

No. 09

MINUTES

OF

eThekwini Council

Minutes of proceedings of the Meeting of the eThekwini Council held
at the City Hall Main Auditorium, Church Walk, Durban
on Tuesday, 2017-01-31T12:00

PRESENT : Councillors WL Mapena (Speaker), ZRT Gumede (Mayor), F Peer (Deputy Mayor), MF Adam, MA Ally, J Annipen, SV Asbury, A Beetge, S Bhanprakash, MPN Bhengu, MC Bhengu, NC Biyela, T Biyela, M Brauteseth, S Brijmohan, WJD Burne, SS Butelezi, VP Caluza, H Cele, NT Cele, J Chetty, BA Chili, TJT Cibane, R Cloete, TP Collins, M David, HU De Boer, GT De Lange, MAK Dladla, CB Dlamini, JA Dlamini, SBDlamini, SR Dlamini, MP Dlomo, BA Fortein, VE Gebashe, HD Goge, R Gokool, G Govender, S Govender, Y Govender, NL Graham, PJC Graham, BR Gumede, NC Gumede, NP Gumede, TR Gumede, ZD Gushu, MS Gwala, MH Haniff, GJ Hegter, NP Hlomuka, RC Hlophe, NB Hoosman, NB Iyir, JA Johnson, M Johnson, SA Kaunda, DM Khanyile, ES Khanyile, KNN Khubone, JS Khuboni, PZ Khumalo, HL Khubisa, NL Khuzwayo, S Khuzwayo, ZW Khuzwayo, SNC Khwela, CJ Laing, CB Langa, P Luthuli, TJ Luthuli, TN Mabanga, MT Mabaso, NI Madlala, B Majola, TG Makhanya, ZP Makhanya, NZ Maluleka, MW Manqele, SD Maphumulo, PM Mbambo, V Mbanjwa, SM Mdlalose, FW Mdletshe, LM Meyer, P Mfeka, TP Mfusi, K Mhlaba, GN Mhlongo, SE Mhlongo, MB Mjadu, AZ Mkhize, BA Mkhize, HGB Mkhize, MM Mkhize, MP Mkhize, S Mkhize, SM Mkhize, SM Mkhwanazi, PS Mncube, ZM Mncwango, E Mngadi, SB Mngadi, SV Mngadi, LC Mnguni, NE Mnguni, BV Mngwengwe, LN Mngwengwe, SR Moodley, S Moonsamy, B Mpanza, SB Mpanza, SNL Mshengu, B Msomi, LG Mthembu, M Mthembu, MGF Mthembu, MM Mthembu, NE Mthembu, ON Mthembu, TM Mthethwa, TT Mthiyane, N Munien, AB Mvubu, RM Mzobe, J Naidoo, M Nair, X Nala, PL Ncayiyana, BP Ndlela, AB Ndlovu, PB Ndlovu, MK Ndzimbomvu, ZS Ndzoyiya, AS Ngcobo, S Ngema, BS Ngiba, MM Ngiba, TT Ngubane, SJM Nhlapho, MS Nkosi, M Nojiyeza, DR Nowbuth, GM Noyce, B Ntshangase, PC Ntshangase, SC Ntshangase, BT Ntuli, PB Ntuli, PH Nxumalo, NP Nxumalo, W Nyaba, NN Nyanisa, MS Nyawose, TT Nzuza, CJ Pappas, BW Phewa, JP Phewa, TK Phohlo, B Phungula, D Pillay, DR Pillay, KR Pllay, P Pillay, JP Prinsloo, GDA Pullan, BR Qhantsi, MD Qwabe, A Ramkissoo, A Rampersad, S Ryley, S Sewshankar, AN Shabalala, B Shabane, MG Shange, SG Shange-Dlamini, MT Shelembe, ES Shezi, MC Shezi, VH Shezi, BP Shozi, DM Shozi, HP Shozi, M Sibisi, N Sibiyi, PN Sikhosana, B Singh, EL Singh, Sagar Singh, Samier Singh, PS Sishange, NI Sithole, AD Snyman, ZR Sokhabase, M Tembe, JB Thabethe, S Thango, WM Thring, JC Van den Berg, C Xesibe, MC Xulu, TV Xulu, NY Young, BM Zulu, GB Zulu, MBR Zuma, TM Zuma, TG Zungu and MH Zwane.

ABSENT : Councillors I Cassimjee (On leave), RJ Crouch (On leave – Municipal Business), AN Dlamini (On leave – Indisposed), S Hoosen (On leave), A Maharajh (On leave), AM Mbele (On leave – Indisposed), RD Macpherson (On leave – Indisposed), BD Naidoo, SM Windvogel (On leave).

AMAKHOSI

PRESENT : Inkosi TF Gwala, Inkosi NM Hlengwa, Inkosi NC Maphumulo, KT Mkhize, Inkosi S Mlaba, Inkosi MJ Ngcobo and JP Shangase.

AMAKHOSI

ABSENT : Inkosi BF Bhengu, Inkosi VR Cele, Inkosi PP Luthuli (On leave), Inkosi KS Makhanya, Inkosi DZ Mkhize (On leave), Inkosi LD Mkhize (On leave), Inkosi TBE Mkhize, Inkosi RF Mthembu, Inkosi MB Ngcobo and Inkosi EB Shoji (On leave).

OFFICIALS

PRESENT : Messrs/Mesdames DP Nene (Acting City Manager), M Mhlongo (Deputy Head: Litigation, Legal Services and Compliance), BM Mhlongo (Deputy Head: Office of the Speaker), KR Ramsunder (Chief Committee Officer) and J Sigamoney (Principal Committee Officer).

(At the commencement of the meeting 196 Councillors were present, comprising ANC – 116, DA - 51, IFP - 9, EFF - 7, INDEPENDENT - 3, AIC - 3, ACDP – 1, MF - 1, DLC - 1, TA- 1, MOSA – 1, APC - 1 and AL JAMA-AH - 1)

1. NOTICE CONVENING THE MEETING

The Acting City Manager read the Notice convening the meeting as per the statutory requirement.

2. OPENING

The Speaker declared the meeting open and thereafter extended a warm welcome to the Mayor, Deputy Mayor, Chief Whip; Members of the Executive Committee; Honourable Councillors, Acting City Manager; Deputy City Managers present, the representative from Legal Services and Compliance, Media; Distinguished Guests and Members of the Administration to this first meeting of 2017.

He advised of a presentation that was going to be made to Council on the Annual Report of the Municipality and in that regard welcomed Mr P Stamper (Acting Business Executive) and his team from the Office of the Auditor-General and Mr. M Zulu, the former Municipal Manager of the erstwhile Vulamehlo Municipality.

3. AFRICAN UNION AND NATIONAL ANTHEM

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

4. OPPORTUNITY FOR PRAYER/MEDITATION

The Speaker requested the Council to pray for peace and tolerance and remember those who had passed on.

5. PRESENTATION ON THE ANNUAL REPORT

In presenting the audit outcome at the Full Council meeting, Mr. Stamper (Acting Business Executive) thanked Her Worship the Mayor and Councillors for affording him the opportunity to submit the findings of the Municipality's annual report, as attached hereto, marked Annexure A. Making reference to the constitution he advised that the Auditor-General of South Africa was mandated in terms of the Supreme Audit Institution (SAI) of South Africa to strengthen the Country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

He expounded on the focus of the audit advising that financial statements were audited to determine that the information presented was fair and reliable whilst annual performance reports were audited to determine whether the reported information was reliable and credible. Audits were also undertaken to determine whether key legislation on performance management had been complied with.

Mr. Stamper spoke on the various categories of audit outcomes drawing comparisons in respect of the following and elaborating thereon:-

- Unqualified opinion with no findings (clean audit)
- Unqualified opinion with findings
- Adverse and disclaimed options

He cited loopholes in internal controls that had contributed to eThekweni Municipality having gone from a clean audit for the previous financial year to an unqualified audit for the 2015/16 Financial year. He mentioned that among the issues flagged were, inter-alia, material water losses, debt impairments and irregular expenditure. In respect of water losses it was noted that 132,51 million kilolitres resulted in revenue losses of R710,90 million as a consequence of illegal connections and deteriorating infrastructure.

In terms of bad debts it was noted that the Municipality allowed for a provision for bad debts in the amount of R3,01 billion on consumer debtors, as the recovery of these amounts was doubtful. With regard to irregular expenditure, he advised that that had decreased from the last financial audit. However, it was noted that reasonable steps had not been taken to prevent irregular expenditure as required in terms of Section 62(1)(d) of the Municipal Finance Management Act.

Mr. Stamper also spoke on significant uncertainties in that a number of legal claims that had been lodged against the Municipality and the ultimate outcome of such claims was not determinable at year end with no provision for any liability that might result being made on the financial statements. He outlined the evaluation of key controls in respect of the dashboard, namely; leadership, financial and performance management and governance. He highlighted commitments by both Her Worship the Mayor and Accounting Officer to address audit findings and provided resolutions that could be addressed to achieve clean audits.

He concluded by briefly summarising audit outcomes for the former Vulamehlo Municipality.

Responding to a question on poor governance issues he pointed out that non-compliance and poor running of the Municipality could destroy the City, hence Councillors should create a mechanism on how to address such issues.

In thanking Mr Stamper for his presentation, Her Worship the Mayor committed to ensuring that Officials adhere strictly to the rules when handling finances and avoid the danger of irregular expenditure, address water losses/legal claims and intensify Masakhane campaigns.

6. OFFICIAL ANNOUNCEMENTS

The Speaker dealt with items 5 and 6 of the Order of Procedure, relative to official announcements and his report, concurrently. In initiating his announcements, the Speaker advised that the City was saddened that a fatal accident between a taxi and a bus had occurred on the first day of school in the Ntuzuma area where five school children had lost their lives. In that regard he extended condolences to the families of the late children and expressed appreciation to Councillors and Officials who attended the funerals. The Speaker also extended condolences to the family and fans of the late Gospel Singer, Mr. Lundi Tyamara, who passed away on 27 January 2017 due to illness.

The Speaker congratulated the City of eThekweni on the hosting of a successful festive season. He advised that the Festive Season Management Committee (FESMAC) had been in operation throughout the festive season and residents and visitors had enjoyed the City's amenities.

Once again, the Speaker congratulated the City of eThekweni for being awarded a Certificate of Recognition for the best Quality Local Economic Development in the Province 2016/17 (In line with the IDP Credibility Assessment Criteria) by Provincial COGTA.

The City also received a Certificate of Recognition for remaining amongst the top IDP Achievers in the Province over the following nine consecutive years:

2008/2009, 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017.

The Speaker mentioned that Councillors would receive a presentation from the South African Revenue Services (SARS) on matters pertaining to tax implications versus their allowances. The presentation would be held in February 2017 and a date, time and venue would be communicated in due course.

In his report, the Speaker advised that all Ward Committee Members that had been elected on 20 and 27 November 2016, were currently being subjected to a verification process to confirm whether they were not employed by the Municipality and were not in arrears in respect of Municipal services. The said process was being undertaken in terms of the Rules regulating the establishment and operation of Ward Committees. Once the verification process had been completed the elected members

would have to be registered with the Municipality to enable the payment of their out of pocket expenses. Such registration would be held over a 6 day period.

Further, and concurrent to the verification process, all objections raised in respect of such elections were being considered.

Thereafter, an inauguration ceremony for all Members who had qualified would be held on a day to be confirmed in March 2017. The Inauguration would be followed by an Induction programme which would be held over two days, and was also being proposed to be held in March 2017.

The Speaker reminded Council that five Wards, viz Wards 12; 23; 43; 75 and 95 had not as yet established Ward Committees. It was proposed that the election for the said outstanding Wards would be held on Sunday, 19 February 2017.

In respect of the determination of upper limits of salaries, allowances and benefits of different members of Municipal Councils, the Speaker advised that Council would consider a report today thereon. In that regard he advised that, if adopted, only Chairpersons of the Section 79 Committees and "Ordinary Part Time Councillors" would receive an increase of 4% whilst other Councillors would not receive any increases.

In respect of Motor vehicle allowance, the Speaker mentioned that a Councillor still had the discretion to structure his/her allowance to provide for a motor vehicle allowance. The 25 % limitation that had previously existed no longer applied. However, should a Councillor elect to include a motor vehicle allowance in the salary structure, he/she could only use a council vehicle in line with an approved council policy.

In respect of the Pension Fund contributions the Speaker advised that all Councillors were now obliged to belong to a Pension Fund registered in terms of the Pension Fund Act.

The Speaker touched on the status of Councillor offices and stationery. He indicated that all requests for offices had been considered. Most Councillors that had requested offices from Council buildings have been allocated office space. However, challenges were being experienced with office requests from privately owned buildings, where lease agreements needed to be concluded by the Real Estate Unit. The challenges varied from Landlords not meeting the requirements, such as being on Council database and rental costs that were above the going market rates; etc. These challenges had caused unnecessary delays with the finalisation of lease agreements. However, the Real Estate Unit had been urged to finalise the lease agreements as soon as possible.

With regard to stationery, the Speaker indicated that Councillors would be advised in due course when to collect same.

In concluding his report, the Speaker urged Councillors to comply in terms of Back to Basics and to hold monthly Community meetings and submit reports thereon to the Office of the Speaker.

7. APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED:

That the following Councillors and Amakhosi be granted leave of absence as indicated below:-

COUNCILLORS

Councillor MF Adam	:	Request to leave at 14:00
Councillor I Cassimjee	:	2017-01-31 (Personal Commitments)
Councillor RJ Crouch	:	2017-01-31 (Municipal Business)
Councillor AN Dlamini	:	2017-01-30 to 02-02 (Indisposed)
Councillor S Hoosen	:	2017-01-21 to 02-04 (Personal Commitments)
Councillor TN Mabanga	:	Request to leave at 15:00
Councillor RD Macpherson	:	2017-01-30 to 31 (Indisposed)
Councillor A Maharajh	:	2017-01-31 (Personal Commitments)
Councillor WL Mapena	:	Request to leave at 15:30
Councillor WL Mapena	:	2017-02-01 to 03 (Personal Commitments)
Councillor AM Mbhele	:	2017-01-30 to 02-02 (Indisposed)
Councillor J Naidoo	:	Request to leave at 14:00
Councillor MS Nkosi	:	Request to leave at 13:00
Councillor S Windvogel	:	2017-01-31 (Personal Commitments)

AMAKHOSI

Inkosi PP Luthuli	:	2017-01-31 (Personal Commitments)
Inkosi DZ Mkhize	:	2017-01-31 (Personal Commitments)
Inkosi LD Mkhize	:	2017-01-31 (Personal Commitments)
Inkosi EB Shozi	:	2017-01-31 (Personal Commitments)

8. CONFIRMATION OF MINUTES: Meeting held 2016-12-08, In-Committee meetings held on 2016-10-27, 2016-12-08 and 2016-12-22

RESOLVED:

That the minutes of the meeting of the Council held on 2016-12-08, and In Committee Meetings of the Council held on 2016-10-27, 12-08 and 22 as circulated and taken as read, be and they be hereby confirmed.

9. QUESTIONS IN TERMS OF SECTION 27 OF THE RULES OF ORDER

The following Questions in terms of Section 27 of the Rules of Order were submitted:-

9.1 Questions submitted by Councillor B Singh: Water Restrictions Against Waste Water Treatment (23/1/4):

With eThekweni experiencing major water shortages, water restrictions are a daily norm to many households.

It is on this background, I pose the following questions:-

1. **Does eThekweni Water use Purified Waste Water for Human Consumption?**
2. **Is waste water being treated at the Northern and Southern Works sewage plants?**
3. **Has eThekweni met the requirement that is acquired by the Department of Water and Sanitation for GREEN DROP status?**
4. **Does the lab for testing of waste water meet the acceptable minimum standards?**
5. **Is the Accreditation for ISO 17025 done internally?**
6. **What percentage is sent externally to verify Results?**
7. **Will the City engage CSIR in Durban to assist in monitoring with Water Resource Management?**

Councillor BV Mngwengwe provided the following respective responses:-

1. Yes. We purchase our bulk potable water from Umgeni Water and also produce potable water from five smaller works. The only untreated water is from the rural boreholes and education has been given to the local residents on how to make it safe for human consumption.
2. Waste water is treated at 27 wastewater treatment works. None of this water is currently treated to potable standards.
3. All 27 works are submitted for Green Drop audit, but this has not taken place over the last three years, so it is impossible to answer the question. Compliance and non-compliance with the effluent quality is available.
4. Yes. The laboratory hold ISO17025 certification and has done testing of waste water for the last eight years.
5. No ISO accreditation can be bestowed internally. SANAS audits the laboratory on a regular basis and gives the accreditation for a fixed period. The latest ISO certificate and scope is available on request.
6. The laboratory participates in inter-laboratory Proficiency Testing as a requirement for ISO17025 accreditation. Some analyses are done every month.
7. This is really up to the Head but they are currently involved in the Deep Sea Outfall monitoring and the Mussel Watch.

9.2

Questions submitted by Councillor MB Mjadu: Allocation of Council Flats in T-Section Umlazi Hostel (22/8/2/1):

In 2011 the development of the Council Flats built in T-Section Umlazi Hostel were completed and left unoccupied which resulted in them been vandalised.

Please answer the following questions:-

- 1. When will the damages be repaired?**
- 2. When will the flats be allocated to the community?**

The following background and respective responses were provided:

Background

The Contractor appointed to build the Community Residential Units (CRU) to completion had difficult challenges during the construction period. As commonly known that CRU projects are affected by the violence, which occurs at times at these hostels. The period of construction was characterised by these social dynamics coupled with challenges in the performance of the contractor himself. As per norm the contractor worked and employed sub-contractors within the community, in which he has several problems which created a total breakdown of relationships. The contractor moved offsite prior to proper completion as his life was being threatened, specifically after the death of the CLO of the project.

The Human Settlements units established that there was additional work completed irregularly hence a regularisation report was completed and submitted to BAC and parallel to that the matter was appropriately reported to CIU for detailed investigation as to guide consequence management. To date the service provider has not been paid owing to finalisation of the CIU process.

Internal Control and CIU are investigating the matter and therefore the regularisation process has not been entirely concluded.

1. In line with the background above the contract was never officially handed over. The intention was to allow the Internal Control and CIU investigation to complete. Post the inspection in loc of the Human Settlements committee in November 2016, the unit is finalising a takeover strategy and completion of units not completed. The program of action is being finalised for discussion with the Human Settlements and Infrastructure Committee.
2. The Human Settlements unit has enabled a period within two months from the completion of the unit and close our processes to finalise the allocation of the units to rightful beneficiaries. The practicality of allocating the CRU units depends on the official handover of the entire contract to the City by the Service Provider.

9.3 Questions submitted by Councillor S Sewshanker: Organisation and Planning of the Annual Senior Citizens Function (19/1/1/2/2):

The recent Senior Citizens Functions had many discrepancies, which requires a more open and transparent process.

In light of the above, I pose the following questions:-

1. **When will the Senior Citizens Steering Committee propose to Council, a draft policy on the organisation and planning of the Annual Senior Citizens Event?**
2. **Which Policy guidelines was used in the interim to allocate and distribute tickets per ward?**
3. **Did 109 PR councillors receive tickets? If not, why not?**
4. **How many PR councillors did not receive an allocation of tickets?**
5. **Did 110 ward councillors receive the full allocation of 600 tickets? If not, why not?**
6. **How many ward Councillors received 400 tickets?**
7. **How was the distribution of the shortfall of 200 tickets allocated?**
8. **How many ward committee members, EPWP members, Councillors and officials were allocated contracts respectively?**

The above-mentioned questions were **DEFERRED** to the next meeting of the Council.

9.4 Questions submitted by Councillor CJ Pappas: Night Vigil of prayer for Matrics 2016 (19/1/1/3 & 13/2/2/2/1):

KwaZulu-Natal was ranked 7th (seventh) out of 9 (nine) Provinces for the 2016 matric exam results. Furthermore, 2016 saw countrywide protests with regard to higher education funding with the financial exclusion of many young South Africans to higher educations.

In light of the above and taking consideration the Presidents call to cut wasteful expenditure at SONA 2016, I pose the following questions:-

1. **What did it cost the Municipality to host a night vigil of prayer for matrics?**
2. **Who approved the event and the funding of the event?**
3. **When were the funds for this event approved?**
4. **Which student representative organisations were invited to speak at the event?**

- 5. In relation to question .4 above, why was SASCO the only student organisation promoted at a Municipal event?**
- 6. How many matriculants attended the event?**
- 7. With a high number of unemployed and impoverished young people in the City, was this event seen as a necessary expenditure?**

The following respective responses were provided:-

1. It is essential that clarity be made from the onset that this is an annual programme that the Unit has been undertaking in the past three years and the only main variation in the 2016/17 was the venue. In the past, this programme has been held at Elangeni Further Education Training, KwaDabeka Campus, Clermont. It must be noted that this programme is part of the 2016/17 Service Delivery Budget Implementation Plan and 2016/17 Community Participation and Action Support Unit's Business Plan that was considered and approved by the Community Services Committee at the meeting held on 28 November 2016.
2. It is incorrect to classify this as just a prayer. It is in fact a programme of the unit which deals with matric support initiatives encompassing support, counselling, motivation, career guidance (bursary information, finishing schools, and on the job training etc), and engagement with matriculants prior to receiving their results. The estimated cost of the programme was R750 000.00.
3. This programme is part of the 2016/17 SDBIP and 2016/17 Community Participation and Action Support Unit's Business Plan that was considered and approved by the Community Services Committee and the meeting held on 28 November 2016.
4. The budget for this programme was included in the unit's business plan for 2016/17 which was considered and approved by the Community Services Committee on 28 November 2016. Furthermore, when submissions were made to Council in May 2016, for consolidation and approval of the budget for the financial year in question, community participation submission included the various programmes such as the matric night vigil.
5. Organisations were not invited to address students but other development agencies such as NYDA, tertiary Institutions, Business Community and NGO's were invited to address students on pertinent issues relative to the programme and the aftermath of the matric results.
6. In terms of promotion of the event, the Municipality conducted its normal mobilisation at ward level which did not promote SASCO or any other organisation except for the programme itself. SASCO was recognised by the Program Director along with the recognition of other attendees, since they has declared their presence at the programme.
7. It is estimated that about 1 000 people were in attendance at the programme.

8. The programme was not intended to address the immediate challenges of unemployment and poverty. However, his programme addressed the issues outlined in the background stated above such as the potential for suicide of matric students, dissemination of career guidance related to tertiary institutions, etc. The success of this programme will ultimately address the challenges of unemployment and poverty in the long run when these students have completed career choices.

Her Worship the Mayor, Councillor ZRT Gumede presented the First Report of the Executive Committee.

FIRST REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held on Tuesday, 2017-01-24)

- PRESENT : Executive Committee Members ZRT Gumede (Mayor and Chairperson), F Peer (Deputy Mayor), HU De Boer, BA Fortein, SA Kaunda, ZM Mncwango, MM Mthembu, MS Nkosi and ZR Sokhabase.
- ABSENT : Executive Committee Member S Hoosen (Leave).

1. REVISION OF RENTAL: AMANZIMTOTI LAGOON CC: 379 ROSSLYN ROAD, AMANZIMTOTI (17/2/1/2/5)

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Having noted the background, basis of rental assessment and the proposal hereto, contained in the report of the former City Manager dated 2016-12-01,

COMMITTEE RECOMMENDS:

- 1.1 That the revision of the rental in respect of the land described as the immovable property situated on the north bank of the Amanzimtoti River and on the eastern side of the Amanzimtoti Station, held by Amanzimtoti Lagoon CC, for the 3 (three) year revision period from 2016-08-01 to 2019-07-31, be a rental of R10 000.00 (Ten Thousand Rand) per month (exclusive of VAT) for the first year, escalating by 9% per annum for the second and third years, be approved.
- 1.2 That, subject to the approval of .1 above, the Head: Real Estate be authorized to sign all documents pertaining to the revision of rental.

ADOPTED.

2. REPORT ON INVESTMENTS FOR THE PERIOD 31 OCTOBER-30 NOVEMBER 2016 (7/11/4)

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COMMITTEE RECOMMENDS:

That the report on the investments of the eThekweni Municipality for the period 2016-10-31 to 2016-11-30, submitted by the Acting City Manager as per her report dated 2016-12-13 and as per the requirements of the Municipal Cash Management and Investment Regulations of the Municipal Finance Management Act, 2003, be noted.

NOTED.

3. NOTING OF RULE OF ORDER 28: CITY'S FUNDING AND PARTNERSHIP FOR STRATEGIC FESTIVE EVENTS (13/2/1/2/1)

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The Executive Committee was advised that as Council was in recess and as it was not possible to obtain timeous approval in respect of the City's funding and partnership for strategic festive events, the Acting City Manager, in consultation with Her Worship the Mayor, had approved such funding in terms of Rule of Order 28.

Therefore,

COMMITTEE RECOMMENDS:

3.1 That as Council was in recess and as it was not possible to obtain timeous approval in respect of the City's funding and partnership for strategic festive events, the action taken by the Acting City Manager, in consultation with Her Worship the Mayor in approving the following recommendations in terms of Rule of Order 28, be noted:-

3.1.1 That the partnership and funding for the hosting of events mentioned below in Durban from December 2016 to January 2017 be noted:-

ITEM NO.	NAME OF EVENT	PARTNERSHIP FUNDING AMOUNT	MOTIVATION ON CITY BENEFITS
1	The 2017 Umnini New Year's Day Extravaganza: 01 January 2017	R150 000.00 (Excl. VAT) To be paid to the event organisers post the event on evaluation of deliverables	This event is staged at Umnini a location outside of CBD of Durban. It is a viable platform for the discernment of the visitors spend and promotion of the Umnini Dam as an adventure tourism attraction. It also promotes nation building and boosts the local economy through massive jobs created for the local community. The City will be getting additional benefits of radio interviews and additional strategic brand positioning and exposure.
2	Durban Summer Beach Festival: 26 December 2016 to 01 January 2017	R200 000.00 (Excl. VAT) To be paid to the event organisers post the event on evaluation of deliverables	<ul style="list-style-type: none"> The event showcases a great entertainment and outdoor experience for locals and tourists in the coastline during the festive season with a high impact on boosting the economy.

ITEM NO.	NAME OF EVENT	PARTNERSHIP FUNDING AMOUNT	MOTIVATION ON CITY BENEFITS
			<ul style="list-style-type: none"> • It is a springboard for emerging artists' development and SMME development as it helps to increase business activity of the informal traders and SMMEs from the attracted numbers. • The event promotes social cohesion which is a critical building block and showcasing the unique cultural diversity of Durban. • During its staging there has been an increase for the development of emerging Durban artists through a development platform during the entertainment sessions for the visitors.
3	Durban Jazz Festival: 26 December 2016	R600 000.00 (Excl. VAT) To be paid through a cession to the agency dealing with artists	The biggest event in South Africa during the festive season. The justification for an additional investment is the additional leveraging opportunities and benefits of the destination promotion through the popular artists that have a huge following on their various social media platforms.
4	Tribute to the late Sifiso Ncwane: 31 December 2016 into the New Year of 01 January 2017	R250 000.00 (Excl. VAT) Monetary funding: Part to be paid to event suppliers and part to be paid to the event organisers. The City's PRC will also be supporting in kind with the venue of Centrum Park, a City owned venue.	Following the tragic passing of the Gospel Music Star Sifiso Ncwane, there is concert to commemorate him. As the entrance into a new year is spiritual to many, this event will be affording vibrant gospel entertainment into the new year of 2017. It is envisaged to attract a lot of visitors into the City as the gospel star has a huge following.
Total Amount Excluding VAT			R1 200 000.00
VAT			R 168 000.00
Total Amount Including VAT			R1 368 000.00

- 3.1.2 That the respective Unit Heads be authorised to negotiate the City's benefits and rights to leverage the destination and profile Durban with the event organisers, championed by the Head: Business Support, Tourism and Markets.
- 3.1.3 That the Acting City Manager be authorized to conclude contracts with the event owners.
- 3.1.4 That, subject to the approval of .1, .2 and .3 above, the Head: Business Support, Tourism and Markets be requested to report-back on the outcomes of the partnership and the hosting of such events.

BU	ITEM.SUB	FUND	COSTING	PROJECT	REGION
34552	16315	12120	0000	85500	0010

Financial implication: R1 200 000.00 excluding VAT, Provided for in 2016/2017
FC No.: 13/19

As some Councillors were not in support of the above-mentioned recommendations of the Executive Committee on the basis that the events mentioned therein were annual events which could have been approved long in advance of the Council recess, the matter was put to the vote. With 197 Councillors present, 134 Councillors (ANC – 117, IFP – 7, IND – 4, ACDP -1, MF – 1, DLC – 1, MOSA – 1, APC – 1 and AL JAMA-AH – 1) voted in favour and 63 Councillors (DA – 52, EFF – 8 and AIC – 3) voted against. There were no abstentions recorded.

The above-mentioned recommendations of the Executive Committee were, by the majority vote, NOTED.

4. REPORT ON AWARDS MADE BY THE CITY FOR THE MONTH OF NOVEMBER 2016 (9/1/3)

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COMMITTEE RECOMMENDS:

- 4.1 That the report of the Acting City Manager dated 2017-01-18 relative to awards made by the City for the month of November 2016, as presented, be noted.
- 4.2 That it be noted that where the information is available for wards and registration numbers, it is included in the report, as information used to compile the report is taken from submissions made by the Units.
- 4.3 That the Acting City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where willful and negligent violation of Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 4.4 That the Acting City Manager shall table a report to the Committee relative to the disciplinary, criminal and recovery actions taken, it being noted that the Acting City Manager can only respond when the reports are available.

Recommendations 4.1, 4.2 and 4.3 NOTED and Recommendation ADOPTED.

5. DRAFT ETHEKWINI MUNICIPALITY ANNUAL REPORT FOR THE 2015/16 FINANCIAL YEAR (11/1/1)

(Page 133)

The draft Annual Report for the 2015/16 financial year was presented as per the requirements of Section 127 of the Municipal Finance Management Act. The Annual Report comprises the performance of the City and highlights successes and challenges during the financial year under review. Overall, the City is well-run and where challenges have been identified mechanisms would be put in place to bring about the remedial action. The draft Annual Report is subject to stakeholder consultation to obtain input and comments prior to finalising the report.

Commenting on the draft Annual Report, the issue of water loss was mentioned as a key challenge as well as the continuing drought crisis. This matter needs to be highlighted in the Auditor-General's Report. Concerted efforts are required to deal with water loss as well as the drought situation within the eThekweni Municipal area. Regular updates on this matter are of necessity to monitor the situation; the impact thereof; interventions made; and the associated costs.

Cognisance is taken of the fact that zero tolerance on irregular expenditure is imperative to main the clean audit status obtained by the City during the past financial year. This is also crucial for Councillors to submit effective service delivery reports to the MEC for Co-operative Governance and Traditional Affairs.

Whilst noting that housing funding is a Provincial competence, the City needs to engage into critical discussions to clearly understand its position on this matter. With regard to companies owing the City and the comments by the Auditor General on debt collection, a need exists for Council to be furnished with a report on debt recovery to exercise effective oversight and achieve accountability.

Given that the draft Annual Report is due for stakeholder consultation,

COMMITTEE RECOMMENDS:

- 5.1 That Council notes the draft eThekweni Municipality Annual Report for the 2015/16 financial year tabled in compliance with Section 127 of the Municipal Finance Management Act.
- 5.2 That Council notes that stakeholder consultation will commence to obtain input and comments prior to finalising the Annual Report and with the preliminary comments made by the Executive Committee to address issues relating to water loss and drought crisis; irregular expenditure; housing funding; and debt collection having been noted accordingly.

NOTED.

6. DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS (3/5/4)

(Page 137)

COMMITTEE RECOMMENDS:

- 6.1 That Government Notice No. 1600 placed in Government Gazette No. 40519 dated 21 December 2016, citing conditions upon which the new limits for salaries; allowances; and benefits are to be implemented, be and is hereby noted.
- 6.2 That the Minister of Co-operative Governance and Traditional Affairs' Determination of the upper limits of salaries, allowances and benefits as stipulated in Government Gazette No. 40519 dated 21 December 2016, be approved.
- 6.3 That the provisions of Government Notice No. 40519, referred to in .2 above, be implemented at the upper limit.
- 6.4 That the concurrence of the MEC for Co-operative Governance and Traditional Affairs be sought prior to giving effect to item .3 above.
- Recommendation 6.1 NOTED and Recommendations 6.2, 6.3 and 6.4 ADOPTED.**

7. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) AND ORGANISATIONAL SCORECARD : MID-YEAR REPORTING : JULY TO DECEMBER 2016 (2/10/1/1/9)

(Page 158)

COMMITTEE RECOMMENDS:

That mid-year Service Delivery and Budget Implementation Plan and the Organisational Scorecard for the 2016/17 financial year which reflected an overall achievement of 76.81% with the breakdown contained in the table below, be noted, it being recorded that the report would be audited by the Auditor-General and that the Municipal Public Accounts Committee would deal with the findings thereof and recommend accordingly to Council.

Plan No.	Plan Name	Achievement Rate
1	Develop and Sustain our Spatial, Natural and Built Environment	90%
2	Developing a Prosperous, Diverse Economy and Employment Creation	88.51%
3	Creating a Quality Living Environment	58.06%
4	Fostering a Socially Equitable Environment	74.36%
5	Creating a Platform for Growth, Empowerment and Skills Development	88.57%
6	Embracing our Cultural Diversity, Art and Heritage	91.67%
7A	Good Governance and Responsive Local Government	52.94%
7B	Good Governance and Responsive Local Government	73.26%

Plan No.	Plan Name	Achievement Rate
8.	Financially Accountable and Sustainable City	71.11%
	OVERALL ACHIEVEMENT	76.81%

With the ACDP having advised that an improvement was required in respect of Plan No.7A, relative to Good Governance and Responsive Local Government, the above-mentioned recommendation of the Executive Committee was NOTED.

8. INTEGRATED DEVELOPMENT PLAN (IDP) 2016/2017 : MID-TERM AMENDMENTS TO THE ORIGINAL ORGANISATIONAL SCORECARD AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/10/1/1/9)

(Page 307)

COMMITTEE RECOMMENDS:

That in line with the requirements of Section 3.4(b) of the Local Government Municipal Planning and Performance Management Regulations of 2001, the amendments to the original Organisational Scorecard and Service Delivery and Budget Implementation Plan, together with the public participation process linked to the amendment of the IDP, be noted.

NOTED.

9. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT: 31 DECEMBER 2016 (2/10/1/1/9)

(Page 399)

During consideration of the Mid-Year Budget and Performance Assessment Report, feedback was requested to issues of concern including the Iconic Tower, functioning of Metro Police, filling of vacant posts, major debtors, overspend by City Fleet, irrecoverable debt, irregular expenditure by the Parks & Recreation Unit, report from the Chief Financial Officer of the ICC and disparities in the revenue of Moses Mabhida Stadium. Meanwhile, a point was raised on the lack of international functions being hosted at the Moses Mabhida Stadium, with a suggestion that the stadium be diversified.

The Deputy City Manager: Finance responded as follows:-

- (a) On the issue of the major debtor, “Easy Does It”, the property had been identified for disconnection but a Court Order was issued and is against the disconnection. The debt had escalated to R17.4million as a result of an outstanding issue of a transformer that constituted 50% of the debt. “Easy Does It” had promised to obtain funding from the bank which had been received in the form of a guarantee, however legal action had been instituted against the attorney who had submitted the guarantee. The debt had been based purely on a promise that had not materialized. The attention was drawn to the daunting task of disconnecting the building of that nature, taking cognizance of, inter alia, lifts, occupational health & safety issues, bulk meters and other tenants.

- (b) The Parks, Recreation & Culture was not the major contributor to irregular expenditure when compared to other departments and the overall irregular expenditure of Council.
- (c) A quality certificate had been submitted by the CEO of the Inkosi Albert Luthuli Conference Centre (ICC) that had been included in the Mid-Term report and produced by Treasury. The quality certificate gives assurance that the figures submitted formed part of the consolidation on the overall performance of Council as a whole, hence its inclusion was significant. A monthly report on activities of the ICC were as a practice submitted to the Economic Development & Planning Committee and the document before Committee was in terms of a National Treasury guideline for a consolidated position to be submitted.
- (d) The debt of Emtateni Logistics was a matter of a liquidation being addressed by the Head: Legal & Compliance with due processes being followed.
- (e) The issue of Tansnat was currently being dealt with by a Task Team. However, some valid points had been raised by Tansnat with regard to the debt and the response to the issues raised would be in terms of whether the actual leasing charges, etc, had been fair and justified.
- (f) The Government debt of R184million was currently being investigated by a Task Team from a Provincial aspect and as indicated previously there was full co-operation from the relevant department. There are however certain areas that could be improved, particularly around schools etc. Those matters were being closely monitored with the hope that it would be reduced further in the coming months.
- (g) With regard to the issue of irrecoverable debt it was noteworthy that in comparison the City of Cape Town had written off a billion rand of debt the previous year and had for the past three years been consistent in such huge write offs.
- (h) The R47million overspend in respect of City Fleet had occurred due to the process of replacement of vehicles at Metro Police having been halted over the past three years. The current fleet had now expired in terms of its lifespan and was in dire need of repair, taking into account their additional utilization by reporting to rapid responses. This has necessitated the replacement of vehicles for operational use. The workshop in the Springfield area had been created for rationalizing the actual repair of vehicles and would increase economy in terms of ensuring its effectiveness.
- (i) The housing project was a matter of affordability, depending on funding from both the National and Provincial departments of Human Settlement. Many challenges in respect of funding and housing cannot be viewed from the perspective of building houses only as issues relative to Community Residential Units (CRUs), acquisition of land and upgrading existing housing stock, needed to be considered in totality of what had been achieved thus far.
- (j) All vacant posts have been deemed as priority and the Acting City Manager has indicated that they need to be urgently filled and to that effect the process has commenced.

- (k) The income on Metro Police fines had decreased by R3million due to lack of accountability by people who owed Council. The implementation of road blocks could be regarded as a feasible intervention to improve collection of fines.
- (l) The process relative to the Iconic Tower on the Durban Country Club site was currently being investigated and the way forward will be discussed by the Acting City Manager during discussion of Catalytic Projects.

Subsequent to the above

COMMITTEE RECOMMENDS:

That in compliance with Sections 52(d) and 72 of the Municipal Finance Management Act, (MFMA) and in terms of Government Notice 32141 dated 2009-04-17, relating to the “Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations”, the Mid-Year Budget and Performance Assessment Report as at 2016-12-31, submitted by the Acting City Manager as per her report dated 2017-01-25, be noted.

NOTED.

10. NOTING OF RULE OF ORDER 28 : APPROVAL TO ASSIST WITH THE VENUE HIRE COST FOR SIFISO NCWANE’S FUNERAL (13/6)

(Page L4)

The Executive Committee was advised that as Council was in recess and as it was not possible to obtain timeous approval in respect of the above-mentioned matter, Acting City Manager in consultation with Her Worship the Mayor, Councillor ZRT Gumede had granted approval in terms of Rule of Order 28.

Therefore,

COMMITTEE RECOMMENDS:

That as Council was in recess and as it was not possible to obtain timeous approval to host the funeral of Sfiso Ncwane, a well-known South African Gospel Singer and Iconic Artist, at the Moses Mabhida Stadium, the action taken by the Acting City Manager in consultation with Her Worship the Mayor, in terms of Rule of Order 28, and in line with the requirements of the existing Civic Funeral Policy, to approve an amount of R500 000.00 (Five Hundred Thousand Rand) towards the hire of the Moses Mabhida Stadium for the late Sifiso Ncwane’s funeral on 10 December 2016, be noted.

BU	ITEM.SUB	FUND	COSTING	PROJECT	REGION
14001	16315	12120	0000	83630	0010

Financial Implications: R500 000.00; FC No.: 35/089

As some Councillors expressed concern with regard to the manner in which funerals were being funded, contending that a policy thereon was still in draft, the above recommendations of the Executive Committee was put to the vote.

With 187 Councillors present, 126 Councillors (ANC – 108, IFP – 8, INDEPENDENT – 3, AIC – 2, MF – 1, DLC – 1, MOSA – 1, APC – 1 and AL-JAMA – 1) voted in favour and 60 Councillors (DA – 53 and EFF – 7) voted against. 1 ACDP Councillor abstained from voting.

The above recommendations of the Executive Committee was, by the majority vote, ADOPTED.

At this stage the Speaker recused himself and left the meeting in view of other commitments. The Acting City Manager invited nominations for the position of Acting Speaker for the remainder of this meeting.

Councillor MM Mthembu, seconded by Councillor SA Kaunda, nominated Councillor BA Fortein. Councillor Fortein accepted the nomination.

Councillor ZM Mncwango, seconded by Councillor HU De Boer, nominated Councillor T Collins. Councillor Collins accepted the nomination.

There being no further nominations the matter was put to a vote. With 169 Councillors present, 116 Councillors voted in favour of Councillor BA Fortein and 53 Councillors voted in favour of Councillor T Collins.

Councillor BA Fortein was therefore elected Acting Speaker for the remainder of this meeting. She thereafter occupied the Chair.

11. REQUEST FOR FINANCIAL SUPPORT FOR THE BOXING AWARDS 2017 AT INKOSI ALBERT LUTHULI INTERNATIONAL CONVENTION CENTRE.

(Page L5)

The City Manager has received a request from the Director-General of the Department of Sport and Recreation of South Africa to partner in the hosting of the South African Boxing Awards on 2017-01-27. The support requested from the Municipality is for the provision of the Inkosi Albert Luthuli International Convention Centre to host the event.

It was noted that the last boxing award ceremony took place in 2009 at the Carnival City. Consequently, most of the excellent and outstanding work in the boxing fraternity has not received proper recognition and reward for a long time.

The Committee was advised that the cost for the hire of the Albert Luthuli ICC would be R450 000 (Four Hundred and Fifty Thousand Rand) and would include catering.

Further, as part of a facilities role out program in the school context, the Department of Sports and Recreation intends to roll out a number of multi-purpose sporting facilities in schools across the Provinces. In this regard, eThekweni has been identified as a Metro that would benefit. Her Worship the Mayor has therefore been requested to identify a school within eThekweni, and in an economically needy area, to receive this multi-purpose sports facility estimated at R1.5 million.

In the circumstances

COMMITTEE RECOMMENDS:

- 11.1 That Council assists the Department of Sports and Recreation by providing the Inkosi Albert Luthuli International Convention Centre to host the 2017 Boxing Awards on Friday 2017-01-27T19:00, at a cost of R450 000-00 (Four hundred and Fifty Thousand Rand), it being recorded that such costs will be met via an adjustment budget.
- 11.2 That as part of the Department of Sport and Recreation's facilities roll out program in the school context, wherein the aforesaid Department would roll out a number of multi-purpose sporting facilities in schools across the Provinces, Her Worship the Mayor, Councillor ZRT Gumede is requested to identify a school within eThekweni, in an economically needy area, to receive this multi-purpose facility estimated at R1.5 million.

As some Councillors were not in support of the above-mentioned recommendations of the Executive Committee on the basis of there being no clear indication of what benefits would be derived by the City and there being no standard procedure of how events such as the above were being adjudicated, the matter was put to the vote. With 184 Councillors present, 112 Councillors (ANC – 103, INDEPENDENT – 2, AIC – 3, MF – 1, DLC -1, APC – 1, AL JAMA-AH – 1) and 54 Democratic Alliance Councillors voted against. 18 Councillors (IFP – 8, EFF – 8, ACDP – 1 and MOSA – 1) abstained from voting.

Her Worship the Mayor, Councillor ZRT Gumede presented the Second Report of the Executive Committee.

SECOND REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held on Tuesday, 2017-01-31)

- PRESENT : Executive Committee Members ZRT Gumede (Mayor and Chairperson), F Peer (Deputy Mayor), HU De Boer, BA Fortein, SA Kaunda, ZM Mncwango, MM Mthembu, MS Nkosi and ZR Sokhabase.
- ABSENT : Executive Committee Member S Hoosen (Leave).

1. NOTING OF RULE OF ORDER 28 IN RESPECT OF FINANCIAL ASSISTANCE TOWARDS THE FUNERAL OF THE LATE SIYABONGA MKHIZE (13/6)

(Page 1)

The members of the Democratic Alliance present in this meeting indicated that they were not in support of the approval given in terms of Rule of Order 28 to provide financial support to cover funeral costs. They felt there was no clear criteria on how to deal with such requests and that this might result into an audit query. A member of Inkatha Freedom Party recorded his abstention on this matter at this stage and indicated that he is still to consult with his Caucus.

The members of the African National Congress elaborated on the circumstances which gave rise to the need for the provision of financial assistance, which mainly relate to the tragic loss of lives thus a need for the intervention by the City. The reports were thus supported and an indication was given that requests of this nature would be clearly categorised in the policy.

On this basis,

COMMITTEE RECOMMENDS:

That the approval given by Her Worship the Mayor, Councillor ZRT Gumede, in terms of Rule of Order 28 to cover the funeral costs in the amount of R15 000.00 (Fifteen Thousand Rand) of the late Mr. Siyabonga Mkhize ID Number 940217 6188 083 of Ward 47, who got shot in a crossfire during a robbery at KwaMashu Pick 'n Pay on 04 January 2017, be noted.

Vote No.: 32601 19110.10 12121 0000 MRC01 0010; R15 000.00; FC No.: 08/16.

As some Councillors were not in support of the above-mentioned recommendations of the Executive Committee the matter was put to the vote. With 184 Councillors present, 130 Councillors (ANC – 103, IFP – 8, EFF – 8, ACDP – 1 INDEPENDENT – 2, AIC – 3, MF – 1, DLC -1, MOSA – 1, APC – 1, AL JAMA-AH – 1) and 54 Democratic Alliance Councillors voted against. There were no abstentions recorded.

The above-mentioned recommendations of the Executive Committee was, by the majority vote, NOTED.

2. NOTING OF RULE OF ORDER 28 IN RESPECT OF FINANCIAL ASSISTANCE TOWARDS THE FUNERAL OF THE LATE ANDILE LINDOKUHLE MLABA (13/6)

(Page 8)

With the Democratic Alliance being against the noting of the report and Inkatha Freedom Party abstaining at this stage,

COMMITTEE RECOMMENDS:

That the approval given by Her Worship the Mayor, Councillor ZRT Gumede, in terms of Rule of Order 28 to cover the funeral costs in the amount of R15 000.00 (Fifteen Thousand Rand) of the late Mr. Andile Lindokuhle Mlaba of Ward 62, who was knocked over by a Municipal truck on 07 December 2016, be noted.

Vote No.: 32601 19110.10 12121 0000 MRC01 0010; R15 000.00; FC No.: 08/16.

As some Councillors were not in support of the above-mentioned recommendations of the Executive Committee the matter was put to the vote. With 184 Councillors present, 130 Councillors (ANC – 103, IFP – 8, EFF – 8, ACDP – 1 INDEPENDENT – 2, AIC – 3, MF – 1, DLC -1, MOSA – 1, APC – 1, AL JAMA-AH – 1) and 54 Democratic Alliance Councillors voted against. There were no abstentions recorded.

The above-mentioned recommendations of the Executive Committee was, by the majority vote, NOTED.

3. NOTING OF RULE OF ORDER 28 IN RESPECT OF FINANCIAL ASSISTANCE TOWARDS THE FUNERAL OF THE LATE MSAYINELWA THABETHE, THEM BENI VICTORIA MDABE AND ZANDILE RITTA DHLADHLA (13/6)

(Page 15)

With the Democratic Alliance being against the noting of the report and Inkatha Freedom Party abstaining at this stage,

COMMITTEE RECOMMENDS:

That the approval given by Her Worship the Mayor, Councillor ZRT Gumede, in terms of Rule of Order 28 to cover the funeral costs in the amount of R15 000.00 (Fifteen Thousand Rand), per person, thus a total amount of R45 000.00 (Forty Five Thousand Rand) for the late Msayinelwa Thabethe, Thembeni Victoria Mdabe and Zandile Ritta Dhladhla, who were involved in a bus accident which occurred on M1 Higginson Highway, Chatsworth, be noted.

Vote No.: 32601 19110.10 12121 0000 MRC01 0010; R45 000.00; FC No.: 08/16.

As some Councillors were not in support of the above-mentioned recommendations of the Executive Committee the matter was put to the vote. With 184 Councillors present, 130 Councillors (ANC – 103, IFP – 8, EFF – 8, ACDP – 1 INDEPENDENT – 2, AIC – 3, MF – 1, DLC -1, MOSA – 1, APC – 1, AL JAMA-AH – 1) and 54 Democratic Alliance Councillors voted against. There were no abstentions recorded.

The above-mentioned recommendations of the Executive Committee was, by the majority vote, NOTED.

4. ADDENDUM TO 2015/2016 ANNUAL REPORT (11/1/1)

(Page 55)

COMMITTEE RECOMMENDS:

4.1 That the changes to the 2015/16 Annual Report as contained in the Addendum Report by the Acting City Manager dated 2017-01-27, be noted, for inclusion in the original Annual Report document to form part of the public participation process, it being recorded that the changes relate to the following:

- (i) **Page 132:** where a label for the vehicle suspension pie chart has been inserted in the Metro Police narrative and the amendment of the figure for Capital Expenditure from 5 146 to 5 416.
- (ii) **Page 238:** where changes have been made to figures on the investment graph to read as follows:-
 - 2014 - 6 593 432 was changed to 6 859 657
 - 2015 - 5 898 801 was changed to 6 166 765
 - 2016 - 6 915 669 was changed to 7 216 329

- (iii) **Page 247:** where the figure of 18.9 million in the Management Responses to the Audit Report under Expenditure Management has been changed to R18.75 million and the figure of R88.93 million has been changed to R89.58 million.
- (iv) **Page 288-301:** where the start and the end dates have been inserted for projects contained in Appendix F of the Annual Report.
- (v) **Page 417:** where information has been added onto the steps taken to improve performance for KPI 3.28 in Appendix U of the Annual Report.

NOTED.

5. ERSTWHILE VULAMEHLO LOCAL MUNICIPALITY: DRAFT ANNUAL REPORT 2015/2016 (11/1/1)

(Page 61)

The Committee noted the 2015/16 draft Annual Report for the erstwhile Vulamehlo Local Municipality which report will undergo a public participation process together with the draft Annual Report of eThekweni Municipality. This process is informed by the incorporation of Wards 1, 2, 3 and half of 4 of Vulamehlo area into eThekweni Municipality following the disestablishment of Vulamehlo Local Municipality.

The members of the opposition drew attention to certain issues of concern contained in the report. Following explanation on the amalgamation process, it was then agreed to allow the consultation process and subsequently enable the Change Management Committee to provide update on issues relating to Vulamehlo as contained in their draft Annual Report and any other matters of interest to the City with respect to this amalgamation.

On this basis

COMMITTEE RECOMMENDS:

That Council notes the erstwhile Vulamehlo Local Municipality's Consolidated draft Annual Report for the 2015/2016 financial year, as contained in the report by the Acting City Manager dated 2017-01-30, which will undergo public participation together with the draft Annual Report of eThekweni Municipality given that Wards 1, 2, 3 and half of 4 of the Vulamehlo Local Municipality have been amalgamated into eThekweni Municipality.

NOTED.

6. REQUEST FOR FUNDING TO ADDRESS SAFETY AND LIFE THREATENING ISSUES AT UMLAZI: WARDS 78, 79, 81, 82, 84, 85, 86, 87 AND 88

(Page 267)

The action to address safety and life threatening issues in various Wards of Umlazi was commended. An indication was given that this was in response to the findings arising from an inspection conducted by the new leadership. Confirmation was then given that the City will deal with other areas where safety hazards have been identified and this has been brought to the attention of the leadership.

COMMITTEE RECOMMENDS:

- 6.1 That Council approves the following projects subject to savings being identified:-
- 6.1.1 Construction of stormwater management in the amount of R1.5 Million.
- 6.1.2 The construction of 1700m of footpaths to the identified areas in the amount of R4.5 Million
- 6.2 That Council approves the following projects subjects to approval of funding by the KZN Department of Human Settlement, or if that fails, subject to reprioritization of Urban Settlements Development Grant (USDG):-
- 6.2.1 Construction of retaining walls for 68 (Sixty Eight) houses in the amount R5.9 Million.
- 6.2.2 The demolition and the reconstruction of 20 (twenty) houses affected by storm disaster in the amount of R2.6 Million.
- 6.2.3 The construction of transit facilities to accommodate 20 (twenty) families affected by storm disaster at the amount of R423 000.00 (Four Hundred and Twenty Three Thousand Rand)
- 6.3 That Council supports the Precinct Management approach so as to deal with all emergency issues in various Regions.
- 6.4 That Council supports the relocation of 123 (one hundred and twenty three) families to temporal accommodation.
- 6.5 That Council supports by-law enforcement by officials to ensure owners of vacant privately owned properties, including but not limited to Umlazi bakery hall, take responsibility to guard their properties against reinvasions, should the owners fail to prevent reinvasions, they should take full responsibility to find alternative accommodation.

Financial Implications:

The financial implications on Council is R14 923 000.00.

REFERENCE BACK

In terms of Rule of Order 20(1)(c), Councillor LM Meyer, seconded by Councillor DR Pillay, moved as a procedural motion that the above-mentioned recommendations of the Executive Committee be referred to the Human Settlements and Infrastructure Committee to enable such Committee to undertake further investigations thereon and to play an oversight role.

NOT CARRIED

As not all Councillors were in support of the above-mentioned motion to refer back the matter was put to the vote. With 182 Councillors present, 51 Democratic Alliance Councillors voted in favour and 122 Councillors (ANC - 105, IFP – 8, INDEPENDENT – 3, ACDP – 1, MF – 1, DLC – 1,

MOSA – 1, APC – 1 and AL JAMA-AH – 1) voted against. 9 Councillors (EFF - 6 and AIC – 3) abstained from voting.

The above-mentioned motion to REFER BACK was, by the majority vote, NOT CARRIED.

The above-mentioned recommendations of the Executive Committee were thereafter put to the vote. With 182 Councillors present, 122 Councillors (ANC – 105, IFP – 8, INDEPENDENT – 3, ACDP – 1, MF – 1, DLC – 1, MOSA – 1, APC – 1 and AL JAMA-AH – 1) voted in favour and 51 Democratic Alliance Councillors voted against. 9 Councillors (EFF – 6 and AIC – 3) abstained from voting.

The above-mentioned recommendations of the Executive Committee were, by the majority vote, ADOPTED.

7. FRAMEWORK FOR ACCELERATING ECONOMIC EMPOWERMENT AND TRANSFORMATION

(Page 275)

The Committee received a presentation on the Accelerating Economic Empowerment and Transformation Framework. The framework covers a number of issues with the empowerment strategies including mainly the following principles:

- (i) Every capital project above R30 million shall have a minimum of 30% of the total budget benefitting the local community through a combination of unbundling, subcontracting, joint ventures, job creation, local material purchases and training.
- (ii) Subcontractors or service providers shall be selected from the Wards where the service or project is being undertaken.
- (iii) In cases where there are no suitable contractors to do the job in a Ward, the main contractor or service provider shall select sub-contractors from the relevant Wards under the Vukuphile Programme or any such database of service providers kept by the Municipality.
- (iv) However, should there be no subcontractors from the relevant Wards, the main contractor or service provider may be permitted to select any other subcontractor from eThekweni Municipality.
- (v) The main contractors/service provider is expected to provide training to the subcontractors.

It was appreciated that the empowerment programme would assist to address challenges identified at the commencement of the new term of Council, namely, the need for poverty alleviation; rate of service delivery; disruption of projects; availability of skills and competencies; barriers to entry; capacity limitations; collusion; and slow pace of economic transformation. Most importantly, that the framework will result into meaningful participation of business owned by, inter alia, youth, women and people with disabilities.

It being emphasised that transparency should prevail in the implementation of the Empowerment Framework,

COMMITTEE RECOMMENDS:

- 7.1 That Council approves the Framework for Accelerating Economic Empowerment and Transformation, as contained in the report by the Acting City Manager dated 2017-01-27, to be utilised as a tool to introduce economically marginalized formations into the mainstream economic activities when the Municipality procures its goods and services.
- 7.2 That workshops be conducted to capacitate Line Departments and the Bid Specification Committee to ensure implementation of the Framework once approved.

As not all Councillors were in support of the above-mentioned recommendations of the Executive Committee and with the Democratic Alliance Councillors requesting that this matter be also referred to the various Committees and Caucuses for consideration, the aforesaid recommendations were put to the vote. With 182 Councillors present, 129 Councillors (ANC – 105, IFP – 8, EFF – 6 INDEPENDENT – 3, AIC – 3, ACDP – 1, MF – 1, DLC – 1, MOSA – 1, APC – 1 and AL JAMA-AH – 1). No Councillors voted against and 53 Democratic Alliance Councillors abstained from voting.

The above-mentioned recommendations of the Executive Committee were, by the majority vote, ADOPTED.

Councillor TJ Luthuli, Chairperson, Municipal Public Accounts Committee presented the Report of the Municipal Public Accounts Committee

REPORT FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

TO : COUNCIL

**COMMUNITY CONSULTATION PROGRAMME FOR THE ANNUAL REPORT
2015/2016**

1. **BACKGROUND**

Section 129 of the Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report. Given the processes required by Council to effectively undertake its oversight role, it was resolved that the Municipal Public Accounts Committee was the appropriate mechanism through which Council could fulfill its oversight responsibilities in this regard.

Part of our oversight function in relation to the Annual Report is, *inter alia*, to:-

- Consider written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearings to allow the local community or any organs of state to make representations on the Annual Report.

Meetings and public hearings on the Annual Report will be conducted on behalf of Council. A joint team of representatives from Performance Monitoring and Evaluation (PME), Communications and Community Participation and Action Support Units will assist us to facilitate the public participation program.

2. **PROPOSAL**

2.1 Programme Team:

We therefore propose that the programme be managed by a team comprised of:-

- Chairperson of the Municipal Public Accounts Committee
- Municipal Public Accounts Committee
- Performance Monitoring and Evaluation Unit
- Communications Unit
- Community Participation and Action Support

2.2 Target Audience:

The target audience who will be reached by the programme is as follows:-

- General public
- Rate payers
- Ward Committees
- Non-Governmental Organisations
- Youth
- Business sector
- News Media
- Traditional leaders
- Community based organisations
- Civic Organisations

2.3 Consultative Process Format:

In order to raise awareness of the Annual Report and encourage public participation in the process, presentations will be made to formal and informal businesses, traditional leaders and the general community to which Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs), youth and other interested parties are invited. The tentative dates for consultation meetings are as follows:-

Sector	Date
EThekweni Municipality Informal Economy Forum (EMIEF)	08 February 2017
Civil Society	17 February 2017
Traditional Leaders (Amakhosi)	22 February 2017
Formal Business (Durban Chamber of Commerce and Industry)	28 February 2017
Media Forum	Date to be confirmed

2.4 Campaign Elements:

2.4.1 **Radio**

- 30 second adverts will be used to highlight the achievements of the city and invite the public to comment on the report.
- Radio interviews on mainstream and community media will discuss the Annual Report, city achievements and invite the public to participate in the engagement process. The Communications Unit has pre-booked interviews on Ukhozi FM, Lotus FM, Gagasi FM and Community Radio which can be used.

2.4.2 **Advertisement in print media**

- Call for comments on draft Annual Report and to invite the public to the general meeting.
- To highlight the key achievements and challenges faced by the Municipality.

2.4.3 **Social media updates on Facebook and Twitter**

This platform will be used to invite the public to the meetings, and to comment on the draft Report. It will also be used to highlight the achievements of the Municipality.

2.4.4 **Press releases**

Press releases will be issued to the media at regular intervals to notify the public of the meetings, remind them to comment and to highlight the achievements of the Municipality.

2.4.5 **Website**

A banner will be placed on the website which would lead to the draft Annual Report and a comment sheet.

2.4.6 **Supplement in Metro Ezasegagasini**

To highlight the key achievements and challenges faced by the Municipality

2.4.7 **Internal communications**

Municipal achievements for the year will also be communicated to staff, who will be encouraged to comment on the Annual Report. This will be done via Info Info and the Workplace.

3. **FINANCIAL IMPLICATIONS**

Sector	Venue	Requirements	Budget
LOGISTICS			
Civil Society (Expected 150 attendees)	City Hall	Transport	R10 000.00
		Sound system	R5 000.00
		Refreshments	R18 000.00
		Screens	R4 000.00
Formal Business (Durban Chamber of Commerce and Industry)	Durban Chamber of Commerce and Industry	The relevant costs for the venue and refreshments will be covered by the Durban Chamber of Commerce and Industry. The costs for the print media and USBs are covered below.	
Traditional Leaders (Amakhosi)	Pinetown Civic Centre	The relevant costs for the venue and refreshments will be covered by the Community Participation and Action Support Unit. The costs for the print media and discs are covered below.	
eThekweni Municipality Informal Economy Forum (EMIEF)	City Hall	The relevant costs for the venue and refreshments will be covered by the Business Support, Tourism and Markets Unit. The costs for the print media and discs are covered below.	
PRINT ADVERTS			
Mainstream media		Independent Newspapers (Isolezwe, Daily News, Mercury)	R80 000.00
Community media		Caxton's Group (Highway Mail, Berea Mail, Southcoast Sun, Southlands Sun, Northglen News, Umlazi Eyethu, Intshonalanga Eyethu, North Coast Tabloid newspapers (Phoenix tabloid, Chatsworth tabloid, EThekweni Times)	R80 000.00
		Ilanga	R20 000.00
RADIO			
Community media		Izwi Lomzansi, Vibe FM, Inanda FM	R50 000.00
Mainstream media		East Coast Radio and Gagasi FM, Ukhozi FM	R180 000.00

Sector	Venue	Requirements	Budget
DISTRIBUTION OF MATERIAL			
		Supplement, USBs and CDs	R 53 000.00
		TOTAL	R500 000.00

Having duly deliberated on the matter,

COMMITTEE RECOMMENDS:

1. That the Community Consultation Programme for the Annual report 2015/2016 financial year at a cost of R500 000.00 (Five hundred thousand rand) be approved.
2. That as there is no provision in the budget for the proposed expenditure of R500 000.00 (Five hundred thousand rand), savings be identified by the Chief Financial Officer in the 2016/2017 financial year.

ADOPTED.

TJ LUTHULI
CHAIRPERSON

REPORT OF COMMITTEE DECISIONS

Decisions of Committees reflected below have been reported to Council by way of circulating minutes of such Committees to each Member of the Council:-

1. COMMUNITY SERVICES COMMITTEE
Meeting held on : 2016-11-28
2. EXECUTIVE COMMITTEE
Meetings held on : 2016-11-29
: 2016-12-06
: 2016-12-08
3. ETHEKWINI AIDS COUNCIL (EAC)
Meeting held on : 2016-11-08

4. GOVERNANCE AND HUMAN RESOURCES COMMITTEE

Meeting held on : 2016-11-28

5. SPEAKER'S COMMITTEE

Meetings held on : 2016-11-21

: 2016-12-05

NOTED.

ITEMS FOR NOTING

The Items for Noting, reflected on Pages 23 to 33 of the Agenda were NOTED.

The meeting terminated at 17:00.

CONFIRMED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2017-02-23

SPEAKER