

EM118/2017

CURRENT STATUS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG) CAPITAL PROJECTS IN MATJHABENG LOCAL MUNICIPALITY OCTOBER 2017 (EDI)

PURPOSE

To provide information on the current status of capital projects and related MIG expenditure progress for the month of **October 2017**

BACKGROUND

The PMU Department is currently in the Infrastructure Directorate, while working closely with the office of the Chief Financial Officer for the purpose of expediting the Municipal Infrastructure Grant (MIG) funding expenditure.

The operational costs of the PMU are funded from the MIG allocation and the budget has been approved for **R 6 060 800.00** for the current financial year.

DISCUSSION

There are various projects currently being implemented and are on various stages summarized as follows:

STAGE	NUMBER OF PROJECTS
Planning Stage	0
Design Stage	8
Tender Stage	0
Evaluation/ Adjudication Stage	3
Construction Stage	8
Retention Stage	12
Complete beyond DLP/ Retention	2
TOTAL NUMBER OF PROJECTS	33

*** Please refer to the attached implementation plan *on page 1/126 to 6/216 of the Annexures* for the status / progress of projects

LEGAL IMPLICATIONS

- As per Section 19 of the **Municipal Finance Management Act 56 of 2003**, the following:
 - (1) A municipality may spend money on a capital project only if-
 - (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);
 - (b) the project, including the total cost, has been approved by the council;

- (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and
 - (d) the sources of funding have been considered, are available and have not been committed for other purposes.
- (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider-
 - (a) the projected cost covering all financial years until the project is operational;
And
 - (b) the future operational costs and revenue on the project, including municipal tax and tariff implications.
- (3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme
- As per Section 12 of the **Division of Revenue Act (DORA)**, the following:
 - (1) The receiving officer of a Schedule 5 or 7 allocation must ensure compliance with the relevant framework.
 - (2) The relevant receiving officer must, in respect of a Schedule 5 or 7 allocation transferred to—
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant transferring officer;
 - (4) A report for a municipality in terms of subsection (2)(b) must set out for the month in question and for the 2017/18 financial year up to the end of the month—
 - (a) the amount received by the municipality;
 - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
 - (c) the extent of compliance with this Act and with the conditions of the allocation or part of the allocation provided for in its framework;
 - (d) an explanation of any material difficulties experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
 - (e) any matter or information that may be determined in the framework for the allocation; and
 - (f) such other matters and information as the National Treasury may determine.

FINANCIAL IMPLICATION

ALLOCATION	FUNDS WITHELD	PLANNED EXPENDITURE	CURRENT CUMULATIVE EXPENDITURE	BALANCE TO BE SPENT
R 121,216,000.00	R0.00	R36,364,800.00 (30%)	R39 918 160,44 (33%)	R81,29,839.56 (67%)

CHALLENGES AND PROPOSED REMEDY FOR EXPENDITURE AND NON-COMPLIANCE WITH LEGISLATION

We are above expenditure target by 3%. Currently there are no challenges to report.

RECOMMENDATION

It is hereby recommended that the Mayoral Committee **TAKES NOTE** of the report.

EM119/2017

COUNTER-FUNDING FOR THE UPGRADING OF THE WELKOM LANDFILL SITE (EDI)

PURPOSE

To request the approval of counter-funding for the Upgrading of the Welkom Landfill Site project.

BACKGROUND

The Welkom Landfill Site is the main solid waste disposal site serving the Municipality. This landfill site while still functional does not have adequate support infrastructure.

A MIG business plan was submitted to Department of Cooperative Governance and Traditional Affairs (CoGTA), requesting funding of R18 021 120.00 Incl. VAT for the project for which partial MIG funding of R11 713 728.00 (incl VAT) was recommended by Department of Water and Sanitation (DWS) as the Sector Department, due to the fact that only 65% of the population of Matjhabeng is considered poor and hence qualify for MIG funding. The whole funding is to cover for the following scope of works:

- Upgrade access road and paving
- Upgrade access control
- Provision of 2 weigh bridges
- Refurbishment of cloak rooms and control office
- Repair perimeter fencing
- Construct a covered material recovery centre
- Upgrade wash bay facility
- Provide carports, outside (street) lighting and security features
- Small office at weighbridge with electricity connection

*** *Attached on page 7/216 to page 10/216 of the Annexures* is the letter from Department of Water and Sanitation.

The approval of the R11 713 728.00 (incl VAT), constitute a shortfall of R6 307 392.00 (incl VAT) that must be funded by the Municipality.

LEGAL AND POLICY POSITION

- As per Section 19 of the **Municipal Finance Management Act 56 of 2003**, as follows;
 - (1) A municipality may spend money on a capital project only if-

- (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);
 - (b) the project, including the total cost, has been approved by the council;
 - (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and
 - (d) the sources of funding have been considered, are available and have not been committed for other purposes.
- (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider-
- (a) the projected cost covering all financial years until the project is operational;
And
 - (b) the future operational costs and revenue on the project, including municipal tax and tariff implications.
- (3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme

FINANCIAL IMPLICATIONS

DESCRIPTION	AMOUNT(R) (Incl)
TOTAL TO BE FUNDED – MIG	R11 713 728.00
Shortfall	R6 307 392.00
TOTAL PROJECT COST	R18 021 120.00

The amount of **R6 307 392.00** must be funded by the municipality from own funding.

OTHER IMPLICATIONS

It is very important that the counter funding is approved as the funding recommended by MIG will not be enough to complete the project and thus the project will not serve its purpose and might result to Community unrest.

RECOMMENDATION

It is hereby recommended as follows:

- That the report **BE NOTED**.
- That the Counter-Funding of **R6 307 392.00** to implement the project **BE APPROVED**.

EM120/2017

COUNTER-FUNDING FOR UPGRADING OF VIRGINIA WASTE WATER TREATMENT PLANT PHASE 2 (EDI)

PURPOSE

To request counter-funding for the Upgrading of the Virginia Waste Water Treatment Plant project.

BACKGROUND

The Municipality has embarked on a bucket eradication programme. As a result, there is now a need to increase the treatment capacity at the Virginia Waste Water Treatment Plant. A Technical Report was submitted to the Department of Water and Sanitation (DWS) and due to limited MIG funding, there was a proposal for the work to be carried in two phases. The first upgrade (Phase 1) is on the existing Treatment Works and is currently under construction, covering only certain portions of the initial scope of work. A MIG business plan was submitted to Department of Cooperative Governance and Traditional Affairs (CoGTA), requesting funding of R41 790 175.33 Incl. VAT for phase 2 of the project. The funding is to cover the following scope of works:

- Replace flow measurement equipment
- Refurbish second Bioreactor, including:
 - Replace A-recycle pumps
 - Construct conduit to improve BNR performance
 - Replace vertical shaft mixers (2) and aerators (6)
 - Refurbish baffles and replace overflow weir, hand railings, concrete and joints
 - Replace 50% RAS and WAS pipework
- Refurbish the remaining two existing SST's
- Refurbish the remaining half of the existing RAS pump station including existing MCC replacement with new MCC
- Install disinfection unit for final effluent
- Refurbish sludge treatment – gravity thickener and drying beds
- Refurbish the works return pump station
- Site wide: improvement of security fence, site roads and main administration building
- Install stand-by generator

The Department of Water and Sanitation (DWS) recommended to CoGTA partial funding of

R35 772 390.00 (incl VAT) for the project.

*** *Attached on page 11/216 to page 16/216 of the Annexures* is the letter from Department of Water and Sanitation.

The approval of the R35 772 390.00 (incl VAT), constitutes a shortfall of R6 017 785.33 (incl VAT) that must be funded by the Municipality.

LEGAL AND POLICY POSITION

- As per Section 19 of the **Municipal Finance Management Act 56 of 2003**, as follows;
 - (1) A municipality may spend money on a capital project only if-
 - (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);
 - (b) the project, including the total cost, has been approved by the council;
 - (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and
 - (d) the sources of funding have been considered, are available and have not been committed for other purposes.
 - (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider-
 - (a) the projected cost covering all financial years until the project is operational;
And
 - (b) the future operational costs and revenue on the project, including municipal tax and tariff implications.
 - (3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme

FINANCIAL IMPLICATIONS

DESCRIPTION	AMOUNT(R) (Incl)
TOTAL TO BE FUNDED – MIG	R35 772 390.00
Shortfall	R6 017 785.33
TOTAL PROJECT COST	R41 790 175.33

The amount of **R6 017 785.33** must be funded by the municipality from own funding.

OTHER IMPLICATIONS

It is very important that the Executive Committee recommends this counter funding to the Mayoral Committee for approval by Council as the funding recommended by MIG will not be enough to complete the project and thus the project will not serve its purpose and might result to Community unrest.

RECOMMENDATION

It is hereby recommended as follows:

- That the report **BE NOTED**.
- That the Counter-Funding of **R6 017 785.33** to implement the project **BE APPROVED**.

EM121/2017

PERMANENT SOLUTIONS TO MATJHABENG SEWER PROBLEMS (EDI)**PURPOSE**

To provide to the Exco permanent solutions to the Matjhabeng Sewer Problems.

BACKGROUND

The Municipality is responsible for provision of basic services to the residents. This includes maintenance of the sewer network used to deliver sanitation services to the residents and treatment of waste water.

The Municipality is currently experiencing high number of sewer blockages, collapsed sewer lines, vandalized pump stations and dysfunctional waste water treatment plants. This high number of challenges presents a challenge that is greater than the capacity and capability of the maintenance teams responsible to maintain sewer network.

The table below shows the staff compliment and vacant positions in the sewer section

Department / Branch	No of posts approved 2009	No of posts filled	No of vacant posts	Vacancy rate
CIVIL ENGINEERING WEST				
Sewer reticulation – Kutlwanong and Odendaalsrus	43	25	18	42%
Subsection Allanridge sewer reticulation	36	13	23	64%
CIVIL ENGINEERING EAST				
Sewer Reticulation Virginia	54	13	41	76%
Sewer Reticulation Hennenman and Ventersburg	46	11	35	76%
WATER & EFFLUENT WATER CENTRAL				
Sewer Reticulation Central	109	41	68	62%
Waste Water Treatment Plants and Pump Stations All Units	52	42	10	9%
Water and Effluent Water Laboratory	5	4	1	20%

Currently the vacancy rate for the sewer section is 57%

The table below shows the existing sewer infrastructure of the Municipality:

Bulk Services:

Description	Qty
Waste Water Treatment Works	11
Pump Stations	55

Internal Services:

Description	Qty
Sewer Pipelines	1 482km
Manholes	25 504

PROBLEMS ENCOUNTERED

The following are the problems that we encounter regarding maintenance of our sewerage systems:

- Ageing Infrastructure –
- Illegal mining activities -
- Foreign objects in our sewer lines
- Theft and Vandalism especially in our pump stations and waste water treatment plants
- Human Resources – high rate of vacancies
- Equipment and vehicles
- Non-availability of enough materials and other relevant tools of trade
- Laboratory Chemical to do analysis
- Proficiency Testing programs – Laboratory needs to participate to be DWS approved

CURRENT PLANS

- Due to the shortage of resources, an interim measure is regularly done to issue orders for hiring eco-combination units/ jet blasters to assist to unblock sewer blockages, orders to replace collapsed sewer line, and orders to clean sumps of the pump stations. A tender for term contracts of sewer maintenance and cleaning of pump stations sumps was also advertised, in order to supplement the available resources for improved service delivery. The tender is now due for evaluation and adjudication.
- DWS has funded the project for the refurbishment of Theronia Waste Water Treatment Works (WWTW) and Purified Effluent System. The project is funded for

R30m under Water Services Infrastructure Grant (WSIG) in 2017/18 FY and a further R24m has been provisionally allocated in the DORA for the 2018/18 FY. The project is currently at Design Stage.

- Thabong WWTW will also be upgraded through Regional Bulk Infrastructure Grant (RBIG) by the DWS following the completion of the Feasibility Study for all 3 WWTW in the central area of Matjhabeng.
- A project to refurbish T8 pump station and assessment of the linking outfall sewer is in the process of registration for MIG funding, to the value of approximately **R13million**. The Tender is now on Bid Evaluation stage.
- Other projects under implementation and funded through MIG are as follows:
 - Upgrading of Nyakallong WWTW;
 - Upgrading of Virginia WWTW;
 - Upgrading of Mmamahabane WWTW;

PROPOSED PERMANENT SOLUTIONS

- Appointment of a service provider to assess all the sewer infrastructure and provide a report which can be used to replace the ageing infrastructure.
- Filling of vacancies to at least 80% available staff compliment
- Availability of security in all pump stations and waste water treatment plants 24 hours a day
- Purchasing of at least 80 % of equipment and vehicles
- Opening of stores for material and tools of trade
- Community awareness programmes must be done on a regular basis

Plant and equipment needed and available for the sewer reticulation maintenance

Type of vehicle / Equipment	Quantity Available	Quantity needed	Comments
8 Ton Truck with high-up	0	3	for lifting of manhole rings and placement of sewer pipes
TLB	0	3	for repairs of collapsed sewer lines
High Water Pressure Jet Blasters	0	7	for unblocking and cleaning of sewer lines
LDV Bakkies	3	10	For operators and in the 3 that is available 2 is in a poor condition
LDV Bakkies	0	4	for Assistant Artisans Grade I
Tool sets	0	14	for Operators and assistant artisan gr 1

Type of vehicle / Equipment	Quantity Available	Quantity needed	Comments
1000L water tanker trucks	0	5	To be used with jet blasters
6" trailer pumps	0	8	For all the units
3" 7,5kw submersible pumps complete with 20m cable, starter box and 100m lay flat hose	0	4	2 for central and 1 one each for east and west units
33 kva 3 phase generators with roadworthy trailers	0	4	2 for central and 1 one each for east and west units

Plant and equipment needed and available for the waste water treatment plants and pumpstations maintenance

Type of vehicle / Equipment	Quantity Available	Quantity needed	Comments
LDV	2	8	For plant operators
Sedan	1	2	
Tractor	4	1	
Truck	1	1	Standing at mechanical workshop
Kabota	1	1	for sludge handling at the treatment works
Water pump trailer	3	2	Used by maintenance team
16 seated minibus	0	2	For transport of pump station personal
Telicon removal truck	0	1	For removal of waste from plants and pump stations

With the implementation of the above proposed solutions we can be able to reduce the sewer problems significantly.

It is very important for the municipality to build internal capacity which will ensure sustainability in the long run.

SUBMITTED FOR CONSIDERATION

EM122/2017

MONTHLY REPORT: DIRECTORATE INFRASTRUCTURE FOR THE MONTH OF OCTOBER 2017 (EDI)

PURPOSE OF REPORT

To submit to Exco the October 2017 monthly report on activities of the Civil Engineering and Electrical Engineering Departments as well as PMU in the Infrastructure Directorate.

BACKGROUND

The Infrastructure Directorate is often referred to as “*the face of the Municipality*” because it is mainly responsible for the provisioning of basic service delivery; being water, sanitation, roads and electricity, directly to the communities of the Municipality. It is therefore expected that these services must as far as possible be efficiently provided without as little interruptions as possible that may inconvenience the community.

*** *Attached* on page *16/216 to 57/216* of the Annexures are the Executive Summary/Narrative Report

SUBMITTED FOR CONSIDERATION

EM123/2017

PROGRESS ON MUNICIPAL ACCREDITATION PROGRAMME (AED LED, PLANNING & HS) (5/1/2/12)

PURPOSE

To advise Executive Management Committee about progress pertaining to the Municipal Accreditation Programme

BACKGROUND AND DISCUSSION

In its sitting on the 25 September 2012 **COUNCIL RESOLVED**

1. That Council **ACKNOWLEDGES** the requirements of the accreditation process.
2. That Council **APPROVES** the participation of the municipality in the accreditation programme.
3. That the Municipal Manager **MUST SUBMIT** a quarterly report to Council indicating Progress made

Subsequently, Lekwa Consulting was appointed to assist Municipalities with the development of the Accreditation Business Plan

In its sitting on the 28th March 2017 **COUNCIL RESOLVED**

1. That Council **ACKNOWLEDGES** the requirements of the Level 1 accreditation Business Plan process to be compiled by Lekwa Consulting (HDA)
2. That Council **APPROVES** the participation of the municipality in the Level I accreditation Business Plan programme.
3. That Me Mothekhe be appointed as accreditation champion on behalf of the Municipality.
4. that workshop be held on behalf of all councillors on accreditation process.

In compliance with the council resolution a workshop was held on the 9th May 2017.

A progress report was submitted to council on the 31st May 2017

COUNCIL FURTHER RESOLVED to take note of progress made in the Accreditation process.

On the 29th June the department and Lekwa consulting had working session to finalise the outstanding ABP templates, required documents were submitted electronically with an undertaken to submit copies per requirements of Lekwa.

During this working session the consultant expressed a concern on the lack of following plans;

1. Housing Sector Plan
2. Infrastructure Plan: water and sanitation, electricity, roads.
3. Risk Management Plan

4. Land use management strategy
5. Integrated Transport Management Plan
6. Economic Growth strategy or LED Plan.
7. Updated Spatial Development Framework

Subsequently a final meeting was convened on the 3rd October 2017 by the Provincial Department of Human Settlements to finalise the completion of the Enhanced Accreditation Tool questionnaire.

Pursuant to the above meeting, a Provincial Accreditation PSC was convened in Bloemfontein on the 6th October 2017 for the identified municipalities to submit the Business Plan. The Municipal Manager successfully signed off for the final assessment document that would inform level 1 accreditation readiness.

Limitations were however indicated on the absence of the compliance plans as alluded to above, as well as their possibility to negatively affect the acquisition of ABP Level 1.

During the compilation of this report, the consolidated document developed by HDA after the Accreditation PSC was not yet forwarded to the Municipality.

After submission of the submission of the business plan stating the status of a assessment readiness, HDA was tasked to compile a report aimed at addressing the identified limitations.

Attached on pages 58/216 to page 72/216 of the annexures is a report compiled by HDA

On the 25th October 2017 a high level meeting was convened by National Department of Human Settlements to deliberate on action plan on distressed mining towns. The issue of absence of the sector plans was sharply raised as well as how it impacts negatively on Housing delivery.

Subsequent to that meeting, there were discussions between the Chief Director Performance in the Provincial Department of Human Settlements, me Carol Tlali, the HDA Acting Regional Manager Me Lipalesa as well as the Matjhabeng senior Manager Human Settlements Me Mothekhe regarding the execution of the recommendations on the report.

It was agreed that a formal request for assistance with regard to the compilation of the Human Settlements Sector Plan be submitted to the Provincial Department of Human Settlements.

FINANCIAL IMPLICATIONS

The business plan towards Accreditation status is financed by Provincial Department of Human Settlements

All necessary sector plans will have to be secured by the Municipality if we are to meet the deadline of January 2018.

LEGAL AND POLICY FRAMEWORK

- **The Constitution of South Africa 1996**

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing”

- **Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)**

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality's process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to-

Ensure that-

“the inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

- Guidelines on Breaking New Grounds(BNG)
- Approved Municipal IDP and Budget
- SDBIP

RECOMMENDATION

- That Executive Management takes note of the progress report.
- That the sector plans be secured in line with the recommendations from Lekwa Consulting and Free State Provincial Government.
- That the Provincial Department of Human Settlement be approached for assistance with acquisition of Sector Plans.

EM124/2017

**REPORT ON INPUTS ON THE PROPOSED ORGANISATIONAL STRUCTURE:
WORKSHOP ON ORGANISATIONAL STRUCTURE FOR COUNCILLORS (EDCSS)**
(2/1)

PURPOSE

To submit responses from Directors on the inputs made by councillors at the Proposed Organisational Structure Workshop held at T.S. Du Plessis on the 28th September 2017.

BACKGROUND

Council, at its meeting of the 30th August 2017, resolved as follows:

- that the Proposed Organisational Structure be subjected to a Workshop for clarification of positions and financial analysis, before the 20th September 2017

The workshop referred to above, took place at T.S. Du Plessis on the 28th September 2017. A number of inputs were made by Councillors at the workshop and are attached herewith

DISCUSSION

The following constitute the inputs made by each Directorate are found on pages 73/216 to page 88/216

- 3.1. Department of Infrastructure
- 3.2. Department of LED & Human Settlement
- 3.3. Department of Finance
- 3.4. Department of Strategic Support
- 3.5. Department of Corporate Services
- 3.6. Department of Community Services

IMPLEMENTATION OF INPUTS (CAPTURING OF INPUTS ON THE DRAFT PROPOSED STRUCTURE)

After critical analysis of the inputs made by EXCO, and finalisation reached on them, those that need capturing on the Proposed Organisational Structure will be duly implemented.

PERSONNEL IMPLICATIONS

Any additions or subtractions made on the number of posts will inevitably have a personnel impact on the Proposed Draft Structure.

FINANCIAL IMPLICATIONS

Final financial implications will be determined at the finalisation of the inputs made at EXCO.

RECOMMENDATIONS

In order to stay within the 35% benchmark of employee costs, it is recommended that only currently filled posts and critical posts be considered for the New Proposed Draft Organisational Structure in the short-term.

EM125/2017

PROPOSED ORGANISATIONAL STRUCTURE: (MARCH 2017) (EXECUTIVE MAYOR) (2/1)

PURPOSE

To provide an update of Matjhabeng Local Municipality proposed Organisation Structure “**MARCH 2017**” to Council.

BACKGROUND AND DISCUSSION

This item served before Council on the 31st May 2017 and Council resolutions are contained hereunder:

COUNCIL RESOLVED: (31 MAY 2017)

1. That Council **TAKES NOTE** of the Draft Organisational Structure.
2. That the TASK-JOB-EVALUATION system **MUST BE APPLIED** to ensure that salaries are correlating with the jobs that are performed, within a period of 30 days.
3. That only critical positions **MUST BE FILLED**.
4. That the Organogram must **BE RE-SUBMITTED** at the next Ordinary Council meeting.

Following the above resolutions, Management has made arrangements for the TASK-JOB-EVALUATION system training for the period 21-25th August 2017 which would be undertaken under the auspices of SALGA.

The Directorates have submitted their lists of Critical positions which will await the approval of the Organogram by Council for their advertisement and filling.

Council resolved on the 30TH August 2017 that a workshop on the proposed Organisational Structure be conducted for Councillors.

*** *Attached on page 80/216 to page 88/216 of the Annexures* are the Minutes and Inputs from different Directorates.

PERSONNEL IMPLICATIONS

The current Draft Proposed Organisational Structure (March 2017) *attached as SEPARATE COVER 1* is a product, devised from the Draft Proposed Organisational Structure (February 2017) with amendments from different Directorates as per the abovementioned Mayoral Committee Resolutions.

The table below is a summary of staff complement of the current Draft Organisational Structure (**March 2017**) compared to the “**Current Approved**” and the Proposed (**February 2017**) Organisational Structures:-

	TOTAL STAFF COMPLEMENT		
	Approved	Proposed February 2017	Proposed March 2017
TOTAL COMPLEMENT:	3727	4 648	4 048
PERCENTAGE UTILISATION	100	125	109
TOTAL MANAGEMENT POSTS	79	90	74
Savings: "February 2017" - "March 2017." (Posts)			600
Savings: "February 2017" - "March 2017." (%)			12.91

FINANCIAL IMPLICATIONS

*** The financial implications *are attached as SEPARATE COVER 2.*

The table below is a summary of "Annexure A":

	Staff Complement	Total Costs	POLICY STRUCTURE AT
	Proposed	Proposed	
TOTAL COMPLEMENT:	4 048	997 293 166	
PERCENTAGE UTILISATION	100	122	
TOTAL MANAGEMENT POSTS	74	65 380 604	

EMENT

Local Government Municipal Systems Amendment Act, 2011.

Local Government Structure Act

Municipal Financial Management Act.

Approved Organisational Structure

Basic Conditions of Employment Act

RECOMMENDATIONS

- 1 That the Draft Organisational Structure be approved by Council as a working document for all Human Resource related matters.
- 2 That the posts reflected on the structure are not necessarily going to be filled in the current financial year, given the Municipality's financial status.
- 3 That only critical – and scarce skills posts be addressed in the current financial year.

SUBMITTED FOR CONSIDERATION

EM126/2017

REPORT ON TASK JOB EVALUATION (EXECUTIVE MAYOR) (2/1)

PURPOSE

The purpose of the report is to provide Council:

- With progress on implementation of **Tuned Assessment of Skills and Knowledge (TASK)** Job Evaluation;
- To inform Council about the training of the TASK Job Evaluation Unit;
- To support the roll out of the TASK Process.

BACKGROUND

Matjhabeng Local Municipality has been in the process of reviewing its Organisational Structure which was last approved in 2009.

“Council at its meeting held on the **31 May 2017** resolved among others that:-

1.
2. ***That the TASK-JOB-EVALUATION system MUST BE APPLIED to ensure that salaries are correlating with the jobs that are performed, within a period of 30 days.”***

The first training on TASK Job Evaluation took place from the 06th – 10th October 2014 at Lejweleputswa District Municipality. From the 21st August 2017 – 25th August 2017 SALGA and Deloitte came to provide further training to the District JE Unit due to the fact that there were changes in the team that was originally trained.

In the exercise SALGA then decided to combine Training and Coaching on TASK Job Evaluation. The coaching sessions where the entire Matjhabeng Local Municipality positions would be evaluated was scheduled tentatively from the 26th – 29th September 2017.

DISCUSSIONS

Training Program

- All Local Municipalities in the Lejweleputswa District were invited to the TASK Job Evaluation Training/Coaching programmes at Matjhabeng Local Municipality.
- The Job Evaluation guideline was used as the basic document for the training.
- Training of Job Evaluation Units (JEU) was coordinated and conducted at Matjhabeng Local Municipality.
- The duration of the Training session took two days (21-22 August 2017) and coaching session took three days (23-25 August 2017) with the assistance of Deloitte.

- The Job description assessments were undertaken for Lejweleputswa District Municipalities from 07 November 2017 at Lejweleputswa District Offices.
- The second assessments were continued at Matjhabeng Local Municipality from 13-17 November 2017.

Establishment of TASK Job Evaluation Unit (Committee)

A Job Evaluation Unit (Committee) was established which is constituted by all the members trained as Job Evaluators in Lejweleputswa District.

- Mr. Chris Alexander from Lejweleputswa District Municipality was nominated as Chairperson.
- Mr. Victor Kolisang from Matjhabeng Local Municipality was nominated as Deputy Chairperson, and
- Mr. Abraham Kholumo from Matjhabeng Local Municipality was nominated as the Administrator.

Roles and Responsibilities of Job Evaluators.

- The JE Unit shall conduct the evaluation of all jobs within the municipalities falling under its jurisdiction and present the outcome thereof for auditing by the Provincial Audit Committee (PAC)
- The responsibility of JE Unit is both administrative (planning, prioritising grading programs, quality control, receiving checking and filing job descriptions etc.) and grading of jobs prior to submission to the PAC.
- For purpose of grading, a quorum shall consist of at least two (2) members of JE unit or in the event of larger Unit at Least 50% plus 1.
- The JE Unit may invite both the incumbent of the job, as well as his/her Manager and the Head of Department's input to confirm if the full particulars of the job were taken into account.
- To monitor adequate implementation of the TASK Job Evaluation System to achieve uniform grading of posts.

Trade union representation

- **One trade Union representative from each of the recognized trade unions may participate as observers in the JE Unit.**

Role and responsibilities of the Municipal Manager

SALGA's Guideline Policy on Job Evaluation outlines the following as roles and responsibilities of Municipal Managers in job evaluation.

- The Municipal Manager is responsible for ensuring the implementation of the TASK Job Evaluation System in the Municipality;
- The Municipal Manager must ensure that the designated JE Manager takes full responsibility for supporting and directing the job evaluation implementation and maintenance process.
- The Municipal Manager shall ensure that sufficient staff and resources are allocated to support the process;
- The Municipal Manager shall in terms of Section 66 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000 as amended) ensure that there is a job description for each post on the staff establishment of the municipality;
- The Municipal Manager must ensure that the municipality keeps custody of the copies of job descriptions for all posts;
- The Municipal Manager shall incorporate the responsibility for the compilation of the job description in the performance contract of every Manager.
- The Municipal Manager shall ensure that all staff are informed of the objective of the TASK JE System as required in terms of Section 67 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000 as amended);
- The Municipal Manager for the cluster of municipalities who are responsible for job evaluations at district level shall appoint appropriate persons to serve of the Job Evaluation Unit;
- Municipal Managers shall ensure that Job Evaluation Units are established and are functional.

Role of the Directorates in ensuring that the Job Evaluation process is carried out successfully.

- To enable the Job Evaluation Unit to complete the process effectively and efficiently, it is necessary that all Executive Directors and/or Heads of Department ensure that all their directorates'/departments' Job Descriptions, as per the current approved Organisation Structure, are submitted to the Senior Manager Human Resources as soon as possible.
- All job descriptions confirmed or revised and/or by relevant Supervisors or Management to ensure they are correct according to TASK requirements. A blank copy (template) of the TASK job description format, as well as guidelines for compilation of a job description is attached hereto.

- All job descriptions must be signed by the relevant incumbent and Head of Department. Where there are vacant posts, job descriptions must still be provided, indicating that the post is vacant and signed by the Head of Department.
- When a job description is revised, or a new one compiled, it is important that the functions indicated should be only those functions that belong to the relevant post and not functions that belong to another “post”, but are performed by the relevant incumbent due to vacancies or other circumstances. For control purposes a numbering system, e.g. MM1, MM2, etc. for Municipal Manager’s Office can be used, to ensure that all posts are covered.

POLICY POSITION

1. Matjhabeng Job Description Policy.
2. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000 as amended).
3. SALGA's Guideline Policy on Job Evaluations.

RECOMMENDATION

1. That Council takes note on the progress in respect of the TASK Job Evaluation Project.

EM127/2017

PROGRESS REPORT REGARDING THE ALLOCATION OF SITES/FORMALISATION OF 7000 SITES IN THE AFFECTED WARDS OF MATJHABENG (AED: LED P AND H/S) (8/1/1)

PURPOSE

To present to Executive Management a progress report with regard to site allocation/formalization for all affected wards in Matjhabeng.

BACKGROUND AND DISCUSSION

The allocation of sites for the residents of Matjhabeng in need of residential sites has been a challenge for a long time.

The community has always raised concerns and dissatisfaction about the waiting list that was not regularly updated

hence the perception that the allocation has not been fair. In addressing the challenge, the item was subsequently developed

and presented and Council resolved as follows:

COUNCIL RESOLVED: (26 NOVEMBER 2015)

1. That Council **ADOPTS** the draft waiting list of sites for residents in all 36 Wards of Matjhabeng Municipality and land allocation.
2. That the outstanding information from the Ward Councillors **MUST BE** included in the continuous verification of lists.
3. That Council **NOTES** the report and caution Councillors and Management to ensure that the list must be all inclusive and not selective and any resident who wishes to stay in any Ward in Matjhabeng should not be prohibited.

On the 13th December 2016 the Municipal Council approved draft allocation plan for 7000 sites planned and pegged within some areas in Matjhabeng.

Allocations are done per allocation program as approved by Council. (Resolution A110/16)

COUNCIL RESOLVED: (13 DECEMBER 2016)

1. That Council **NOTES** the draft Allocation Program for the allocation of 7 000 sites.

2. That each beneficiary on the waiting **MUST POSSESS** a number for the allocated site and the process of handing out of numbers be implemented in a period of six (6) weeks.
3. That Ward 16 **BE PRIORITIZED** as per the Premier's State of the Province Address.
4. That the handing over of sites must **BE CHAMPIONED** by the Executive Mayor and not officials of the Municipality.
5. That illegal land invasion is **NOT ALLOWED** but sites should be allocated in a proper manner.

PROJECT DEFINITIONS

The core focus of the project is the planning and pegging of 7000 erven in Matjhabeng in terms of the Matjhabeng business plan for 9 individual areas, is as follows:

Planning Area	Ward	Consultants	Nr of Sites
		BOPA LESEDI	
Nyakallong	19		300
Kutlwanong	10		2900
Phomolong	3		500
Mmamahabane	1		500
		TOTAL (A)	4200
		PHETOGO	
Thabong: Phokeng	25		810
Bronville: Erf 32179, 32180 and 32371	11		500
Bronville: portion of Homestead 668	11		800
		TOTAL (B)	2110
		PULA	
Thabong Freedom Square	16		210
Thabong: Phumlani	15		180
		TOTAL (C)	390
		TOTAL (A+B+C)	6700

NB: Due to further land identification, the number in Phomolong was increased to (1654)

In addition to the 7000 sites, there was formalization that had to take place in Dichokoleteng as well as Rheederpark (840)

FINANCIAL IMPLICATIONS

The process usually requires overtime authorization due to staff limitations as well as to cater for some occupants who are only available during weekends and after hours.

WARD/AREA	TIME FRAME	ROLE PLAYERS
Dichokoleteng/Ward 16	13 Sep - 24 September	1.Finance dept: payment of admin fee 2.infra: showing of pegs 3.HS: issues allocation letter/card
K10 Kutloanong/ward 22	25 Oct – 25 th November	1.Finance dept: payment of admin fee 2.Infra: showing of pegs 3.HS: issues allocation letter/card
Phomolong/Ward 3	8 Nov - 18 November	1.Finance dept: payment of admin fee 2.Infra: showing of pegs 3.HS: issues allocation letter/card
Mmahabane/Ward 1 Bronville/Ward 11	22 Nov – 3 December	1.Finance dept: payment of admin fee 2.Infra: showing of pegs 3.HS: issues allocation letter/card
Ventersburg/Ward 1 (Racial Integration Project)	5 Dec – 15 December	1.Finance Dept: payment of admin fee 2.Infra: showing of pegs 3.HS: issues allocation letter/card
Rheederspark/ ward 34	15 th Jan- 15 th February 2018	Finance: payment of admin fee HS: Income verification and allocation card

Phokeng/Ward	15 th January -15 th February 2018	1.Finance dept: payment of admin fee 2.Infra: showing of pegs 3.HS: issues allocation letter/card
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SUBSEQUENTLY THE ALLOCATION PROGRAMME WAS DEVELOPED AND IMPLEMENTED AS FOLLOWS:

NB: In all areas, the first step is to hold a stakeholder meeting with the affected ward councillors in order to clarify roles.

No new erven were created in Meloding due to the absence of land suitable for integrated human settlements. In Nyakallong, the original number of 300 erven had to be reduced

FOR BOTH AREAS, A TABLE DEPICTING THE STATUS AND RECOMMENDATIONS

AREA	REALITY	CURRENT STATUS	RECOMMENDATIONS
MELODING (3200)	There were no newly –created sites due to unavailability of land at the time of business plan submission	Land Assembly in consideration by HDA)	Re-negotiate with HDA in line with the Spatial Transformation Plan (re-settlements) Close process monitoring in line with distressed mining towns approach
NYAKALLONG (2500)	The original creation of 500 sites could not proceed informed by the unsuitable condition of the land earmarked. Subsequently a new area had to be identified though it could only yield a total of 100 residential sites.	Possible land identified (farm Zoetspruit 439) Discussion meeting took place between the administration, Provincial Department as well as ward councillors	Investigation of the identified land-preliminary studies

The table below illustrated progress made this far, progress as well as proposed solutions

UNIT/WARD	TOTAL No OF SITES PLANNED	NUMBER VERIFIED	NUMBER ALLOCATED	NUMBER OF OCCUPANTS WHO PAID R250 ADMIN FEE	CHALLENGES	PROPOSED SOLUTIONS
Dichokoleteng	1365	1033	822	919	-Confusion of the lists and manipulation of R500 receipts. -Allegations of sites being illegally sold -Illegal land invasion disrupted the allocation process	Eviction processes to be invoked by Legal Services Department
Kutlwanong	2900	920	564	584	-Land occupied by foreigners who do not qualify - An increase in the number of youths who want to own sites	-Consumer education as well as partnership with the Home Affairs Department. - Consumer Education with the aim of allocating them last if they qualify
Rheederspark	840	840	727	N/A	Income verification process disrupted by some illegal occupants	Process will commence on a future planned date
Mmamahabane	500	449	N/A	N/A		Process will commence on a future planned date

IN CONCLUSION

That the beneficiary/occupants verification process used in the title deed distribution programme be utilised in the site allocation program as well. In each ward, ward councillors will be given lists from the administration, then they will verify with the ward committee members and CDW's, then allocation will take place.

FURTHER DISCUSSION

A meeting was later held with Kutlwanong Ward councillors on 14 November 2017 after the Chair of Chairs meeting and the undermentioned table depicts what was discussed and resolved

ACTION ALLOCATION PLAN : TARGET AREA KUTLWANONG K10

Total no of sites	Total no of beneficiar ies verified	No of sites allocated	Target date	Challenges	Remedial Action	Resolutions
2900	1128	579	11 Dec 2017	<ul style="list-style-type: none"> A number of shacks is occupied by youth born from 1990-1999. Parents are deceased and child headed family is a great concern. 	Meeting to be conducted with the youth and that they be interviewed before allocation can be done in order to ascertain if they are not residing with their parents , but only	<ul style="list-style-type: none"> That only child headed families (from 1990) should be allocated sites and the rest will be dealt with when the aged have been assisted. That ward 22 Councillor convene a meeting and explain to the community that unoccupied shacks will not be tolerated and notices

Total no of sites	Total no of beneficiaries verified	No of sites allocated	Target date	Challenges	Remedial Action	Resolutions
				<ul style="list-style-type: none"> 195 list of beneficiaries (Council approved list) from Kutlwanong to be submitted by ward Cllrs still outstanding. 	<p>constructed shacks on pegged sites.</p> <p>Lists to be submitted by Friday 17 November 2017 and that it be verified on HSS and deeds search from 20 November 2017.</p>	<p>sent per shack giving them seven days to remove them otherwise they will be forcefully removed by the municipality</p> <ul style="list-style-type: none"> That approved waiting list (195) for all wards in Kutlwanong be obtained from the responsible official and be verified on HSS and Deeds search for allocation purpose on the green field. That people who are occupying a previously bought site next to Kutlwanong stadium (±5 shacks) be relocated to the green field.

SUBMITTED FOR INFORMATION

EM128/2017

PROGRESS REPORT OF THE MUNICIPAL PLANNING TRIBUNAL (AED: LED P and H/S) (1/1/38)**PURPOSE**

The purpose of the item is to provide a progress report to Executive Management on the functioning and decisions taken on applications by the Municipal Planning Tribunal.

BACKGROUND

On the 13 December 2016, the Speaker submitted an item to Council on the appointment of the members for the Municipal Planning Tribunal in terms of the Spatial Planning and Land Use Management Act, No. 16 of 2013. Pursuant to the presentation, the Council resolved as follows:

“COUNCIL RESOLVED: (30 JUNE 2015)

1. That Council **APPOINTS** the following members to constitute the Municipal Planning Tribunal:
 - 1.1 Mr T.J.A. Mongake : Chairperson
 - 1.2 Ms N.M. Mbhele : Deputy Chairperson
 - 1.3 Ms M.R. Nkhasi : Member
 - 1.4 Mr M. Radiopane : Member
 - 1.5 Mr K.P. van der Walt : Member
 - 1.6 Ms V.A. Mashiyane : Member
2. That the Office of the Speaker **MUST DEVELOP** Terms of Reference including their seating allowance and present it at the next Council meeting.”

COUNCIL RESOLVED: (01 SEPTEMBER 2015)

1. That Council **APPOINTS** the Director for LED, Mr. X Msweli, the Director for Infrastructure, Mrs. HB Tlhabani and Mr. Koos Duvenage as members of the Municipal Planning Tribunal in their capacity as officials in the full-time service of the Municipality in terms of Regulation 36(1) (a) of the Spatial Planning and Land Use Management Act.
2. That the seating allowance for members of the Municipal Planning Tribunal **BE IN LINE** with National Treasury Regulations which is applicable to members of the Audit Committee.
3. That the seating allowance **BE PAID** to only those members that are not in full-time employment of the Council.
4. That the travelling allowance for members of the Municipal Planning Tribunal **BE IN LINE** with the tariffs for the use of transport issued by the Department of Transport.
5. That Council **RESERVES THE RIGHT** to change individuals that are appointed in the said Tribunal.

6. That Budget Adjustment **BE MADE** for their remuneration.

COUNCIL RESOLVED: (13 DECEMBER 2016)

- 1 That Council **AUTHORISES** the Municipal Manager to advertise for the filling of vacancies on the Matjhabeng Municipal Planning Tribunal created by the resignation and withdrawal of certain members.
- 2 That Council **APPOINTS** Mr B. Molelekoa and Mr F Nieuwoudt as alternate member to serve on the Municipal Planning Tribunal as an official representing the Matjhabeng Municipality in the Tribunal.
3. That the total membership of the Tribunal **BE CHANGED** from nine (9) to seven (7) consisting of four (4) outside members and three (3) officials.
4. That Council **APPOINTS** Ms. M.R. Nkhasi as the Deputy Chairperson of the Matjhabeng Municipal Planning Tribunal.
1. That Council **AUTHORISES** the Speaker to constitute the panel for appointment of additional members of the Matjhabeng Municipal Planning Tribunal.

That the appointments of the Municipal Planning Tribunal should **BE FINALIZED** by the end of January 2017.

DISCUSSION

The Municipality has already adopted the Spatial Planning and Land Use Management by-law. The Municipal Planning Tribunal conducted six (6) meetings so far. It is important to mention that Mr. X. Msweli is no longer Executive Director: LED, Planning and Human Settlements nor part of the Matjhabeng Municipal Planning Tribunal as his employment contract ended on the 31st January 2017, Mr. Koos Duvenage who was the Manager Spatial Planning: Development Control has retired from the municipality and from the MPT as well. Ms. N.M Mbhele who was appointed a deputy chairperson of the MPT has resigned from the MPT as well.

Therefore, the current situation is that an advert was placed in the Matjhabeng local newspaper inviting interested persons to apply for the vacant position in the Municipal Planning Tribunal. The advert closed on the 10th of March 2017 and no applications were received as a result of the fact that this advert could not be placed in the Provincial Gazette. This means that a re-advertisement was made through the Provincial Gazette and only two applications were received. A report was prepared and served the Section 80 Committee on the 14th September 2017 and will serve MAYCO and COUNCIL in order to appoint an additional member on the Municipal Planning Tribunal. It is important to make mention that the Municipal Planning Tribunal must be introduced to the EXCO and also be provided with support by the municipality.

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 or finalized. For the division to function effectively there is a dire need to employ more competent staff, adjust the 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 land use applications approvals. 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.

*** Minutes of the Municipal Planning Tribunal meetings held on 19 May 2016, 27 June 2016, 17 August 2016, 8 March 2017 and 8 August 2017 is ***attached on page 88/216 to 151/216 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.

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.

RECOMMENDATION

1. That Executive Management takes note of the Minutes of the Municipal Planning Tribunal meetings held on 19 May 2016, 27 June 2016, 17 August 2016, 8 March 2017 and 8 August 2017.
2. That Executive Management urgently capacitates the Spatial Planning Division with more competent staff, absorbs the volunteer interns on a permanent or contract positions as they are currently not getting paid.
3. That Executive Management aligns the remuneration packages of all the Spatial Planning Division employees as per the SPLUMA legislation.

EM129/2017

**REPORT ON REVENUE COLLECTION OF DELPORTS RUST 96RD
COMMONAGE FARM SITUATED IN THE DISTRICT OF WELKOM (ACT ED:
LED P AND H/S) (8/3/3/5)**

PURPOSE

The purpose of the report is to inform the Mayoral Committee/EXCO about the revenue collection (Commonage Farm Delports Rust 96 RD), situated in the district of Welkom (Free State)

BACKGROUND

Lease agreement documents dated 17th February 2017 were handed to the Commonage Committee of Municipal Commonage Farm Delports Rust 96RD.

See lease agreement on *pages 153/216 to 162/216 page of the annexures.*

Letter of intention for eviction from Municipal Commonage Farm Delports Rust 96 RD Dated 28/06/2017 were drafted and send to the individual farmers with the aim of revenue collection.

See attached letter of notice to evict on *pages 151/216 to page 152/216 of annexures.*

DISCUSSION

The 51 farmers were given letters and only 22 farmers paid for 2016- 2017.

The project is benefiting the Municipality on the following:

- Creation of more job opportunities for young people to reduce high level of unemployment around the Municipality.
- Sustainable income for the beneficiary
- Collection of revenue for the Municipality

POLICY POSITION

Commonage Policy

LEGAL IMPLICATIONS

Lease Agreements entered into between the Municipality and the 51 Commonage farmers. Anticipation of another audit query with regard to non-collection of revenue and failure to take drastic measure to these who default.

FINANCIAL IMPLICATIONS

The revenue that was supposed to be collected is R70 686 but only R15 354 was collected.

RECOMMENDATION

1. Cancellation of rental agreements
2. The process to remove the livestock be implemented immediately

EM130/2017

REQUEST TO ALIENATION SITE No: 5735 RIEBEECKSTAD (SENIOR MANAGER: AED: LED, PLANNING AND HUMAN SETTLEMENTS)

PURPOSE

To present before EXCO, a request to alienate site 5735 measuring 1899m² for educational purposes.

BACKGROUND AND DISCUSSION

Koppie Allen Primary school submitted an application to purchase site 5735 Riebeeckstad to utilize it for educational purposes. This is necessitated by the growing number of new learners especially during the beginning of the year.

During the discussion with the school principal, it came out that they would like to be assisted with the site in order to put up temporary containers which they have already secured while the processes of final acquisition are being embarked upon.

Attached on pages ## of the annexures are the following

- Letter of application from Koppie Alleen Primary School
- Locality Plans
- Valuation certificate from the Valuation section

POLICY AND LEGISLATIVE FRAMEWORK

- The Constitution of the Republic of South Africa
- MFMA
- Supply Chain and Management Policy
- South African Schools Act (SASA)
- Matjhabeng approved Policy on the Alienation of Immovable Assets

COMMENTS FROM OTHER DEPARTMENTS

INFRASTRUCTURE

Comments from Infrastructure were not yet requested at the time of compilation of this item due to time limitations and they will be obtained before submission to MAYCO

SPATIAL PLANNING

The site is zoned for Educational purposes and can therefore be utilized for a school

VALUATION SECTION

Attached on **page 163/216 of Annexure** is valuation certificate.

FINANCIAL IMPLICATIONS

The will be revenue derived from the consumption of services and subsequently from rates and taxes when the site is disposed.

LEGAL IMPLICATIONS AND POLICY IMPLICATIONS

Council as the owner of land has the prerogative to sell land to the individuals and organizations it feels are for community good in accordance with:

- **Municipal Finance Management Act (MFMA), which reads as follows:**
- **“Disposal of Capital Asset**
 - 1) A Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of capital asset needed to provide the minimum level of basic Municipal services
 - 2) A Municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in sub- section (1) but only after the Municipal Council, in a meeting open to public
 - (a) has decided on reasonable ground that the asset is not needed to provide the minimum level of basic municipal services: and
 - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange of the asset.”
- **Approved Supply Chain Management Preferential Procurement Policy which reads as follows:**
 - 6.4. The Council reserves the power to decide on the transfer of ownership or otherwise of the disposal of a capital asset that is not needed to provide a minimum level of basic municipal services.
 - 6.5. The power to decide on the transfer of ownership or otherwise of the disposal of a movable capital asset below the value of R 1,000,000 that is not needed to provide a minimum level of basic municipal services is delegated to the Municipal Manager.

CONCLUSION

The requested erf is not required for the provision of municipal services as such can be disposed of accordingly.

RECOMMENDATION

1. That the council approves the disposal of erf Riebeeckstad as it is not required for the provision of municipal services.
2. That the Municipal Manager **BE AUTHORIZED** to dispose of same in compliance with the relevant legislative framework
3. That upon conclusion of the process the Municipal Manager submits the report to Council for noting.

EM131/2017

PROGRESS REPORT: ALIENATION OF RESIDENTIAL ERVEN IN TERMS OF RESOLUTION A106/2016 AED: LED, PLANNING AND HS) (8/B)

PURPOSE OF REPORT

The purpose of the report is to depict the progress to date with the alienation of residential erven that were advertised in the press in accordance with Resolution A106/2016.

BACKGROUND AND DISCUSSION

COUNCIL RESOLVED: (13 DECEMBER 2016)

1. That Council **RESOLVES** that Erven mentioned on the item and also depicted in table below are not needed to provide future minimum basic municipal services.
2. That Council **NOTES** the Valuation Report for the each Property.
3. That Council **RESOLVES**, in compliance to Section 14 (5) of the MFMA, that the property be disposed of at the market value in a fair, equitable, transparent, competitive manner and in accordance with Council's Supply Chain Management Policy and Policy on the Alienation of Immovable Assets.
4. That Council **RESOLVES** that the Municipal Manager, in compliance with Section 6.20 of the SCM Policy and Policy on the Alienation of Immovable Assets, shall submit a report concerning the outcome of the bidding process to Council.
5. That the request made by Sylvania Spar for a piece of land to extend their business **BE TAKEN INTO CONSIDERATION**.

The advert was placed on the local and national newspapers for a period from the 1st February 2017 and closed on the 24th March 2017 and after a lengthy process of recording and screening, technical reports were compiled.

Interested applicants were provided with a prospectus for each property which provides information of all aspects of the property (zoning, permissible development rights, municipal services etc.)

*** *Attached on pages 164/216 to page 165/216 of the agenda is a summarised report of sites advertised as well as income received*

Current status

The technical report was compiled and subsequently submitted to the evaluation committee. Thereafter the report was submitted to the Adjudication Committee that sat on the 8th June 2017.

All the application files were requested and submitted to the Municipal Manager's office.

Evaluation criteria

A preliminary assessment took place departmentally in accordance with the general principles as well as qualifying criteria that was stipulated on the advertisement.

POLICY/LEGISLATIVE POSITION

Regarding the marketing of Municipal owned land the following legislation must be taken into consideration:

- The Constitution of the Republic of South Africa (Act. No. 108 of 1996);
- of Land Act (Act No. 68 of 1981)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003);
- Municipal Supply Chain Management Policy Regulations (Act No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Matjhabeng: Policy on the Disposal of Immovable Assets
- Spatial Planning and Land Use Management Act 16/2013

FINANCIAL IMPLICATIONS:

The cost of advertising in the press as well as the guidelines for development for each of the portions must be taken into consideration. The direct income from the alienation of the land, municipal rates, the selling of municipal services and the economic spin-offs in terms of the creation of employment must be taken into consideration.

RECOMMENDATIONS

It is recommended that:

The EXCO notes progress with regard to the alienation of residential sites in terms of Resolution A106/2016.

EM132/2017

**SUBMISSION OF BACK TO BASICS MUNICIPAL MONTHLY REPORTS-
MONTHS ENDED AUGUST-OCTOBER 2017 FOR CONSIDERATION (EDSSS) ()**

PURPOSE

To submit the draft Back to Basics monthly reports for August to October 2017 for Executive Committee to consider.

BACKGROUND

A council meeting which sat on the 31st March 2015 approved implementation of the Back to Basics concept as introduced to municipalities during the Presidential Local Government Summit held in September 2014. The concept acknowledges the needs to implement a basket of services to save time and resources and thus improve service delivery.

The Department of Cooperative Governance and Traditional Affairs identified systemic challenges that impede service delivery and identified three groups of municipalities that provide a picture for local government in terms of levels of service delivery in all the 278 municipalities in South Africa. Among a number of systemic challenges included poor record of service delivery and service management functions such as fixing potholes, collecting refuse, maintain public places, fixing street lights, etc.

The outcome of the presidential local government summit was the convention of the provincial summits on the same matter. The provincial summit for the Free State province was convened for two days (31 October to 01 November 2014) where specific resolutions were taken for implementation of the back to basics concept at local government level.

A template for the population of municipal specific service delivery matters was developed and distributed to municipalities. The template as provided for populating requires information on Service Delivery, Putting People First, Good Governance, Sound Financial Management and Building capable local government institutions.

As a Municipality, we have been submitting this reports to national treasury. The draft reports for consideration relate to processes and events within August and October of the first quarter of the current financial year.

***** Attached find the report on pages 170/216 to page 179/216 of the annexures**

LEGAL IMPLICATIONS

Municipal Systems Act, Act 32 of 2000

S42: "Community involvement- A Municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4 must involve the local community in the development, implementation and review of the Municipality's performance management systems, and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the Municipality".

FINANCIAL IMPLICATION

Development of monthly reports do not require funding and are compiled internally. All programmes that form part of the Back to Basics are budgeted for in the 2017/2018 IDP and budget where funding is required.

RECOMMENDATIONS

1. That Executive Committee considers the three monthly draft reports on the back to basics programme for the Municipality.
2. That the three draft monthly reports be submitted to Section 80 Committee and then MAYCO for further consideration.

EM133/2017

SUBMISSION OF 1st QUARTER DRAFT NON-FINANCIAL PERFORMANCE REPORT TO EXCO FOR CONSIDERATION

PURPOSE

To submit a first quarter draft non-financial performance report to EXCO for consideration.

BACKGROUND

The draft non-financial report is based on the first quarter of the 2017/2018 financial year of a five year baseline IDP which was approved by council on the 31st May 2017. The Executive Mayor approved a Municipal SDBIP for 2017/2018 for Directorates to implement. Subsequent process was the signing of performance agreements by all Executive Directors with the Municipal Manager. The signed agreements have become implementation plans of Directorates and therefore the draft report contains progress on each of the signed performance agreements.

It is therefore the requirement of section 38(a) (iii) of the Municipal Systems Act of 2000 to provide a clear linkage between the integrated development plan and the performance management system of the municipality. In this case, it is therefore critical that we measure the extent to which the objectives as set out in the integrated development plan are being achieved.

***** Attached find the report on pages 180/216 to page 203/216 of the annexures**

The institutional framework for the performance management process expects the following to take place:

- That the Executive Mayor provides oversight that ensures that senior management gathers relevant and planned information throughout each reporting period and submit progress report on a quarterly basis; and
- That the internal audit function must audit and assess the accuracy of performance reports, the functionality of the performance management system.

LEGAL IMPLICATION

- Municipal Systems Act, Act 32 of 2000

Section 38- A municipality must:

(a) Establish a performance management system that is-

(iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan.

FINANCIAL IMPLICATION

Development of Municipal quarterly non-financial report did not require financial inputs as it was done internally.

RECOMMENDATIONS

1. That the Executive Committee considers the draft first quarterly non-financial performance report.
2. That the draft first quarter non-financial performance report be submitted to Section 80 and MAYCO for further for consideration.

EM134/2017

MONTHLY FINANCE REPORT – OCTOBER 2017 (ACFO)**PURPOSE**

To submit to the Executive Management Committee the Monthly Finance Report for October 2017 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 October 2017 is attached *on pages 204/216 to page 216/216 of the annexures.*

FINANCIAL IMPLICATIONS

TABLE 1	Actual For the Month (October 2017)	For Year to date (2017/2018)
All Grants Received	10 750 000	241 475 000
Actual Revenue Received	99 251 132	361 420 424
Actual Expenditure	110 980 585	576 007 207
Salaries	56 317 207	225 488 738
Water	10 000 000	83 859 649
Electricity	539 726	36 349 059
Other Expenditure	44 123 652	230 309 761
Sub-Total	-979 453	26 888 217
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	-979 453	26 888 217
MIG Payments	11 203 488	45 053 499
INEG Payments	-	882 659
WSIG Payments	-	2 198 641
Capital Assets procured - Equitable Share	440 717	880 128
Fleet & Equipment	27 300	27 300
Office convention/ Furniture	413 417	1 293 545
Net Surplus/(Deficit) after Capital payments	-12 623 658	

Table 1: The municipality had a deficit of R12 623 658 for the month of October after capital payments, This deficit indicates that the expenditure incurred is more than the revenue received for month.

TABLE 2	Actual For the Month (October 2017)	For Year to date (2017/2018)
Total Billings	144 791 022	619 124 854
Less: Indigent Billings	3 119 506	14 082 228
Actual Billings	141 671 516	605 042 626
Actual Revenue Received	97 618 661	342 233 344
Consumer Revenue	90 572 645	308 248 236
Other	7 046 016	33 985 108
Grants & Subsidies	-	241 475 000

Pay rate for October 2017 (Total Billings)	69%
Total income percentage - October 2017	70%
Total income percentage – YTD	60%

The pay rate for October 2017 was 57%

The total income percentage October 2017 was 58%.

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.

RECOMMENDATION

1. That the Finance Report for October 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, BE NOTED.
2. That the Finance Report for October 2017 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, BE SUBMITTED TO PROVINCIAL AND NATIONAL TREASURY.