

**No. 27**

# **MINUTES**

## **OF**

### **ETHEKWINI MUNICIPAL COUNCIL**

Meeting held on Tuesday, 2023-01-31T10:00, streamed from  
Luthuli Hall, Durban City Hall, Durban.

- PRESENT :** Councillors TE Nyawose (Speaker), TM Kaunda (Mayor), A Abdul, J Annipen, AD Beesley, A Beetge, M Billy, T Biyela, JM Black, NJ Bollman, M Brauteseth, WJD Burne, MH Buthelezi, KPM Cele, SB Cele, SP Chebure, J Chetty, GD Clarivette, R Cloete, SV De Boer, Z Dzanibe, J Essop, BA Fortein, SN Gabela, GM Gasa, DM Gcabashe, FO Gcabashe, NBC Godlwana, R Gokool, G Govender, S Govender, SV Govender, Y Govender, BR Gumede, S Gumede, BM Gwala, MS Gwala, GJ Hegter, MM Hlengwa, NP Hlomuka, SD Hlongwa, MF Ismail, DM James, M Johnson, MA Jokweni, K Khambule, MH Khan, MN Khubisa, KNN Khubone, NL Khuzwayo, ZW Khuzwayo, SNC Khwela, A Kisson, BG Kubheka, V Kunju, CJ Laing, SW Lushaba, M Lutchmen, WM Luthuli, ME Mabaso, RD Macpherson, MA Madlala, NI Madlala, SR Madlala, A Maharajh, RP Maharaj, S Maharaj, FN Majola, TG Makhanya, HS Makhathini, MW Manqele, JB Maphumulo, NJ Maphumulo, TZ Mathe, PG Mavundla, SH Mazibuko, WM Mazibuko, M Mbambo, KT Mbhele, RP Mbonambi, BA Mchunu, JL Mchunu, NP Mchunu, SW Mcineka; RL McKenzie, X Mdlazi, FW Mdletshe, SM Memela, SP Mfeka, K Mhlaba, GN Mhlongo, SE Mhlongo, T Miya, MB Mjadu, AZ Mkhize, KV Mkhize, MA Mkhize, ME Mkhize, MP Mkhize, NN Mkhize, NA Mkhize, P Mkhize, SM Mkhize, B Mkhwanazi, BR Mngadi, DK Mngadi, E Mngadi, S Mngadi, SV Mngadi, MR Mngonyama; TJ Mnguni, ZM Mncwango, BV Mngwengwe, PB Mnikathi, ZO Mnomiya, S Mnyandu; T Mohamed, R Moses, ND Motseke, NP Msibi, LI Msomi, LG Mthembu, SSS Mthethwa, TD Mthethwa, TM Mthethwa, N Munien, OB Mvubu, ZP Myeni, SK Mzimela, BD Naidoo; J Naidoo, V Ncukana, WP Ndiweni, NB Ndlela, AB Ndlovu, MF Ndlovu, PB Ndlovu, PC Ndlovu, NS Ndlovu, V Ndlovu, SG Nene, TH Nene, SB Ngcongo, S Ngema, LE Nkomeni, DR Nowbuth, XM Nqweniso, DM Nsundwane, SH Ntombela, PC Ntshangase, BT Ntuli, N Ntuli, NZ Ntuli, PB Ntuli, B Nxumalo, MR Nxumalo, PH Nxumalo, NN Nyanisa, MV Nzimande-Madlala, AAK Paruk, BW Phewa, DT Pillay, DR Pillay, P Pillay, GDA Pullan, VG Reddy, T Sabelo, S Sewshanker, A Shaheed, BH Shange, LP Shange; MG Shange, TE Shezi, IM Shinga, HP Shozi, KS Sibisi, N Sibisi, LC Sikhakhane, BSB Sindane, EL Singh, J Singh, S Singh, PS Sishange, CN Sisoka, NI Sithole, BS Sivetye, EG Smith, AD Snyman, ZR Sokhabase, ZA Solomon, I Syed, ZN Tshazela, NT Tyelinzima, JC Van den Berg, HM Van Der Ryst, NB Vilakazi, NI Webster, SM Windvogel, TV Xulu, NY Young, GN Zondi, M Zondi, ON Zondi-Mthembu and TG Zungu.
- ABSENT :** Councillors LBS Jali, NM Mhlongo, TJ Mkhize, SB Mpanza, MM Ngiba, DB Ngubani, JN Sibisi, M Thusi, NP Msomi, A Rampersad, DR Pillay, SR Moodley, NC Gumede, DM James, SW Mcineka, BB Thusi and T Xuma,

AMAKHOSI

PRESENT : Inkosi EB Mlaba

AMAKHOSI

ABSENT : Inkosi S Mlaba and JJ Shangase

AGSA

PRESENT : Messrs/Mesdames Vanuja Maharaj (Head of Portfolio), Nomalungelo Mkhize (KZN Business Unit Leader), Haroon Mangerah (Senior Manager), Erin Sampson (Senior Manager) and Nokuthalo Phephu (Senior Manager).

OFFICIALS

PRESENT : Messrs/Mesdames Dr S Mnguni (Acting City Manager), M Mhlongo (Head: Legal & Compliance), A Seheri (Head: City Administration & Secretariat); BM Mhlongo (Deputy Head: Office of the Speaker), V Mshengu (Acting Senior Manager: Secretariat), SC Khumalo (Manager: Council Committees) and N Biyase (Chief Committee Officer).

---

(At the commencement of the meeting 205 Councillors were present, comprising ANC - 86, DA - 54, EFF - 24, IFP - 16, ASA - 04, ABC - 02, ACC - 02, ACDP - 02, AIC -02, ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 01, DLC - 01, JEP - 01, KZNI - 01, MF - 01, MOSA - 00, NFP - 01, PFP - 01, PRM - 01, TA- 01, UIM - 01 and VF Plus - 01).

---

1. NOTICE CONVENING THE MEETING

The Acting City Manager, Dr S Mnguni read the notice convening the meeting as per the statutory requirement.

2. OPENING

The Speaker declared the meeting open at 10h02 and extended a warm welcome to Councillors, Traditional Leaders; Acting City Manager, Deputy City Managers, Head: Legal and Compliance, other Unit Heads and Members of the Administration. A special warm welcome was extended to Officials from the office of Auditor General-SA, Media and Members of the Public viewing on social media live streaming.

3. AFRICAN UNION AND NATIONAL ANTHEM

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

4. OPPORTUNITY FOR PRAYER/MEDITATION

The Speaker requested Council to observe a moment's silence for everyone to meditate.

5. OFFICIAL ANNOUNCEMENTS

The Speaker presented the following announcements for the attention of the Members of Council:

- 5.1 Councillors were requested to complete the Attendance Register posted on the MS Teams Chat and advised that if any Councillor was experiencing a challenge, they should contact the Administration.
- 5.2 The City of eThekweni was congratulated for hosting a very successful 2022 Festive Season, notwithstanding several challenges that were there. All Municipal officials that worked around the clock during this period to ensure that everything was in order were highly appreciated.
- 5.3 It was noted and appreciated that the City continued to reclaim its spot as a destination of choice for prominent events as a number of entertainment events were held such as Fact Durban Rocks; Hazelmere Jazz Festival held on 26 and 31 December 2022 respectively and even events such as the Rugby match between Sharks & Bulls; and soccer match between Lamontville Golden Arrows & Kaizer Chiefs both successfully held on 31 December 2022. These events and all other festive programmes generated positive spinoffs for the City.
- 5.4 The Matric class of 2022 was congratulated for the excellent results received, and the whole KZN Province for being recognised as the best improved Province by achieving 83.0% which was an increase of 6.2% from 2021 Matric results.
- 5.5 Councillors were encouraged to conduct themselves with dignity and decency during the Council proceedings, and in compliant with the expectations in terms of the Councillors' Code of Conduct.
- 5.6 As the meeting was conducted through the MS Teams, Councillors were requested:
- (i) To ensure that they connect in a decent environment with no disturbance to be caused by the surroundings, it also being noted that some of the Council matters are of a confidential nature.
  - (ii) Councillors to be presentable since this is still a formal Council meeting.
  - (iii) To raise a hand to be recognised when requesting to speak on the item.
  - (iv) To switch off the video camera to improve stability of the network.
  - (v) To connect in the area with a stable network since some of the technical glitches experienced were not coming from the City Hall streaming but, in the areas where individuals are connecting.
  - (vi) To stay connected for the duration of the meeting to maintain quorum.
- 5.7 Councillors were further reminded of the decision taken to allocate 5 Minutes to respond to each Question submitted by individual Councillors to the Municipal Council.
- 5.8 Council extended best wishes to all Councillors celebrated their birthdays during the month of January 2023.

6. SPEAKER'S REPORT

6.1 **PURPOSE**

The Speaker mentioned that the purpose of the report was to apprise the Municipal Council on the following activities: -

6.1.1 Activities that the Municipal Council had undertaken over the month of January 2023, in line with the provisions of the Rules of Order By-Law (2014).

6.1.2 The status of community engagements and Ward Committee meetings held over the month of January 2023.

6.1.3 Membership Status: Municipal Council.

6.2 **MUNICIPAL ACTIVITIES**

6.2.1 The beginning of, January 2023 saw the end of the festive season, with the Municipal Council also having been on leave from 15 December 2022 to 13 January 2023, not too many activities were undertaken by Council.

6.2.2 It was pleasing to report to the Municipal Council that the Municipality hosted a very successful 2022 festive season that attracted a number of tourists.

6.2.3 It was also pleasing to note a number of different events hosted in the City, from sports such as rugby and soccer that were for the first time held on the last day of the year, 31 December 2022, and other entertainment related events. It was indeed a busy but successful festive that generated positive spinoffs for the City.

6.2.3 The Municipal Council appreciates all Municipal officials that worked tirelessly during this festive season to ensure that the City lived to its motto of being the warmest City, and also Members of Council were appreciated for being there for communities to respond to emergencies notwithstanding the recess period.

6.3 **COMMUNITY ENGAGEMENTS**

6.3.1 Council to note that although during the month of January 2023, the Municipal Council was in recess, and there were reports currently submitted to Office of the Speaker in terms of community engagements held, it will be noted that, there were some Councillors who did have stakeholder engagements within their respective Wards.

6.3.2 The recess period being over, Councillors were reminded of the quarterly compliance in terms of the Code of Conduct to resume holding and reporting on the community engagements held as required.

6.3.4 This was also raised at the last Speaker and Party Whips meeting held on Monday, 23 January 2023, where Whips were reminded to urge respective Party Members to comply with the above-mentioned requirement, since in the previous calendar year, reporting wasn't as good.

6.3.5 Council Members also to note that as part of the statutory requirement, in the month of February 2023 there will be public participation engagements held with respective stakeholders on the Annual Report. These engagements will be advertised, and Councillors were urged to encourage community stakeholders to attend as per publicized notices.

#### **6.4 WARD COMMITTEES**

6.4.1 Ward Committees also having been on recess in line with the Rules Regulating the Establishment and Operation of Ward Committees, there was not many activities recorded during month.

6.4.2 It will, however, be noted that there were Ward Committees that required the Speaker's intervention, such engagements had been scheduled and the Ward Councillors for those respective Wards will be advised accordingly.

#### **6.5 MEMBERSHIP STATUS: MUNICIPAL COUNCIL**

6.5.1 On Wednesday, 14 December 2022, the Independent Electoral Commission held by-elections within the province, and within our Municipality, Ward 99 had a vacancy. The vacancy in Ward 99 was filled by Councillor Jane Naidoo, who had been the Inkatha Freedom Party (IFP) PR Councillor. Councillor J Naidoo was congratulated for being elected Ward Councillor in this Ward.

6.5.2 With the election of Councillor Naidoo as a Ward Councillor, a PR Councillor within the IFP was created, and this vacancy had since been filled by Councillor Selvan Vadival Govender, who was declared Councillor by IEC on 23 January 2023. Councillor Govender was welcomed in the Municipal Council.

6.5.3 The Municipal Council currently had no membership vacancy; all 222 Members have been elected accordingly.

6.5.4 Council noted that two (02) Office Bearers vacancies, namely Deputy Mayor and Whip of Council still exist, and will be filled at a Special Council meeting scheduled for Friday, 03 February 2023 at 14h00, as was adjourned from 26 January 2023.

#### **7. APPLICATIONS FOR LEAVE OF ABSENCE**

**During consideration of the leave of absence received for the City Manager, clarity was sought by IFP, Councillor Annipen whether the leave of absence for the Municipal Manager was on personal business or Municipal business. It was then confirmed that the City Manager was on Municipal Business.**

**The ACTIONSA, Councillor Mncwango reminded the meeting about the request made at the previous Council meeting to investigate the absence of the City Manager and all other Councillors of the ANC and the EFF at the meeting of 26 January 2023 without submission of formal apologies.**

**Following directive by the Speaker, His Worship the Mayor provided confirmation that as the Supervisor of the City Manager, the City Manager was out of the Country on Municipal business as he was part of the Municipal**

**delegation to attend a conference in Saudi Arabia. He further confirmed that the leave of absence was accordingly approved.**

**Additionally, the Mayor clarified that for the previous Council Meeting of 26 January 2023, the City Manager did not abscond but was busy with necessary travelling documentation for the business trip to Saudi Arabia.**

**The DA, Councillor Mthethwa submitted that the Speaker was at liberty to report to Council the reasons for the City Manger’s leave of absence of Council not the Mayor. In response, the Speaker of Council clarified that in terms of the City Manager’s leave of absence presented by the Acting City Manager was sufficient. He added that in terms of the details of the leave, the Mayor was the appropriate person to provide details of the leave since the City Manager administratively reports to the Mayor.**

**Advising under legal capacity, the Head: Legal and Compliance brought to the attention of Council that the approval of leave of absences were only applicable to the members of Council. He clarified that the leave of absence for the City Manager was not subjected to the approval of Council however, by the City Manager’s conditions of employment and approval by his Supervisor as an Administrator.**

**Thereafter, the Speaker of Council confirmed that feedback report on Councillors who were absent at the previous meeting will be made available at the next Council meeting of 03 February 2023.**

Regarding the Applications for Leave of Absence submitted for this meeting, it was accordingly,

### **RESOLVED:**

That the following Councillor be granted leave of absence as indicated:

#### **COUNCILLOR**

Councillor MS Nkosi : 2023-01-31 requested to leave the meeting at 12h00

#### **AMAKHOSI**

There was no leave of application received for Amakhosi.

#### 8. **DECLARATION OF INTEREST**

It was noted that none of the Members of Council had declared interest on items appearing on the Agenda.

9. CONFIRMATION OF MINUTES: MEETINGS HELD ON 2022-12-13, and in-Committee Minutes 2022-12-13

With Councillor N Madlala having moved for the adoption of the minutes and seconded by Councillor O.N. Zondi, accordingly the minutes of the meeting held on 2022-12-13 were accordingly **ADOPTED**.

**The Speaker reported that the minutes of the In-Committee meeting of 2022-12-13 would be confirmed at the next In-Committee meeting.**

10. MATTERS ARISING

There were no matters arising from the previous meeting.

11. 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:

11.1 Questions submitted by Councillor T Miya: Insourcing and Assets Management by Economic Freedom Fighters (8/3/1/7):

The questions are based on the Municipal Financial Management Act (MFMA) No. 56 of 2003 Preferential Procurement Policy Framework Act No. 5 of 2000 and Regulation, the primary question is on the Municipal Operational costs of Outsourcing services. The Economic Freedom Fighters (EFF) conducted its own brief Site Visit at DSW Depot at Springfield Park and Mobeni Auto Repair to understand internal systems control of Municipal assets. In the case of Mobeni Auto Repair the EFF discovered that the rate at which Car Engine Parts get lost is alarming which leads to delays in terms of car truck servicing which leads to the following questions.

The last part of the questions is based on the report issued February 2019 by the Audit and Risk Assurance Services (EMARAS) Internal Audit Report regarding the Review of Safety and Security Measures in Facilities (Clinics). In the MFMA Section 116(b)(iii) the Supply Chain Management (SCM) must conduct a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years.

1. **Has the SCM Accounting Officer conducted a periodic review of all the Cleaning and Security Service Provider, was there an increasing in the costs of providing the services? What was the increase in percentage on a year on year and over the period of three years. And did the review compare the costs in terms of outsourcing versus insourcing? Can the periodic reviews be presented to the Full Council for verification?**
2. **In terms of MFMA and its provision on internal control of assets and liabilities register there are DSW Auto Repair Centers like in Mobeni and Health Facilities (refer to the EMARAS February Report on Health Facilities) which do not have security cameras installed for the past 3 years, were there any consequence management?**
3. **For DSW and the Health Unit how many Security companies are currently contracted, and how much are they invoicing per annum?**

4. **For DSW there has been a persistent non-collection of refuse due Heavy Duty Trucks breakdown, is there a turnaround strategy to mitigate the delay Heavy Duty Truck repairs. What is a lifespan of disposing these heavy-duty trucks since some of them are said to be very old? Lastly, is there a register of DSW employees who owns some of the refuse removal heavy-duty trucks?**
5. **For both DSW and the Health Unit there are serious security breach that were discovered and reported, was there ever any investigations with regards to lost assets, if yes, were there any consequence management implemented?**
6. **For the Health Unit, two Clinics i.e., Ottawa and Luganda Clinics and are in a very dire state in terms of Assets dilapidation the Audit Report fall short of calling for its closure or suspension of services, why are they still operating and what are the immediate proposed interventions?**
7. **EMARAS discovered that of the 59 Clinics the Audit Findings as per physical verification it was discovers that 25 Clinics did not have functioning aircons and or no aircons at all, how does the Accounting Officer explain this maladministration?**
8. **The EFF want to ascertain that as to what extent is the Municipal Assets Policy is being compromised, it not, EFF wants an accurate disclosure of Assets Management Policy and the implementation of consequence management on material irregularity so that the Full Council can exercise its responsibility in terms of providing oversight in Municipal administration?**

Councillor ZR Sokhabase provided the following respective responses:

1. The reference to the Durban Solid Waste (DSW) Mobeni Auto Repair Centre is clarified that DSW does not have a Mobeni workshop. However, there is Collingwood Satellite Depot Workshop for minor defects of units. All repairs are processed at the DSW Springfield workshop.

Capital upgrade of the Collingwood workshop has been allowed for in the MTREF for refurbishment and upgrade.

The facility does not have cameras and there are no reports of loss of parts. However, outside of the workshop there have been reports of theft of batteries from the DSW trucks and these have been reported to Security Management Unit. An assessment was conducted by Security Management Unit and they proposed an additional 2 Security Guards at night, repair of fence and increase lighting around the property. The Guards have since been added. The budget for the minor capital works has been approved for implementation by Architecture Department.

2. The issue of alternate security measures has been acknowledged by Health Unit. Thus, the erstwhile Head of Health requested that an assessment be undertaken to guide the Unit regarding proposed security systems. The Unit has currently



adopted the method of private security guard deployment and alarm installation only, in some facilities.

Following the Health Unit's request to Security Management, Security Management released the report of alternate security methods inclusive of cameras. It must be stated that this report was received when the country was hit by calamities like the COVID pandemic, and the April floods which negatively affected many processes including this one. After COVID Regulations were relaxed and many processes returned to nearly normal, the Unit revisited the security arrangement matter, and it was clear that additional resources were needed to implement the various security arrangement options. This happened during the recovery period, where the city was faced with financial constraints necessitating budget cuts and or reprioritization of available Unit funds.

This was also compounded by the fact that at that time, the contract to get such devices installed was not yet finalised in the city. Thus, the Unit could not implement any plans then, and had to stick with current security arrangements to secure municipal assets. The Unit however does recognise the value of alternate security system arrangements and is looking into incorporating such in the ensuing financial year/s within limited available resources and remains dependent on private security guards and alarm systems as a means of security.

3. All 26 DSW Sites are serviced via the Council internal department (Security Management Unit who procures the security services on the Unit's behalf) at a total cost of R43 374 844.00 excl. VAT per annum. DSW pays Security Management Unit through an internal charge as Security Management manages the Security Companies hired and manages their payment. The Health Unit is serviced by 2 security companies dependent on regional deployments. In the previous financial year, the Unit spent R33 466 411 for security in health premises and service points.
4. All running breakdown repairs are being carried out. However, the Unit is challenged with not having a pool fleet capacity to fully respond in the event of breakdowns.

A turn-around strategy for fleet utilization is being implemented by the Unit. We have scheduled a 12-month plan with key deliverables. At the core of the strategy is the development of a fleet and driver pool capacity. This will require overhauling the work culture of the Unit. Work has commenced with the establishment of the task team to review its fleet utilization and waste collection balancing. Parallel interventions of consulting with the labour representatives on associated labour-related matters such staff training, changes to the operating model culminating in an agreed upon standard operating model (SOP).

5. After every security breach incident, the Unit engages Security Management Unit to undertake post incident assessments and they advise the Unit accordingly. The Unit has also constantly demanded that the security company pay for losses suffered. Furthermore, in instances where there is suspicion of internal breaches, the Health Unit refers such matters to City Integrity and Investigation Unit to assist in thorough investigation that can be utilized in disciplinary processes.

6. Ottawa Clinic is currently not in a state of dilapidation as alluded above. This facility formed part of the previous 10-year plan to reach ideal clinic status and is therefore one of the clinics that has reached platinum status in the ideal clinic assessment in August 2022. Thus, in order to keep the facility in an acceptable condition, the Unit plans to place the facility on the Renovation and Repair Planned Projects in the next 10-year multi-year plan.

Regarding Luganda clinic, the Unit tried to place this facility on the revamping project list in 2012, but the site was not suitable due to its size which could not fit the ideal clinic prototype; thus, the plans were halted. The Unit earnestly began searching for accessible, appropriate and acceptable land to relocate the clinic project. In 2021, a parcel of land was identified that belonged to Council. The Unit successfully received authority to use the parcel of land to rebuild the clinic. However, it came during the height of the COVID-19 pandemic, thus implementation of many processes including this one was negatively affected. It is acknowledged that Luganda Clinic does currently have infrastructure repair challenges which was worsened during the floods. These are intermittently addressed through maintenance requisitions. Due to the capital infrastructure needs of this facility it is therefore placed on the current 10-year multiyear plan as a priority facility to be rebuilt. The proposed project plan is projected to commence in 2023/24 with a total project value of R12 000 000 and forms part of the Units 10-year multiyear plan as a priority project.

The question about why facilities are still operational is not clearly understood because these 2 facilities have reached platinum status in the ideal clinic audits, with Ottawa having reached 92.25% compliance and Luganda 93.21% compliance. Thus, gauging on their compliance status these services can be safely and effectively rendered at the clinics and there is no urgent need to cease operations.

7. The Health Unit's implementing agent when it comes to building and maintenance matters is the Architecture Department. Thus, the Unit constantly submits requisitions to fix air conditioners that breakdown or are non-functional. One does acknowledge that the audit alluded to in the Rule of Order is 4 years old, and some dynamics have changed since. It must also be stated that it is vital to understand the need for air-conditioning in health settings to address comfort needs. Literature does caution the indiscriminate installation of air-conditioning in health care settings since such installations coupled with poor ventilation has a potential of creating serious risk of "sick building syndrome". Thus, the Unit explores all factors and prioritizes safety and health above comfort because it is a known fact that normal air-conditioning forces indoor air which increases the risk of spread of communicable airborne conditions. It also increases poor air quality which is a hazard in health facilities where conditions like undiagnosed TB and Covid may exist. The Unit is thus supporting strategies that aim to improve air exchange through extraction systems and air filtration systems. In areas of the facility that need controlled temperature (dispensaries and pharmacies), air conditioning is supplied and if there are breakdowns, requisitions are submitted as urgent to the Architecture Department.
8. No response

**It must be noted that Councillor Sokhabase had exhausted the allocated five minutes period to provide responses therefore, the Speaker ruled that the responses be accordingly forwarded to Councillor Miya. Therefore questions 5 to 8 were not responded to.**

11.2

Questions submitted by Councillor A Maharaj: Moses Mabhida Stadium Maintenance Work and Inadequate Revenue (31/2/1/5/2):

After conducting oversight visits to the Moses Mabhida, it has become evident that this facility is in desperate need of major maintenance work. Further to this it is of concern that the revenue income is totally inadequate to fund the required work.

In light of the above, I request that the following questions be answered:

1. **What income has the facility derived per year for the past five years from the hosting of events?**
2. **What income has the facility derived per year for the past five years from hospitality suites?**
3. **What income has the facility derived per year over the past five years from the retail facilities?**
4. **What other income has the facility been able to generate per year over the past five years?**
5. **What have the annual operational costs of the facility been per year over the past five years?**
6. **What has maintenance of the facility cost per year for the past five years?**
7. **What are the projected costs of the repairs/replacement of the Skycar?**
8. **What are the expected costs of maintenance/repairs (including consultant fees for assessment) of the arch?**
9. **What are the projected costs for the repairs that are required for the stadium structure?**
10. **When is it anticipated that the sail will need to be replaced and what is the estimated cost?**
11. **What is the projected income for the next financial year?**

Councillor SV Mngadi provided the following respective responses:

1.

2022	2021	2020	2019	2018
R19 079 000	R12 878 000	R38 673 000	R73 910 000	R4 637 800

2.

2022	2021	2020	2019	2018
R80 000	R390 000	R3 108 000	R592 000	R1 016 000

3.

	2022	2021	2020	2019	2018
Shop Rentals	R4 917 000	R8 344 000	R6 294 000	R10 541 000	R6 902 000
Attractions	R904 000	R248 000	R2 046 000	R3 394 000	R3 245 000

4. The other income generated by the facility are already included in the events income generated under question 1.

5.

2022	2021	2020	2019	2018
R124 817 000	R125 650 000	R163 006 000	R154 339 000	R115 436 000

*NB: please note the annual operation costs in the past five years includes utility cost, employee related costs and stadium operational costs.*

6.

2022	2021	2020	2019	2018
R6 484 800	R5 357 640	R8 121 450	R7 748 370	R5 009 870

7. The sky car projected costs of repair or replacement have not yet been determined.

8. The expected actual costs of maintenance / repairs have not yet been determined.

9. Actual maintenance costs of the stadium structural repair have not yet been determined.

10. There is no anticipated timelines and costs of sail (membrane) repair within 50-year asset life cycle.

11. The projected 2023/24 budgeted revenue is R 32,4 million.

11.3

Questions submitted by Councillor EL Singh (23/2/1/3/3/1):

The pumpstation at Nettlepalm Place, Palmview, Phoenix, has been nonfunctional for several months and residents have been forced to live in inhumane conditions. This is now infringing on residents' properties, raw sewage flowing into the properties. The Department is aware.

It is against this backdrop that I pose the following questions:

1. **What are the results of the investigations carried out by the Department?**
2. **What is the reason for the delay, in ensuring that the pump station is fixed?**
3. **What are the plans moving forward, to ensure this is resolved, as a matter of urgency?**

- 4. Residents have reported this issue several times, how has the Department communicated with the residents?**
- 4.1 If not, what is the reason for this non communication?**
- 5. How is Municipality going to take responsibility for the damage of residents properties, as well as the Health related concerns?**

Councillor CN Sisoka provided the following respective responses:

1. Pumps were clogged due to foreign objects that entered the pumpstation sump and these included objects such as rags, clothes woods etc.
2. Nettle Palm Sewerage pumpstation was fixed a while back, and it is running perfectly fine with two pumps (standby and duty pump) operating efficiently.
3. As indicated on item 2 (above), there is no overflow in this pump station, there are two pumps working efficiently. Proactive maintenance had been established through M & E (Mechanical & Electrical) active contract to minimize future potential breakdowns to the station.
4. As much as this pumpstation had been resolved, it is important to highlight that over the past months the Department (Sanitation Operations) had been in constant communication with members of the public through eThekweni Communications Department via different social media platforms, to keep the public abreast with progress made to the infrastructure and different sanitation facilities.
5. According to municipal records, there was never a damage to any property nor possibilities to such . However, if any member(s) of the public claim to be in possession of evidence to damage of property or health complications as a result sewer spillages, members of the public are advised to visit eThekweni Water and Sanitation Customer Service Building located at No.3 Prior Road in Durban.

11.4 Questions submitted by Councillor M Ismail: Protests that Damage Roads and Infrastructure (2/3/4):

A serious floundering of communication and an even deficiency of service delivery, we find ourselves in a space as a City that is lacks both. This becomes the foundation of rising widespread protests that we regularly witness within the borders of the eThekweni Municipality.

Therefore, we, the Active Citizens Coalition, rise to present the following questions for a concise response:

- 1. What is the City doing to address the rampant criminality of protest where such action results in damage to roads and infrastructure?**
- 2. What is the response plan for service delivery protests; and is the plan working and in place 24 hours?**

3. **In several instance we note that numerous protests have ulterior motives. This includes the strategic blocking of roads and holding the City to ransom, for the reinstatement of illegal electricity connections. We find that while the Metro Police are responsive, no arrests are affected and neither do we see any implementation of a sustained plan to prevent these protests from recurring. Are we responsive as a City, or are we engaged in managing the problem without surging protests?**
4. **What is the estimated cost of damage to infrastructure resulting from the protests?**
5. **When the call is logged, how long should it take for a response and the dispatch of Metro Police, and other emergency services relevant to dealing with protests?**
6. **We note that the “new normal” is protests by DSW staff as well as Water and Electricity Units?**
  - 6.1 **Have these issues been adequately addressed and resolved?**
  - 6.2 **What was the resultant outcome and were these issues resolved to prevent a recurrence?**
  - 6.3 **May we get a detailed report on email on how many protests affected the CSW Unit and which departments exactly?**
  - 6.4 **How many protests were perpetuated by DSW, Electricity and Water departments within the last 12 months?**

**ANC Councillor N Madlala made a proposal for a deferral of responses to the above questions in terms of Rule 27 of the Rules of Order By Law to afford the author sufficient time to prepare responses. Accordingly, the deferral was noted and granted.**

---

12. **PRESENTATION ON THE AUDIT OUTCOME FOR ETHEKWINI MUNICIPALITY AND ENTITIES FOR THE 2021-22 FINANCIAL YEAR**

*(It should be noted that this item was considered immediately after item 4 of the agenda, but it is recorded herein to achieve the Minutes sequence)*

**Following concerns raised by the ACTIONSA around verification of the quorum to ensure that the meeting was properly constituted, the Speaker of Council confirmed that the total number of Councillors present was 190 and therefore the meeting was properly constituted.**

**Whilst on the discussion around the verification process of numbers, the DA brought to the attention of the Speaker that there seem to be a challenge with live streaming and an appeal was made to the Speaker to ensure that all technical challenges experienced in this meeting are addressed. Furthermore, it was suggested that moving forward an option of physical meetings be considered.**

**The ACTIONSA and the ABC Councillors emphasised the importance of ensuring that the live streaming interruptions is addressed to allow public viewers access to the Council meetings as per the public's democratic right. The concerns were accordingly noted by the Speaker with the commitment to address Council on the matter once the technical team has responded.**

**The Speaker concurred with the previous speakers that indeed the public had the right to full access to Council meetings and further advised that the Head: City Administration had confirmed that the Council meeting was live and accessible.**

**Thereafter, the delegation team from the Auditor-General South Africa (AGSA) was afforded an opportunity to proceed with the presentation of the report.**

The representative from AGSA, Ms V. Maharaj commenced by extending greetings to the Honourable Speaker, His Worship the Mayor, Deputy Mayor, all Councillors present, Municipal Manager and all administrative officials.

Thereafter, Ms Maharaj introduced the delegation team from AGSA which accompanied her to this meeting.

Providing background of the report, Ms Maharaj highlighted that the AGSA has a constitutional mandate and as the Supreme Audit Institution of South Africa exists to strengthen the country's democratic position by enabling oversight, accountability, and governance in the public sector. Thereafter, she highlighted the importance and benefits of ecosystem value chain and effectiveness of its stakeholders as well as its contribution towards achievement of improved audit trends.

Regarding Audit Outcomes, Ms Maharaj congratulated both Durban International Convention Centre and Durban Marine Theme Park (DMTP) for maintaining unqualified audit opinion with no findings for the financial year ended 30 June 2022. She commended Management and Political Leadership for providing necessary oversight and assurance to ensure that the annual financial statements and annual performance reports were credible and complied with all relevant legislative frameworks.

Furthermore, Ms Maharaj strongly emphasized that going concern remained a apprehension particularly for DMTP and management was cautioned to pay special attention to this specific area.

Presenting the outcome for eThekweni Municipality, Ms Maharaj reported that the city had remained stagnant when compared to the prior years. She specified that the stagnation of the audit outcome was due to instability in administrative leadership which resulted in slow implementation of action plans by management.

Regarding detailed findings, Ms Maharaj indicated that the City had obtained unqualified audit opinion with findings. She commended City Management for submitting credible sets of annual financial statements with no material adjustments made in the financial statements.

The AGSA stressed out that the opinion could have been avoided should management had implemented prior year AGSA recommendations to strengthen internal reporting processes and to ensure complete and accurate reporting of information was easily available to support performance compliance.

Lack of accountability on steps taken to resolve audit findings and slow progress in respect of consequence management on irregular expenditure were highlighted as some of the contributing factors towards the negative audit outcome.

It was indicated that AGSA made proposed amendments to the Annual Report to prevent material findings, however the City could not make all the adjustments timeously which resulted in material findings being reported. Furthermore, AGSA pointed out that compliance material findings have increased from 6 in the prior year to 11 in the current fiscal year.

There were inadequacies in respect of implementation of action plans around consequence management, procurement plan and compliance monitoring in that it was not fully implemented which resulted in repeat and new findings. Accordingly, AGSA proposed that interventions are required in respect of compliance management and consequence management.

Regarding detailed compliance findings, it was reported that there were new and repeat findings around expenditure management where reasonable steps were not taken to ensure that the Municipality implemented and maintained an effective system of expenditure control, including procedures for the approval /authorisation and payment of funds for expenditure related to the Expanded Public Works Programme and Presidential Employment Programme as required by Section 65(2) (a) of the Municipal Finance Management Act (MFMA).

Secondly, reasonable steps were not taken to prevent irregular expenditure of R 1,5 billion as disclosed in note 52 of the financial statements. It was stated that the majority of irregular expenditure resulted from non-compliance with the SCM regulations.

There were new findings around environmental management resulting from no valid operating licenses, for the Kingsburgh, Isipingo and Mpumalanga Wastewater Treatment Works as required by Section 22(1)(b) of the National Water Act 36 of 1998. The Northern Wastewater Treatment Works was not maintained to prevent malfunctioning infrastructure.

It was reported that consequence management was a repeat finding and this resulted in disciplinary proceedings being not instituted by Council where the report of independent investigators confirmed financial misconduct by Senior Manager in accordance with the disciplinary regulation for Senior Managers 5(6) and Municipal regulation 6(8) on Financial Misconduct Procedures and Criminal Proceedings.

In addition, appropriate action was not taken against officials of the Municipality, where investigations proved financial misconduct as required by Section 171(4)(b) of the MFMA and municipal regulation 6(8) on Financial Misconduct Procedures and Criminal Proceedings.

Regarding compliance findings, it was reported that there were concerns on regression identified around the procurement and contract management.



The main causes of irregular expenditure were explained as follows: -

- R 495 million was as a result of non-compliance related to local content.
- R 317 million arose from City Integrity and Investigations Unit investigations
- R 274 million was as a result of non-compliance related to contract extensions
- R 249 million resulted from non-compliance related to procurement under contracts secured by another organ of state.
- R 119 million was as a result of non-compliance related to deviations from procurement process.

Moreover, the following areas of the presentation were briefly highlighted: -

- Financial indicators impacting service delivery and recommendations thereof.
- Performance planning and reporting
- The impact of Circular 88 with no planned target set
- Identified material irregularities.

In conclusion AGSA highlighted of the following recommendations that:

- (i) It is critical for the Municipality to have sound systems on internal controls and effective governance structures to achieve its goals.
- (ii) Management should improve controls over demand management and planning to ensure that a competitive process is followed.
- (iii) The Accounting Officer should implement and monitor effective consequence management structures within the Municipality to ensure disciplinary proceedings are instituted timeously and officials are held accountable for their actions.
- (iv) The understanding and application of preventative controls needs to be entrenched in day-to-day activities by management through appropriate reviews, monitoring, corrective action, and credible reporting.
- (v) Proper record keeping measures should be implemented to ensure that complete, relevant and accurate information is accessible and available to support performance reporting as well as compliance with applicable legislation.

**The presentation was well received and appreciated and thereafter the Speaker of Council clarified that the report or presentation was submitted for noting however, any questions may be submitted for the attention of AGSA.**

**Thereafter, the following comments and questions of clarity were submitted by various political parties: -**

**ADEC appreciated the presentation from AGSA, however expressed concern regarding increase of new finding and repeat findings. Concern around lack of reasonable steps to be taken by the Accounting Officer to prevent irregular expenditure of R1, 5 billion. Enquiry was made around remedial actions in place to address findings raised by the AGSA.**

**ACTION SA, appreciated the report and further echoed same sentiments around increased irregular expenditure and repeat findings with a proposal that urgent interventions were necessary to assist in the current situation. Secondly ACTION SA sought clarity around main causes of irregular expenditure particularly, the transaction of R317 million emanated from the CIU investigations. Clarity on whether the expenditure resulted from irregular appointments in that regard. Lastly, the ACTION SA was interested in understanding what measures AGSA could propose to the Council to ensure that sound systems of internal controls and effective governance were adhered to.**

**The IFP commenced by appreciating the informative report by AGSA. Thereafter, the IFP echoed the previous speaker on recommended remedial actions by AGSA to address and prevent repeat findings. Question around EPWP and the use of Section 36 on the six months extension of the contract, whether such extension was appropriate and in accordance with good governance. The IFP was of the view that the EPWP programme should have been put on hold until all existing irregularities around the programme were investigated and resolved. AGSA was requested to advise on powers in possession by Political Leadership to hold responsible officials accountable for re-occurrence of repeat findings.**

**The DLC echoed previous speakers in appreciating the presentation which was considered as being very informative. Accordingly, DLC expressed disappointment on the outcome of the AGSA report as it presented negative performance by the Municipality. The DLC had hoped that with the recent appointment of the City Manager the situation would improve drastically and that with adequate political oversight, internal controls would also improve.**

**The DLC expressed concern that in terms of reporting to Portfolio Committees by Management around the SDBIP no challenges were indicated while the AGSA suggests lack of management targets. Furthermore, the issue of R 1,5 billion incurred on irregular expenditure was strongly raised with clarity to be provided on areas of compliance that were not adhered to by management.**

**The ABC raised the following questions to AGSA enquiring whether such areas have been picked up by the AGSA during the auditing process: -**

- Irregularities on access to work by employees to justify excessive overtime claimed by employees.**
- Provision of security services by companies without following normal tender processes and contracts extensions for longer than expected periods.**
- The issue of the R4 Billion of the City owed by the Provincial Government.**

**In views of the above questions, the Speaker of Council cautioned Councillor Mavundla to ensure that questions raised were solely based on the AGSA report as presented to Council.**

**The DA Councillor acknowledged the report from AGSA and reiterated that the report summarily validated what had been raised by the Democratic Alliance over the number of years. Furthermore, concerns around the irregularities on the EPWP and the PEP beneficiaries were strongly raised. Clarity on whether AGSA was able to identify the responsible authorising official for payments to the EPWP and the PEP beneficiaries. The issue around the non-revenue water and the Ten-Point plan whether AGSA has had sight of such plan. Identification of authorising officials responsible for payments to service providers where services were not rendered.**

**Payments to Moja Cruise company whether this area of audit had been covered by the AGSA during the fiscal year audit review as it was the area that presented theft opportunities.**

**The ACDP made submissions that the AGSA report was welcomed however, with tremendous concern on findings raised by AGSA . ACDP was of the view that urgent interventions were required in addressing issues as raised by AGSA. Furthermore, enquiry was made around sole prosecuting authority within the office of AGSA with powers to investigate breaches of non-compliance and subsequently prosecute where applicable.**

**The EFF welcomed the report and appreciated that even though the report was not positive, however there was a plan in place by the City to deal decisively with consequence management. Additionally, the EFF expressed concern around the ageing infrastructure resulting from low budget allocated towards infrastructure and the impact of the floods as additional strain towards the already deteriorated infrastructure.**

**His Worship the Mayor Councillor Kaunda welcomed the AGSA report and admitted that the report did present challenges and concurred that there were areas that still required improvements going forward. In addition, the Mayor clarified that the findings did not suggest a disclaimer, but it was suggesting that there were areas that required improvement. In addition, the Mayor enquired from AGSA about the City's performance in the past two financial years, what qualifies the opinion received by the City being unqualified audit with findings.**

**Thereafter, AGSA indicated that the responses would be limited to the content of the presentation, accordingly the following answers were provided: -**

- Regarding administration findings, it was clarified that the core mandate of AGSA was mainly to audit and present the findings emanating from the audit review.**
- In terms of the repeat findings, it was clarified that this was mainly due to instability in the City's administration which resulted in slow progress on implementation of action plans.**
- Regarding critical recommendation to be proposed for improved administration, AGSA strongly recommended that Council would be expected to deal decisively with escalating irregular expenditure,**

**transgressions, non-compliance to the relevant authorities, and timeous implementation of consequence management will result in an improved internal control.**

- **On the issue regarding the R 317 million which arose from the CIU investigations, it was clarified that the amount was incurred from the investigation process and resources utilized leading to the outcome of the investigation process.**
- **Regarding the EPWP and the PEP grants, it was stated that that there should be a specific objective to be achieved in terms of grant management controls.**
- **In response to material irregularities, it was explained that this aspect of findings referred to a list of people who should have not qualified, the need for the support to be given to the Accounting Officer was strongly emphasized.**
- **Regarding the MFMA Circular 88, it was clarified that there were legislative KPI's reflected in the SDBIP with no sets targets, and such becomes a non-compliance finding, it was further suggested that Council was required to pay more attention on this compliance area.**
- **In terms of payment to service providers with no services rendered, AGSA indicated that during the audit process there was no evidence that the services were not rendered.**
- **In conclusion, AGSA confirmed that the opinion received by eThekweni Municipality in the current financial year and prior year was unqualified with findings.**

**Thereafter, the Speaker of Council expressed gratitude to the team from AGSA for the informative report. He admitted that the report presented challenges within the City. On the same breath, he appealed to all Councillors who served in various Portfolio Committees and the Executive Committee to collectively work hard together with officials to improve the current situation and subsequently towards the common goal of achieving clean administration.**

**Thereafter, the Audit Outcome for eThekweni Municipality and it's Entities for the 2021-22 Financial Year was NOTED.**

*(At this stage of the proceedings time being 11h36, the delegation from AGSA was excused from the Council meeting).*

13. REPORTS:

It was noted that none of the Members have declared interest on items appearing on the Agenda.

**(His Worship the Mayor, Councillor TM Kaunda presented the First Report of the Executive Committee).**

---

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

(Meeting held 2023-01-24)

PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), A Beetge, Y Govender, NI Madlala, T Miya, TM Mthethwa, MS Nkosi, BT Ntuli, ZR Sokhabase and there being one (01) vacancy.

1. AUDIT COMMITTEE REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (11/1/3)

(Page 1)

The Chairperson of the Audit Committee presented the audit outcomes on the Municipal internal control environment for the period ended 30 September 2022. The details of the findings are contained in his Report dated November 2022.

Some of the findings highlighted included the vulnerability of the JDE E1 system, which requires immediate strengthening; deficiencies with regard to the Human Capital Systems, whereby identity numbers are not included for some of the active employees. Mention being made that there was an indication that this was due to foreign employees who were verified through the usage of passport identification. Lack of overtime management was also considered an issue, with employees claiming overtime hours exceeding the legislated hours per month. That this is contributing to the Municipality overlooking opportunities of creating more employment.

It was noted that for the Municipality to achieve an unqualified audit, extensive work is required, including increasing capacity within the City Integrity and Investigations Unit (CIU) to resolve outstanding cases of unauthorized, irregular, wasteful and fruitless expenditure. Also, that the operations of the Moses Mabhida Stadium should be given more attention since its Financial Statements reflected a significant loss.

The Durban Marine Theme Park (DMTP) and the Durban International Convention Centre (ICC) were commended for achieving clean audit despite the challenges that had befallen both Entities. That these two Entities had developed aggressive turnaround strategies which resulted to increased financial operations. However, concerns also surrounded the slow operations as a result of the delays encountered in the supply chain management processes, which then prompted the DMTP to recommend for the establishment of an internal SCM department for their operations.

Thereafter, the Committee welcomed the report from the Chairperson. The Committee resolved to recommend to Council to note the report, as part of the compliance reporting. That the Committee will subsequently invest time to interrogate the audit findings together with the Management Comments with a view to clearing the findings.

Accordingly,

COMMITTEE RECOMMENDS:

That the Audit Committee Report for the first quarter of the 2022/2023 from 01 July to 30 September 2022, submitted in terms of Section 166 (1) of the Local Government: Municipal Finance Management Act No. 56 of 2003 and Section 14(2)(a) of the Local Government Municipal Planning & Performance Management Regulations, to advise Council of the activities of the Audit Committee and the results of its quarterly reviews of the systems of internal financial control; internal audit; risk management processes; financial reporting; performance management; governance; compliance with laws and regulations; and any other issues referred by the Municipality or its Entities; be noted, as well as the Management responses related thereto.

**NOTED.**

2. RATIFICATION OF APPROVAL MADE IN TERMS OF RULES 28 (1) (b) OF THE RULES OF ORDER BY-LAW 2014, AS AMENDED, WITH RESPECT TO THE CIVIC FUNERAL ACCORDED THE LATE MUSIC ARTIST, MR M MAPHUMULO, IN TERMS OF THE CIVIC FUNERAL POLICY (13/6)

(Page 20)

As per the standard compliance requirement, during a period where Council is in recess and there are matters that require urgent approval, these are dealt with in terms of Rule 28 of the Rules of Order By-Law 2014, as amended. This gives authority to the City Manager, with the approval from the Mayor, to take the necessary action.

Therefore, as the Council has been on recess during the festive season, the City of eThekweni lost a prominent Artist on the 24<sup>th</sup> December 2022 who played a role in promoting the City of Durban. A decision was then taken, in terms of Rule 28(1) (b) of the Rules of Order By-Law 2014, as amended, to allocate an amount of R100 000.00 (One Hundred Thousand Rand) towards the funeral costs of the late music artist, Mr Mandlenkosi Maphumulo, affectionately known as Mampintsha, in line with the requirements of the Civic Funeral Policy. It being noted that the Civic Funeral is accorded to political office bearers, Councillors and high-profile public members.

In this regard, this report serves to ratify this decision taken in terms of Rule 28(1)(b) of the Rules of Order By-Law, 2014, as amended.

The Executive Committee extended condolences to the Maphumulo family in bereavement, also acknowledging the significant role played by the late Mr Maphumulo in the entertainment industry, which also benefitted the Arts and Culture sector.

During discussion, some of the Members expressed reservations, citing prevailing inconsistencies in the implementation of the Civic Funeral Policy. That, in some instances, the Policy appeared to be in favour of some Members of the Council while neglecting others. Clarity was sought on the criteria being used to determine those eligible for such burial assistance, mention being made of one of the late Democratic Alliance Councillor whose family has not been offered any assistance to date and there has been no communication given to explain the reasons for not providing the funeral assistance, as per the requirements of the Civic Funeral Policy, and in consistence with the decisions having been taken previously every time a Councillor has passed on, to contribute towards the funeral costs.

In this regard, Members expressed the need to revisit the decision that was taken by the Executive Committee to thoroughly review the Civic Funeral Policy and address some of the gaps identified and also to ensure fairness and transparency. That for this to be possible, the other spheres of government be involved for their inputs on the matter.

Also, that reports emanating from the departments should indicate why a particular individual is eligible for burial assistance and that a clause be included outlining that eligibility exclude those accused of Gender-Based-Violence.

With regard to the funeral assistance under discussion, the Committee was advised that no cash was given to the Maphumulo family. However, the amount of R100 000.00 (One Hundred Thousand Rand) went towards venue hire. It being advised that the funeral service was held at the Inkosi Albert Luthuli International Convention Centre. That a total amount of R250 000.00 (Two Hundred and Fifty Thousand Rand) was invoiced for the overall venue hire, excluding catering services.

With the balance of R150 000.00 (One Hundred and Fifty Thousand Rand) being provided by the Office of the Premier and the Provincial Department of Economic Development, Tourism and Environmental Affairs.

The Office of the Mayor and the Office of the Speaker were then requested to expedite the process of reimbursing the family of the late DA Councillor against the invoices raised by the service providers, and with the reimbursement to follow the requirements of the Civic Funeral Policy.

With the Committee noting all the comments made and the action of the City Manager, in consultation with the Mayor, in terms of Rule 28(1)(b) of the Rules of Order By-Law 2014, as amended,

**COMMITTEE RECOMMENDS:**

- 2.1 That the action of His Worship the Mayor, Councillor TM Kaunda, in his capacity as the Mayor and Chairperson of the Executive Committee, in approving as a matter of urgency, in terms of Rule 28(1)(b) of the Rules of Order By-law 2014, as amended, to allocate an amount of R100 000.00 (One Hundred Thousand Rand), to contribute towards the burial costs of the late South African and the Umlazi based Artist, Mr. Mandlenkosi Maphumulo, affectionately known as Mampintsha, and who was part of the Kwaito trio Big NUZ, in line with the Civic Funeral Policy, be noted.
- 2.2 That, in order to achieve consistency in the implementation of the Civic Funeral Policy, the process of reviewing the Policy be expedited to address prevailing gaps and achieve a clear understanding of eligible beneficiaries and the amount to be allocated per category of the beneficiary.

**Financial implications:**

Description	Costs	Vote Number
Civic Burial Assistance	R100 000.00	32601.19110.10.12120.0000.MRC01.0010
<b>TOTAL COSTS</b>	<b>R100 000.00</b>	

**At this stage of the proceedings, the Speaker appealed to Council that the remainder of the items from the ordinary Council agenda and the Supplementary agenda be deferred to the next Council meeting due to technical challenges experienced and to afford Councillors additional time to engage with the report .**

**The proposal was agreed to**

**DEFERRED** to the Special Council meeting of 03 February 2023.

3. RATIFICATION OF APPROVAL MADE IN TERMS OF RULE 28 (1) (b) OF THE RULES OF ORDER BY-LAW, 2014, AS AMENDED, FOR THE EXTENSION OF THE EXPANDED PUBLIC WORKS PROGRAMME FOR A PERIOD OF SIX MONTHS FROM 01 JANUARY TO 30 JUNE 2023 (4/3/5/3)

(Page 22)

The Committee acknowledged that the eThekweni Municipality is an implementing agent of the Expanded Public Works Programme (EPWP). That the Department of Public Works and Infrastructure (DPWI) is the custodian of the EPWP. The DPWI therefore contributes funding for the EPWP.

The Municipality has since entered into a Memorandum of Agreement with the DPWI for the purpose of receiving the EPWP funding. The funding allocation by the DPWI during the 2022-23 financial totals R61 257 000.00 (Sixty-One Million Two Hundred and Fifty-Seven Thousand Rand). However, with a broader scope of the eThekweni Municipal area and the broader scope of operations associated therewith, it became necessary to expand the EPWP and absorb additional beneficiaries to cover the broader scope of operations, which then attract total expenditure in the amount of R262 534 746.00 (Two Hundred and Sixty-Two Million Five Hundred and Thirty-Four Thousand Seven Hundred and Forty-Six Rand) during the 2022-23 financial year.

Given the funding allocation by the DPWI and the estimated EPWP expenditure in the 2022-23 financial year, there is a shortfall in the amount of R201 277 746.00 (Two Hundred and One Million Two Hundred and Seventy-Seven Thousand Seven Hundred and Forty-Six Rand) to be financed by the eThekweni Municipality.

During the ratification process, some Members expressed reservations regarding the Municipality being liable to fund the EPWP funding shortfall. Mention being made that the additional funding should be requested from the National Government. It was submitted that the recruitment process was not properly coordinated which then resulted to recruiting beneficiaries exceeding the budget and, that consequence management should have been executed to all responsible officials. Mention being made that it would have been prudent if the required additional funding was going to be utilized towards addressing the outstanding infrastructure issues.

Some of the Members acknowledged that the intention of the programme was to alleviate poverty while addressing issues of high unemployment rate, amongst the youth in particular. That, the Programme would also enhance skills for all beneficiaries to prepare them for better opportunities. While acknowledging the gaps that should be rectified, it was stated that the Programme has been very effective in the other parts of the City due to proper controls having been put in place.



Members also expressed that they were of the view that the Programme was previously approved for the three-month extension while savings were being identified. However, Members also felt that the extension for six (06) months might not serve the intended purpose, therefore suggested that consideration be given to extending the Programme for at least twelve (12) months.

Thereafter, a suggestion was made for the Committee to convene a workshop to unpack all issues surrounding the EPWP, in the presence of the DPWI; National Treasury; and other relevant stakeholders. That the session will focus on providing a platform to deliberate and subsequently craft solutions that would ensure that the Programme is properly managed.

With regard to additional funding required, Members were advised that, currently, funding has not yet been identified, but would be sourced from other Units and subsequently incorporated in the Adjustment Budget which would be submitted to Council in February 2023.

On this basis,

**COMMITTEE RECOMMENDS:**

- 3.1 That the action of His Worship the Mayor, Councillor TM Kaunda, in his capacity as the Mayor and Chairperson of the Executive Committee, in approving as a matter of urgency in terms of Rule 28 (1) (b) of the Rules of Order By-law 2014, as amended, the extension of the Expanded Public Works Programmes and projects for a period of six (06) months, with effect from 01 January to 30 June 2023, be noted.
- 3.2 That authority be granted for the Deputy City Manager: Finance to identify savings during the Budget Adjustment period for the additional EPWP funding to cover the shortfall in the amount of R201 277 746.00 (Two Hundred and One Million Two Hundred and Seventy-Seven Thousand Seven Hundred and Forty-Six Rand), required to sustain the Expanded Public Works Programme until the end of the 2022/2023 financial year.
- 3.3 That the Executive Committee convenes a workshop with the National Department of Public Works and Infrastructure, National Treasury, and other relevant stakeholders in order to unpack all issues surrounding the Expanded Public Works Programme and subsequently craft a sustainable operational model in this regard.

**Financial Implications:**

<b>FORECAST OPERATING EXPENSE COMPARATIVES STATEMENT FOR THE PERIOD ENDING 30 JUNE 2023</b>					
<b>Dept</b>	<b>Project Name</b>	<b>Vote Number</b>	<b>Grant Budget Forecast</b>	<b>Total</b>	<b>Council Funded</b>
			<b>R</b>	<b>R</b>	<b>R</b>
1	Cleaning Service Cornubia Projects	32604.10510.12120.0000. 36145.0010	291 419	1 020 156	728 737
2	DSW City Wide Cleaning Programme	32604.10510.12120.0000. 36110.0010	8 300 946	56 232 974	47 932 029
3	EPWP Community Water Agents	32604.10510.12120.0000. 51110.0010	3 261 983	11 183 238	7 921 255

FORECAST OPERATING EXPENSE COMPARATIVES STATEMENT FOR THE PERIOD ENDING 30 JUNE 2023					
Dept	Project Name	Vote Number	Grant Budget Forecast	Total	Council Funded
4	Safety Volunteer Project - Mayoral	32604.10510.12120.0000. 37120.0010	42 821 246	165 390 306	122 569 060
5	Urban Management Zone (UMZ)	32604.10510.12120.0000. 36130.0010	7 755 683	7 088 798	5 333 115
6	eThekweni Social Sector Support	32604.10510.12120.0000. 51115.0010	4 209 007	17 283 646	13 074 639
7	EPWP Administration	32604.10510.12120.0000. 51100.0010	616 717	4 335 628	3 718 911
	<b>Total Current Operations</b>		<b>61 257 000</b>	<b>262 534 746</b>	<b>201 277 746</b>

**DEFERRED** to the Special Council meeting of 03 February 2023.

4. INVESTMENT REPORT FOR THE MONTH ENDED 30 NOVEMBER 2022. (7/11/4)  
(Page 178)

COMMITTEE RECOMMENDS:

That the report on the investments of the eThekweni Municipality as at 2022-11-30, which records the total funds invested in financial institutions as R4 261 000 000.00 (Four Billion Two Hundred and Sixty-One Million Rand), at an average rate of return on investment of 7,38%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Local Government: Municipal Finance Management Act No. 56 of 2003, be noted.

**DEFERRED** to the Special Council meeting of 03 February 2023.

5. ETHEKWINI MUNICIPALITY PUBLIC TENDER AWARDS FOR THE MONTH ENDED 30 NOVEMBER 2022 (9/1/3)  
(Page 184)

COMMITTEE RECOMMENDS:

- 5.1 That the eThekweni Municipality public tender awards for the month of November 2022, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Deputy Head: Supply Chain Management dated 2022-12-06, be noted.
- 5.2 That it be noted that where information is available for Wards and registration numbers, it is included in the report, as information used to compile the report is taken from the submissions made by the Municipal Units.
- 5.3 That the Finance, Security and Emergency Services Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.

- 5.4 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 the Supply Chain Management Policy and the Local Government Municipal Finance Management Act 2003 provisions are observed.
- 5.5 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 report is available.

**DEFERRED to the Special Council meeting of 03 February 2023.**

6. BUDGET STATEMENT REPORT FOR THE MONTH ENDED  
30 NOVEMBER 2022 (7/1/4)

(Page 274)

Following the tabling of the Budget Statement Report, the Committee subsequently sought progress report on matters including non-revenue water, meter reading and revenue collection.

A recommendation was made that there should be systems in place to track water losses, particularly, in informal settlements, to determine the volume of water deposited into standpipes and how much is lost.

Progress was also sought on the interventions being made to facilitate payment arrangements by the public towards settling their debts. Reservations were thereafter expressed on the issue of meter readings, noting that thousands of meters have not been read over a year and thus a question on how then the public was being billed without any meter readings conducted.

Speaking on the Report, Management highlighted that the revenue collection was sitting at 91% in November 2022, with a slight increase of 1.5% during the month of December. Confirmation was given that citizens were still making means to approach the Finance Department for the necessary payment arrangements and that it was expected that there should be revenue increase in the next two months.

In view of the foregoing,

COMMITTEE RECOMMENDS:

- 6.1 That the Budget Statement Report for the month ended 2022-11-30 and the supporting documents, submitted by the City Manager as per his report dated 2022-11-30, in compliance with Section 71 of the Local Government: Municipal Finance Management Act No. 56 of 2003, and in terms of the 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.
- 6.2 That in compliance with Section 32(2) of the Municipal Finance Management Act 2003, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) in the amount of R5 214 139.57 (Five Million Two Hundred and Fourteen Thousand One Hundred and Thirty-Nine Rand Fifty-Seven Cent), incurred during the month of November 2022, as detailed in Section 10 of the Budget Statement Report.

- 6.3 That Council resolves to refer the UIFW referred to in .2 above to the Municipal Public Accounts Committee (MPAC) for investigation to determine the recovery chances or possible write-off of the said expenditure, in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act 2003, with the MPAC to report back to Council on the outcome of its investigations.

**DEFERRED** to the Special Council meeting of 03 February 2023.

---

(His Worship the Mayor, Councillor TM Kaunda presented the Second Report of the Executive Committee).

---

## SECOND REPORT OF THE EXECUTIVE COMMITTEE

(Meeting held 2023-01-30)

---

PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), A Beetge, Y Govender, NI Madlala, T Miya, TM Mthethwa, MS Nkosi, BT Ntuli, ZR Sokhabase and there being one (01) vacancy.

---

1. DRAFT ANNUAL REPORT FOR THE 2021/22 FINANCIAL YEAR. (11/1/1)

(Page 1)

As per the legislative requirement, the eThekweni Municipal Council is required to prepare the Annual Report at the end of every financial year which would detail the performance of the Municipality against its strategic and operational plans, including budget performance during the implementation stage.

As per the Annual Report timelines, the Council is expected to note the draft Report in its January meeting, in preparation for the Annual Report to undergo the public participation process. The Municipal Public Accounts Committee also review the draft Report and subsequently make recommendations to the Council.

The targeted audience in terms of the public participation process include People with Disabilities, Traditional Leaders, Ward Committees, General Public, Civil Society and other Community-based Organisations.

During the 2021/2022 financial year, the eThekweni Municipality had endured several challenges, including the Covid-19 pandemic, July Civil Unrest, April/May floods and the resultant displaced people and damaged infrastructure, amongst the other consequences. It should be noted that the Annual Report comprises the Economic Recovery Plan which unpacks responses undertaken to deal with the challenges.

During this financial year, the eThekweni Municipality has managed to achieve the following:

- Received the Fulton Engineering Award for the construction of the Umhlathuzana Bridge and the Essex Terrace/M13 Bridge
- Developed SMART meters for both electricity and water.
- Deployed Metro Police in crime hotspot areas,
- Attended to dilapidated building and made huge investments to catalytic projects.
- Supported Small Micro and Medium Enterprise which were severely affected by the Covid-19,
- Provided 8213 water connections,
- Made 11 287 new sewer connections,
- 92,6% total water connections were metered,
- 68,6 indigent households were provided with free basic water.
- 95% households were provided with basic level of refuse collection once a week.
- The City acquired 8069 hectares of land for subsidized housing,
- Issued 1224 title deeds for subsidized housing, and
- Surfaced 36 km of gravel road in various areas of the Municipality.

The Committee welcomed the Annual Report and thereafter Members contributed their comments thereon. The EFF acknowledged that the Municipality had managed to secure large hectares of land but that there are delays in clearing the housing backlog. Also, that the issuing of title deeds is moving at a slow pace, to the dissatisfaction of the communities involved.

Speaking on the matter, the IFP emphasised the need to implement concrete plans to improve the lives of people. Appreciation was extended for the deployment of the Multi-Disciplinary Team to deal with escalated killing of Councillors and Officials. The IFP mentioning that this intervention would allow the Municipality to regain its good image which has been severely tarnished by these killings. Also, that the Municipality should ensure that criminality in the City is addressed to allow more businesses to invest in the Central Business District (CBD), hence a suggestion to install more CCTV cameras. The IFP also recommended that more concerted effort be made to maintain cleanliness within the City, and also find mechanisms to deal with homeless people as part of improving safety for businesses and the people of eThekweni.

Meanwhile, the ANC commended the City Manager, Chief Financial Officer and the entire Administration of eThekweni Municipality for being able to achieve an unqualified audit and all efforts made towards the recovery following the triple disaster as outlined above. That the Administration has been working tirelessly to provide basic services in the midst of unanticipated rapid urbanization, with 25% increase in population in the past five years. It was encouraged that the Municipality's efforts should strive towards achieving clean audit.

The attention was drawn to the fact that there has been a change in the membership of the Multi-Disciplinary Teams due to slow movement, that this now incorporates particularly the National Prosecuting Authority (NPA), Hawks and other security clusters. Progress reports were to be provided accordingly on the actions of the Team.

The Durban International Convention Centre and the Durban Marine Theme Park were commended for achieving clean audit, taking into consideration the operational challenges endured due to the Covid-19 pandemic.

The Management commended the leadership of the City for creating a conducive environment hence the achievements being outlined. With regard to the title deeds, it was advised the processes in this regard are handled by the Deeds and Surveyor General's Offices. However, the Municipality was also making the necessary interventions, and that the Discount Benefit Scheme (DBS) is targeted to fastrack the issuing of title deeds with the assistance from the Title Deeds Accelerated Committee.

With the Executive Committee noting the annual report,

**COMMITTEE RECOMMENDS:**

- 1.1 That in terms of Section 121 of the Local Government: Municipal Finance Management Act 56 of 2003, Council notes the eThekweni Municipality Draft Annual Report for the 2021/2022 financial year, with the unaudited Annual Financial Statements and appendices as tabled.
- 1.2 That Council approves the commencement of the public consultation process, it being recorded that the Annual Report will undergo a public participation process through the Municipal Public Accounts Committee, once the Annual Report has been tabled to Council, after which the Oversight Report containing comments on the Annual Report and any changes made will be submitted to Council for final adoption.

**Following guidance received from the Head: Legal Compliance it was agreed that Compliance reports such as the SDBIP and Draft Annual Report be tabled at this meeting however further discussion on these items be deferred to the next Council meeting.**

**TABLED and DEFERRED to the Special Council Meeting of 03 February 2023.**

2. APPROVAL OF THE MUNICIPAL STANDARD CHART OF ACCOUNTS ROADMAP. (10/2/2)

(Page 12)

The Municipalities are required to adopt the Municipal Standard Chart of Accounts (MSCOA) roadmap in compliance with the MSCOA Regulations. The intention is to establish an Integrated Enterprise Resource Planning System. To this effect Circular 80 of the Local Government: Municipal Finance Management Act No. 56 of 2003 was issued to specify minimum business processes and systems requirements to ensure MSCOA compliance and address business process requirements across the entire Municipality's financial management accountability cycle. The Municipality is expected to be MSCOA compliant by December 2024.

The MSCOA roadmap needs adoption by the Municipal Council for subsequent submission to the National Treasury. The main components to integrate seamlessly with MSCOA include the following:

- i) General Ledger;
- ii) Billing;
- iii) Supply Chain Management;
- iv) Assets Management;
- v) Inventory and Stores;

- vi) Budgeting and Planning; and
- vii) Human Resources and Payroll

The proposed MSCOA Roadmap is attached herein for ease of reference. It is anticipated that the MSCOA implementation will cost the Municipality approximately R500 000 000.00 (Five Hundred Million Rand). This cost estimate is based on the benchmarking and market analysis conducted on critical enterprise systems. It should also be noted that should the Municipality not comply with the MSCOA Regulations, National Treasury can withhold the Municipality's Equitable Share allocation. Also, the non-compliance will negatively impact on the audit opinion for the Municipality. The risks involved in terms of the MSCOA project timeframes have also been identified, and a schedule in this regard is attached herein for ease of reference.

During consideration, both the DA and the IFP expressed reservation on the required amount of R200 000 000.00 (Two Hundred Million Rands) for the integration of the Revenue Management System (RMS) and further queried the total amount that has been deposited into the operation of this system.

The DA further enquired on the intervention made by the City to ensure that there was value for money with regards to the system.

The ANC acknowledged that this roadmap would enable the Municipality to monitor progress being made towards complying with the MSCOA. It was reiterated that this would allow the Municipality to retain its grant funding from the National Treasury. A proposal was then made to workshop this process for the Committee to understand what the roadmap entails, cognisance being taken that achieving the necessary compliance requirements was compulsory.

The concerns raised with regard to the RMS were noted and Management undertook to explore a system which could replace the RMS at a reasonable cost.

Thereafter the DA (03) and the IFP (01) abstained on the matter until the workshop on the MSCOA Roadmap is conducted. With the ANC (04) and the EFF (01) being in support, considering the legislative requirements associated therewith,

#### COMMITTEE RECOMMENDS:

- 2.1 That, as per the legislative requirement, the eThekweni Municipal Council approves the Municipal Standard Chart of Accounts (mSCOA) Roadmap for the eThekweni Municipality, details of which are contained in the schedule attached herein, and with the intention to implement an Integrated Enterprise Resource Planning System and to ensure the Municipality compliance with the MSCOA Regulations.
- 2.2 That Council notes the final implementation date of December 2024 for the full mSCOA compliance.
- 2.3 That Council notes the project constraints/ risks in terms of project timeframes, as outlined in the schedule attached herein.
- 2.4 That Council approves the cost implications of R500 Million associated with the implementation of the roadmap, as outlined in the table below, and it being noted that Council will be updated on further costs upon the completion of the gathering process underway.

The table below indicates the funding requirements for each module/subsystem:

Systems (Modules)	Estimated Costs/Budget	Status
Revenue Management System (Including all required integrations)	R200 Million	CIC Approved the Revenue Management System on the 25 <sup>th</sup> May 2022.
Human Capital Management (HCM) including Time and Attendance	R140 Million	Costs estimates were obtained through one OEM based on the functionality and MSCOA requirements set out from business. For implementation of the new HCM system there is a need to acquire budget.
Asset Management System	R60 Million	For the implementation of the asset management module the project team is awaiting funds Midterm budget adjustment. Market analysis is also to be performed to ensure implementation costs are comparative to the market before decision can be made.
Internal Audit System	R100 Million	Funding will be required for implementation of the system.
BI Reporting Tool		Assessment of the existing BI tools is currently taking place, utilization of the current tool will require license costs. However, if the existing BI does not meet the requirements assessments of other BI tools will be required. Funding will be required for licenses and /or implementation.
Biometrics		Time and attendance is also dependent on the completion of Biometrics project. There was a cut of on Biometrics of R17 Million due to Covid-19 financial contracts and based on that more funding will be required.
<b>Total Estimated Cost</b>	<b>R500 Million</b>	

**DEFERRED** to the Special Council Meeting of 03 February 2023.

3. COGTA ASSESSMENT OF THE ETHEKWINI MUNICIPALITY 2021/2022 INTEGRATED DEVELOPMENT PLAN (2/1/6/1)

(Page 29)

The Integrated Development Plan (IDP) serves as the principal strategic planning instrument which guides and informs the ongoing planning, management and development actions of the Municipality. The development of the IDP is informed by the Local Government: Municipal Systems Act No. 32 of 2000. As such, every financial year the Municipality embarks on the process to review its IDP.

As per the statutory requirement, the IDP is also assessed by the MEC for Cooperative Governance and Traditional Affairs (COGTA) to determine its credibility and the assessment is based on six (06) Provincial Key Performance Areas. The assessment score is reflected in the table below, and it is pleasing to note that the Municipal credibility has improved from 82.67% in 2021 to 84.83% in 2022.



However, there are areas needing improvements arising from the COGTA assessment. The Municipality has since developed an action plan with a view to addressing issues raised by COGTA. Detailed below is the assessment outcome over the years till 2022:

Service Delivery (Out of 5)	Municipal Transformation (out of 5)	Cross Cutting (out of 5)	LED (Out of 5)	Financial Management (out of 5)	Good Governance (out of 5)	Overall Credibility in %
<b>eThekweni Municipality Scores for 2022</b>						
<b>4.8</b>	<b>3.6</b>	<b>3.5</b>	<b>4.3</b>	<b>4.5</b>	<b>4.75</b>	<b>84.83</b>
<b>eThekweni Municipality Scores for 2021</b>						
3.1	5	3.8	4.1	3.45	4.85	82.67
<b>eThekweni Municipality Scores for 2020</b>						
2.75	5	4.40	4.30	3.35	4.80	82
<b>eThekweni Municipality Scores for 2019</b>						
3.8	5	3.8	4.0	3.65	5	84.17
<b>eThekweni Municipality Scores for 2018</b>						
5.0	4.4	3.6	2.0	3.9	4.45	77.83

The IFP welcomed the report, but expressed concern in that the Municipality receives good rating on paper with this not necessarily being translated into tangible service delivery on the ground. That an in-depth analysis needs to be conducted to determine what informs the gaps and what could be implemented to bridge the existing gaps in the provision of service delivery.

The Committee appreciated the assessment outcome and undertook to work on areas needing improvements.

Accordingly,

**COMMITTEE RECOMMENDS:**

- 3.1 That Council notes the eThekweni Municipality Integrated Development Plan 2022-23 has achieved the credibility score of 84.83% arising from the assessment made by the MEC for Cooperative Governance and Traditional affairs, as per the six (06) Provincial Key Performance Areas outlined in the table below:

Service Delivery (Out of 5)	Municipal Transformation (out of 5)	Cross Cutting (out of 5)	LED (Out of 5)	Financial Management (out of 5)	Good Governance (out of 5)	Overall Credibility in %
<b>eThekweni Municipality Scores for 2022</b>						
<b>4.8</b>	<b>3.6</b>	<b>3.5</b>	<b>4.3</b>	<b>4.5</b>	<b>4.75</b>	<b>84.83</b>
<b>eThekweni Municipality Scores for 2021</b>						
3.1	5	3.8	4.1	3.45	4.85	82.67
<b>eThekweni Municipality Scores for 2020</b>						
2.75	5	4.40	4.30	3.35	4.80	82
<b>eThekweni Municipality Scores for 2019</b>						
3.8	5	3.8	4.0	3.65	5	84.17
<b>eThekweni Municipality Scores for 2018</b>						
5.0	4.4	3.6	2.0	3.9	4.45	77.83

- 3.2 That Council notes that a document comprising remedial actions, responsible persons and associated timeframes to address areas requiring improvements, as identified in the assessments, has been prepared, as outlined in Table 3 in the report of the City Manager dated 2023-01-17, and copy also attached herein.

**DEFERRED to the Special Council Meeting of 03 February 2023.**

4. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN QUARTERLY REPORTING - 31 DECEMBER 2022 (2/10/1/9)

(Page 60)

During consideration of this item, the DA; EFF; and the IFP abstained in noting this item due to the Reports included on the Agenda regarded as illegible. The ANC thereafter noted the item as per the statutory requirement,

Accordingly,

**COMMITTEE RECOMMENDS:**

That Council notes the Service Delivery and Budget Implementation Plan Report for Quarter 2 of the 2022/2023 financial year, submitted in line with Section 52 (d) of the Municipal Finance Management Act (MFMA) No. 56 of 2003 and MFMA Circular No 13, which Report reflects an overall unaudited achievement of 65.55% for eThekweni Municipality; and the Municipal Entities, Inkosi Albert Luthuli International Convention Centre recording 77.78 achievement, with Ushaka Marine World recording 55.56%, and the breakdown for eThekweni Municipality is detailed in the table below:

<b>Plan Number</b>	<b>Plan Name</b>	<b>Achievement Rate (%)</b>
Plan 1	Develop and Sustain our Spatial, Natural and Built Environment	91.67%
Plan 2	Developing a Prosperous, Diverse Economy and Employment Creation	75.00%
Plan 3A	Creating a Quality Living Environment	66.67%
Plan 3B	Creating a Quality Living Environment	36.00%
Plan 3C	Creating a Quality Living Environment	12.50%
Plan 4A	Fostering a Socially Equitable Environment	75.00%
Plan 4B	Fostering a Socially Equitable Environment	42.86%
Plan 5	Supporting Design, Human Capital Development and Management	64.71%
Plan 6A	A vibrant and creative city - the foundation for sustainability and social cohesion	75.00%
Plan 6B	Stadia Facilities Unit	75.00%
Plan 6C	Agro-Ecology	66.67%
Plan 7A	Good Governance and Responsive Local Government	53.33%

Plan Number	Plan Name	Achievement Rate (%)
Plan 7B	Good Governance and Responsive Local Government	80.00%
Plan 7C	Good Governance and Responsive Local Government	100.00%
Plan 8	Financially Accountable and Sustainable City	84.38%
<b>Overall Achievement</b>		65.55%

Summary of KPIs Per Entity:

Plan Number	Plan Name	Achievement Rate (%)
Plan 21	ICC	77.78%
Plan 22	Ushaka	55.56%

**Following guidance received from the Head: Legal Compliance it was agreed that Compliance reports such as the SDBIP and Draft Annual Report be tabled at this meeting however further discussion on these items be deferred to the next Council meeting.**

**TABLED and DEFERRED** the Special Council meeting of 03 February 2023.

5. MID-TERM AMENDMENTS TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF THE 2022/2023 FINANCIAL YEAR. (2/10/1/1/9)

(Page 112)

During consideration of this item, the DA; EFF; and the IFP abstained in noting this item due to the Reports included on the Agenda regarded as illegible. The ANC thereafter noted the item as per the statutory requirement.

Accordingly,

**COMMITTEE RECOMMENDS:**

That Council notes proposed mid-term amendments to the Service Delivery and Budget Implementation Plan which will subsequently result in amendments to the Integrated Development Plan (IDP), and also notes the public participation process linked to the amendment of the IDP, to allow a period of twenty one (21) days to enable public to make representations with regard to the proposed amendments, in line with the provisions of Section 3.4(b) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

**DEFERRED** to a Special Council Meeting of 03 February 2023.

6. FIRST DRAFT CHAPTERS 1 AND 2 OF THE 2023/2024 INTEGRATED DEVELOPMENT PLAN. (2/1/6/1)

(Page 157)

The eThekweni Municipality is in the process of reviewing its Integrated Development Plan (IDP) in preparation to adopt the 2023-24 IDP. As such, Chapters 1 and 2 of the IDP document are being submitted for noting at this stage. It should be noted that the amendments effected in these Chapters are as follows:

- i) The situational analysis has been updated with information provided by the relevant Line Departments and the StratHub portal.
- ii) An updated Chapter 2: New Urban Agenda, Sustainable Development Goals, AU Agenda, Strategic approach to include the Integrated Urban Development Framework, Medium Term Strategic Framework and Updated SIP projects. The SONA and SOPA alignment with the 2023-24 IDP would be completed in 2023 once the information is readily available.
- iii) Updated projects Matrixes to indicate alignments with the New Urban Agenda, Paris Agreement, Sendai Framework and Local Government Manifesto.
- iv) The District Development Model – One Plan Diagnostic has been included in the Situational Analysis
- v) The inclusion and integration of the Mayor’s 10-Point Plan into the strategic approach for the Municipality

It should be noted that a comprehensive draft IDP document will be submitted for consideration in March 2023 in preparation for public participation and thereafter final approval in May 2023.

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes Chapters 1 & 2 of the first draft Integrated Development Plan 2023/2024, details of which are contained in the report by the City Manager dated 2022-12-01, it being noted that a comprehensive draft IDP document will be submitted for consideration in March 2023 in preparation for public participation and thereafter final approval in May 2023.

**DEFERRED to a Special Council Meeting of 03 February 2023.**

7. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 31 DECEMBER 2022. (7/1/4)

(Page 161)

During consideration of the Report, concerns were raised surrounding the revenue collection which, according to some Members, this seemed to be moving at a slow pace. That there should be plans incorporating actual implementation dates to resolve such issues. Some Members raised concerns on the issues of unread meters, water and

electricity losses. Members sought a turnaround strategy that will ensure that matters were actioned accordingly and implement proper controls to:

- Enable businesses to pay for services,
- Implement the process of installing prepaid SMART meters in RDP houses.
- Discard the usage of standpipes within informal settlements,
- Engaging government departments to take charge of their historic debts.

Members acknowledged the improvement being observed within the Metro Police Unit and that similar interventions should be made towards resolving issues of the EPWP and the Security Management Unit.

With regard to the government departments debts, Members were advised of the payment arrangements entered into with some and that it is anticipated that collection rate will increase by 90%. That progress report will be submitted to the Executive Committee in this regard.

Mention was also made that the Water and Sanitation Unit was in the process of completing the procurement process for the installation of domestic meters, with an award expected by March 2023. That this would allow the Unit to deal with issues of unread meters. Also, that a satellite leak detection system was underway.

On this basis,

#### COMMITTEE RECOMMENDS:

- 7.1 That the Budget Statement report for the month ended 2022-12-31 and the supporting documents, submitted by the City Manager as per his report dated 2023-01-23, in compliance with Section 71 of the Municipal Finance Management Act 56 of 2003 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.
- 7.2 That Council notes the Section 52(d) quarterly report on the implementation of the budget and the financial affairs for the Municipality and its Entities.
- 7.3 That Council notes Section 72 mid-year budget and performance of the Municipal Finance Management Act No. 56 of 2003.
- 7.4 That in accordance with Section 28 of the Municipal Finance Management Act and in compliance with the Regulations 23 of the Municipal Budget and Reporting Regulations, and adjustments budget be prepared and submitted to Council.
- 7.5 That in compliance with Section 32(2) of the Municipal Finance Management Act, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) incurred for the month of December 2022 as detailed on section 10 in the report of the City Manager dated 2023-01-23.

**DEFERRED** to a Special Council Meeting of 03 February 2023.

8. RE-APPOINTMENT OF ZIBAMBELE POVERTY ALLEVIATION PROGRAMME BENEFICIARIES (4/3/5/3)

(Laid on Table)

The Zibambele Programme is an Expanded Public Works Programme aligned to the Poverty Alleviation Programme which creates work opportunities within the eThekweni Municipality and focusing on low order road network. Beneficiaries from low-income households are selected and employed through Ward structures to carry out minor road maintenance and cleansing functions.

The Roads and Stormwater Maintenance Department seeks authority to re-employ the Zibambele beneficiaries, whose contracts ended 31 December 2022. This would entail the re-employment of seven thousand three hundred (7 300) beneficiaries for a period of eighteen (18) months with effect from 01 February 2023 to 31 July 2024.

Authority is also sought to deviate from the previous Council decision, which reads as follows:

- i) That beneficiaries be limited to a maximum period of two (02) years (two one year fixed-term contracts), which will allow other deserving families the opportunity to benefit from the Programme.
- ii) That the cut off age of beneficiaries be limited to sixty-four (64) in an effort to reduce the health risk to Council and provide the opportunity to meet the target of employment to youth, which is set at 55% for the EPWP.

Re-employing the beneficiaries will ensure sustainability and consistency in the Programme, it being noted that the Department requires appropriate time to implement the exit strategy. The 18-month extension would enable the Department to finalise the exit strategy.

The current status is that all roads sections that were maintained under the Zibambele Programme are currently not maintained, subject to the Council approval to extend the Programme.

During consideration of the matter, the significance of the Zibambele Programme was acknowledged. However, Members emphasised that a proper monitoring mechanism should be in place as well as exercising transparency in implementing the Programme. That a detailed Report be submitted to account for the beneficiaries engaged under the EPWP, Public Employment Programme (PEP) and Zibambele Programme.

The Committee noted that the Zibambele Programme plays a significant role in roads cleaning and maintenance, although issues of concerns surrounding the Programme also need to be addressed.

The DA abstained at this stage and, with the ANC, EFF and the IFP being in support,

**COMMITTEE RECOMMENDS:**

- 8.1 That approval be given for the Roads and Stormwater Maintenance Department to deviate from the Council decision dated 2019-12-12, in order to re-engage a number of seven thousand three hundred (7 300) beneficiaries under the Zibambele

Programme, focusing on low order road network maintenance and cleanliness, it being recorded that the previous Council decision to deviate from reads as follows:

- i) That beneficiaries be limited to a maximum period of two (02) years (two one year fixed-term contracts), which will allow other deserving families the opportunity to benefit from the Programme.
- ii) That the cut off age of beneficiaries be limited to sixty-four (64) in an effort to reduce the health risk to Council and provide the opportunity to meet the target of employment to youth, which is set at 55% for the EPWP.

8.2 That, subject to .1 above, Council approves to re-engage the previous Zibambele participants, whose contracts expired 31 December 2022, to continue with their duties on site, with effect from 01 February 2023 to 31 July 2024.

8.3 That the relevant Ward structures be consulted in relation to beneficiaries per Ward.

Financial Implications:

Current Budget for 7 000 Participants

Below is the available budget for this programme and it is funded by eThekweni Municipality through its operational budget and not through EPWP incentive grant:

	No. of Participants	Stipend 2023	Monthly	Feb 23 to June 2023
Beneficiary	6,820	1,215.36	8,288,755.20	41,443,776.00
Overseers	155	5,256.24	814,717.20	4,073,586.00
<b>Total</b>	<b>6,975</b>		<b>9,103,472.40</b>	<b>45,517,362.00</b>

Financial Year 2023/2024:

	No. of Participants	Stipend 2024 (Estimate 4.5% Increment)	Monthly	Jul 23 to June 2024
Beneficiary	6,820	1,270.05	8,661,749.18	103,940,990.21
Overseers	155	5,492.77	851,379.47	10,216,553.69
<b>Total</b>	<b>6,975</b>		<b>9,513,128.66</b>	<b>114,157,543.90</b>

Budget is currently provided for by the Roads and Stormwater Maintenance operational budget, it being recorded that 6 975 beneficiaries were engaged as at 31 December 2022, even though the standing approval is to engage 7 300 beneficiaries under this Programme.

**DEFERRED** to a Special Council Meeting of 03 February 2023.

---

*(It should be noted that this item was considered immediately after confirmation of the Minutes, but is recorded herein to achieve the Minutes sequence)*

**URGENT NOTICE OF MOTION  
IN TERMS OF SECTION 22(1) OF THE RULES OF ORDER  
BY-LAW, 2014, AS AMENDED**

---

URGENT NOTICE OF MOTION: PROPOSED BY COUNCILLOR I SYED AND  
SECONDED BY COUNCILLOR M MOHAMMED: REMOVAL OF MAYOR  
COUNCILLOR M KAUNDA AS THE MEMBER OF EXECUTIVE COMMITTEE  
OF THE COUNCIL OF ETHEKWINI MUNICIPALITY FOR TABLING AT FULL  
COUNCIL ON THE 31<sup>ST</sup> OF JANUARY 2023 (3/2/2)

1. Please receive this Urgent Notice of Motion in terms of Section 22(1A) of the Rules of Order By-Law (2014) to remove Councillor Mxolisi Kaunda as a Member of the Executive Committee of eThekweni Municipality
2. In line with the provision of Section 53(1) of the Local Government: Municipal Structures Act, No. 117 of 1998, which reads:  
  
“53 Removal from office of executive committees. – (1) a municipal council may, by resolution remove from office one or more or/the members of its executive committee. Prior notice of intention to move a motion for the removal of members must be given.”
3. This motion is tabled as per the above provision, to give notice of the Active Citizens Coalition’s (ACC) intention to remove Councillor Mxolisi Kaunda as a Member of the Executive Committee of eThekweni Municipality as well as the Mayor of the Municipality in terms of Section 48(4)(b) and (c) of the Municipal Structures Act 117 of 1998 as amended.
4. As per provision of the Rules of Order, motivation is attached for consideration.

**Following enquiry made by ADEC on the verification of the expected number of words to be contained in urgent notices of motion, the Speaker of Council confirmed that the motion was received and verified for compliance with the relevant rules governing Urgent Notice of Motion.**

**The ACTION SA requested that legal opinion be sought on the matter regarding tabling of the Urgent Notice of Motion in a virtual meeting on the basis that voting process on the matter would not be accurate since the numbers could not be verified as a true reflection of attendance. Therefore, ACTION SA was against tabling and virtual voting on this Urgent Notice of Motion as presented by the Speaker.**

**In response, the Speaker of Council outlined the process that was going to be followed in dealing with Urgent Notices of Motion and further suggested that Council should allow for the Notice of Motion to be tabled and thereafter points of orders to be later raised.**

**The DA supported ACTION SA regarding the point of procedure raised and further reminded the Speaker that a request was sent to the Speaker to have a physical meeting to deal with such matters on the basis that numbers could not be authenticated.**



**The Head: Legal and Compliance advised that in terms of the Rules of Order By-Law the Speaker was at liberty to decide on whether to table an Urgent Notice of Motion or not. Therefore, in this case the Speaker had exercised his discretion in favour of allowing the Urgent Notice of Motion to be tabled. Furthermore, the Head: Legal and Compliance reminded Council that previously there were urgent Notices of Motion presented to Council in December 2022, where it was explained that once the matter had been opened for debate the matter was opened to all Councillors to raise any procedural issues on the motion as presented.**

**Regarding the issue raised by Councillor Mthethwa of the DA around the appropriateness of the forum to deal with such Notice of Motion, the Head: Legal and Compliance advised that Councillors were at liberty to propose another forum for debating on the urgent Notice of Motion.**

**In conclusion the Head: Head Legal and Compliance assured the meeting that the Legal and Compliance Unit was sufficiently competent to vet compliance of Notices of Motion against the applicable prescribed legislative requirements for urgent Notices of Motion.**

**Accordingly with Councillor Annipen of the IFP having proposed that the urgent Notice of Motion be removed from the agenda of Council dated 31 January 2023 and be tabled at a future physical meeting of Council, the proposal was seconded by Councillor Reddy of the ADEC. There were no objections to the proposal.**

**Accordingly, the urgent Notice of Motion was **DEFERRED** to a Special Council Meeting of 03 February 2023.**

---

**NOTICE OF MOTION  
IN TERMS OF SECTION 18 OF THE RULES OF ORDER  
BY-LAW, 2014, AS AMENDED**

---

NOTICE OF MOTION: PROPOSED BY COUNCILLOR G HEGTER AND  
SECONDED BY COUNCILLOR ZA SOLOMON: DRASTIC INCREASE OF  
TRUCKS ENTERING RESIDENTIAL AREAS AND TRUCKING COMPANIES,  
PREDOMINANTLY IN THE SOUTH DURBAN BASIN (28/2/R)

This Council noting that:

24 December 2022 saw a horrific trucking incident in Ekurhuleni Municipality that tragically claimed 37 lives.

eThekweni has seen a drastic increase of trucks entering residential areas and trucking companies opening in these areas, predominantly in the South Durban Basin.

Council resolves that the Executive Committee considers the following and report back to Council:

1. Increase the amount of Metro Police Members in the Clairwood trucking Unit.

2. Increase the number of Metro Police vehicles Clairwood trucking Unit.
3. Approach the KZN Department of Transport for additional enforcement agents stationed around the Durban Harbour.
4. Urgent finalization a Metro Police heavy towing contract.
5. Erection of mass restriction signage along all entrance roads to residential areas in the Durban South Basin.

**DEFERRED** to a Special Council Meeting of 03 February 2023.

---

### **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. **ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE**

Meeting held on : 2022-11-17.

2. **EXECUTIVE COMMITTEE**

Meetings held on : 2022-11-15.  
: 2022-11-22  
: 2022-11-29  
: 2022-12-06  
: 2022-12-08

3. **GOVERNANCE AND HUMAN RESOURCES COMMITTEE**

Meeting held on : 2022-11-23.

4. **HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE**

Meetings held on : 2022-11-08.  
: 2022-11-24

5. **LOCAL LABOUR FORUM: ECONOMIC DEVELOPMENT AND PLANNING**

Meeting held on : 2022-11-23.

6. **LOCAL LABOUR FORUM: ECONOMIC DEVELOPMENT AND PLANNING**

Meeting held on : 2022-11-23.

7. SPEAKER'S COMMITTEE

Meeting held on : 2022-10-25.

8. TOWN PLANNING APPEAL COMMITTEE

Meeting held on : 2022-12-01.

---

**ITEMS FOR NOTING**

The Items for Noting, reflected on Pages 19 to 40 of the Agenda, pertaining to the items discussed and resolved at the Executive Committee level during the month of November and December 2022 were, **NOTED.**

---

The meeting terminated at 15h45.

NOTED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2023-02-28.

SPEAKER.