoration is a sign of exercising responsible leadership.

No.	Item	Response
		<ul style="list-style-type: none"> • That infrastructure restoration is linked to attracting and sustaining investors in the City, hence, the importance to prioritize repair works. • Infrastructure also instrumental in the City revenue base, therefore, failing infrastructure means less revenue to the City. • Businesses are negatively affected by lack of or compromised infrastructure, and this impact job creation which is largely reliant on resilient SMME business.
8.	Wastewater Treatment Works	<ul style="list-style-type: none"> • R80 Million budgeted for Wastewater Treatment Works as a block sum for functional upgrade. • This to include the Craigieburn area, in response to a query submitted by Members in the meeting.
9.	Crime Prevention through Street lights Installation and Tree Cutting, amongst other issues, to be Addressed at the Ward level	<ul style="list-style-type: none"> • R21 Million allocated for Parks, Recreation and Culture to procure cleaning equipment and tools. • Processes underway to address issues of streetlights, also to engage with Eskom for areas falling under their jurisdiction.

The Chief Financial Officer and his Team was commended for their efforts to come up with affordable; balanced; and compliant budget with the National Treasury Regulations, whilst working under trying conditions with regard to financial sustainability within the Municipality.

The DA (03) felt that some of the key matters impacting the budget have not been addressed adequately. Concerns were reiterated as they pertain to outstanding feedback from National Treasury on floods disaster fund; additional borrowing; events; staff bonuses and increments; unfunded amounts in water and electricity budget. They abstained on the matter at this stage but undertook to interrogate the budget document in good faith in preparation for the Council meeting the following day.

The IFP (01) also abstained at this stage citing that loan borrowing is still an issue. Also, that a schedule of human settlements and infrastructure projects was expected to clearly reflect projects to be undertaken and projects held in abeyance. Further, that a firm proposal on the meeting with the ITB is required.

Thereafter, His Worship the Mayor confirmed that after budget approval, detailed project plans and associated timelines will be submitted to the respective Support Committees for consideration. On the issue of some of the human settlements projects,

it was advised that these are linked to grant funding. Therefore, some of the proposed changes need reciprocal approach with the other spheres of government.

The ANC (04); EFF (01); and ABC (01) supported the budget as it is considered balanced, with an understanding that matters of concern will be addressed as the financial situation improves and, where there is an under-spending during the financial year, funds will be redirected to accommodate some of the projects which have been parked.

In conclusion, it is submitted that the budget is still balanced and has been prepared in terms of guidelines contained in National Treasury's MFMA Circulars Number 112; 115 and 116. That National Treasury has confirmed the budget is credible. The budget has also been compiled to maintain balance between social, economic and development expenditure to ensure that service delivery is not compromised.

Consolidated summary, including entities is as follows:

Details	2022-2023	2023-2024	204-2025
Total Operating Budget	R49 779 901	R52 658 387	R55 957 617
Total Capital Budget	R 5 589 511	R 4 955 051	R 5 128 941
TOTAL	R55 369 412	R57 613 438	R61 086 558

By the majority support,

COMMITTEE RECOMMENDS:

- 1.1 That the final budget for 2022/2023 – 2024/2025 Medium Term Revenue and Expenditure of the Municipality and its entities tabled in terms of Section 24 of the Municipal Finance Management Act (MFMA), be approved by the Council and are submitted to the Budget Steering Committee / Executive Committee for consideration and adjustment where necessary.
- 1.2 That note be taken of the contents of the budget documentation circulated in accordance with the Municipal Finance Management Act, No.56 of 2003.
- 1.3 Estimates of Income and Expenditure:
 - 1.3.1 That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2022/23; and indicative allocations for the two projected outer years 2023/24 and 2024/25; and the multi-year and single year capital appropriations are approved as set-out in the following tables of the budget document:
 - Budgeted Financial Performance (Revenue & Expenditure by Standard Classification) (**Table A2; Page 90**)
 - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) (**Table A3; Page 91**)
 - Budgeted Financial Performance (Revenue by Source and Expenditure by Type) (**Table A4; Page 92**)
 - Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (**Table A5; Page 93**)

1.3.2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:

- Budgeted Financial Position (Table A6 ; Page 95)
- Budgeted Cash Flows (Table A7 ; Page 97)
- Asset Management (Table A9 ; Pages 99 – 101)
- Basic Service Delivery Measurement (Table A10 ; Page 102)

1.4 Municipal Entities:

That the Municipal Entities budget as reflected on pages 289 to 313 be approved.

1.5 Recapitulation: Valuation of Rateable Property:

1.5.1 That it be recorded that the recapitulation certificate summarising the valuations of rateable property, as certified by the City Valuer.

1.5.2 The following resolutions, pertaining to property rates (items 1.6 to 1.7.10) and in conformity with the provisions of Section 14 of the Local Government: Municipal Property Rates Act 6 of 2004 and Sections 17 (3) (a) (ii) and 24 (2) (c) (i) of the Local Government: Municipal Finance Management Act 56 of 2003, be adopted.

1.6 Determination of Rates:

1.6.1 In terms of Section 8 of the Local Government: Municipal Property Rates Act, 2004 read together with the eThekweni Municipal Rates Policy, as amended, and to be adopted with the current budget, the Municipality may levy different Rates for different categories of Property.

1.6.2 The proposed rate randage for the financial year 2022/2023, be revised as set out below and levied in respect of the following categories at:

CATEGORY OF PROPERTY	2022/23 Cents in the Rand	2023/24 Cents in the Rand	2024/25 Cents in the Rand
Agricultural	0.2959	0.3021	0.3057
Business & Commercial	2.9820	3.0445	3.0806
Outside Urban Development Line	1.9459	1.9867	2.0102
Industrial	3.8484	3.9291	3.9756
Public Service Infrastructure (PSI)	0.2959	0.3021	0.3057
Residential	1.1837	1.2085	1.2228
Unauthorised/ Abandoned/ Illegal Usage	23.6728	24.1693	24.4555
Vacant Land	11.7932	12.0406	12.1831
Sectional Title Registered Real Rights of extension	11.7932	12.0406	12.1831

Mining property	3.8484	3.9291	3.9756
Public Service Purpose (PSP)	2.9820	3.0445	3.0806
Public Benefit Activities (PBA)	0.2959	0.3021	0.3057

Multiple-Use Property will be dealt with in accordance with the Rates Policy.

1.7 Exemptions, Rebates and Reductions:

That the following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with the Municipal Rates Policy.

1.7.1 Residential Property:

That in addition to the statutory reduction of R15 000, a further reduction of R105 000 be and is hereby approved for property values exceeding R350 000.

1.7.1.1 Indigent Households:

- (i) That all residential properties with a market value of - R350 000 and less, as assigned in the valuation roll or supplementary valuation roll, be recognized as indigent households for the purposes of relief contemplated in the Indigent Policy and qualify for a 100% exemption from rates.
- (ii) That residential households with a property market value of R350 001 up to and including R650 000 of which the aggregate monthly household income is R3 970.00 or less, be eligible to apply for registration as an indigent household under the Indigent Policy. Provided that where an indigent owner owns multiple properties, any relief shall be restricted to the primary property of that owner for purposes of relief in terms of the Indigent Policy read with the Municipal Rates Property

1.7.2 Public Benefit Organisations:

1.7.2.1 That on application and approval, only Public Benefit Organisations listed in Clause 7.5 of the Municipal Rates Policy 2022/2023 shall receive an exemption from rates.

1.7.2.2 That it be recorded that Public Benefit Organisations that do not qualify for exemption from rates in terms of (1.7.2.1) above, shall be rated in accordance with the Municipal Property Rates Regulations on the Rate Ratio between Residential and Non-Residential Categories of Property published in Notice R195 dated 12 March 2010, namely at no more than 25% of the residential property rate-in-the-rand. Expressed as a ratio in relation to residential property, this is 1:0,25.

1.7.3 Senior Citizens, Disability Grantees / Medically Boarded Persons and Child Headed Households:

1.7.3.1 That where a property is not exempt from rates in terms of 1.7.1.1 above, a rebate not exceeding R5 290 or such lesser amount as may otherwise be payable, be and is hereby approved (in addition to the reduction stipulated in 1.7.1 above) for qualifying Senior Citizens, disability grantees / medically boarded persons and child headed households as defined in the rates policy.

1.7.3.2 That it be and is hereby resolved to place a maximum limit of - R2.5 Million on the value of the property, in order to qualify for the Senior Citizens rebate in (1.7.3.1) above.

1.7.3.3 That it be and is hereby resolved that a rebate under Clause 7.2.2.4 of the rates policy may be granted to qualifying Senior Citizens who are trustees in a trust, notwithstanding that an independent professional person also holds office as a trustee and does not meet the qualifying criteria.

1.7.3.4 That it be and is hereby resolved that, for the purposes of Clause 7.4.2.3 (Child Headed Households) of the Rates Policy and the rebate contemplated in (1.7.3.1) above, no threshold limit be imposed on the value of the property.

1.7.4 Life Rights Schemes and Retirement Complexes:

That on application and approval, a 25% rebate be granted to qualifying Life Rights Schemes and Retirement Complexes registered in terms of the Housing Development Scheme for Retired Persons Act 65 of 1988.

1.7.5 Schools Not for Gain:

That a rebate of 50% be and is hereby granted to qualifying schools not for gain.

1.7.6 Bed & Breakfasts Undertakings:

That on application and approval a rebate of 35% be granted to all bed & breakfast establishments that satisfy the requirements of the Municipal Rates Policy, as amended.

1.7.7 Back-Packer Lodges, Holiday Accommodation and Student Accommodation:

1.7.7.1 That on application and approval, the following rebates shall apply to Back-packer establishments that satisfy the requirements of the Municipal Rates Policy, as amended:

- a) Where up to 40 beds are available to guests, a rebate not exceeding 50% will apply.
- b) Where up to 80 beds are available to guests, a rebate not exceeding 25% will apply.

1.7.7.2 That on application and approval, property let out for the purposes of Holiday Accommodation, be granted a rebate of 64%.

- 1.7.7.3 That on application and approval, property let out for the purposes of Student Accommodation, be granted a rebate of 25%.
- 1.7.7.4 That the rebate for Student Accommodation be restricted to those properties that are located within areas identified in the Municipality's Land Use Scheme as being suitable for student accommodation. Where properties are owned by an Organ of State, the Organ of State must be registered as an institution of Higher Learning.
- 1.7.8 Natural and Other Disasters:
- 1.7.8.1 That properties that have been damaged by a natural disaster, as defined in terms of the Disaster Management Act, 2002 may be revalued provided an application is made within sixty (60) days from the date of such natural disaster.
- 1.7.8.2 That on application and approval, a temporary rebate of 75% be granted in respect of property damaged by causes other than those defined by the Disaster Management Act, 2002, as contemplated in Clause 7.11.2 of the Municipal Rates Policy; for a period of six months or a portion thereof.
- 1.7.8.3 That on application and approval, a further temporary rebate of 75% be granted thereafter in respect of property referred to in Clause 7.11.2 of the Municipal Rates Policy for a period not exceeding six months provided an application is made within forty-five (45) days prior to the expiry of the six-month period.
- 1.7.8.4 That the rebate is granted on the category of property prior to damage.
- 1.7.8.5 That the Municipal Council may determine if a rebate is to be granted in relation to a disaster as envisaged in 7.11.7 of the Municipal Rates Policy. In this regard a special rebate be allowed.
- 1.7.9 Vacant Land:
- That the reduction of R30 000 on the market value of Vacant Land located in the 'outside the Urban Development Line', as defined in the amended Rates Policy, be granted.
- 1.7.10 Properties in the Ownership of the Municipality or Municipal Entities or Held in Trust by the Municipality:
- 1.7.10.1 That all municipal owned properties are exempted from property rates, except for Trading Services and municipal owned properties where the Municipality has entered into an agreement with any person, indicating otherwise.
- 1.7.10.2 That a rebate of 63% be and is hereby granted to the International Convention Centre in respect of property rates payable to the Municipality.
- 1.7.10.3 Properties held in trust in perpetuity by the Municipality in terms of a testamentary trust and where municipal officials hold letters of authority in terms of the Trust Property Control Act, 1988 (Act No.57 of 1988) are exempted from rates unless an agreement between the Municipality and any person specifies the contrary.

1.7.11 Nature Reserves and Conservation Areas:

1.7.11.1 That on application and approval:

- (i) Nature reserves and conservation areas shall be exempted from rates.
- (ii) The Council may grant a rebate or reduction up to 25% in respect of an environmentally sensitive land as identified in the Municipal Land Use Scheme.

1.7.12 Economic Development:

1.7.12.1 Economic Development Incentives applicable to valid and subsisting Rates Rebate Agreements concluded in the 2015-2016 to 2019-2020 financial years in accordance with Clauses 14.1-14.6 of the Rates Policy, as amended from time to time-

(i) Greenfield Developments in Priority Areas:

That all non-residential developments which are located in Priority Areas, shall continue to receive a rebate limited to the difference between the Vacant Land rate randage and that of the intended use of the developed land until such time as the respective Agreements expire by effluxion of time or are terminated.

(ii) Brownfield Developments in Priority Areas:

That all non-residential developments which are located in Priority Areas shall continue to receive a rebate based on the value of the development as per the table below until such time as the respective Agreements expire by effluxion of time or are terminated:

VALUE OF DEVELOPMENT R (MILLIONS)	PERCENTAGE REBATE ON RATES
0 - 50	15%
51 – 150	25%
151 – 300	50%
301 and above	65%

1.7.12.2 Economic Development Investment Incentives Applicable 2022-2023:

That subject to compliance with criteria contained in the Economic Development Incentive Policy read together, where applicable, with the Rates Policy, a rebate may be allowed for the following identified investment categories (i.e Investment Value, Jobs Created, Targeted Sector, Spatial Priority). The rebate will be per property for greenfield and brownfield developments in commercial, industrial or multiple use developments.

The maximum rebate available will be the aggregate of the percentage rebates assigned to the qualifying criteria as set out in the table below:

CATEGORY	CRITERIA	INVESTMENT VALUE	MAXIMUM %AGE REBATE
Investment Value	New investment in any Industrial or Commercial or	R<1million – R299 million; or	10%

CATEGORY	CRITERIA	INVESTMENT VALUE	MAXIMUM %AGE REBATE
	Mix Use Property Development.	>R300 million	20%
Jobs Created	FTE Jobs Created calculated post construction in new investment in any Sector for a fixed 3-year period.	All-inclusive values	
	• 50-250 jobs		10%
	• 251 jobs and above.		20%
Targeted Sectors	Investment in Targeted Sectors as defined in the Draft eThekweni Inclusive Growth Strategy 2021-2022 to 2026-2027.	All-inclusive values	40%
Spatial Priority: Secondary Economic Nodes, Former Township Areas; Transit Oriented Development Nodes, Prime Investment Corridor, Urban Zones, Bespoke Inner City & Surrounding Areas and Densification Zones.	Investment in Spatial Priority Area. As defined in the City's Spatial Development Plan & the eThekweni Inclusive Growth Strategy 2021-2022 to 2026-2027	All-inclusive values.	20%

- (i) The incentive policy will not be implemented retrospectively but rebates as stated herein will be implemented for a fixed 3-year period from date of approval or as approved from the date post construction. It is suggested that applicants submit an application early in the development cycle, allowing the Municipality to budget accordingly in anticipation of approval.
- (ii) The incentive is not available to residential property which has not been identified within the Densification Strategy and the Inner-City LAP of the City.

1.7.13 Special Rating Areas:

- 1.7.13.1 That the existing Special Rating Areas as indicated in Annexure A be hereby noted.
- 1.7.13.2 That in respect of the Special Rating Areas, additional rates, as indicated in Annexure A hereto, be approved and levied (subject to any exclusions or exemptions determined in the Municipal Rates Policy) in respect of each category of rateable property within the boundaries of the Special Rating Area.
- 1.7.13.3 That it be noted that in accordance with Clause 9.2.1.3 of the Municipality's Rates Policy, the Additional Rate contemplated in terms of Section 22 of the Act may not

exceed 25% of the municipal rates payable by the registered owner of a rateable property

1.7.14 Consulates:

That property owned by Consulates be valued and rates be raised and recovered from the Department of International Relations and Co-operation in terms of the Diplomatic Immunities and Privileges Act 2001 (Act 37 of 2001).

1.7.15 Green Certified Buildings:

The Green Building Incentives Policy was out for public participation in Sept 2021.

On application and approval by Municipal Council, all non-residential developments which fall within the City, as contemplated in the Green Building Incentive Policy of Council read together with the Municipal Rates Policy shall receive a rebate as set out below, for the 2022/2023 financial year:

(a) **GREEN STAR**

Certification	Description	Incentive/Provision	Responsibility
6 Star	Mandatory: 6 Star rating, i.e., over 75 points, with a minimum of 14 points for ENE 1. Optional additional: 1. 6 points or more for the Socio-Economic Category, and/or 2. 3 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 35% reduction. Optional additional: 1. Additional 3%; and/or 2. Additional 2%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
5 Star	Mandatory: 5 Star rating, i.e., between 60 and 74 points, with a minimum of 8 points for ENE 1. Optional additional: 1. 12 points or more for the Socio-Economic Category, and/or 2. 5 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 20% reduction. Optional additional: 1. Additional 6%; and/or 2. Additional 4%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
4 Star	Mandatory: 4 Star rating, i.e., between 45 and 59 points, with a minimum of 4 points for ENE 1. Optional additional: 1. 12 points or more for the Socio-Economic Category.	Rebate calculated on property rates tax payable: Mandatory: 9% reduction. Optional additional: 1. Additional 6%	Revenue Management Unit and Development Planning, Management and Environment Unit.

(b) **EDGE:**

Certification	Description	Incentive/Provision	Responsibility
Edge	Mandatory: Residential buildings to achieve minimum 20% less energy use (than National Building Regulations), 20% less water use, and 20% less embodied energy in materials, as per the EDGE tool.	Rebate calculated on property rates tax payable: Mandatory: 35% reduction.	Revenue Management Unit and Development Planning, Management and Environment Unit.

1.8 Phasing in of Rates:

A rate levied on property belonging to a Land Reform Beneficiary or his or her heirs must, after ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds, be phased in over a period of three financial years.

1.9 Threshold Values Determined in Terms of the Credit Control and Debt Collection Policy:

1.9.1 That the threshold value determined in terms of Clause 6.5 with regards to the payments made by debit card or credit card be set at a maximum of R4500.00 per payment once a month;

1.9.2 That the percentage payable to employers where they deduct rates and or other municipal charges as per Clause 11.3 be set at 2.5% on the total amount deducted monthly;

1.9.3 That the property threshold for debt relief as per Clause 15.2(c) be set at R250 000.00 of the market value of the property as recorded in the Municipal Valuation Roll;

1.9.4 That the property value for the adjustment of water losses as per Clause 16.4 be set at R500 000.00;

1.9.5 That the property threshold for the prepayment recovery as per Clause 20.2 be set at R750 000.00.

1.9.6 That the property threshold value for which the Municipality will not attach the primary property for judgement debt as per Clause 22.3 be set at R350 000.00

1.10 Date of Operation of Determination of Rates:

That this determination comes into operation on 1 July 2022.

1.11 Final Date for Payment of Rates:

1.11.1 Where rates are payable in monthly instalments, such payments shall be in twelve (12) equal or near equal instalments payable 21 days from the date of account.

1.11.2 Where rates are payable annually the final date for payment shall be 31 October 2022, provided that where this date falls on a Sunday or public holiday payment shall occur on the last working day prior to such Sunday or public holiday.

1.12 Administration Charge on Arrear Debts:

That the administration charge on arrear debts as referred to in Clause 9.8 of the Credit Control and Debt Collection Policy is determined at 10%. Collection of arrear debts is in accordance with the Credit Control and Debt Collection Policy.

1.13 Interest on Arrears:

That the interest rate to be applied to arrear accounts with effect 1 July 2022, shall be the interest rate as prescribed by Regulation 9 of the Municipal Property Rates Regulations, 2006.

1.14 Other Tariffs and Charges:

That other tariffs and charges as circulated with the budget document in terms of Section 24(2)(c)(i) be approved for the financial year commencing 1 July 2022.

1.15 Rural Sustainable Services Charge:

That it be and is hereby resolved to charge a flat Rural Sustainable Services charge from each rural property as follows:

- | | | |
|----|--|-----------------------|
| a) | Households (residential property) | R100 (Vat exclusive) |
| b) | Churches and Non-Profit Organizations | R100 (Vat exclusive) |
| c) | Businesses and Commercial properties | R1000 (Vat exclusive) |
| d) | Government and Organ of State properties | R1000 (Vat exclusive) |

1.16 Infrastructure Surcharge:

1.16.1 That an additional infrastructure surcharge of R1,50/kl for water be charged for the three (3) financial years 2022/2023, 2023/2024 and 2024/2025 in conjunction with the base tariffs in the report WS2022/036 (Potable Water and Sundry Water Tariffs for the 2022/23 Financial Year).

1.16.2 That an additional infrastructure surcharge of R1,50/kl for sewage disposal be charged for the three (3) financial years 2022/2023, 2023/2024 and 2024/2025 in conjunction with the base tariffs in the report WS2022/037 (Sewage Disposal Usercharge and Sundry Tariffs for the 2022/23 Financial Year)

1.17 Domestic Water Debt Relief Programme:

That it be and is hereby resolved to place a maximum limit of R250 000 on the rateable value of the property in order to qualify for the Water Debt Relief Programme.

1.18 Budget Related Policies:

1.18.1 Rates Policy:

That the amended Rates Policy, as approved by Council be adopted be adopted with the final budget.

1.18.2 Credit Control and Debt Collection Policy:

That the amended Credit Control and Debt Collection Policy, be approved with the budget.

1.18.3 Tariff Policy:

That the amended Tariff Policy, be approved with the budget.

1.18.4 Funding and Reserves Policy:

That the Funding and Reserves Policy adopted by Municipal Council on 3 May 2010 has been reviewed and remains unchanged.

1.18.5 Budget Policy:

That the Budget Policy adopted by Municipal Council on 23 February 2011 has been reviewed and remains unchanged.

1.18.6 Investment Framework Policy and Borrowing Policy:

That the reviewed Investment Framework policy and Guidelines as adopted by Municipal Council on 2017-06-28 remains unchanged.

1.18.7 Supply Chain Management Policy

That the Supply Chain Management Policy has been reviewed and the amended policy is submitted to Municipal Council for adoption.

1.18.8 Indigent Policy:

That the amended Indigent Policy, as approved with the budget.

1.18.9 Other Budget Related Policies

That in terms of Section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, there are no proposed amendments to any other budget related policies.

1.19 Capital Expenditure Estimate:

1.19.1 That in those instances where information has been provided in terms of Section 19(2)(b) of the Municipal Finance Management Act No. 56 of 2003, together with project procurement scheduling, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget. It being noted that project budgets will be re-prioritised if departments fail to submit their project procurement schedules.

1.19.2 Where information in terms of Section 19(2)(b) is not provided, specific project approval is to be sought from Municipal Council during the year and that approval by Municipal Council be given only if the report seeking approval is accompanied by the specific project procurement schedule. All Capital projects must have QAC and Architecture Unit Approval (where applicable) for inclusion in the budget.

- 1.19.3 That the borrowing to fund capital budget be increased from R1 bn to R1.5 to deal with damages arising from the recent storms and R1bn per annum for outer 2 years.
- 1.19.4 That Project authority be granted for the Projects listed on Annexure C , that are not funded or partially funded subject to savings being identified during the year or S33 of the MFMA being complied with, if funding is beyond the MTREF.
- 1.19.5 That the Capital Budget procurement process be initiated however finalisation by BAC be subject to the project being fully funded.
- 1.19.6 That authority be granted for projects from Programme and Project preparation support grant (PPPSG) with positive return on investments (ROI), be considered for approval subject to the identification of savings being identified during the years
- 1.19.7 That Service delivery should not be compromised, ward-based projects be accelerated per zonal plans allocation and the visibility of service delivery must be ensured.
- 1.20 Borrowings to Finance the Capital Budget:
- That authority be sought from Municipal Council for the raising of appropriate long-term debt in terms of Section 46 of the Municipal Finance Management Act No 56 of 2003, to finance in part the municipality's capital budget over the MTREF period. In this regard authority is sought to raise an amount of R1 billion per annum over the MTREF period.
- 1.21 Housing/Hostels Deficit:
- 1.21.1 That the estimated Formal Housing Deficit of R63.9m for the 2022/2023 financial year be met from the Rate Fund.
- 1.21.2 That the estimated New Development Housing and Hostels deficit of R371.9m be funded from the Rate Fund.
- 1.21.3 That appropriate interventions be escalated by the Executive Committee including, inter alia, the phased introduction of economic rentals, the constructive engagement of the Provincial State Authorities to secure additional funding and strategies to reduce electricity and water consumption.
- 1.22 New Functions/ Services:
- That no new functions or service be introduced without specific approval thereto by the Council after full consideration of the effect thereof on the municipality's Budget. In addition, the budgets pertaining to new functions or services can only be approved in principle and thereafter would have to be prioritised in terms of the Integrated Development Plan together with all other submissions that have been received.

1.23 Measurable Performance Objectives:

That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act No. 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework as set out in **Table SA7 (page 164)** be approved.

1.24 Integrated Development Plan (IDP):

That the draft reviewed Municipality's Integrated Development Plan (IDP) was tabled with the budget in terms of Section 17(3)(d) of the Municipal Finance Management Act No.56 of 2003, it being recorded that the annual review process as prescribed in terms of Section 34 of the Municipal Systems Act, is continuing and that report to the Executive Committee will be submitted on completion of the consultative process. The substantive review would commence in the new Financial year 1st July 2022.

1.25 Particulars of Investments:

That in terms of Section 17 (3) (f) of the Municipal Finance Management Act No. 56 of 2003, particulars of the municipality's investments are reflected in **Tables SA15 – SA16 (Pages 175 - 176)**

1.26 Remuneration of Councillors and Senior Officials:

That in terms of Section 17(3)(k) of the Municipal Finance Management Act No.56 of 2003 that the proposed cost to Council of the salary, allowances and benefits of each political office bearer, councillor and senior officials of the municipality and its entities, is reflected in **Table SA23 (Page 184)**

1.27 Unfunded Mandates:

That the eThekweni municipality make representation to the Provincial and National Government regarding unfunded mandates presently undertaken by the Municipality with a view to securing funding for and handing over of these services in terms of the mandates as stipulated by the Constitution. Develop an interim approach on addressing unfunded mandates based on Rand for Rand.

The cost of unfunded mandates is set out hereunder:

DETAILS	<u>PROPOSED</u> <u>BUDGET 2022,23</u>	<u>BUDGET 2021,22</u>
	<u>R M</u>	<u>R M</u>
Libraries	363,4	333,4
Health – Other than municipal health services	155,2	158,7
Museums	89,6	88,7
Housing: New Development and Hostels	371,9	286,1
Formal Housing	63,9	31,3
TOTAL	1044,0	898,2

1.28 Impact of Housing Expenditure on the Cash Reserves:

1.28.1 That municipality makes further representation regarding expenditure incurred in previous years by the municipality amounting to R4.5bn for the construction and provision of housing done on an agency basis on behalf of the KZN Department of Human Settlements (KZN DOHS)

1.28.2 In addition, in order to avoid the cash reserves dropping below prudent levels that could negatively impact our good credit rating, the municipality only implement KZN DOHS approved housing projects and implementation (incl. invoicing and submission of claims to KZN DOHS) of these approved projects to be in line with the approved KZN DOHS budget and cash flows. It should be noted that the City has taken a decision to align project cashflows with KZN DOHS, which has proven to be impractical owing to the misalignment of financial years. The three months overlap continuously creates a gap, in which the MTREF view may need to be incorporated, to enable mid-term financial decisions.

1.29 Expenditure Control, Austerity Measures & Tariffs in the Current State of the Economy:

1.29.1 That in view of the current economic climate further austerity measures be considered and that all departments review their expenditure and ensure that municipality is getting best value for all expenditure.

1.29.2 That in view of water, sanitation and electricity increases the price elasticity be closely monitored as there has been decreasing volumes of sales over the past five financial years and the sustainability of these services need to be closely monitored. Tariff structures as well as alternate sources of revenue need to be considered together with the improved effectiveness of spend.

1.29.3 The security tender be urgently finalized, the right sizing of services done and replacement of services with electronics be considered

1.29.4 That the rationalisation of EPWP be reported on quarterly basis to EXCO

1.29.5 That, due to the anticipated impact of the IRPTN on the City's sustainability, the operating model for the pilot phase of the rollout of the IRPTN, and the outcomes of the implementation of the C3 route, an assessment of the impact of implementation of other routes on the City's finances will be done.

1.29.6 The shift system for metro police needs to be expedited, this will reduce Overtime.

1.29.7 That a policy be implemented to charge for services of Metro police deployment from departments for functions not included in their mandate as well as the number of officers deployed.

1.29.8 That Cost containment regulations be strictly adhered to iro cost containment with regard to travel, entertainment, eventing, consultants etc.

1.29.9 That urgent interventions be put in place to improve the collection rates in hostels and that appropriate sanctions be considered to enforce payment.

1.29.10 That Manager's closely monitor the use of municipality vehicles and ensure that all trips are justified and in the best interest of municipality. i.e., Effective and efficient use of Fleet across the city

1.30 Free Basic Services:

1.30.1 That the Free Basic Services Package as set out on **page 116** is approved for the budget year 2022/2023.

1.30.2 That in view of the sustainability of providing free basic services a flat rate for services be considered so that will be recovered based on prepaid electricity sales as a matter of urgency

1.31 Off Balance Sheet Financing:

That approval in principle be granted for alternate financing options/models to be considered, incorporating but not limited to Sect 33 (Contracts having future budgetary implications) of the MFMA type arrangements, to finance major infrastructure works requiring significant capital sums over several years where risks and rewards are equitably shared between the municipality and its chosen partner/s. Each specific project will be submitted to Council for consideration.

1.32 Catalytic Projects:

In keeping with National Treasury's directive to stimulate the economy, grow the rates base and create jobs, the city is considering the implementation of several catalytic projects, subject to these projects having a favourable return on investment (ROI). That Council supports these projects in principle and that whilst initial funding has been provided for feasibility studies, further funding be sourced during the year as and when the projects are ready for implementation.

1.33 Food Aid Programme (Soup Kitchens):

That in order to sustain the programme, the engagement of faith-based organizations and NGO'S to adopt soup kitchens are to be investigated and where considered necessary a grant in aid will be provided.

During the 2021/22 financial year, five new soup kitchens were established as well as two shelters for the homeless. A provision of R115m has been made to fund the 83 soup kitchens and the two shelters currently in operation.

A total of 741 Volunteers are currently running the soup kitchens on a daily basis.

1.34 Prepaid Collections:

That the Municipal Council supports the installation of prepaid electricity and water meters for individual hostel units using the 50/50% principle inclusive of the payment of rentals, in view of the low hostel debtor's collection rate of 5%. That the feasibility of charging of a flat rate on prepaid electricity sales, recovery water and sanitation and other services be considered.

1.35 Meter Reading Strategy:

1.35.1 That the Electricity and Water Units finalise their strategy on joint smart meter.

1.35.2 That water unit urgently commence the implementation of prepaid meters

1.35.3 That the feasibility of combining the electricity and water meter reading services be investigated.

1.35.4 That quarterly reporting on progress on these issues be submitted to EXCO.

1.36 Destination Marketing Programmes:

1.36.1 That Council approves the hosting of the destination marketing programs as budgeted for and indicated on Annexure B subject to unit submitting a report to the standing committee confirming demonstrable benefit to the city.

1.36.2 That authority be granted to the City Manager to negotiate benefits and rights to leverage the destination and profile Durban with the organizers.

1.36.3 That authority be granted to the City Manager to conclude contracts with the owners in terms of the partnership investment.

1.37 Additional Recommendations:

1.37.1 That Line departments are to do a reprioritization of consequential vacant posts to fund critical posts.

1.37.2 That all vacant posts be evaluated to need to fill on an absolute necessary basis. That all critical vacancies are advertised internally so that we have an opportunity to shift resources around. All consequential vacancies that arise from these internal adverts should then be assessed to confirm necessity.

1.37.3 All organograms to be reviewed and revised based on workstream/productivity analysis to remove duplication of efforts. This will include the consolidation of like services into single units and the restructuring of respective clusters.

1.37.4 That whilst we have provided for a 4.2 % increase in salaries and a further 1% for notch increases, this will only be payable subject to affordability. This will be on condition that the current cash collection rates are sustained and that there is no significant impact of COVID 19.

- 1.37.5 That the average Electricity Tariff increase was reduced from 8.61% to 7.47% after taking into account comments from consultations of 8.61%.
- 1.37.6 That it be noted that the Water tariff increase is at 5.9% as we are in a development state. The bulk purchase increase from Umngeni Water Board is 3%.
- 1.37.7 That it be noted that the refuse user charge tariff increase of 4.5% for residential is after taking into account affordability and CPI considerations.
- 1.37.8 That Contract Management Improvement Plan be implemented to manage the performance of contractors including Consequence Management for Contractors. CIU and Legal to come on board to address the breaching of city contracts.
- 1.37.9 That there be close monitoring of the Ten Point Plan Overall Improvement Plan based as per the Institutional analysis report. All Units to provide outstanding and detailed information on the Ten Point Improvement Plan
- 1.37.10 That State owned entities and Government Departments that have long outstanding debt be sent disconnection letters and allowed 7 days to make arrangements to pay. If there are no arrangements, utilities must be disconnected.
- 1.37.11 That the city improves a citywide performance management system to include all levels of staff and to focus on outcomes-based approach
- 1.37.12 That all Projects approved to include Procurement and Empowerment Plans as a key criterion for the Project Approvals.
- 1.37.13 That the Installation of CCTV cameras on all streets, linked to the Police be considered to reduce crime & increase safety.
- 1.37.14 That there is effective bylaw enforcement to address maintaining a clean the city, no littering, grime, noise, nuisance, and without favour including the taxi industry.
- 1.37.15 That Bylaws must be enforced to owners of Buildings in the CBD to attend to the appearance of their buildings e.g., paint/renovate.
- 1.37.16 That all reports to BAC include a section on the benchmarking of the most responsive tender and that any tender that is above the market rates be justified.
- 1.37.17 That the SCM unit also introduce benchmarking of prices on all good and services that are procured for less than R200 000 and that a motivation be provided for the acceptance of any quote that is more than the benchmark rate.
- 1.37.18 That all departments need to expedite the outstanding disciplinary proceedings as the Auditor – General has raised the issue of consequence management in the last three audits
- 1.37.19 That a zero-tolerance approach to irregular, fruitless & wasteful, and unauthorised expenditure be enforced.
- 1.37.20 That a turnaround strategy is required for the reduction of the water loss and increase in water revenue. The strategy must include the analysis of productivity, statistics of unread meters, the programme to roll out prepaid meters and all related costs.

The turnaround strategy must consider options to take over Umgeni Water's infrastructure (e.g., reservoirs, water treatment plants etc) that are located within eThekweni Municipality boundary. Quarterly reports to be submitted on these matters to the Executive Committee and monthly to the Human Settlements and Engineering committee.

- 1.37.21 That a proposed budgeted borrowings to be increased by R500 million for capital projects to deal with damages arising from the recent storms.
- 1.37.22 That to create a contingency fund of R150 million per year for disaster related emergency costs.
- 1.37.23 That the 30% CPG where practical, in terms of the SCM Policy be considered during the procurement process.
- 1.37.24 That the main Rates & service tariffs for the 2022/23 MTREF be revised per the table below:

	2022/23 Proposed tariffs	2023/24	2024/25
Electricity	7.47% Eskom 8.61%	7.0%	6.5%
Water:			
• Domestic	5,9%	5.9 %	5.9 %
• Business	9%	9.0 %	9.0 %
	Umgeni Water 3%		
Refuse Removal			
• Domestic	4,5%	9.9 %	9.9 %
• Business	7 - 9%	7 - 9 %	7 - 9 %
Sanitation			
• Domestic	5,9%	5.9 %	5.9 %
• Business	9%	9%	9%
Rates: Average	Based on new valuation roll	5.0 %	7.0 %

**** Based on new Valuation Roll, however rates randage had been decreased by 10% for residential**

ANNEXURE A – 2022/2023

ADDITIONAL RATES LEVIED ON SPECIAL RATING AREAS (1.7.13 REFER)

Special Rating Areas	Residential	Business & Commercial	Industrial	Vacant Land	Agriculture	Unauthorised/abandoned	Public Service Infrastructure
a) Precincts bordered by Monty Naicker, Dorothy Nyembe, Anton Lembede and Dr Yusuf Dadoo Streets. (CBD Precinct)	0,001265	0,002868	0	0	0		
b) Precinct bordered by Soldiers Way, Dr AB Xuma Road, Florence Nzama Street and Bram Fischer Road. (North East Business Precinct)	0	0,000553	0,000714	0,001094	0		
c) Precinct bordered by Dorothy Nyembe Street, Margaret Mncadi Avenue, Beach Walk and Anton Lembede Street. (North East Business Precinct)	0	0,000553	0,000714	0,001094	0		
d) Precinct bordered by Soldiers Way, Bram Fischer Road, Sylvester Ntuli, KE Masinga and Archie Gumede (Place) Roads. (North East Business Precinct)	0	0,000553	0,000714	0,001094	0		
e) Precinct bordered by OR Tambo Parade, Dr Pixley KaSeme Street Mall, Rutherford and Gillespie Streets (South Beach Precinct).	0,002185	0,004954	0	0,009797	0		
f) Umhlanga Promenade Precinct bordered by Ocean Way (South), Lot 430 (North), Lagoon Drive (West) and the Indian Ocean (East).	0,00091	0,002063	0	0,00408	0		
g) Precinct bordered by Burlington Road, Burlington Drive, Nagel Road, Windsor Road, Midmar Road and Henley Road.	0.0031	0.007029	0	0.0139	0	0	0
h) Umhlanga Village Precinct bordered by Flamingo Lane, Ocean Way, Lagoon Drive, McCauland Crescent, Weaver Crescent and the Ruth First Highway.	0	0,002865	0	0	0		
i) Giba Gorge bordered by N3 Highway (South), Reservoir Road, Jan Smuts Avenue, Galloway Lane, Mountbatten Place, Alexander Drive, King Cetshwayo Highway (East), Portion 157 of Clifton (North) to Saint Helier Road (West)	0,000428	0	0	0,00192	0,000107		
j) Maytime Community bordered by M13 Highway, Woodside Avenue, Haygarth Road, Abrey Road, Msonti, Quilhall Lane, Alexander Avenue, Mtonbi and Victory Road.	0,002467	0,005594	0	0,011062	0		

Special Rating Areas	Residential	Business & Commercial	Industrial	Vacant Land	Agriculture	Unauthorised/abandoned	Public Service Infrastructure
k) Area consisting of the length of Florida Road, from Lillian Road to Mitchell's Park, including properties on both sides of Florida Road.		0,007928	0	0	0	0	
l) Westville Perth West Area bounded by Glencairn Close in the West, Stanley Teale Road in the South, Robert Herrick Avenue in the North and the eastern boundary consisting of Linford Place and Drayton Place in Westville	0,003225		0	0,003225			0
m) Glenwood area bounded by Helen Joseph Road, King Dinuzulu Road, Berea Road, Turners Avenue, Che Guevara Road, Moore Road, Clark Road and Bulwer Road.		0,004289	0,005535				

ANNEXURE B

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS (1.36 REFER)

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
1.	Hollywoodbets Durban July	July	Hollywoodbets Durban July in an annual race horsing event that takes place on first weekend of July at the Greyville Racecourse. It offers a variety of activities taking place such as fashion, music and entertainment and also a showcase of Durban lifestyle. This is Africa's greatest horse racing event it draws a number of visitors to the city, which in turn generates substantial revenue for the City.
2.	Fact Durban Rocks	July and December	The Fact Durban Rocks is an event that takes places bi-annually at the Moses Mabida Stadium since July 2011. Promote and grow Durban artists and talent, increase domestic tourism to the city through its multiple performance stages. This FDR as become a household brand name all over the country & regionally.
3.	East Coast radio House and Garden Show	June - July 2022	The show consists of a Home-Grown Design Fair, Outdoor, Garden and Lifestyle area, Foodie Fair and curated design features. The Durban Kitchen promotes township products taking Township Kasi Lifestyle and showcasing music, food, furniture SMME's during the show across all demographics
4.	South African Music Conference (SAMC) and Mother of all Parties (MOAP)	July 2022	Three-day local creative industry empowerment workshop by music industry legends & regulatory bodies in the music industry. IT helps local talent to promote music that highlights Durban lifestyle & tourism products. The conference discusses

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
			the commercialization of local music. Exhibition of Durban emerging talent utilizing township lounges.
5.	Any Given Sunday	July 2022 and Festive Season 2022	A four-edition national road show of Durban destination brand building. This is concluded by a grand finale to Durban to a 2-day Durban explore extravaganza. It is packaged with various accommodation establishments, tour guides, tour operators, shuttle services.
6.	Ekasi Durban July Stakeholder Hosting	July 2022	This is a robust destination promotion of townships in during to end off the Durban July weekend. It has great economic impact to business in townships and also destination exposure through the hosting of local and international stakeholders in various township tourism products and experiences. This will towards the venue hosting and experience package.
7.	Durban July Week Tourism Precinct Pop-Up Traveller Extravaganza	Multiple dates from Wednesday to Monday	Narrative should cover various prescient in Florida Road, Chartwell Drive, Davenport, Coastal Experience including Wilson's wharf to revitalize the harbour's tourism brand following the sewage spill reputational damage.
8.	Durban July Township & Rural Tourism Promotion in various regions. <ul style="list-style-type: none"> 503 Music Festival and Youth Festival Ekasi July Experience 	From Friday to Monday in various precinct in Winter Season and Festive Season	This destination programme will visitor dispersal in the townships during the Durban July. It will be robustly promotion township tourism whereby the Durban July experience will be staged in various township tourism products. Spread to north, south, west and central to accommodate SMMEs tourism owed products. This experience will include the elements of betting stations, fashion, entertainment that will include the township local talent. The products at which this will be done are those that are fully compliant with business operations requirements. This will absorb the numbers that cannot be accommodated at Greyville Racecourse due to the Covid limitations of 50%.
9.	SoDuba Whale Festival financial support as little as R80k as start up.	June to July	With the unique Durban whale watching experience, visitors come to Bluff area to view that experience. This happens over a number of day and the CTO has amplified the visitor experience through a festival that enhances the positioning of Durban through Bluff as one of the gems.
10.	Comrades Marathon Review sponsorship amount.	August 2022	The Comrades Marathon is an ultramarathon of approximately 89 kilometres which is run annually in the KwaZulu-Natal province of South Africa between the cities of Durban and Pietermaritzburg. It is the world's largest and oldest ultramarathon race
11.	Sarafina Musical and World Tour	Various times of the year by June 2023	Theatrical production, directed by Mbongeni Ngema, based on the 1976 Soweto Uprising. This production is a Broadway Hit Musical and will be staged at the Durban Playhouse Company in preparation for the World Tour to the United States of America. It was recruit new Durban talent affording them a lifetime breakthrough opportunity.
12.	Music is King	September 2022	The event is a weekender/3 night event, which will have different themes for each show, namely being; Music is King, We don't play the same genre and Africa is not a Jungle, which will have Black Coffee as a headlining artist and features many local artists. This concept will not only bring national, international and domestic markets to Durban but will drive potentially high occupancy rates for central region accommodation establishments

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
13 .	Amashova Cycle Race	October	This is an annual cycle race from Pietermaritzburg to Durban. IT attracts national and international visitors into the City and it gives the City massive media exposure.
14 .	Joyous Celebration	Dec-22	The concept behind the Kings and Queens of Gospel is having a gospel music concert that combines royalty, elegance and prestige gospel entertainment and offers the “Kings” and “Queens” of the industry. It attracts a new different market and offers a new visitor experience during the festive season.
15 .	Endless Summer	Dec-22	Endless Summer Experience is an event that boasts that destination and the various ongoing campaigns from Durban Tourism and endless summer in Durban.
16 .	Annual Durban Underground	Dec-22	An annual Christmas Day program that celebrates Durban artists and offers visitors in Durban an entertainment and fun experience during Christmas day.
17 .	Durban Jazz Festival	Dec-22	Biggest program in South Africa during the festive season taking place on 26 December. Strategic hosting of stakeholders and gives Durban visitors
18 .	Woza Durban Picnic	Jan-22	Attracts high LSM from Gauteng and other provinces to come to Durban during the Festive Season. It renders opportunity to local entertainment artists targeting hotel visitors to experience various options.
19 .	Lovers and Friends	February 2023	The event is tailor made to celebrate love, friendship and social cohesion. Previously this event has attracted 3617 patrons and steadily increased as the years passed. 2020 the event even had an international act which unfortunately could not hold as there were COVID – 19 restrictions.
20 .	Crown Gospel Awards	November	An annual gospel awards ceremony that attracts a large number of gospels followers across the country and the African region. The destination promotion starts from the regional event promotion in various African countries culminating to the event. The destination promotion goes beyond the day of the event as these is a live broadcast and post broadcast on television which promotes the destination repetitive as no additional cost to the City.
21 .	Good Food, Cheese and Wine Township Festival	November	This is a groundbreaking event that promotes the township hospitality through the tranquil fine dining experience. It will host celebrity chefs that will be paired with local chefs and showcasing the food pairing of good food and wine. This will attract is high LSM market to the township and boost the economy.
22 .	Durban Spin Festival move to monetary	December	Partnering with Durban Tourism with the purpose to broaden the Durban bucket list for visitors. The event is about car owners bring their cars to the car park and spin their cars. This event allows the culture of car spinning to come alive and spectators enjoy it as they learn. This event is usually televised

DESTINATION PROMOTION PARTNERSHIPS PROGRAMMES			PROFILE AND MOTIVATION
			on ETV and sometimes Supersports and the Car Channel on DSTV.
23 .	All White Party Elegant Township Experience	January	This event is huge township economic booster. It attracts the big spenders and big national personal brands to Durban towards the end of the festive as it also boost visitor spend as shops run out of white clothing from various shopping centres and malls of Durban.
VALUE IN KIND FINANCIAL SUPPORT			
1.	Durban Umhlanga Extravaganza	July	This destination programme will visitor dispersal in the townships during the Durban July. It will be robustly promotion tourism whereby the Durban July experience will be staged in Umhlanga to spread visitors to north.
2.	Celebrity Sports Challenge	July	The Celebrity Sports Challenge is a fun and exciting day full of sport games championed by South Africa's most loved icons, taking place at the Durban Beach Front.
3.	Family Fun Day Picnic	Nov	Traditionally held at the Munies Hockey Club in Durban, the Family Fun Day Picnic is a family-oriented event hence people travel in groups and offers a family desired holiday experience to Durban. It has different games for children, sporting activities for adults and a stage which has performances to keep the "vibe" of the fun day. This is suitable for family entertainment and helps attracts
4.	5 th Annual Xmas Kasi Cultural Experience	25-Dec-22	The Annua Kasi Cultural Experience s an outdoor experience that is aimed at promoting the Hammarsdale in the outer west region whilst promoting a tourism product.
5.	Aquelle Tour Durban	10 – 11 September 2022	A two-day mass participation cycling event incorporating road cycling races as well as other allied events and activities. The event has been staged for the past number of years with the primary aim as a fundraising mechanism. The event attracts cyclists from all over the country. The Tour Durban is also a primary tourism driver for the city and environs.
6.	Ironman 70.3 Triathlon:	October 2022	It is an international triathlon that profiles the City and iconic attraction beach front prescient of Durban. If gives the City international exposure through visits and internal media
TOTAL BUDGET OF R16 000 000.00 PER ANNUM OVER THE MTREF PERIOD.			

ANNEXURE C (1.19.4 REFER):

**LIST OF PROJECTS NOT FUNDED OR PARTIALY FUNDED THAT WILL BE FUNDED WHEN FUNDING
BECOMES AVAILABLE**

Capital Budget Description	Project	Departments	Ward no.	Proposed Budget 2022/23	Proposed Budget 2023/24	Proposed Budget 2024/25	Total Budget Available	Budget Shortfall	Total Budget Required
				R'000	R'000	R'000	R'000	R'000	R'000
Total Capital Budget				973,047	633,766	631,888	1 533 031	3 303 673	4 836 704
Trading Seivces				346,180	431,837	399,341	1 150 878	2 054 860	3 205 738
Electricity				97,200	70,837	89,795	257 831	221 461	479 293
Conventional Meters - Subsidised housing		Electricity					-	589	589
Customer Prepayment Connection		Electricity					-	5 300	5 300
Customer Prepayment Connection		Electricity					-	707	707
Sundry EFA Formal (Blocksum)		Electricity					-	1 178	1 178
Sundry EFA Informal (Blocksum)		Electricity					-	5 000	5 000
Sundry New Supply (Blocksum)		Electricity					-	7 200	7 200
Sundry Replacements (Blocksum)		Electricity					-	3 600	3 600
Reinforcement (Blocksum)		Electricity					-	1 584	1 584
Austerville 132/11kv S/Stn		Electricity					-	8 920	8 920
Upgrade Of 132kv HV S/S Links		Electricity					-	630	630
ISIPINGO 132/11 kV SUBSTATION		Electricity					-	200	200
JAMESON PARK 132/11 kV SUBSTAT		Electricity					-	4 330	4 330
Upgrade Of 132KV HV S/S -Klaar		Electricity					-	240	240
Construction Of 132/11KV HV S/		Electricity					-	140	140
MAHOGANY RIDGE 132/11 kV SUBST		Electricity					-	5 606	5 606
Construction Of 132KV Switchin		Electricity					-	9 229	9 229
UNDERWOOD 132/11 kV SUBSTATION		Electricity					-	6 000	6 000
KINGSBURGH 132/11 kV SUBSTATIO		Electricity					-	3 640	3 640
Construction of HV S/S- Cathed		Electricity					-	-	-
SPRINGPARK 132/11 kV SUBSTATIO		Electricity					-	-	-
High Mast Lighting - KwaMashu		Electricity					-	200	200
Building Partitions		Electricity						181	181
Lighting-Major Route Improvemn		Electricity						40	40
Lighting - New Major Routes		Electricity						80	80
Lighting - Parks		Electricity						20	20
Lighting - Sundry		Electricity						600	600
Ablution Floodlights		Electricity						80	80
MV/LV Equipment replacement	SSR002	Electricity	0010	32,400	22,055	26,781	81 236	48 764	130 000
Sundry New Supply (Blocksum)	DL434	Electricity	0010	36,000	25,948	31,507	93 454	56 546	150 000
Sundry Replacements (Blocksum)	DL435	Electricity	0010	18,000	12,974	15,753	46 727	28 273	75 000
Reinforcement (Blocksum)	DL552	Electricity	W015	7,920	7,784	12,603	28 307	17 693	46 000
Distribution Automation Project 1	CN021	Electricity	0010	2,520	1,816	2,521	6 857	4 143	11 000
Distribution Automation Project 2	CN021D	Electricity	0010	0,360	0,259	0,630	1 250	750	2 000
							-		
Water				110,500	146,000	89,546	346 046	966 320	1 312 366
Non-infrastructure New Machinery and Eq	PMZ000159	Water						506	506
Non-infrastructure New Machinery and Eq	PMZ001838	Water						3 494	3 494
Non-infrastructure New Transport Assets	PMZ000162	Water						1 000	1 000
Non-infrastructure New Transport Assets	PMZ001694	Water						1 000	1 000
Relays and extension	X4217C	Water						2 000	2 000
Labour based construction	X4257A	Water						100	100
Domestic meters installation	X4628C	Water						1 000	1 000
Maphephetheni water supply augmentation	X6721A	Water						3 300	3 300
Thandokuhle reservoir	X7227BZ1	Water						20	20
LAND ACQUISITIONS	X7755C	Water						200	200
Meters Bulk Contract Ws.6713:Upgrade To	X7930	Water						1 000	1 000
Inlet Main To Adams Mission 6 Res	X8006CZ1	Water						3 700	3 700
SUNNYBRAE-REPLACE WATER MAINS	X8319	Water						1 000	1 000
REPLACEMENT OF PIPES WITHIN MOSLEY PAR	X8325A	Water						1 000	1 000
TONGAAT WTW UPGRADE	X8356A	Water						2 000	2 000
REPLACEMENT OF AGED WATER PIPELINES - F	X8390A	Water						1 000	1 000
EMAQADINI	X8400B	Water						9 000	9 000
MOPHELA	X8440A	Water						500	500

Capital Budget Description	Project	Departments	Ward no.	Proposed Budget 2022/23	Proposed Budget 2023/24	Proposed Budget 2024/25	Total Budget Available	Budget Shortfall	Total Budget Required
				R'000	R'000	R'000	R'000	R'000	R'000
PROVISION OF EMERGENY WATER SERVICES	X8466B	Water						500	500
UMGODI UPGRADE	X8535	Water						1 000	1 000
BOREHOLE INSTALLATION	X8588B	Water						1 000	1 000
RESERVOIR PROTECTION	X8589A	Water						1 000	1 000
WATER PLANT DEPOT ACQUISITION	X8593A	Water						1 000	1 000
HOUSING PROJECTS	X8595A	Water						5 000	5 000
Non-infrastructure New Transport Assets	PC8900	Water	0010	50,000	55,000	25,000	130 000	50 000	180 000
RURAL WATER (BLOCKSUM)	X5259A	Water	W010	29,500	29,500	18,500	77 500	130 000	207 500
SOUTHERN AQUADUCT 1200MM DIAME	X8103	Water	W018	10,000	10,000	11,046	31 046	450 000	481 046
Boreholes installation	X8588	Water	0010	5,000	5,000	5,000	15 000	30 000	45 000
UPGRADE OF NR3,NR4.NR5 AND NR7	X7868A	Water	W044	-	-	-	-	200 000	200 000
Temporal Supply-Maphephetheni,	X6721A	Water	R004	10,000	22,000	30,000	62 000	27 000	89 000
Thandokuhle reservoir	X7227BZ1	Water	W002	4,000	16,500	-	20 500	10 000	30 500
Unicity Water Pumps and Valves	X8416	Water	W010	2,000	8,000	-	10 000	28 000	38 000
							-		
Sanitation				112,000	215,000	220,000	547 000	840 599	1 387 599
Non-infrastructure New Machinery and Eq	PMZ000537	Sanitation	0010					500	500
Non-infrastructure New Transport Assets	PMZ001681	Sanitation	0010					1 000	1 000
AMANZIMTOTI RIVER TRUNK SEWER-RETICUL	Y5602A	Sanitation	93,97					200	200
HAMMARSDALE WTW EXPANSION-SEWERAGE	Y6651F	Sanitation	W004					15 000	15 000
EMONA SUNHILLS OUTFALLS AND PURIFICATI	Y6712F	Sanitation	W061					600	600
Redcliffe Valleyview drive trunk sewer	Y6717	Sanitation	W060					20	20
ISIPINGO WTW UPGRADES-SEWERAGE PURIFI	Y6975C	Sanitation	W089					800	800
GWALA FARM BULK SEWER-RETICULATION	Y6983E	Sanitation	W061					600	600
KWAMASHU L TOILETS & SEWER UPGRADE	Y7247B	Sanitation	045,047					2 000	2 000
CATO RIDGE TRUNK SEWER	Y7628A	Sanitation	004,005					200	200
AMANZIMTOTI WWTW SLUDGE DEWATERING	Y8118A	Sanitation	W093					600	600
MANGOSUTHU UNIVERSITY OF TECHNOLOGY	Y8147C	Sanitation	W088					60	60
BULK GRAVITY SEWER TO SERVE PROPOSED	Y8162B	Sanitation	W016					20	20
MV SWITCHGEAR AT SWWTW	Y8763A	Sanitation	W068					10 000	10 000
Alternative Sanitation Technologies	Y8792A	Sanitation	0010					10 000	10 000
Umbilo WWTW - Supply / Install/Comm. of 1	Y8874B	Sanitation	W018					1 000	1 000
TONGAAT CENTRAL WWTW -FUNCTIONAL RE	Y8897B	Sanitation	W058					1 000	1 000
VERULAM WWTW -FUNCTIONAL RESTORATIC	Y8899B	Sanitation	W106					1 000	1 000
PUMP AND VALVE REPLACEMENT	Y8911B	Sanitation	0010					7 000	7 000
HILLCREST WWTW IMPROVEMENT	Y8913	Sanitation	W008					1 000	1 000
NTSHONGWENI TRUNK SEWER	Y8918A	Sanitation	7, 12, 13, 14					200	200
RELOCATION OF TRUNK MAIN ALONG N2 AND	Y8920	Sanitation	W029					200	200
Johanna Road trunk sewer	Y8923	Sanitation	W034					1 000	1 000
KINGSBURGH WWTW TO HUTCHINSON PARK	Y8941B	Sanitation	W093					200	200
DASSENHOEK WWTW UPGRADE TO 35ML/DA	Y8942C	Sanitation	W014					400	400
WWTW FUNCTIONAL UPGRADES	Y9063B	Sanitation	0010					2 000	2 000
WWTW FUNCTIONAL UPGRADES	Y9063D	Sanitation	0010					-	-
WWPS FUNCTIONAL UPGRADES	Y9064B	Sanitation	0010					2 000	2 000
KWADABEKA SEWER RETICULATION	Y9157	Sanitation	019,020					4 000	4 000
COMMUNITY ABLUTION BLOCKS	Y9400B	Sanitation	0010					2 000	2 000
Community Ablution Blocks	Y9400B	Sanitation	0010					6 000	6 000
Wastewater network		Sanitation	0010					18 000	18 000
Waste waster treatement works Blocksum		Sanitation	034/0010					5 000	5 000
Mechanical & Electrical		Sanitation	0010					1 000	1 000
HAMMARSDALE WTW EXPANSION	Y6651	Sanitation	W004	20,000	30,000	85,000	135 000	88 999	223 999
Alternative Sanitation Technol	Y8792	Sanitation	W010	40,000	60,000	20,000	120 000	210 000	330 000
PUMP AND VALVE REPLACEMENT	Y8911B	Sanitation	W010	20,000	30,000	30,000	80 000	145 000	225 000
SCADA upgrade in various WWTW	Y8944	Sanitation	W010	10,000	15,000	15,000	40 000	70 000	110 000
WWTW FUNCTIONAL UPGRADES	Y9063	Sanitation	W010	7,000	55,000	45,000	107 000	127 000	234 000
Housing projects	Y9159	Sanitation	0010	15,000	25,000	25,000	65 000	105 000	170 000

[illegible]

BUDGET DEBATE

The Speaker having opened the opportunity for Political Parties to contribute input and comments to the revised draft budget, as presented by His Worship, the following was submitted:

The Democratic Alliance appreciated the thoughts which went into the budget in a bid to arrive at a people-centred budget. However, views were submitted that the budget still has gaps and lacked genuine solutions to change the plight of the people of eThekweni. That the City could not expect different results while not doing the back-to-basic measures. The issue of water and electricity outages in most parts of the City was still considered catastrophic, as well as sewer blockages. That the City was not seen to be coming up with concrete solutions on these issues.

Continuing with their submission, the Democratic Alliance cited the issue of lack of implementation of consequence management, and with staff being less productive yet receiving salary increments. The issue of loan borrowing was still regarded as a concern which was exacerbated by the non-responsiveness of National Treasury to release flood damages grant, and with the eThekweni leadership not being seen putting efforts to demand National Treasury to release the funds, as promised by His Excellency, the President of the Republic of South Africa.

The Democratic Alliance was of the view that while some sections of the budget represented improvements, but overall, the budget was not focusing on the crux of the issues impacting the people of eThekweni. While acknowledging the disaster as a result of the natural environment, the Democratic Alliance was of the view that poor infrastructure management over the past years has also led to major damages as a result of the recent floods.

Reference was made to the economic instability, with businesses being negatively impacted starting from the advent of the Covid-19 pandemic, the July civil unrest and recently the flood damages. That the City was not drawing new investment, some businesses unable to re-open following the impact cited, and tourism being impacted, but that tourism support should focus on events benefitting the City and not funding extravaganza.

The Democratic Alliance cited that they tried to act in good faith in terms of deliberating on the budget, but that unfortunately, the amendments made do not seem to respond to the core issues impacting service delivery, hence, they were not in a position to support the budget in its current format.

Commenting on the budget, the EFF noted the attempts made to respond to the issues facing the people of eThekweni, however, that there were still areas of concern. As such, the EFF were hoping the budget could be discussed item per item so as to approve where there is favourable consideration while not approving areas which still needed further consideration.

Highlighting issues, the EFF expressed concern on the failure to deliver on the fleet purchase according to the previous budget approval, yet additional budget is required for fleet maintenance.

The EFF noted measures to reduce overtime and also appreciated focus on land acquisition and expropriation to relocate people from floodplains. Emphasis made though that prime land should be considered to avoid relocating people to the outskirts of the City thus making them spend much to access economic opportunities. The EFF also noted that budget has been allocated for infrastructure improvements, in particular, for the floods damages rehabilitation projects, but warned that there should be no misappropriation of funds in this regard.

Efforts being made to formalise the Wards 60 and 64 areas were appreciated, so as the reduction in electricity tariffs. That the issue of dealing with unfunded mandate in the form of health and housing matters be prioritized. That a decision is required on the EFF proposal to open clinics for a 24-hr service. Lastly, appreciated implementation of the Indigenous Policy and rebates implemented to pensioners.

Notwithstanding the improvements, the EFF reiterated their preference to vote on item per item, hence, they submitted they will abstain on the budget approval.

The IFP noted the adjustments made to the budget being tabled, but expressed concern on what they regarded as a conspicuous and deliberate culture to exclude the minority Indian areas in service delivery. That these areas were not prioritised in terms of the allocation of Plumbers; Electricians; Technicians; Water Tankers etc. in times of crisis, yet these communities contribute in revenue generation.

Mention was made that the community of Phoenix, for instance, has vehemently rejected the budget during the budget hearings. While the budget will be supported apprehensively, the IFP advised that focus will be made to prevent the suffocation of the minority during the budget implementation. That the budget support was in the interest of service delivery and revenue generation. The IFP committed to defend the suppression of the minorities by the opportunists who are interested in pushing their personal agendas rather than focusing on the plight of the masses to bring about the change. That the IFP will fight for equal and equitable distribution of resources in terms of the budget being approved.

Further, the IFP acknowledged that the budget was being approved in the midst of difficult economic conditions following the recent floods. That people need services and proper houses. A recommendation was made that other Clusters follow what the Trading Services Cluster has done in terms of overtime reduction.

Speaking on the issue of water tankers, the IFP recommended 50% ownership of water tankers by the Municipality to avoid the hiring of water tankers. Dissatisfaction was then expressed with regard to the R100 flat rate in rural areas, and that the Ingonyama Trust Board has not been consulted in this regard. That it might happen that some of Amakhosi have been engaged but not all. The issue of the flat rate was considered not justifiable considering that properties are not the same and that there was no infrastructure put in rural areas.

The IFP reiterated the support of the budget for the interest of service delivery, but that if this was to be approved based on item by item, the issue of the R100 flat rate was not going to be supported.

The TA supported the budget in the interest of progress, but that the issue of floods rehabilitation projects should not come at the cost of ratepayers who contributes approximately 73% in revenue generation. The ACC proposed reduction in rates for areas affected by the floods and that bulk services have been interrupted.

Proceeding with the contribution, the TA appreciated reduction in electricity tariff, rebates for pensioners and ratepayers. Noted the reprioritization of funds to focus on floods rehabilitation projects. The TA undertook to play effective oversight role to ensure budget is spent wisely to projects benefitting the City of eThekweni. The TA then expressed gratitude for the speaking time donated by MOSA

The Action SA submitted they will not be supporting the budget, expressing disappointments that their issues of concern have not been addressed, which include, the issue of insourcing services; high tariff increase for businesses; and the loan borrowings while there is failure to recover monies owed to the City by the Government Departments.

The ACDP acknowledged the budget has been prepared in the midst of challenges as a result of the negative economic impact due to the Covid-19 pandemic; the July civil unrest; and the recent floods. That the communities were gripped with fear and uncertainties; businesses were struggling to recover; and there were job losses; fuel increases; food increases; crime increases; protests action increases. The ACDP acknowledged the minor adjustments effected, but that this was still not speaking to the core issues and the future of the City. The SMMEs were cited, with the ACDP pointing that there was no consideration made for this sector in the budget.

The AL JAMA-AH fully supported the budget, pointing out that this is a well-crafted and impressive budget after many years. The AL JAMAHAAH stated that it was now incumbent upon different stakeholders to take full responsibility and ensure the execution of budget diligently; transparently; and honestly, in particular, taking into account the poor economic state of the City.

The ADEC reluctantly supported the budget, pointing out concerns including, what was regarded as exorbitant and fake billing; lack of plans to relocate informal settlements and put them into decent livable conditions; the write-off of arrear rates accrued during the Covid-19 Lockdown. That, there was no assistance given to ratepayers in times of crisis, reference being made to the area of Tongaat that was experiencing water outages for over 55 days now. The ADEC acknowledged that not passing the budget will bring service delivery into a halt.

The ATM supported the budget and acknowledged that His Worship the Mayor had tabled adjustments on the issue of overtime. The ATM supported the overtime adjustment, critically analyzing the negative impact of the overtime payment which if curbed will then release resources to employ additional 500 Metro Police personnel.

The DLC supported the budget but emphasizing the importance of focusing on improving and accelerating service delivery Municipal-wide. The reprioritization of budget and the opportunity to probe further for improvements was appreciated. That focus be made on infrastructural rehabilitation projects following the recent floods.

The NFP supported the budget, but spoke on the proposed payment of R100 flat rate in rural areas. The attention was drawn to the other areas outside the rural areas that are not encouraged to pay for services. That issues of this nature needed to be analyzed critically to exercise equal treatment in terms of encouraging people across the Municipal area to pay for services.

The PFP supported the budget but encouraged stakeholders to exercise responsibility and spend wisely and implementing strict oversight of expenditure and respecting the ratepayers rather than focusing on personal interest.

The KZNI supported budget and requested more focus on clearing the human settlements backlog which has been exacerbated by the recent flood damages. He implored all stakeholders to put concerted efforts to speed up the process and accelerate service delivery pertaining mostly to human settlements.

The ANC was pleased with such a budget crafted under extremely difficult circumstances as the City had been hit by the triple disaster, namely, the Covid-19 pandemic; civil unrest; and double floods. Notwithstanding the focus on floods disaster rehabilitation projects, mention was made that the upliftment of social life was equally important. As such, the budget also caters for the upgrade of the community halls; clinics; stadia; libraries projects; events crucial to sustain social cohesion and Amaciko, as well as boosting tourism and small businesses. Events were considered significant to boost the current struggling economy. That the City of eThekweni should continue supporting events, for eThekweni to maintain its position of becoming the Africa's destination of choice when it comes to events hosting. Further, that allocation has been made for the beautification and cleanliness within the City.

The ANC commended the leadership of His Worship the Mayor for delivering such a progressive budget and for leading a caring Municipality. The rates rebates to be implemented were considered significant and would boost the financial situation of individuals and businesses whilst also boosting the economy. Reference was made to the rates rebates for retirement villages and complex; youth development in terms of rebates for schools not operating at a profit; Bed and Breakfast accommodation which will result in the City being considered a destination of choice to visit; rebates focusing on medically boarded and child-headed households. That the budget was people-centred in its many facets.

The tabling of the revised draft budget was considered by the ANC to be a successful event, given that the views submitted previously have been taken into consideration. This also taking into account that there was no additional funding but that budget reprioritization had to be effected within the existing bottom line. An appreciation was extended that the budget is balanced despite the economic difficulties cited repeatedly.

The loss of revenue compared to the past years was cited which also led to the budget reduction in the 2022-23 financial year. That issues including the following are noted with concern and that the budget needs to be prioritized to address same:

- Prevailing inequalities which were gender and racially-based;
- Increasing unemployment rate amongst the youth in particular;
- Poverty levels affecting mostly the African women;
- Escalating crime levels in Inanda and KwaMashu and the need to invest resources without focusing on issues of unfunded mandate since local communities recognize local government to provide solutions;
- The unfortunate closure of the Hilton Hotel and the major revenue loss as a result thereof;
- The unfortunate closure of the Bridge City Mall due to civil unrest and the resultant negative economic impact in the INK area;
- The impact of floods in Toyota and major industries in the Durban South Basin area;
- The interruptions of the Port of Durban operations during the times of the recent floods; and
- Destabilization of the rail network as a result of floods.

The ANC applauded all Parties for contributing in producing a balanced budget despite the challenges cited above and which have contributed to the loss of revenue. A view similar to those raised by the other Parties was submitted with regard to the significance of prioritizing infrastructure restoration within the City of eThekweni.

The ABC prior to speaking on the budget matters commended the leadership of His Worship the Mayor for presenting a progressive budget. A quote from Octavia Butler was made to reflect on the leadership of His Worship and this read “Choose your leaders with wisdom and forethought” that eThekweni people were led by brave leaders having best interest at heart to take the City of eThekweni forward.

The ABC then highlighted reasons justifying the approval of the budget as tabled and pointed the following:

- R115 Million allocated for soup kitchens and to cater for vulnerable people
- A number of 741 Volunteers engaged to run soup kitchens
- The significance of events, reference being made to the success of the recently hosted Ingoma Festival. Also, the importance to increase budget for destination marketing programmes given the benefits arising therefrom, which is the trend in other counterparts
- Vacant posts at all levels to be filled
- Reduction in electricity tariffs from 8.61 to 7.47
- Engagements and commitments made to the businesses following the devastation as result of floods damages
- Commitment to recover monies owed the City for use to cover budget shortfall

The ABC reiterated that the budget is people-centred and needs to be supported by an overwhelming majority.

Speaking on the budget, His Worship the Mayor reiterated that the budget is pro-poor and focus mainly on service delivery matters, including water, electricity, roads rehabilitation etc.

His Worship confirmed that the budget is balanced and has passed the assessment test by the National Treasury. That the budget will be instrumental in driving investment initiatives and promote economic growth, create jobs for youth, women and people with disability in particular.

Speaking on the loan borrowing, His Worship advised that this has been explained on several occasions that this was meant for capital projects as they pertain mainly to infrastructure, and with focus to be also on floods rehabilitation projects.

While other projects may represent unfunded mandate, such as the issue of human settlements, where the Municipality plays a role of an implementing agent, His Worship advised of the importance to respond to the aspirations of the people as they are looking to the Municipality to provide solutions.

Thereafter, with some Members not in support of the budget, the matter was put to the vote. With 211 Councillors present, 129 Councillors (ANC - 93, IFP – 16; ABC - 02, ACC – 02; AIC -02, ADEC – 01; APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI – 01; MF – 01; MOSA - 01, NFP – 01; PFP - 01, PRM – 01; TA- 01 and UIM -01) voted in favour and 58 Councillors (DA – 52; Action SA – 04 and ACDP - 02) voted against. The 24 EFF Councillors abstained on the matter.

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

2. APPROVAL OF FINAL ETHEKWINI MUNICIPALITY 2022/2023 INTEGRATED DEVELOPMENT PLAN (2/1/6/1)

(Circulated Separately)

Approval of the Integrated Development Plan (IDP) was deferred together with the budget adoption at the Municipal Council meeting of 31 May 2022. The final draft 2022-23 IDP is accordingly resubmitted for approval together with the budget. In developing the IDP for the 2022-23 financial year, the requirements as prescribed in the Local Government: Municipal Systems Act No. 32 of 2000 has been complied with.

The IDP also incorporates comments from various stakeholders which have been consulted and these have been categorised and detailed in the Report by the City Manager dated 2022-06-03. In terms of the assessment, a leading public comment relates to service delivery matters followed by improved governance methods.

All matters have been documented and some actions will require long-term solutions. Where short term solutions can be implemented these would be actioned, monitored and reported accordingly.

The DA abstained at this stage and, with the majority being in support,

COMMITTEE RECOMMENDS:

- 2.1 That Council adopts the 2022/2023 Integrated Development Plan (IDP) of the eThekweni Municipality, as circulated separately, and reviewed in line with the requirements of the Local Government: Municipal Systems Act No. 32 of 2000 to facilitate inclusive transformational and developmental issues within the eThekweni Municipal area, it being recorded that input received from stakeholders have been taken into account in finalizing the IDP.
- 2.2 That Council notes that the final adopted IDP will be submitted to the KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs, as per the statutory requirement.

ADOPTED.

The meeting terminated at 14h00.

CONFIRMED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2022-06-30.

SPEAKER