

**No. 16**

**MINUTES**  
**OF**  
**eThekwini Council**

Minutes of proceedings of the Meeting of the eThekwini Council held  
at the Inkosi Albert Luthuli International Convention Centre, 45 Bram Fischer Road, Durban  
on Wednesday, 2017-05-31T14:00

**PRESENT** : Councillors WL Mapena (Speaker), ZRT Gumede (Mayor), F Peer (Deputy Mayor), MA Ally, J Annipen, S Aslam, A Beetge, 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, R Cloete, TP Collins, RJ Crouch, M David, HU De Boer, SV Asbury, GT De Lange, MAK Dladla, CB Dlamini, JA Dlamini, SB Dlamini, SR Dlamini, MP Dlomo, BA Fortein, VE Gebashe, HD Goge, 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, S Hoosen, NB Hoosman, NB Iyir, JA Johnson, M Johnson, SA Kaunda, DM Khanyile, ES Khanyile, KNN Khubone, JS Khuboni, PZ Khumalo, HL Khubisa, NL Khuzwayo, ZW Khuzwayo, SNC Khwela, CJ Laing, CB Langa, P Luthuli, TJ Luthuli, TN Mabanga, MT Mabaso, NI Madlala, A Maharajh, B Majola, TG Makhanya, ZP Makhanya, NZ Maluleka, MW Manqele, SD Maphumulo, PM Mbambo, V Mbanjwa, AM Mbele, RD Macpherson, SM Mdlalose, FW Mdletshe, LM Meyer, P Mfeka, TP Mfusi, K Mhlaba, GN Mhlongo, SE Mhlongo, MB Mjadu, AZ Mkhize, HGB Mkhize, KV 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, S Moonsamy, B Mpanza, SB Mpanza, SNL Mshengu, B Msomi, LG Mthembu, M Mthembu, MGF Mthembu, MM Mthembu, ON Mthembu, TM Mthethwa, TT Mthiyane, N Munien, AB Mvubu, RM Mzobe, BD Naidoo, 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, B Ntshangase, PC Ntshangase, SC Ntshangase, PB Ntuli, PH Nxumalo, NP Nxumalo, W Nyaba, NN Nyanisa, MS Nyawose, TT Nzuzza, CJ Pappas, BW Phewa, JP Phewa, TK Phohlo, B Phungula, D Pillay, DR Pillay, P Pillay, JP Prinsloo, GDA Pullan, BR Qhantsi, 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 Sibiya, PN Sikhosana, B Singh, EL Singh, Sagar Singh, Samier Singh, PS Sishange, NI Sithole, AD Snyman, ZR Sokhabase, M Tembe, JB Thabethe, WM Thring, JC Van den Berg, SM Windvogel, C Xesibe, MC Xulu, TV Xulu, BM Zulu, GB Zulu, MBR Zuma, TM Zuma, TG Zungu and MH Zwane.

ABSENT : Councillors S Bhanprakash (on leave), TJT Cibane (on leave), R Gokool (on leave), S Khuzwayo (on leave-Municipal business), BA Mkhize (on leave-indisposed), SR Moodley (on leave), NE Mthembu (on leave-indisposed), J Naidoo (on leave-Municipal business), M Nair (on leave), GM Noyce (on leave), KR Pillay (on leave-indisposed), MD Qwabe (on leave-indisposed), S Thango (on leave-indisposed), AN Dlamini, X Nala, BT Ntuli, and NY Young

AMAKHOSI

PRESENT : Inkosi NC Maphumulo.

AMAKHOSI

ABSENT : Inkosi BF Bhengu, Inkosi VR Cele, Inkosi TF Gwala, Inkosi NM Hlengwa, Inkosi PP Luthuli, Inkosi KS Makhanya, Inkosi DZ Mkhize, Inkosi LD Mkhize, Inkosi KT Mkhize, Inkosi TBE Mkhize, Inkosi S Mlaba, Inkosi RF Mthembu, Inkosi MB Ngcobo, Inkosi JP Shangase and Inkosi EB Shozi.

OFFICIALS

PRESENT : Messrs/Mesdames SC Nzuzza (City Manager), M Mhlongo (Deputy Head: Legal and Compliance), BM Mhlongo (Deputy Head: Office of the Speaker), C Munthrie (Principal Committee Officer) and N Biyase (Senior Committee Officer).

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**(At the commencement of the meeting 200 Councillors were present, comprising ANC-115, DA-56, IFP-8, EFF-8, INDEPENDENT-4, AIC-3, ACDP-1, MF-1 DLC-1 TA-1, MOSA-0, APC-1 and AL-JAMA-AH-1).**

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1. NOTICE CONVENING THE MEETING

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

2. OPENING

The Speaker apologised for the late commencement of the meeting, declared the meeting open and thereafter extended a warm welcome to Her Worship the Mayor, Deputy Mayor, Members of the Executive Committee, Honourable Councillors, Amakhosi present, City Manager, representatives from Legal and Compliance and the Media.

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 observe a moment's silence for all those who had passed on.

5. OFFICIAL ANNOUNCEMENTS

Taking note that this was a Special meeting of the Council to consider the Budget the Speaker reminded Councillors that they would be restricted to the time allocation as communicated to Political Party Whips.

6. SPEAKER'S REPORT

It was noted that the Speaker had no report to present.

7. APPLICATIONS FOR LEAVE OF ABSENCE

**RESOLVED:**

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

Councillor TJT Cibane	:	2017-05-31 (Personal Commitments)
Councillor R Gokool	:	2017-05-30 to 2017-05-31 (Personal Commitments)
Councillor S Khuzwayo	:	2017-05-31 (Municipal Business)
Councillor BA Mkhize	:	2017-05-31 to 2017-06-02 (Indisposed)
Councillor SR Moodley	:	2017-05-31 (Personal Commitments)
Councillor NE Mthembu	:	2017-05-31 (Indisposed)
Councillor J Naidoo	:	2017-05-31 (Municipal Business)
Councillor M Nair	:	2017-05-31 (Personal Commitments)
Councillor GM Noyce	:	2017-05-31 (Personal Commitments)
Councillor KR Pillay	:	2017-05-31 (Indisposed)
Councillor MD Qwabe	:	2017-05-31 (Indisposed)
Councillor S Thango	:	2017-05-31 (Indisposed)
Councillor S Aslam	:	requested to leave at 14:00
Councillor J Annipen	:	requested to leave at 16:43

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**In expressing concern on items not relevant to the budget having been included on the Council agenda, Councillor Mncwango made reference to Rule of Order 5(4), Chapter 2 of the Rules of Order Bylaw, that requires a Special Council meeting to be convened to consider the budget only. Therefore in that regard he requested that an Ordinary Council meeting be convened to consider the additional items on this Agenda.**

**In response, the Speaker pointed out that it was not for him to make a ruling on the additional items on the agenda and requested that the matter be raised upon Her Worship the Mayor presenting the budget.**

**(Her Worship the Mayor, Councillor ZRT Gumede thereafter presented the First Report of the Executive Committee.)**

**Prior to consideration of the Budget, as contained in the First Report of the Executive Committee, Councillor Mncwango made reference to Sections 16, 23 and 27 of the Municipal Finance Management Act and raised an issue in terms of the budget procedure relative to consultation with relevant parties, summarization of community views and non-compliance thereto, adding further that Council had not been privy to comments from National Treasury. He expressed concern that there had been insufficient time to peruse the budget that had been laid on table. He was of the view that the meeting was procedurally incorrect and should be referred to the Honourable MEC Co-operative Governance and Traditional Affairs for non-compliance.**

**The Deputy City Manager: Finance provided clarity by advising that the budget had been approved on 30 March 2017 for public consultation. Secondly the outcome of an engagement with National Treasury on 8 and 9 May 2017 had been quoted in the report in a summary and would be followed by a comprehensive report that would be tabled at a future meeting of this Council.**

**NOT CARRIED**

**As no consensus had been reached on Councillor Mncwango's request for non-compliance to be referred to the Honourable MEC Co-operative Governance and Traditional Affairs, the matter was put to a vote. With 199 Councillors present, 56 Councillors of the Democratic Alliance voted in favour and 133 Councillors (ANC-115, IFP-8, IND-4, AIC-3 and DLC-1, APC-1, and AL JAMA-AH-1) voted against. 10 Councillors (EFF-8, ACDP-1 and MF-1) abstained from voting.**

**The abovementioned request by Councillor Mncwango was NOT CARRIED.**

## **FIRST REPORT OF THE EXECUTIVE COMMITTEE**

(Meeting held on 2017-05-31)

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

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1. BUDGET 2017/2018 -2019/2020 (MTREF) (7/2/1)

(Page 1)

### COMMITTEE RECOMMENDS:

- 1.1 That the budget for 2017/2018 - 2018/19; and 2019/20 MTREF of the eThekweni Municipality and its Entities tabled in terms of Section 24 of the Municipal Finance Management Act, No.56 of 2003, be adopted.
- 1.2 That, it be noted that the details of the budget are contained in the budget documentation circulated separately, in accordance with the Municipal Finance Management Act, No.56 of 2003.
- 1.3 Estimates of Income and Expenditure:
- 1.3.1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20; and the multi-year and single year capital appropriations are approved as set-out in the following tables of the budget document:
- Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) **(Table A2; Page 57)**
  - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) **(Table A3; Page 58)**
  - Budgeted Financial Performance (Revenue by Source and Expenditure by Type) **(Table A4; Page 59)**
  - Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source **(Table A5; Page 60)**
- 1.3.2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
- Budgeted Financial Position **(Table A6; Page 62)**
  - Budgeted Cash Flows **(Table A7; Page 64)**
  - Asset Management **(Table A9; Pages 66-68)**
  - Basic Service Delivery Measurement **(Table A10; Page 69)**

1.4 Municipal Entities:

That the Municipal Entities budget as reflected on **Pages 301 to 327** of the budget documentation be approved

1.5 Recapitulation: Valuation of Rateable Property:

That it be recorded that the recapitulation certificate summarising the valuations of rateable property, as certified by the City Valuer, is laid on the table.

The following resolutions, pertaining to property rates (items 1.6 to 1.11) and in conformity with the provisions of Section 14 of the Local Government: Municipal Property Rates Act 6 of 2004 and Sections 17 (3) (a) (ii) and 24 (2) (c) (i) of the Local Government: Municipal Finance Management Act 56 of 2003, be adopted.

1.6 Determination of Rates:

1.6.1 In terms of the amended Rates Policy adopted by Council on 31 March 2016 which has since been reviewed and amended and is to be adopted with the current budget, the Municipality may levy different Rates for different categories of Property.

1.6.2 That the rate randage for the said financial year for the eThekweni Municipality, be and is hereby assessed and levied for the following categories at:

Categories	2017/2018 Cents in the rand	2018/2019 Cents in the rand	2019/2020 Cents in the rand
Residential at	1.060	1.130	1.210
Agricultural at	0.260	0.280	0.300
Industrial at	3.090	3.300	3.530
Business and commercial at	2.390	2.560	2.740
Public service infrastructure at	0.260	0.280	0.300
Vacant land at	4.730	5.060	5.410
Unauthorised or illegal development at	7.390	7.900	8.440
Rural Residential at	1.060	1.130	1.210
Urban Development Line at	1.560	1.670	1.780

Multiple-Use Property will be dealt with in accordance with the Rates Policy.

1.7 Exemptions, Rebates and Reductions:

That the following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with the Rates Policy.

1.7.1 Residential Property:

That in addition to the statutory reduction of R15 000, a further reduction of R105 000 be and is hereby approved for property values exceeding R230 000. The conversion of the aforementioned residential reduction into an application driven rebate is hereby extended by one year to the 2018/2019 financial year.

1.7.2 Public Benefit Organisations:

That on application and approval, only Public Benefit Organisations listed in clause 7.5 of the Municipality's Rates Policy 2017/2018 shall receive an exemption from rates.

1.7.3 Senior Citizens, Disability Grantees / Medically Boarded Persons and Child Headed Households:

1.7.3.1 That in addition to the reduction in 1.7.1 above, a rebate not exceeding R4035 or such lesser amount as may otherwise be payable, be and is hereby approved for qualifying Senior Citizens, disability grantees / medically boarded persons and child headed households as defined in the rates policy.

1.7.3.2 That it be and is hereby resolved to place a maximum limit of R2 million on the value of the property, in order to qualify for the Senior Citizens rebate in (1.7.3.1) above.

1.7.4 Life Rights Schemes and Retirement Villages:

That on application and approval, a 25% rebate be granted to Life Rights Schemes and Retirement Villages registered in terms of the Housing Development Scheme for Retired Persons Act 65 of 1988.

1.7.5 Schools Not For Gain:

That a rebate of 50% be and is hereby granted to qualifying schools not for gain.

1.7.6 Bed and Breakfast Undertakings:

That on application and approval a rebate of 50% be granted to all Bed and Breakfast establishments that have a valid Registration Certificate issued by eThekweni Municipality.

1.7.7 Guest House Undertakings:

That on application and approval a rebate of 25% be granted to all Guest House undertakings that have a valid Registration Certificate issued by eThekweni Municipality.

1.7.8 Back-Packer Lodges, Holiday Accommodation and Student Accommodation:

1.7.8.1 That on application and approval, the following rebates shall apply to Back-packer establishments that have a valid Registration Certificate issued by eThekweni Municipality:

- a) Where up to 40 beds are available to guests, a rebate not exceeding 50% will apply;
- b) Where up to 80 beds are available to guests, a rebate not exceeding 25% will apply;

1.7.8.2 That on application and approval, property let out for the purposes of Holiday Accommodation, be granted a rebate of 64%

1.7.8.3 That on application and approval, property let out for the purposes of Student Accommodation, be granted a rebate of 25%.

1.7.9 Natural and Other Disasters:

1.7.9.1 That on application and approval a temporary rebate of 75% be granted in respect of property damaged by disaster for a period of six months or a portion thereof.

1.7.9.2 That on application and approval, a further temporary rebate of 75% be granted thereafter, for a period not exceeding six months.

1.7.9.3 That the rebate is granted on the category of property prior to damage.

1.7.10 Vacant Land:

That the reduction of R30 000 on the market value of Vacant Land outside the Urban Development Line be granted.

1.7.11 Municipal Properties:

All municipal owned properties are exempted from property rates, except for Trading Services.

1.7.12 Nature Reserves and Conservation Areas:

That on application and approval, nature reserves and conservation areas shall be excluded from rates.

1.7.13 Economic Development:

On application and approval by Council, developments which fall within the City, as contemplated in the Economic Development Incentive Policy of Council read together with the Rates Policy shall receive a rebate limited to:

- (i) Green Field Development as defined in the Rates Policy; and
- (ii) Brown Field Development as defined in the Rates Policy.

and as per the table below:

VALUE OF DEVELOPMENT R (MILLIONS)	REBATE ON TAX PAYABLE IN PERCENTAGE
0 - 50	15%
51 - 150	25%
151 - 300	50%
301 and above	65%

1.7.14 Special Rating Areas:

1.7.14.1 That the existing Special Rating Areas as indicated in Annexure A be and are hereby noted.



1.7.14.2 That in respect of the Special Rating Areas, additional rates, as indicated in Annexure A hereto, be approved and levied in respect of each category of property within the boundaries of the Special Rating Area.

1.7.14.3 That for the purposes of Clause 9.3.1.2 of the Rates Policy, the minimum total value of properties, be determined at R400 Million.

1.7.15 Consulates:

That where a Consulate claims exemption from rates, such rates shall be payable by the Department of International Relations and Co-operation.

1.8 Phasing in of Rates:

That the following phasing in of rates be and are hereby approved subject to Section 21 of The Local Government: Municipal Property Rates Act 6 of 2004:

1.8.1 A rate levied on newly rateable property must be phased in over a period of three financial years.

1.8.2 A rate levied on property belonging to a Land Reform Beneficiary or his or her heirs must, after ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds, be phased in over a period of three financial years.

The phasing in discount on properties referred to in (1.8.1) and (1.8.2) above will apply as follows:

- a) 75% in the first year
- b) 50% in the second year
- c) 25% in the third year

1.8.3 A rate levied on newly rateable property owned and used by organizations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities must be phased in over a period of four financial years, with the following phasing in discounts:

- a) 100% in the first year
- b) 75% in the second year
- c) 50% in the third year
- d) 25% in the fourth year

1.9 Flat Service Charge Rate for Formal Properties Valued Below R185 000 and Informal Settlements Where Water and Ablution Facilities Have Been Provided:

That a flat service charge rate be investigated for formal properties valued below R185 000 and those informal settlements where water and ablution facilities have been provided.

1.10 Date of Operation of Determination of Rates:

That this determination comes into operation on 1 July 2017.

1.11 Final Date for Payment of Rates:

1.11.1 Where rates are payable in monthly instalments, such payments shall be in twelve (12) equal or near equal instalments payable 21 days from the date of account.

1.11.2 Where rates are payable annually the final date for payment shall be 31 October 2017, provided that where this date falls on a Sunday or public holiday payment shall occur on the last working day prior to such Sunday or public holiday.

1.12 Administration Charge on Arrear Rates:

That the administration charge on arrear rates as referred to in Section 10.7 of the Credit Control and Debt Collection Policy is determined at 10%. Collection of arrear rates is in accordance with the Credit Control and Debt Collection Policy.

1.13 Interest on Arrears:

That the interest rate to be applied to arrear accounts, shall be the interest rate as prescribed by Regulation 9 of the Municipal Property Rates Regulations, 2006.

1.14 Other Tariffs and Charges:

1.14.1 That other tariffs and charges as circulated with the budget document in terms of Section 24(2)(c)(i) and (ii) be approved for the financial year commencing 1 July 2017.

1.14.2 That NERSA'S proposed municipal Electricity Tariff guideline increase of 1.88 %, be hereby approved by Council, it being recorded that the application supporting this tariff increase is yet to be processed by NERSA. Any changes to NERSA's proposed tariff increase will need to be considered by the Council.

1.14.3 That the average Water tariff increases of 15.0 % for residential properties and 17.0 % for commercial properties be hereby approved by Council.

1.15 Surcharge on Water Consumption and Sewer User Charge:

That in order to accommodate the water challenges pertaining to the prevailing drought conditions, the Tariffs for Water Consumption and sewer user charge contain a provision for a drought tariff surcharge of 15% to apply in the event of the Municipality determining that water conservation measures must be introduced, or being obliged to introduce such measures in terms of legislation. It being noted that consumers be encouraged to use water more responsibly in view of the municipality's war on water leaks and reducing the volume loss in distribution of water.

1.16 Domestic Water Debt Relief Programme:

That it be and is hereby resolved to place a maximum limit of R250 000 on the rateable value of the property in order to qualify for the Water Debt Relief Program.

1.17 Budget Related Policies:

1.17.1 Rates Policy:

That the Rates Policy has been reviewed and amended and was adopted by Council on 30 March 2017.

1.17.2 Credit Control and Debt Collection Policy:

That the Credit Control and Debt Collection Policy has been reviewed and amended and was adopted by Council on 30 March 2017

1.17.3 Tariff Policy:

That the Tariff Policy as reviewed and amended and approved in principle by Council on 30 March 2017, be adopted, without further amendment, with the current budget.

1.17.4 Funding and Reserves Policy:

That the Funding and Reserves Policy adopted by Council on 3 May 2010 has been reviewed and remains unchanged.

1.17.5 Budget Policy:

That the Budget Policy adopted by Council on 23 February 2011 has been reviewed and remains unchanged.

1.17.6 Investment Framework Policy and Borrowing Policy:

That the Investment Framework Policy and the Borrowing Policy adopted by Council on 28 August 2013 remains unchanged.

1.17.7 Supply Chain Management Policy:

That the Supply Chain Management Policy currently under review is to be adopted with the final budget.

1.17.8 Other Budget Related Policies:

That in terms of Section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, there are no proposed amendments to any other budget related policies.

1.18 Capital Expenditure Estimate:

1.18.1 That in those instances where information has been provided in terms of Section 19(2)(b) of the Municipal Finance Management Act No. 56 of 2003, together with project procurement scheduling, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget. It being noted that project budgets will be re-prioritised if departments fail to submit their project procurement schedules.

- 1.18.2 Where information in terms of Section 19(2)(b) is not provided, specific project approval is to be sought from Council during the course of the year and that approval by Council be given only if the report seeking approval is accompanied by the specific project procurement schedule.
- 1.18.3 That the capital budget procurement process commences with the approval of the tabled budget.
- 1.18.4 That spend on the capital budget for the first 6 months of the financial year is targeted at not less than 35%.
- 1.19 Borrowings to Finance the Capital Budget:
- That authority be sought from Council for the raising of appropriate long term debt in terms of Section 46 of the Municipal Finance Management Act No 56 of 2003, to finance in part the municipality's capital budget over the MTREF period.
- 1.20 Housing/Hostels Deficit:
- 1.20.1 That the estimated Formal Housing Deficit of R35 m for the 2017/2018 financial year be met from the Rate Fund.
- 1.20.2 That the estimated New Development Housing and Hostels deficit of R687.1m be funded from the Rate Fund.
- 1.20.3 That appropriate interventions be escalated by the Executive Committee including, inter alia, the phased introduction of economic rentals, the constructive engagement of the Provincial State Authorities to secure additional funding and strategies to reduce electricity and water consumption.
- 1.21 New Functions/ Services:
- That no new functions or service be introduced without specific approval thereto by the Council after full consideration of the effect thereof on the Council's Budget.
- 1.22 Measurable Performance Objectives:
- That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act No. 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in **Table SA7 (Page 135)** be approved.
- 1.23 Integrated Development Plan (IDP):
- That the draft reviewed Municipality's Integrated Development Plan (IDP) was tabled with the budget in terms of Section 17(3)(d) of the Municipal Finance Management Act No.56 of 2003, it being recorded that the annual review process as prescribed in terms of Section 34 of the Municipal Systems Act, is continuing and that report to the Executive Committee will be submitted on completion of the consultative process.

1.24 Particulars of Investments:

That in terms of Section 17 (3) (f) of the Municipal Finance Management Act No. 56 of 2003, particulars of the Councils investments are reflected in **Tables SA15 – SA16 (Pages 145 - 146)**.

1.25 Remuneration of Councillors and Senior Officials:

That in terms of Section 17(3)(k) of the Municipal Finance Management Act No.56 of 2003 that the proposed cost to Council of the salary, allowances and benefits of each political office bearer, councillor and senior officials of the municipality and its entities, is reflected in **Tables SA22 – SA23 (Pages 154 - 155)**

1.26 Unfunded Mandates:

That the Council make representation to the Provincial and National Government regarding unfunded mandates presently undertaken by the Municipality with a view to securing funding for those services. The cost of unfunded mandates is set out hereunder:

	<u>R' m</u>
Libraries	285.6
Health – other than municipal health services	390.5
Museums	61.9
Housing: New Development and Hostels	687.1
Formal Housing	35.0
	<hr/> <b>1460.1</b> <hr/>

1.27 Impact of Housing Expenditure on the Cash Reserves:

1.27.1 That Council make representation to the Premier of the KwaZulu-Natal Province regarding expenditure incurred in previous years by the municipality amounting to R3.9 bn for the construction and provision of housing done on an agency basis on behalf of the KZN Department of Human Settlements (KZN DOHS) in order to secure funding.

1.27.2 In addition, in order to avoid the cash reserves dropping below prudent levels that could negatively impact our good credit rating, the municipality only implement KZN DOHS approved housing projects and implementation (incl. invoicing and submission of claims to KZN DOHS) of these approved projects to be in line with the approved KZN DOHS budget and cash flows.

1.28 Free Basic Services:

That the Basic Services Package as set out on **Page 82** is approved for the budget year 2017/2018.

1.29 Off Balance Sheet Financing:

That approval in principle be granted for alternate financing options/models to be considered, incorporating but not limited to Sect 33 (Contracts having future budgetary implications) of the MFMA type arrangements, to finance major infrastructure works requiring significant capital sums over several years where risks and rewards are equitably shared between the municipality and its chosen partner/s. Each specific project will be submitted to Council for consideration.

1.30 Catalytic Projects:

1.30.1 In keeping with National Treasury's directive to stimulate the economy, grow the rates base and create jobs, the City is considering the implementation of several catalytic projects, subject to these projects having a favourable return on investment (ROI).

1.30.2 That Council supports these projects in principle and that whilst initial funding has been provided for feasibility studies, further funding be sourced during the year as and when the projects are ready for implementation.

1.31 Food Aid Program (Soup Kitchens):

That the engagement of faith based organisations and NGO's to assist the municipality in its food aid program by adopting soup kitchens be investigated and where considered necessary a grant in aid be provided. It being noted that a provision of R72 million has be budgeted for to increase the number of soup kitchens from 36 to 54.

1.32 Destination Marketing Programmes:

1.32.1 That Council approves the hosting of the destination marketing programs as budgeted for and indicated on Annexure B.

1.32.2 That authority be granted to the City Manager to negotiate benefits and rights to leverage the destination and profile Durban with the organizers.

1.32.3 That authority be granted to the City Manager to conclude contracts with the owners in terms of the partnership investment.

**ANNEXURE A – 2017/18**

**ADDITIONAL RATES LEVIED ON SPECIAL RATING AREAS (1.7.14 REFERS)**

<b>Special Rating Areas</b>	<b>Residential</b>	<b>Business and Commercial</b>	<b>Industrial</b>	<b>Vacant Land</b>	<b>Agriculture</b>
a) Precincts bordered by Monty Naicker, Dorothy Nyembe, Anton Lembede and Dr Yusuf Dadoo Streets. (CBD Precinct)	0,001464	0,003220	0	0	0
b) Precinct bordered by Soldiers Way, Dr AB Xuma Road, Florence Nzama Street and Bram Fischer Road. (North East Business Precinct)	0	0,000435	0,000593	0,000791	0
c) Precinct bordered by Dorothy Nyembe Street, Margaret Mncadi Avenue, Beach Walk and Anton Lembede Street. (North East Business Precinct)	0	0,000435	0,000593	0,000791	0
d) Precinct bordered by Soldiers Way, Bram Fischer Road, Sylvester Ntuli, KE Masinga and Archie Gumede (Place) Roads. (North East Business Precinct)	0	0,000435	0,000593	0,000791	0
e) Precinct bordered by OR Tambo Parade, Dr Pixley KaSeme Street Mall, Rutherford and Gillespie Streets (South Beach Precinct).	0,001708	0,003758	0	0,006832	0
f) Umhlanga Promenade Precinct bordered by Ocean Way (South), Lot 430 (North), Lagoon Drive (West) and the Indian Ocean (East).	0,000959	0,002111	0	0,003837	0
g) Precinct bordered by Burlington Road, Burlington Drive, Nagel Road, Windsor Road, Midmar Road and Henley Road.	0,002932	0,006450	0	0,011727	0
h) Umhlanga Village Precinct bordered by Flamingo Lane, Ocean Way, Lagoon Drive, McCauland Crescent, Weaver Crescent and the Ruth First Highway.	0	0,001410	0	0,002563	0
i) Giba Gorge bordered by N3 Highway (South), Reservoir Road, Jan Smuts Avenue, Galloway Lane, Mountbatten Place, Alexander Drive, King Cetshwayo Highway (East), Portion 157 of Clifton (North) to Saint Helier Road (West)	0,001493	0,001493	0	0,001493	0,001493
j) Maytime Community bordered by M13 Highway, Woodside Avenue, Haygarth Road, Abrey Road, Msonti, Quillhall Lane, Alexander Avenue, Mtonbi and Victory Road.	0,004215	0,004215	0,004215	0,004215	0
k) Area consisting of the length of Florida Road, from Lillian Road to Mitchell's Park, including properties on both sides of Florida Road.	0	0,005707	0,007782	0,010376	0

Special Rating Areas	Residential	Business and Commercial	Industrial	Vacant Land	Agriculture
1) Westville Perth West Area bounded by Glencairn Close in the West, Stanley Teale Road in the South, Robert Herrick Avenue in the North and the eastern boundary consisting of Linford Place and Drayton Place in Westville	0.003418	0.003418	0	0.003418	0

**ANNEXURE B**

PROGRAMS PARTNERSHIPS			
1.	Fact Durban Rocks:	July and December	The program takes place during Fun or mid tourism season as well as during the December festive season. It is a major attraction for tourist to visit the City.
2.	Durban July Beach Extravaganza	July	Promotes and provides entertainment experience during July holidays at Beachfront.
3.	Joyous Celebration	July	Biggest Gospel show attracting high LSM from various parts of South Africa. It has a countrywide roadshow and the brand has huge following locally and beyond Durban.
4.	Durban International Boat Show	July	An exhibition of the best boats in Durban and exposure to students on the oceans economy as a possible career venture.
5.	South African Music Conference (SAMC)	July	Utilization of local talent to promote music that highlights Durban lifestyle. The conference discusses the commercialization of local music. Exhibition of Durban emerging talent utilizing township lounges.
6.	Vodacom Durban July Township Tourism Experience and Promotion in the South Region  - To be staged in various township tourism products such as: Max's Lifestyle Homecoming and more.	July	This is a robust destination promotion of the townships in Durban during the hype of the Vodacom Durban July. It has a great economic impact to the business in townships and also destination exposure through the hosting of stakeholders in the familiarization trips in various township tourism products.
7.	The Rainbow – Edinburgh Experience	August	Edinburgh International Festival Fringe in the United Kingdom in August will get a taste of The Rainbow Restaurant that is situated at the heart of Pinetown. Through colourful sounds and soulful beats, The Rainbow will enter the festival with its fascinating history from the apartheid years through to the birth of the new South Africa and the Rainbow Nation. This program will be taking Durban to the world, where we are able to showcase, the food and music that the tourist are missing out. (attached is a detailed proposal)



<b>PROGRAMS PARTNERSHIPS</b>			
8.	<p>INK Township tourism Experience and Promotion:</p> <ul style="list-style-type: none"> <li>- INK Kasi Experience</li> <li>- INK Hop</li> <li>- KwaMashu Township Festival</li> </ul>	Various periods of the Year	Promoting the destination through township exposure and boosting the township economy through: jobs creation, skills development and knowledge economy. Many of local businesses benefit from the business opportunities are created by these programs.
9.	<p>West Township Tourism Experience and Promotion:</p> <ul style="list-style-type: none"> <li>- Ulwazi Hammersdale Festival</li> </ul>	Various periods of the Year	The Hammersdale Festival is a three day festival that aims create in the greater Hammersdale Area that will encourage a sense of oneness, incorporating sport, music and a beauty pageant
10.	<p>South Township Experience and Promotion:</p> <ul style="list-style-type: none"> <li>- KwaMakhutha New Year's Eve Picnic</li> <li>- Umnini New year's Day Extravaganza</li> <li>- Umgababa New year's Picnic</li> <li>- Umbumbulu Music Festival</li> </ul>	Various periods of the Year	These programs are staged in the periphery of the urban Durban. These programs afford the residents and visitors great festive entertainment during the festive season. They also boast the thriving local economy as there will be various job opportunities received from this program and domestic tourism leveraging. These programs are primarily family oriented programs that enable social cohesion and enhance the family bonds.
11.	Township to Township Marathon	September	An annual qualifier marathon that alternates each year from KwaMashu to Umlazi.
12.	Shisanyama Festival	September	This program takes place during the heritage month and it brings together diversity, fashion, art & craft and food particularly the Shisanyama experience at is predominantly in the townships. It is also a platform to recognize and acknowledge the various township based Shisanyama restaurants that are predominantly owned by African emerging businesses. This also gives them exposure at this festival and the diverse ethnic groups get a taste their cuisine.
13.	Lady Smith Black Mambazo	Ongoing Partnership from December to June	The City's partnership with the 4 time global Grammy award winners that originated from the Province of KwaZulu-Natal. The group continues to annually have global presence through their music tours in the world and promoting the Durban destination.
14.	Good Food & Wine Show	October	It takes place between September and October and it is a platform utilized to promote Tourism Township establishments, they are also afforded an opportunity to exhibit or showcase their products at ICC.
15.	East Coast Durban Day	October	This is a program that celebrates Durban and its local talent led the leading provincial radio station ECR. It promotes social cohesion and civic pride of Durbanites.
16.	House and Garden Show	October	Promoting and taking Township Kasi Lifestyle Pavillion for music, food, furniture SMME's during this packed show across all demographics.
17.	Crown Gospel Awards	November	An annual gospel awards ceremony that attracts a large number of gospels followers across the country and beyond South Africa to converge to Durban.

PROGRAMS PARTNERSHIPS			
18.	Youth in Action Music Festival	December	This is a program driven by organized youth of Durban to drive various youth empowerment programs including responsible maturity. As the program is hosted in the festive season, it a platform to showcase the various talent of the youth in music and also afford the various economic development opportunities to the youth of eThekweni.
19.	Good Sundaе	December	Good Sundaе is a lifestyle program where city trendsetters gather in one venue to enjoy the countries best hip hop acts. Good Sundaе has made daytime/night time partying on a Sunday a culture for the past 4 years. Good Sundaе boasts and attendance of between 3000 and 5000 with the December programs being the most highly attended. The program primarily attracts the 18 – 35 age group. The program is always themed which attracts more numbers.
20.	Durban Underground	December	An annual Christmas Day program that celebrates Durban artists and offers Tourist an entertainment and fun experience during Christmas day.
21.	Durban Braai Day	December	This is a first time program that envisages to attract 8000 - 12000 attendees to take place at the MMS Peoples park. It will be giving the visitors and locals an additional desired lifestyle tourism experience with the vibrant entertainment and great ambience in the festive. The braai day is characterized as a family fun day which allows the visitors to travel as a collective family at all times during the festive season. This program is also platform to drive the campaign of youth against crime during the festive season.
22.	Durban Beach Festival	December	It is an extravaganza that offers a multiple entertainment package at the beach front for the whole family. It also affords a platform for local artists' development through performance after a series of road show recruitments.
23.	Durban Jazz Festival	December	Biggest program in South Africa during the festive season taking place on 26 December. Strategic hosting of stakeholders.
24.	Ingoma Cultural Zonal Festival in the West and the South	December and January	Promotes cultural social cohesion, traditional dance competition and ethnic pride. This is also an appealing attraction to the tourism and it showcases the culture and heritage of the people of Durban and KwaZulu-Natal which is of great interest to tourists.
25.	Woz' eDurban Picnic: - Program Partnership - Destination promotion and leveraging	January	Attracts high LSM from Gauteng and other provinces to come to Durban during the Festive Season. It renders opportunity to local entertainment artists targeting hotel visitors to experience various options.
26.	Metro FM Music Awards (MMAs) and  MMAs Public Viewing Area (PVA)	February	Music awards owned by the biggest commercial Radio Station. The Partnership seeks to yield the robust promotion of the destination through the radios leadership and also leverage on the media muscle that Metro FM has.
27.	Lions of Zulu UK tour	February	This is a United Kingdom tour by local group of African artists in promoting the Durban destination in the UK. It entails performances in various schools and community shows that promote the destination. They have in the past also had engagements with the various local leadership of the City's in the UK.

<b>PROGRAMS PARTNERSHIPS</b>			
28.	Youth Development Tourism Promotion Experience	Various periods of the Year	This is a youth developmental program aimed as empowering youth through the tourism sector as aligned to the radical economic transformation. It will happen through various activations and programs that are run and owned youth within the Durban Area including townships. The aim is to develop young program organizers.
<b>TOTAL BUDGET OF R 30.9m PER ANNUM OVER THE MTREF PERIOD.</b>			

**Her Worship the Mayor proceeded to the Podium to deliver her Budget Speech (attached hereto) and to consider item 1 of the Report, relative to the Budget 2017/2018-2019/2020 (MTREF). She commenced her speech by condemning the recent senseless killing and abuse of women and children and requested that Council observe a moment’s silence for those that had passed on.**

**Her Worship the Mayor reported on the 110 Ward and 6 Regional budget hearings that had been convened for the first time in the history of eThekweni Municipality, including consultation with various communities and stakeholders in both Business and Civil society. Making reference to the Freedom Charter she pointed out that the budget had responded to the needs of the people by addressing issues relative to poverty, unemployment, inequalities underdevelopment and women/youth development. As the year 2017 had been dedicated to the late President Oliver Tambo she undertook to unite the people of eThekweni by breaking down the barriers of division and creating a country where there will be neither whites, nor blacks, just South Africans. With regard to radical economic transformation she cited Durban as the economic powerhouse of Kwazulu-Natal and committed to ensuring that its people would benefit from the City’s economic opportunities and radical/inclusive growth.**

**Making reference to the total budget of R45 billion, Her Worship the Mayor advised that it comprised a figure of R37.5 billion for Operating and R7.5 billion for Capital, focusing on key areas in line with the undertaking to improve and enrich the lives of the people of eThekweni. In line with the African National Congress 2014 Election Manifesto she undertook to utilize State procurement in a strategic and radical manner to ensure localization, promotion of black/women/youth-owned enterprises and SMMEs, as well as facilitate industrialization. She reminded Council of the words of the late Nelson Mandela that with freedom comes responsibilities.**

**Her Worship the Mayor spoke of a partnership with Ithala Bank to embark on an economic empowerment program to transform township and rural based stores into commercially viable and sustainable enterprises, also highlighting other initiatives/reforms thereto. As much as the budget was being tabled under a tough economic climate which was somewhat restrictive, she was of the view that the Municipality had a shared responsibility to address the social and economic challenges that were prevalent. Having said that she was confident that the Municipality was resilient enough to weather the current economic turbulence. In terms of economic development she elaborated on key catalytic projects, its facilitation thereof and the need to foster tourism and promote township regeneration.**

**Her Worship the Mayor mentioned various plans by the Municipality to fast track growth in the City and having said that was pleased to announce that eThekweni Municipality continued to be one of the largest employers in the Province. As a caring City, she was passionate about the youth and mentioned a number of initiatives that were being planned across the Municipality to specifically target their development. She highlighted the institutional arrangement of ITRUMP and advised of Operation Sukuma Sakhe and the Extended Public Works outreach programmes that would improve the quality of life of the people of eThekweni.**

**Touching on the City's finances, Her Worship the Mayor spoke of commitment in ensuring good governance by tackling fraud and corruption, adding that the process of merging the Finance and Procurement Committee with the Executive Committee was indicative of such commitment. She elaborated on major strides by the City to fast track service delivery and bridge the gap between rich and poor in an attempt to address social inequalities. Notwithstanding the current economic climate eThekweni had still managed to produce a basket of services with an overall increase of less than 6%, which was highly commendable. She touched on revenue completeness and the stabilization of the Revenue Management System and collection rates that had increased to 96%.**

**On the issue of Smart City, Her Worship the Mayor committed herself to her Election Manifesto to expand broadband access in Local Government through free Wi-Fi areas, etc. To ensure a safer City a further 600 police persons would be employed over the next three years. She advised of constructive engagement with National Treasury whereat the presentations made by the Municipality had been well received. National Treasury had concluded that the budget was credible, reliable, funded and sustainable over the MTREF in terms of Section 18 of the Municipal Finance Management Act. She concluded by mentioning the awards and commendations for the City and thanked all those who had contributed in ensuring that the budget belonged to the people of eThekweni.**

**During discussion the budget was criticized by some Political Parties, specifically on issues related to housing, Metro Police, increased water loss, poor transport system, skill shortages, a steady decline in residential and commercial planning applications, unemployment, tariff increases and bad debts. It was mentioned that poor consultation with communities had not rendered the budget to be "for the people by the people". The budget of R31 million for events and lack of implementation of recommendations from Disciplinary hearings was highlighted with much concern. The increase in the number of soup kitchens was well received with a request for caution on the appointment of unscrupulous services providers as more people could be fed at a reasonable rate. A request was made for the departments of Parks, Recreation & Culture, Metro Police, Water & Sanitation and Community Participation to be closely monitored.**

**Disappointment was expressed on the lack of professionalism relating to the circulation of the agenda for this meeting. A request was made for the City Manager to implement the decisions of Council to appoint a new entity to run the City's buses. It was also felt that the budget had undermined input from the various Forums.**

**In expressing its support and views on the budget the African National Congress indicated, inter-alia, that the budget catered for programmes enshrined in the Freedom Charter and that it represented the views of the people through the various Ward Imbizos. The increase in soup kitchens was commended with it being highlighted that the budget addressed issues of water and sanitation and staff morale. Much excitement was expressed on the imminent catalytic projects that would assist all sectors of the economy and be fully effective. The connection of electricity to informal settlements was a serious fight that the City needed to conquer and in terms of institutional challenges various multi-disciplinary committees would be appointed to address issues such as roads, human settlements and debt collection from various Provincial and National departments, as well as the private sector.**

**As some Councillors were not in support of the above recommendations of the Executive Committee the matter was put to the vote. With 189 Councillors present 128 Councillors (ANC-113, IFP-7 IND-4, ACDP-1, MF-1, DLC-1 and APC-1) voted in favour and 50 Councillors (DA) voted against. 11 Councillors (EFF-8 and AIC-3) abstained from voting.**

**The Budget 2017/2018-2019/2020 MTREF recommendations of the Executive Committee were, by the majority vote, ADOPTED.**

2. REGIONAL HEARINGS – 2017/2018 MTREF (7/2/1)  
(Page 4)

COMMITTEE RECOMMENDS:

- 2.1 That Council notes that the Municipality has complied with Sections 22(a)(ii) and 23(1)(a) of the Municipal Finance Management Act with respect to conducting public hearings to submit input and comments to the 2017/18 budget, which hearings have been conducted in the month of April and May 2017.
- 2.2 That Council notes that input and comments received from the public hearings relate to housing; roads, traffic calming & bridges; electricity; water; safety and security; sanitation; cleansing and solid waste; parks, recreation, culture & cemeteries; health & environment; skills; job creation & youth development; poor drainage; request for soup kitchens; increased agricultural programmes; increase in Ward-based budget; and request for Municipal support of Non-Government Organisations, with the details under each aspect being contained in the report by the City Manager dated 2017-05-22.
- 2.3 That Council notes that in response to the issues raised during the public hearings, the zonal budget has been increased by R266 Million to reach a total of R990 Million over the Medium Term Revenue Expenditure Framework period, and the budget spent will focus mainly on pedestrian bridges; traffic calming measures; health hazards; sidewalks; passages and other critical issues, particularly, in the under-developed areas.

**As some Councillors were not in support of the above recommendations of the Executive Committee the matter was put to the vote. With 189 Councillors present 128 Councillors (ANC-113, IFP-7 IND-4, ACDP-1, MF-1, DLC-1 and APC-1) voted in favour and 50 Councillors (DA) voted against. 11 Councillors (EFF-8 and AIC-3) voted their abstention.**

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

3. FILLING OF VACANT BOARD MEMBERS POSITIONS: INKOSI ALBERT LUTHULI INTERNATIONAL CONVENTION CENTRE (4/3/2)  
(Page 7)

The process to fill the vacant positions of Board Members at Inkosi Albert Luthuli International Convention Centre has been finalised at the level of Management. The recommended candidates have been submitted for consideration by the Executive Committee. With the Executive Committee still to finalise the process at its level, a decision has been taken to extend the term of office of the existing Board members due to be replaced.

Accordingly,

COMMITTEE RECOMMENDS:

That, in order to enable the Executive Committee to finalise the process of appointing new Board members to fill 05 (Five) vacant positions of Board Members at the Inkosi Albert Luthuli International Convention Centre, Council approves the extension of the term of office of the existing Board members due to be replaced, on a month-to-month basis for a period of 03 (Three) months and the extension to be effective 01 June 2017 to 31 August 2017.

**ADOPTED.**

4. REQUEST FOR FUNDING TO ADDRESS FLOOD DAMAGES (22/7/1/1/3 & 9/1/3)  
(Page 13)

The Committee supported the acceleration of response to address flood damages to provide relief to the flood victims. However, it was emphasised that there existed a need to look into the housing issues in a holistic approach to respond accordingly to the housing demands within the City.

With the Democratic Alliance abstaining,

COMMITTEE RECOMMENDS:

- 4.1 That Council approves the total expenditure in the amount of R78 234 552.00 (Seventy Eight Million Two Hundred and Thirty Four Thousand Five Hundred and Fifty Two Rand) to respond to the damage in houses and retaining walls caused by the rainfalls of 12 to 16 May 2017 in various Wards within the eThekweni Municipal area.
- 4.2 That the application for funding will be submitted to the Provincial Human Settlements while the internal procurement processes are in process.

Financial Implications:-

Structure Affected	Subsidy Provided by KZN HS	Funding Source	Cost	TOTAL
Material Dispatch	R 6 000.00	HSDG	188 x 9000	<b>R1 692 000.00</b>
Temporary/Semi-Permanent Houses	R32 000.00	USDG	326 x 32 000	<b>R10 432 000.00</b>
BNG Units	R110 000.00	HSDG	68 x 110 000	<b>R 7 480 000.00</b>
Rural Houses	R110 000.00	HSDG	200 x 110 000	<b>R22 000 000.00</b>
Retaining Walls	R45 000.00	USDG	253 x 45 000	<b>R11 385 000.00</b>
Damage Infrastructure within Informal Settlements	R 30 000.00	USDG	140 x 20 000	<b>R 4 200 000.00</b>
<b>TOTALS</b>				<b>R57 198 000.00</b>

- Subsidy for houses will be provided by the Department of Human Settlements to an amount of **R29 480 000.00** (Twenty Nine Million Four Hundred and Eighty Thousand Rand) (268 x R110 000.00) excluding VAT.
- Retaining wall will be funded by the City through USDG at an amount of **R11 385 000.00** (Eleven Million Three Hundred and Eight Five Thousand Rand) (253 x R45 000.00) excluding VAT.
- Material to dispatch will cost **R1 692 000.00** (One Million Six Hundred and Ninety Two Thousand Rand) (188 x 9000) excluding VAT.
- The Informal Settlements will be assisted with construction of the semi-temporal structure of prefabs for **R10 432 000.00** (Ten Million Four Hundred and Thirty Two Thousand Rand) (326 x R32 000.00) excluding VAT.
- The infrastructure damages in the informal settlements and transit facilities will cost **R4 200 000.00** (Four Million Two Hundred Thousand Rand) (140 x 30 000) excluding VAT.

Total of **R78 234 552.00** is required.

**As some Councillors were not in support of the abovementioned recommendations of the Executive Committee the matter was put to the vote. With 188 Councillors present 126 Councillors (ANC-109, IFP-8, IND-4, AIC-3, ACDP-1, MF-1) voted in favour and 53 Councillors (DA) voted against. 9 Councillors (EFF-8 and APC-1) abstained from voting.**

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

5. FLEET TENDERS FOR EXISTING BUS REPLACEMENT PROGRAMME AND GO DURBAN SERVICE (26/3/1/2)  
(Page 18)

With the Democratic Alliance abstaining,

**COMMITTEE RECOMMENDS:**

- 5.1 That Council approves the proposal to replace 150 (One Hundred and Fifty) buses over the next 3 years based on the approved budget of R325 000 000.00 (Three Hundred and Twenty Five Million Rand) to ensure the aging Durban Transport fleet is replaced and the phased in introduction of Go! Durban is maintained to ensure that the Durban Transport operation is not compromised.
- 5.2 That Council approves project authority of R764 962 000.00 (Seven Hundred and Sixty Four Million Nine Hundred and Sixty Two Thousand Rand) for the fleet requirement of 190 (One Hundred and Ninety) new buses over the next 3 years for the Go! Durban C3 service taking into consideration that a conservative approach has been adopted with a demand ramp up and that the buses will be funded via the PTNG from savings in the current financial year and in the form of a loan for which the loan repayments will be funded by the PTNG.

Financial Implications:

<b>Financial Year</b>	<b>2016/17</b>	<b>2017/18</b>	<b>18/19</b>	<b>TOTAL</b>
Bus Replacement Programme	R100 000 000.00	R100 000 000.00	R125 000 000.00	R325 000 000.00
GO! Durban C3 Fleet	R163 350 000.00	R235 587 000.00	R366 025 000.00	R764 962 000.00

**MOTION TO REFER BACK**

**In terms of Rule of Order 20(1)(c) Councillor WJD Burne, seconded by Councillor H De Boer, moved as a procedural motion that the abovementioned recommendations of the Executive Committee be referred back to the Human Settlements and Infrastructure Committee for the following reasons:**

- “1. That clarity be sought on the identity of the Operator or Operators of the Public Transport Facility in eThekweni.
2. That clarity be sought on the financial stability and viability of public transport service in eThekweni.”

**NOT CARRIED**

**As not all Councillors were in support of the abovementioned motion to refer back, the matter was put to the vote. With 189 Councillors present, 62 Councillors (DA-53, EFF-8 and ACDP-1) voted in favour and 127 Councillors (ANC-109, IFP-8, IND-4, AIC-3, MF-1, DLC-1 and APC-1) voted against. There were no abstentions recorded.**

**The motion to Refer Back was, by the majority vote, NOT CARRIED.**



**Discussion thereafter reverted to the substantive motion after which the above recommendations of the Executive Committee was put to the vote. With 185 Councillors present 127 Councillors (ANC-110, IFP-8, IND-4, AIC-3, MF-1 and DLC-1) voted in favour and 58 Councillors (DA-53 and EFF-5) voted against. There were not abstentions recorded.**

**The abovementioned recommendations of the Executive Committee were, by the majority vote, ADOPTED.**

6. PROPOSED AMENDMENTS TO THE ETHEKWINI MUNICIPALITY RULES OF ORDER BY-LAW, 2014 (3/4/8/1)  
(Page 4)

COMMITTEE RECOMMENDS:

That the eThekweni Municipality Rules of Order Amendment By-law, 2017, be approved in principle to enable public participation and publication for comments in the Ezasegagasini Metro, City Hall Notice Board and the eThekweni Municipality website ([www.durban.gov.za](http://www.durban.gov.za)), for a period of not less than 30 days to allow the public an opportunity to make representations with regard to the proposed By-Law.

**ADOPTED.**

7. BUILT ENVIRONMENT PERFORMANCE PLAN 2017/2018 (2/1/5/1)  
(Page 17: Supplementary Agenda)

COMMITTEE RECOMMENDS:

- 7.1 That Council approves the 2017/18 Built Environment Performance Plan (BEPP) developed in compliance with the Division of Revenue Bill 2017 and which serves to integrate spatial planning tools, infrastructure implementation tools and also enable the release by National Treasury of major Built Environment Grants.
- 7.2 That Council notes that detailed engagements will be undertaken with the Executive Committee and Council from July 2017 to unpack BEPP in more detail in order to inform the 2018/19 BEPP and Budget process.

**With some Councillors not being in support of the above recommendations of the Executive Committee the matter was put to the vote. With 189 Councillors present 128 Councillors (ANC-113, IFP-7 IND-4, ACDP-1, MF-1, DLC-1 and APC-1) voted in favour and 50 Councillors (DA) voted against. 11 Councillors (EFF-8 and AIC-3) abstained from voting.**

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

8. INTEGRATED DEVELOPMENT PLAN 2017/18 (2/1/6/1)

COMMITTEE RECOMMENDS:

- 8.1 That Council approves the 2017/18 Integrated Development Plan (IDP) which has been developed in compliance with the requirements of the Local Government: Municipal Systems Act No. 32 of 2000 and serves as a tool for transforming local government towards facilitation and management of development within the area of jurisdiction of eThekweni Municipality.
- 8.2 That the approved IDP together with related document, including Budget, Spatial Development Framework and BEPP be submitted to the KwaZulu-Natal MEC for Cooperative Governance and Traditional Affairs as per the statutory requirement.

**With some Councillors not being in support of the above recommendations of the Executive Committee the matter was put to the vote. With 189 Councillors present 128 Councillors (ANC-113, IFP-7 IND-4, ACDP-1, MF-1, DLC-1 and APC-1) voted in favour and 50 Councillors (DA) voted against. 11 Councillors (EFF-8 and AIC-3) voted their abstention.**

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

9. REQUEST TO IMPLEMENT THE MAYORAL YOUTH IZIMBIZO ON RADICAL ECONOMIC TRANSFORMATION (20/1/7/1)  
(Page L32)

With the Democratic Alliance abstaining,

COMMITTEE RECOMMENDS:

- 9.1 That Council approves the implementation of Mayoral Youth Izimbizo on Radical Economic Transformation at an estimated costs of R1 260 000.00 (One Million Two Hundred and Sixty Thousand Rand) to cover the logistical requirements and which platform is aimed at imparting entrepreneurial skills and to promote economic opportunities to the Youth, amongst the other elements.
- 9.2 That it be noted that the Youth Programmes will be implemented in the West Region, North Region, South Region and Central Region in the month of June 2017.
- 9.3 That since the Youth Office is still being capacitated, an Events Management Company be appointed in order to manage the Youth Programme relating to .1 above.

(Vote: Various; R1 260 000.00; F.C. 08/35)

**With some Councillors not being in support of the above recommendations of the Executive Committee the matter was put to the vote. With 187 Councillors present 127 Councillors (ANC-110, IFP-8, IND-3, AIC-3, ACDP-1, DLC-1 and APC-1) voted in favour and 53 Councillors (DA) voted against. 7 Councillors (EFF) abstained from voting.**

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

10. REQUEST TO IMPLEMENT YOUTH MONTH PROGRAMMES (19/1/1/3)  
(Page L33)

With the Democratic Alliance abstaining,

**COMMITTEE RECOMMENDS:**

That Council approves the implementation of the Youth Month Programmes, namely, Youth Week Launch; Youth in Leadership Summit/Camp; Career Employment Opportunities Fair and Jobs Lekgotla; and Youth Day Commemoration/War Against Social Ills at a total estimated costs of R3 008 000.00 (Three Million and Eight Thousand Rand) to cover the logistical requirements and material required in certain events.

(Votes: Various; R3 008 000.00; F.C. 08/31)

**With some Councillors not being in support of the above recommendation of the Executive Committee the matter was put to the vote. With 186 Councillors present, 126 Councillors (ANC-110, IFP-7 IND-3, AIC-3, ACDP-1, DLC-1 and APC-1) voted in favour and 53 Councillors (DA) voted against. 7 Councillors (EFF) abstained from voting.**

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

ZRT GUMEDE  
CHAIRPERSON

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The meeting terminated at 17:05.

CONFIRMED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2017-06-29.

SPEAKER