



COUNCIL DECISION CIRCULAR : MEETING HELD ON 2023-08-15.

TO ALL DEPUTY CITY MANAGERS AND HEADS:

Attached please find decisions adopted by the Council at its meeting held on 2023-08-15.

Deputy City Managers and Heads are kindly requested to facilitate implementation of the decisions impacting their Clusters and Units within the applicable timeframes.

Kindly note that the word "**ADOPTED**" marked in bold at the end of the recommendation confirms that the item has been approved by Council and is ready for implementation. Other relevant status will be reflected at the end of the recommendation to indicate the position taken by Council on a particular item.

Should further information be required on any item on the Council agenda, kindly contact:

Theresa Ndlovu

theresa.ndlovu@durban.gov.za

031 311 2101

083 652 3882

1. FIRST REPORT OF THE EXECUTIVE COMMITTEE: MEETING HELD ON TUESDAY, 2023-08-08

1. REPORT OF THE FINANCE COMMITTEE: MEETING HELD 2023-07-19.

(Page R1)

1.1 Noting of Reasons to Amend Contract S5171 in terms of Section 116 (3) of the Local Government: Municipal Finance Management Act No. 56 of 2003, for the Supply and Delivery of Paint and Allied Products for a Period of 36 Months (26/1/2/2):
(Page 14: Finance Committee - Agenda 2023-07-19)

The Committee received a report submitted in compliance with Section 116 (3) (a), (b) and (c) of the Local Government: Municipal Finance Management Act No. 56 of 2003 to allow for the adjustment of existing awarded Contract S5171 for Supply and Delivery of Paint and Allied Products for a period of 36 months. The adjustment relates to the existing awarded Unit price to proposed price in relation to the Force Majeure issued by the Manufacture relating to increase on imported new material and global uncertainties.

The Supply Chain Management (SCM) Unit has been assigned to have a contract in place for Line Departments, including Roads and Stormwater, eThekweni Transport Authority and Parks, Recreation and Culture Departments for the supply and delivery of paint and allied through the requisition through SCM stores, as the item is a stock item. The City has a significant number of depots around different zones within the Municipality that are responsible for ensuring the improvement of striping and marking on the higher volume roads and intersections. The Transportation and Engineering Division contracts out the striping and markings of certain locations each year. This project and continuous provision of paint not only enhances the traffic safety and operations of roads for the users of those roads, it also reduces the potentially hazardous work zone situations for the Transportation and Engineering Division's striping crew. They represent rules that are in place to keep one safe and help to communicate messages to drivers and pedestrians that can maintain order and reduce accidents. Neglecting them can be dangerous. The Municipality has a commitment to ensure that all roads city wide are clearly marked and visible.

The awarded Supplier has written to the Municipality requesting for the price increase following the issues surrounding the industry as they pertained to increase in production costs on imported raw materials, global uncertainties, weakening of the currency, fuel, labour, and other fixed costs. Also, as part of the background information, the following salient features of the report were noted:

- (i) The contract was advertised on the 29 November 2019 and closed on 17 January 2020. Contract S5171 for the Supply and Delivery of Paint and Allied Products was awarded to Prostar Paints Pty Limited for a period of 36 months ending 05 July 2025. This an Engineering and Operations contract which covers all depots/zones such as Road Maintenance, Roads Provision and eThekweni Transport Authority.
- (ii) Approved Special condition of tender (SCC17) states that "Prices are fixed for the duration of contract" however due to the ongoing cost pressure, increase in raw material, increase imported goods, the supplier could not hold the

awarded prices. With reference to the letter from the supplier, there has been a 11.33% in 2020 to 17.95% increase in the raw materials. This request is also coupled with the post Covid pandemic effects which resulted in further increases in freight cost and global shortages having further exacerbated the supplier's financial problem.

- (iii) That clause SCC 17 of the existing contracts be amended to read as “Price adjustments shall be substantiated by a letter of suppliers of raw material, increase in import cost from the Paint making manufacturers confirming percentage increases, which shall be submitted a month prior to its inception for approval and further seek approval from Bid Adjudication committee if required”.
- (iv) Awarded Supplier be paid back for price variation of all orders delivered for the Quantities supplied to the Municipality stores for proposed year one cost.

It being further noted that the Paint Raw Material Suppliers has issued price increases last year in 2021/2022 during the evaluation and tender award as follows:

1. **Paint And Allied Products Percentage Increase:**

SUPPLIER PRICE INCREASE OVER A 3 YEAR PERIOD			YEAR		
Supplier	Type of Material	Item Number	2020	2021	2022
Servochem	Additives	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	4.17%	11.56%	18.80%
Idwala	Fillers	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	25.24%	26.18%	27.03%
Swift	Solvents	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	7.50%	7.80%	8.20%
KZN Resins	Binders	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	16.40%	15.38%	27.50%
Pail Pac	Packaging	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	6%	6.30%	6.90%
ICC	Pigments	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	8%	9.00%	10%
Safripol	Packaging	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	4.69%	-	-
Koogan's Plastic	Packaging	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	4.80%	6.00%	6.40%
Sancryl	Binders	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	9%	18.00%	20%
Cathay	Fillers & Additives	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	6%	8.00%	15%
Titanium Dioxide	Pigments	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	6%	9.00%	12.30%
Back to Pack	Packaging	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	-	-	3%
Hamilton's	Brushware	31, 32, 33, 34, 35	7%	9.00%	14%
	Fuel		18%	21.50%	24.22%
	Operating Cost		35.80%	47.92%	58%
Total percentage increase per year			158.60%	195.64%	251.35%
Average increase per year			11.33%	15.05%	17.95%

2. Proposed Percentage and Price Increase for Year 1, 2 and 3:

NO	DESCRIPTION	AWARDED RATES			PROPOSED RATES		
		Unit Price - Year 1 (excl. VAT)	Unit Price - Year 2 (excl. VAT)	Unit Price - Year 3 (excl. VAT)	Unit Price - Year 1 (excl. VAT) with average increase of 11.33%	Unit Price - Year 2 (excl. VAT) with average increase of 15.05%	Unit Price - Year 3 (excl. VAT) with average increase of 17.95%
01	Yellow High Gloss (Super Universal)	320.00	345.60	373.25	356.26	397.61	440.25
02	Golden yellow coat/Aquado or Suitable Equivalent	420.00	453.60	489.89	467.59	521.87	577.83
03	Grey high Gloss (super universal)	320.00	345.60	373.25	356.26	397.61	440.25
04	Green high Gloss (super universal)	320.00	345.60	373.25	356.26	397.61	440.25
05	Green high Gloss (super universal)	320.00	345.60	373.25	356.26	397.61	440.25
06	Forest Green Protectorate or suitable equivalent	420.00	453.60	489.89	467.59	521.87	577.83
07	White High Gloss (super universal)	320.00	345.60	373.25	356.26	397.61	440.25
08	Orient Ivory / Taffy Tint High Gloss (Super Orient)	320.00	345.60	373.25	356.26	397.61	440.25
09	Blue Arctic High Gloss (Super Universal)	320.00	345.60	373.25	356.26	397.61	440.25
10	Red High Gloss (super Universal)	320.00	345.60	373.25	356.26	397.61	440.25
11	Red High Gloss (super universal)	100.00	108.00	116.64	111.33	124.25	137.58
12	Undercoat white solvent based universal	225.00	243.00	262.44	250.49	279.57	309.55
13	White emulsion- exterior Purposes (super Acrylic)	240.00	259.00	279.94	267.19	297.98	330.19
14	White spirit (mineral turpentine)	170.00	183.60	198.29	189.26	211.23	233.88
15	Stoep green	420.00	453.60	483.89	467.59	521.87	570.75
16	Stoep red	420.00	453.60	483.89	467.59	521.87	570.75
17	Cream/Orient ivory PVA (Super Acrylic)	240.00	259.20	279.94	267.19	298.21	330.19
18	Yatch or marine varnish Exterior woodwork, Brush application (clear)	320.00	345.60	373.25	356.26	397.61	440.25
19	Silver high gloss	240.00	453.60	489.89	267.19	521.87	577.83
20	Black high Gloss (super universal)	320.00	345.60	373.25	356.26	397.61	440.25
21	Black high Gloss (super universal)	55.00	59.40	64.15	61.23	68.34	75.66

NO	DESCRIPTION	AWARDED RATES			PROPOSED RATES		
		Unit Price - Year 1 (excl. VAT)	Unit Price - Year 2 (excl. VAT)	Unit Price - Year 3 (excl. VAT)	Unit Price - Year 1 (excl. VAT) with average increase of 11.33%	Unit Price - Year 2 (excl. VAT) with average increase of 15.05%	Unit Price - Year 3 (excl. VAT) with average increase of 17.95%
22	Prime etch Red Oxide	250.00	270.00	291.60	278.33	310.64	343.94
23	Thinners Universal- (tin container)	170.00	183.60	198.29	189.26	211.23	233.88
24	Reducer universal for road marking (tin container)	190.00	205.20	221.62	211.53	236.08	261.40
25	Brush cleaner	75.00	81.00	87.48	83.50	93.19	103.18
26	Paint Remover Heavy Duty	60.00	64.80	69.98	66.80	74.55	82.54
27	White undercoat water based for all surfaces	200.00	216.00	233.28	222.66	248.51	275.15
28	field marking white Paint	290.00	313.20	338.26	322.86	360.34	398.98
29	PVA white double velvet Paint	380.00	410.40	443.23	423.05	472.17	522.79
30	PVA Pale Parchment Light Double Velvet Paint	380.00	410.40	443.23	423.05	472.17	522.79
31	Brush Paint Pro flow or suitable equipment	10.45	21.60	23.33	11.63	24.85	27.52
32	Brush Paint Pro flow or suitable equipment	28.50	35.64	38.49	31.73	41.00	45.40
33	Brush Paint Pro flow or suitable equipment	48.25	64.80	69.98	53.72	74.55	82.54
34	Brush Paint Pro flow or suitable equipment	72.56	86.40	93.31	80.78	99.40	110.06
35	Brush Paint Pro flow or suitable equipment	20.43	24.84	26.83	22.74	28.58	31.65
36	Self-etching Primer colour black	250.00	270.00	291.60	278.33	310.64	343.94
37	Paint yellow road marking	250.00	270.00	291.60	278.33	310.64	343.94
38	Pebble grey low sheen RAL 7032	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
39	Light grey Luxurious silk/double velvet or similar EPL 314	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
40	Pure white RAL 9010	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
41	Broken white luxurious silk/double velvet or similar EPL 314	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
42	Signal Orange low sheen RAL 2010	1500.00	1620.00	1749.60	1669.95	1863.81	2063.65
43	Light green pearl Glo-non drip RAL 6027	1500.00	1620.00	1749.60	1669.95	1863.81	2063.65

NO	DESCRIPTION	AWARDED RATES			PROPOSED RATES		
		Unit Price - Year 1 (excl. VAT)	Unit Price - Year 2 (excl. VAT)	Unit Price - Year 3 (excl. VAT)	Unit Price - Year 1 (excl. VAT) with average increase of 11.33%	Unit Price - Year 2 (excl. VAT) with average increase of 15.05%	Unit Price - Year 3 (excl. VAT) with average increase of 17.95%
44	May Green pearl Glo-non Drip RAL 6017	1500.00	1620.00	1749.60	1669.95	1863.81	2063.65
45	Vomtry grey low sheen (to Match)	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
46	Pastel Blue Pearl Glo-RAL 5024	1500.00	1620.00	1749.60	1669.95	1863.81	2063.65
47	Smoke grey pearl Glo RAL 7035	1600.00	1728.00	1866.24	1781.28	1988.06	2201.23
48	Dark grey pearl Glo (Solvent Based)	1600.00	1728.00	1866.24	1781.28	1988.06	2201.23
49	Special Grey low sheen for gold business clubs (to match)	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
50	Marmoran Cream low sheen (to match)	1200.00	1296.00	1399.68	1335.96	1491.05	1650.92
51	Stadium Grey (Doors) RAL 7021	350.00	378.00	408.24	389.66	434.89	481.52

Whilst noting the item, since the powers of the Executive Committee and the Council are confined to noting the reasons for the contract amendment, and with the Bid Adjudication Committee to then deal with the relevant technicalities, the following issues were raised in this regard:

- That confirmation of global uncertainties resulting into price increases be submitted.
- Confirmation given that the tender relates to the supply and delivery of paints and with the internal resources to be utilised to undertake the paint work.

In response to bullet 1, a letter from the service provider is attached herein to confirm price increases as a result of shifting global economy.

On this basis,

COMMITTEE RECOMMENDS:

1.1.1 That Council notes the following reasons necessitating the amendment of Contract S5171, in terms of Section 116 (3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003, for the Supply and Delivery of Paint and Allied Products for a period of thirty-six (36) months:

- Force Majeure relating to the impact on supply of paint and allied products due to global uncertainties,
- Increase on imported raw materials
- fuel increases and labour cost.
- weakening of the currency and other fixed cost

1.1.2 That Council notes the public participation process was advertised through the media, in terms of Section 116(3)(b)(i) of the MFMA, as part of achieving compliance

requirements pertaining to the public participation process to invite public comments on the proposed contract amendment, it being further noted that there were no comments received from the public consultation process.

Financial implications:

Funding for Supply and Delivery of Paint and Allied Products will be provided in the operational budget to cater for all user departments. The details of the current Contract S5171, including Unit Rates, and the proposed rates for the Section 116 (3) authorisation is shown above as per Section 4 in the report of the Acting Head: Supply Chain Management dated 2023-04-12.

Below are the proposed amended unit rates per item for year 1 to 3:

No.	Description	Unit of Measure	Estimated Quantity	Proposed Rates		
				Unit Price - Year 1 (excl. VAT) with average increase of 11.33%	Unit Price - Year 2 (excl. VAT) with average increase of 15.05%	Unit Price - Year 3 (excl. VAT) 2 with average increase of 17.95%
01	Yellow High Gloss (Super Universal)	5 Litre	1339	356.26	397.61	440.25
02	Golden yellow coat/Aquado or Suitable Equivalent	5 Litre	753	467.59	521.87	577.83
03	Grey high Gloss (super universal)	5 Litre	100	356.26	397.61	440.25
04	Green high Gloss (super universal)	5 Litre	75	356.26	397.61	440.25
05	Green high Gloss (super universal)	5 Litre	26	356.26	397.61	440.25
06	Forest Green Protectorate or suitable equivalent	5 Litre	690	467.59	521.87	577.83
07	White High Gloss (super universal)	5 Litre	515	356.26	397.61	440.25
08	Orient Ivory / Taffy Tint High Gloss (Super Orient)	5 Litre	75	356.26	397.61	440.25
09	Blue Arctic High Gloss (Super Universal)	5 Litre	645	356.26	397.61	440.25
10	Red High Gloss (super Universal)	5 Litre	482	356.26	397.61	440.25
11	Red High Gloss (super universal)	5 Litre	21	111.33	124.25	137.58
12	Undercoat white solvent based universal	5 Litre	895	250.49	279.57	309.55
13	White emulsion- exterior Purposes (super Acrylic)	5 Litre	850	267.19	297.98	330.19
14	White spirit (mineral tuperntine)	5 Litre	312	189.26	211.23	233.88
15	Stoep green	5 Litre	291	467.59	521.87	570.75
16	Stoep red	5 Litre	40	467.59	521.87	570.75

No.	Description	Unit of Measure	Estimated Quantity	Proposed Rates		
				Unit Price - Year 1 (excl. VAT) with average increase of 11.33%	Unit Price - Year 2 (excl. VAT) with average increase of 15.05%	Unit Price - Year 3 (excl. VAT) 2 with average increase of 17.95%
17	Cream/Orient ivory PVA (Super Acrylik)	5 Litre	50	267.19	298.21	330.19
18	Yatch or marine varnish Exterior woodwork, Brush application (clear)	5 Litre	50	356.26	397.61	440.25
19	Silver high gloss	5 Litre	171	267.19	521.87	577.83
20	Black high Gloss (super universal)	5 Litre	830	356.26	397.61	440.25
21	Black high Gloss (super universal)	5 Litre	54	61.23	68.34	75.66
22	Prime etch Red Oxide	5 Litre	200	278.33	310.64	343.94
23	Thinners Universal- (tin container)	5 Litre	400	189.26	211.23	233.88
24	Reducer universal for road marking (tin container)	5 Litre	400	211.53	236.08	261.40
25	Brush cleaner	500ml	200	83.50	93.19	103.18
26	Paint Remover Heavy Duty	1 Litre	60	66.80	74.55	82.54
27	White undercoat water based for all surfaces	5 Litre	60	222.66	248.51	275.15
28	field marking white Paint	10 Litre	830	322.86	360.34	398.98
29	PVA white double velvet Paint	5 Litre	1900	423.05	472.17	522.79
30	PVA Pale Parchment Light Double Velvet Paint	5 Litre	1900	423.05	472.17	522.79
31	Brush Paint Pro flow or suitable equipment	25mm	504	11.63	24.85	27.52
32	Brush Paint Pro flow or suitable equipment	50mm	977	31.73	41.00	45.40
33	Brush Paint Pro flow or suitable equipment	75mm	823	53.72	74.55	82.54
34	Brush Paint Pro flow or suitable equipment	100mm	568	80.78	99.40	110.06
35	Brush Paint Pro flow or suitable equipment	38mm	72	22.74	28.58	31.65
36	Self-etching Primer colour black	5 Litre	120	278.33	310.64	343.94
37	Paint yellow road marking	5 Litre	357	278.33	310.64	343.94
38	Peble grey low sheen RAL 7032	20 Litre	20	1335.96	1491.05	1650.92

No.	Description	Unit of Measure	Estimated Quantity	Proposed Rates		
				Unit Price - Year 1 (excl. VAT) with average increase of 11.33%	Unit Price - Year 2 (excl. VAT) with average increase of 15.05%	Unit Price - Year 3 (excl. VAT) 2 with average increase of 17.95%
39	Light grey Luxurious silk/double velvet or similar EPL 314	20 Litre	30	1335.96	1491.05	1650.92
40	Pure white RAL 9010	20 Litre	50	1335.96	1491.05	1650.92
41	Broken white luxurious silk/double velvet or similar EPL 314	20 Litre	30	1335.96	1491.05	1650.92
42	Signal Orange low sheen RAL 2010	20 Litre	50	1669.95	1863.81	2063.65
43	Light green pearl Glo-non drip RAL 6027	20 Litre	20	1669.95	1863.81	2063.65
44	May Green pearl Glo-non-Drip RAL 6017	20 Litre	20	1669.95	1863.81	2063.65
45	Vomitry grey low sheen (to Match)	20 Litre	30	1335.96	1491.05	1650.92
46	Pastel Blue Pearl Glo- RAL 5024	20 Litre	15	1669.95	1863.81	2063.65
47	Smoke grey pearl Glo RAL 7035	20 Litre	12	1781.28	1988.06	2201.23
48	Dark grey pearl Glo (Solvent Based)	20 Litre	12	1781.28	1988.06	2201.23
49	Special Grey low sheen for gold business clubs (to match)	20 Litre	20	1335.96	1491.05	1650.92
50	Marmoran Cream low sheen (to match)	20 Litre	20	1335.96	1491.05	1650.92
51	Stadium Grey (Doors) RAL 7021	5 Litre	20	389.66	434.89	481.52

NOTED.

1.2 Public Tender Awards of eThekweni Municipality for the Month Ended: 30 June 2023 (9/1/3):
(Page 56: Finance Committee - Agenda 2023-07-19)

The Committee noted that the amount of R915 032 700.80 (Nine Hundred and Fifteen Million and Thirty-Two Thousand Seven Hundred and Eighty Cent) was the total value of tenders issued during the month of June 2023.

During consideration, reservations were expressed in respect of Section 36 tender awards, which was reported to be 65,4% of the total value of tenders issued in the month of June; with City Fleet and Durban Solid Waste Units being cited as the highest in terms of the usage of Section 36 breakdown per Units during the 2022/2023 financial year. A view being submitted that most reported unauthorised, irregular, and fruitless expenditure derives from the application of Section 36; therefore, the aforesaid Section is to be utilized only for emergency purposes.

However, indication was given that Section 36 awards were utilised in instances where there were delays in finalisation of the normal tender process, while the Municipality has an obligation to continuously provide services. Upon an enquiry on the repetition of some Company names on the list of appointed businesses, clarity was given that this was due to their appointment being under sub-contracting arrangements as the main service provider.

Accordingly,

COMMITTEE RECOMMENDS:

- 1.2.1 That the public tender awards by the City for the month of June 2023, inclusive of awards made in terms of Section 36 of the Supply Chain Management Policy, as contained in the report by the Acting Head: Supply Chain Management dated 2023-07-11, be noted.
- 1.2.2 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 submissions made by the Units.
- 1.2.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 1.2.4 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 Supply Chain Management Policies and Municipal Finance Management Act provisions are observed.
- 1.2.5 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 reports are available.

NOTED.

- 1.3 Budget Statement Report for the Quarter Ended 30 June 2023 (7/1/4):
(Page 184: Finance Committee - Agenda 2023-07-19)

In giving an overview, the Deputy City Manager: Finance took the meeting through the salient features of the report relative to the actual operating revenue of 102% of the year-to-date budget, with a variance of 2%. The actual operating expenditure reported as a percentage of year-to-date budget figure is 97% with a variance of -3%. The reported preliminary capital spent including accruals (invoices to be paid) is R5 094 000 000.00 (Five Billion and Ninety-Four Million Rand) which is 83% when compared to budgets with a variance of -17%. Emphasis being made that the final figures for the 2022/2023 financial year will be reflected on the Annual Report. A cash collection of 93.56% as at the end of June 2023 was reported, and lower when compared to the same period in the previous year (95%).

The attention of the Committee was drawn to a slow pace in implementing Catalytic projects, which was viewed as a setback to the much-needed investment, reference being made to the delays in finalising Durban Iconic Tower. Reservations were expressed regarding the escalating water losses, which was reported to be 57, 98 %; it being cited that 40% thereof was because of the ageing infrastructure, which no longer have a capacity to handle the bulk water supplied by Umngeni Water. Concerns

were also expressed about total debtors reported to be R25 Billion to date. Mention being made that there was no accountability or political will to resolve these matters.

Thereafter, information was given that several Ratepayers Associations have confronted the Municipality citing the new tariff increases as unaffordable and subsequently submitted a dispute to the Municipality in this regard. Clarity being given that the Municipality will follow all relevant policies and guidelines including the Local Government: Municipal Finance Management Act No. 56 of 2003; Municipal By-Laws etc. to attend to the matter. Also, that the Municipality has approached the National Government for funding assistance to attend to the damaged and ageing infrastructure. It being further noted that engagements between the Municipality, and the Provincial Departments of Education and Public Works in terms of infrastructural repairs (water pipes) in Section 21 schools were ongoing. On the other hand, upon an enquiry on the availability of the top funding for the recently approved EPWP incentive grant from the Department of Public Works, assurance was given that savings will be identified during the adjustment budget to be undertaken during the financial year.

Accordingly,

COMMITTEE RECOMMENDS:

- 1.3.1 That the Budget Statement report for the month ended 2023-06-30 and the supporting documents, submitted by the City Manager as per his report dated 2023-07-14, in compliance with Section 71 and Section 52 (d) of the Local Government 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.
- 1.3.2 That in compliance with Section 32(2) of the Local Government Municipal Finance Management Act, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred during the month of June 2023 as detailed on section 10 of the Budget Statement Report.
- 1.3.3 That Council refers the UIFWE referred to in 2. above to the Municipal Public Accounts Committee (MPAC) for investigation into the recovery or write-off of the said expenditure in terms of Section 32(2)(b) of the Municipal Finance Management Act and request MPAC to report back to Council on the outcome of its investigations.
- 1.3.1 & 1.3.2 were NOTED, 1.3.3 being; ADOPTED.**
- 1.4 Update on Credit Facility and Short-Term Overdraft Facility with Nedbank as at 30 June 2023 (7/8/4)
(Page 360: Finance Committee - Agenda 2023-07-19)

It was recalled that during August 2022, Council received update on credit facility and short-term overdraft facility with Nedbank; where at the time it was reported that the Accounting Officer would report back on any further updates on the facility values and utilization thereof. This report then serves to present the state of the Credit Facilities held at Nedbank as at 30 June 2023.

The Executive Committee noted that the Municipality has not been utilising its overdraft facility but that these are funds are available to cater for rainy seasons.

The Committee was then informed that whilst the overdraft remained unused, this would be reserved for performance guarantees when a need arises.

On this basis,

COMMITTEE RECOMMENDS:

- 1.4.1 That as part of annual update in compliance with the Section 45(3)(b) of the Local Government: Municipal Finance Management Act No. 56 of 2003, Council notes the value of the Credit Facilities of the eThekweni Municipality held with Nedbank remains unchanged for the duration of the 2023/2024 financial year.
- 1.4.2 That the Accounting Officer will report back to Council on any further changes as and when it may occur however, the Accounting Officer will provide the next update as at 30 June 2024.

Update Facilities as at 30 June 2023:

The following is the summary of the facilities and utilization over the financial period:

No.	Facility Description	Value of Facility	Utilization as at 30 June 2023
		R	R
1.	Primary Overdraft	20 000 000	Nil
2.	Performance Letter of Guarantees	170 500 000	131 457 653
3.	Letters of Credit	Nil	Nil
4.	Fleet Management	68 000	42 794
5.	Secondary Overdraft Facility	491 000 000	Nil
	Total Facility Portfolio and Usage	681 568 000	131 500 447

Notes:

The Primary Overdraft Facility is available immediately at no cost to Council. The Secondary Overdraft Facility will only be available upon application when the need arises. It must be noted that these are contingent facilities and there has been a need to utilize the primary and secondary facilities for the 2022/2023 financial year.

The facility value of R681 568 000.00 (Six Hundred and Eighty-One Million Five Hundred and Sixty-Eight Thousand Rand) has remained unchanged from the last Council decision dated 2022-08-26.

The usage on the performance letters of guarantee which has reduced from 2021/2022, includes a R117 181 653.00 (One Hundred and Seventeen Million One Hundred and Eighty One Thousand Six Hundred and Fifty Three Rand) (R155 818 632.00 – 2021/2022) Demand Guarantee issued to the Compensation Commissioner in respect of “Compensation for Occupational Injuries and Diseases” a R10 Million Guarantee issued to the South African Insurance Association to cover three (03) months water loss claims and a R4 276 000.00 (Four Million Two Hundred and Seventy Six Thousand Rand) Guarantee issued to SA Post Office.

The usage on the Fleet Management Facility represents Toll Cards utilised by vehicles from the Mayor’s Office, City Fleet, Water, Fleet and Cleansing & Solid Waste.

NOTED.

- 1.5 Investment Report for the Month Ended 30 June 2023 (7/11/4):
(Page 364: Finance Committee - Agenda 2023-07-19)

The Committee noted the Municipal funds invested in different Financial Institutions are recorded to amount to R8 621 480 000.00 (Eight Billion Six Hundred and Twenty-One Million Four Hundred and Eighty Thousand Rand), at an average rate of return on investments of 8.92%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eight Two Million Rand) and the unutilized

Capital and Operational Grants as at the end of June 2023 was reported to be R2,80 000 000 000.00 (Two Comma Eighty Billion Rand). It being further noted that there was 45 (forty-five) days cash on hand excluding grants.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2023-06-30, which records the total funds invested at financial institutions as R8 621 480 000.00 (Eight Billion Six Hundred and Twenty One Million Four Hundred and Eighty Thousand Rand), at an average rate of return on investment of 8,92%, 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, 2003, be noted.

NOTED.

- 1.6 Quarterly Report on Withdrawals from Municipal Bank Account in terms of the Local Government: Municipal Finance Management Act 2003 dated 06 July 2023 (11/1/2):
(Page 370: Finance Committee - Agenda 2023-07-19)

COMMITTEE RECOMMENDS:

- 1.6.1 That the report on withdrawals from the Municipal bank account as at 30 June 2023, submitted in terms of Section 11(4) of the Local Government Municipal Finance Management Act, be noted, it being recorded that the withdrawals relate to the following:
- Section 11(f): To refund money incorrectly paid into a bank account.
 - Section 11(g): To refund guarantees, sureties and security deposits.
 - Section 11(h): Investment of money not immediately required.

- 1.6.2 That Council notes that the report on withdrawals will also be submitted to the Provincial Treasury and the National Treasury as well as the Auditor-General, in line with the statutory requirements.

NOTED.

2. REPORT OF THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE:
MEETING HELD: 2023-07-19.

(Page R12)

- 2.1 Request for Authority to Host The eThekweni Municipality Service Excellence Awards (4/9):
(Page 188: Governance and Human Resources Committee - Agenda 2023-07-19)

The Committee received the report to host eThekweni Municipality Service Excellence Awards Ceremony on an annual basis to boost staff morale and improving service delivery. In motivating the proposal, it was advised that the awards ceremony will recognize and reward eThekweni Municipal employees for their outstanding performance and contribution to service delivery. Employees are nominated by fellow colleagues and members of the public. The finalists chosen by the judges would be rewarded with prizes at an awards ceremony event to be held at the Inkosi Albert

Luthuli International Convention Centre and to be scheduled at suitable date to be confirmed by the Corporate and Human Capital Cluster in consultation with the Chairperson of the Governance and Human Resources Committee.

It was advised that the communication about the event and nomination processes will be undertaken through Radio, social media, Workplace Magazine, Metro Ezasegagasini Newspaper, Info-Info and Municipal Website. The City Manager's Circular will also be published to inform all employees and public about the nomination process. The Corporate and Human Capital Cluster will sensitise the public, management and employees about the ceremony and its positive impact on employee satisfaction, morale, and motivation. The nomination forms will be developed and distributed to employees and the public through Cluster representatives in conjunction with the Communications Unit.

It was advised that this process will be undertaken in consultation with the City Manager, Chief Financial Officer and Deputy City Manager: Corporate and Human Capital, a discreet and confidential adjudication process which will be undertaken as follows:

- DCMs will be responsible for pre-adjudication process of nominations from their respective clusters.
- An independent Adjudicating Committee will be responsible for the final adjudication of all nominations coming from different DCM/Clusters.
- The Executive Management Committee and the Executive Committee will be appraised once the adjudication process has been completed.

It was reported that the Organisation Development and Change Management (ODCM) Unit will undertake monitoring and evaluation process based on the set standards linked to the award nomination process. The Mayor and the City Manager of eThekweni Municipality respectively, will then host a Municipal-wide event after the nomination and adjudication process has been finalised.

The Executive Committee supported the item pointing the significance of boosting employee morale and this to then translate to improved service delivery. Confirmation was given that categories will focus on key elements, including efficiency displayed in customer service; improved performance outcomes; and costs savings implemented during service delivery, amongst the other categories.

The DA dissented on this matter based on what they regarded as uncertainties with regard to the budget element. That the costs exceeding a million is considered exorbitant when considering the number of two hundred (200) guests expected. Also, the DA felt some of the employees will be excluded unfairly since there are employees who remain unproductive due to the shortage of tools of trade.

The other Parties supported the matter reiterating the positive impact as a result thereof and noting that the actual costs will be informed by the final logistics in this regard. The IFP but cited the importance of reflecting financial implications to get comfort that budget is available for this event.

Accordingly, the DA (03) dissented, with the ANC (03); EFF (01); IFP (01); and NFP (01) being in support of the recommendation,

COMMITTEE RECOMMENDS:

That authority be granted for the Deputy City Manager: Corporate and Human Capital to incur expenditure estimated to be the amount of R1 740 000.00 (One Million Seven Hundred and Forty Thousand Rand) to host the 2023 eThekweni Municipality City Stars Awards Ceremony at Inkosi Albert Luthuli International Conventional Centre (ICC) on a suitable date still to be confirmed by the Corporate and Human Capital Cluster, in consultation with the Chairperson of the Governance and Human Resources Committee.

Financial Implications:

No.	Item	Estimated Cost
1	Venue and Catering: ➤ International Convention Centre (200 Guests)	R900 000
2	Technical (Sound /lightning /podium/stage)	R200 000
3	Videography	R60 000
4	Pyrotechnics	R30 000
5	Décor	R150 000
6	Frames for Certificates	R30 000
7	Pictures and Framing pictures	R50 000
8	Trophies	R30 000
9	Entertainment	R150 000
10	Gifts and Promotional Items	R40 000
11	Activation- Radio/Newspaper Adverts/Social Media (Open Public & Counsellor Nominations for Special Awards)	R100 000
	TOTAL	R1 740 000.00

Financial Implications (Provided after EXCO Meeting)

BUSINESS UNIT	ITEM.SUB	FUNDING	COSTING	PROJECT	REGION
33151	22710.30'	12120	0000	53500-55	0010

FC: 2024/14/13

ADOPTED, by a majority vote, with amendment to replace the words “City Stars” with “eThekweni Municipality Service Excellence Awards”.

3. REPORT OF THE SECURITY AND EMERGENCY SERVICES COMMITTEE: MEETING HELD 2023-07-20.

(Page R30)

3.1 Fire and Emergency Services Unit Standard Operating Procedure Guiding Regional Boundaries and Geographical Response Areas:

(Page 10: Security and Emergency Services Committee - Agenda 2023-07-20)

The Committee received the Fire and Emergency Services Standard Operating Procedure (SOP) detailing new geographical boundaries and Wards serviced by various fire stations with the aim of achieving minimum response times and the administration of local station community matters relating to fire and emergency incidents. Indication was given that this SOP was presented to the previous Committee

and in view of the Security and Emergency Services Committee having been recently established, it has become necessary for the Committee members to be informed about this SOP.

The SOP stipulates the process as follows:

- i) All fire service administrative matters such as the participation in community structures, complaints at station level as well as community developmental initiatives shall be performed by the local Fire Station Commanders on a Ward/Ward Cluster based approach.
- ii) Council and Unit policy related matters shall be escalated to the Unit’s Senior Management for direction.
- iii) All community issues attended to and the activities performed shall be recorded in the “Community Matters” file which shall be kept at every Station Commander’s Office and shall be subject to routine audit by Senior Officers.
- iv) Operational response by fire stations which are downscaled to Water Carries Stations will vary in incidents requiring Rescue Pump.
- v) Any deviations to this SOP may be authorized after consultation with the Senior Officer on Stand-By or the Regional Commander in charge of the affected Region or the Managers of other Departments.

The table below reflects geographical boundaries per region and the areas serviced by each fire station:

SOUTHERN REGION	
The Southern Region boundaries are formed between Central and Western Regions	
FIRE STATION	AREAS/WARDS SERVICED
Umkhomazi Fire Station	Magabheni, Clanstall, Umkhomazi, Craigieburn Widenhan Roseneth, Mahlongwa, Ilfracombe (Ward 99) Danganya, Umnini, Umgababa, Inkangala (Ward 98) Maphumulo, Thoyane, Embo-Isimahla, Nkwenkwezi (Ward 105)
Amanzimtoti Fire Station	Adams Mission, Emsahweni, Mkhazana (Ward 67) KwaMakhutha (Ward 94) Athlone Park, Amanzimtoti, Ezombokodweni (Ward 93) Karridene, Illovo Glen (Ward 97) Illovo (Ward 109) Enkanyisweni, Shozi (Ward 96)
Prospecton Fire Station	Prospecton Industrial, Malukazi, Isiphingo Hills (Ward 89) Isiphingo Beach, Isiphingo Rail (Ward 90) Malukazi, Umlazi Y-Section, Umlazi U-Section (Ward 86) Umlazi Z- Section (Ward 85) Reunion (Ward 76)
Mobeni Fire Station	Montclair, Yellowwood Park (Ward 64) Merwent, Merebank, Austerville (Wards 66 and 68) Mobeni Heights (Ward 69) Lamontville (Ward 74) Mobeni (Ward 75)
Umlazi Fire Station	J & H Sections (Ward 77), K Section (Ward 78), G & F Sections (Ward 79), E, B, A & V Sections (Ward 80), C Section (Ward 81), R, N & W Sections (Ward 82), L & M Sections (Ward 83), Esidweni, BB, AA, CC and DD Sections (Ward 84), P Section (Ward 85), D & Q Sections (Ward 87), S Section (Ward 88), Inwabi (Ward 100), Ngonyameni (Nkwali), J Section (Ward 72)

Folweni Fire Station	Golokodo, Nsimbini, Folweni C & B Sections (Ward 95), Folweni A Section (Ward 96), Umbumbulu, Empusheni, Sobhisi, Madundube (Ward 100), West of ex Vulamehlo (Ward 105)
NORTHERN REGION	
The geographical border line between Central and Northern Regions is the Umngeni River	
Durban North Fire Station	Umngeni Park, Broadway, Virginia (Ward 36), Briardene, Sea Cow Lake, Kenville, Avoca (Ward 34) Redhill, Glen Anill, La Lucia (Ward 35) Avoca Hills, Moriah, Duffs Road (Ward 102)
Umhlanga Fire Station	Umhlanga Ridge, Sommerset Park, Burnside (Ward 35) Mt Edgecombe, Blackburn Village, Ottawa Units (Wards 102 & 110) Trenence Park, Buffelsdraai (Ward 59)
Phoenix Fire Station	All Phoenix areas (Wards 48, 49, 50, 51, 52 & 104)
Ntuzuma Fire Station	Newlands East, Siyanda (Ward 11) KwaMashu (Wards 39, 40, 41, 45, 46 & 47) Newlands West (Ward 37) Inanda Glebe, Emachobeni, Stop Eight (Ward 44) Inanda (Wards 53, 56 & 57) Lower Manaza, Matata, Ngonweni, Iqadi (Ward 3)
Tongaat Fire Station	Verulam (including Ward 106) Canelands, La Mercy Airport, Genezzano (Ward 58) Emona, Umbhayi, Gwala (Ward 61) Fairbreeze, Hambanathi Village, Wewe, Fraser (Ward 62) Hazelmere, Cottonlands, Barns (Ward 60)
WESTERN REGION	
Pinetown Fire Station	Westmead, Mahogany Ridge, Motala Heights, N3 Tollgate (Ward 15) Ashley, Farningham Ridge, Caversham (Ward 16) Pinetown CBD, Cowies Hill, New Germany, Paradise Valley (Ward 18) KwaDabeka B (Wards 20 & 21) Padfield Park, Wolds, Berkshire Downs (Ward 21) Cleremont (Ward 22)
Hammarisdale Fire Station	Hammarisdale, Inchanga, Fredville (Ward 4) Mpumalanga, Ezitendeni, Emalangeni (Ward 6) Luthuli, Ekwandeni, Kwambiza (Ward 7) Drummond, Cliffdale, Riverdale, Ximba, Embo (Ward 103)
Pinetown South Fire Station	KwaNdengezi, Coffee Farm, KwaLinda (Ward 12) Luganda, Nagina, Marrianridge (Ward 13) Dassenhoek, Thornwood, Emansenseni (Ward 14) Tshelimnyama, Mpola (Ward 15) Ashley, Nazareth, St Wendolins (Ward 16) Klaarwater, Savanah Park, Nsizwakazi (Ward 17)
Gillitts Fire Station	Bothas Hill, Alverstone, Shongweni (Ward 8) Hillcrest, Waterfall, Crestolme, Mahlabathini, Lower Molweni (Ward 9) Stockville, Kloof, St Hellier (Ward 10) Wyebank (Ward 19)
Westville Fire Station	Chiltern Hills, East Cowies, Rouken Glen, Dawncliffe (Ward 18) Reservior Hills, Dawncrest (Ward 23) Westville, Whispers, Berea West, Beverley Hills (Ward 24) Atholl Heights (Ward 92)
Queensburgh Fire Station	Queensburgh, Marlvern, Northdene, Nirvana Hills, Mulberry Park, Moseley Park (Ward 63)

	Queensburgh Industrial, Burlington Heights (Ward 65) Buffelsbosch, Shallcross East of Railway Line (Ward 71)
Cato Ridge Fire Station	Cato Ridge, Harrison, Nonoti, Bhobhonono, Emvini, Denge, Siweni, Ntukuso, Uthweba, Craiglea (Ward 1) Mophela North, Sankontshe, Geogedale, Mophela (Ward 5)
CENTRAL REGION The Central Region boundaries are formed against South, West and Northern Region	
Central Fire Station	Warwick, Central Business District (Ward 28) Point, South Beach, North Beach (Ward 26) Greyville, Essenwood, Morningside (Ward 27) Musgrave, Sparks (Ward 31) Sherwood, Bonela (Ward 30) Cato Manor, Umkhumbane (Ward 29) Palmiet, Clare Estate, Bottomm of Reservior Hills (Ward 23)
Congella Fire Station	Harbour, Bayhead, Rossburgh (Ward 32) Umbilo, Glenwood, Bulwer (Ward 33) Glenmore, University of KwaZulu Natal (Ward 101) Seaview, Yellowwood Park (Ward 64)
Jacobs Fire Station	Clairwood (Ward 32) Wentworth, Ocean View, Island View (Ward 66)
Chatsworth Fire Station	Bulbul, Havenside (Ward 69) Silverglen, Westcliff (Ward 70) Arena Park, Croftdene (Ward 73) Moorton, Shallcross (Ward 71) Umhlathuzana, Kharwastan (Ward 65) Welbedacht (Ward 77)

Upon an enquiry pertaining to the actual number of Fire Stations located within the Municipal area and the non-inclusion of the newly opened flagship Verulam Fire Station, confirmation was given that there were twenty-two (22) Fire Stations in existence and that the Report before the Committee relates to the 2017 version of the SOP and with the Verulam Fire Station to be included in the revised SOP.

With clarity having been provided,

COMMITTEE RECOMMENDS:

That, in order to promote quick turnaround time in the event of fire emergency, and to ensure local communities are empowered regarding the facility for ease of quick access during the emergency, Council notes the Fire and Emergency Services Standard Operating Procedure detailing new geographical boundaries and Wards serviced by various fire stations, which restructuring has been informed by the objective to achieve minimum response times and effective administration of community matters relating to fire and emergency incidents in the local stations.

NOTED.

3.2

Request for Authority to Engage the Provincial Road Traffic Inspectorate Department for the Use of its Umdloti Facility for the Inspection of Dangerous Goods Vehicles (29/1/2/5):

(Page 25: Security and Emergency Services Committee - Agenda 2023-07-20)

Authority is sought for the Fire and Emergency Services Unit to engage the Provincial Road Inspectorate Department to request to use the Department's Umdloti facility for

the purpose of inspecting dangerous vehicles. One of the functions of the Fire and Emergency Services Unit is to provide access to comprehensive fire and emergency services to all communities of eThekweni Municipality. This is done to achieve the following:

- (i) Reduce incidents and adverse effects of fire
- (ii) Contribute to preserving life,
- (iii) Maintain a healthy natural environment, and
- (iv) Safeguard the economic base of the Municipality

The Unit through its Fire Safety Department is mandated to inspect and regulate the Transportation of Dangerous Goods within the eThekweni Municipal area. This process is driven through the National Road Traffic Act (Act 963 of 1996) and the relevant Standards and Codes of Best Practice as well as the Municipal Fire Safety By-Laws as promulgated in the Provincial Notice 216 of 2022. The inspection of Dangerous Goods Vehicles is currently conducted at the Illovo Fire Training Centre (Southern Corridor).

The Unit intends engaging the Provincial Roads Traffic Inspectorate (RTI) with a view to requesting that the Municipality be granted permission to utilise the RTI facility based in Umdloti for the purpose of conducting the inspection of Dangerous Goods Vehicles. The proximity and the location of the Umdloti RTI facility would make it ideal to conduct the necessary inspection and further assist in the process of issuing Transportation of Dangerous Good certificate which is a requirement in terms of the Fire Safety By-Law 2022.

The availability of this service in the northern region would assist in improving access for the northern region transportation industry and would further assist in reducing travel distance to the Illovo Fire Training Centre and thereby encouraging compliance and fire safety.

During the process of the engagements, it should be noted that the Municipality's Legal and Compliance Unit would be requested to assist in facilitating all legal requirements necessary in this regard. It should be noted that there are no financial implications that have been identified thus far, however if during the engagements such is required, necessary report will be submitted to the Committee for approval.

Upon the conclusion of the engagements, the transportation industry will be officially notified should the facility be made available for use by the Municipality's Fire and Emergency Services Unit. Mention was also made that the current inspections and certifications continue to bring revenue to the Municipality.

With the Committee appreciating the initiative to create capacity in the northern part of the Municipality for the facility to use to inspect dangerous goods vehicles, it was accordingly,

COMMITTEE RECOMMENDS

- 3.2.1 That authority be granted for the Head: Fire and Emergency Services to engage the Provincial Road Traffic Inspectorate with an aim of securing an agreement to establish the inspection facility within their Umdloti Base for the inspection of Dangerous Goods Vehicles, which will improve access for the northern transportation industry,

which will also support them by reducing travel distance to the inspection facilities thereby encouraging compliance and fire safety.

- 3.2.2 That it be noted that there are no financial implications that have been identified during the process of engaging the Provincial Traffic Inspectorate, however, if at the conclusion of the negotiations it becomes apparent that there would be financial implications associated with this proposed operational arrangements, a report in this regard would be submitted for consideration and decision by the Council and its oversight structures.

ADOPTED.

4. REPORT OF THE HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: MEETING HELD 2023-07-20.

(Page R35)

- 4.1 Proposed Cancellation of Servitude, Closure and Disposal of a Road Reserve Over Portion 4 of Erf 31556 Pinetown, Located at 63 Chester Road (17/2/1/2/3):
(Page 31: Human Settlements and Infrastructure Committee - Agenda 2023-07-20)

Authority is sought to cancel the servitude over Portion 4 of Erf 31556 and to permanently close the Road Reserve in terms of Section 211 of the Local Authorities Ordinance No. 25 of 1974 read together with Planning and Land Use Management By-law 2016. Furthermore, to dispose of the Road Reserve, at a purchase price of R39 000.00 (Thirty-Nine Thousand Rand), excluding VAT, which represents the current market value of the road reserve as assessed by the registered valuer.

With the Committee being in support of the proposal,

COMMITTEE RECOMMENDS:

- 4.1.1 That the Council declares in terms of Regulation 5(1)(b), Regulation 7 and 11 of the Municipal Asset Transfer Regulation 2008, read together with Section 14 (2)(a) and (b) of the Local Government: Municipal: Finance Management Act, No 56 of 2003 that:
- 4.1.1.1 The Road Reserve over Portion 4 of Erf 13556, Pinetown in extent of 133m² as depicted on Plan Number SJ 4863/8 is not required to provide minimum level of basic Municipal services and is surplus to the requirements of the Municipality, as confirmed through Annexure A attached to the report of Head: Real Estate dated 22 June 2023.
- 4.1.1.2 The market value of the road reserve is currently assessed at a value of R39 000.00 (Thirty-Nine Thousand Rand), excluding VAT, as confirmed through Annexure C attached to the report of the Head: Real Estate dated 22 June 2023.
- 4.1.2 That the road servitude over Portion 4 of Erf 131556, Pinetown, Registration Division FT, Province of KwaZulu-Natal, measuring 133m² in extent as depicted on Plan Number SJ 4863/8, be cancelled.
- 4.1.3 That the road reserve over Portion 4 of Erf 31556, Pinetown in extent 133m² as depicted on Plan Number SJ 4863/8 be offered for sale in freehold to the registered owner of Portion1 of Erf 31556, Pinetown, at a purchase price of R39 000.00 (Thirty-Nine Thousand Rand) exclusive of VAT such price reflecting

the purchase price based on the current market value of the road servitude, as assessed by a registered valuer in full compliance with the prevailing Municipal Legislative Framework.

- 4.1.4 That subject to the development application in terms of the eThekweni Municipality: Planning and Land Use Management By- Law 2016, as amended and in terms of Section 211 of the Local Authorities Ordinance 25 of 1974, the closure of the Road Reserve over Portion4 of Erf 31556, Pinetown as per Hand Plan Number SJ 4863/8, be approved.
- 4.1.5 That the closure be advertised in terms of Chapter 9 read together with Section 28 (2) (e) of the eThekweni Municipality Planning and Land Use Management By-Law, 2016, as amended.
- 4.1.6 That in the event of objections being lodged to the proposed closure of the road reserve over Portion 4 of Erf 31556, Pinetown, when it is advertised, the process outlined in the eThekweni Municipality Planning and Land Use Management By-Law 2016, as amended, be followed to respond to the objections.
- 4.1.7 That all relevant conditions received from the Municipality's service delivery units as detailed in paragraph 5 of this report will form part of the sale agreement to be concluded between the municipality and the prospective purchaser.
- 4.1.8 That all costs incidental to the transaction shall be at the cost of the prospective purchaser.
- 4.1.9 That all development plans and applications must be submitted and approved by the Municipality prior to any commencement of construction on the property.
- 4.1.10 That the Head: Real Estate be authorized to sign all documents necessary to give effect to this transaction in terms of the eThekweni Municipality: Supply Chain Management Policy, the Municipal Asset Transfer Regulations, 2008, the Local Government: Municipal Finance Management Act No 56 of 2003, the eThekweni Municipality Land Disposal and Granting of Property Rights Policy, the eThekweni Municipality: Planning and Land Use Management By-Law 2016 as amended and any other applicable legislation the Head: Real Estate considers necessary to protect Municipal interests.

ADOPTED.

- 4.2 Request for Permission to Enter into a Memorandum of Understanding Between eThekweni Municipality and Transnet Freight Rail in Respect of the Construction of GO! Durban IPTN Corridor 1 Work Packages (26/3/1/1):
(Page 109: Human Settlements and Infrastructure Committee - Agenda 2023-07-20)

Authority is sought for the eThekweni Municipality, through the eThekweni Transport Authority, enter into a Memorandum of Understanding and laying groundwork for the implementation of the proposed Go! Durban Integrated Public Transport Network (IPTN) Corridor 1 Work Package 5 (C1 WP5), which comprises the demolition and replacement of three (3) existing rail-over road steel bridge, crossing Inanda Arterial Road between Sea Cow Lake (to the west) and Chris Hani Road (to the east) in

Springfield, Durban, KwaZulu-Natal, with three (3) reinforced concrete rail-over road bridges.

With the Committee being in agreement,

COMMITTEE RECOMMENDS:

That in light of the risks (strategic, legal, statutory, financial, time, organizational, technical and reputational et), authority be granted for the City Manager to engage with Transnet Freight Rail (TFR) for the purpose of developing and concluding a new Memorandum of Understanding (MOU) between eThekweni Municipality and Transnet Freight Rail (TFR) in respect of the needed collaboration for the implementation of corridor C1, Work Package 5 (Realignment of Inanda Arterial between Sea Cow Lake and Chris Hani Road Phase 2 including widening the existing overhead rail bridges).

Financial Implications:

- (i) The current cost estimate for the implementation of the project stands at R119 756 319.70 (One Hundred and Nineteen Million Seven Hundred and Fifty-Six Thousand Three Hundred and Nineteen Rand Seventy Cents) exclusive VAT, contingencies, and escalation.
- (ii) That it is conservatively estimated that the professional fees for the supervision of these works will be in the region of R9 982 500.00 (Nine Million Nine Hundred and Eighty-Two Thousand Five Hundred Rand) exclusive VAT, Contingencies and Escalation.

ADOPTED, by a majority vote.

- 4.3 Request for Authority to Register Servitude for Msenga Road Area, Kloof: Sewer Reticulation in Ward 10 (17/2/1/1/R & 23/21/3/5/1):
(Page 206: Human Settlements and Infrastructure Committee - Agenda 2023-07-20)

Authority is sought for the Real Estate Unit to register a servitude for Msenga Road Area, Kloof – Sewer Reticulation Project. The estimated cost for acquiring servitude is R100 000.00 (One Hundred Thousand Rand), excluding VAT, which has been provided for in the 2023/2024 financial year under Project No. Y8168 – Msenga Road Area, Kloof – Sewer Reticulation, Ward 10.

With the Committee being in agreement,

COMMITTEE RECOMMENDS:

- 4.3.1 That Council grants authority for the Head: Real Estate to acquire a sewer servitude within the Proposed Properties described as 18A: Umzwilili Road, Portion 1, Erf 164 Glenholm Ext 1; and 74A Old Main Road, Portion, 1 Erf 1248 Kloof, from the private owner via donation, private treaty or expropriation if necessary. This must follow the appropriate procurement process as prescribed by the relevant legislation, including the Municipal Supply Chain Management Policy, where applicable.
- 4.3.2 That in the event that expropriation is deemed necessary, authority be granted for the Head: Real Estate to proceed with the expropriation of a sewer servitude over 18A Umzwilili Road, Portion 1, Erf 164 Glenholm Ext 1, and 74A Old Main Road, Portion 1, Erf 1248 Kloof.
- 4.3.3 That subject to the adoption of .2 above, authority be granted for the Head: Real Estate to access compensation in terms of Section 25(3) of the Constitution of the Republic of South Africa Act No. 108 of 1996, read in conjunction with the Expropriation of

Land Act No. 63 of 1975, as the proposed acquisition is in the public interest and/or for public purposes and such acquisition is deemed compulsory.

- 4.3.4 That subject to the adoption of .3 above, authority be granted for the Head: Real Estate to conclude the appropriate agreement and sign all necessary documents to effect transfer, donation or expropriation and registration in favour of eThekweni Municipality.

**Project No.: Y8168; R100 000.00 (Provided in the capital budget for the 2023/2024 financial year).
FC No.: 365/C380**

ADOPTED.

- 4.4 Request for Approval to Reallocate Block Sum within the 2023-24 Financial Year Capital Budget of the Water and Sanitation Unit (7/1/2/2 & 1/11/1/1/2):
(Page 209: Human Settlements and Infrastructure Committee - Agenda 2023-07-20)

Authority is sought to reallocate funds in the amount of R15 715 000.00 (Fifteen Million Seven Hundred and Fifteen Thousand Rand) within the approved Relay and Extensions Block Sum Water Capital budget to individual projects. Also, to seek authority to construct projects that have been prioritised for the Water and Sanitation Unit's capital projects in the 2023/2024 financial year as indicated below:

PROJECT NO	PROJECT DESCRIPTION	WARD	REASON	VALUE
X8265	Cato Manor Elgie Road	33	Frequent Bursts	1 000 000,00
X7968	Fairways RCH	102	Frequent Bursts	400 000,00
X8554	21 Lineside Place	51	Frequent Bursts	200 000,00
X8591	Mt Edgecombe Hoylake Drive	102	Frequent Bursts	550 000,00
X8554	Maasbanker Avenue	48	Frequent Bursts	2 200 000,00
X8245	Ngonyameni	100	Frequent Bursts	3 000 000,00
X8408	Swallow Road	61	Frequent Bursts	3 000 000,00
X8663	Astral Drive Woodhurst	39	Frequent Bursts	5 365 000,00
			TOTAL	R15 715 000,00

Regarding the criteria used to reprioritize projects, it was advised that areas that suffered more than 10 frequent bursts within a financial year are being prioritised. A request was then made to consider also including in this project the areas dominated by Africans.

The IFP at the Executive Committee level requested that clarity be provided that the road marked for Ward 39 is accurate.

On this basis and with the Committee being in agreement,

COMMITTEE RECOMMENDS:

- 4.4.1 That authority be granted for the Head: Water & Sanitation to reallocated funding in the amount of R15 715 000.00 (Fifteen Million Seven Hundred and Fifteen Thousand

Rand) within the approved Relay and Extensions Block Sum Water Capital budget to individual projects, and seek authority to implement projects that have been prioritised for the Water and Sanitation Unit’s capital projects in the 2023/2024 financial year as indicated below:

PROJECT NO	PROJECT DESCRIPTION	WARD	REASON	VALUE
X8265	Cato Manor Elgie Road	33	Frequent Bursts	1 000 000,00
X7968	Fairways RCH	102	Frequent Bursts	400 000,00
X8554	21 Lineside Place	51	Frequent Bursts	200 000,00
X8591	Mt Edgecombe Hoylake Drive	102	Frequent Bursts	550 000,00
X8554	Maasbanker Avenue	48	Frequent Bursts	2 200 000,00
X8245	Ngonyameni	100	Frequent Bursts	3 000 000,00
X8408	Swallow Road	61	Frequent Bursts	3 000 000,00
X8663	Astral Drive Woodhurst	70	Frequent Bursts	5 365 000,00
			TOTAL	R15 715 000,00

4.4.2 That subject to the adoption of .1 above, authority be granted for the Deputy City Manager: Finance to include in his adjustment budget report the transfer of funds from the Capital Blocks Sum Projects to individual projects, as reflected in the report by the Head: Water and Sanitation dated 2023-06-07.

Financial Implications:

FC No: 364/C 346

Relays and Extensions	R15 715 000.00	To be met by vote transfer 2023/2024 project (X4217)
Total	R15 715 000.00	

Cost Centre 69100 and 69200

ADOPTED, with the City Manager having amended the Ward allocated Project X8663 to become Ward 70

4.5 Request for Authority to Register Servitude for the Ngoqokazi Collector Sewer, Ward 56 and 57 (23/2/1/3/5):
(Page 214: Human Settlements and Infrastructure Committee - Agenda 2023-07-20)

Authority is sought to register a servitude for the Ngoqokazi Collector Sewer. The estimated cost for acquiring the servitude is R200 000.00 (Two Hundred Thousand Rand), excluding VAT, with funds being provided in the 2023/2024 financial year under Project No.: Y8912, Wards 56 and 57.

With the Committee being in agreement,

COMMITTEE RECOMMENDS:

4.5.1 That authority be granted for the Head: Real Estate to acquire servitude for the properties listed in Appendix A attached to the report by the Head: Water and Sanitation dated 2023-05-29, as well as the SG diagrams of these properties as contained in Appendix B of the same report.

- 4.5.2 That in the event expropriation is deemed necessary, authority be granted for the Head: Real Estate to proceed with the expropriation of the properties concerned.
- 4.5.3 That subject to the adoption of .2 above, authority be granted for the Head: Real Estate to assess compensation in terms of Section 25(3) of the Constitution of the Republic of South Africa, read in conjunction with the expropriation of Land Act No 63 of 1975, as such the proposed acquisition is in the public interest and/or for public purposes and, as such, the acquisition is deemed compulsory.
- 4.5.4 That subject to the adoption of .3 above, authority be granted for the Head: Real Estate to conclude the compensation agreement and sign all necessary documents to effect the expropriation and registration in favour of the eThekweni Municipality.

Financial Implications:

The estimated cost for acquiring the servitude is R200 000.00 (Two Hundred Thousand Rand) (Excl. VAT). A budget of R200 000.00 (Two Hundred Thousand Rand) (Excl. VAT) has been provided in 2023/2024 financial year under project No. Y8912.

FC No: 365/C379

ADOPTED.

5. REPORT OF THE COMMUNITY SERVICES COMMITTEE: MEETING HELD 2023-07-27.

(Page R40)

- 5.1 Development of eThekweni Municipality Controlled Fuels Policy in Collaboration with C40 Clear Air Accelerator (32/P):
(Page 28: Community Services Committee - Agenda 2023-07-27)

A need exists to develop a Controlled Fuels Policy to serve as a framework within which to facilitate reduction in air pollution and assist to achieve set targets to address poor air quality. This project has been made possible by the funding available from the C40 Clean Air Fund in the amount of R1.2 Million.

C40 is a network of nearly one hundred (100) Mayors of the world's leading Cities, working on delivering urgent action currently needed to confront climate crisis and create a future where everyone, everywhere can thrive. The Mayors of the C40 Cities are committed to using science-based and people-focused approach to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities.

The City of eThekweni is signatory to the C40 Clear Air Accelerator and is in a process of setting out substantive policies to address air pollution, including controlling fuels, such as coal and heavy fuel oil. The C40, in collaboration with the Clean Air Fund, facilitates access to funding opportunities available for Cities to implement air quality programmes and projects in their respective areas.

With the Committee being in support of the proposed Policy development, accordingly,

COMMITTEE RECOMMENDS:

- 5.1.1 That authority be granted for the Head: Health; the C40 team; along with the appointed Council for Scientific and Industrial Research (CSIR) team, to develop a Controlled Fuels Policy with the aim of addressing poor air quality in the eThekweni Municipal area.
- 5.1.2 That subject to the approval of .1 above, the Head: Health be provided with necessary support and resources for the development of the Controlled Fuels Policy, it being recorded that major funding in this regard is being contributed through the C40 Clean Air Fund in the amount of R1.2 Million.

Financial Implications:

Item	Cost	Narrative	Responsible Party
Development of Controlled Fuels Policy in eThekweni Municipality	\$69 000 or R1.2m.	<p>This project is made possible with the funding from C40 Clean Air Fund, a philanthropic initiative with a mission to tackle air pollution around the world. It leads to a coalition with funders interested climate change, children and health to fund and support a multinational portfolio of clean air programmes to deliver impactful and scalable improvements to air quality, human health and decarbonisation.</p> <p>The Controlled Fuels Policy service provider is also being paid for by the C40 which is an amount of about \$ 69 000 or R1.2 million.</p>	The C40 Clean Air Fund

ADOPTED, by a majority vote.

- 5.2 Request for Approval to Conduct Public Participation Process in Respect of Proposed eThekweni Municipality Animals By-Law, 2022 (1/1/3/1/3):
(Page 55: Community Services Committee - Agenda 2023-07-27)

Authority is sought for the Parks, Recreation and Culture Unit to undertake a public participation process to solicit stakeholder views on the proposed eThekweni Municipality Animals By-law, 2022. A need exists to develop guiding legislation and an effective system to regulate the keeping and control of both domestic and wild animals. The proposed Animals By-law, 2022 also provides for licensing for specific animals and obtaining permit to keep specific animals.

As part of compliance requirements when introducing a By-Law, authority is then sought to undertake the public participation process prior to the Council’s approval of the final draft Animals By-Law.

The Executive Committee welcomed this initiative and described it as progressive towards ensuring control in handling animals and also control of individual persons using wild animals for different reasons, with the By-law to then ensure overall protection to the residents of eThekweni.

Given the compliance requirements,

COMMITTEE RECOMMENDS:

- 5.2.1 That authority be granted for the Head: Parks, Recreation and Culture to facilitate the process of conducting the public participation process to solicit stakeholder views regarding the proposed eThekweni Municipality Animals By-law, 2022, it being

recorded that a notice in this regard will be published in Ezasegagasini Metro newsletter, and that a copy of the By-law be placed on the City Hall notice board; Sizakala Centres; and be uploaded on the eThekweni Municipality’s website (www.durban.gov.za), for a period of not less than thirty (30) days, to allow the public an opportunity to make representations accordingly.

5.2.2 That, if required, the eThekweni Municipality Animals By-law, 2022 be workshopped with the Committee on a date to be proposed and subsequently agreed to by the Committee accordingly.

Financial Implications:

Apart from costs associated with the publication of the public participation notice in Ezasegagasini, there are no further financial implications.

ADOPTED.

5.3 Request for Authority to Reprioritise the Stadia and Facilities Unit’s Approved 2023-24 Capex Commitments (7/1/2/2 & 31/2/1/5/2):
(Page 122: Community Services Committee – Supplementary Agenda 2023-07-27)

The Stadia and Facilities Unit comprises six stadiums with varying needs in terms of refurbishment and installations required to maintain the standard of the stadiums, thereby ensuring compliance with various sporting regulations and requirements. The Moses Mabhida Stadium is the most significant asset within the Unit and is currently undergoing major structural refurbishments which is a technically intense project requiring high budgetary commitment. The Unit had identified funds from MS001 which were allocated for the Rehabilitation of Mechanical Joints and now to be reprioritised to fund the SCM completed and committed projects identified as follows:

- (a) Stadium back-up generators;
- (b) Mpumalanga Stadium floodlights;
- (c) Chatsworth Stadium refurbishment;
- (d) Umgeni infrastructure projects precast fencing; and
- (e) Umngeni Infrastructure Project – Guardhouses.

Current MMS Project Status in Progress:

Item	Project Number	Contract Number	Budgeted Amount (2023/24 FY)	Shortfall Amount	Adjusted Budget	SCM Status
Rehabilitation of Mechanical Joints	MS001	MMS-0770	R18 960 000	(R12 960 000)	R6 000 000	SCM process underway
Stadium Back-up Generators	MS076	MMS8012a	R0	R4 200 000	R4 200 000	SCM process finalised and LOA issued. Shortfall to be sourced from MS001 after approval of reprioritisation
Mpumalanga Stadium Floodlights	MS065	E9440	R0	R8 000 000	R8 000 000	SCM process finalised and service provider appointed. Phase 1 of project commenced in the 2022/23 budget. Budget to be sourced from MS001 to complete project
Chatsworth Refurbishment	MS084	N/A	R0	R 200 000	R 200 000	SCM process has commenced and proformas finalised. Awaiting finalisation of reprioritisation
Umngeni Infrastructure Projects – Guard Houses	MS083	N/A	R0	R 200 000	R 200 000	SCM process has commenced and proformas finalised. Awaiting finalisation of reprioritisation

Item	Project Number	Contract Number	Budgeted Amount (2023/24 FY)	Shortfall Amount	Adjusted Budget	SCM Status
Mpumalanga Refurbishment	MS081	N/A	R0	R 200 000	R 200 000	SCM process has commenced and proformas finalised. Awaiting finalisation of reprioritisation
Umngeni Infrastructure Projects – Precast Fencing	MS082	N/A	R0	R 160 000	R 160 000	SCM process has commenced and proformas finalised. Awaiting finalisation of reprioritisation
Total			R12 960 000		R12 960 000	

With the Committee being in support of the proposed budget reprioritization aimed at ensuring structured service delivery within the approved budget,

COMMITTEE RECOMMENDS:

- 5.3.1 That authority be granted for the Head: Stadia and Facilities to reprioritise the 2023-24 capital budget in the amount of R12 960 000.00 (Twelve Million Nine Hundred and Sixty Thousand Rand) to fund the Supply Chain Management completed and committed projects, identified as Stadium back-up generators; Mpumalanga Stadium floodlights; Chatsworth Stadium refurbishment; Umngeni infrastructure projects precast fencing; and Umngeni Infrastructure Project - Guardhouses.
- 5.3.2 That subject to the approval of .1 above, authority be granted for the Head: Stadia and Facilities to liaise with the Chief Financial Officer with a view to submitting mid-term adjustment budget as per the requirements in terms of the Local Government: Municipal Finance Management Act 2003 for the approved projects.

Financial Implications:

The adjusted budget after the approval of this reprioritisation will not affect the bottom line of the Unit’s budget.

Item	Approved Budget Amount (2023/24 FY)	Required Amount	Budget Reprioritization within the Unit	Adjusted Budget	Notes
Unit Capex Budget	R43 980 000	R12 960 000	R12 960 000	R43 980 000	Reprioritization fully funded with the units approved budget
Total	R43 980 000	R12 960 000	R12 960 000	R43 980 000	

FC Number: 2024/30/CA02

ADOPTED.

- 5.4 Request for Authority for the eThekweni Municipality to Enter into New 3-Year Partnership Agreements with the Football Fraternity to Solicit Football Content (31/2/1/5/2):
(Page 126: Community Services Committee - Supplementary Agenda 2023-07-27)

The Moses Mabhida Stadium (MMS) was one of the host venues during the South Africa hosted 2010 FIFA World Cup. At that stage the Municipality adopted a commercial model as an operation model for the MMS, with an intention to ensure sustainability beyond the World Cup. In keeping therewith, long-term content driven contracts are required to unlock economic activities through event hosting to meet the

MMS commercial business objectives. This to be achieved through contractual partnerships with football associations and professional clubs.

In fulfilling its commercial obligation, the Stadia and Facilities Management submitted a motivation that was adopted by the Council on 31 August 2020, seeking authority to enter into a three (3) year mutually beneficial partnerships and agreements with football associations.

In terms of the contracts obligations an allocated amount of league matches, knockout tournaments and national team fixtures were to be hosted in the five (5) community stadiums of the MMS located across the City.

With the existing Council-approved 3-year partnership agreements coming to end, it has become necessary to enter into a new 3-year agreement for the MMS to live up to its objective of unlocking economic activities through the stadium.

The significance of promoting local economic growth being realised, accordingly,

COMMITTEE RECOMMENDS:

- 5.4.1 That authority be granted for the Head: Stadia and Facilities to, on behalf of the eThekweni Municipality, enter into a three (3) year mutually beneficial agreement with the Professional Soccer League (PSL); South African Football Association (SAFA); and the professional Football Teams for a period of three (3) seasons (2023/2024, 2024/2025 and 2025/2026), for the purpose of securing fixtures to be hosted at the Moses Mabhida Stadium, including the five (5) community stadiums across the City.
- 5.4.2 That subject to the approval of .1 above, authority be granted for the Head: Stadia and Facilities to facilitate negotiations with the stakeholders identified and, upon successfully concluding the negotiations, oversee the implementation of the partnership agreement concluded.
- 5.4.3 That subject to the approval of .1 and .2 above, the Head: Stadia and Facilities submits progress reports, in respect of the football partnership agreements, to the Community Services Committee at the end of each season.

Financial Implications:

It be noted that the funding model may vary per project and will be developed in accordance with the guidelines of the terms and conditions that will be agreed with each association or PSL team. The agreed arrangement will be made in line with the approved budget for the Unit.

ADOPTED.

DIRECT EXCO REPORTS

6. **AUDIT AND RISK COMMITTEE REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023 (11/1/2)**

(Page 1)

The Chairperson of the Audit Committee presented the audit outcomes on the Municipal internal control environment for the period ended 31 March 2023. The details of the findings are contained in his Report dated June 2023 communicated to Council Members through email correspondence. In his presentation, the

Chairperson also cited recommendations on measures which could be implemented to mitigate the risks identified.

Some of the findings highlighted by the Chairperson include the following:

- i) A need to prioritise and expedite the centralization of the Electricity Unit Information Communications Technology (ICT) systems into the Information Management Unit;
- ii) Strengthening of Municipal Cyber Systems to ensure former employees exit the system to avoid potential fraudulent activities;
- iii) Ineffective controls around acquisition management for quotations below R200 000.00 (Two Hundred Thousand Rand);
- iv) Slow pace in capitalizing work in progress within the Electricity, Engineering and eThekweni Transport Authority Units;
- v) 60% increase in non-revenue water; low capital spend of critical grants;
- vi) 59% non-achievement of Key Performance Areas (KPAs) under the Service Delivery and Budget Implementation Plan; 40% of KPAs not structured following the SMART (Specific; Measurable; Achievable; Relevant and; Time-based) principle;
- vii) Under-capacitated Supply Chain Management Unit
- viii) Loss of business by the Durban ICC due to the closure of the Hilton Hotel
- ix) Negative impact on the Durban Marine Theme Park (Ushaka Marine World) financial sustainability as a result of overall negative perception of Durban as a destination

The Executive Committee thereafter noted responses provided by Management in the above regard which responses were reflecting positive progress on matters. For instance, the process started to migrate the ICT systems; improvements made on the controls of the Suprima systems to terminate employees; the assistance solicited from the Internal Audit and; the Auditor-General to structure KPAs to align with the SMART principle; oversight done through reports compiled for National Treasury to track the Auditor-General matters.

Detailed Management responses on all findings raised by the Audit Committee are contained in the Report by the City Manager dated 2023-07-17 and circulated to Council Members through email correspondence.

With the Executive Committee having noted progress made to address the findings by the Audit Committee,

COMMITTEE RECOMMENDS:

That the Audit and Risk Committee Report for the third quarter ended 31 March 2023, submitted in terms of Section 166 (1) of the Municipal Finance Management Act No. 56 of 2003, and Section 14(2)(a) of the Local Government Municipal Planning and Performance Management Regulations 2001, to advise Council on the activities of the Audit and Risk 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 as well as any other issues referred by the Municipality or its Entities; be noted, as per the detailed findings contained in the Report presented by the Audit and Risk Committee Chairperson dated June 2023, and also noting responses thereto as

submitted by Management as per the Report by the City Manager dated 2023-07-17, be noted.

NOTED.

7. NOTING OF REASONS TO AMEND CONTRACT: 1X-3756 IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003 FOR THE RENEWAL OF LEASE OF THE EXISTING OFFICE PREMISES AT THE LION MATCH COMPLEX SITUATED AT 892 UMGENI ROAD, DURBAN FOR A PERIOD OF THREE YEARS (11/2/2/1/2)

(Page 29)

The Executive Committee noted the intention by the Economic Development and Planning Cluster to continue leasing the Lion Match Complex at Umgeni Road for its office premises. During discussion, the Committee reiterated the cost saving which could be realised with the Municipal offices being accommodated in the Municipal-owned building. That this process be fastracked to see tangible outcome in this regard.

Commenting thereon, Management advised of the unsuccessful attempt made to acquire own office accommodation, confirmation being made that this matter is still receiving the necessary attention. Hence, another attempt will be made to go out to the market to source land and/or building to accommodate Municipal offices.

Confirmation having been given that the Lion Match complex is fully utilised by a number of forty-three (43) employees,

COMMITTEE RECOMMENDS:

- 7.1 That Council notes the intention to renew lease agreement in the existing Office premises for the Office of the Deputy City Manager: Economic Development and Planning; Urban Renewal Unit; and Catalytic Projects Unit, at The Platform, Lion Match Complex, 892 Umgeni Road, Durban in total extent of 1 482m², and amend Contract 1X-3756 in terms of Section 116(3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003, for another thirty six (36) months, with effect from 01 October 2023 to 30 September 2026, it being noted that such contract amendment is necessary for the following reasons:
- 7.1.1 The premises adequately accommodate various strategic divisions of the Office of the Deputy City Manager: Economic Development and Planning Cluster, including Urban Renewable and Events Office, as well as the Catalytic Projects Unit, which is a “One Stop Shop” service delivery model.
- 7.1.2 As the One Stop Shop, it is the entry point for investors, developers, event organizers and captains of industry that are instrumental in driving the City’s economic development, the physical appearance, proximity is critical for the swift and efficient service turnaround time to stimulate high entrepreneurship, establishment and growth of large investment scope into the City. The current location offers this.
- 7.1.3 The current locations afford the DCM: ECOD’s Office the relevant alignment to a corporate profile through its co-existence within a business park amongst other credible corporates.

- 7.1.4 The move to another location will cause gross business disruptions of service delivery with costs implications that are not budgeted for, with a distortion in business operations in the process.
- 7.1.5 Any relocation will result in the decommissioning and re-installation of IT network and equipment, CCTV surveillance, office dry wall portioning, equipment and fittings, the cost of which maybe fritless and wasteful expenditure considering that a permanent office accommodation is currently being investigated with Real Estate.
- 7.1.6 Relocation may require more operational costs than what the Cluster is currently paying within office rental costs. With the reduction of budgets due to the current economic climate, this may not be possible.
- 7.1.7 The location has adequate capacity and the ability to simultaneously and adequately accommodate multiple big stakeholder meetings and engagements of various role players that play a paramount role in the City’s economic development. These range from the DCM: ECOD’s Office operational needs of meetings, workshops instead of hiring external venues and daily impromptu stakeholder engagements.
- 7.1.8 The capacity of the current premises is relative to the ratio of the current staff’s operational requirements and also has the ability to accommodate new additional staff to be appointed in the Catalytic Projects Office as per Council approval of the Catalytic Projects organogram on the 01st February 2018.
- 7.1.9 The location is not isolated with any security risk and as well maintained within the competitive rental rates.
- 7.1.10 It is accessible to the multidisciplinary stakeholders of the Cluster with a safe and adequate parking to accommodate all NDM vehicles, locomotion staff as well as the various external stakeholders that the Cluster engage with.
- 7.2 That Council notes the public participation process was advertised through media, in terms of Section 116(3) of the MFMA to achieve compliance requirements pertaining to inviting public comments on the proposed contract amendment.

Financial Implications:

Monthly charges excluding VAT, Rates and Taxes, Operating Costs and Utilities.

Basic Rental Monthly	Parking (Monthly)	Basic Rental (Annual)	Period
R191 178.00	R30 600.00	R2 770 536.00	2023-10-01 to 2024-09-30
	R9 100.00		
R205 516.35	R32 895.00	R2 978 326.20	2024-10-01 to 2025-09-30
	R9 782.50		
R220 930.07	R35 362.12	R3 201 700.44	2025-10-01 to 2026-09-30
	R10 516.18		

FC No.: 2024/18/08

NOTED.

8. REPORT TO APPRISE COUNCIL ON THE MUNICIPAL DEMARCATION BOUNDARIES FORTHCOMING SECTION 27 & 28 PUBLIC CONSULTATION PROCESS (21/1)

(Page 54)

The Executive Committee noted the sensitivity surrounding the issue of demarcating boundaries, particularly, where certain key strategic areas are being moved from the eThekweni Municipal boundaries. In this regard, the Committee agreed that endeavours be made to strengthen the position of eThekweni where objections are being made regarding the removal of certain Wards. That the communities involved be empowered through sharing implications as a result of the proposed demarcation. That this be communicated using all communication avenues of the Municipality for the communities to receive credible information in this regard.

With the Committee emphasizing the importance of protecting key strategic areas of eThekweni, in particular those serving as the economic hub, the significance of empowering the communities was emphasized, and then,

COMMITTEE RECOMMENDS:

- 8.1 That Council notes Circular 2 of 2023 from Municipal Demarcation Board regarding Major Municipal Boundaries determination, attached in the report of the City Manager dated 2023-07-20.
- 8.2 That Councillors be present during the visit of members of Municipal Demarcation Board officials on 23 and 28 August 2023 at Mophela Area and Powers Court Area.
- 8.3 That Council notes the process to deal with Mophela Area and Powers Court Area individual consultation by Municipal Demarcation Board and possible mediation process by Municipal Demarcation Board if there is a disagreement between affected parties.
- 8.4 That, Council further notes proposed amendments to boundaries affecting KwaDukuza Local Municipality, Ndwedwe Local Municipality, Cator Ridge/ Mkhambathini Local Municipality are still under investigation.
- 8.5 That Council resolves to engage the Municipal Demarcation Board on the Mophela proposal on 23 and 28 August 2023, through the Speaker of the Council and the Deputy City Manager: Governance and International Relations.
- 8.6 That Council mandates the Speaker to follow up and finalise the KwaDukuza Local Municipality, Ndwedwe Local Municipality, Cator Rodge/ Mkhambathini Local Municipality matters.

ADOPTED.

9. DRAFT 2024/2025 INTEGRATED DEVELOPMENT PLAN PROCESS PLAN (2/1/6)

(Page 85)

With the Committee noting the process outlined and the new advertising date of 16 August to 16 September 2023,

COMMITTEE RECOMMENDS:

- 9.1 That in line with the requirements of the Municipal Systems Act, No. 32 of 2000, the Draft 2024/2025 Integrated Development Plan (IDP) Process Plan of the eThekweni Municipality, developed to guide the planning, drafting, consultation, adoption and review of the IDP, be noted, as contained in the report by the City Manager.
- 9.2 That authority be granted to the City Manager to advertise the draft 2024/2025 IDP Process Plan for public comment from 2023-08-16 to 2023-09-16 and that all comments received during the public participation process and the regional budget hearings be used to update the Plan prior to submission for approval by Council in September 2023.
- 9.3 That the draft 2024/2025 IDP Process Plan be forwarded to the Honourable MEC for Co-operative Governance and Traditional Affairs for preliminary assessment.

ADOPTED.

10. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN QUARTERLY REPORT: 30 JUNE 2023 (2/10/1/1/9)

(Page 278)

The Committee noted findings raised by the Audit Committee against the Service Delivery and Budget Implementation Plan Key Performance Areas. In this regard, it was recommended that attention be given to these issues and with Management to assist by tabling the item in a form of a presentation where issues of concern will be highlighted for the Committee to make the necessary interventions.

With the Committee being in support of the proposed arrangement to deal with future reports,

COMMITTEE RECOMMENDS:

That in terms of the Municipal Finance Management Act, Circular No. 13, the Service Delivery and Budget Implementation Plan for the quarter ended 30 June 2023, which reflects achievement rate of 71,82%; with the Entities achieving 83.33% for Inkosi Albert Luthuli International Convention Centre and; 90.48% for the Durban Martine Theme Park (Ushaka Marine World), be noted:

Plan No	Plan Name	Achievement Rate (%)
1	Develop and sustain our Spatial, Natural and Built Environment	93.33%
2	Developing a Prosperous, Diverse Economy and Employment Creation	90.48%
3A	Creating a Quality Living Environment	87.88%
3B	Creating a Quality Living Environment	77.78%
3C	Creating a Quality Living Environment	60.00%
4A	Fostering a Socially Equitable Environment	50.00%
4B	Fostering a Socially Equitable Environment	54.55%
5	Supporting Design, Human Capital Development and Management	80.95%
6A	A vibrant and creative City - the foundation for sustainability and social cohesion	50.00%

Plan No	Plan Name	Achievement Rate (%)
6B	Stadia Facilities Unit	50.00%
6C	Agro Ecology	0.00%
7A	Good Governance and Responsive Local Government	75.00%
7B	Good Governance and Responsive Local Government	100.00%
7C	Good Governance and Responsive Local Government	100.00%
8	Financially Accountable and Sustainable City	48.08%
	Achievement Rate	71.82%

Plan 21	Inkosi Albert Luthuli International Convention Centre	83.33%
Plan 22	Durban Marine Theme Park	90.48%

NOTED.

11. REQUEST FOR AUTHORITY TO REPRIORITISE THE 2022/2023 CITY ADMINISTRATION UNIT CAPITAL BUDGET TO PURCHASE ADDITIONAL COMPUTER EQUIPMENT (8/6/1)

(Page 313)

The Committee noted the availability of the Addendum Report responding to issues raised by the Municipal Council at its meeting of 13 July 2023 with regard to the status of laptops within the City Administration Unit. It being advised that the Addendum Report is available for scrutiny in the office of the Head: City Administration.

On this basis,

COMMITTEE RECOMMENDS:

- 11.1 That, given the delays in finalising processes to lead to the commencement of the projects relating to the City Hall Building upgrades, and the Electronic Management System within the City Administration Unit, and thus the surplus funds, while the Unit is in critical need of computer equipment to effectively fulfil its core functions which primarily impact effective provision of Councillor support and effectively managing the Council decision-making process, authority be granted for the Head: City Administration to facilitate the process of reprioritizing the Unit's 2022-2023 Capital Budget for the purpose of purchasing computer equipment.
- 11.2 That Council notes the process referred to in .1 above will result in securing an estimated amount of R1 000 000.00 (One Million Rand) and with the Unit proposing to utilize such to purchase computer equipment to aid effective service delivery within the Unit.
- 11.3 That in view of .1 and .2 above, authority be granted for the Head: City Administration to utilize the amount of R1 000 000.00 identified through budget reprioritization to procure additional computer equipment to enable the Unit to adequately render services and effectively support the Municipal Council operations.

Financial Implications:

FUNDS REQUESTED			FUNDED FROM		
Project Description	Vote No.	Estimated Amount R	Project Description	Vote No.	Amount R
Computer Equipment Vote	32155.44630.3001 5. 0000.PC8300.001 0	1 000 000.00	Storm Damage Repair Project	32155.45506.22.30015. 0000.G1053.R001	500 000.00
			ERMS Project	32156.42040.30015. 0000.G1004.0010	500 000.00
Savings Required					1 000 000.00
Total Estimated Cost		1 000 000.00		Total Estimated Cost	1 000 000.00

ADOPTED.

12. REQUEST FOR APPROVAL TO CHANGE THE VENUE OF IMPUCUZEKO MASIKANDI FESTIVAL FROM THE MAIN MOSES MABHIDA STADIUM TO PEOPLE’S PARK (13/2/1/2/1)

(Page 318)

The Committee was informed of the proposed change of venue to host the Impucuzeko Masikandi Festival. In terms of the initial Council approval the event was due to be hosted by the Moses Mabhida Stadium (MMS) and with the sponsorship amount from the eThekweni Municipality to be transferred to MMS. However, the event organizers have subsequently raised challenges surrounding the security restrictions of MMS which then do not give flexibility for the movement of fans to purchase affordable food. The recommendation is to move the event to the People’s Park to allow free movement of the public and this arrangement to also promote local economy through vendors to sell affordable food and beverages.

Given the above proposal, the attention of the Committee was drawn to the fact that People’s Park is privately owned, hence, a need to approve the change since the sponsorship amount will now have to be transferred to Impucuzeko Skills and Training Development Non-Profit Organisation.

The DA reminded the meeting of its abstention during the initial discussion of this matter based on uncertainties on the profile of the Directors of this event and the Directors of another separate Masikandi event, which according to them appeared to be the same Directors owning different events and requesting different sponsorship from the Municipality.

Accordingly, with the DA abstaining and the other Parties being in support,

COMMITTEE RECOMMENDS:

- 12.1 That Council notes prior approval it granted for the hosting of Impucuzeko Maskandi Festival for a 3-year period starting from 2022/23 to 2024-25 financial year and to allocate sponsorship amount of R3 033 520.04 (Three Million and Thirty-Three Thousand Five Hundred and Twenty Rand Four Cent) to be allocated for this purpose, and the event being scheduled to take place at the Moses Mabhida Stadium.

12.2 That, given a request by the event organizers based on the Moses Mabhida Stadium security restrictions limiting movement of fans, Council grant authority for the Deputy City Manager: Community and Emergency Services to facilitate the change of venue for the Impucuzeko Maskandi festival to be now hosted at the privately-owned People Park.

12.3 That, subject to the approval of .2 above, Council notes the sponsorship amount of R3 033 520.04 (Three Million and Thirty-Three Thousand Five Hundred and Twenty Rand Four Cent) will now be transferred to Impucuzeko Skills and Training Development Non-Profit Organisation.

Financial Implications:

Item	Amount	Vote Number
Artist payments	R3 003 520.04 which will be paid through Impucuzeko skills and training development NPO for coordination of the event and services	14001.11450.12120.0000.38300.0010 Provided 2023/2024
Sound and technical		
Infrastructure		
Security		

FC No: 32/261

ADOPTED, by a majority vote.

2. SECOND REPORT OF THE EXECUTIVE COMMITTEE: MEETING HELD ON FRIDAY, 2023-08-11

1. REPORT OF THE GOVERNANCE AND HUMAN RESOURCE COMMITTEE: MEETING HELD: 2023-07-19

(Page R1)

1.1 Employment Equity Policy Review (4/3/3/P):
(Page 13: Governance and Human Resource Committee - Agenda 2023-07-19)

The Committee received the report to approve the reviewed Employment Equity Policy. The Members were advised that the Policy was approved by Council at its meeting held on 06 December 2018 in line with the City’s strategic goals in terms of meeting Employment Equity targets as well as creating an environment that encourages diversity, equity, inclusion and belonging. The Act gives recognition to the imbalances of the past in relation to terms and conditions of employment contracts, including disparities in occupational status and income levels in the labour market. Consequently, it became imperative for the organisations to develop an Employment Equity Policy to comprehend the Act and with a view to achieving equity in the workplace.

The Employment Equity Policy of the eThekweni Municipality aims to achieve the following objectives:

- To promote equal opportunity and fair treatment through the elimination of unfair discrimination.

- To implement Affirmative Action measures to redress the disadvantage in employment experienced by designated groups and to ensure their equitable representative in all occupational levels in the workforce.
- To empower all its employees through substantive and procedural compliance with the Employment Equity Act. This includes the implementation of plans which are drawn up in consultation with and communicated to key stakeholders; and
- To ensure that Employment Equity is fully integrated with the Municipality's strategic objectives and business initiatives to improve service delivery.
- To include and submit an income differentials statement to Department of Employment & Labour on the remuneration and benefits received in each occupational level.

During consideration at the Executive Committee level, it was recalled that the Committee deferred this matter at its 10 August 2023 meeting to enable Members to go through the policy document and thereafter make a meaningful contribution. The Committee was informed that the Policy has been largely reviewed to align with the Government Gazette of 2023 where issues of harassment have been broadened to go beyond sexual harassment but include all other kinds of harassment in the workplace. This narration was then reiterated in this meeting to put the policy review into context.

Speaking on the matter, the DA appreciated the intended objectives of developing a policy of this nature, including bridging the employment gaps created by the past practices. However, that the policy could not be implemented in perpetuity since there should be a target set to be reached at some point. In this view, the DA questioned the current target figures in terms of employment equity in eThekweni Municipality.

Commenting on this matter the Chairperson of the Governance and Human Resources Committee first clarified that employment equity goes beyond issues of race, but also aims to provide justice for women; people with disabilities etc. That the discriminatory practices of the past and disparities thereof impacted different categories, hence the importance for fair and equitable access to employment opportunities by all, irrespective of gender; race; disability etc. That the primary objective is for employment opportunities to be all-inclusive.

For broader empowerment and oversight, the Committee Chairperson advised of planned workshops on the reviewed Employment Equity Policy where the Governance and Human Resource Committee will interact with the other Support Committees in this regard or with the relevant officials engaging Political Party Caucuses on the revised policy.

The Executive Committee appreciated explanation given and therefore the majority of the Parties supported the Policy review. The DA abstained on the matter, but with the majority being in support,

COMMITTEE RECOMMENDS:

That Council approves the revised eThekweni Municipality Employment Equity Policy, attached herein and to the report by the Deputy City Manager: Corporate and Human Capital dated 2023-06-6, for subsequent implementation by the Corporate and Human Capital Cluster, with a view to achieving the following objectives:

- i) To promote equal opportunity and fair treatment through the elimination of unfair discrimination.
- ii) To implement Affirmative Action measures to redress the disadvantage in employment experienced by designated groups and to ensure their equitable representative in all occupational levels in the workforce.
- iii) To empower all its employees through substantive and procedural compliance with the Employment Equity Act. This includes the implementation of plans which are drawn up in consultation with and communicated to key stakeholders; and
- iv) To ensure that Employment Equity is fully integrated with the Municipality's strategic objectives and business initiatives to improve service delivery.
- v) To include and submit an income differentials statement to Department of Employment & Labour on the remuneration and benefits received in each occupational level.

ADOPTED, by a majority vote.

2. ETHEKWINI MUNICIPALITY FINAL ADJUSTMENT BUDGET 2022/2023
(7/1/2/2)
(Page 1)

Authority is sought to approve the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) final adjustments in terms of Section 28 of the Local Government: Municipal Finance Management Act No. 56 of 2003 and the Municipal Budget and Reporting Regulations.

The final budget adjustment submission is mainly informed by the additional expenditure requests and reallocation of expenditure. It being noted that grant revenue has been revised downward for Public Transport Network Grant, Neighbourhood Development Grant, Public Employment Programme Grant and Urban Settlements Development Grant. That the Housing Grant as Housing Top Structure projects are transferred to housing construction expenditure. The adjustments also cover the unbundling of blocksum to specific projects.

With the approval to extend the Expanded Public Works Programme having been subjected to availability of funds, confirmation has been given that through this process necessary savings have been identified. The adjustment also caters for non-cash relative to debt impairments, medical aid provision and long service provisions. The finalization of this process will enable the Municipality to finalise the Annual Financial Statements (AFS) with balanced figures prior to submitting draft AFS to the Auditor-General before end August 2023 for audit purposes.

Total adjusted Budget for 2022/23 has been revised as follows:

Consolidated Budget (including entities)

Details	February Adjusted Budget 2022/23	Final Adjusted Budget 2022/23
	R'000	R'000
Operating Budget	51 174 084	53 184 266
Capital budget	6 111 447	5 305 340
Total Budget	57 285 531	58 489 606

Parent Municipality (excluding entities)

Details	February Adjusted Budget 2022/23	Final Adjusted Budget 2022/23
	R'000	R'000
Operating Budget	50 679 311	52 706 100
Capital budget	6 054 297	5 254 740
Total Budget	56 733 608	57 960 840

During deliberations, the IFP undertook to engage the Finance Team to present the adjustments budget to enable the Party to make an informed decision in this regard. The EFF undertook to make similar arrangements and therefore both the IFP and the EFF abstained on this matter at this stage pending the briefing mentioned. However, in the meantime, the IFP expressed concerns about the high fuel costs, and with the ANC noting such, a recommendation was then made that the Council needs to implement vigorous cost containment measures in this regard and in all other Municipal operations.

The DA dissented on the matter citing that while there are some good measures in the budget but this final budget adjustment is inclusive of items which they did not support in the past and therefore maintaining their stance on the matter.

The ANC (04) and the NFP (01) supported the adjustments budget taking into account this was critical in accelerating service delivery. The DA (03) voted against the matter. The EFF (01) and the IFP (01) abstained on the matter.

Accordingly, by the majority vote,

COMMITTEE RECOMMENDS:

That in accordance with the provisions of Section 28 of the Local Government: Municipal Finance Management Act No. 56 of 2003, and in compliance with the Municipal Budget and Reporting Regulations, the additional adjustments to the 2022/2023 Budget of the eThekweni Municipality (Parent Municipality) as reflected in Annexure 'A' (Operating Adjustments Budget); Annexure 'B' (Non-Cash Items); and Annexure 'C' (Capital Adjustment Budget) in the report of the City Manager dated 2023-08-07, be approved, it being recorded that the approval of the Capital Adjustments Budget constitutes project approval of the specific projects, with the adjustments budget being summarised in the table below:

Consolidated Budget (including entities)

Details	February Adjusted Budget 2022/23	Final Adjusted Budget 2022/23
	R'000	R'000
Operating Budget	51 174 084	53 184 266
Capital budget	6 111 447	5 305 340
Total Budget	57 285 531	58 489 606

Parent Municipality (excluding entities)

Details	February Adjusted Budget 2022/23	Final Adjusted Budget 2022/23
	R'000	R'000
Operating Budget	50 679 311	52 706 100
Capital budget	6 054 297	5 254 740
Total Budget	56 733 608	57 960 840

ADOPTED, by a majority vote.

3. BUDGET PREPARATION PROCESS 2024/2025 – 2026/2027 SCHEDULE OF KEY DEADLINES (7/1/2/1)

(Page 178)

The Committee received a schedule of key deadlines for the 2024/2025-2026/2027 financial years budget preparation process. This is in line with Section 21 of the Local Government: Municipal Finance Management Act No 56 of the 2003 which requires the Mayor of the Municipality to table the schedule of key deadlines for the budget preparation process before the Municipal Council ten (10) months before the start of the financial year. It being noted that the submission outlines the following:

- The preparation, tabling and approval of the annual budget,
- the annual review of the Integrated Development Plan and other Budget Related Policies,
- the tabling and adoption of any amendments to the IDP and Budget related policies, and
- any consultative process forming part of the processes referred above.

The actual schedule of key budget process deadlines is contained under the recommendations. Mention was made that where there are changes in dates based on the nature of the engagements unfolding at a particular point in time, the specific dates will be amended accordingly, but not deviating from the overall prescribed deadlines.

With Members being in support,

COMMITTEE RECOMMENDS:

- 3.1 That Council notes the schedule of key deadlines in respect of budget preparation and associated processes, including the Integrated Development Plan (IDP); Service Delivery and Budget Implementation Plan; Performance Management; and Annual Report processes for the 2024/2025 - 2026/2027 financial years, submitted in compliance with the requirements of Section 21 of the Local Government: Municipal Finance Management Act No. 56 of 2003 and, which process is outlined in detail in the report by the City Manager dated 2023-08-07, with the synopsis thereof being recorded as follows:

KEY BUDGET PROCESS DEADLINES:

Key deadlines	Target
Schedule of key deadlines for budget preparation and approval	31 August 2023
<p>Budget Planning:</p> <ul style="list-style-type: none"> ➤ IDP Budget Priorities and strategic planning to improve service delivery. ➤ Public Participation – Community Budget participation on formulating the draft budget e.g., Capital projects. ➤ Prepare Quality Assurance Certificates for 2024/2025 Capital Projects. <p>CPAS/ Departments/Ward Councillor’s – Road shows/Budget participation comments.</p>	During August/ September
<p>Strategic Planning Workshops:</p> <ul style="list-style-type: none"> ➤ Review of previous years’ spending and commitments to inform 2024/2025 MTREF – Financial and Non-Financial. ➤ Draft Budget Principles which will inform budget process and identify key priorities including strategic objectives for service delivery. ➤ Budget prioritization discussion on capital and operating budgets. ➤ Integrated Asset Management Plan and Strategic Asset Management Plan <p>IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans.</p> <p>Administrative workshops/Political Leadership workshop</p>	15 – 30 September 2023
Capital Budget Approval in principle by Council.	07 December 2023
Adjustment Budget for 2023/2024.	29 February 2024
Mid-year budget and performance – NT.	February/March 2024
Draft budget with tariff increases tabling.	28 March 2024
Consultative process on budget – all stakeholders.	During April and May
National Treasury benchmark.	April/May
First approval of Budgets.	30 May 2024
Approval of SDBIP	23 June 2024

3.2 That Council notes the deadlines incorporate specific processes including preparation, tabling and approval of the annual budget; the annual review, tabling and adoption of any amendments to the IDP and the budget related policies; and any consultative engagements forming part of the processes.

3.3 That Council notes that progress reports will be submitted to the respective Council Committees during the course of the budget process.

ADOPTED.

4. CAPITAL BUDGET AND REHABILITATION DISASTER GRANT (7/4/2)

(Page 214)

Authority is sought for the transfer of the reconstruction and rehabilitation grant that remains unspent in the 2022/23 financial year into the 2023/2024 financial year. It was recalled that on 17 March 2023, the City received a grant allocation of R1 500 000 000.00 (One Billion Five Hundred Million Rand) to undertake all storm related damages. The implementing departments were allocated R238 000 000.00 (Two Hundred and Thirty-Eight Million Rand) in the mid-year adjustment budget.

The breakdown of the grant allocation in the 2022/23 financial year was as follows:

- Water and Sanitation – R134 000 000.00 (One Hundred and Thirty-Four Million Rands)
- Engineering – R103 000 000.00 (One Hundred and Three Million Rand)

The City received funding with conditions that the projects should be completed within twelve (12) months. However, with funding having been received three (03) months prior to the end of the financial year, an agreement was reached that the implementation will cut across two financial years. It was then confirmed that the Municipality now has a deadline of March 2024 to complete the floods damages projects. Confirmation has been given that the procurement processes have been completed for the majority of the projects and that these are now at the implementation stage.

With the Committee being in support and appreciating positive progress made,

COMMITTEE RECOMMENDS:

That in accordance with the provisions of Section 28(2)(e) of the Local Government: Municipal Finance Management Act No. 56 of 2003, and in compliance with the Municipal Budget and Reporting Regulations, the Adjustments to the 2023/2024 Budget of eThekweni Municipality (Parent Municipality), for the inclusion of 2022/2023 unspent Reconstruction and Rehabilitation Disaster Grant into the 2023/2024 financial year as reflected in Annexure “A” & “B” in the report of the City Manager dated 2023-08-01, be approved, and it being recorded that the approval of the Capital Adjustment Budget constitutes project approval of the specific projects.

ADOPTED.

5. REQUEST FOR APPROVAL OF URGENT AMENDMENTS TO THE ETHEKWINI MUNICIPALITY: SUPPLY CHAIN MANAGEMENT POLICY 2023 (9/P)

(Page 231)

Authority is sought to approve urgent amendments to the eThekweni Municipality Supply Chain Management (SCM) Policy 2023. That this seeks to correct some of the existing regulations within the SCM policy which has had negative impact on service delivery. Empowered by Section 217 of the Constitution of the Republic of South Africa of 1996, the Municipality has intentions of procuring goods and services

in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

Management advised of the overall review of the SCM Policy to be submitted for consideration during October 2023. That the urgent amendments proposed are aimed at clearing bottlenecks in certain aspects of service delivery.

The proposed urgent amendments are recorded as follows:

- Removal of Section 49(3) of the Supply Chain Management Policy of 2022 in order to discard the 48-hour period of appeal by the suppliers aggrieved of the decision when undertaking emergency procurement in terms of Section 36 of the MFMA. This proposal being of a critical nature during the times of natural disasters and with this Section hindering service delivery.
- Proposal to remove Section 52(5) (c) of the SCM Policy of 2022 in order to discard the regulation allowing Municipalities to seek approval from National Treasury prior to declaring second non-award of tender. This proposal is informed by the provisions of the Preferential Procurement Regulations which came into effect on 16 January 2023 stating that organs of state are no longer required to seek prior approval from the relevant Treasury when cancelling a tender invitation for the second time.
- Proposed amendment of Section 58 (3) of the SCM Policy of 2022 which grants powers to the Executive Committee to approve special deviations. Taking into consideration that Councillors are not permitted to process procurement matters. Confirmation being also given that notwithstanding the presence of this Section in the policy but the Executive Committee has never approved any special deviations.

During discussions, the majority of Committee Members welcomed and greatly applauded the proposed amendments to the Supply Chain Management Policy, citing that this will provide the City with much-needed capabilities and also elimination of delays in procurement processes, particularly, for emergencies purposes. Attention being drawn to various backlogs to service delivery matters due to prolonged SCM processes within the Unit.

However, the DA submitted that with Council having already reduced the period of appeals from fourteen (14) days to forty-eight (48) hours, the further removal of the latter will create loopholes and with no oversight and control in terms of determining value for money and other significant controls necessary in the tender process, in particular with the usage of Section 36 of the MFMA. In this view the DA dissented as they perceived tender anomalies as a result of the removal of the appeal period.

Accordingly, the DA (03) voted against the amendments and with the ANC (04), EFF (01), IFP (01) and NFP (01) being in support,

COMMITTEE RECOMMENDS:

That, in order to empower the eThekweni Municipality to fastrack service delivery, but within the framework of the Supply Chain Management processes, authority

be granted for the Accounting Officer to amend the eThekweni Municipality: Supply Chain Management (SCM) Policy, 2023 as follows:

- (a) Removal of Section 49(3), to eliminate an appeal period on emergency procurements thereby achieving quick turnaround time to respond to crisis.
- (b) Removal of Section 52(5) (c), in line with the requirements of the Preferential Procurement Regulations, 2022, which came into effect on 16 January 2023, relieving Municipalities from a duty to seek prior approval from the relevant Treasury when cancelling tender invitations for a second time.
- (c) Amendment of Section 58(3), which is not relevant on the aspect relating to the Executive Committee approving special deviations from the SCM Policy, and this being informed by the prohibition of Councillors from participating in the SCM processes, as per the provisions of Section 117 of the Local Government: Municipal Finance Management Act No. 56 of 2003.

ADOPTED, by a majority vote.

3. **REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

3.1 **2022/2023 ANNUAL REPORT OF THE MPAC**

That the Annual Report of the Municipal Public Accounts Committee detailing the activities of the Committee for the 2022/2023 financial year as contained in the Council Agenda (2023-08-15), be noted.

NOTED.

3.2 **UNAUTHORISED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE (UIFWE): MULTIPLE FINANCIAL YEARS 2017/2018 TO DATE 2022/2023 (as contained in the Council Supplementary Agenda (2023-08-15))**

3.2.1 That in compliance with Section 32(2) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003, irregular, fruitless and wasteful expenditure totalling R290,598,268.73 (Two Hundred and Ninety Million Five Hundred and Ninety Eight Thousand Two Hundred and Sixty Eight Rand Seventy Three Cents), as detailed in Annexure A” and Annexure B” of the Agenda, be certified as irrecoverable and Council approves write-off, based on the outcomes of the investigations of such expenditure.

3.2.2 That it be noted that any consequences management recommendations will be implemented in accordance with the relevant legislation, Council Policy and Procedures; including oversight by the Financial Misconduct Disciplinary Board.

- 3.3.3 That the City Manager ensures that consequences management processes are expedited to ensure that errant officials and service providers are held responsible for UIFW expenditure incurred, as any delays in this regard can result in debt prescribing and disciplinary processes not having prospects of success.

ADOPTED.

4. **REPORT OF THE ETHICS COMMITTEE: MEETINGS HELD 2023-04-18, 2023-04-20, 2023-04-21, 2023-05-03 and 2023-05-23.**

(Laid-on-Table)

4.1 **REPORT ON OUTCOME OF HEARINGS CONDUCTED WITH RESPECT TO THE BREACH OF THE CODE OF CONDUCT BY CERTAIN COUNCILLORS DUE TO FAILURE TO CONVENE COMMUNITY ENGAGEMENTS DURING QUARTER ONE OF THE 2022/2023 FINANCIAL YEAR (JULY – SEPTEMBER 2022) (3/4/6)**

- 4.1.1 That Council approves a recommendation of the Ethics Committee arising from the outcome of the Hearings conducted 2023-04-18, 2023-04-20, 2023-04-21, 2023-05-03 and 2023-05-23 in respect of the Alleged Breach of the Code of Conduct for Councillors due to failure by certain Councillors to convene Community Engagements during Quarter One (01) of the 2022/2023 Financial Year (July – September 2022).

- 4.1.2 That, in view of .1 above, the outcome revealed that twelve (12) Councillors have been found to be in breach of the Code of Conduct for Councillors for failing to convene Community Engagements during the aforesaid period, and with the sanctions recommended ranging from verbal; written warnings; and imposing a fine in the amount of R2 500.00 (Two Thousand Five Hundred Rand), depending on the severity of the breach and the conduct of Councillors concerned during the Hearings.

- 4.1.3 That, it be noted the 12 Councillors in breach and sanctioned accordingly have a right to submit an appeal to the MEC for Cooperative Governance and Traditional Affairs, within a period of fourteen (14) days upon receiving official notification of the said decision, and give reasons for appealing the Council decision.

ADOPTED, by a majority vote.

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

5.1 **NOTICE OF MOTION: PROPOSED BY COUNCILLOR J ANNIPEN AND SECONDED BY COUNCILLOR J NAIDOO: CITY'S SOCIAL HOUSING PROGRAMME (22/2)**

This Council noting that:

The City's social housing programme seeks to address the housing backlog within eThekweni and has enlisted social housing programme companies ("Developers") who have built hundreds of flats in Phoenix and other suburbs.

Further noting that:

Proposed beneficiaries have been exploited through prolonged tenancies and rentals which are outside of SHRA rental structure of between R350.00 and R2250.00.

Therefore, in the interest of social justice and these vulnerable individuals,

This Council resolves that:

Executive Committee urgently consider the following recommendations and reports its findings to Council.

1. Identify all "Developers" which have benefited from SHRA subsidies.
2. Establish a "Rent to Own" beneficiaries register.
3. To urgently regularize these beneficiaries.

CARRIED, by a majority vote.

5.2

NOTICE OF MOTION: PROPOSED BY COUNCILLOR J ANNIPEN AND SECONDED BY COUNCILLOR S GOVENDER: THE DISTURBING REVELATIONS UNVEILED BY INDEPENDENT INVESTIGATING COMPANY IFS, AROUND AWARDED OF TENDERS BY THE MUNICIPALITY TO BUSINESS PERSONS WHO ARE UNDER INVESTIGATION AND IN COURT FOR FRAUD AND CORRUPTION (9/R)

This Council noting that:

The disturbing revelations unveiled by independent investigating company IFS, around awarding of tenders by this municipality to businesspersons who are under investigation and in court for fraud and corruption amounting to almost half a billion rand.

Further noting that:

Such entities continue to benefit from tenders despite these investigations and conflicts with the law.

This Council resolves that:

Executive Committee urgently:

1. determine the names of businesses/ persons who have ongoing investigations/ pending court cases against them.
2. Formulate guidelines and recommendations, in accordance with the SCM policy, for the SCM Unit, including but not limited to, temporary blacklisting such persons/ entities pending the conclusion of investigations and court hearings.

3. Report its findings and recommendations to this Council for further deliberations and approval.

CARRIED.

5.3

NOTICE OF MOTION: PROPOSED BY COUNCILLOR V REDDY AND SECONDED BY COUNCILLOR A SHAHEED: ALLEGED BRIBERY COLLECTION BY DA CHATSWORTH WARD COUNCILLORS FROM CONTRACTORS WHO WERE AWARDED A MULTI-MILLION RAND TENDER BY THE MUNICIPALITY FOR REPLACING WATER MAINS IN CHATSWORTH. (2/10/1/1/4)

This Council noting that:

Recently media reports concerning alleged bribery collection by DA Chatsworth Ward Councillors from contractors who were awarded a multi-million-rand tender by the Municipality for replacing water mains in Chatsworth. The allegations are supported by a widely circulated voice recording which features DA MPL Mergen Chetty's voice, instructing the Councillors to channel the bribe money through the party's constituency funds.

Further noting that:

Council is deeply concerned with these allegations as they bring the Council into disrepute and places the Council's ethical standards at risk.

Therefore, in the interest of justice and clean governance

This Council resolves that:

Executive Committee urgently:

The Office of the Speaker urgently carries out a forensic investigation into these allegations, The investigation's outcomes must be reported back to the Council with recommendations on legal action, including criminal charges, to be taken against the implicated Councillors.

CARRIED.

5.4

NOTICE OF MOTION: PROPOSED BY COUNCILLOR ZM MNCWANGO AND SECONDED BY COUNCILLOR M KUBHEKA: INSOURCING ALL SECURITY PERSONNEL WITHIN THE MUNICIPALITY THAT ARE UNDER PRIVATE SERVICE PROVIDERS (8/2/1/4/4)

This Council noting that:

1. The Municipality is spending a lot of money on private security companies.
2. The City is heavily reliant on private service providers to secure all properties and Municipal Entities.

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

1. Ensure that all security personals are insourced with the Municipality.

2. All security guards that are currently on sites are employed internal and no one is victimized.
3. During adjustment budget, the City prioritizes the in-sourcing of security personnel that are under private service providers in entities and departments of the City.

CARRIED, subject to amending recommendations 4, 5 and 6 as follows:

- i. *That the Executive Committee provides to the Council a report on its findings within, but not later than three (03) months, following the approval of this Motion in this Council meeting.*
- ii. *That Council mandates the City Manager to undertake a feasibility study and report back to Council, in this regard.*
- iii. *That during the budget adjustments, the Municipality prioritizes the in-sourcing of Security Personnel and Cleaners currently owned by private service providers, and officially place them within the Municipal Entities and Departments.*



pp
TB Mbhele
City Manager
15 August 2023