

No. 17

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, 2017-06-28T11:00

PRESENT : Councillors WL Mapena (Speaker), ZRT Gumede (Mayor), F Peer (Deputy Mayor), MA Ally, MPN Bhengu, NC Biyela, SS Butelezi, VP Caluza, H Cele, NT Cele, TJT Cibane, R Cloete, GT De Lange, MAK Dladla, CB Dlamini, JA Dlamini, SB Dlamini, SR Dlamini, MP Dlomo, BA Fortein, VE Gebashe, HD Goge, BR Gumede, NP Gumede, ZD Gushu, NP Hlomuka, RC Hlophe, NB Hoosman, JA Johnson, SA Kaunda, ES Khanyile, JS Khuboni, PZ Khumalo, HL Khubisa, NL Khuzwayo, S Khuzwayo, SNC Khwela, P Luthuli, TJ Luthuli, TN Mabanga, MT Mabaso, B Majola, TG Makhanya, ZP Makhanya, MW Manqele, SD Maphumulo, PM Mbambo, V Mbanjwa, AM Mbele, FW Mdletshe P Mfeka, K Mhlaba, GN Mhlongo, HGB Mkhize, MM Mkhize, MP Mkhize, S Mkhize, SM Mkhize, SM Mkhwanazi, PS Mncube, SB Mngadi, SV Mngadi, NE Mnguni, BV Mngwengwe, SR Moodley, S Moonsamy, B Mpanza, SB Mpanza, LG Mthembu, M Mthembu, MGF Mthembu, MM Mthembu, AB Mvubu, RM Mzobe PL Ncayiyana, AB Ndlovu, PB Ndlovu, MK Ndzimbomvu, ZS Ndzoyiya, AS Ngcobo, TT Ngubane, M Nojiyeza, B Ntshangase, PC Ntshangase, BT Ntuli PH Nxumalo, NP Nxumalo, W Nyaba, NN Nyanisa, TT Nzuzza, BW Phewa, JP Phewa, TK Phohlo, B Phungula, P Pillay, BR Qhantsi, A Ramkissoo, AN Shabalala, A Shaheed, MG Shange, SG Shange-Dlamini, ES Shezi, MC Shezi, VH Shezi, DM Shози, M Sibisi, N Sibiya, PN Sikhosana, PS Sishange, ZR Sokhabase, JB Thabethe, S Thango, WM Thring, C Xesibe, MC Xulu, TV Xulu, NY Young, BM Zulu, GB Zulu, MBR Zuma, TM Zuma, TG Zungu and MH Zwane.

ABSENT : Councillors J Annipen (On leave – Indisposed), SV Asbury, A Beetge, S Bhanprakash, MC Bhengu, T Biyela, M Brauteseth, S Brijmohan (On leave – Indisposed), WJD Burne, J Chetty, BA Chili, TP Collins, RJ Crouch, M David, HU De Boer, AN Dlamini (On leave – Municipal Business), R Gokool, G Govender, S Govender, Y Govender, NL Graham, PJC Graham, NC Gumede, TR Gumede, MS Gwala, MH Haniff, GJ Hegter, S Hoosen, NB Iyir, M Johnson, DM Khanyile, KNN Khubone, ZW Khuzwayo, CJ Laing, CB Langa, NI Madlala (On leave – Municipal Business), A Maharajh, NZ Maluleka (On leave - Indisposed), RD Macpherson, SM Mdalose (On leave), LM Meyer, TP Mfusi (On leave), SE Mhlongo, MB Mjadu, AZ Mkhize, BA Mkhize (On leave – Indisposed), KV Mkhize, ZM Mncwango, E Mngadi, LC Mnguni, LN Mngwengwe (On leave), SNL Mshengu, B Msomi, NE Mthembu (On leave – Indisposed), ON Mthembu (On leave – Indisposed), TM Mthethwa, TT Mthiyane, N Munien, , BD Naidoo, J Naidoo, M Nair, X Nala, BP Ndlela, S Ngema, BS Ngiba (On leave), MM Ngiba (On leave – Indisposed), SJM Nhlapho (On leave), MS Nkosi, DR Nowbuth, GM Noyce, SC Ntshangase,

PB Ntuli, MS Nyawose, CJ Pappas, D Pillay, DR Pillay, KR Pillay, JP Prinsloo, GDA Pullan, MD Qwabe (On leave), A Rampersad, S Ryley, S Sewshankar, B Shabane, MT Shelembe (On leave – Indisposed), BP Shozi (On leave), HP Shozi, B Singh, EL Singh, Sagar Singh, Samier Singh, NI Sithole, AD Snyman, M Tembe, JC Van den Berg and SM Windvogel,

AMAKHOSI

PRESENT : Nil

AMAKHOSI

ABSENT : Inkosi BF Bhengu , Inkosi VR Cele, Inkosi TF Gwala, Inkosi NM Hlengwa, Inkosi PP Luthuli, Inkosi KS Makhanya, Inkosi NC Maphumulo, 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), S Shezi (Acting Head : Legal Services and Compliance), M Mthiyane (Deputy Head : Legal Support, Legal Services and Compliance), BM Mhlongo (Deputy Head: Office of the Speaker), KR Ramsunder (Chief Committee Officer) and K Dweba (Principal Committee Officer)

(At the commencement of the meeting 121 Councillors were present, comprising ANC - 108, DA – 0, IFP - 0, EFF - 0, INDEPENDENT - 4, AIC - 3, ACDP - 1, MF – 0, DLC – 1, TA - 1, MOSA - 1, APC - 1 and AL JAMA-AH - 1).

1. NOTICE CONVENING THE MEETING

The 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 Her Worship the Mayor, Deputy Mayor; Members of the Executive Committee; Honourable Councillors; City Manager; Deputy City Managers present; Legal Services and Compliance officials; Media; Distinguished Guests; and Members of the Administration to this meeting of the Council.

He thereafter informed the Council that the DA, IFP and EFF would not be attending today's meeting of Council in protest against his decision to hold the meeting a day earlier than scheduled. He advised of their contention that the meeting had been re-scheduled in a non-procedural manner to accommodate ANC Councillors to attend the Party's Policy Conference being held on the 29th June. In that regard the Speaker advised that he had received a request from 115 Councillors for the Council meeting to be re-scheduled and all Party Whips had agreed to such re-scheduling at a Speaker's Committee meeting on Monday, 2017-06-26.

The Speaker referred to the relevant section of the Rules of Order and made the point that he was empowered to change the date of the meeting if a request from a majority of Councillors was received. He indicated that the meeting had to be held within the week in view of a number of items on the agenda which were required to be finalised before the end of the financial year which was 30th June. Further, logistical arrangements such as venue, etc had to be taken into account. He thereafter assured the Council that all processes in terms of the Rules had been followed and the Public had been informed of the change of date of the meeting via Press Statements and Social Media.

He nevertheless advised of a letter that had been received from the DA indicating, inter-alia, that such change of date had been in contravention of the Rules. In that respect the Speaker read out a letter that he had written in response to the letter that he had received from the DA.

Her Worship the Mayor, Councillor ZRT Gumede expressed her thanks and appreciation to the Speaker in adhering to the Rules and procedures in re-scheduling the date of this Council meeting.

Councillor WM Thring concurred with the explanation of the Speaker that he had given at the Speaker's Committee meeting to re-schedule the meeting.

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

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 he expressed condolences to the family of the former Member of Parliament, anti-apartheid activist and Rivonia trialist Kesval "Kay" Moonsamy who died on Wednesday, 21 June 2017 at the age of 90. He was also a member of the South African Communist Party, the Natal Indian Congress and the African National Congress.

He also expressed condolences to the people of Botswana on the passing away of their former President, Mr Ketumile Masire who led the Country from 1980 to 1998. He passed away on 22 June 2017 at the age of 91. Condolences were also expressed to the people of Namibia on the passing away of the anti-apartheid activist, politician and prisoner Mr Herman Andimba Toivo ya Toivo on 9 June 2017 at the age of 92.

He wished all Muslim Councillors, Officials and Members of the Public a belated Eid Mubarak. Eid had been celebrated on 26 June 2017.

The Speaker expressed sadness to those who had lost their loved ones in the devastating Knysna Fires and Cape storms.

As eThekweni Municipality remained a premier event destination during the month of July, the Speaker mentioned events such as the Vodacom Durban July, Durban International Film Festival, the 22nd International Aids Conference and the Ballito Pro International Surfing and Lifestyle event which had attracted a number of visitors to Durban.

He wished all Councillors who celebrated their birthdays during the month of June a Happy Birthday and a special birthday wish to Councillor NE Mthembu who was celebrating her birthday the following day.

Councillors were requested to switch their microphones off after speaking to avoid interference with the sound system and to talk slowly and clearly during the proceedings to enable proper interpretation.

The attention of Councillors were drawn to the Rules of Order 16(1)(a)-(e) and (4), (5), (6), (7) and (9). As per these rules, Councillors were requested to conduct themselves in a respectful manner, refrain from interrupting the proceedings and were encouraged to conduct business with the highest decorum and integrity that the occasion warranted and the residents of eThekweni Municipality deserved.

Once again the Speaker referred to the Rules and advised that all Councillors in possession of legal weapons would not be permitted to bring such weapons to meetings. The Chairperson of Security and Emergency Services Committee was requested to motivate to her Committee the acquisition of safes for the safekeeping of such weapons.

The Speaker advised that in the month of June 2017 only 30 reports from Councillor Report back meetings had been received by his Office. He expressed concern at the huge decline in the number of reports that were being submitted.

He thereafter advised of Councillors that had submitted reports, with a summary of issues that were covered in the said meetings and the dates thereof.

The Speaker made reference to the Inaugural meetings of the Ward Committees that had been held in May 2017 where Committee Secretaries and Portfolio Chairpersons had been nominated. He advised that this month, 100 Ward Committee meetings had been held. The Portfolio Chairpersons were to finalise the establishment of their respective Sub-Committee members.

Ward Councillors were urged to jointly hold, with Ward Committee Members, a Community meeting at least once in a quarter, to update Community members on developmental issues.

It was noted that the KZN-Department of Cooperative Governance and Traditional Affairs (COGTA) was responsible for supporting and strengthening the capacity of Municipalities to manage their own affairs and empowering Councillors. In that regard such Department has developed a National Certificate in Local Government Practices Programme on NQF level 3. The Speaker advised that this accredited training programme specifically targeted Councillors who were not in possession of a matric certificate and this would be rolled out from September 2017. Councillors were

requested to note that the said training would be conducted over a 9 month period (9 block sessions covering 15 modules). The detailed information on the said programme would be circulated to all Councillors.

The Speaker mentioned that as part of Councillor Welfare, a wellness day had been held for Councillors, where they were offered an opportunity, out of their busy schedules, to attend to their health needs. A variety of health tests had been conducted and Councillors were also given medical advice on healthy living. It was also noted that the wellness day would be an annual programme for Councillors to ensure that they were in good health to carry out their responsibilities.

In concluding his report Councillors were requested to note that Council would be in recess from 2017-07-03 to 14, and matters requiring urgent decisions would be dealt with as per provision in Rule 28 of the Rules of Order Bylaw.

6. APPLICATIONS FOR LEAVE OF ABSENCE

RESOLVED:

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

Councillor J Annipen	:	2017-06-28 (Indisposed)
Councillor S Brijmohan	:	2017-06-28 (Indisposed)
Councillor SS Butelezi	:	2017-06-28 Indisposed)
Councillor AN Dlamini	:	2017-06-28 to 30 (Municipal Business)
Councillor SB Dlamini	:	2017-06-28 (Personal Commitments)
Councillor CR Hlophe	:	Request to leave at 13:00
Councillor NI Madlala	:	2017-06-28 to 07-07 (Municipal Business)
Councillor NZ Maluleka	:	2017-06-28 (Indisposed)
Councillor MN Manqele	:	2017-06-28 (Indisposed)
Councillor SM Mdlalose	:	2017-06-28 to 30 (Personal Commitments)
Councillor TP Mfusi	:	2017-06-28 to 30 (Personal Commitments)
Councillor BA Mkhize	:	2017-06-28 (Indisposed)
Councillor SB Mngadi	:	2017-06-28 (Personal Commitments)
Councillor LN Mngwengwe	:	2017-06-28 to 29 (Personal Commitments)
Councillor ON Mthembu	:	2017-06-26 to 07-12 (Indisposed)
Councillor NE Mthembu	:	2017-06-28 (Indisposed)
Councillor BP Ndlela	:	2017-06-28 (Personal Commitments)
Councillor ZS Ndzoyiya	:	2017-06-28 (Indisposed)
Councillor BS Ngiba	:	2017-06-28 (Personal Commitments)
Councillor MM Ngiba	:	2017-06-28 to 29 (Indisposed)
Councillor TT Ngubane	:	Request to leave at 13:00
Councillor SJM Nhlapho	:	2017-06-28 (Personal Commitments)
Councillor BR Qwabe	:	2017-06-28 (Personal Commitments)
Councillor BP Shozi	:	2017-06-28 (Personal Commitments)
Councillor MT Shelembe	:	2017-06-28 to 30 (Indisposed)
Councillor MC Shozi	:	2017-06-28 (Municipal Business)
Councillor WM Thring	:	Request to leave at 11:30

7. CONFIRMATION OF MINUTES : Meeting held on 2017-05-25 and 31

RESOLVED:

That the minutes of the meeting of the eThekweni Council held on 2017-05-25 and special meeting held on 2017-05-31, as circulated and taken as read, be and they are hereby confirmed.

8. 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:-

8.1 Questions Submitted by Councillor Sagar Singh: Public Protests in and Around the Wards:

There have been many violent Protest in and around the Wards of eThekweni, inconveniencing Residents and Business.

I pose the following questions with regards to the abovementioned:-

1. **Have there been any arrest, if not why not?**
2. **Has there been an investigation into the reasons for the Protest?**
3. **How does the City plan to address the grievances of the Protestors?**
4. **What is the total value of damages to Municipal Property?**
5. **Is the Municipality holding the individuals who have caused damages to Municipal Property accountable?**
6. **If not, why not?**

In view of the author of the above-mentioned questions not being in attendance, and in noting that the absent Councillor had not authorized in writing any Councillor to take charge of their respective questions, responses to the questions were not provided.

8.2 Questions Submitted by Councillor N Khubone : Poverty and Unemployment Amongst the Youth:

Poverty amongst the Youth impedes learning and contributes to social and behavioural problems. Poverty also deprives young people of dignity and leads to a demoralised and polarised society.

In light of the above I pose the following questions:

1. **How many people under 35 are living in informal settlements in eThekweni?**
2. **What is the expanded unemployment rate for youth in eThekweni?**

3. **How many houses have been handed over to people under 35 since 2002?**
 - (a) **How many title deeds have been handed over to under 35s since 2002?**
4. **What financial support is offered to unemployed people under the age of 35 in relation to:**
 - (a) **bus fares to look for employment opportunities and access to social facilities; clinics etc?**
 - (b) **printing of CVs to apply for jobs?**
 - (c) **applying for IDs so as to apply for municipal vacancies?**
 - (d) **connecting to the internet to search for employment, study and start businesses?**
5. **What plan does the city has to address/assist child headed households?**
 - (a) **Where can this plan be accessed?**
6. **What plan does the city has to address/assist young people who have fallen victim to drug abuse caused by the lack of employment opportunities in the city?**

In view of the author of the above-mentioned questions not being in attendance, and in noting that the absent Councillor had not authorized in writing any Councillor to take charge of their respective questions, responses to the questions were not provided.

8.3

Questions Submitted by Councillor JP Prinsloo: Business Opportunities for the Youth in the Ocean Economy:

The Ocean Economy has the potential to create thousands of jobs for the young people of eThekweni. Moreover, the Ocean Economy offers the youth of eThekweni endless possibilities to start their own businesses by accessing industries such as tourism, sports and leisure and hospitality.

Considering the above, I pose the following questions:

1. **How much has been budgeted by the City in order to open up the Ocean Economy for young people in particular?**
 - (a) **What projects will this budget fund?**
2. **What plan does the City has to assist previously disadvantaged youth to access the Ocean Economy? Especially in relation to:**
 - (a) **Fish farming in the ocean?**
 - (b) **Assisting young black owned sea tour operators?**

- (c) **Eco-tourism related to the ocean?**
- (d) **Adventure tourism related to the ocean?**
- 3. **How many EPWP opportunities are directly linked to activities supporting the ocean economy.**

In view of the author of the above-mentioned questions not being in attendance, and in noting that the absent Councillor had not authorized in writing any Councillor to take charge of their respective questions, responses to the questions were not provided.

8.4 Questions Submitted by Councillor M Tembe : Road Safety Measures for School Children:

According to the eThekweni IDP and according to the City website, by 2030, the eThekweni Municipality will be Africa's most caring and liveable city.

In relation to the above:

- 1. **How many school going children (under 18) have died on the roads within the eThekweni Municipality since 2010?**
- 2. **How many applications for scholar patrols have been received by the Municipality since 2010?**
 - (a) **How many have been approved?**
- 3. **How many scholar patrol officers does the City currently employ?**
 - (a) **How many Scholar patrol officers are deployed on a daily basis?**
- 4. **How many road safety education officers does the Municipality employ?**
- 5. **Does the City has an up to date road safety plan to ensure that school children are protected when walking to and from school?**

In view of the author of the above-mentioned questions not being in attendance, and in noting that the absent Councillor had not authorized in writing any Councillor to take charge of their respective questions, responses to the questions were not provided.

(Her Worship the Mayor presented the First Report of the Executive Committee)

FIRST REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2017-06-13)

- 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 and MS Nkosi.
- ABSENT** : Executive Committee Member ZR Sokhabase (On leave).

1. **REPORT OF THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE:
MEETING HELD ON 2017-06-01**
(Page R1)

1.1 **Proposed Wellness Day For Councillors (3/5/3):**
(Page 15 : Governance and Human Resources Committee - Agenda : 2017-06-01)

COMMITTEE RECOMMENDS:

- 1.1.1 That the proposed Wellness Day / Healthy Living Awareness Day for Councillors scheduled for the 23rd of June 2017 be approved.
- 1.1.2 That subject to approval of .1 above, authority be granted to the Head : City Administration to incur the expenditure of R120 000.00(One Hundred and Twenty Thousand Rand) respectively, to host the Wellness Day / Healthy Living Awareness Day.

Financial Implications:-

For successfully hosting the said Councillors session it is estimated that the financial implications will be as follows:-

Item	Amount	Vote Number
1. Health Screening material	Occupational Health and Safety Unit to provide	32123.20325.12120.0000.56210.0010
2. Catering	R 20 000.00	32123.11400.12120.0000.56210.0010
3. Sport bags and wellness info pack	R100 000.00	32123.16325.12120.0000.56210.0010
Total Estimate	R120 000.00	

FC No.: 08/37

ADOPTED.

- 1.2 Men's Seminar 2017: Theme - Keeping The Balance In Leading Together With Women (19/1/1/4):
(Page 27 : Governance and Human Resources Committee - Agenda 2017-06-01)

COMMITTEE RECOMMENDS:

- 1.2.1 That authority be granted to the Head : Human Resources to implement the Men's Seminar for 2017: Theme – Keeping the balance in leadership together with Woman to be held in the City Hall, Durban on 2017-06-23.
- 1.2.2 That subject to approval of .1 above, authority be granted to the Head : Human Resources to incur expenditure of R52 000.00 (Fifty Two Thousand Rand only) to conduct a men's seminar to encourage men in leadership positions within the City including Councillors to engage in gender diversity dialogue.

Vote: 34552.53500-52; R52 000.00 (in the 2016/17 financial year)

ADOPTED.

- 1.3 Media Skills Workshop for Councillors (3/5/12) and (12/2):
(Page 41: Governance and Human Resources Committee - Agenda 2017-06-01)

At the Governance and Human Resources Committee, with 30 Councillors present, 18 ANC Councillors voted in support of the recommendations and 9 DA Councillors voted against. 1 AIC Councillor and 2 EFF Councillors abstained from voting.

The recommendations were, by the majority vote, adopted.

At the Executive Committee, the Democratic Alliance were concerned that the workshop was selective as well as about spending tax payer's money on skilling Councillors. They were of the view that the Political Parties should take responsibility in skilling their Councillors. Concern was further expressed that the report was not sufficiently detailed.

Explanation was given that priority would be given to those Councillors who held positions of responsibility e.g. Chairpersons, Whips, etc

Thereafter, with the Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting,

COMMITTEE RECOMMENDS:

- 1.3.1 That authority be granted to the Head: Communications to implement the Media Skills Workshop for Councillors to be conducted in a small groups to be selected by the Office of the Speaker aiming to facilitate media workshops for Councillors who are involved in media interviews, presentations, delivery of speeches and local and international state/official protocol.
- 1.3.2 That subject to approval of .1 above, authority be granted to the Head: Communications to collaborate with the Head: eThekweni Municipal Academy to appoint a suitable service provider to conduct the media skills workshop.

Financial Implications:

Vote: 32123.19925 12120 0000 35000 4 0010.

ADOPTED.

- 1.4 eThekweni Municipality Brand Review and Rebranding (12/5/1/1):
(Page 44 : Governance and Human Resources Committee - Agenda 2017-06-01)

At the Governance and Human Resources Committee, with 30 Councillors present, 19 Councillors (ANC - 18 and 1 - AIC) voted in support of the recommendations and 9 DA Councillors voted against. 2 EFF Councillors abstained from voting.

The recommendations were, by the majority vote, adopted.

At the Executive Committee, the Democratic Alliance cited huge financial implications associated with the rebranding of the City claiming that the timing was also not right given the current unfavourable economic conditions in the Country. Hence, their suggestion to delay the process. Once again it was expressed that the report had not been sufficiently detailed with no provision of financial costs.

The notion that suggested inopportune timing was dismissed, highlighting that it was pertinent for this new Council to put the long anticipated decision into practice. It was explained that a task team to coordinate the branding process would be set up to ensure that maximum community participation was achieved for input.

Thereafter with the Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting and Nkosi abstaining on the basis that he would need to consult with his Caucus,

COMMITTEE RECOMMENDS:

- 1.4.1 That authority be granted to the City Manager to embark on a process to design a new eThekweni Municipality Brand Review and Rebranding as contained in the report of the Head: Communications dated 2017-05-22.
- 1.4.2 That authority be granted to the City Manager to establish the Project Team to implement the project and provide monthly feedback to the Governance and Human Resources Committee.

ADOPTED.

- 1.5 #I Love My eThekweni Civic Pride Campaign (12/2):
(Page 53 : Governance and Human Resources Committee - Agenda 2017-06-01)

With Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting,

COMMITTEE RECOMMENDS:

That authority be granted to the Head: Communications to implement # I Love my eThekweni Civic Pride Campaign aiming to set the agenda for positive engagement with communities; format of the radio campaign which will include listeners responding on eThekweni social media platforms and build online presence and be in charge of the conversation.

Financial Implications:

There are funds that are available for this project from Corporate Municipal activities: Vote: 32240.16315 which is R1 000 000.00 (One Million Rand)

ADOPTED.

- 1.6 Memorandum of Understanding with Community Media Forum (12/R):
(Page 66: Governance and Human Resources Committee - Agenda 2017-06-01)

At the Executive Committee, the DA was concerned that the financial details were not provided hence they could not arrive at an informed decision.

Clarity was given that it had been discovered that the community media enjoyed a reasonable amount of listenership within the community however, they lacked the necessary finances to sustain themselves. As a result, the aim of this initiative was to support them at no additional costs to the Municipality.

With Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting,

COMMITTEE RECOMMENDS:

- 1.6.1 That the intention of the Communications Unit to enter into a Memorandum of Understanding with community media through the platform of the Community Media Forum wherein Municipal Units share developments and programmes as contained in the report of the Head : Communications dated on 2017-05-22, be approved.
- 1.6.2 That subject to approval of .1 above, authority be granted to the Head: Communications to sign the Memorandum of Understanding with community media on behalf of the eThekweni Municipality.
- 1.6.3 That it be noted that the Memorandum of Understanding will benefit both the community media and the Municipality in that:-
- 1.6.3.1 Community media will receive revenue to sustain themselves;
- 1.6.3.2 The municipality's radical economic transformation policy will be seen at work;

- 1.6.3.3 Municipality will receive objective coverage which will reach a wider audience as community media is free and accessible to most people; and
- 1.6.3.4 The community media forum will grow and afford a platform and attraction to more municipal Units
- 1.6.4 That it be noted that the Memorandum of Understanding will involve the eThekweni Municipality, through the Communications Unit setting aside a portion of its budget for advertising in community media and which will benefit both the community media and the Municipality.

ADOPTED.

- 1.7 City Talk Initiative (12/3/1/5):
(Page 82: Governance and Human Resources Committee - Agenda 2017-06-01)

With Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting,

COMMITTEE RECOMMENDS:

- 1.7.1 That the ‘Your City Talks’ brand awareness campaign initiative aimed at City residents to tell positive, inspiring news and developments about their communities and the City to be achieved through the production on monthly video footages which will be streamed through the Municipal YouTube and social media channel, be adopted.
- 1.7.2 That subject to .1 above, authority be granted to the Head : Communications to implement the ‘Your City Talks’ brand awareness campaign initiative which will be done in-house and flighted through the Municipal social media account at no cost.

Financial Implications:

The videos will be done in-house and flighted through the Municipal social media accounts at no cost.

ADOPTED.

- 2. REPORT OF THE HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: MEETING HELD ON 2017-06-06
(Page R8)

- 2.1 WS 2017/071: Request for Authority to Transfer Funds:
(Page 38: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

With the Human Settlements and Infrastructure Committee having proposed that prior to the transfer of funds, consultation with the relevant Ward Councillors be undertaken,

COMMITTEE RECOMMENDS:

That authority be granted to the Deputy City Manager: Treasury to include, in the Adjustments Budget report, the transfer of funds from projects listed in the report of the Head: Water and Sanitation dated 2017-04-24 where savings have been identified in the 2016/2017 financial year to project Y6525 (Ablution Blocks Project).

R260 605 000.00 (to be met via Adjustment Budget from various projects and USDG savings in 2016/2017).

ADOPTED.

- 2.2 Organica Food Chain Reactor Technology Demonstration Plant WS 2017/025 (23/1/11/2/1/2):
(Page 46: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

- 2.2.1 That authority be granted to the Head: Water and Sanitation to enter into a Memorandum of Understanding (MOU) with Murray and Roberts Water (MRW) regarding the installation of a demonstration plan at eThekweni Municipality's Verulam Waste Water Treatment Works at no cost to Council.
- 2.2.2 That it be noted that the Organica Bluehouse containerized system will be installed at the Verulam Wastewater Treatment Works to demonstrate the capabilities of the technology to treat incoming effluent for domestic and industrial areas, the demonstration will be for a period of 12 months.

No FC Required.

ADOPTED.

- 2.3 Public Transport Service Improvement Incentives Program (26/3/1/2):
(Page 166: Human Settlements and Infrastructure Committee – Agenda 2017-06-06)

At the Human Settlements and Infrastructure Committee, with 32 Councillors present, 22 Councillors (ANC - 18, EFF - 2, Independent - 1 and IFP - 1) voted in support of the recommendations and 11 Councillors (DA – 9 and EFF - 02) voted against the recommendations.

The recommendations were, by the majority vote, adopted.

At the Executive Committee the Democratic Alliance expressed concern in that proper details were not included in the report and raised serious concerns about the cost implications attached to the intended exercise. They also cited risks which the Council could involve itself should the plan be unsuccessful.

It was clarified that the taxi industry had been run informally and was difficult to manage. About 70% of eThekweni residents relied on public transport. The initiative to subsidise the industry sought to capacitate and improve the wellness of both the commuters and the industry as had been done with the buses. The Municipality would ensure that the beneficiaries met all the stipulated criteria i.e. clean credit record with the Municipality.

Thereafter with Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting

COMMITTEE RECOMMENDS:

- 2.3.1 That the Public Transport Service Improvement Incentives Program for minibus taxi operators, drivers and passengers, be approved.

- 2.3.2 That subject to approval of .1 above, authority be granted to the Head: eThekweni Transport Authority to make all necessary arrangements for the implementation of the program.
- 2.3.3 That authority be granted to the Head: eThekweni Transport Authority to provide regular reports to Council on the implementation progress.
- 2.3.4 That it be noted that the funding requirements of the Public Transport Service Improvement Incentives Programme have been estimated based on the following assumptions:
- 2.3.4.1 Qualifying operators will receive R1 000.00 (One Thousand Rand only) (or voucher worth R1000) per month for each vehicle, which is part of the program. 500 vehicles will be part of the pilot, with the number increasing to 3000 from April to June 2017/18, remaining at 3000 for 2018/19, and increasing to 5000 vehicles in 2019/2020;
- 2.3.4.2 Taxi Associations will receive R5000-00 (Five Thousand Rand only) per month to coordinate the program for their operators. 56 will participate in full roll-out in 2017/2018, and increase to 80 in 2019/2020;
- 2.3.4.3 Regional Offices of the Minibus Taxi Industry will receive R8 000.00 (Eight Thousand Rand only) per month to co-ordinate taxi associations in the region, which are participating in the program;
- 2.3.4.4 Drivers of the month, and runners up for each of the five regions will receive R5 000.00 (Five Thousand Rand only) and R2 500.00 (Two Thousand Five Hundred Rand only) respectively; and
- 2.3.4.5 Sponsorship will be sought from the business community for incentives to passengers to participate in the region.

Vote Number : 52200/19615/12120/0000/MRC01/0010

ADOPTED.

- 2.4 Electricity Energy Tariff Revision: Second Schedule & Bulk Tariffs For Financial Year 2017 (7/6/1/2):
(Page 188 : Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

The Human Settlements and Infrastructure Committee was advised that the purpose of the report was to seek the approval of the proposed average electricity tariffs increase of 1.88% for the 2017/2018 financial year. The energy charges and tariffs of eThekweni Electricity are due for annual review and the previous review was affected on 1 July 2016. Factors affecting the proposed increase are as follows:

- a) Increase in Bulk Electricity costs from ESKOM;
- b) Increase revenue requirements arising from capital expenditure, operating expenditure and CPI;
- c) Continuation with the rationalization of tariff structures; and
- d) A move towards compliance with national guidelines.

With 32 Councillors present at the Human Settlements , 20 Councillors (ANC - 18, Independent - 1 and IFP - 1) voted in support of the recommendations and 10 – DA Councillors voted against the recommendations. 2 EFF Councillors abstained from voting.

The recommendations were, by the majority vote, adopted.

At the Executive Committee, with Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting

COMMITTEE RECOMMENDS:

- 2.4.1 That the proposed of average electricity tariffs increase of 1.88% for the 2017/2018 financial year be approved.
- 2.4.2 That subject to compliance with paragraph 3 (below) of this report, the following will come into effect as of 01 July 2017.
- (i) Annexure A – Tariff categories and average percentage increases
 - (ii) Annexure B – Detailed tariff structures and rates
- 2.4.3 That subject to NERSA approval, the City Manager display and publish the required notices in the manner prescribed in Section 75A of the Local Government : Municipal System’s Act, 2000 (Act 32 of 2000).

ADOPTED.

- 2.5 Review of Schedule of Connection Fees and Charges (7/6/1/2):
(Page 211: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)
- The Human Settlements and Infrastructure Committee was advised that the purpose of the report was to seek the approval on the proposed schedule of Connection Fees and Charges for the 2017/2018 financial year to be implemented on with effect from 01 July 2017. The schedule of Connection Fees and Charges of eThekweni Electricity are reviewed annually and due for review implementation from 01 July 2017 to 30 June 2018. The previous was affected on 1 June 2016 with the following affecting the proposed increase:-
- a) Increase in costs regarding equipment and infrastructure including switchgear, transformers etc:
 - b) Increase in costs due to contractor prices increases and internal employee cost increase
 - c) Increase in costs due to rationalizing the connection cost methodology to align to industry standards; and
 - d) Increase in costs influenced by CPI and exchange rate fluctuate.

With 32 Councillors present at the Human Settlements and Infrastructure Committee, 20 Councillors (ANC - 18, Independent - 1 and IFP - 1) voted in support of the recommendations and 10 DA Councillors voted against the recommendations. 2 EFF Councillors abstained from voting.

The recommendations were, by the majority vote, adopted.

At the Executive Committee, with Executive Committee Members Mncwango, De Boer and Hoosen of the DA dissenting,

COMMITTEE RECOMMENDS:

- 2.5.1 That the proposed Schedule of Connection Fees and Charges for the 2017/2018 financial year be approved.
- 2.5.2 That subject to approval of .1 above, authority be granted to the Head: Electricity to implement increase with effect from 1 July 2017.
- 2.5.3 That the City Manager display and publish the required notices in the manner prescribed in Section 75A of the Local Government: Municipal System's Act, 2000 (Act 32 of 2000).

ADOPTED.

- 2.6 eThekweni Housing Sector Plan (22/7/1/2/2):
(Page 335: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

That authority be granted to the Head: Human Settlements to implement the eThekweni Housing Sector Plan which is the housing chapter of the Integrated Development Plan contained in the report of the Head: Human Settlements dated 2017-05-17, aiming to achieve the requirements by striving to strategically plan housing development within the Municipal area of jurisdiction by setting housing delivery goals and ensuring that sustainable housing projects are implemented.

Financial Implications:-

In terms of the broader financial commitments in implementing the plan from a capital and operational point of view, these will be subject and confined to concomitant funding allocations from within Council as well as allocations from external sources such as the KwaZulu-Natal Department of Human Settlements, the Urban Settlements Development Grant (USDG), etc. Funding for respective projects are captured in the capital.

ADOPTED.

- 2.7 Approval of Infrastructure Asset Management Policy 2016/17:
(Page 386 : Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

- 2.7.1 That the Infrastructure Asset Management Policy for 2016/2017 contained in the report of the Head: Engineering dated 2017-04-05, be adopted.
- 2.7.2 That subject to adoption of .1 above, authority be granted to the Chief Strategy Officer to implement the Infrastructure Asset Management Policy.
- 2.7.3 That subject .1 above, all Heads of Units that use, operate and/or are custodians of infrastructure assets, be requested to implement the Infrastructure Asset Management Policy in their Units.

ADOPTED.

- 2.8 Low Volume Gravel Road Upgrade Programme (LVGRUP) Approval of Gravel Roads for Upgrading purposes in the 2017/18 Financial Year:
(Page 426: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

- 2.8.1 That authority be granted for the implementation of gravel roads on the informal network to be upgraded in the 2017/2018 financial year as contained in the report of the Head: Engineering dated 2017-04-19.
- 2.8.2 That it be noted that the Councillors in the Wards concerned have been consulted on the matter and are in agreement with the proposed work.
- 2.8.3 That it be noted that the funding in the amount of R50 000 000.00 (Fifty Million Rand) has been provided on the 2017/2018 capital budget for such purpose.
- 2.8.4 That it be noted that not all of the roads can be constructed without further funding being made available and a report in this regard will be submitted for consideration as part of the adjustment budget process for 2017/2018.

ADOPTED.

- 2.9 Provision of Engineering Services to Informal Settlements within eThekweni Municipality's Incremental Service Programme (22/7/1/1/2):
(Page 491: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

- 2.9.1 That authority be granted to proceed with the detail design and accompanying programme management and implementation of engineering services for the provision of incremental services to the informal settlements as outlined in the report of the Head: Engineering dated 2017-03-02.
- 2.9.2 That subject to .1 above, and in order to accommodate changes in priorities, delays in packaging of projects, or funding limitations, authority be given to Head: Human Settlements to amend the sequencing approved of projects, subject to such amendments being reported to the Human Settlement and Infrastructure Committee.
- 2.9.3 That subject to .1 and .2 above, an annual funding provision equivalent to a minimum of R180 000 000.00 (One Hundred and Eighty Million Rand) per financial year be made in the eThekweni Municipality's Capital Budget for the following 6 financial years via a blocksum allocation commencing in the 2017/18 financial year in order to implement the Incremental Services Program as indicated in report.
- 2.9.4 That subject to .1, .2 and .3 above, that the Deputy City Manager: Treasury and Head : Human Settlements be tasked to provide a minimum of R180 000 000.00 (One Hundred and Eighty Million Rand) per financial year for the next 6 financial years via blocksum allocation and to provide the relevant project numbers and vote numbers to be utilized.

Financial Details:

2017/2018, 2018/2019, 2019/2020 and 2020/2021, 2021/2022, 2022/2023

Project No. and vote number: Provision of Incremental Services to Informal Settlements, to be provided via draft capital budget and adjustment budget.

ADOPTED.

- 2.10 Report on Request for Extra Funding Due to Costs Not Covered by Subsidy for KwaXimba Phase 1 Rural Housing Project (22/6/2):
(Page 503: Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

- 2.10.1 That additional funding of R17 781 412.30 (Seventeen Million Seven Hundred and Eighty One Thousand Four Hundred and Twelve Rand Thirty Cents), be approved to allow for the payments of cession claims and to successfully complete the project and complete the balance of the 195 units in order to finalize the 2000 units of KwaXimba Phase 1 Housing Project.
- 2.10.2 That it be noted that Court Cases and settlements of cessions has had a major negative impact on the project. To date R4 630 699.25 has been paid due to court outcome and settling cessions out of court due to legal advice. A further R13 150 713.05 is anticipating to be paid as it is similar pending cases and cessions outstanding. This totalling R17 781 412.30 (Seventeen Million Seven Hundred and Eighty One Thousand Four Hundred and Twelve Rand Thirty Cents) to be paid due to above mentioned reasons and is not recoverable as broken down as follows:-
- 2.10.2.1 Paid cessions due to court decision and advice from legal: R4 630 699.25 (Four Million Six Hundred and Thirty Thousand Six Hundred and Ninety Nine Rand Twenty Five Cents);
- 2.10.2.2 Pending Court cases/Suppliers that has served Municipality : R12 244 860.47 (Twelve Million Two Hundred and Forty Four Thousand Eight Hundred and Sixty Rand Forty Seven cents; and
- 2.10.2.3 Outstanding cessions that has sent legal intentions R905 852.58 (Nine Hundred and Five Thousand Eight Hundred and Fifty Two Rand Fifty Eight Cents).
- 2.10.3 That this unresolved amount of has affected the project budget as all these claims are paid directly from the project budget.

ADOPTED.

- 2.11 Proposed New eThekweni Municipality: Stormwater Management By-Law, 2017 (1/1/3/1/40):
(Page 509 : Human Settlements and Infrastructure Committee - Agenda 2017-06-06)

COMMITTEE RECOMMENDS:

- 2.11.1 That the eThekweni Municipality: Stormwater Management By-Law, 2017 be approved for public participation.
- 2.11.2 That a public participation notice calling for representations on the proposed By-Law be published in the Ezasegagasini Metro, Mercury and Isolezwe and a copy of the By-Law is to be placed on the City Hall notice board and website for a period not less than 30 days to allow the public an opportunity to make representations with regards to the proposed By-Law; and
- 2.11.3 That after the closure of the period allowed for public participation and after due consideration of any representations received form the public, if any, that the above By-Law is to be sent back to the Committee, EXCO and Council for final approval.

ADOPTED.

3. REPORT OF THE ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE:
MEETING HELD ON 2017-06-08
(Page R12)

3.1 Status Report: Land Use Strategy And Scheme to Support the C3 Corridor (MR 577)
to Support the Strategy and Allow for Public Participation (26/3/2/3):
(Page 36 : Economic Development and Planning Committee - Agenda 2017-06-08)

Committee was apprised that the C3 Corridor runs through 26 wards, and the Land Use Strategy and Planning Scheme will support sustainability thereof through the implementation of transit orientated development strategies of National treasury.

The Corridor allows people in the north to access jobs in the Inner West, but also along the Corridor, which allows for higher density housing and mixed use developments that will ultimately provide additional jobs along the Corridor.

It was noted that upgrading of reservoirs along the corridor, new housing, social services and tourism opportunities would also be provided along the Corridor.

It was further noted that developers would be allowed to access correctly zoned land and additional enhanced rates will accrue at the occupation stage of the development. In this regard, revised parking requirements particularly in close proximity to the stations and access to public transport will be reduced, which will be positive for developers.

COMMITTEE RECOMMENDS:

- 3.1.1 That the Land Use Strategy for the C3 Corridor as outlined in the report by the City Manager, dated 2017-05-08, be noted;
- 3.1.2 That the comprehensive Land Use Strategy alluded to in .1 above, be advertised for public comment, and that public be given 30 days in which to comment;
- 3.1.3 That the Land Use Strategy alluded to in .1 and .2 above, be submitted to Council for adoption thereafter.

ADOPTED.

3.2 Business Empowerment and Information Dissemination Workshops Programme
(20/1/7/3):
(Page 66 : Economic Development and Planning Committee - Agenda 2017-06-08)

Committee was apprised that the Business Support, Markets and Tourism embarked rolling out business empowerment workshops/road shows in various wards, targeting small, medium and micro enterprises (SMME's) within the eThekweni Municipality, the primary objective of which is to develop SMME's with business development information which is critical for the success of such businesses and economic empowerment.

The Programme includes internal and external stakeholders such as relevant City Units eg. Supply Chain Management, Corporate Human Resources, City Integrity and Investigations, iThala Bank and parastatals such as TRANSNET.

The primary focus of such the roadshows are as follows:

- Co-operative Development
- Franchise Development
- Access to Finance and Market
- PPPFA
- Combating corruption with the City
- Compliance with Supply Chain Management
- Municipality Recruitment Processes

Having noted that community halls have been used for workshops, and any cost incurred during the workshops will be for catering and hiring of necessary equipment, it was subsequently

COMMITTEE RECOMMENDS:

- 3.2.1 That the Business Empowerment and Information Dissemination Programme outlined in the report by the City Manager dated 2017-05-23 be noted and supported;
- 3.2.2 That subject to adoption of .1 above, the Acting Head: Business Support Markets & Durban Tourism Unit, in liaison with the various ward Councillors continues with the implementation of the Business Empowerment and Information Dissemination Programme, subject to the correction of ward numbers;
- 3.2.3 That subject to adoption of .1 and .2 above, the Acting Head: Business Support, Markets & Durban Tourism Unit, continuously inform the Economic Development and Planning Committee of progress in respect of the implementation of the Business Empowerment and Information Dissemination Programme.

ADOPTED.

- 3.3 Durban Adaption Charter Regional Knowledge Sharing Exchange Visits with the Mozambican Cities of Pemba, Quelimane and Nacala and Attendance at ICLEI's Resilient Cities Congress 2017 and the United States National Adaption Forum (32/2/1/1/1):
(Page 72: Economic Development and Planning Committee - Agenda 2017-06-08)

The Durban Adaptation Charter (DAC) was the outcome of the Durban Local Government Convention held during the COP17/CMP7 climate negotiations in Durban in 2011. The DAC, hosted by eThekweni Municipality is local government led and focussed, with a signatory base that now exceeds 1000 cities and district municipalities, covering 45 countries, with the majority being African, and many from the sub-Saharan Region.

It was noted that the climate change work of Durban continues to build upon the successes achieved up to Durban's hosting of the 17th Conference of the Parties (COP 17), which included the initiation of the DAC and the development of the reforestation programme. By participating in international platforms, Durban is securing its reputation as a global leader of cities.

In view of the foregoing,

COMMITTEE RECOMMENDS:

That the report-back on the Durban Adaption Charter Regional Knowledge Sharing Exchange visits with the Mozambican Cities Of Pemba, Quelimanea and Nacala and Attendance at ICLEI’s Resilient Cities Congress 2017 and the United States National Adaption Forum, be noted, and that the political leadership of the City provide continued support for the efforts made to successfully mitigate the impact of climate change by the Climate Protection Branch.

ADOPTED.

- 3.4 Request to Extend the Indaba Contract with South African Tourism in Partnership with the KZN Province and the Inkosi Albert Luthuli International Convention Centre Through an Addendum to the Contract (20/1/4/1):
(Page 80: Economic Development and Planning Committee - Agenda 2017-06-08)

Committee was advised that authority was being sought for the Municipality to extend its Indaba contract with South African Tourism KZN, the Economic Development, Tourism and Environmental Affairs of the Province of KZN and the Inkosi Albert Luthuli International Convention Centre for the event held in May 2016.

The five year contract ended on 2015-06-20 and an addendum to the existing expired partnership contract will be prepared and signed by the Bid parties and South African Tourism. In late 2016, South African Tourism announced that Indaba 2017 will again be held in Durban, with the contribution from eThekweni Municipality not exceeding R3.33 million, payable before 30 June 2017.

The benefits of hosting Indaba has proven in respect of the socio-economic impact to be R100 000 000 for the region, and it is

COMMITTEE RECOMMENDS:

- 3.4.1 That the City Manager through the Acting Head-Business Support, Tourism and Markets Unit be granted authority for the hosting of Indaba 2017 in partnership with the Bid Parties
- 3.4.2 That the City Manager be granted authority to sign the addendum for Indaba 2017 together with the other Bid Parties and South African Tourism
- 3.4.3 That the Acting Head: Business Support, Tourism and Markets be authorised to transfer funds in accordance with 2. above, to Tourism KwaZulu-Natal who have been designated to collect the funds from the Bid Parties on behalf of South African Tourism
- 3.4.4 The Acting Head: Business Support, Tourism and Markets report-back to the Economic Development & Planning Committee on the outcomes of Indaba 2017 and the benefits achieved.

Financial Implications:-

BU	ITEM.SUB	FUND	COSTING	PROJECT	REGION
26724	11450	12120	0000	53500-16	R001

FC. Number : 18/53

ADOPTED.

3.5 Jobs Fund Co-Funding Project: eThekweni Informal Economy Support Programme (Phase 2) (20/1/4/1):
(Page 85: Economic Development and Planning Committee - Agenda 2017-06-08)

Committee was advised that the strategic objective of the Jobs Co-Funding Project is to provide support to the informal economy in line with Plan 2 of the IDP ie. Developing a prosperous, diverse economy and employment creation.

The pilot and second phase of the project offers the Municipality a greater understanding of the support required by the informal economy, and authority is therefore being sought to extend the programme into phase 2.

The Democratic Alliance abstained at the Economic Development and Planning Committee. At the Executive Committee meeting, with Executive Committee Members Mncwango, De Boer and Hoosen of the DA abstaining on the basis of insufficient information had been provided,

COMMITTEE RECOMMENDS:

3.5.1 That subject to pending approvals from Jobs Fund and Department of Small Business Development, the City Manager be authorised to conclude a Memorandum of Agreement (MOA) to give effect to the second Phase of the eThekweni Informal Economy Support Programme.

3.5.2 That subject to the approval of .1 above, the Head: Economic Development and Investment Promotion be duly authorised in terms of section 67 of the Municipal Finance Management Act and in accordance with the Memorandum of Agreement, to disburse funds to Project Preparation Trust of KZN NPC, amounting to R5 000 000 (Five Million Rand) excluding VAT over 3 years, for the 2017/2018 financial year; R1 600 000 (One Million Six Hundred Thousand), for the 2018/19 financial year; R1 700 000 (One Million Seven Hundred Thousand Rand) for the 2019/20 financial year.

3.5.3 That the Head: Economic Development be authorised to report progress on this initiative to the Economic Development and Planning Committee on an annual basis

Vote Number:

Business Unit	Items	Fund	Costing	Project	Region	Amount	Provided
26101	25030.17	81050	0000	38876	0010	R1 600 000.00	2017/18
26101	25030.17	81050	0000	38876	0010	R1 700 000.00	2018/19
26101	25030.17	81050	0000	38876	0010	R1 700 000.00	2019/20

FC NUMBER 18/01

ADOPTED.

3.6 Funding of Innovate Durban and Setup of Programme Office (20/1/7/3):
(Page 90 : Economic Development and Planning Committee - Agenda 2017-06-08)

Innovate Durban is driven by projects focused on creating awareness, building capacity and skills and encouraging community involvement, boosting public and private sector innovation and creating fundamental linkages between role players and innovation tools in order to advance social and economic advancement.

Committee was advised that authority was being sought to enter into an agreement with Innovate Durban, NPC in order to give effect to Council resolution dated 2016-06-22 to establish Innovate Durban as a special vehicle, and to therefore provide funding in order to operationalize the business plan for a period of three years and set up a programme office, in line with Section 67 of the Municipal Finance Management Act and the Memorandum of Agreement.

With the Democratic Alliance abstaining at the Economic Development and Planning Committee and at the Executive Committee,

COMMITTEE RECOMMENDS:

- 3.6.1 That the Head: Economic Development be duly authorised to establish a partnership with Innovate Durban NPC.
- 3.6.2 That subject to approval of .1 above, the City Manager be authorised to conclude a Memorandum of Agreement (MOA) to give effect thereto.
- 3.6.3 That subject to the approval of .1 and .2 above, the Head: Economic Development and Investment Promotion be duly authorised in terms of section 67 of the Municipal Finance Management Act, and in accordance with the Memorandum of Agreement, to disburse funds to NPC, Innovate Durban, for the setup of the programme office, operations and implementation of Innovation Programme amounting to R4 000 000 (Four Million Rand only) excluding VAT, for the 2017/18 financial year; R4 133 321 (Four Million, One Hundred and Thirty Three Thousand, Three Hundred and Twenty One Rand), excluding VAT, for the 2018/19 financial year and R4 378 140 (Four Million, Three Hundred and Seventy Eight Thousand, One Hundred and Forty Rand).
- 3.6.4 That the Head: Economic Development be authorised to report progress on this initiative to the Economic Development and Planning Committee on an annual basis.
- ADOPTED.**

3.7 SANRAL/N3 Funding Agreement (25/4/3/1):
(Page 103 : Economic Development and Planning Committee - Agenda 2017-06-08)

It was noted that the purpose of the report by the City Manager relative to the above was to seek approval for the transfer of the second tranche of funds as per the funding agreement between SANRAL and eThekweni Municipality.

The strategic aim of the agreement is to promote investment in priority nodes and corridors in order to contribute toward the realization of Plan 2 of the IDP ie. Developing a prosperous diverse economy and employment creation. Accordingly,

COMMITTEE RECOMMENDS:

- 3.7.1 That the Head: Economic Development and Investment Promotion be authorised to allocate R46 000 000 (Forty Six Million Rand) excluding VAT in the 2016/2017 financial year and R27, 400 000 (Twenty Seven Million Four Hundred Thousand

Rand), excluding VAT in the 2017/2018 financial year for the SANRAL/N3 Interchange project using the identified savings as indicated in 2. below.

- 3.7.2 That subject to .1 above, authority be granted to the Head: Economic Development to authorize the transfer of R73 400 000 (Seventy Three Million Four Hundred Thousand Rand).

ADOPTED.

- 3.8 KwaMnyandu Node Development (20/1/3/1):
(Page 115: Economic Development and Planning Committee - Agenda 2017-06-08)

Following a brief update on the aforementioned Project,

COMMITTEE RECOMMENDS:

- 3.8.1 That the progress report by the City Manager dated 2017-05-12 relative to the KwaMnyandu Node be noted.
- 3.8.2 That the Head: Economic Development and Investment Promotion be granted authority to engage in project facilitation of the KwaMnyandu underpass road link in preparation for land release of Portion 122 of Umlazi Mission Reserve 8309
- 3.8.3 That subject to approval of .2 the Head of Real Estate be authorised to engage in the long-term lease of Portion 122 of Umlazi Mission Reserve 8309 for private sector development, through a public tender process.

ADOPTED.

4. AUGMENTATION OF PENSIONS: PROPOSED CHANGE IN METHOD USED TO CALCULATE PENSION INCREASES (4/5/1/4).

(Page 29)

COMMITTEE RECOMMENDS:

That with effect from 2017-07-01, the pension augmentation scheme applicable to the Durban Pension Fund be amended to reflect that inflation will be measured as the annual year-on-year increase in the consumer price index (CPI), for the year ended March preceding the 1 July pension increase date.

ADOPTED.

5. INTEGRATED DEVELOPMENT PLAN (IDP) 2016/2017 MID TERM AMENDMENTS TO THE ORIGINAL ORGANIZATIONAL SCORECARD AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/1/6/1).

(Page 33)

COMMITTEE RECOMMENDS:

That in terms of Section 5(c) of the Local Government Municipal Finance Management Act, the additional amendments to the Integrated Development Plan (IDP) 2016/2017 and Mid Term Amendments to the original organizational scorecard and Service Delivery and Budget Implementation Plan (SDBIP), as indicated in the schedules attached to the report of the City Manager dated 2017-05-19 relative hereto, be adopted.

ADOPTED.

6. REPORT ON AWARDS MADE BY THE CITY FOR THE MONTH OF APRIL 2017
(9/1/3)

(Page 41)

Reference was made that the youth and people with disabilities had not benefitted from any contracts/tenders awarded by the City.

It was suggested that the Supply Change Management policies to be closely looked at in an endeavor to bridge the gap.

Thereafter,

COMMITTEE RECOMMENDS:

- 6.1 That the monthly report of the City Manager dated 2017-05-16, relative to awards made by the City for the month of April 2017, as presented, be noted.
- 6.2 That it be noted that where the information is available for wards and registration numbers, it be included in the report, as information used to compile the report is taken from submissions made by the Units.
- 6.3 That the 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.
- 6.4 That the City Manager shall table a report to the Committee relative to the disciplinary, criminal and recovery actions taken, it being noted that the City Manager can only respond when the reports are available.

Recommendations 6.1, 6.2 and 6.3 NOTED and Recommendation 6.4 ADOPTED.

7. ESTABLISHMENT OF A DISCIPLINARY BOARD IN TERMS OF
REGULATION 4 OF THE MUNICIPAL REGULATIONS ON FINANCIAL
MISCONDUCT.

(Page 64)

In terms of Sections 168 and 175 of the Local Government Municipal Systems Act, 2003 (Act No. 56 of 2003) and acting with the concurrence of the Minister of Co-operative Governance and Traditional Affairs, the Minister of Finance has made regulations governing the handling of allegations of financial misconduct as defined in Sections 171 and 172 of the Municipal Finance Management Act.

Also, Regulation 4 of the Municipal Regulations on Financial Misconduct provides that a Municipal Council or Board of Directors of a Municipal Entity must establish a disciplinary board to investigate allegations of financial misconduct in the municipality or municipal entity, and to monitor the institution for disciplinary proceedings against an alleged transgressor.

In that regard

COMMITTEE RECOMMENDS:

- 7.1 That Council forthwith establishes a disciplinary board for the municipality consisting of:-
- 7.1.1 One member of the Audit Committee
 - 7.1.2 The Head of the Legal Services Unit;
 - 7.1.3 A representative of the National or KZN Provisional Treasury;
 - 7.1.4 The Head of the City Integrity and Investigations Unit (CIU); and
 - 7.1.5 A labour law specialist.
- 7.2 That the City Integrity and Investigations Unit (CIU) will provide the necessary assistance and co-ordination for the board.
- 7.3 That the same disciplinary board services the eThekweni Municipal entities, currently the ICC and the uShaka Marine.
- 7.4 That the Board also monitors the consequence management of other non-financial misconduct matters. This however does not detract from the disciplinary processes regulated by MSA or the bargaining council agreement.

ADOPTED.

8. 2017/2018 BUDGET BENCHMARKING ENGAGEMENT WITH NATIONAL TREASURY: 08/09 MAY 2017: HIGH LEVEL OBSERVATIONS AND RECOMMENDATIONS (7/1/4)

(Page 87)

COMMITTEE RECOMMENDS:

- 8.1 That the following recommendations submitted by National Treasury, as contained in the report of the City Manager dated 2017-06-08, relative to 2017/2018 budget benchmarking engagement with National Treasury: 08/09 May 2017: high level observations and recommendations, be noted.
- 8.2 That Intergovernmental Relations (IGR) need to investigate the continuous increase in water tariff above the inflation forecast by the Water Boards in the next financial year.
- IGR will be actioning this investigation.**
- 8.3 That the metro should review its policy for exemptions and rebates relating to property rates, which are currently being granted to rateable properties owned by foreign embassies and consulates as such exemptions rebates are not required in terms of the Municipal Property Rates Act.

The Policy for exemption and rebates will be reviewed in the ensuing year's annual review of the rates policy.

8.3 That the metro need to relook at the following budget allocations:

- Debtors balances (working capital)
- The provision for debt impairment needs to be in line with the collection rate.

eThekweni conservatively utilised a debtors collection of 95% whilst recent history indicates that the rate averages around 100%. With the historical provision for debt impairment being fairly high a slightly lower contribution that the assumed collection rate suggested was made to the provision account, accordingly no adjustments to the provision was necessary. This provision also impacts on the net debtors balances.

- The declining net cash balances.

Whilst the budget reflects a declining trend of net cash balances over the medium term mainly owing to our investment in service delivery, our total cash inclusive of investments will increase from R7.9bn to R8.5bn over the MTREF period. Nevertheless, the monitoring of daily cash and the implementation of cost containment measures will still continue.

8.4 That with regards to the Municipal Standard Chart of Accounts (mSCOA) implementation:

- The City will split their debtors per category
- Debtors deposits and interest will remain consolidated
- The Metro will submit their data strings and National Treasury will test it and advise the city on errors to be fixed.

We have embarked on the process of splitting the Debtors into the various categories. In terms of the data strings, these were successfully uploading to National Treasury's database.

As not all Councillors present were in support of the above-mentioned recommendations of the Executive Committee the matter was put to the vote. With 121 Councillors present, 120 Councillors voted in favour and no Councillors voted against. 1 AL-JAMA-AH Councillor abstained from voting.

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

9. MUNICIPAL ENTITIES AUDIT REQUIREMENTS FOR THE YEAR ENDED 30 JUNE 2017 (2/10/1/1/7)

(Page 91)

In a report dated 2017-06-12 by the City Manager, the Executive Committee was advised that during the 2009 audit of the Municipal Entities (viz Chief Albert Luthuli International Convention Centre and the Durban Marine Theme Park (SOC) Ltd) the Auditor General recommended that the Municipality approve on an annual basis the surety of any cash flow shortfalls by the such Entities.

Therefore, in order to ensure compliance with the requirements of the Auditor-General

COMMITTEE RECOMMENDS:

That taking cognizance of the Chief Albert Luthuli International Convention Centre Durban (Pty) Ltd and Durban Marine Theme park (SOC) Ltd operating on or close to a break-even level, (excluding depreciation and finance charges for Durban Marine Theme Park (SOC) Ltd), the Council confirms its commitment to ensuring the future financial viability of the Chief Albert Luthuli International Convention Centre and the Durban Marine Theme Park and more specifically to meet any funding shortfalls that may compromise their ability to continue trading as a “going concern”.

ADOPTED.

10. ACCOUNTING POLICIES IN TERMS OF SECTION 122 (3) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) FOR THE YEAR ENDED 30 JUNE 2017 (7/1/P)

(Page 92)

COMMITTEE RECOMMENDS:

That in order to ensure compliance with S122 (3) of the Municipal Finance Management Act and National Treasury guidelines, which require that the Annual Financial Statements of the Council and its entities are in accordance with the Standards of Generally Recognized Accounting Practice and Standards of Generally Accepted Municipal Accounting Practice, the Accounting Policies as reflected in Annexure “A” to the report of the City Manager dated 2017-06-12, be approved.

ADOPTED.

(Her Worship the Mayor, presented the Second Report of the Executive Committee)

SECOND REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2017-06-20)

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

1. REPORT OF SECURITY AND EMERGENCY SERVICES COMMITTEE: MEETING HELD ON 2017-06-14
(Page R1)

1.1 Major Hazard Installation: BASF, 1 Dickens Road, Umbogintwini Complex – Five Year Review (29/1/2/5):
(Page 25: Security and Emergency Services Committee - Agenda 2017-06-14)

The Committee noted the five year review Major Hazard Installation Risk Assessment Report submitted by Ishecon, an Approved Inspection Authority (AIA) accredited by

SANAS (accreditation number MHI 0008), on behalf of its client BASF. This report was submitted to eThekweni Municipality in accordance with the provisions of the Major Hazard Installation Regulations framed under Section 43 of the Occupational Health and Safety Act 85 of 1993.

It was advised that the report had been subsequently considered by the Municipality's Technical Task Team on Major Hazard Installations which found no valid reason to advise against its acceptance and continuous operation of the company in accordance with the provisions for assessment of existing Major Hazard Installation.

As the Committee was in concurrence with the recommendations contained therein,

COMMITTEE RECOMMENDS:

That the five year Major Hazard Installation Risk Assessment Report submitted to eThekweni Municipality on behalf of BASF, Umbogintwini Industrial Complex, 1 Dickens Road, Umbogintwini, Kwazulu-Natal, be approved, since the operation of the company will not exceed acceptable levels of risk and based on the fact that the MHI Task Team consequently found no justifiable reason to advise against the continued operation of the company.

ADOPTED.

1.2

Major Hazard Installation: Blendcor (Pty) Ltd, 135 Honshu Road, Island View - Five Year Review (29/1/2/5):

(Page 34: Security and Emergency Services Committee - Agenda 2017-06-14)

The Committee noted the five year review Major Hazard Installation Risk Assessment Report submitted by Ishecon, an Approved Inspection Authority (AIA) accredited by SANAS (accreditation number MHI 0008), on behalf of Blendcor (Pty) Ltd. This report was submitted to eThekweni Municipality in accordance with the provisions of the Major Hazard Installation Regulations framed under Section 43 of the Occupational Health and Safety Act 85 of 1993.

It was thereafter advised that the report thereon had been subsequently considered by the Municipality's Technical Task Team on Major Hazard Installations which found no valid reason to advise against its acceptance and continued operation of the company in accordance with the provisions for assessment of existing Major Hazard Installation.

Being in concurrence with the recommendations contained therein,

COMMITTEE RECOMMENDS:

That the five year Major Hazard Installation Risk Assessment Report submitted to eThekweni Municipality on behalf of Blendcor (Pty) Ltd, 135 Honshu Road, Island View, be approved, since the operation of the company will not exceed acceptable levels of risk and based on the fact that the MHI Task Team consequently found no justifiable reason to advise against the continued operation of the company.

ADOPTED.

- 1.3 Major Hazard Installation: Clover SA, 47 Oppenheimer Street, Pinetown, Kwazulu-Natal – Five Year Review (29/1/2/5):
(Page 43: Security and Emergency Services Committee - Agenda 2017-06-14)

The Committee noted a five year review Major Hazard Installation Risk Assessment Report submitted by Ishecon, an Approved Inspection Authority (AIA) accredited by SANAS (accreditation number MHI 0008) on behalf of Clover SA. The report was submitted to eThekweni Municipality in accordance with the provisions of the Major Hazard Installation Regulations framed under Section 43 of the Occupational Health and Safety Act 85 of 1993.

It was thereafter advised that the report thereon had been subsequently considered by the Municipality's Technical Task Team on Major Hazard Installations which found no valid reason to advise against its acceptance and continued operation of the company in accordance with the provisions of the assessment.

Being in concurrence with the recommendations contained therein,

COMMITTEE RECOMMENDS:

That the five year Major Hazard Installation risk Assessment Report submitted to eThekweni Municipality on behalf of Clover SA, 47 Oppenheimer Street, Pinetown, Kwazulu-Natal, be approved, since the operation of the company will not exceed acceptable levels of risk and based on the fact that the MHI Task Team consequently found no justifiable reason to advise against the continued operation of the company.

Her Worship the Mayor, Councillor ZRT Gumede, requested the City Manager to provide a status report on the Monitoring of Air Quality throughout the Municipality. Thereafter the above recommendation of the Executive Committee was ADOPTED.

- 1.4 Major Hazard Installation: Associated Additive, 8 Austerville Road, Jacobs – Five Year Review (29/1/2/5):
(Page 70: Security and Emergency Services Committee - Agenda 2017-06-14)

The Committee noted the five year review Major Hazard Installation Risk Assessment Report submitted by Ishecon, an Approved Inspection Authority (AIA) accredited by SANAS (accreditation number MHI 0008) on behalf of Associated Additive. The report was submitted to eThekweni Municipality in accordance with the provisions of the Major Hazard Installation Regulations framed under Section 43 of the Occupational Health and Safety Act 85 of 1993.

It was thereafter advised that the report had initially been considered by the Municipality's Technical Task Team on Major Hazard Installations which found no reason to advise against acceptance and continued operation of the company in accordance with the provisions of the assessment.

Being in concurrence with the recommendations contained therein,

COMMITTEE RECOMMENDS:

That the five year Major Hazard Installation Risk Assessment Report submitted to eThekweni Municipality on behalf of Associated Additive, 8 Austerville Road, Jacobs,

be approved, since the operation of the company will not exceed acceptable levels of risk and based on the fact that the MHI Task Team found no justifiable reason to advise against the continued operation of the company.

ADOPTED.

2. REPORT OF THE COMMUNITY SERVICES COMMITTEE: MEETING HELD ON 2017-06-15

2.1 Ad-Hoc Grant-in-Aid Application – The White House Community Care Centre (7/14/1)

(Page 38: Community Services Committee - Agenda 2017-06-15)

The Committee considered a report by the City Manager dated 2017-04-18 relative to seeking authority to support with a donation of twenty (20) wheelchairs to assist sick people and people with disabilities, through approval of Ad-Hoc Grant-in-Aid Application from White House Community. Following discussion,

COMMITTEE RECOMMENDS:

2.1.1 That the report by the City Manager dated 2017-04-18, regarding the Ad-Hoc Grant In Aid Application from The White House, be approved.

2.1.2 That authority be granted to the Head: Community Participation and Action Support Unit to allocate funding for the purchase of twenty (20) wheelchairs to assist sick people and people with disabilities to the White House Community Care Centre.

Financial Implications:

Vote No.: 32301.25040.12120.0000.38870.0010 R50 000 FC NO. 06/46

ADOPTED.

2.2 Request to Reprioritise Capital Funds to Meet Urgent Priorities (7/1/2/2)

(Page 52: Community Services Committee Agenda: 2017-06-15)

The Community Services Committee considered a report by the City Manager dated 2017-05-05 in the above regard, the purpose of which was to seek approval to reprioritise capital funds to meet other urgent capital needs. Having noted that an amount of R1 230 000.00 was available from the approved Adjustment Capital Budget for 2016/2017.

On that basis

COMMITTEE RECOMMENDS:

That the re-allocation of capital savings as outlined in paragraph 3 of the report by the City Manager dated 2017-05-05 be approved as follows:-

Transfer from Project	To Project	Amount (R)
Pinetown lifts (R700 000)	KwaNdengezi Guard hut and	73 000
	eMaphetheni paraplegic ramp shortfall (R9000)	9 000
	Clermont Shopfitting shortfall	35 000

Transfer from Project	To Project	Amount (R)
Implementation of Complaints Management System (R690 000 – R460 000): R230 000 available	Klaarwater resurfacing of driveway and drainage provision	185 000
	Klaarwater – install burglar guards and burglar gate	20 000
	Umbumbulu tiling	30 000
	Westville renovations	150 000
	Air-conditioner replacement	198 000
	Total	<u>700 000</u>
	Pinetown Revenue security gate and access control.	35 000
	Furniture and Equipment	195 000
	Total	<u>R230 000</u>
	Molweni Boardroom Floor – (R200 000)	Lamontville Revenue Office Reconfiguration
Lamontville : 3 x Security Fire doors for Revenue Office		60 000
Total		<u>R200 000</u>
Clermont Tiling (R200 000 – R100000):R100 000 available		100 000
	Klaarwater Parkhome (Shortfall)	
TOTAL		1 230 000

ADOPTED.

2.3 Report on Request for Financial Support of uThongathi Football Club (7/14/1):
(Page 102: Community Services Committee - Agenda 2017-06-15)

The Committee considered the City Manager’s report dated 2017-05-23 which was to seek approval for the Deputy City Manager: Community and Emergency Services Cluster’s Project Office, to assist with financial support to the value of R264 750.00 for the uThongathi Football Club to participate in the National First Division (NFD) League 2017/2018.

The Deputy City Manager: Community and Emergency Services advised that the team had already attended the NFD League 2017/2018 in the previous weekend and stated that they had won and had been promoted to NFD. Therefore the request was to assist the team to cover part of the overall cost of R1.5million that was spent by management of the team who also contributed from their personal capacity. Being in concurrence,

COMMITTEE RECOMMENDS:

2.3.1 That the report of the City Manager dated 2017-05-23, regarding the Request for Financial Support of uThongathi Football Club, be approved.

2.3.2 That the Deputy City Manager : Community and Emergency be granted authority to provide financial support to the uThongathi Football Club through the Project Office to cover part of the cost incurred during their participation in the NFD League playoffs during the 2017/18 football season.

Financial Implications:-

Activity	Quantity/Period	Location	Vote Number	Amount
Equipment – To be procured by project office	Soccer boots, balls, training equipment, tracksuits, takkies backpacks		14001.15900.121 20.0000.38300.00 10	R110 000 00
Transport- Luxury Coach – To be procured by project office	Three Days (3)	KwaZulu-Natal to the Eastern Cape and on stay-by for the duration of the tournament	14001.21805.121 20.0000.38300.00 10 – as confirmed with City Fleet Unit (with Driver)	R98 750.00
Meals Local Meals – to be procured by Project Office	Three Days (3)	15 days camping	14001.11400.121 20.0000.38300.00 10	R56 000.00
Total				R264 750.00

FC Number: 32/110

ADOPTED.

2.4 Distribution of Grant-In Aids Awards to Beneficiaries: 2016/2017 (7/14/1/1):
(Page 110: Community Services Committee - Agenda 2017-06-15)

The Community Services Committee considered a report of the City Manager dated 2017-04-24 with the purpose to seek authority to distribute the grant-in-aid 2016/2017 awards to beneficiaries.

Being in concurrence,

COMMITTEE RECOMMENDS:

- 2.4.1 That the report of the City Manager dated 2017-04-24, regarding the Distribution of Grant-In Aids Awards to Beneficiaries: 2016/2017, be approved.
- 2.4.2 That the One Hundred and Forty Seven (147) beneficiaries indicated in the schedule attached in the report of the City Manager dated 2017-04-24 be approved for a grant-in aid award for the 2016/2017 financial year at a cost of R4 116 000.00
- 2.4.3 That the estimated distribution of Grant-in-Aid Awards to Beneficiaries to a total cost of R600 000 00 be approved and that the distribution schedule and logistics thereof be discussed with and finalised by the Chairperson of the Community Services Committee, Councillor ZR Sokhabase.
- 2.4.4 That subject to the adoption of .1 to .4 above, the Head: Community Participation Unit be authorised to incur the expenditure detailed below:

Financial Implications:

No.	Details	Vote Number	Amount (R)
1.	Sundry Grants Awarded to 147 organisations	32301.2503017.12120.0000.38870.0010	4 116 000.00
2.	Distribution Costs Logistics	32301.25040.12120.0000.38870.0010	600 000
	Total Estimated Cost		4 716 000.00

FC No. 06/49

ADOPTED.

3. AUTHORITY TO UTILISE SECTION 116(3) (a) AND (b) OF THE MUNICIPAL FINANCE MANAGEMENT ACT FOR THE PROVISION OF WATER AND SANITATION SERVICES TO SCHOOLS IN ETHEKWINI MUNICIPALITY, PHASE 3 (9/1/3)

(Page 57)

Being in agreement to the proposal for an inspection-in-loco of the ablutions facilities in Phase 3 of the project being undertaken,

COMMITTEE RECOMMENDS:

- 3.1 That in order to meet the delivery targets of the Municipality, due cognisance be taken that the request for additional funding is based on the identified number of sites that can be delivered and that the current budget could only deliver approximately 300 facilities out of the possible 1 100 potential sites under Phase 3.
- 3.2 That the programme has clearly demonstrated an accelerated delivery over the past year and is therefore capable of achieving larger targets, provided the contracts and budgets are appropriately adjusted.
- 3.3 That the benefits of increasing contract values and duration to ensure continued and uninterrupted delivery of ablution facilities under Phase 3 be acknowledged
- 3.4 That in view of .1 above, authority be granted to the City Manager to utilize Section 116(3), (a) & (b) of the Municipal Finance Management Act to increase the contract duration and value of contracts in place for Phase 3 of the project for the provision of water and sanitation services to the Human Settlements and schools in eThekweni Municipality.
- 3.5 That subject to the approval of .4 above, the Executive Committee approves the proposed amendments of the contracts for service providers for Phase 3 of Project number Y6525: the provision of water and sanitation services to Human Settlements and schools in eThekweni Municipality as follows:

Contract Number	Role	Current Completion Date	Current Contract Value	Current Certified/Spend as at 31 May 2017	Proposed Revised Maximum Contract Value
WS 6687	Programme Management	18 August 2018	R54 900,000	R25 262 150	R 85 000 000
WS 6688	Design Consultants (4)	12 October 2018	R141 960 000	R151 000 326	R244 000 000

Contract Number	Role	Current Completion Date	Current Contract Value	Current Certified/Spend as at 31 May 2017	Proposed Revised Maximum Contract Value
WS 6766	Ablution Contractors (12)	10 February 2019	R765 970 032	R669 927 888	R1 100 000,00

FC 365/026

ADOPTED.

(Her Worship the Mayor presented the Third Report of the Executive Committee)

THIRD REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2017-06-27)

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

1. REPORT ON INVESTMENTS (7/11/4)

(Page 1)

The content of the Report on investments for the month of May 2017 was considered. Responding to a question on huge payments made to Attorney SD Moloi and Associates regarding claims in respect of damages to a business property, the Deputy City Manager: Finance undertook to provide a report thereon.

Thereafter,

COMMITTEE RECOMMENDS:

That Council notes the Report on Investments for the month of May 2017, submitted in line with the requirements of the Municipal Cash Management and Investment Regulations of the Municipal Finance Management Act 2003, and which Report reflects that the funds invested at financial institutions for the eThekweni Municipality total R7 736 Million, at an average rate of return on investments of 8.14%.

NOTED.

2. MOTIVATION FOR PROGRAMME TO SUPPORT RADICAL TRANSFORMATION FOR ETHEKWINI MUNICIPALITY SUPPLIERS AND COOPERATIVES THROUGH AN INCUBATION PROGRAMME COMMENCING 01 JULY 2017 (9/1/1 AND 20/1/7/3)

(Page 7)

The intention to practically empower local businesses to be ready to access economic opportunities was commended. Meanwhile, the Democratic Alliance (DA) expressed reservations centred on, inter alia, the sustainability of this concept and subsequently recorded its abstention pending further discussion at the Caucus level.

With the majority Members of the African National Congress (ANC) being in support on the basis that the initiative will provide for a meaningful transformation,

COMMITTEE RECOMMENDS:

- 2.1 That Council approves the Incubation Programme to be implemented as part of the Radical Economic Transformation Programme whereby 30% of projects by the eThekweni Municipality would be set aside to empower local businesses.
- 2.2 That the Head: Supply Chain Management and the Head: Business Support, Tourism and Markets ensure the efficient implementation of the programme by enforcing it and, where necessary, formulate and implement support programmes.
- 2.3 That the Deputy City Manager: Finance and the Deputy City Manager: Economic Development and Planning report to the Executive Committee and Council on a quarterly basis on progress made to implement the Incubation Programme.

ADOPTED.

3. WATSON NORTH AND GREYLANDS FUNCTIONAL AREA PLAN AND DRAFT SCHEME (21/5/1)

(Page 20)

COMMITTEE RECOMMENDS:

That the final Watson North and Greylands Functional Area Plan and Draft Scheme developed in line with the requirements of the Municipal Systems Act No. 32 of 2000 to facilitate development opportunities and manage land use in the best interest of the public, be approved.

ADOPTED.

4. REPORT ON AWARDS MADE BY THE CITY FOR THE MONTH OF MAY 2017 (9/1/3)

(Page 30)

COMMITTEE RECOMMENDS:

- 4.1 That the public tender awards by the City for the month of May 2017, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the City Manager dated 2017-06-19, 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 Units.
- 4.3 That the City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where wilful and negligent violation of the Supply Chain Management Policies and the Municipal Finance Management Act provisions are observed.
- 4.4 That the City Manager shall table a report to the Committee relative to the disciplinary, criminal and recovery actions taken, it being recorded that the City Manager can only respond when the reports are available.

Recommendations 4.1, 4.2 and 4.3 NOTED and Recommendation 4.4 ADOPTED.

5. PROPOSED AMENDMENTS TO CONTRACT 4V-5669: ETAFULENI HOUSING PROJECT PHASE 1 (22/7/1/1/3)

(Page 52)

COMMITTEE RECOMMENDS:

- 5.1 That, in line with the requirements of Section 116(3) of the Municipal Finance Management Act No. 56 of 2003, the proposed amendments to the existing Contract 4V-5669 for the construction of a section of Angola Bus Route which provides access to Etafuleni Housing Project, be approved, for the following reasons:
- 5.1.1 The construction of a four kilometre bus route has been fraught with challenges including delays in relocating affected dwellings, electrical services and graves, thus resulting in incredibly slow production and a long drawn out construction process.
- 5.1.2 Retaining the existing service provider will be beneficial to the Municipality since the local labour employment rate of 90% has been achieved with 10 local SMMEs having been engaged for various ancillary works. Furthermore, amending the existing contract will result in a considerable cost saving for eThekweni Municipality.
- 5.1.3 The service provider will construct the balance of the bus route at existing tendered rates and has given a written undertaking that no financial claims will be lodged against eThekweni Municipality as a result of delays caused to the progress of the work due to obstruction caused by the existing house, graves, services or community disruptions.
- 5.1.4 The delay in the commencement of this section of work might result in the influx of more people in the area and construction of dwellings on the proposed bus route whilst awaiting the finalisation of the procurement process for the new tender.
- 5.2 That subject to the adoption of .1 above, public notices in terms of Section 116(3) of the MFMA requesting comments and/or objections to the proposed amendments to Contract No 4V-5669 be advertised in the relevant print media for the prescribed period of time.

ADOPTED.

6. REPORT FOR INCREASED PROJECT AUTHORITY ON CONTRACTS 1R-9595, 1R-9596, 1R-9597 AND 1R-9598 (25/4/2)

(Page 62)

The Democratic Alliance having requested that the matter be referred back for a second legal opinion, the Acting Head: Legal & Compliance advised that the review period had expired, hence the matter could not be reviewed any further nor taken on appeal.

Therefore, with the Democratic Alliance dissenting and the majority ANC being in support of the matter on the basis that this was in compliance with the ruling of the Arbitrator,

COMMITTEE RECOMMENDS:

6.1 That Council approves the increase in project authority for Contracts 1R-9595; 1R-9596; 1R-9597; and 1R-9598 to pay a total amount of R161 607 045.79 (One Hundred and Sixty One Million Six Hundred and Seven Thousand and Forty Five Rand Seventy Nine Cents) to Aqua Transport (Pty) Ltd for contractual claims, as per the ruling by the Arbitrator, which amount is broken down into four contracts as follows:

- (i) 1R-9595: R47 794 875.06 (Excluding VAT)
- (ii) 1R-9596: R28 675 872.54 (Excluding VAT)
- (iii) 1R-9597: R39 859 907.74 (Excluding VAT)
- (iv) 1R-9598: R45 276 390.45 (Excluding VAT)

6.2 That, subject to the adoption of .1 above, authority be granted to the Deputy City Manager: Finance to identify savings to fund increased project authority and include the adjustments in the final adjustment budget.

ADOPTED.

7. PROPOSED NEW ETHEKWINI MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION BY-LAW, 2017 (1/1/3/1/R)

(Page 82)

Confirmation having being given that there have been no objections received from the public when the revised policy has been advertised for public comments,

COMMITTEE RECOMMENDS:

That the eThekweni Municipality Credit Control and Debt Collection By-Law 2017 which has been developed to eradicate obsolete provisions, accommodate the operational requirements and administrative objectives of the Municipality whilst also bringing the By-Law in line with current legislation, be approved for final publication in the Ezasegagasini Metro and the Provincial Gazette, with the By-Law taking effect on the date of publication in the Provincial Gazette.

ADOPTED.

8. REVISED SUPPLY CHAIN MANAGEMENT POLICY (9/P)

(Page 119)

It being noted that the Democratic Alliance would further discuss this matter at their Party Caucus,

COMMITTEE RECOMMENDS:

That the revised eThekweni Municipality Supply Chain Management (SCM) Policy 2017, attached to the report of the City Manager dated 2017-06-07, be approved, it being recorded that the policy has been revised in respect of the following elements:

- (i) Definitions (Pages 9-19);
- (ii) Combating abuse of SCM system (Regulation 38, Page 59);
- (iii) Logistics Management (Regulation 39, Page 61);
- (iv) Preferential Procurement (Regulation 52, Page 75);
- (v) Performance Monitoring of Service Providers, Regulation 53, Page 83); and
- (vi) Amendments to Contract (Regulation 55, Page 90)

ADOPTED.

9. BUDGET STATEMENT REPORT FOR THE MONTH ENDING 31 MAY 2017
(7/1/4)

(Page 289)

With clarity being provided by the Deputy City Manager: Finance to certain aspects of the report, namely renovations to revenue offices in Chatsworth, Mobeni Heights crematorium, Rachel Finlayson pool and water distribution losses,

COMMITTEE RECOMMENDS:

That the Budget Statement Report for the month ending 2017-05-31, submitted in compliance with Section 71 of the Municipal Finance Management Act and in terms of Government Notice 32141 dated 17 April 2009, relating to the “Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations”, be noted.

NOTED.

10. APPROVAL OF THE USAGE OF CREDIT AND SHORT TERM OVERDRAFT
FACILITY WITH NEDBANK.

(Page 462)

The DA felt that the approved value of R15 000.00 (Fifteen Thousand Rand) for toll fees was huge when considering the toll gates being operated within the boundaries of the City. As such it recorded its abstention to take the matter to the Caucus. On the other hand, clarity was provided that the scope of operation for full time Councillors is broader and is not confined to the boundaries of the City. The attention was also drawn to the fact that there has been no element of abuse since the actual usage for the period under review is sitting at R4 181.00 (Four Thousand One Hundred and Eighty One Rand).

Therefore,

COMMITTEE RECOMMENDS:

That, in line with the approval given by Council for the usage of Credit and Short Term Overdraft facility, as per the requirements of Section 45(3)(b) of the Municipal Finance Management Act No. 56 of 2003, Council notes feedback report on the usage for the period 01 July 2016 to 30 June 2017, as indicated in the table below and which outlines that the primary and secondary facilities have not been utilised during this period and that the levels of utilisation of the other facilities are in line with the operational requirements of the City.

No.	Facility Description	Approved Value (R)	Utilisation (R)
1.	Primary Overdraft	R20 000 000.00	Nil
2.	Performance letters of Guarantees	R80 000 000.00	R64 860 906.00
3.	Letter of Credit	R 1 500 000.00	Nil
4.	Derivatives	R70 000 000.00	Nil
5.	Fleet Management	R 15 000.00	R 4 181.00
6.	Secondary Overdraft Facility	R580 000 000.00	Nil
	Total Facility Portfolio	R751 515 000.00	R64 865 087.00

ADOPTED.

11. REQUEST FOR EXTENSION OF SPECIAL RATING AREAS/URBAN IMPROVEMENT PRECINCT AGREEMENTS ON A MONTH TO MONTH BASIS.

(Page 466)

COMMITTEE RECOMMENDS:

- 11.1 That Council approves the request to extend the existing finance agreements concluded with Special Rating Area Management (SRA)/Urban Improvement Precinct (UIP) companies in terms of Section 67 of the Municipal Finance Management Act 2003, read with the eThekweni Municipality’s Rates Policy, on a month to month basis, by way of an addendum to such agreements.
- 11.2 That the monthly transfers to the SRA/UIP companies be calculated based on the average collection rate of payments made by owners in the special rating area.
- 11.3 That the transfers to the SRA/UIP companies be made in terms of 12 equal instalments based on .2 above and in accordance with the approved budget.
- 11.4 That the increase of budgets for SRA/UIP companies be not limited but will be assessed based on affordability.
- 11.5 That the South African Revenue Services be requested to issue a ruling on the business model implemented with regard to SRA/UIP companies.

ADOPTED.

12. MOTIVATION TO CONVERT THE ICC DURBAN (PTY) LTD
SHAREHOLDER'S LOAN TO EQUITY

(Page 470)

Explanation was given that the loan in question was only repayable where the surplus by the International Convention Centre (ICC), excluding building impairment reserves, exceeds the amount of capital expenditure during the year. While ICC was making profit, it was reported that the profits generated are not adequate to cover the projected future capital spend. As such, the conversion of the loan to Contribution from Owners will provide the ICC with the required cash injection to implement its planned infrastructural projects and thus maintain the world-class standard.

Notwithstanding the explanation, the DA requested a written submission by the ICC leadership confirming the need to convert the loan and requesting such approval from the City. It was thereafter agreed to amend the recommendation to incorporate the aforementioned aspect.

In view of the foregoing,

COMMITTEE RECOMMENDS:

- 12.1 That given that the profits generated by the Durban ICC (Pty) Ltd are not adequate to cover the projected future capital spend, Council authorises the conversion of the Shareholder's loan of R226 589 660 (Two Hundred and Twenty Six Million Five Hundred and Eighty Nine Thousand Six Hundred and Sixty Rand) to a Contribution from Owners i.e. Equity to enable the ICC to fund its planned infrastructural projects.
- 12.2 That the Board of ICC Durban (Pty) Ltd be requested to convene a meeting of Shareholders for the purposes of considering the proposed conversion of the loan to equity, the proposed issue of additional shares to eThekweni Municipality and ancillary matters in relation thereto.
- 12.3 That the Council supports the proposal of the issue of additional shares to eThekweni Municipality at the meeting of shareholders.
- 12.4 That an Addendum to the 2010 Agreement be concluded in order to amend all clauses relating to the existing loan agreement and the terms and conditions pertaining to repayment as well as future financing.
- 12.5 That the Deputy City Manager: Finance submits to the Executive Committee the supporting document confirming the request by the ICC Board for the loan conversion as outlined in .1 above.

ADOPTED.

13. MOTIVATION FOR BRIDGE CITY TOWN CENTRE: RELEASE AND ALLOCATE LAND FOR A GOVERNMENT SERVICE MALL.

(Page 475)

COMMITTEE RECOMMENDS:

- 13.1 That the proposed Governance Services Centre at the Bridge City Town Centre – Upper Platform be supported and Council grants authority to release the selected land parcel from the Effingham Development Joint Venture agreement for this purpose.
- 13.2 That subject to the adoption of .1 above, the Head: Real Estate be authorised to undertake the land-legal procedures necessary to withdraw the selected land-parcels described as Erf 124, of Bridge City and as depicted on the Bridge City Overall layout – Sales Plan dated May 2017 and Drawing No. 5388F/LAYOUT/N2, from the Joint Venture Agreement with Tongaat Hulett Developments.
- 13.3 That subject to the adoption of .1 and .2 above, the Head: economic Development & Investment Promotion be authorised to make payment to the Effingham Development Joint Venture for an amount of R12 663 750.00 (Twelve Million Six Hundred and Sixty Three Thousand Seven Hundred and Fifty Rand).

BU	ITEM	FUND	COSTING	PROJECT	REGION	AMOUNT	YEAR
26101	45125	51040	0000	PC5100	W038	R12 663 750 (excl. VAT)	To be met via Adj. Budget in 2016/17

FC Number: 18/CA58

ADOPTED.

14. MOTIVATION FOR UMHLANGA ROCKS UPGRADE OF THE PUBLIC REALM ON THE ROAD FRONTAGE OF THE PEARLS DEVELOPMENT: REIMBURSEMENT OF DEVELOPER’S COSTS.

(Page 481)

The implications associated with the payment of refund to developers having been looked at, it was agreed to consider developing a policy which will clearly outline the obligations by the parties with respect to the contributions into projects development.

On this basis,

COMMITTEE RECOMMENDS:

- 14.1 That the principle of collaboration and compensation between a private sector developer and the City, where the developer has undertaken public realm upgrading work in the Road Reserve to the design and standards set down by the Architecture Department , and where the costs have been verified as fair and market related by that Department, be supported.
- 14.2 That, subject to the adoption of .1 above, an amount of R2 497 056.00 (Two Million Four Hundred and Ninety Seven Thousand and Fifty Six Rand), excluding VAT, be allocated to the improvement of the ‘public realm’ on the public road frontages of the Pearls development for work on Lagoon Drive and Mc Causland Crescent, as specified and verified by the Architecture Department, and this approval is deemed Project Authority.

14.3 That subject to the adoption of .1 and .2 above, the Bid Adjudication Committee be authorised to consider and approve the proposed award of compensation of R2 497 056.00 (excluding Vat) to the Developer of the pearls.

14.4 That, subject to the Bid Adjudication Committee’s approval, the Head: Economic Development & Investment Promotion be authorised to make payment of the amount as specified in item 3 above to the developer of the Pearls on presentation of an invoice and certification by the Architecture Department that the specified work has been satisfactorily completed.

BU	ITEM	FUND	COSTING	PROJECT	REGION	AMOUNT	YEAR
26101	45130	51080	0000	S1050	W035	R2 497 056 (excl. VAT)	To be met via Final Adj. Budget in 2016/17

Her Worship the Mayor, Councillor ZRT Gumede, requested the need for Taxi and Bus Lay-Byes around the Pearls Development to be investigated. The above-mentioned recommendations of the Executive Committee were thereafter ADOPTED.

15. INVESTMENT FRAMEWORK POLICIES AND GUIDELINES AND BORROWING FRAMEWORK POLICIES AND GUIDELINES.

(Page 486)

With the DA abstaining pending discussion at the Caucus level and the ANC being in support of the revised policies and guidelines,

COMMITTEE RECOMMENDS:

That the revised eThekweni Municipality Investment Framework Policies & Guidelines and Borrowing Framework Policies & Guidelines, attached as Annexures C and D to the report by the City Manager dated 2017-06-23, be approved, it being recorded that the amendments are detailed in Annexure B of the aforementioned report and that the documents in question are aimed at effectively managing cash and investment as well as ensuring that the loans are borrowed at the lowest possible interest rates with minimum risk at all times.

As not all Councillors present were in support of the above-mentioned recommendations of the Executive Committee the matter was put to the vote. With 121 Councillors present, 120 Councillors voted in favour and no Councillors voted against. 1 AL-JAMA-AH Councillor abstained from voting.

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

16. CORRECTION OF A MINOR ERROR IN ANNEXURE “A” OF THE POTABLE WATER TARIFFS 2017/2018 (line 2(c) OF THE TARIFF SCHEDULE) (WS 2017/101) (7/6/1/2)

(Page 555)

With the DA abstaining and the ANC being in support of the minor correction to portable water tariffs,

COMMITTEE RECOMMENDS:

That the Council of the eThekweni Municipality resolves in terms of Section 75A of the Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 2017-07-01 the tariffs set out in Annexure “A”, as amended by the report WS2017/101 of the Head: Water and Sanitation dated 2017-06-22 be levied in respect of the supply of water to customers.

ADOPTED.

17. CORRECTION OF AN ERROR IN ANNEXURE “A” OF SEWERAGE USER CHARGE TARIFFS 2017/18 (LINE A (i), B (i), (ii) AND (iii) OF THE TARIFF SCHEDULE) (WS 2017/102) (7/6/1/2).

(Page 557)

With the Democratic Alliance abstaining and the ANC being in support of the correction of the error in sewerage user charge tariffs,

COMMITTEE RECOMMENDS:

That the Council of the eThekweni Municipality resolves in terms of Section 75A of the Local Government Municipal Systems Act of 2000 (Act 32 of 2000) that with effect from 2017-07-01 the tariffs set out in Annexure “A”, as amended by the report WS2017/102 of the Head: Water and Sanitation dated 2017-06-22 be levied in respect of the supply of water to customers.

ADOPTED.

18. PROVISION OF SOCIAL FACILITATION SERVICES TO MANAGE STABILISATION STRATEGY FOR COMMUNITY RESIDENTIAL UNITS

(Page 560)

The Committee having noted the findings by the Public Protector where eThekweni Municipality was found to be in breach of various Constitutional provisions in the manner in which Community Residential Units were being managed and the need to approve funding to implement the remedial actions at the Glebelands Community Residential Unit,

COMMITTEE RECOMMENDS:

- 18.1 That Council approves funding in the estimated amount of R11 500 000.00 (Eleven Million Five Hundred Thousand Rand) to be covered across budget from the Safer Cities Unit; Security Management Unit; and the Human Settlement Unit, to engage the services of Social Facilitation to implement the Hostels Stabilization Strategy, for a period of 03 (Three) years, for eThekweni Municipality to promote a safe and healthy environment at the Glebelands Community Residential Unit, as per the following proposal made by the Public Protector:

- (i) Compilation of a database of the evictees and displaced persons and that in the event these people cannot be returned to their allocated rooms a suitable alternative accommodation be provided to them.
- (ii) Implementation of access control in line with the requirements of the Hostel Policy.
- (iii) Regularisation of residency as provided for in the Hostel Policy.
- (iv) Mobilization of residents around the collection of rentals as provided for in the Hostel Policy.
- (v) Controlling trading within the hostel premises as per the requirements of the Hostel Policy.

Financial Implications:

Required Authority	R4 3000 000 (Excl VAT)	R3 800 000 (VAT)	R3 400 000.00 (Incl. VAT)
Financial Year	Year 1	Year 2	Year 3

ADOPTED.

19. **IRREGULAR EXPENDITURE 2015/16 AND 2016/17 FINANCIAL YEARS (9/1/3)**

(Page L39)

The Democratic Alliance voted against the condonation of irregular expenditure on the basis that this was as a result of poor planning and therefore the unwarranted use of Regulation 36 to award certain tenders. Furthermore, that the report was silent on other Units which had been previously reported as part of the Internal Audit Report.

Confirmation was then given that the necessary processes have been followed in terms of conducting investigation and verification that value for money has been obtained prior to proposing the condonement in question. Further, that this was an annual process, therefore, future reports might include other Units and that further updates will be provided should there be any other issues emanating from the investigation associated with this condonement process.

With the majority ANC voting in support of the condonement on the basis that proper processes have been followed,

COMMITTEE RECOMMENDS:

- 19.1 That Council condones the irregular expenditure totaling R34 079 576.54 (Thirty Four Million and Seventy Nine Thousand Five Hundred and Seventy Six Rand Fifty Four Cents) for the 2015/16 financial year and R33 798 553.63 (Thirty Three Million Seven Hundred and Ninety Eight Thousand Five Hundred and Fifty Three Rand Sixty Three Cents) for the 2016/17 financial years, as reflected in Annexure A of the report by the City Manager dated 2017-06-22.
- 19.2 That it be noted that goods and services have been received and value for money has been certified by the respective Heads of Departments.

- 19.3 That it be noted that the regularization of expenditure referred to above relates only to the contravention of the Supply Chain Management Policy issues and that depending on the outcome of further investigations by the Speaker; City Manager; Ombuds Office; Line Departments; and the Municipal Public Accounts Committee, further action may arise, including disciplinary action, recovery of monies, and criminal charges being instituted where applicable.

ADOPTED.

20. ESTABLISHMENT OF THE MOSES MABHIDA AND STADIA RING-FENCED BUSINESS UNIT

(Page L40)

COMMITTEE RECOMMENDS:

That, in line with the Council decision of 08 December 2016 where a new resolution was adopted on the long-term institutional arrangement of Moses Mabhida Stadium and the need to expedite this process, Council approves the creation and implementation of the Organogram of the Moses Mabhida Stadium and 05 (Five) other Stadiums, namely, King Zwelithini; Chatsworth; Sugar Ray Xulu; Princess Magogo; and Mpumalanga, as attached to the report by the City Manager dated 2017-06-06, and to be implemented with effect from 2017-07-01.

ADOTED.

**(The Chairperson of the Municipal Public Accounts Committee, Councillor TJ Luthuli,
presented the Report of the Municipal Public Accounts Committee)**

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: WORK PROGRAMME: 2017/2018
(2/10/1/P)**

The primary function of the Municipal Public Accounts Committee is to help Council to hold the Administration, Municipal Agencies and Entities accountable for their management of municipal funds and assets in order to ensure the efficient and effective utilization of Council resources. This includes the Council's Support Committees, Executive Committee as well as Councillors.

We also play a role in increasing Public and Council awareness of the financial and performance issues of the Municipality and its Entities.

Having duly deliberated on this matter,

COMMITTEE RECOMMENDS:

That the Municipal Public Accounts Committee's Work Programme for the 2017/2018 financial year be approved.

ADOPTED.

Municipal Public Accounts Committee Work Programme 2017/2018

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This Work Programme outlines the activities that will be undertaken by eThekweni Municipality's Public Accounts Committee in the 2017/2018 financial year.

Our Mandate

The key functions of the Municipal Public Accounts Committee are:-

1. To review the municipal annual report with specific focus on the report of the auditor general;
2. To hold the municipal Executive and Administration accountable for their implementation of municipal policies and budget;
3. To develop recommendations to improve municipal finance administration.

National Treasury and the Department of Cooperative Governance and Traditional Affairs in their Guideline advise that the functions of MPAC are:-

1. To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;
2. In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
3. To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
4. To promote good governance, transparency and accountability in the use of municipal resources;
5. To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
6. To perform any other functions assigned to it through a resolution of council within its area of responsibility.

Our Terms of Reference as approved by Council are:

- 1.1 To examine the following documents:-
 - (a) Audit Reports on Annual Financial Statements of the Municipality and its Entities;
 - (b) Audit opinion, other reports and recommendations from the Audit Committee;
 - (c) Any reports issued by the Auditor General on the affairs of the Municipality and its Entities;
 - (d) Any report on the outcome of any investigation relating to the financial affairs of the Council;
 - (e) The annual reports and information on performance of the Municipality and of any Municipal Entity under the Municipality's shared or sole control;
 - (f) The Mayor's quarterly reports on the implementation of the budget and the financial state of affairs of the Municipality; and
 - (g) Any other financial statements or reports referred to us by the Council;
 - (h) Any information relating to personnel; books of account, records, assets and liabilities of the Council and to any other source of relevant information that may be required for the purpose of fulfilling its mandate;
 - (i) Information in respect of any disciplinary action taken in terms of the Municipal Finance Management Act.
 - (j) Report on and/or make recommendations in relation to any of the reports or financial statements which it may examine to Council.
- 1.2 To report on and/or make recommendations in relation to any of the reports or financial statements which it may examine to Council.

- 1.3 In our examination (mentioned in .2 above) we must take into account previous statements and reports and consider the degree to which previously identified shortcomings have been rectified and report our findings to Council.
- 1.4 To initiate and develop the Annual Oversight Report on the Municipality's Annual Report.
- 1.5 To initiate investigations into any matter falling within its terms of reference including projects requested by the Executive Committee and Council. To recommend or undertake any investigation after reviewing any investigation report already undertaken by the Municipality or Audit Committee.
- 1.6 To consider any Audit Committee recommendations referred to us and render an opinion on such recommendations.
- 1.7 To hold meetings that are open to the public unless we agree to have a closed session/in-Committee.
- 1.8 To co-opt advisory members or experts to advise us in our deliberations provided that such persons may not vote on any matter.
- 1.9 To call upon/summon Councillors; Officials; Department Heads and/or Heads of Municipal Entities to assist us in the execution of our functions.

IDP, Budget and Municipal Performance

A municipal council is required to review its integrated development plan (IDP) annually. We will ensure that the review is undertaken.

As the annual budget of a municipality must be informed by the IDP adopted by the municipal council we will review the draft annual budget to ensure that is aligned to the IDP.

We will monitor the preparation of the annual performance plan.

The implementation of the budget and the performance of the municipality will be monitored by examining the following documents:-

7. Monthly budget statements
8. Quarterly reports
9. Mid-year budget and performance assessment reports of the municipality and entities
10. Annual report

Annual Financial Statements

We will examine the annual financial statements of the Municipality and its Entities and ensure that they have been submitted timeously to the Auditor General.

In addition we will ensure that the necessary disclosures have been made in the financial statements including:-

11. salaries, allowances and benefits of political office bearers, Councillors and boards of directors of municipal entities;
12. any arrears owed by individual Councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days;
13. salaries allowances and benefits of the municipal manager, CEOs of municipal entities, CFO and every senior manager;

Annual Report Process

As the Auditor General's report is our key oversight tool, we will:-

1. Obtain a briefing on the audit findings, identified problems and recommendations from the Auditor General;
2. Refer matters to the Audit Committee for investigation;
3. Prepare and refer policy matters to relevant Committees for their perspective and input;
4. Refer preliminary questions with time frames to the City Manager;
5. Analyse responses to preliminary questions;
6. Call upon the City Manager and Heads of Units to respond and to act upon audit queries and recommendations;
7. Hold public hearings;
8. Compile the Oversight Report;

In-year monitoring

During the course of the year we will invite the City Manager to report on:-

1. Policy and budget implementation;
2. Implementation of audit recommendations and Council resolutions;
3. Unforeseen and unavoidable expenditure
4. Unauthorised, irregular, fruitless and wasteful expenditure;
5. Disciplinary action instituted in terms of the MFMA
6. Implementation of investigation recommendations.

Audit Committee

The technical expertise, support and advice provided by the audit committee in its quarterly reports and engagements with us will assist us to fulfil our mandate and to capacitate us.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) WORK PLAN: 2017/2018

	Deliverable	Statutory References	Purpose	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018	Responsibility
1	Municipal Finance Management Act (MFMA)															
	1.1 Unforeseen and unavoidable expenditure:- <ul style="list-style-type: none"> Interrogate reports of any unforeseen and unavoidable expenditure incurred including proof of the necessary appropriation in an adjustment budget 	MFMA s29	For review and recommendation to Council		X							X				CFO
	1.2 Unauthorised, irregular or fruitless and wasteful expenditure:- <ul style="list-style-type: none"> Interrogate reports of any unauthorised, irregular or fruitless and wasteful expenditure by the Council, the Mayor, Executive Committee or any political office bearer of the municipality Obtain reports from the Municipal Manager on all steps taken to either authorise or certify the payment or to recover or write off the expenditure Receive reports from the Municipal Manager on whether any criminal action was instituted in this regard and report to the Council on the appropriateness of any criminal or civil steps taken and reported where no further action was taken and why 	MFMA s32	For review and recommendation to Council		X									X	X	Mayor and City Manager
	1.3 The quarterly report of the mayor on the implementation of the budget and state of affairs of the municipality/SDBIP:- <ul style="list-style-type: none"> Interrogate the quarterly report of the Mayor on the implementation of the budget and the state of affairs of the municipality and recommendations be made to Council 	MFMA s52(d)	For review and recommendation to Council	X			X			X			X			Mayor, CFO and City Manager

Deliverable	Statutory References	Purpose	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018	Responsibility
<ul style="list-style-type: none"> Ensure that necessary amendments to the SDBIP are attended to by the Mayor and submitted to Council with proposals for the budget 															
1.4 Monthly budget statements:- <ul style="list-style-type: none"> Interrogate the monthly budget statements and report any matter of concern on the statement to the Council 	MFMA s71	For review and recommendation to Council	X	X	X	X	X	X	X	X	X	X	X	X	Mayor, CFO and City Manager
1.5 Mid-year budget and performance assessment:- <ul style="list-style-type: none"> Interrogate the Municipality's mid-year budget and performance assessment and submit comments on the assessment to the Council 	MFMA s72	For review and recommendation to Council							X						Mayor, CFO and City Manager
1.6 Mid-year budget and performance assessment of the municipal entities:- <ul style="list-style-type: none"> Interrogate the Entities mid-year budget and performance assessment reports and report matters of concern to the Council 	MFMA s88	For review and recommendation to Council							X						Mayor, CFO and City Manager
1.7 Disclosures concerning Councillors, directors and officials:- <ul style="list-style-type: none"> In interrogating the annual financial statements, ensure that the necessary disclosures were made in the financial statements, including:- <ul style="list-style-type: none"> Salaries, allowances and benefits of political bearers and Councillors of the Municipality 	MFMA s124	For review and recommendation to Council						X							City Manager and CFO

Deliverable	Statutory References	Purpose	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018	Responsibility
<ul style="list-style-type: none"> ▪ Arrears owed by individual Councillors by the Municipality for more than 90 days ▪ Salaries, allowances and benefit of the Municipal Manager, CFO, DCM,s and Senior Managers ▪ Salaries, allowances and benefits of the board of Directors of Municipal entities ▪ Salaries, benefits and allowances of the chief Executive Officer and Senior Managers of Municipal entities 															
<p>1.8 Submission and auditing of annual financial statements:-</p> <ul style="list-style-type: none"> • Receive the annual financial statements of the Municipality and all its entities that are submitted to the Auditor General of South Africa (AGSA) 	MFMA s126	For review and recommendation to Council						X							CFO and City Manager
<p>1.9 Submission of the annual report:-</p> <ul style="list-style-type: none"> • Receive the annual report no later than the second of February 2018. • Monitor that the annual report has been submitted to the AGSA, as well as the provincial government departments required and has been published for comment 	MFMA s127									X					City Manager
<p>1.10 Oversight report on the annual report:-</p> <ul style="list-style-type: none"> • Consider the annual report and prepare a draft oversight report to be submitted to the Council for purposes of adopting the oversight report 	MFMA s129 N.T. Circular 32	For review and recommendation to Council							X	X	X				City Manager

	Deliverable	Statutory References	Purpose	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018	Responsibility
	1.11 Issues raised by the Auditor General in audit reports:- <ul style="list-style-type: none"> Interrogate report prepared to address issues raised by the AGSA and make recommendations to the Council 	MFMA s131	For review and recommendation to Council			X			X			X			X	City Manager and CFO
	1.12 Audit Committee:- <ul style="list-style-type: none"> Interrogate audit committee reports to be informed of matters requiring the attention of the Council and to be capacitated 			X			X			X			X			
	1.13 Disciplinary action instituted in terms of the MFMA:- <ul style="list-style-type: none"> Monitor that all disciplinary processes instituted for the contravention of the MFMA are brought to conclusion and report to Council where matters are not dealt with effectively and timeously 		For review and recommendation to Council	X	X	X	X	X	X	X	X	X	X	X	X	Mayor and City Manager
2	SCM Regulations <ul style="list-style-type: none"> Monitor the implementation the SCM Policy 	SCM s6(2)a(i)	For monitoring	X	X	X	X	X	X	X	X	X	X	X	X	CFO and City Manager
3	Interrogate the following aspects addressed in Municipal Systems Act															Mayor and City Manager
	3.1 Annual review of the IDP:- <ul style="list-style-type: none"> Monitor whether EXCO has initiated the annual review of the IDP 	MSA s34	For review and recommendation to Council		X	X	X									Mayor and City Manager

	Deliverable	Statutory References	Purpose	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018	Responsibility
	3.2 Monitor that the annual budget is informed by the IDP:- <ul style="list-style-type: none"> Review the draft annual budget and ensure that it is informed by the IDP adopted by the municipal Council 	Regulation 6 of LGMPPMR	For review and recommendation to Council									X	X			Mayor, CFO and City Manager
	3.3 Monitor that all declaration of interest forms are completed by Councillors on annual basis:- <ul style="list-style-type: none"> Monitor whether all Councillors have completed their declaration of interest forms and updated them where necessary 	MSA s54 read with item 7 of Schedule 1	For monitoring								X				X	Speaker and City Manager
4	MPAC Annual Plan:- <ul style="list-style-type: none"> Prepare an annual work plan for 2018/2019 		Approval by Council											X	X	Chairman of MPAC
5	Capacity Building:- <ul style="list-style-type: none"> Attend training courses as outlined in the MPAC Skills Development Plan Attend the annual conference of the Association of Public Accounts Committees Undertake visits to other Municipalities; Provincial Legislature and National Legislature 		As and when required													MPAC Secretariat and Office of the Speaker

	Deliverable	Statutory References	Purpose	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018	Responsibility
6	Oversight Visits:- <ul style="list-style-type: none"> Undertake oversight visits to ensure accountability and compliance with good governance within the Municipality and its Entities 		As and when required													MPAC Secretariat
7	Performance Monitoring:- <ul style="list-style-type: none"> Evaluate the Committee's performance 														X	MPAC
8	Special Meetings:- <ul style="list-style-type: none"> To conduct public hearings To consider issues raised by the Auditor General To consider outstanding matters To consider matters reported to MEC 		As and when required													MPAC Secretariat
9	Municipal Standard Charter of Accounts (MSCOA) <ul style="list-style-type: none"> Monitor the progress of the implementation of MSCOA 		For monitoring				X			X			X			CFO

NOTICE OF MOTION
IN TERMS OF SECTION 18 OF THE RULES OF ORDER

INDEPENDENT AUDIT INTO THE FINANCING AND EXPENDITURE OF THE ESSENCE FESTIVAL: PROPOSER COUNCILLOR ZM MNCWANGO AND SECONDER : COUNCILLOR C PAPPAS.

This Council, noting that:-

A number of different reports and figures have been presented concerning the expenditure that occurred regarding the Essence Festival.

Hereby resolves that the Executive Committee institute:-

- 1) An independent audit into the financing and expenditure of the Essence Festival.

In view of Councillor ZM Mncwango not being in attendance and as his above-mentioned Notice of Motion was not moved, such motion LAPSED.

REPORT BY HER WORSHIP THE MAYOR IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT.

In her report, Her Worship the Mayor wished Councillor NE Mthembu, who was away on sick leave, a Happy Birthday. She also extended her wishes to all Muslim Councillors, Officials and Members of the Public a belated Eid Mubarak and in doing so also thanked the Deputy Mayor for ensuring the safety and wellbeing of all those attending Council meetings.

She acknowledged the delegation from Shanghai, China, who were in the country to develop youth programmes.

She commended the youth on successfully hosting of programmes held at Ushaka Marine World and the Youth Imbizo convened at Tongaat, which was graced by the presence of the Honourable President of South Africa, Mr Jacob Zuma.

She mentioned the Cleansing Event held at a ground in Mpumalanga in conjunction with the Shembe Church leaders and congregation which was attended by approximately 15 000 people.

She congratulated the City Manager and Officials for the successful hosting of events relative to the Youth, Women and Differently Abled People.

Given some positive media coverage relating to eThekweni Municipality, she also expressed her concern at the continuous negative reporting by the media on issues that were not properly researched, especially on the recent purchase of four Casspirs by the Municipality.

Taking cognizance that Council had entered into a new Financial Year, she appealed to Councillors and Officials to collaborate in ensuring the fast tracking of service delivery to the residents of eThekwini Municipality and in doing so, cautioned them that irregular expenditure would not be tolerated.

In concluding her report she wished it recorded that the City Manager has the authority to institute disciplinary measures against any irregular activities, to ensure that eThekwini becomes a leading Municipality in the country.

Her Worship also raised concerns about Architecture Unit the constitution of human capital thereof and requested the City Manager to look into this matter. She also raised concerns with the operation of Real Estate Unit and she proposed that the Unit be moved from the Treasury Cluster to report directly to the City Manager. The City Manager was tasked with overseeing to this proposal.

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 : 2017-04-19

2. **EXECUTIVE COMMITTEE**

Meeting held on : 2017-03-28
: 2017-04-25

3. **LOCAL LABOUR FORUM: TREASURY AND OFFICE OF THE CITY MANAGER**

Meeting held on : 2017-04-05

4. **SECURITY AND EMERGENCY SERVICES COMMITTEE**

Meeting held on : 2017-04-20

NOTED.

ITEMS FOR NOTING

The Items for Noting, reflected on Pages 52 to 53 of the Agenda were NOTED.

The meeting terminated at 12:30.

CONFIRMED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2017-08-01

SPEAKER