

**A109 of 2018**

**UPDATE ON THE MUNICIPAL COUNCILLORS' PENSION FUND (SPEAKER)**  
**(3/1/4/5)**

**PURPOSE**

To table an advice to the Councillors whose benefits are still with the Municipal Councillors Pension Fund that they can transfer their benefits to any other Pension Fund of their choice.

**BACKGROUND**

On 3 November 2016 the Councillors took a decision that they would no longer be members of the Municipal Councillors Pension Fund. This decision was communicated to the Fund.

However, the Fund did not respond. Pursuant to the Council Resolution, the Speaker established a team led by Cllr Masienyane to meet with the Board of the MCPF to discuss this issue. The MCPF Board was invited to the meeting but kept on postponing until it was disbanded by Financial Services Board because of lack of accountability for the Fund money amounting to **R145 136 508.00**. The Fund was subsequently placed under Curatorship. In a follow up meeting between the delegation of the Municipality and the Curators, the issue of the Councillors was discussed but it could not be concluded.

\*\*\* In a letter written to MCPF, the reasons for Councillors' pulling out of the MCPF were re-submitted. The response indicated that the Fund was agreeing to the pulling out, subject to conditions outlined in correspondence **attached on page 1 to page 3 of the Annexures**.

**PROBLEM STATEMENT**

In a letter dated 8 October 2018, MCPF indicated that there are arrear- contributions dating back to August 2016. They further indicated that the Financial Manager and or the Municipal Manager shall, in terms of Section 13A(8)(c) of the Pension Fund Act, be held personally liable for the outstanding contributions and interest as well in the event of the death of the members while the employer is arrears.

Subsequent to the receipt of the above-mentioned letter, the Office of the Speaker invited the Fund to discuss the matter. We are awaiting their confirmation of the date of the meeting.

**FINANCIAL IMPLICATIONS**

The arrear- contributions are outlined in the letter from MCPF referred to as Annexure 2 **on page 6 of the Annexures**.

**LEGAL FRAMEWORK**

- Pension Fund Act No. 24 of 1956, as amended
- MCPF Rules 24A.1.2

**SUBMITTED FOR CONSIDERATION**

A110 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR B.L. JAMA (MM) (3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr B.L. Jama and the response thereon by the Municipal Manager.

**BACKGROUND**

\*\*\* A letter dated 02 August 2018 received from Cllr B.L. Jama containing certain questions is **attached on page 7 to page 8 of the Annexures.**

These questions were included in the Agenda of the 4<sup>th</sup> Ordinary Council meeting and served as Item A73 of 2018 on the 6<sup>th</sup> September 2018. Cllr B.L. Jama was not present in that meeting and as a result Council resolved as follows:-

**COUNCIL RESOLVED: (06 SEPTEMBER 2018)**

1. That the item **BE DEFERRED** to the next Ordinary Council meeting.

\*\*\* The Municipal Manager's response is **attached on page 9 to page 10 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

A111 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR B.L. JAMA (MM) (3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr B.L. Jama and the response thereon by the Municipal Manager.

**BACKGROUND**

\*\*\* A letter dated 02 August 2018 received from Cllr B.L. Jama containing certain questions is **attached on page 11 of the Annexures.**

These questions were included in the Agenda of the 4<sup>th</sup> Ordinary Council meeting and served as Item A74 of 2018 on the 6<sup>th</sup> September 2018. Cllr B.L. Jama was not present in that meeting and as a result Council resolved as follows:-

**COUNCIL RESOLVED: (06 SEPTEMBER 2018)**

1. That the item **BE DEFERRED** to the next Ordinary Council meeting.

\*\*\* The Municipal Manager's response is **attached on page 12 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

A112 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR HCT VAN SCHALKWYK (MM)**  
**(3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr HCT Van Schalkwyk and the response thereon by the Municipal Manager.

**BACKGROUND**

\*\*\* A letter dated 10 September 2018 received from Cllr HCT Van Schalkwyk, containing certain questions is **attached on page 13 to page 14 of the Annexures.**

\*\*\* The Municipal Manager's response is **attached on page 15 to page 18 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

A113 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.T. MACINGWANE (MM)**  
**(3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr M.T. Macingwane and the response thereon by the Municipal Manager.

**BACKGROUND**

\*\*\* A letter dated 17 October 2018 received from Cllr M.T. Macingwane, containing certain questions is **attached on page 19 of the Annexures.**

\*\*\* The Municipal Manager's response is **attached on page 20 to page 21 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

A114 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.T. MACINGWANE (MM)**  
**(3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr M.T. Macingwane and the response thereon by the Municipal Manager.

**BACKGROUND**

\*\*\* A letter dated 17 October 2018 received from Cllr M.T. Macingwane, containing certain questions is **attached on page 22 to page 23 of the Annexures.**

\*\*\* The Municipal Manager's response is **attached on page 24 to page 25 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**

**A115 of 2018**

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR P.F. BOTHA (MM) (3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr P.F. Botha and the response thereon by the Municipal Manager.

**BACKGROUND**

- \*\*\* A letter dated 02 November 2018 received from Cllr P.F. Botha, containing certain questions is **attached on page 26 to page 27 of the Annexures.**
- \*\*\* The Municipal Manager's response would be uploaded at a later stage.

**SUBMITTED FOR NOTIFICATION**

A116 of 2018

**QUESTIONS OF WHICH NOTICE WAS GIVEN: CLLR M.S. VAN ROOYEN (MM)**  
**(3/1/3/2)**

**PURPOSE**

To submit the questions raised by Cllr M.S. Van Rooyen and the response thereon by the Municipal Manager.

**BACKGROUND**

\*\*\* A letter dated 12 November 2018 received from Cllr M.S. Van Rooyen, containing certain questions is **attached on page 28 of the Annexures.**

\*\*\* The Municipal Manager's response is **attached on page 29 to page 30 of the Annexures.**

**SUBMITTED FOR NOTIFICATION**



**A117 of 2018**

**MONTHLY FINANCE REPORT – JULY 2018 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To submit to Council, the monthly Finance Report for July 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 71 of the Municipal Finance Management Act No. 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other
7. Sections and extracted from the Solar System.

**DISCUSSIONS**

\*\*\* The finance report for July 2018 is **attached on page 31 to page 52 of the Annexures.**

**FINANCIAL IMPLICATIONS**

<b>TABLE 1</b>	<b>Actual for the Month (July 2018)</b>	<b>For Year to date (2018/2019)</b>
All Grants Received	<b>266 946 000</b>	<b>266 946 000</b>
Actual Revenue Received	<b>79 642 888</b>	<b>79 642 888</b>
Actual Expenditure	<b>137 271 030</b>	<b>137 271 030</b>
Salaries	53 611 618	53 611 618
Water	-	-
Electricity	68 837 699	68 837 699
Other Expenditure	14 821 713	14 821 713
<b>Sub-Total</b>	<b>209 317 858</b>	<b>209 317 858</b>
Loan Redemptions	-	-
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>209 317 858</b>	<b>209 317 858</b>
MIG Payments	<b>11 052 965</b>	<b>11 052 965</b>
INEG Payments	-	-
WSIG Payments	-	-
<b>Capital Assets procured - Equitable Share</b>	-	-
Fleet & Equipment	-	-
Office convention/ Furniture	-	-

<b>Net Surplus/(Deficit) after Capital payments</b>	<b>198 264 893</b>	
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Table 1: The municipality had a surplus of R198 264 893 for the month of July after capital payments. This surplus indicates that the expenditure incurred is less than the revenue received for month. This surplus is due to grants received for the reporting period.

<b>TABLE 2</b>	<b>Actual For the Month (July 2018)</b>	<b>For year to date (2018/2019)</b>
Total Billings	186 136 863	186 136 863
Less: Indigent Billings	-	-
Actual Billings	<b>186 136 863</b>	<b>186 136 863</b>
Actual Revenue Received	<b>78 290 618</b>	<b>78 290 618</b>
Consumer Revenue	69 255 964	69 255 964
Other	9 034 654	9 034 654
Grants & Subsidies	<b>266 946 000</b>	<b>266 946 000</b>

<b>Pay rate for July 2018 (Total Billings)</b>	<b>42%</b>
<b>Total income percentage - July 2018</b>	<b>43%</b>
<b>Total income percentage – YTD</b>	<b>43%</b>

The pay rate for July 2018 was 42%

The total income percentage July 2018 was 43%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

## **LEGAL IMPLICATIONS**

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

## **RECOMMENDATIONS**

1. That the Finance Report for July 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for July 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A118 of 2018**

**MONTHLY FINANCE REPORT – AUGUST 2018 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To submit to Council the Monthly Finance Report for August 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

## DISCUSSIONS

\*\*\* The finance report for August 2018 is **attached on page 53 to page 67 of the Annexures.**

## FINANCIAL IMPLICATIONS

<b>TABLE 1</b>	<b>Actual for the Month (August 2018)</b>	<b>For Year to date (2018/2019)</b>
All Grants Received	-	<b>266 946 000</b>
Actual Revenue Received	<b>97 822 211</b>	<b>177 465 099</b>
Actual Expenditure	<b>116 338 318</b>	<b>253 609 348</b>
Salaries	65 647 343	119 258 961
Water	-	-
Electricity	17 975 948	86 813 647
Other Expenditure	32 715 027	47 536 740
<b>Sub-Total</b>	<b>-18 516 107</b>	<b>190 798 751</b>
Loan Redemptions	-	-
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>-18 516 107</b>	<b>190 798 751</b>
MIG Payments	<b>5 308 383</b>	<b>16 361 348</b>
INEG Payments	-	-
WSIG Payments	-	-
<b>Capital Assets procured - Equitable Share</b>	-	-
Fleet & Equipment	-	-
Office convention/ Furniture	-	-
<b>Net Surplus/(Deficit) after Capital payments</b>	<b>-23 824 490</b>	

Table 1: The municipality had a deficit of R23 824 490 for the month of August after capital payments. This deficit indicates that the expenditure incurred is more than the revenue received for month.

<b>TABLE 2</b>	<b>Actual For the Month (August 2018)</b>	<b>For Year to date (2018/2019)</b>
Total Billings	152 560 646	338 697 509
Less: Indigent Billings	1 012 724	1 012 724
Actual Billings	<b>152 560 646</b>	<b>337 684 785</b>
Actual Revenue Received	<b>96 526 830</b>	<b>174 817 448</b>
Consumer Revenue	86 050 162	155 306 126
Other	10 476 668	19 511 322
Grants & Subsidies	-	<b>266 946 000</b>

<b>Pay rate for August 2018 (Total Billings)</b>	<b>64%</b>
<b>Total income percentage - August 2018</b>	<b>65%</b>
<b>Total income percentage – YTD</b>	<b>53%</b>

The pay rate for August 2018 was 64%  
The total income percentage August 2018 was 65%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

## **LEGAL IMPLICATIONS**

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

## **RECOMMENDATIONS**

1. That the Finance Report for August 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for August 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A119 of 2018**

**MONTHLY FINANCE REPORT – SEPTEMBER 2018 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To submit to Council the Monthly Finance Report for September 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

## DISCUSSIONS

\*\*\* The finance report for September 2018 is attached on page 68 to page 82 of the Annexures.

## FINANCIAL IMPLICATIONS

<b>TABLE 1</b>	<b>Actual For the Month (September 2018)</b>	<b>For Year to date (2018/2019)</b>
All Grants Received	-	269 161 000
Actual Revenue Received	<b>84 804 655</b>	<b>262 269 754</b>
Actual Expenditure	<b>97 085 649</b>	<b>350 694 997</b>
Salaries	59 718 345	178 977 306
Water	2 242 174	2 242 174
Electricity	2 083 489	88 897 136
Other Expenditure	33 041 641	80 578 381
<b>Sub-Total</b>	<b>-12 280 994</b>	<b>180 735 757</b>
Loan Redemptions	-	-
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>-12 280 994</b>	<b>180 735 757</b>
MIG Payments	<b>6 727 156</b>	<b>23 088 504</b>
INEG Payments	-	-
WSIG Payments	-	-
<b>Capital Assets procured - Equitable Share</b>	-	-
Fleet & Equipment	-	-
Office convention/ Furniture	-	-
<b>Net Surplus/(Deficit) after Capital payments</b>	<b>-19 008 150</b>	

Table 1: The municipality had a deficit of R19 008 150 for the month of September after capital payments. This deficit indicates that the expenditure incurred is more than the revenue received for month.

<b>TABLE 2</b>	<b>Actual For the Month (September 2018)</b>	<b>For Year to date (2018/2019)</b>
Total Billings	150 368 412	489 065 921
Less: Indigent Billings	2 260 542	3 273 266
Actual Billings	<b>148 107 870</b>	<b>485 792 655</b>
Actual Revenue Received	<b>83 715 418</b>	<b>258 532 866</b>
Consumer Revenue	77 571 943	232 878 069
Other	6 143 474	25 654 796
Grants & Subsidies	-	<b>269 161 000</b>
<b>Pay rate for September 2018 (Total Billings)</b>	<b>57%</b>	
<b>Total income percentage - September 2018</b>	<b>57%</b>	
<b>Total income percentage – YTD</b>	<b>54%</b>	



The pay rate for September 2018 was 57%  
The total income percentage September 2018 was 57%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

## **LEGAL IMPLICATIONS**

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

## **RECOMMENDATIONS**

1. That the Finance Report for September 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for September 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A120 of 2018**

**THREE MONTHS FINANCE REPORT: JULY - SEPTEMBER 2018 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To submit to Council the three Months Finance Report for July - September 2018 in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003.

**BACKGROUND**

Section 52(d) of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that quarter and for the financial year up to the end of that quarter:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 52 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
  - Billing and Income per month
  - Top Outstanding debtors for the month
  - Income per ward
  - Debtors age analysis per service
2. After month end the Information Communication Technology Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 52(d) report is then compiled with all the information received from other sections and extracted from the Solar System

**DISCUSSIONS**

\*\*\* The finance report for July-September 2018 are attached on page 83 to page 97 of the Annexures.

**FINANCIAL IMPLICATIONS**

<b>TABLE 1</b>	<b>Budget for three months</b>	<b>Actual for three months (2018/2019)</b>
Actual Revenue Received	507 261 538	262 269 754
All Grants Received	156 164 500	269 161 000
<b>Total Income</b>	<b>663 426 038</b>	<b>531 430 754</b>
<b>Actual Expenditure</b>	<b>603 859 074</b>	<b>350 694 997</b>
Salaries	190 866 046	178 977 306
Water	119 743 369	2 242 174
Electricity	110 063 332	88 897 136
Other Expenditure	183 186 327	80 578 381
<b>Net Surplus/(Deficit) before Capital payments</b>	<b>59 566 964</b>	<b>180 735 757</b>

MIG Payments	<b>23 088 504</b>
INEG Payments	-
WSIG Payments	-

<b>Capital Assets procured - Equitable Share</b>	-
Fleet & Equipment	-
Office convention/ Furniture	-

<b>Net Surplus/(Deficit) after Capital payments</b>	<b>157 647 253</b>
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Table 1: The municipality had a surplus of R157 647 253 for the quarter after capital payments. This indicates that the expenditure incurred is less than the revenue received for quarter.

<b>TABLE 2</b>	<b>Actual for three months (2018/2019)</b>
Total Billings	489 065 921
Less: Indigent Billings	3 273 266
<b>Actual Billings</b>	<b>485 792 655</b>
<b>Actual Revenue Received</b>	<b>258 532 866</b>
Consumer Revenue	232 878 069
Other	25 654 796
<b>Grants &amp; Subsidies</b>	<b>269 161 000</b>

<b>Pay rate for First quarter (Total Billings)</b>	<b>53%</b>
<b>Total income percentage - First quarter</b>	<b>54%</b>
<b>Total income percentage – YTD</b>	<b>54%</b>

The pay rate for the first quarter was 53%

The total income percentage for the first quarter was 54%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

## **LEGAL IMPLICATIONS**

The budget report is submitted in compliance with Section 52(d) of the MFMA no 56 of 2003. Section 52(d) stipulates that the mayor of the Municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of the Municipality.

## **RECOMMENDATIONS**

1. That the Finance Report for the Quarter (July - September 2018) in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for the Quarter (July - September 2018) in terms of Section 52(d) of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.

**A121 of 2018**

**PROGRESS ON THE IMPLEMENTATION OF 2018/2019 ANNUAL BUDGET  
(EXECUTIVE MAYOR) (6/1/1)**

**PURPOSE**

To report to Council on the progress made regarding the implementation of the 2018/19 Annual Budget resolution (A43 of 2018).

**Background**

On 30 May 2018 the Council adopted the Annual Budget for the 2018/19 financial year. However, Council stated that the municipal budget was not funded and suggested the following measures:

- That all non-income generating expenditure must be reduced;
- That the income must be ring-fenced;
- That financial discipline should be maintained- deviations should not be allowed;
- That no purchases of luxurious furniture should be done;
- That no projects should be funded internally;
- That a Multi-Party Committee be established to deal with the impediments in the budget and review of contracts;
- That action be taken against Managers who do not honour meetings called by Council appointed Committees;
- That consumers must be educated to pay for services rendered.

Council further resolved as follows:

**COUNCIL RESOLVED: (30 MAY 2018)**

1. That Council ADOPTS the 2018/19 MTREF Budget, subject to the following conditions:
  - 1.1 Revenue Enhancement by INCREASING the sale of land to R110 million in order to ensure a funded and credible Budget.
  - 1.2 DECREASE of Overtime budget by R40 million to R32 million.
  - 1.3 REVIEW of all contracts by a Multi-Party Committee within the next (3) months.
  - 1.4 EXPENDITURE REDUCTION of R100 million, should the real income not be increased by a minimum of another R100 million by 30 September 2018.
  - 1.5 TABLING of an Adjustment Budget before the end of September 2018 to reflect expenditure reduction and/or revenue increase as mentioned above.
  - 1.6 TABLING of progress reports on movement on the budget at every Council meeting.

- 1.7 IMPLEMENTATION of the full operations system/ shift system endorsed by SALGA in order to reduce overtime.
- That Council APPROVES the amended Fixed Assets Management Policy as submitted to be GRAP compliant.
  - That Council APPROVES the de-recognition of the attached list of minor assets for the year ended 30 June 2018.
  - That Council APPROVES the Budget of R2.6 billion with the collection rate of 60%.

## FINANCIAL IMPLICATIONS

### Progress on 2018/19 Annual Budget funding measures:

- The total overtime budget was reduced to R 32 million and controls were implemented to ensure compliance with the budgeted amount. The respective overtime budgets were made available to all departments and work shopped. All overtime for administrative departments were stopped.
- Expenditure was reduced with a total amount of R 179 million. The contracted services were reduced from R167 million to R104 million which amounts to a reduction of R 63 million and other expenditure was reduced from R 208 million to R92 million which amounts to a R 116 million reduction.
- The pay rate for July 2018 was at 42% on the total billing inclusive of the indigents.

### Cash Flow Statement as at 31 August 2018.

FS184 Matjhabeng - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Original Budget	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	
R thousands	1								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		262 455	264 647		19 057	38 111	44 108	(5 997)	-14%	228 668
Service charges		1 017 779	833 734		66 993	117 195	138 956	(21 761)	-16%	703 169
Other revenue		203 989	160 174		11 056	20 859	26 696	(5 837)	-22%	125 155
Government - operating		396 776	461 252		—	191 265	76 875	114 390	149%	1 147 590
Government - capital		156 216	163 406		—	75 681	27 234	48 447	178%	454 086
Interest		145 890	139 323		716	1 300	23 221	(21 921)	-94%	7 799
Dividends		19	20		—	—	3	(3)	-100%	—
<b>Payments</b>										
Suppliers and employees		(2 210 059)	(2 281 571)	—	(116 232)	(253 503)	(380 262)	(126 759)	33%	(1 521 015)
Finance charges		(112 763)	(133 865)	—	(107)	(108)	(22 311)	(22 203)	100%	(647)
Transfers and Grants		—	—	—	—	—	—	—		—
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(139 698)</b>	<b>(392 879)</b>	<b>—</b>	<b>(18 516)</b>	<b>190 801</b>	<b>(65 480)</b>	<b>(256 281)</b>	<b>391%</b>	<b>1 144 805</b>

### Overtime Budget Status as at 31 August 2018

MATJHABENG MUNICIPALITY - OVERTIME - AUGUST 2018							
OVERTIME	Mnth Budget	Actual	Variance	YTD Budget	YTD Actual	YTD Variance	Annual Budget
Council General							
Office of the Executive Mayor							
Policial Appointments	50 930	68 254	-17 324	101 859	93 577	8 282	611 156
Municipal Manager	26 191	7 146	19 044	52 381	17 688	34 693	314 286
Corporate Services	37 943	60 686	-22 742	75 887	115 058	-39 171	455 321
Financial Services	92 981	93 203	-222	185 962	241 827	-55 865	1 115 770
Human Resources	8 492	12 773	-4 282	16 983	29 013	-12 030	101 900
Community Services	655 846	1 414 775	-758 929	1 311 692	3 093 667	-1 781 975	7 870 151
Protection Services	460 406	544 522	-84 116	920 812	939 753	-18 941	5 524 872
Economical Development	1 424	3 584	-2 160	2 849	14 978	-12 129	17 093
Engineering Services	1 321 294	2 558 691	-1 237 397	2 642 587	4 866 867	-2 224 280	15 855 522
Housing Services	11 161	-	11 161	22 322	36 875	-14 554	133 929
<b>TOTAL</b>	<b>2 666 667</b>	<b>4 763 634</b>	<b>-2 096 967</b>	<b>5 333 333</b>	<b>9 449 303</b>	<b>-4 115 969</b>	<b>32 000 000</b>

### Financial Performance as at 31 August 2018 (Revenue)

ACTUAL REVENUE PER REVENUE SOURCE [S71]	Budget for the month	Actual for the month	% Received	Budgeted for year to date	Actual for year to date	% Received	Budget 2018/2019
<b>Intergovernmental Transfers</b>	<b>52 054 833</b>	<b>-</b>	<b>0%</b>	<b>104 109 667</b>	<b>266 943 000</b>	<b>256%</b>	<b>624 658 000</b>
Operational Grants - Equitable Share/FMG	38 437 667	-	0%	76 875 333	191 262 000	249%	461 252 000
Capital Grants - MIG/WSIG/INEG	13 617 167	-	0%	27 234 333	75 681 000	278%	163 406 000
<b>Consumer Revenue and Assessment rates</b>	<b>131 066 413</b>	<b>86 050 162</b>	<b>66%</b>	<b>262 132 826</b>	<b>155 306 126</b>	<b>59%</b>	<b>1 572 796 958</b>
Assessment Rates	24 504 378	19 057 232	78%	49 008 756	38 111 363	78%	294 052 535
Electricity	56 123 005	50 696 403	90%	112 246 010	82 603 640	74%	673 476 058
Water	30 104 972	7 893 120	26%	60 209 943	17 385 100	29%	361 259 659
Sewerage	12 964 861	5 617 297	43%	25 929 721	11 920 218	46%	155 578 326
Refuse Removal	7 369 198	2 786 110	38%	14 738 397	5 285 805	36%	88 430 380
<b>Other Revenue</b>	<b>26 410 497</b>	<b>11 055 733</b>	<b>42%</b>	<b>52 820 994</b>	<b>20 859 085</b>	<b>39%</b>	<b>316 925 965</b>
Fines, Licences & Permits	1 761 290	228 248	13%	3 522 580	688 047	20%	21 135 482
Market	-	890 527		-	1 732 590	#DIV/0!	-
Rentals	1 755 000	386 039	22%	3 510 000	3 835 025	109%	21 060 000
Dividends Received & Gains on Disposal of Assets	4 168 359	-	0%	8 336 717	-	0%	50 020 304
Other Revenue	18 725 848	9 550 919	51%	37 451 697	14 603 423	39%	224 710 179
<b>Interest</b>	<b>11 610 269</b>	<b>716 316</b>	<b>6%</b>	<b>23 220 538</b>	<b>1 299 888</b>	<b>6%</b>	<b>139 323 227</b>
Interest - Investments	303 273	176 606	58%	606 547	227 014	37%	3 639 279
Interest - Debtors	11 306 996	539 710	5%	22 613 991	1 072 874	5%	135 683 948
<b>TOTAL</b>	<b>221 142 013</b>	<b>97 822 211</b>	<b>44%</b>	<b>442 284 025</b>	<b>444 408 099</b>	<b>100%</b>	<b>2 653 704 150</b>

### Financial Performance as at 31 August 2018 (Expenditure)

<b>ACTUAL EXPENDITURE PER VOTE [S71]</b>	<b>Budgeted for the month</b>	<b>Actual for the month</b>	<b>% Spend</b>	<b>Budgeted for year to date</b>	<b>Actual for year to date</b>	<b>% Spend</b>	<b>Budget 2018/2019</b>
Council General	2 151 978	5 928 268	275%	4 303 955	8 559 631	199%	25 823 732
Office of the Executive Mayor	1 491 077	1 043 957	70%	2 982 154	1 923 397	64%	17 892 921
Office of the Speaker	379 291	596 829	157%	758 582	1 086 758	143%	4 551 494
Council Whip	538 664	2 488 035	462%	1 077 328	4 508 966	419%	6 463 970
Municipal Manager	6 557 554	4 870 197	74%	13 115 109	11 186 964	85%	78 690 653
Corporate Services	6 031 095	5 088 598	84%	12 062 191	8 430 059	70%	72 373 145
Financial Services	30 085 439	7 139 626	24%	60 170 878	14 869 532	25%	361 025 267
Human Resources	1 306 356	1 255 447	96%	2 612 712	2 250 727	86%	15 676 270
Community Services	20 837 252	18 917 822	91%	41 674 504	32 097 658	77%	250 047 026
Protection Services	13 552 765	13 935 875	103%	27 105 530	23 662 740	87%	162 633 178
Economic Development	1 622 000	1 939 494	120%	3 244 000	2 941 873	91%	19 463 999
Engineering Services	114 913 983	49 957 099	43%	229 827 966	138 502 143	60%	1 378 967 795
Housing Services	1 818 904	3 177 071	175%	3 637 807	3 588 900	99%	21 826 844
<b>TOTAL</b>	<b>201 286 358</b>	<b>116 338 318</b>	<b>58%</b>	<b>402 572 716</b>	<b>253 609 348</b>	<b>63%</b>	<b>2 415 436 294</b>

## RECOMMENDATION

1. That the progress report on Implementation of the 2018/2019 Budget be noted.



A122 of 201825

**PROGRESS REPORT ON THE IMPLEMENTATION OF THE SOCIAL LABOUR PLAN  
BETWEEN MATJHABENG LOCAL MUNICIPALITY, HARMONY AND SIBANYE  
(EXECUTIVE MAYOR) (18/1/6/1)**

**PURPOSE**

To submit to Council a draft Memorandum of Understanding between Matjhabeng, Harmony mines and Sibanye regarding the implementation of the Social and Labour Plans.

**BACKGROUND**

The Department of Mineral Resources is entrusted with the regulations of mineral resources in South Africa through amongst others, The Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002). One of the critical components is that the Mining Houses must have an approved five year Social and Labour Plan by the DMR within their Area of Jurisdiction. The Social and Labour Plans must be concluded in consultation with the local authority within which they operate.

Several engagement between the Municipality, Sibanye and Harmony has led to the conclusion that the SLP should concentrate on Road Infrastructure in the entire municipality for a period of five years. As a result, a draft Tripartite Memorandum of Understanding has been developed in order to harmonize the implementation of the SLPs.

\*\*\* A draft copy of the Tripartite Agreement is **attached as SEPARATE COVER 1**.

**FINANCIAL IMPLICATIONS**

There is currently no financial to the municipality as the agreement is intended to harmonize the implementation of the SLP.

**LEGAL REQUIREMENT**

The Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002) enjoins Mining Houses to have approved Social and Labour Plan for a period of five years within the area of operation by the Department of Minerals Resources.

**RECOMMENDATIONS**

1. That the report be noted.
2. That a Tripartite Agreement be concluded between the Parties.
3. That the Municipal Manager be mandated to conclude the Agreement.

**A123 of 2018**

**PROGRESS REPORT ON THE PROPOSED DEVELOPMENT OF MATJHABENG  
LOCAL MUNICIPALITY TOWARDS BEING A SMART CITY (EXECUTIVE MAYOR)**  
(13/2/1/1)

**PURPOSE**

The purpose of the report is to advise Council about the proposed development of Matjhabeng Local Municipality towards being a Smart City as outlined in their Business Plan, for consideration.

**BACKGROUND**

The Mayoral Committee received a deputation from Korean Solar Power Consortium South Africa Ltd. (hereinafter referred to as “KSPC”). KSPC is a South Africa based Public company with its registration No. of 2011/005118/06. KSPC is a vertically fully integrated green energy, property and information technology development company located in Durban, South Africa. KSPC's core businesses include but not limited to: design, construction, operation and maintenance of power plant, and develop infrastructure and Information and Communication Technology.

KSPC intends to establish a long-term partnership with MATJHABENG to promote and develop through the model of Public Private Partnership and Technology Training/Education Programs that include construction of Social Mix Township, Innovation/Techno-Park under the theme of Afro-Asia Industrial Complex, Theme property development as well as development of high-tech, automotive, green energy, environment, and agro-business as well as the manufacturing plant in the region.

- \*\*\* A copy of the Business Plan **is attached on page 98 to page 105 of the Annexures.**
- \*\*\* A copy of the Service Level Agreement **is attached on page 106 to page 111 of the Annexures.**

**FINANCIAL IMPLICATIONS**

There is currently no financial implications on the part of the Municipality.

**LEGAL REQUIREMENT**

Conclusion between the parties of a Service Level Agreement as a baseline document for the implementation of the proposal.

**RECOMMENDATIONS**

1. That Council takes note of the report.
2. That a Service Level Agreement be concluded between Matjhabeng Municipality and KSCP.

3. That the Municipal Manager be mandated to conclude a Service Level Agreement.
4. That the travelling expenses for any Municipal Official/ Political Office Bearers for inspection in loco or observation of Smart Cities outside the Republic of South Africa will be paid for by KSPC.

A124 of 2018

**REPORT ABOUT HARMONY GOLDMINE'S INTENTION TO DONATE THE REMAINING EXTENT OF THE FARM, MEALIE BUILT NO.49 TO THE MUNICIPALITY (EXECUTIVE MAYOR) (6/4/2018)**

**PURPOSE**

The purpose is to submit a report to Council about Harmony Gold Mine's intention to donate the remaining extent of the farm, Mealie Built no.49 (next to Pabalong Village) to the Municipality.

**BACKGROUND**

On or about 24 February 2018, some members of the community occupied the remaining extent of the farm, Mealie Built no.49 (next to Pabalong Village) which is owned by Harmony Gold Mine. Pursuant to such occupation, Harmony Gold Mine launched an urgent interdict application in the Bloemfontein High Court. A meeting was also arranged between the Executive Mayor and the CEO of Harmony and held on 1 March 2018.

Harmony made the following proposal to the Municipality at the meeting:

1. They will stay the legal proceedings (interdict) against the illegal occupants and the Municipality.
2. That they will donate the occupied land the remaining extent of the farm, Mealie built no.49 (next to Pabalong Village) to the Municipality.
3. That they will provide the maps of the entire occupied area and all the necessary information pertaining to structural plans (underground infrastructure).
4. That the Municipality will provide basic services i.e. temporary water taps, electricity and sanitation facilities until the informal settlement is formalized.

**COUNCIL RESOLVED: (28 MARCH 2018)**

1. That Council **TAKES NOTE** of the report.
2. That Council **DELEGATES** a team led by the Executive Mayor consisting of the Provincial and National government representatives, to interact with Harmony to discuss the issue of infrastructure funding for the Mealie Built No.49 area and other areas where Harmony has donated land. **(Council will only consider the donation once funding to provide basic infrastructure had been secured).**
3. That the matter must be **BROUGHT BACK** to Council upon receipt of financial support from whoever could give financial support pertaining to the matter.
4. That Council **DOES NOT** condone any arbitrary land grabbing, irrespective whether the land is owned by Council, individuals or multi-national companies.

After the above resolution, the Executive mayor consulted the Premier of the Free State Province and Harmony Gold Mine pertaining to the above. The consultation culminated in a meeting between the Director General of the Province, Matjhabeng and Harmony Gold Mine on 23 October 2018 where it was agreed as follows:

1. That the Provincial Government will provide a guarantee that funding for the affected Area will be included in the next budget cycle, which is two years from the current cycle.
2. The Letter of guarantee will be transmitted to Matjhabeng within reasonable time from the date of the meeting.
3. That Harmony mine and Matjhabeng will conclude a donation agreement with the necessary conditions.

\*\*\* See the copy of the Draft Deed of Donation Agreement **attached as SEPARATE COVER 2.**

## **FINANCIAL IMPLICATION**

The land will be donated to the Municipality. The financial implication for provision of bulk services will only be determined after an assessment / investigation has been conducted by the Infrastructure department including costs.

## **LEGAL IMPLICATION**

The Municipality will be required to provide alternative accommodation (land) should the donation not be accepted by Council. The reason being that if Harmony Gold Mine is successful with their eviction application, the Court is likely to compel the Municipality to provide alternative accommodation.

## **RECOMMENDATIONS**

1. That Council takes note of the report.
2. That Council accepts the donation of the remaining extent of the farm, Mealie Built No. 49 (next to Pabalong Village) by Harmony Gold Mine.
3. That the Municipal Manager be mandated to conclude the Deed of donation.
4. That the Municipal Manager should obtain the Maps of the entire area and structural plans (underground Infrastructure) from Harmony.
5. That the Municipal Manager be mandated to finalize the transfer of the land to the Municipality.
6. That the Municipal Manager should facilitate the installation of temporary water taps, electricity and sanitary facilities.

**A125 of 2018**

**PROPOSED ORGANISATIONAL STRUCTURE (EXECUTIVE MAYOR) (2/1)**

To table the Proposed Organisational Structure of the Matjhabeng Local Municipality to Council, for discussion.

**INTRODUCTION AND BACKGROUND**

At its meeting held on 16 January 2018 COUNCIL RESOLVED:

- “1. That the item BE NOTED AND REFERRED BACK for re-submission at the next Ordinary Council meeting.
2. That Municipal Manager MUST IDENTIFY all critical positions that Council should approve to be filled.
3. That the Whips of different political parties MUST MEET with the Municipal Manager to deliberate on the Organogram, clarify matters, agree and present their consensus and their disagreements to Council, to deal with disagreements.”

Subsequent to the above resolution, Management requested SALGA’s inputs regarding the proposed organizational structure

**\*\*\* Attached on page 112 to page 119 of the Annexures is a report from SALGA.**

The report proposes the approach that must be followed to ensure the birth of a comprehensive Organogram. During interaction with SALGA the Municipality indicated that although it welcomed the proposed approach and guidance in developing the structure, there is however pressure from Council to complete the organizational structure and therefore will not afford to undergo the proposed model by SALGA. SALGA however recommended a phased approach in dealing with the proposed structure review process, rationalising which positions to prioritize etc. guided by the Municipality’s current IDP priorities.

In its advice, SALGA identified key success factors that would ensure completion of the organizational structure:

- a. Political will and Council support.
- b. Management support.
- c. Change management.
- d. Identification of critical and strategic positions.
- e. LLF buy-in the organization review so that there is common understanding of the process.
- f. Dedicated resources to drive the process.

## DISCUSSION

The various Directorates reviewed the proposed Organizational Structure to align it with current Municipal's financial needs and functions. The costs related to the new proposed Organisational Structure could not be sufficiently brought down to acceptable level. The Executive Management Committee then resolved that sessions should be conducted with Directorates with the view to reduce the cost of the Proposed Organisational Structure.

## PROBLEM STATEMENT

1. The cost of the proposed Organizational Structure exceeds the 2018/19 staff establishment budget by R153 million per annum.
2. The number of Directorates in the proposed Organogram has increased from current 7 directorates to 8 directorates including the Office of the Municipal Manager.
3. The proposed Organizational Structure does not align to some of the provision of Powers and Functions in terms of Section 84 of the Municipal Structures Act. An example is the establishment of a component responsible for external training in the Directorate Community Services.
4. The Structure stifles cross departmental communication and cooperation and as an example the IDP and Development are all in different Directorates with different line reporting structures.
5. Functions are wrongly placed within departments, not allowing optimum and effective organisational functioning e.g. Placement of core artisan service delivery function of maintenance, in Corporate Services.

Local Government: Municipal Systems Act (32/2000): Regulations on appointment and conditions of employment of senior managers, chapter 2 on Staff Establishment states as follows:

### *“Organisation of administration*

5. (1) *The number of departments necessary for a municipal council to perform its functions must be determined by the municipal council in accordance with*
  - a) *the powers and functions allocated to a municipal council in terms of section 84 and 85 of the Municipal Structures Act ;*
  - b) *the municipal council's integrated development plan; and*
  - c) *having regard to the medium term expenditure budget.*
- (2) *A municipality must at least have the following departments –*
  - a) *Office of the Municipal Manager;*
  - b) *Development and Town Planning Services;*
  - c) *Engineering Services;*

- d) *Community Services;*
- e) *Office of the Chief Financial Officer; and*
- f) *Corporate Support Services*

(3) *Depending on the size, medium term expenditure budget and powers and functions, a municipality may deviate from the provisions of sub-regulation (2) after taking into considerations factors listed in regulation 43 of these regulations.”*

\*\*\* **Attached as SEPARATE COVER 3** are the financial implications tables of the Proposed Macro and Micro Organizational Structure of the Matjhabeng Local Municipality. Also attached are the comparative tables that indicate cost movements from the earlier submissions made to Council and recently to Executive Management.

\*\*\* **Attached as SEPARATE COVER 4** is the proposed Organisational Structure.

The total cost of the Organisational Structure tabled in Mayoral Committee was R 905,124,161. After the exercise conducted by directorates to reduce non-crucial posts in the proposed Structure, the total cost of the Organogram has come down to R 900, 032,906.

## LEGAL REQUIREMENTS

- Constitution of the RSA, Act 108 of 1996 (156 & 229)
- Local Government Municipal Structures Act, Act 117 of 1998
- Local Government Municipal Systems Act, Act 32 of 2000, as amended by Act No. 7 of 2011
- Municipal Finance Management Act, Act 56 of 2003 IDP of the Municipality.
- Local Government: Municipal Systems Act (32/2000): Regulations on appointment and conditions of employment of senior managers.

## RECOMMENDATION

1. That Council adopts the proposed Organizational Structure.



**A126 of 2018**

**PROGRESS REPORT OF THE MUNICIPAL PLANNING TRIBUNAL (EXECUTIVE MAYOR) (1/1/38)**

**PURPOSE**

The purpose of the item is to provide a progress report to Council on the functioning and decisions taken on applications by the Municipal Planning Tribunal (**MPT**).

**BACKGROUND**

On the 16 January 2018, the Speaker submitted an item to Council on the appointment of the additional member for the Municipal Planning Tribunal in terms of the Spatial Planning and Land Use Management Act, No. 16 of 2013. Pursuant to the presentation, Council resolved as follows:

**COUNCIL RESOLVED: (16 JANUARY 2018)**

1. That Council **APPOINTS** Mr Kgosi Simphiwe Mocwagae as an additional member to the Matjhabeng Municipal Planning Tribunal.
2. That in future, Council **MUST NOT** put names of municipal officials when appointments to the Tribunal are made, instead it should indicate the designations, as officials come and go, such as, Messrs X. Msweli and K. Duvenage.

**DISCUSSION AND PROBLEM STATEMENT**

The Municipality has already adopted the Spatial Planning and Land Use Management by-law. The Municipal Planning Tribunal conducted nine (9) meetings so far. It is important to mention that Mr. Barry Golele is still the Acting Executive Director: LED, Planning and Human Settlements and part of the Matjhabeng Municipal Planning Tribunal, whilst Mr. Boipelo Molelekoa is still the Acting Manager: Development Control since the departure of Mr. Koos Duvenhage in September 2016. It is important to mention that the above positions must inter alia be advertised and filled in order to strengthen the functioning of the MPT, the Spatial Planning Division and speed up service delivery.

With the resignation of the Director Infrastructure in August, Me Betty Maswanganyi, the MPT has now six (6) members despite the fact that Council resolved that there should be seven (7) members of which three (3) comprises of municipal officials and four (4) is external individuals not in the employ of the Municipality. It is important that this vacant position is filled internally and immediately. The non-payment of Municipal Planning Tribunal members is a burning issue that needs to be addressed imminently as members have been seating without receiving their remuneration.

Furthermore, there are challenges that have made a negative impact on development within the Matjhabeng area of jurisdiction. Lack of capacity from internal municipal departments has caused

a hamstring on the functioning of the Spatial Planning Division, Municipal Planning Tribunal and the Matjhabeng community at large. It is standard procedure that land use reports must be circulated to internal municipal departments and other government departments before serving the Municipal Planning Tribunal. It takes at least one (1) month to evaluate and develop a report to serve the MPT.

It should be noted that there is a lack of capacity within the Spatial Planning Division and most importantly the core functions of this division cannot be done. This leads to other activities and functions being compromised. For the division to function effectively there is a dire need to employ more competent staff, adjust the job descriptions and remuneration packages as per the SPLUMA legislation and provide support to the division. Lack of capacity hampers service delivery and also leads to stress and burnout from the current employees within this division. Since the inception and implementation of SPLUMA at the Municipality, there has been a reduction in timeframes with regards to processing land use applications. This is a positive indication that if this division is capacitated urgently, the mandate of the Constitution, the National Development Plan, the International Urban Development Framework and critical objectives of government will be achieved.

There is also a backlog of more than 20 land use applications which must still be processed by the Municipal Planning Tribunal (MPT) and Category 2 and exemption applications that must be approved by the Municipal Manager. This situation can be resolved by delegating powers to the Acting Director: LED, Planning and Human Settlements or the Acting Manager: Development Control.

There are applications that cannot be processed accordingly by the appointed authorized official, due to a lot of other commitments. The Municipal Manager has been appointed to approve Category 2 applications by Council and this has led to delays with regards to signing off of applications. It is important that Council revisits the Council Resolution taken in the past in order to appoint an official in the Spatial Planning Division to approve Category 2 applications in order to expedite development and service delivery.

In summarizing the above-mentioned, there is lack of capacity within the Spatial Planning Division that has negatively affected the functioning of the Municipality, the Municipal Planning Tribunal (MPT) and ultimately service delivery is compromised. In order to address this issue, the available critical positions must be filled as a matter of urgency. There is also a proposed Divisional Structure that must be aligned with the objectives of SPLUMA and be approved by Council. Plans, policies and systems within this Division must be developed in order to fast track service delivery.

## **SUGGESTED SOLUTIONS FOR MANAGEMENT**

- That Management speeds up the process of a Work Study and job descriptions of the Spatial Planning Division employees be done as a matter of urgency.
- That Management facilitates the promotion policy and placement of internal employees on available critical positions and advertises the remaining critical positions.

\*\*\* Minutes of the Municipal Planning Tribunal meetings held in June and July 2018 are attached on page 120 to page 156 of the Annexures.

\*\*\* A list of land use applications received, approved, declined and referred back is attached on page 157 to page 166 of the Annexures.

## FINANCIAL IMPLICATIONS

- As stipulated in the regulations under Gazette No. 38594 dated 23 March 2015 provides for norms and standards for the terms and conditions of service of the members of the Municipal Planning Tribunal under Schedule 1.
- Adjustment and alignment of remuneration packages for municipal employees working in the Spatial Planning Division with the added duties and functions.

## LEGAL AND POLICY REQUIREMENTS

Spatial Planning and Land Use Management Act, no 16 of 2013 provides a framework for Spatial Planning and Land Use Management. For the purposes of the Municipal Planning Tribunal, it provides for policies, principles, norms and standards for spatial development planning and land use management. It is intended to address past spatial regulatory imbalances; to promote greater consistency and uniformity in the application procedures and decision making by authorities responsible for land use decisions and development application; to provide for the establishment, functions and operations of the Municipal Training Tribunal; to provide for the facilitation and enforcement of land use and development measures.

Chapter 6 of the aforementioned Act provides under Part B, the process that must be followed in the establishment of Municipal Planning Tribunal. Part C provides for processes of Municipal Planning Tribunal and Part D regulates related land development matters such as internal appeals.

Section 54 of the Spatial Planning and Land Use Management enjoins the Minister of the Department Rural Development and Reform to promulgate in terms of the Spatial Planning and Land Use Management Act 16 of 2013. The regulations have been promulgated.

With regards to the Planning Professions Act, Act No. 36 of 2002, it is important that this professional legislation is recognized and implemented within the Municipality.

## RECOMMENDATIONS

1. That Council takes note of the Report regarding the Municipal Planning Tribunal (MPT) meetings held in June and July 2018.
2. That Council appoints a municipal official, who has relevant qualifications, background and expertise as required in the Spatial Planning and Land Use Management Act, 16 of 2013 to serve on the Municipal Planning Tribunal.

**A127 of 2018**

## **REPORT ON THE EXPENDITURE OF EPWP GRANT ALLOCATION (EXECUTIVE MAYOR)**

### **PURPOSE**

To provide a report on the expenditure of EPWP grant from 2017 to date.

### **BACKGROUND**

The Municipality received a grant allocation of R1 000 000 per annum for the 2017/18 and 2018/19 financial years.

The following projects were approved under the Grant:

1. Cleaning of Parks
2. Monitoring of Illegal Dumping;
3. Indigent Registration
4. Municipal Rental Unit Audit
5. Abandoned Houses Data Capturing.

### **NUMBER OF JOBS CREATED**

90 and 150 short-term work opportunities were created for unemployed people in all the 6 towns of Matjhabeng Local Municipality during 2017/18 and 2018/19 Financial Years, respectively.

\*\*\* The Expenditure Reports **are attached on page 167 to page 197 of the Annexures.**

### **FINANCIAL IMPLICATION**

A total amount of R2 million was allocated for the 2017/18 and 2018/19 financial years.

### **RECOMMENDATIONS**

1. That a report should be submitted to the Office of the Premier and all relevant departments on a monthly basis.
2. That people with disabilities, women and coloured people should be considered as well.

A128 of 2018

**EXPENDITURE REPORT ON THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)  
FOR NOVEMBER 2018 (EXECUTIVE MAYOR) (6/4/1)**

**PURPOSE**

To provide Council with the current progress of the Municipal Infrastructure Grant (MIG) expenditure for the month of November 2018.

**BACKGROUND**

The Municipality was allocated an amount of **R116 581 000.00** of the Municipal Infrastructure Grant (MIG) for the 2018/19 financial year.

An amount of **R2 946 786, 95** is for PMU operational costs, which is 2.5% of the total MIG allocation.

**FINANCIAL IMPLICATIONS**

Current MIG Expenditure can be reported as per the tables below.

**ALLOCATION:**

Summary of Expenditure To Date	
Allocation	R 116 581 000.00 (100%)
Planned/ Target Expenditure by end November	R46 632 400,00 (40%)
Current Expenditure by end October(Reported)	R 26 799 334.30 (23%)
Paid but not reported	R3 755 066.00 (26%)
Invoices at hand for payment by end November	R8 355 044.45
Expected invoices from 10x Vuk'uphile Contractors	R7 722 955.25 (772 295.525)
Balance to be spent	<b>R86 026 600.00 (74%)</b>

**N.B.:** The amount of R7 722 955.25 for 10xVuk'uphile contractors is an estimate for site establishment as per their priced Bill of Quantities.

If all invoices can be paid by end of November including the expected invoices from Vuk'uphile Contractors an amount of R46 632 400.00 will be spent and a 40% expenditure will be achieved which is the Provincial Target Expenditure for the month of November. Therefore by the 03 December 2018 the balance on the **2018/19 MIG allocation will be R69 948 600.00**

**LEGAL FRAMEWORK**

Municipal Finance Management Act (MFMA) 56 of 2003  
Division of Revenue Act (DORA) 3 of 2016

**RECOMMENDATIONS**

1. That Council take note of the report.
2. That the expenditure must meet the target.

A129 of 2018

**APPOINTMENT OF THE SELECTION PANEL FOR THE POSITION OF THE EXECUTIVE DIRECTOR: LED, PLANNING & HUMAN SETTLEMENTS AND EXECUTIVE DIRECTOR: INFRASTRUCTURE (EXECUTIVE MAYOR) (5/3/2/1)**

**PURPOSE**

The purpose of this item is to request Council to appoint selection panels for the vacant positions of Executive Director: LED, Planning & Human Settlements and Executive Director: Infrastructure, in line with the Local Government: Regulations on the appointments and conditions of employment of Senior Managers of 17 January 2014.

**BACKGROUND**

On the 30<sup>th</sup> of August 2018, a report was submitted to Council on the resignation of the Executive Director: Infrastructure. Pursuant to the report, Council resolved as follows:-

**“COUNCIL RESOLVED: (30 AUGUST 2018)**

1. That Council **ACCEPTS** the resignation of the Executive Director: Infrastructure effective from the 1<sup>st</sup> September 2018.
2. That Council **DECLARES** the vacancy of the Executive Director: Infrastructure in line with the regulations on appointment and Conditions of Service of Senior Managers of 2014.
3. That Council **MANDATES** the Municipal Manager **TO ADVERTISE** the vacant post in line with the afore-mentioned regulations.
4. That a request **BE MADE** to COGTA to support the Municipality by deploying a qualified Engineer as per MISA arrangement to assist, until the Municipal Manager finalizes the appointment of the Executive Director: Infrastructure.”

On the 30<sup>th</sup> of August 2018, Council resolved as follows on the position of LED, Planning and Human Settlements:-

**COUNCIL RESOLVED: (30 AUGUST 2018)**

1. That Council **APPOINTS** Mr B. Golele as the acting Executive Director: LED, Planning and Human Settlements.
2. That the acting period should **NOT EXCEED** the period of three months.
3. That a report of the Committee who conducted the previous interviews for the said position should **BE SUBMITTED** in the next Council meeting.
4. That the position of the Executive Director **BE RE-ADVERTISED**.

On the 9<sup>th</sup> September 2018, the Positions of the Executive Director: LED, Planning and Human Settlements and Executive Director: Infrastructure were advertised in the City Press newspaper as well as the Vista Newspaper on the 13<sup>th</sup> September 2018.

The initial closing date was the 30<sup>th</sup> of September 2018 and an erratum was done which extended the closing date to be the 29<sup>th</sup> of October 2018.

- \*\*\* The copies of the adverts **are attached on page 198 to page 204 of the Annexures.**
- \*\*\* Copies of long lists for both positions **are attached on page 205 to page 225 of the Annexures.**

## **FINANCIAL IMPLICATIONS**

The Costs to be incurred when the post is advertised and ultimately filled will be in line with the Local Government: Regulations on the appointments and conditions of employment of Senior Managers of 17 January 2014.

## **LEGAL REQUIREMENTS**

Local Government: Municipal Systems Act (Act 117 of 1998) and the Regulations on the appointment and conditions of Service of Senior Managers of 17 January 2014, makes provision for the appointment of a selection panel by Council.

Regulation 12 (1) provides that a Municipal Council must appoint a selection panel to make recommendations for the appointment of candidates to vacant Senior Managers' post.

Regulation 12 (2) provides that in deciding who to appoint to senior positions, the following considerations must inform the decision:

- a) The nature of the post,
- b) The gender balance of the panel; and
- c) The skills, expertise, experience and availability of the persons to be involved.

Regulation 12 (4) provides that the selection panel for the appointment of a manager directly accountable to a municipal manager must consist of at least three and not more than five members, constituted as follows:

- a) The municipal manager who will be the chairperson,
- b) A member of the mayoral committee or councilor who is the portfolio head of the relevant portfolio;
- c) At least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.



## **RECOMMENDATIONS**

### **It is recommended:**

1. That Council appoints a selection panel for the vacant position of Executive Director: LED, Planning and Human Settlements.
2. That Council appoints a selection panel for the vacant position of Executive Director: Infrastructure.

A130 of 2018

**REQUEST FOR EXTENSION OF THE ACTING PERIOD OF EXECUTIVE DIRECTOR:  
LOCAL ECONOMIC DEVELOPMENT, PLANNING AND HUMAN SETTLEMENTS  
(MM) (5/5/2)**

**PURPOSE**

The purpose of the item is to request Council to approve an application to the MEC for COGTA to grant permission for the extension of the acting period of Executive Director: Local Economic Development, Planning and Human Settlement.

**BACKGROUND**

The Local Government's Municipal Systems Amendment Act No 7 of 2011 was enacted into law and is effective as from the 11 July 2011. This Act vests in Council the power to appoint an acting manager directly accountable to the Municipal Manager in terms of section 56 (1)(a)(ii) which reads thus:

*“Section 56(1)(a) A municipal Council, after consultation with the municipal manager must appoint –*

*(i) ...*

*(ii) an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.”*

**MATTER UNDER DISCUSSION**

**COUNCIL RESOLVED: (30 AUGUST 2018)**

1. That Council **APPOINTS** Mr B. Golele as the acting Executive Director: LED, Planning and Human Settlements.
2. That the acting period should **NOT EXCEED** the period of three months.
3. That a report of the Committee who conducted the previous interviews for the said position should **BE SUBMITTED** in the next Council meeting.
4. That the position of the Executive Director **BE RE-ADVERTISED**.
5. That appointments for both positions of Executive Directors: Infrastructure and LED **SHOULD BE MADE**.

The acting period of Mr. Barry Golele expired on 30 November 2018 and the law requires that council should request for an Extension to the MEC for continued acting of Mr. Golele or appoint someone to act in the Vacant Position.

The Municipal System Act, no. 32 of 2000 provides as follows:

*Section 56 (1)(c) stipulates further that a person appointed in terms of paragraph (a)(ii) may not be appointed for a period that exceeds three months : Provided that a municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph (a) , for a further period that does not exceed three months.*

The special circumstances or good cause exists in that:

1. The vacant post for the Executive Director: LED, Planning and Human Settlements has been advertised. The closing date was the 29<sup>th</sup> of October 2018.
2. An item is serving in current sitting of Council for the appointment of a selection panel in line with the Local Government: Regulations on the appointments and conditions of employment of Senior Managers of 17 January 2014.
3. The process will likely take two months to complete and the appointment is likely to be with effect from the 1<sup>st</sup> of February 2019.
4. Good Governance dictates that continuity for acting by the current directors is the most plausible managerial approach under the circumstances.

## **FINANCIAL IMPLICATION**

The financial implication will be in line with the acting policy of the Matjhabeng Local Municipality.

## **LEGAL REQUIREMENT**

In terms of the provisions of the Local Government: Municipal Systems Amendment Act, No.7 of 2011, the authority to appoint a manager accountable to the Municipal Manager vests with Council.

Section 56(1)(a) of the aforesaid Act provides as follows:

*“Section 56(1)(a) A municipal council, after consultation with the Municipal Manager **must** appoint –*

- (i) ...
- (ii) *an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.”*

Section 56(1)(b) requires further that a person appointed in terms of paragraph (a)(ii) **must** at least have the skills, expertise , competencies and qualifications as prescribed.

Section 56 (1)(c) stipulates further that a person appointed in terms of paragraph (a)(ii) may not be appointed for a period that exceeds three months : Provided that a municipal council may, in

special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph (a) , for a further period that does not exceed three months.

## **RECOMMENDATIONS**

1. That Council approves the request for an application for the extension of the acting period of Mr. Barry Golele in terms of section 56(1) (c) of the MSA as amended.
2. The extension must not exceed a period of three months.
3. The application for extension must not be construed by the incumbent as legitimate expectation for appointment to the post.
4. That the Executive Mayor is delegated to depose the letter to the MEC of Local Government.