

**MC1 of 2018**

**STATUS REPORT ON EMPLOYMENT EQUITY IN MATJHABENG LOCAL MUNICIPALITY (ED: CS) (5/6/2/8)**

**PURPOSE**

To provide a status report on Employment Equity in Matjhabeng Local Municipality.

**PROBLEM STATEMENT**

Matjhabeng Local Municipality is not complying with the Employment Equity Act as it has not been submitting the Employment Equity Plan in terms of the Act.

The Municipal Manager has appointed members to form part of the Employment Equity Committee, however this committee has not been able to sit.

A request has been submitted to the Department of Labour to come and assist Matjhabeng Local Municipality with the establishment and implementation of the Employment Equity Committee including ensuring compliance with the law to ensure submission of an Employment Equity Plan.

**WAY FORWARD**

Department of Labour will indicate when they will be able to come and conduct a workshop on Employment Equity in the Municipality which will capacitate the established Employment Equity Committee in executing its roles and responsibilities.

**SUBMITTED FOR INFORMATION**

**MC2 of 2018**

**STATUS REPORT ON TRANSFER OF LIBRARIES (ED: CSS) (5/3/2/11)**

**PURPOSE**

To provide a status report on the transfer of Libraries to the Provincial Department of Sports, Arts, and Culture & Recreation.

**BACKGROUND**

This matter has served before the Local Labour Forum and HR Sub- committee.

It appears that at the last instance, a list of employees which comprises, those who wish to be transferred to the Province, those who want to remain with Matjhabeng Local Municipality and those who are undecided was given to the Office of the Municipal Manager.

Not much was done with the list and the Union was requested to submit same to Human Resources.

**PERSONNEL IMPLICATIONS**

Currently a total of fifty (50) employees are involved; thirty (30) want to remain with the Municipality; eight (8) are prepared to be transferred to Province and twelve (12) are undecided.

**CURRENT STATUS**

The process of allocation of personnel in terms of their preferences is underway.

**SUBMITTED FOR INFORMATION**

**MC3 of 2018****MONTHLY FINANCE REPORT – JANUARY 2018 (CFO) (6/17/1)****PURPOSE**

To submit to the Mayoral Committee the Monthly Finance Report for January 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:

- Actual revenue per revenue source
- Actual borrowings
- Actual expenditure per vote
- Actual capital expenditure per vote
- The amount of any allocations received
- Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

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

After month end the ICT Department runs all the month end reports.

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.

The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.

The Costing Section provides the Budget Department with the employee related reports and the overtime per department.

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 January 2018 is attached on Separate Cover 1.

**FINANCIAL IMPLICATIONS**

<b>TABLE 1</b>	<b>Actual For the Month (January 2018)</b>	<b>For Year to date (2017/2018)</b>
All Grants Received	-	404 221 000
Actual Revenue Received	81 020 758	608 793 893
Actual Expenditure	104 538 267	1 000 787 862
Salaries	59 357 851	397 901 948
Water	15 000 000	158 859 649
Electricity	733 679	77 321 788
Other Expenditure	29 446 737	366 704 477
Sub-Total	-23 517 509	12 227 031
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	-23 517 509	12 227 031
MIG Payments	1 119 840	68 939 385
INEG Payments	-	882 659
WSIG Payments	-	2 198 641
Capital Assets procured - Equitable Share	13 011	2 611 131
Fleet & Equipment	-	27 300
Office convention/ Furniture	13 011	2 583 831
Net Surplus/(Deficit) after Capital payments	-24 650 360	

Table 1: The municipality had a deficit of R24 650 360 for the month of January 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 (January 2018)</b>	<b>For Year to date (2017/2018)</b>
Total Billings	147 028 476	1 038 752 960
Less: Indigent Billings	3 411 328	24 181 522
Actual Billings	143 617 148	1 014 571 438
Actual Revenue Received	79 821 276	585 309 702
Consumer Revenue	73 379 043	529 410 381
Other	6 442 233	55 899 321
Grants & Subsidies	-	404 221 000

Pay rate for January 2018 (Total Billings)	56%
Total income percentage - January 2018	56%
Total income percentage – YTD	60%

The pay rate for January 2018 was 56%

The total income percentage January 2018 was 56%.

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 January 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for January 2018 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to provincial and national treasury.

**MC4 of 2018****MONTHLY FINANCE REPORT – FEBRUARY 2018 (CFO) (6/17/1)****PURPOSE**

To submit to the Mayoral Committee the Monthly Finance Report for February 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 February 2018 is attached on Separate Cover 2.

**FINANCIAL IMPLICATIONS**

TABLE 1	Actual For the Month (February 2018)	For Year to date (2017/2018)
All Grants Received	-	404 221 000
Actual Revenue Received	83 634 432	692 428 325
Actual Expenditure	86 410 032	1 087 197 894
Salaries	57 615 918	455 517 866
Water	-	158 859 649
Electricity	3 304 586	80 626 374
Other Expenditure	25 489 528	392 194 005
Sub-Total	-2 775 600	9 451 431
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	-2 775 600	9 451 431
MIG Payments	3 413 348	72 352 733
INEG Payments	-	882 659
WSIG Payments	-	2 198 641
Capital Assets procured - Equitable Share	75 136	2 686 267
Fleet & Equipment	-	27 300
Office convention/ Furniture	75 136	2 658 967

Net Surplus/(Deficit) after Capital payments	-6 264 084	
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Table 1: The municipality had a deficit of R6 264 084 for the month of February after capital payments,

This deficit indicates that the expenditure incurred is more than the revenue received for month.

TABLE 2	Actual For the Month (February 2018)	For Year to date (2017/2018)
Total Billings	136 337 417	1 175 090 377
Less: Indigent Billings	3 484 625	27 666 147
Actual Billings	132 852 792	1 147 424 230
Actual Revenue Received	82 513 999	667 823 701
Consumer Revenue	72 403 687	601 814 068
Other	10 110 312	66 009 633
Grants & Subsidies	-	404 221 000

Pay rate for February 2018 (Total Billings)	62%
Total income percentage - February 2018	63%
Total income percentage – YTD	60%

The pay rate for February 2018 was 62%

The total income percentage February 2018 was 63%.

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



**MC5 of 2018**

**PROGRESS ON MUNICIPAL ACCREDITATION PROGRAMME (AED: LED,P&HS)  
(7/1/4/1)**

**PURPOSE**

To advise the Mayoral Committee about the progress in 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 28<sup>th</sup> 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 9<sup>th</sup> May 2017.

A progress report was submitted to council on the 31<sup>st</sup> May 2017

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

On the 29<sup>th</sup> June the department and Lekwa consulting had working session to finalize 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;  
Housing Sector Plan

Infrastructure Plan: water and sanitation, electricity, roads.

Risk Management Plan

Land use management strategy

Integrated Transport Management Plan

Economic Growth strategy or LED Plan.

Updated Spatial Development Framework

Subsequently a final meeting was convened on the 3<sup>rd</sup> 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 6<sup>th</sup> 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.

## **PROGRESS**

An item was later submitted to Council and it was resolved:

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

1. That Council **TAKES NOTE** of the progress report.
2. That the sector plans **BE SECURED** in line with the recommendations from Lekwa Consulting and Free State Provincial Government.
3. That the Provincial Department of Human Settlements **BE APPROACHED** for assistance with acquisition of Sector Plans.
4. That the Municipal Manager **MUST ENSURE** that the master plans are in place by the next Council meeting

## **FURTHER DISCUSSION**

In an endeavour to implement the absence of the compliance plans, Royal Haskoning DHV Consultants were appointed in order to develop the Sector Plans. The Task team consisting of Municipal officials from the affected Directorates are meeting regularly with the Consultants for the development of the Sector Plans.

The Consultants will assist with the development of:

Housing Sector Plan

Spatial Development Framework (SDF)

Land use management Plan; and

Water Services Development Plan

The draft Integrated Transport Management Plan for 2017 has been retrieved from Lejweleputswa District Municipality.

\*\*\* The inception report pertaining to above **is on Separate Cover 3.**

The report will be transmitted to the relevant department for information.

## **FINANCIAL IMPLICATIONS**

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

## **POLICY POSITION**

### **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

## **RECOMMENDATIONS**

1. That Mayoral Committee take note of the progress report.
2. That the progress report be submitted to council for noting.

## MC6 of 2018

**THREE (3) YEAR ROLLING OUT SOLAR GEYSER INSTALLATION (SGI) INITIATIVE FOR RDP HOUSES IN THE MATJHABENG LOCAL MUNICIPAL (EDI) (19/3/3/2)****PURPOSE**

To submit to the Mayoral Committee the above mentioned Solar Geyser Installation Initiative for RDP Houses in the Matjhabeng Local Municipal.

**BACKGROUND**

The Mayoral Executive Committee resolved on 9<sup>th</sup> March 2017 as follows:

“a 5. That provision and installation of solar systems in Hani Park and Thabong should **BE MADE** in the IDP and budgeted”

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**Attached on page 1 to 2 of the annexures is the letter dated 6<sup>th</sup> July 2017** that was Address to Eskom to facilitate the rolling out of the proposed three (3) year rolling out Solar Geyser Installation (SGI) initiative for RDP houses in the Matjhabeng Local Municipality.

The areas in question in residing in the Eskom Licensed Distribution Area and will be required to apply for funding from the Department of Energy for the proposed project in conjunction with Housing Development Agency (**HDA**) which is the RDP Housing Implementation Authority in these areas.

The estimation cost implication for the provision and installation of the proposed 100 liter Solar Geyser installation on RDP Houses in all units of the MLM can be indicated as follows:

Cost Estimation Provision and Installation 100 Litre Solar Geyser installation on RDP Houses				
Item no.	Unit	Estimated number of RDP Houses	Estimated Cost implication per unit Excluding Vat	Total Excluding Vat
1	Nayakalong	3338	R 18 970.00	R 63 321 860.00
2	Bronville	1676	R 18 970.00	R 31 793 720.00
3	Kutlwanoong	8448	R 18 970.00	R 160 258 560.00
4	Meloding	6932	R 18 970.00	R 131 500 040.00
5	MMamahabane	1716	R 18 970.00	R 32 552 520.00
6	Phomlong	3283	R 18 970.00	R 62 278 510.00
7	Thabong	17979	R 18 970.00	R 341 061 630.00
8	Whites	55	R 18 970.00	R 1 043 350.00
	Subtotal			R 823 810 190.00
	15% Handling Cost			R 123 571 528.50
	14% Vat			R 132 633

				440.59
	Total			R 1 080 015 159.09

Cognizance needs to be taken that all RDP House Roof and Building Structures needs to be verified by a Structural Engineer as adequate so to handle the additional load that will be introduced by the Solar Geysers

## **POLICY POSITION**

Eskom in conjunction with HDA has an obligation to provide and install proposed Solar Geyser Installation Infrastructures in these areas of the Matjhabeng Municipal Jurisdiction in terms of the following legislation:

- SANS streetlight regulation and standards.
- Health and Safety Act 95/93
- SANS 10142 regulations
- Municipal Finance Management Act (MFMA) no.56 of 2003.
- NRS 047 & 047
- Building Regulation
- DORA Financial Regulations.
- Eskom Regulations
- NERSA Licensing Requirements.
- DOE DSM Project Requirements

## **FINANCIAL IMPLICATIONS**

The estimated cost implication to provide and install the proposed geyser installation in all RDP Houses in Matjhabeng Local Municipality will amount to R1.08 Billion Including Vat.

In the case where funding cannot be made be available by the DOE the HDA needs to make the necessary funding available for the required SGI.

## **RECOMMENDATIONS**

1. That Eskom and HDA be requested by the Matjhabeng Local Municipality to roll out a three (3) year implementation plan for the provision and installation of Solar Geyser on all RDP houses in the Matjhabeng Local Municipality.
2. That Eskom and HDA be authorized by the Matjhabeng Local Municipality to apply to the DOE for the required funding to roll out the three (3) year implementation plan for the provision and installation Solar Geyser on all RDP houses in the Matjhabeng Local Municipality.
3. That Eskom and HDA be instructed by the Matjhabeng Local Municipality to provide and install Solar Geyser on all future constructed RDP houses in the Matjhabeng Local Municipality.
4. That the LED Department place the proposed three (3) year implementation plan for the provision and installation of Solar Geyser on all RDP houses in the Matjhabeng Local Municipality on the IDP.

MC7 of 2018

**REPORT ABOUT HARMONY GOLDMINE'S INTENTION TO DONATE THE REMAINING EXTENT OF THE FARM, MEALIE BUILT NO.49 TO THE MUNICIPALITY (AED: LED, P&HS) (6/4/2/2)**

**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 Pablong 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 Pablong Village ) to the municipality 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 Pablong 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 formalised.

\*\*\* Copies of the correspondence between harmony and the Municipality is attached on page 3 to 4 of the Annexures.

**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 Pablong Village) by Harmony Gold Mine.
3. The Municipal Manager to obtain the Maps of the entire area and structural plans (underground Infrastructure) from Harmony.
4. The Municipal Manager be mandated to finalize the transfer of the land to the municipality.

5. The Municipal Manager to proceed to install temporary water taps, electricity and sanitary facilities.

**MC8 of 2018**

**SKILLS AUDIT: MATJHABENG LOCAL MUNICIPALITY (ED: CSS) (5/6/2/8)**

**PURPOSE**

To submit findings to the Mayoral Committee in respect of a Skills Audit done within the Matjhabeng Municipality. The purpose of the report is to provide a profile of competencies as reflected in qualifications, work experience and skills levels of job incumbents in order to inform a human resource development and organisational strategy.

**BACKGROUND**

As a compliance matter, skills audits have to be undertaken frequently for competency profiling, training needs identification and to assist employees in terms of skills development interventions, talent retention, career pathing and succession planning.

**OBJECTIVES**

The main aim of the audit was to develop a profile of the human resource component of the Matjhabeng Municipality. The report provide the following:

- A demographic profile of the employees which includes an analysis of the gender composition, age, occupational category, job levels and recommendations concerning upgrading of capacity within the work force.
- A competency profile in terms of current educational and skills levels.

\*\*\* The combined Skills Audit is **attached under Separate Cover 4.**

**LEGISLATIVE FRAMEWORK**

Section 68 of the Local Government Municipal Systems Act 32 of 2002 places an obligation on a municipality to develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way.

The Skills Development Act (97 of 1998) aims at providing an institutional framework for the development and implementation of national, sector and workplace strategies to develop and enhance the skills of the South African workforce. This Act should be read together with the Skills Development Levies Act of 1999 which regulates the imposition of skills development levies and the disbursement of skills grants by Sector Education and Training Authorities.

**SUBMITTED FOR NOTIFICATION**