

MC29 of 2019

**PROGRESS REPORT: PROPOSED ORGANISATIONAL STRUCTURE (ED: CSS)**  
(2/1)

**PURPOSE**

To provide progress on the proposed Organisational Structure.

**INTRODUCTION AND BACKGROUND**

At its meeting held on 16 January 2018 **COUNCIL RESOLVED:**

- “1. That the item BE **NOTED AND REFERED 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.”

**DISCUSSION**

Council has recently agreed to review its Organisational Structure, with the aim to make it more cost –effective and enable the municipality to respond to the communities’ needs. In addition the local Government : MSA (32/2000) : Local Regulations on appointment and conditions of employment of senior managers ( Government Gazette No.37245 of 17 January 2014); requires the municipal manager to within 12 months of the promulgation of these regulations , review the municipality’s staff establishment having regard to the principles set out in these regulations, the functions and powers listed in part B of Schedule 4 to the Constitution, part B of Schedule 5 to the Constitution, Chapter 5 of the Structures Act, and based on –

- a. A municipality’s strategic objectives; and
- b. A municipality’s core and support functions.

Having gone through the process to review the organogram, Council has since referred back the proposed organogram citing affordability for the municipality. SALGA has been requested to provide comments on the process and design of the new Organisational Structure.

\*\*\* **Attached on page 1 to page 8 of the Addendum Annexures** are the comments received from SALGA regarding the proposed Organisational Structure.

Subsequent to the above advice from SALGA and during the Special Section 80 for Corporate Services held on 11 October 2018, and after the presentation conducted by Mr Goliath from COGTA, it was resolved as follows:

1. That the Proposed Organisational Structure be parked/suspended and not be escalated to Council for approval due to its unaffordability.
2. That the Current Approved Structure (2009 Structure) form the bases for developing the new proposed organogram and align the 2009 Structure within the financial means of the Municipality.
3. That in developing the proposed organogram the following be considered :
  - a. All vacant posts on the approved structure be disestablished.
  - b. All “acting positions” on the structure be disestablished.
  - c. That the cost of jobs of positions in Political Office be aligned with job costs of similar positions in Administration.
  - d. That the number of Directorates be reduced to six, including the Office of the Municipal Manager, as per the Regulations (Circular No.26223).

The following was undertaken by the Branch Organisational Efficiency Studies.

- a. Vacant and “Acting posts” are being disaggregated and costed.
- b. Critical vacant posts are being isolated and costed.
- c. Directorates/ Departments were being aligned as per Chapter 2 of the Regulations (Circular No.26223).

## FINANCIAL IMPLICATIONS

The total financial implications of the attached adjusted 2009 Organisational Structure is R514 761 285. The budgeted employee costs of the staff establishment for financial year 2018/2019 is R739 105 674.

\*\*\* **Attached as SEPARATE COVER 8** are the costing tables of the proposed Organisational Structure as advised by COGTA.

\*\*\* **Attached as SEPARATE COVER 9** is the proposed Organisational Structure.

## 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.

## RECOMMENDATIONS

1. That all vacant posts on the approved structure be disestablished.
2. That all “acting positions” on the structure be disestablished.

3. That the cost of jobs of positions in Political Office be aligned with job costs of similar positions in Administration.
4. That the number of Directorates be reduced to six, including the Office of the Municipal Manager, as per the Regulations (Circular No. 26223)
5. That the Structure be a working document that will determine critical positions within Matjhabeng Local Municipality.

**MC30 of 2019**

**TO REQUEST THE APPROVAL OF THE MATJHABENG ICT POLICIES (ED: SSS)**  
**(2/4)**

**PURPOSE**

To present to the Mayoral Committee the Matjhabeng policies that governs ICT for consideration.

**BACKGROUND**

The ICT Policies provides the relevant framework to establish sound corporate governance principles for ICT in order to enable Matjhabeng Municipality to transition towards adoption of sound governance principles along with more visibility and accountability of ICT deliverables. Moreover, these policies address security issues by reducing risks that can be caused to the Municipality's ICT systems, information and infrastructure, either. In addition, these policies define the acceptable use of ICT resources by officials and 3rd party service providers and breach or non-conformance is unacceptable.

**DISCUSSION**

Information, Communication and Technology (ICT) has evolved from a support-based department to a strategic business unit that will allow for leveraging technology to improve, enhance and direct strategy for Matjhabeng. This coupled with the exponential rate at which technology is advancing requires more prudent visibility, accountability and tangible performance measures for ICT to support Matjhabeng Municipality. The starting point for this is Corporate Governance of ICT, which provides the framework to ensure that ICT plays a strategic role in moving the Municipality forward whilst being cognisant of the overall strategic objectives of the Municipality, then followed by IT Strategic Plan to align technology with Municipal goals, enabling a contribution to Municipal's strategic objectives. It also enables ICT systems to be fully integrated across each department, which in turn allows for organization-wide management of ICT environment. Finally, it is ICT's responsibility to secure Council Information to ensure that the Municipality's ICT systems, data and infrastructure are protected from risks such as unauthorized access, manipulation, destruction or loss of data, as well as unauthorized disclosure or incorrect processing of data.

These policies have been developed with the following sections of legislation in mind:

- 1) In terms of the Municipal Systems Act, Act 32, of 2000, Section 55(1):

“the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for:

- (a) The formation and development of an economical effective, efficient and accountable administration:
  - (i) equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5:
  - (ii) Operating in accordance with the municipality's performance Management system in accordance with Chapter 6;”

2) In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 62:

“ The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –

- (a) that the resources of the municipality are used effectively, efficiently and economically;
- (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;”

3) In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 78 of the Municipal Finance Management Act stipulates that:

“Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure –

- (a) that the system of financial management and internal control established for the municipality is carried out diligently;
- (b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
- (c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;”

The Municipality is using guidelines and recommendations based on inputs from frameworks developed by CoGTA, DPSA, Industry best practices along with findings in the AG report to support this alignment and adoption to allow the ICT department to be geared to deliver on expectations from the Municipality. This further enhances the drive of adoption of the MCGICTP as the starting point to transition towards implementation of the proposed policies and procedures that make ICT more relevant and accountable within the Municipality.

\*\*\* **Attached as SEPARATE COVER 10** is the Matjhabeng Corporate Governance of Information, Communication and Technology Policy, ICT Information Security Policy, Antivirus Policy and ICT Strategic Plan to be considered.

## LEGAL IMPLICATIONS

- Public Service Act 103 of 1994, as amended
- Municipal Systems Act (No. 32 of 2000)
- Local Government Municipal Systems Act, Act 32, of 2000,
- Local Government: Municipal Structures Act, Act 117 of 1998,
- the Public Administration Management Act, Act 11 of 2014 and
- the Local Government: Municipal Finance Management Act, Act 56 of 2003.
- Hazardous Substances Act (No. 15 of 1973)
- National Treasury Framework Final Risk Management Framework for the public sector.
- The King III Report and Code on Governance for South Africa
- South African National Standard 38500 adopted from ISO/IEC 38500

- ITIL V3: The Information Technology Infrastructure Library is a set of good practices for ICT service management that focuses on aligning ICT services with the needs of business
- Constitution of the Republic of South Africa Act, Act No. 108 of 1996.
- Copyright Act, Act No. 98 of 1978
- Electronic Communications and Transactions Act, Act No. 25 of 2002
- Minimum Information Security Standards, as approved by Cabinet in 1996
- Municipal Finance Management Act, Act No. 56 of 2003
- Municipal Structures Act, Act No. 117 of 1998
- Municipal Systems Act, Act No. 32, of 2000
- National Archives and Record Service of South Africa Act, Act No. 43 of 1996
- Promotion of Access to Information Act, Act No. 2 of 2000
- Protection of Personal Information Act, Act No. 4 of 2013
- Regulation of Interception of Communications Act, Act No. 70 of 2002
- Treasury Regulations for departments, trading entities, constitutional institutions and public entities, Regulation 17 of 2005.
- National Archives Regulations and Guidance
- The following internationally recognized ICT standards were leveraged in the development of this policy:
- Control Objectives for Information Technology (COBIT) 5, 2012
- ISO 27002:2013 Information technology — Security techniques — Code of practice for information security controls 4
- King Code of Governance Principles, 2009

## **FINANCIAL IMPLICATIONS**

None

## **RECOMMENDATION**

1. That the Mayoral Committee gives inputs and recommendations to Corporate Governance of Information Communication and Technology Policy, ICT Information Policy, Antivirus Policy and ICT Strategic Plan to be considered.

MC31 of 2019

**REQUEST FOR THE CONCLUSION OF A LAND AVAILABILITY AGREEMENT BETWEEN MATJHABENG LOCAL MUNICIPALITY, FIKILE CONSTRUCTION AND SA HOME LOANS FOR A PERIOD OF THREE YEARS (EXECUTIVE MAYOR) (20/14/4/3)**

**PURPOSE**

To request Council to authorise the Municipal Manager to conclude a Land Availability Agreement between Matjhabeng Local Municipality, Fikile Construction and SA Home loans for a period of three years.

**BACKGROUND**

Fikile Construction has partnered with SA Home loans to develop GAP market in South Africa. They have identified Matjhabeng as an area where there has been underdevelopment regarding GAP market. It is a fact that the development of GAP market in Matjhabeng has not happened in many years. This has affected the provision of GAP houses in the Area for most professionals and had directly affected revenue or tax base for Matjhabeng. It is therefore critical that companies with capacity should be allowed to develop sites (land) that have infrastructure, especially bulk services.

It is also important that investors who are able to bring investment for the provision of GAP market and infrastructure in areas where there are no bulk services should be considered in order to provide houses for the community of Matjhabeng. Importantly, the development will reduce the risk of land theft and land grab.

**FINANCIAL IMPLICATIONS**

Fikile construction has committed that there will be no financial implications from the municipality in that they will bring funding from SA home loans. The municipality will benefit from the sale of land and increase of the tax base.

The matter served before Council on the 28<sup>th</sup> February 2019 and Council raised the following concerns:

- That the items do not comply with the land alienation policy;
- Properties to be alienated should be existing serviced stands that fall within the Spatial Planning framework;
- They should not be earmarked for essential services;
- They should be alienated at market-related value in favour of Council.

**COUNCIL RESOLVED: (28 FEBRUARY 2019)**

1. That the Municipal Manager **BE MANDATED** to negotiate the Service Level Agreement but before it is signed, it should be brought to Council for approval.

2. That the Municipal Manager **SHOULD INVESTIGATE** the possibility of holding companies which signed agreements accountable, by letting them pay a portion of what they promised, in case of failure to deliver.

## **LEGAL IMPLICATIONS**

The disposal of land should comply with the provisions of section 14 of the Municipal Finance Management Act. In an instance where a land availability Agreement is concluded, the land can only be disposed to the beneficiary after the Banking Institution has approved the loan. The land will automatically revert to the municipality if development does not take place within the stipulated period.

## **RECOMMENDATIONS**

### **It is recommended:**

1. That the Municipal Manager be authorised to conclude a three year Land Availability Agreement between Matjhabeng Local Municipality, Fikile Construction and SA Home loans.
2. That a quarterly progress report must be submitted to Council.



MC32 of 2019

**REQUEST FOR THE CONCLUSION OF A LAND AVAILABILITY AGREEMENT  
BETWEEN MATJHABENG LOCAL MUNICIPALITY AND PRO AFRIKA LED  
CONSORTIUM FOR A PERIOD OF THREE YEARS (EXECUTIVE MAYOR)**  
(20/14/4/3)

**PURPOSE**

To request Council to authorise the Municipal Manager to conclude a Land Availability Agreement with Pro Afrika LED Consortium for a period of three years.

**BACKGROUND**

Pro Afrika LED Consortium has funding for the development GAP market in South Africa. They have identified Matjhabeng as an area where there has been underdevelopment regarding GAP market. It is a fact that the development of GAP market in Matjhabeng has not happened in many years. This has affected the provision of GAP houses in the Area for most professionals and had directly affected revenue or tax base for Matjhabeng. It is therefore critical that companies with capacity should be allowed to develop sites (land) that have infrastructure, especially bulk services.

It is also important that investors who are able to bring investment for the provision of GAP market and infrastructure in areas where there are no bulk services should be considered in order to provide houses for the community of Matjhabeng. Importantly, the development will reduce the risk of land theft and land grab.

**FINANCIAL IMPLICATIONS**

Pro Afrika LED Consortium has committed that there will be no financial implications from the municipality in that they will bring funding. The municipality will benefit from the sale of land and increase of the tax base.

The matter served before Council on the 28<sup>th</sup> February 2019 and Council raised the following concerns:

- That the items do not comply with the land alienation policy;
- Properties to be alienated should be existing serviced stands that fall within the Spatial Planning framework;
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**RECOMMENDATIONS****It is recommended:**

1. That the Municipal Manager be authorised to conclude a three year Land Availability Agreement with Pro Afrika LED Consortium.
2. That a quarterly progress report must submitted to Council.