



COUNCIL DECISION CIRCULAR: MEETING HELD ON 2024-08-01.

TO ALL DEPUTY CITY MANAGERS AND HEADS:

Attached please find decisions adopted by the Council at its meeting held on 2024-08-01.

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, 2024-04-16 and 2024-04-23**

(EXCO MEETING HELD 2024-04-16)

1. **REPORT OF THE SECURITY AND EMERGENCY COMMITTEE: MEETING HELD 2024-04-12**

(Page R1)

1.1 **Request for Authority to Enter into Partnership Between eThekweni Municipality and Greenpop Foundation Non-Profit Organisation to Improve Sisonke Durban Garden at Jewish Shelter for Homeless People (28/1/4 & 20/1/7/5):**
(Page 40: Security and Emergency Committee - Agenda 2024-04-12)

The Municipality established Safe Sleeping Spaces for the homeless during Covid in 2020 and part of the spaces established is the Jewish site. This site has been used for Food Garden Project, which has been successful. However, post Covid the project was not fully effective as the original growers moved to the South Coast and the remaining personnel did not have much expertise to effectively run the project.

There was an intervention by the Bioregional SA and they started working with homeless people in this project and brokered funding to employ a permaculture mentor for 18 months to train those remaining on site. They further secured donations for fencing, irrigation system, water tanks, water drums, tools, seedlings and organic fertilizers. Two cohorts from the Durban University of Technology final year Horticulture students and Agri-SETA graduate were engaged to gain work experience on site.

The garden sales produced through this project were sold to Elangeni Hotel, nearby restaurants, local food retailers, fresh produce market and other local markets. It being noted that since April 2022, this garden project has made over R100 000.00 in fresh produce sales.

The Heineken Green Zone project has since been launched in 2024 in response to unequally distributed clean green spaces in South African communities. This project will offer support for sustainable development of under-resourced communities by establishing accessible and inclusive urban green spaces across major cities.

Phase 1 of the Heineken Green Zone project entails having 5 Green Zones in Johannesburg, Durban, Pretoria and Cape Town. In Durban, the Sisonke Durban Garden established by homeless people during Level 1 Lockdown was identified as the preferred site in Durban as it will increase environmental awareness and promote use of space and waste minimization.

The goals of the Heineken Green Zone project are as follows:

- **Improved accessibility:**
Distribution, ease of access, safety and security of urban green spaces will be improved.

- **Improved quality:**
The degree to which urban green space meets social and environmental needs will increase
- **Improved infrastructure:**
Amenities and services that will promote the use of urban garden spaces
- **Improved management:**
Activities which will facilitate effective management of green space will be increased.

Given the above, authority is therefore sought for the Committee to:

- (a) Approve partnership between eThekweni Municipality and Greenpop Foundation Non-Profit Organisation (NPO) collaborating with the local NPO (Bioregional SA) and supported by Heineken, to empower and improve urban greening of Sisonke Durban Garden established by homeless at the Jewish Safe Sleeping Space/Shelter.
- (b) Authorise the City Manager to enter into a Memorandum of Agreement with Greenpop Foundation
- (c) Approve open space as an urban green zone to promote environmental awareness at the Jewish site and surroundings.

The proposed partnership will entail the following:

- **Establishment of green infrastructure:**
Landscape architects will develop and design the Green Zone which will include green recreational spaces, biodiversity garden with educational signage, upcycled art installation as well as the seedling nursery
- **Education and Maintenance:**
 - Greenpop will provide training for caretakers and the equipment required to maintain the Sisonke Durban Garden.
 - Greenpop will provide opportunities for upskilling local community members during the implementation.
 - Greenpop will allocate budget for proper maintenance for the period of two years
 - Greenpop will provide educational signage to encourage interaction and continued learning.
- Beneficiation and expected outcomes are as follows:
 - **Environmental benefits:**
Creates habitats and increases biodiversity, regulates urban temperatures, reduces air pollution, absorbs water and reduces sequesters carbon.

- **Economic benefits:**
Improved property values, increased community activity and increasing opportunities for entrepreneurship and employ two beneficiaries for two years.
- **Social benefits:**
Safety within the precinct will be improved, increased sense of pride, community cohesion and environmental awareness.
- **Cultural benefits:**
Promotion of active lifestyle improved mental and physical health and wellness.
- **Empowerment:**
Ten current participants will be capacitated on different aspects of food growing, environmental awareness, waste management and this will be extended to the public through workshops to be conducted on site.

It be noted that the site identified for this project is zoned as “Private Open Space” which allows use for sports, ornamental gardening, playground and other recreational activities. The proposed gardening project is therefore aligned with the current zoning conditions.

In support of the recommendations, the DA requested that consideration be made to permit cooking facilities in Sisonke Durban Garden site as people staying in this facility were not allowed to prepare food on site. A further request was made that Business Support and Markets Unit (Informal Trade Department) be engaged with a view to providing trading permits as this will assist the people to sell their produce.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 1.1.1 That Council approves partnership between eThekweni Municipality and Greenpop Foundation Non-Profit Organisation (NPO), collaborating with the local NPO (Bioregional SA and supported by Heineken) to empower and improve urban greening of Sisonke Durban Garden established by homeless people in Jewish Safe Sleeping Space/Shelter.
- 1.1.2 That subsequent to the approval of .1 above, authority be granted for the City Manager to enter into a Memorandum of Agreement with Greenpop Foundation for the operations of Sisonke Food Garden Project which is part of Phase 1 of the Heineken Green Zone.
- 1.1.3 That subject to the approval of 1. and .2 above, private open space identified as Erven 11406 and 11407 Durban, 15 and 44 KE Masinga Road, be approved as an urban green zone to promote environmental awareness in the Jewish site and surrounding areas.

Financial Implications:

There are no financial implications to the municipality except for ensuring the sustainability of the programme once implemented. The proposed partners (Greenpop Foundation NPO) will be contributing towards the installation of the necessary infrastructure on site, capacity building and maintenance at a cost of R500 000.00 over two years (2024/2025).

		ZONE: PRIVATE OPEN SPACE				
<p>SCHEME INTENTION: To provide, preserve, use land or buildings for:-</p> <ul style="list-style-type: none"> • Provision of active and passive recreational areas on privately owned land. • Generally to promote private recreation, enhance aesthetical and promote the maintenance of functional open space system <p>MAP COLOUR REFERENCE: Light Green MAP REFERENCE:</p>						
PRIMARY		SPECIAL CONSENT		PRECLUDED		
<ul style="list-style-type: none"> • Dwelling House • Flea Market • Garden Nursery • Nature Reserve • Private Open Space • Riding Stables • Sports Academy • Museum • Nature-based Tourism • Restaurant/Fast Food Outlet • Sports and Recreation • Zoological Garden 		<ul style="list-style-type: none"> • Action Sports Bar • Agricultural Land • Arts and Crafts Workshop • Conservation Area • Health & Beauty Clinic • Health Studio • Recycling Centre • Special Building • Telecommunication Infrastructure • Any other use authorized in terms of Section 9.4 		<ul style="list-style-type: none"> • All other uses not indicated in the Primary and Special Consent columns 		
ADDITIONAL CONTROLS- LAND USE						
<ul style="list-style-type: none"> • A dwelling unit may be permitted for a Manager, Caretaker or security personnel • Restaurant/Fast Food Outlet as ancillary to Private Open Space <p>Parking shall be in accordance with Section 8 of the scheme</p>						
		DEVELOPMENT PARAMETERS				
SPACE ABOUT BUILDINGS		DWELLING UNITS PER HECTARE	MINIMUM SUB DIVISION m²	HEIGHT	COVER AGE	FLOOR AREA RATIO
BUILDING LINE	SIDE AND REAR SPACE					
7.5m	3.0m	N/A	To the discretion of the Municipality	2 storeys	15%	0.15

ADOPTED by the majority vote.

DIRECT EXCO REPORT

2. REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023 (2/10/1/1/2)

(Page 1)

It must be noted that the above report was recommended for discussion as part of the In-Committee matters.

(EXCO MEETING HELD 2024-04-23)

1. **REPORT OF THE FINANCE COMMITTEE: MEETING HELD ON 2024-04-17.**

(Page R1)

1.1 **Investments Report for the Month Ended: 31 March 2024 (7/11/4):**
(Page 33: Finance Committee - Agenda 2024-04-17)

The Committee noted that the Municipal funds invested in different financial institutions amounts to R10 032 198 000.00 (Ten Billion and Thirty-Two Million One Hundred and Ninety-Eight Thousand Rand), at an average rate of return on investments of 9,04%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eight Two Million Rand) and unutilized Capital and Operational Grants of R2 035 000 000.00 (Two Billion and Thirty-Five Million Rand), as at 31 March 2024. It being further noted that the days cash on hand, excluding grants, sat at fifty-nine (59) days.

Accordingly,

COMMITTEE RECOMMENDS:

That Council notes that, as at 31 March 2024, the investments of the eThekweni Municipality invested in financial institutions represent a total of R10 032 198 000.00 (Ten Billion and Thirty-Two Million One Hundred and Ninety-Eight Thousand Rand), at an average rate of return on investment of 9.04%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Local Government: Municipal Finance Management Act No. 56 of 2003.

NOTED.

1.2 **Quarterly Report on Withdrawals from the Municipal Bank Account in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, Dated 08 April 2024 (11/1/2):**
(Page 39: Finance Committee - Agenda 2024-04-17)

COMMITTEE RECOMMENDS:

1.2.1 That the report on withdrawals from the Municipal bank account as at 31 March 2024, submitted in terms of Section 11(4) of the Local Government: Municipal Finance Management Act No. 56 of 2003, 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.

1.2.2 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 requirement.

NOTED.

1.3

Budget Statement Report for the Month Ended: 31 March 2024:

(Page 42: Finance Committee - Agenda 2024-04-17)

The Committee noted the actual operating revenue of 98% of the budget with a variance of -2% and the revenue generated to date of 78,7%. The actual operational expenditure was reported as a percentage of year-to-date budget at 93% with a variance of -7%; the operating expenditure spent to date was 67,7%.

The reported capital expenditure was 70% of the year-to-date budget with a variance of -30% and the capital expenditure spent to date was 37,68%. A cash collection of 93% as at March 2024 was reported slightly lower when compared to the same period in the previous year (93,08%).

During discussions, the following salient points were submitted:

- Concerns with a forecast of revenue reduction arising from water and electricity supply, in particular the reasons for the water revenue being forecasted downwards by an amount of approximately R1.1 billion, but, for the electricity, it being understood that some customers have opted for an alternative energy source, in addition to other challenges encountered by the business fraternity in particular, as a result of the triple disasters which befell the City of eThekweni in the recent past.
- The importance of completing the Hazelmere project within a specified deadline to relieve pressure in the water reservoirs.
- Request for clear information on the water costs factor, in terms of the amount a result paid uMngeni-uThukela Water for the bulk water supply; the income generated of water supply to the residents; and loss incurred as a result of water challenges, including water loss.
- Request for the insourcing of the meter reading function to provide and monitor regular meter reading. Also, speeding up the migration process to relocate this service from the Water and Sanitation Unit to the Revenue Unit.
- Consideration to be given to monitoring irregular expenditure given the negative report in this regard submitted by the Auditor-General. Also, that due processes be followed for the write-off process.
- Concerns with the escalating costs to fund the Expanded Public Works Programme.
- Unacceptable tariffs increase given financial struggles experienced by residents.
- Concerns with the number of employees in arrears, and whether similar credit control and debt collection measure are implemented in an attempt to recover the costs.

The points submitted above were noted, with Management responding suitably to confirm measures being implemented to handle matters of concern as raised. With regard to water challenges, reference was made to the Council-approved Water Strategy to deal with water matters, it being acknowledged that water loss necessitates downwards forecast. For the meter reading function, it was confirmed that this is undertaken by external contractors but that there are also internal officials responsible for the verification exercise. It was advised that overall insourcing needs to consider various factors based on the cost-benefit analysis, and thus not to be implemented in the short-term.

Management also allayed fears regarding the irregular expenditure, advising that the bulk of this is historical, and with a less figure representing true current irregular expenditure. Assurance being given that an automated tender system will be implemented in the future to assist with effective contracts management. On the issue of write-offs, it was explained that due processes were followed, it also being highlighted that this is unavoidable in certain instances due decisions in this regard being informed by legal disputes, affordability and liquidation of some properties. Regarding customers struggling to pay the Municipal fees, the Committee was reminded that rebates were still applicable to certain deserving categories which serve as relief in this regard.

With Management having noted other concerns, and to continue exploring interventions to improve financial management where required,

COMMITTEE RECOMMENDS:

- 1.3.1 That the Budget Statement report for the month ended 2024-03-31 and the supporting documents, submitted by the City Manager as per his report dated 2024-04-15, in compliance with Section 71 of the Municipal Finance Management Act No. 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 Municipal Finance Management Act, Council notes Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) incurred in the month of March 2024, as detailed in 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 the MPAC to report back to Council on the outcome of its investigations.

Item 1.3.1, 1.3.2 NOTED, item 1.3.2 ADOPTED.

- 1.4 Public Tender Awards of eThekweni Municipality for the Month Ended: 31 March 2024 (9/1/3):
(Page 226: Finance Committee - Agenda 2024-04-17)

The Committee noted that the amount of R261 571 585.57 (Two Hundred and Sixty-One Million Five Hundred and Seventy-One Thousand Five Hundred and Eighty-Five Rand Fifty-Seven Cents) represents a total value of tenders issued during the month of March 2024.

COMMITTEE RECOMMENDS:

- 1.4.1 That the public tender awards by the City in the month of March 2024, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Acting Head: Supply Chain Management dated 2024-04-09, be noted.

- 1.4.2 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.
- 1.4.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 1.4.4 That the City Manager reserves the right to investigate the awards with a view to taking disciplinary, criminal and recovery actions where willful and negligent violation of the Supply Chain Management Policies and the Municipal Finance Management Act provisions are observed.
- 1.4.5 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.

2. REPORT OF THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE:
MEETING HELD ON 2024-04-18.

(Page R6)

2.1 Approval of International and Intergovernmental Relations Policy (12/8/P):
(Page 62: Governance and Human Resources Committee - Agenda 2024-04-18)

The International and Intergovernmental Relations Policy has been developed in response to the finding by the Auditor-General. The Policy is aimed at providing guidance in the manner in which intergovernmental relations should be handled in the Municipality. Also, guiding the manner in which the Municipality engages with international, national, provincial and local role players to ensure mutual benefit, which for the Municipality means that the objectives of its Integrated Development Plan and other long-term goals are supported.

In addition, the policy serves to ensure that any initiative embarked upon by the Council are in line with the National Development Plan, the Provincial Growth and Development Plan and the Municipal Integrated Development Plan. Further, the Policy will aid effective and strategic positioning of eThekweni Municipality in the International Relations environment.

Therefore, it is imperative that the Municipality adopts a structured approach by developing a policy to act as a catalyst to assist the Municipality to:

- Speed up development in line with other International City Plans.
- Develop strategies to be explored in order to overcome ever-increasing challenges facing our government by continuously embarking on initiatives and seeking alternative capacity and resources e.g., revenue, co-operative partnership, knowledge etc., in order to accomplish its goals and objectives.

There are no financial implications associated with the development of this Policy, but expenditure will be incurred at an operational stage, in compliance with the Policy requirements. The Committee then supported the Policy and requested a Workshop to unpack and obtain broader understanding of the Policy requirements.

With the Executive Committee being in agreement,

COMMITTEE RECOMMENDS:

2.1.1 That Council approves the International and Intergovernmental Relations Policy developed to achieve the following objectives:

- (i) To guide and direct the manner in which the Municipality engages with international, national, provincial, and local role players to ensure mutual benefit, and with the Municipality achieving its objectives outlined in the Integrated Development Plan and other long-term goals.
- (ii) To ensure that any initiative embarked upon by the Council is in line with the National Development Plan, the Provincial Growth and Development Plan and the Municipal Integrated Development Plan.
- (iii) To aid effective and strategic positioning of eThekweni Municipality in the international relations environment, hence the development and adoption of a structured approach, and with this Policy to then act as a catalyst to assist the Municipality to:
 - (a) Speed up development in line with other International City Plans.
 - (b) Develop strategies to be explored in order to overcome ever-increasing challenges facing our government by continuously embarking on initiatives and seeking alternative capacity and resources e.g., revenue, co-operative partnership, knowledge etc., in order to accomplish its goals and objectives.

2.1.2 That the Municipal Council notes that there are no financial implications associated with the development of the International and Intergovernmental Relations Policy, but expenditure will be incurred at the operational stage, in compliance with the policy requirements.

In order to enable further consultation with Party Caucuses, the report was REFERRED BACK to the Executive Committee.

2.2 Release of Sundry Grant-In-Aid Advert for 2024/25 Financial Year:
(Page 542: Governance and Human Resources Committee - Agenda 2024-04-18)

The Grant-In-Aid Programme provides grant support to civil society organisations to enable them to undertake activities to improve standard of living in communities with a view to improving quality of life. A call for applications for the 2024/2025 financial year will be open from 01 May 2024 and will close 01 July 2024 at 12h00 midday. Applications received after the closing date will not be considered.

Adverts to be issued through various media platforms have since been created for publishing. Applicants will be expected to submit completed forms through email or hand deliver to the Pinetown office and Regional Centres. Part of the communication includes the use of a WhatsApp number to receive and attend to all queries that may be received in this regard.

Following consideration,

COMMITTEE RECOMMENDS:

- 2.2.1 That authority be granted for the Head: Community Participation and Action Support to commence with the publication of the advert to call for Sundry Grant-In-Aid applications for the 2024-2025 financial year.
- 2.2.2 That it be noted that the application process will be open from 01 May 2024 and close 01 July 2024 at 12h00 midday, it being recorded that applications received after the closing date will not be considered.
- 2.2.3 That completed applications be submitted through e-mail, i.e., GIA.Sundry@durban.gov.za and **not** through private e-mails of Municipal staff members, alternatively, completed application forms can be submitted to the Community Participation and Action Support Unit Regional Centres as follows:

REGION	ADDRESS	CONTACT NO.
North Region	Tongaat Sizakala Centre 325 Main Road	031-322 2164
South Region	Kingsburgh Sizakala Centre 9 Mayor Mews	031-311 5830
North Central Region	KwaMashu Sizakala Centre E1139 Ntombela Road	031-311 4608
South Central Region	Mega City Shopping Centre 1 st Floor, Sizakala Centre 50 Mangosuthu Highway	031-311 5203
Outer West Region	Pinetown Civic Centre 60 Kings Road	031-322 4197
Central West Region	Westville Civic Centre William Lester Drive	031-311 6683

ADOPTED.

2. SECOND REPORT OF THE EXECUTIVE COMMITTEE: MEETING HELD ON TUESDAY 2024-07-23

1. REPORT OF THE ECONOMIC DEVELOPMENT & PLANNING COMMITTEE MEETING HELD 2024-07-11

(Page R1)

- 1.1 Furniture Industry Development Programme (20/1/6/3):
(Page 1: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought to continue to partner and fund the eThekweni Furniture Cluster (EFC), an initiative of eThekweni Municipality in collaboration with the furniture industry. Additionally, authority is sought to enter into a new Memorandum of Agreement (MOA) for the next three (3) year cycle starting from 2024-07-01 to 2027-06-30 with the EFC and to disburse funding in terms of Section 67 of the Municipal Finance Management Act (MFMA) and the MOA.

eThekweni is a key partner to the EFC. Historically, the Furniture industry has been fragmented and uncoordinated in its approach to industrial development. The EFC is focused on generating strong ties with major role players and stakeholders in what has historically been a fragmented Furniture industry.

These stakeholders include:

- Manufacturers and suppliers in the Furniture industry
- Lewis Group
- Mr Price Home
- TFG @Home
- Department of Trade, Industry and Competition (DTIC)
- KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA)
- Trade and Investment KwaZulu-Natal (TIKZN)
- KZN Furniture Bargaining Council
- Furntech
- African Institute of Interior Design Professions (IID)
- South African Furniture Initiative (SAFI)

The EFC serves as a strategic tool enabling the city to actively drive and support the growth of the furniture manufacturing sector within its jurisdiction. The overarching goal of this cluster is to catalyse economic expansion in the furniture manufacturing industry, recognised as a key investment priority for the municipality, contributing to its overall reindustrialisation efforts to better serve the diverse needs of its residents.

The Economic Development's Industry Development Department (IDD) strong partnership with the EFC and by extension the furniture industry, has established it as a necessary vehicle to strengthen the industry and collectively drive greater efficiencies and economies of scale that will make the sector more competitive, support SMMEs and black owned enterprises, create more jobs, create an investment friendly business environment, spur productivity, reduce poverty, and contribute to social well-being and prosperity.

The Executive Committee appreciated the partnership and, on a recommendation by the DA, consensus was reached that an annual assessment of the effectiveness of all these partnerships being entered into is critical to determine value for money as well as tangible achievements by the beneficiaries on the ground. That oversight be strengthened at the Support Committees' level in this regard.

With the Executive Committee being in support,

COMMITTEE RECOMMENDS:

- 1.1.1 That the eThekweni Municipality represented by the Head: Economic Development be authorised to continue participating in the Furniture Industry Development Programme for the development of the sector.
- 1.1.2 That subject to approval of .1 above, the City Manager be authorised to conclude a new Memorandum of Agreement with the eThekweni Furniture Cluster (EFC) to give effect to the above for the next three-year period, starting 01 July 2024 to 30 June 2027.

1.1.3 That subject to the approval of .1 and .2 above, authority be granted for the Head (Economic Development), in accordance with the Memorandum of Agreement, and Section 67 of the Local Government: Municipal Finance Management Act No. 56 of 2003, to disburse funds to eThekweni Furniture Cluster amounting to R2 430 750.00 (Two Million Four Hundred and Thirty Thousand Seven Hundred and Fifty Rand) (Excl. VAT) for the 2024/2025 financial period, R2 552 288 (Two Million Five Hundred and Fifty Two Thousand Two Hundred and Eighty Eight Rand ((Excl. VAT) for the 2025/2026 financial period; R2 679 900 (Two Million Six Hundred and Seventy Nine Thousand Nine Hundred Rand) Excl. VAT for the 2026/2027 financial period.

1.1.4 That the Head: Economic Development be authorised to report progress on this initiative on an annual basis.

VOTE NUMBER	AMOUNT	FINANCIAL YEAR
26102.25030.17.12120.0000.38879.0010	R2 430 750 (Excl. VAT)	2024/25
26102.25030.17.12120.0000.38879.0010	R2 552 288 (Excl. VAT)	2025/26
26102.25030.17.12120.0000.38879.0010	R2 679 900 (Excl. VAT)	2026/27

FC Number 2025/18/03

Recommendation 1.1.1 amended by inserting “the words eThekweni Municipality represented by” ... and thereafter, ADOPTED.

1.2 Clothing & Textile Development Programme (20/1/6/3):
(Page 89: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought to continue funding the Kwa-Zulu Natal Clothing and Textile Cluster (KZNCTC), an initiative in collaboration with the clothing and textile industry. In addition, authority is sought to enter into a new Memorandum of Agreement (MOA) for the next 3-year cycle starting from 2024-07-01 to 2027-06-30 and to disburse funding in terms of Section 67 of the Municipal Finance Management Act (MFMA) and the MOA.

KZNCTC is a not-for-profit initiative jointly established by industry and the public sector in 2005 to improve the competitiveness of the clothing, textile, footwear, and leather manufacturing industry in KwaZulu-Natal (KZN). It is an industry-driven initiative, drawing on the leadership and expertise of individuals from a broad range of member firms in eThekweni. The cluster comprises of members throughout the value chain, primarily clothing and textile manufacturers but also major retailers that are committed to supporting the development of the local manufacturing industry.

The KZNCTC programme has been specifically devised to stimulate economic and sectoral growth in the Clothing, Textile, Footwear and Leather (CTFL) sector through strong alignment with retail who are the leaders in the value chain, skills development, value chain upgrading and SME development.

The South African CTFL value chain is comprised of a range of entities, including large domestic and international retailers, design houses, clothing manufacturers, Cut, Make and Trim (CMT) operators, as well as footwear, leather goods and leather accessories manufacturers. The CTFL value chain is a buyer-led value chain, with demand driven by major retailers who define the product requirements and standards from their supply chains and manage access to the end-consumer.

The Retail-Clothing, Textile, Footwear and Leather (R-CTFL) Masterplan was signed in 2019 and is a social compact between government, retail, manufacturing, and labour which aims to create an enabling environment in which retail sources more product from South African manufacturers. The Masterplan is a strategic roadmap that aims to boost the competitiveness, sustainability, and inclusiveness of the sector, guiding all public policy decisions within the value chain. Since the signing of the Masterplan, Masterplan signatories have purchased 51% more product, with over 350 million apparel units purchased in 2023. Masterplan signatories forecast a further 20.5% unit growth over the next 3 years, with the main drivers being kids and ladies’ outerwear.

Accordingly,

COMMITTEE RECOMMENDS:

- 1.2.1 That That the eThekweni Municipality represented by the Head: Economic Development , be authorised to continue participating in the Clothing and Textile Industry Development Programme for the development of the sector.
- 1.2.2 That subject to the approval of .1 above, the City manager be authorised to conclude a new Memorandum of Agreement (MOA) with the KwaZulu-Natal Clothing and Textile Cluster to give effect to the above for the next three year period, starting 2024-07-01 to 2027-06-30, which MOA will be subject to the review of the annual financial statements for the period 01 January-31 December 2023 and issuing of a S67 compliance certificate by City Treasury.
- 1.2.3 That subject to the approval of .1 and .2 above, the Head: Economic Development be authorised in accordance with the Memorandum of Agreement to disburse the funds to the KwaZulu-Natal Clothing and Textile Cluster amounting to R4 000 000 (Four Million) excluding VAT for the 2024/2025 financial period; R4 280 000 (Four Million Two Hundred and Eighty Thousand Rand excluding VAT for the 2025/2026 financial period; R4 579 600 (Four Million Five Hundred and Seventy Nine Thousand Six Hundred Rand) excluding VAT for the 2026/2027 financial period, in terms of Section 67 of MFMA and in accordance with the Memorandum of Agreement.
- 1.2.4 That the Head: Economic Development be authorised to report progress on this initiative on an annual basis.

VOTE NUMBER	AMOUNT	FINANCIAL YEAR
26102.25445.230.12120.0000.38875.0010	R4 000 000 (Excl. VAT)	2024/25
26102.25445.230.12120.0000.38875.0010	R4 280 000 (Excl. VAT)	2025/26
26102.25445.230.12120.0000.38875.0010	R4 579 600 (Excl. VAT)	2026/27

FC NUMBER: 2025/18/01

Recommendation 1.2.1 amended by inserting “the words eThekweni Municipality represented by” ... and thereafter, ADOPTED.

1.3 Footwear and Leather Sector Programme (20/1/6/3):
(Page 139: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought to continue funding the South African Footwear and Leather Council (SAFLEC), an initiative in collaboration with the footwear and leather industry. Additionally, authority is sought to enter into a new Memorandum of Agreement (MOA) with SAFLEC for the next three-year cycle starting from 2024-07-01 to 2027-06-30 and to disburse funding in terms of Section 67 of the Municipal Finance Management Act (MFMA) and the MOA.

The leather and footwear industry is a significant contributor to the local economy. The partnership between the eThekweni Municipality and SAFLEC for the benefit of the sector through the development of skills, strengthening existing businesses, and aligning the value-chain will enhance the competitiveness of the local sector leading to sustained businesses, and increased job creation. The new business plan is centred on accelerating transformation within the sector, formal and informal township growth, by increasing SMME participation and the development of local brands and labels.

The footwear and leather industry is regarded as a priority job creating sector in eThekweni with the lowest cost per job created, and is regarded as having low barriers to entry. The footwear and leather sector has strong potential to create employment, especially in poor rural areas.

The eThekweni Municipality recognises the importance of supporting the footwear and leather sector and its significance as a key contributor to the local and national economy, and the Footwear and Leather sector makes a substantial contribution to economic growth as well as employment (direct and indirect). The value chain is made up of retailers, suppliers of components and materials, manufacturers, and small companies known as CMTs (cut, make & trim).

Accordingly,

COMMITTEE RECOMMENDS:

- 1.3.1 That the eThekweni Municipality represented by the Head: Economic Development, be authorised to continue participating in the Footwear and Leather Sector Programme.
- 1.3.2 That subject to approval of .1 above, the City Manager be authorised to conclude a new Memorandum of Agreement with South African Footwear and Leather Council to give effect to the above for the next 3-year period starting 2024-07-01 to 2027-06-30.
- 1.3.3 That subject to the approval of .1 and .2 above, the Head: Economic Development be duly authorized in accordance with the Memorandum of Agreement (MOA), to disburse funding amounting R2 750 000.00 (Two Million Seven Hundred and Fifty Thousand Rand) excluding VAT for the 2024/2025 financial year; R2 915 000.00 (Two Million Nine Hundred and Fifteen Thousand Rand) excluding VAT for the 2025/2026 financial year and R3 025 000.00 (Three Million and twenty Five Thousand Rand) excluding VAT for the 2026/27 financial year, in terms of Section 67 of MFMA and in accordance with the MOA.

1.3.4 That the Head: Economic Development be authorised to report progress on this initiative on an annual basis:

VOTE NUMBER	AMOUNT	FINANCIAL YEAR
26102.25030.17.12120.0000.MRC01.0010	R2 750 000 (Excl. VAT)	2024/25
26102.25030.17.12120.0000.MRC01.0010	R2 915 000 (Excl. VAT)	2025/26
26102.25030.17.12120.0000.MRC01.0010	R3 025 000 (Excl. VAT)	2026/27

FC Number: 2025/18/02

Recommendation 1.3.1 Recommendation 1.1.1 amended by inserting “the words eThekweni Municipality represented by” ... and thereafter, ADOPTED.

1.4 Request to Enter into Strategic Partnership with South African Mini Industry Development (SAMID NPC) for Implementation of Farmer Skills and Enterprise Development Program (FSEDP) Via Section 67 of the Local Government: Municipal Finance Management Act of 2003 (20/1/7/5):

(Page 250: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought to implement the Farmer Skills and Enterprise Development Programme within eThekweni Municipality for the period of three years with South African Mini Industry Development (SAMID) Non-Profit Company (NPC) in terms of Section 67 of Municipal Finance Management Act of 2003. Additionally, authority is sought for the City Manager to enter into a Memorandum of Agreement (MOA) with SAMID NPC for a period of three years.

The strategic partnerships will enable the Agri-business Department to implement the City’s Farmer Skills Training and Enterprise Development that seek to:

- Enhance Farming technical skills for SMMEs in the Agribusiness production and value chain with eThekweni Municipality
- Improve farmers’ business management skills that will ensure a resilient farm enterprise development through Public Employment Programme.
- Promote reliable access to markets
- Bring innovative farm production knowledge and methods that are sustainable.

It will be recalled that the Municipal Council at its meeting held on 2020-02-27 approved the eThekweni Agri-business master Plan. The Master Plan proposed 5 key commodities which the Municipality will focus on, for the next 10 years, namely. Vegetables, Sheep, Poultry, Piggery and Cannabis. The Masterplan requires an investment of R1 billion over the next decade and this is proposed to be funded through various funding options, e.g., Direct Funding by Municipality, Fund raising through government support programmes, Foreign Direct and Local Investment.

SAMID NPC is a non-profit company, has a core mandate to advance economic development and provide socio-economic support to the community. In the process of achieving its mandate SAMID has partnered with various stakeholders and has direct involvement with the community as well as industry leaders.

SAMID NPC focus areas are:

- Clothing and Textile
- Agriculture and Agroprocessing

- Tourism and Hospitality
- Automotive
- ICT
- Informal Trades and
- Chemical manufacturing

SAMID NPC will introduce anchor farm methodology in various regions of eThekweni in implementing the farmer skills and enterprise development program where the anchor farm will provide the services namely; Mechanisation plan, Crop production plans, Sales/harvest plans, Logistics, Access to market distribution centre, Training, and Development of out grower farmers.

The following additional value to the programme at no cost to the Municipality and the beneficiaries will also be provided:

- Introduction to basic water harvesting and adaptive farming training to incubated entities in partnership with Agricultural Research Council (ARC).
- Introduction of basic soil nutrition, adaptive farming, broiler and layer fundamentals and management in partnership with Elangeni College and Mangosuthu University of Technology.
- Tailor crop produce farmer training and mentorship per incubated entity during plating season
- Industry integration and certification.
- Providing business advisory to incubated entities to promote sustainability.
- Providing Market Coordination and promote capacity building.
- Project Management and Anchor Farm Administration.
- In-house Training to enhance farmer technical skills.

The Farmer Skills and Enterprise Development Program will contribute to the City's mandate in achieving the objectives of the Agribusiness Master plan and improve the following aspects:

- Improving productivity of the SMMEs based on the Council approved Agribusiness Masterplan commodities (Poultry, Vegetables, Sheep, Piggery and Cannabis).
- Promoting access, meaningful participation of Agri-SMMEs in the value chain and mainstream economy.
- Facilitating creation of sustainable jobs through farm enterprise development.
- Link SMMEs in the Agribusiness space of eThekweni Municipality with potential partners for technical and financial support through business plan development.
- Introducing innovative farming techniques that promote self-reliant, sustainability and profitability.
- Facilitating access to markets and improve Job Creation and Food Security.

A request was submitted to transfer the amount of R400 000.00 (Four Hundred Thousand Rands) from the financial year 2023/2024 to the financial year 2024/2025, thereby bringing the total to R1 000 000.00 (One Million Rands). This adjustment was necessitated by the fact that the approval of this amount was originally scheduled for approval before financial year end, and in noting the brief recess period, it was therefore impractical to obtain approval prior.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 1.4.1 That the Agribusiness Department be authorised to enter into strategic partnership with SOUTH AFRICAN MINI INDUSTRY DEVELOPMENT NPC (SAMID NPC) in implementing the Farmer Skills and Enterprise Development Programme (FSED) within eThekweni Municipality for the period of three years.
- 1.4.2 That subject to .1 above the City Manager be authorised to enter into a Memorandum of Agreement (MOA) with SAMID NPC in terms of section 67 of Municipal Finance Management Act of 2003 for implementation of Farmer Skills and Enterprise Development Programme for the period of three years, subject to the review of the annual financial statement for the period of March 2023 to February 2024 by Treasury.
- 1.4.3 That subject to approval of item .1 and .2 above the City transfers amount of R3 000 000.00 (Three Million Rands) to SAMID over the 36 months period for the implementation of the partnership program as reflected below:

(FC Number:2024/32/24)

- R1 million excl VAT (2024/25)
 - R1 million excl VAT (2025/26)
 - R1 million excl VAT (2026/27)
- Total: R3 Million excluding VAT**

ADOPTED.

- 1.5 Request for Authority to Acquire Land for Environmental Management (17/2/1/1/2):
(Page 345: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought for approval for the Biodiversity Management Department (BMD) to acquire selected environmentally sensitive properties as contained in table 1 of the City Manager's report dated 2024-04-12. Such approval shall be valid for a period of two financial years from the date of the approval to allow for the BMD to complete the acquisition of approved properties within these two years.

In addition, authority is sought for approval for the Head (Real Estates) to sign all relevant documents including sale, expropriation notices and donation agreements to affected transfers for environmental protection.

Lastly, authority is sought for the Biodiversity Management Department to secure additional budget during the budget adjustment period and from external funding sources, if necessary.

Following consideration of the above,

COMMITTEE RECOMMENDS:

- 1.5.1 That the acquisition of properties listed in Table 1: Schedule of properties for acquisition in the year 2024/2025 and 2025/2026. The acquisition would be for consideration via expropriation or donation or private treaty if necessary, following the appropriate procurement process as prescribed by the relevant legislation, including the Municipal Supply Chain Management Policy, if applicable, be approved.

Table 1: Schedule of properties for acquisition in the year 2024/2025 and 2025/2026.

Property Description
1. Portion 330 of the Farm Upper End of Lange Fontein No. 980
2. Remainder of Erf 3564 Cato Manor
3. Remainder of Portion 226, 227 and 230 all of Newlands
4. Remainder of Portion 227 of Newlands
5. Remainder of Portion 230 of Newlands
6. Portion 48 of the Farm Kirkman No. 915
7. Portion 279 of the Farm upper End of Lange Fontein No. 980
8. Portion 152 of the Farm Stockville No. 1302
9. Portion 280 of Upper End of Langefontein
10. Proposed Portion of Remainder of Portion 23 of the farm Uitkomst & Doornrug No. 852
11. Portion 24 of the farm Uitkomst & Doornrug No. 852
12. Remainder of Portion 69 of Uitkomst & Doornrug No 852
13. Portion 4 of Erf 243 Pinetown Ext 6
14. Portion 216 No. 906 Farm Drift
15. Proposed Portion(A) (of 217) No. 906 Farm Drift
16. Erf 84 Monteseel
17. Erven 32 of Summerhills
18. Erven 34 of Summerhills
19. Proposed Portion [A] of (OF 18) of the Farm Uitkomst & Doornrug No.852
20. Portion 95 of the Farm Clifton No.980
21. Remainder & Portion 116 of The Farm Clifton No.939
22. Proposed Portion (of 80) of the Farm Clifton No.939
23. Proposed Portion (of 82) of the Farm Clifton No.939
24. Proposed Portion (of 104) of the Farm Clifton No.939
25. Proposed Portion (of 140) of the Farm Clifton No.939
26. Proposed Portion(A) of Remainder of Erf 3015 Westville
27. Erf 1167 Kingsburgh
28. Erf 1487 Kingsburgh
29. Erf 2249 Amanzimtoti
30. Erf 28 Amanzimtoti
31. Portion 139 of The Farm Clifton No. 939
32. Proposed Portion (of) Portion 291 of The Farm The Drift No. 906
33. Portion 43 of the Farm The Drift No. 906
34. Portion 6 of Erf 52 Bothas Hill
35. Portion 803 (of 281) of the Farm Upper End of Langefontein
36. Erf 467 Queensburgh
37. Remainder of Erf 7732 Pinetown
38. Portion 201 of The Farm Stockville

Property Description
39. Portion 202 of The Farm Stockville
40. Portion 203 of The Farm Stockville
41. Portion 353 of the Farm Drift No.906
42. Remainder of Erf 177 Kloof
43. Portion 1 of Erf 177 Kloof
44. Erf 176 Kloof, Erf 175 Kloof
45. Erf 174 Kloof
46. Erf 747 Kloof
47. Portion 8 of Erf 689 Kloof
48. Erf 257 Gillitts Ext 1
49. Erf 239 Chelmsfordville
50. Proposed Portion of Erf 81 Padfield Park
51. Erf 82 Padfield park
52. Erf 83 Padfield Park
53. Erf 84 Padfield Park
54. Erf 85 Padfield Park
55. Erf 176 Kloof
56. Erf 175 Kloof
57. Proposed Portion (of 79) of the Farm Clifton 939
58. Proposed Portion (of 129) of the Farm Clifton 939
59. Proposed Portion of Rem of Erf 6803 Pinetown
60. Proposed Portion (of 4) of Erf 6803 Pinetown
61. Remainder of Portion 100 Waterfall 978
62. Portion 603 of the Farm Waterfall 978
63. Portion 369 of the Farm Waterfall 978
64. Portion 370 of the Farm Waterfall 978
65. Portion 371 of the Farm Waterfall 978
66. Portion 372 of the Farm Waterfall 978
67. Erf 2314 Kingsburgh

1.5.2 That in the event that expropriation is deemed necessary the Head: Real Estate be authorised to proceed with the expropriation of properties listed in Table 1 above: Schedule of properties for acquisition in the year 2024/2025 and 2025/2026.

1.5.3 That subject to the adoption of .2 above, the Head: Real Estate be authorised to assess compensation in terms of Section 25(3) of the Constitution of the Republic of South Africa Act 108 of 1996 read in conjunction with the Expropriation Act (No. 63 of 1975), as the proposed acquisition is in the public interest and/or for public purposes and as such the acquisition is deemed compulsory.

1.5.4 That subject to the adoption of .3 above the Head (Real Estate) be authorised to conclude the appropriate Agreement and sign all necessary documents to effect the transfer, donation or expropriation and registration in favour of the eThekweni Municipality.

Financial Implications:

Acquisition of the properties will be at values determined by the Real Estate Department at the time. The number of properties acquired will be determined by the available budget in the respective financial year.

FUNDING	VOTE
INTERNAL	26440.45339.52.30015.0000.S7001D.0010

FINANCIAL YEAR	INTERNAL
2024/25	R3,000, 000.00
2025/26	R2,000, 000.00
TOTAL	R5,000,000.00

Financial Certificate No. 2025/46/CA01

ADOPTED.

1.6 Memorandums of Understanding Between the Durban Film Office and Film Industry Stakeholders (20/2/2):

(Page 364: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought for approval for the Durban Film Office to enter into a 3-year (2024/2025,2025/2026 and 2026/2027) Memorandum of Understanding with the following Film Industry Stakeholders:

1. Film and Publication Board (FPB)
2. Companies and Intellectual Property Commission (CIPC)
3. National Film and Video Foundation (NFVF)
4. KwaZulu Natal Film Commission (KZN FILM)
5. KwaMashu Community Advance Projects (KCAP)

The Durban Film Office (DFO) is the television and film-industry development arm of the eThekweni Municipality, mandated to position Durban as a world- class film and television production destination and a facilitator for the development of the local film Industry. DFO also houses a Film Services section that aims to promote eThekweni as an attractive film destination, assist visiting production houses with film permits, and provide an information service to the industry in general.

The MOUs will assist in sharing of resources and expanding the services offered to reach to more communities by:

- Sharing information and assist in developing the local film and television sector
- Avoiding duplication and wasteful expenditure.
- Mobilizing behind a common database of filmmakers and industry stakeholders to promote compliance and
- Encouraging development of content in previously disadvantaged communities.

The proposed collaborations for each stakeholder were outlined as follows:

1. Proposed areas of collaborations between Durban Film Office and Film Publication Board (FPB)

The Memorandum of Understanding (MOU) seeks to establish and formalize a relationship between the Durban Film Office and the Film Publication Board (FPB), respectively, on the development of the Film Industry in eThekweni and awareness creation on compliance with the Films and Publications Act, 65 of 1996, by filmmakers and industry. Additionally, this will assist to promote awareness amongst audio visual industry and communities on the importance of the film industry and the opportunities that exist within the industry for youth learners in schools, tertiary institutions, and communities. Moreover, the working collaboration will assist to facilitate engagements between industry practitioners in Ethekeweni and the FPB on any matters of mutual interest which include but not limited to the FPB Classification Guidelines and the need to protect children from harmful and undesirable content.

Lastly, it will create greater awareness against Child Pornography and the exposure of children to potentially harmful content on digital platforms. The parties will conduct coherent and effective awareness campaigns targeting children, the youth, parents and/or guardians, and the public.

2. Proposed areas of collaborations between Durban Film Office and Companies and Intellectual Property Commission (CIPC)

The Memorandum of understanding between the Durban Film Office (DFO) and Companies and Intellectual Property Commission (CIPC) via its Education and Awareness Division will sets out the operational modalities regarding the joint collaboration on outreach education and awareness programmes on Intellectual Property domains, such as copyright and films, Trademarks, Patent, Signs and designs. The collaboration will include physical roadshows for information sharing workshops for industry development, changes or policies relating to audio-visual and provide information workshop to the DFO staff on any development.

3. Proposed areas of collaborations between Durban Film Office and National Film and Video Foundation (NFVF):

The Memorandum of understanding between the Durban Film Office (DFO) and National and Film Video Foundation includes collaborations on the themed slate programme and Festivals and Markets attendance / promotion of agreed relevant industry events (local and international with the aim of promoting destination and local productions). Secondly to collaborate on mentorships and Skills Development Trainings Initiatives to empower emerging filmmakers especially from the disadvantaged communities and Facilitate engagements between industry Practitioners. Thirdly, promote awareness amongst audio-visual industry and communities on the importance of the film industry and the opportunities that exist within the industry for youth and communities. Sharing of information on policies relating to audio visual and provide information workshops for development and Partner on industry market research pertaining to development of the sector. Lastly to provide information on collaborated programmes and opportunities for filmmakers.

4. **Proposed areas of collaborations between Durban Film Office and KwaZulu-Natal Film (KZN FILM).**

The Memorandum of Understanding between the Durban Film Office (DFO) and KwaZulu Natal Film includes providing support to each for industry development programmes evaluation processes for the Micro Budget film Fund and Development Fund projects and advises KZN FILM as advisors on constituted panels that are film related. Additionally, this includes collaboration on mentorship and training initiatives and Collaboration on the marketing and promotion of agreed relevant industry events, cinema, workshop, information sharing projects and masterclasses. Lastly, to Partner on industry market research pertaining to the development of the film and television industry in KwaZulu Natal.

5. **Proposed areas of collaborations between Durban Film Office and KwaMashu Community Advance Projects (KCAP)**

The Memorandum of Understanding between the Durban Film Office (DFO) and KwaMashu Community Advance Projects (KCAP) includes film audience development for monthly film screenings in communities. The Durban Film Office and KCAP to partner in planning and implementing the KwaZulu – Natal African Film Festival (KAFF). Co-operative working relationship for the K-CAP’s Writers Lab (accredited through MICTSETA) that is geared towards development of quality screenwriters in our province. Lastly, where it is feasible and required, for K-CAP to provide support for DFO where the latter wishes to utilise the facilities of K-CAP, such as the theatre for DFO’s workshops and other relevant programs.

Having noted that the formation of these collaborations the industry will benefit immensely as the communities and all other role-players will have access to a more coordinated approach in the development of the Film and Television Industry.

Accordingly

COMMITTEE RECOMMENDS:

1.6.1 That collaboration between the following stakeholders for (2024/2025,2025/2026 and 2026/2027), be approved:

- a) Durban Film Office and Film and Publication Board
- b) Durban Film Office and Companies and Intellectual Property Commission
- c) Durban Film Office and National Film and Video Foundation
- d) Durban Film Office and KwaZulu-Natal Film
- e) Durban Film Office and KwaMashu Community Projects

1.6.2 That subject to the adoption of .1 above, the conclusion of a Memorandum of Understanding with the above-mentioned stakeholders, be approved.

1.6.3 That subject to .1 and .2 above, the City Manager be authorised to conclude the five (5) Memoranda of Understanding with the stakeholders.

ADOPTED.

1.7

Energy Efficiency Demand Side Management Program 2024/2025 to 2026/2027
(7/4/2 & 27/1/2/R):

(Page 382: Economic Development and Planning Committee - Agenda 2024-07-11)

Authority is sought for approval for the Energy Office to continue with the management of the Energy Efficiency Demand Side Management (EEDSM) program. Additionally, authority is sought for the City Manager to enter into an agreement with the Department of Mineral Resources and Energy for the next three years. Lastly, to advise Council on proposed energy efficiency interventions on municipal infrastructure to be identified for the (EEDSM) grant received through the Division of Revenue Act/Bill.

The EEDSM programme is managed by the Department of Mineral Resources and Energy (DMRE). The EEDSM programme supports municipalities in their efforts to reduce electricity consumption by optimizing their use of energy. Selected municipalities receive grants for the planning and implementation of energy-efficient technologies ranging from traffic and street lighting to energy efficiency in buildings and water service infrastructure. Moreover, the programme supports the development and implementation of an energy efficiency campaign and capacity-building plans for elected officials or community individuals.

Efficient energy usage is a top priority for the South African Government as it seeks to reduce emissions. The city faces the challenge of delivering effective services to its residents while also managing costs in a financially constrained environment. Energy efficiency provides an opportunity to conserve resources, reduce energy expenses, and contribute to energy security and the shift to a low-carbon economy. Through optimized energy usage, the city can achieve cost savings, decrease carbon emissions, and align with national energy policies.

The Energy Office, in collaboration with other Departments, has been coordinating initiatives to assess the potential for energy efficiency in medium to large municipal buildings throughout the city. By identifying energy efficiency opportunities in municipal infrastructure, the municipality reduces its energy and carbon footprint, while also illustrating an energy-conscious commitment to the broader public in the City.

The eThekweni Municipality has been receiving grant funding for the EEDSM programme through the Division of Revenue Act (DoRA) since 2011. Thus far, eThekweni has received over R 120 million for planning and implementing energy efficiency technologies in municipal-owned facilities ranging from traffic and street lighting to energy efficiency in buildings and water service infrastructure. The participation of the eThekweni Municipality in the programme and the grant received plays a pivotal role in decreasing the eThekweni Municipality's energy consumption, greenhouse gas emissions, and energy bill, which leads to better operational efficiency.

The DA then referred to energy shortcomings still experienced while grant funding is allocated, and reference being made to challenges of streetlights. In this regard, it was considered prudent to give a breakdown of all items to be covered with grant funding received. That such breakdown should be furnished the relevant Support Committee as part of its oversight role.

On this basis,

COMMITTEE RECOMMENDS:

- 1.7.1 That implementation of a 3-year Energy Efficiency Demand Side Management (EEDSM) Programme from 2024-2027, be approved.
- 1.7.2 That subject to .1 above, the Energy Office should continue to manage programme implementation.
- 1.7.3 That subject to .1 above, authority be granted for the City Manager to enter into a 3-year Memorandum of Agreement, i.e. 2024-2027, with the Department of Energy for the EEDSM Programme, as per the details contained in the relevant yearly Division of Revenue Bill.

Financial Implications:

The funding that eThekweni Municipality will receive is as per the Division of Revenue Bill 2024:

- 2024/2025 financial year: R 7 000 000.00
- 2025/2026 financial year: R 7 000 000.00
- 2026/2027 financial year: R 8 000 000.00

The Department of Mineral Resources and Energy will retain overall accountability for transferring the programme funds relating to the implementation of the programme.

Proposed Project Cost Estimate:

An Estimated Bill of Quantities was drafted for each energy intervention action based on the retrofit design. This design incorporated the removal and disposal of redundant parts and components, modification of the existing installation as well as fitting of new components where applicable. Capital cost estimates were compiled based on the bills of quantities. Payback periods were calculated against this capital value. The tables below depict the estimated capital cost per financial year.

2025/2026 Proposed Project Cost Estimate:

Area	Intervention	Estimated Capital Cost
Durban ICC	LED Lighting, HVAC System	R3,315,925.34
Amanzimtoti Civic Centre	LED Lighting, HVAC System, Hot Water System	R1,684,074.66
General	Energy Management System	R1 000,000.00
General	Project Planning	R860,000.00
General	Education and awareness	R140,000.00
Total		R7,000,000.00

Table 1: 2025/2026 Cost Estimate

2026/2027 Proposed Project Cost Estimate:

Area	Intervention	Estimated Cost
Umnini Sizakala Centre	LED Lighting; HVAC system	R2,327,552.00
Phoenix Wastewater Works	Variable Speed Drive,	R1,532,448.00
Phoenix WWW, Phoenix Deport	Solar Photovoltaic System	R2,100,000.00
General	Project Management Support	R900,000.00
General	Education and awareness	R140,000.00
Total		R7,000,000.00

Table 2: 2026/2027 Cost Estimate

2027/2028 Proposed Project Cost Estimate:

Area	Intervention	Estimated Cost
eThekweni municipal Area	LED Street Lighting	R5,000,000.00
City Engineers, Amanzimtoti Civic Centre, Phoenix WW	Energy Management System	R740, 000.00
General	Project Planning	R 900,000.00
General	Energy Performance Certificate	R1,200,000.00
General	Capacity Building	R80,000.00
General	Energy Efficiency Awareness	R80,000.00
Total		R8,000,000.00

Table 3:2027/2028 Cost Estimate

ADOPTED.**DIRECT EXCO REPORT**

2. **ACCEPTANCE OF TRANSACTION ADVISORY SERVICES FROM THE DEVELOPMENT BANK OF SOUTHERN AFRICA AND INTERNATIONAL FINANCE CORPORATION FOR THE DESALINATION PROJECT AT CENTRAL WASTEWATER TREATMENT WORKS (23/1/11/2/1/2)**

(Page 3)

Authority is sought to proceed with the implementation of the desalination project at the Central Wastewater Treatment Works via a Public Private Partnership (PPP) process and to accept Transaction Advisory Services at an amount of R34 Million from the Development Bank of Southern Africa and the International Finance Corporation.

Given the circumstances surrounding water challenges and the water demand exceeding supply in eThekweni, the Municipality is exploring alternative options to ensure water security. With almost 98% of the water sourced from the uMgeni-uThukela Water and the existing water supply schemes becoming increasingly expensive, the Municipality seeks to produce twenty percent (20%) of its water supply in ten (10) years from alternative sources such as desalination of seawater and the reuse of treated effluent.

In line with the Municipal Council's decision of 23 February 2017, the eThekweni Municipality partnered with the New Energy Development Organisation (NEDO), and embarked on the desalination demonstration project to evaluate the Remix Water technology, which integrates seawater desalination with treated wastewater to reduce energy consumption and costs. The project was implemented by Hitachi Ltd and successfully met its performance criteria, producing 6 250m³/day of potable water at an energy consumption of 2.6kWh/m³.

Following the success of the project, the NEDO and the Hitachi Ltd donated the plant to the Municipality. To expand this initiative, there are plans to develop a 100MI/day desalination plant using Public Private Partnership (PPP) model, transferring operational risk to the Private Partner. However, a Transactional Advisor is required to conduct a feasibility study for the PPP arrangement. The outcomes of the feasibility study will then be presented to the Municipal Council for a decision to procure a private partner. Both the DBSA and the IFC have submitted project preparation proposal to fund the study.

The transaction advisor will produce the following:

- PPP Feasibility Study in line with the National Treasury PPP Guidelines
- Review (and update) of any existing technical information
- Conditional Assessment of Central Wastewater Treatment Works

- Assessment of water distribution requirements
- Social, heritage and environmental due diligence
- Legal Due Diligence
- Value For Money Assessment in terms of the Public Sector Comparator (PSC)

- Comprehensive Risk Assessment outlining the retained and transferrable risks (risk matrix)
- Financial and Economic Valuation of the Project
- Procurement / PPP Transaction-implementation Plan

Council to note that this approach is accepted by the National Treasury with a view that it enhances project implementation and investment opportunities that would otherwise come through slowly or never materialize.

Furthermore, that the DBSA and the IFC acknowledge that the Municipality is mandated to comply with statutory requirements and policies about the fair, equitable, competitive and transparent procurement of goods and services and that any appointment of preferred financiers for the PPP project funding will be in accordance with National Treasury’s requirements and Municipal SCM policies.

Below is an indicative project timeline for the transaction advisor to produce outcome of the feasibility study for Council approval:

Task	Date from the signing of the contract
Transaction Advisory Team mobilization and Kick-off meeting	2 months
Inception Report	2 months
Draft Feasibility Report delivered	6 months
Draft Transaction Structure Report delivered	6 months
Final versions delivered	9 months

With the Committee being in support and noting that failure to implement this project, the City will be at risk due to a shortfall of future water supply.

COMMITTEE RECOMMENDS:

- 2.1 That the City Manager notify the National and the KwaZulu-Natal Treasury of its intent to initiate processes in terms of the Municipal Public Private Partnership (PPP) Regulations, to assess suitability of the PPP for the Desalination Project in Central Wastewater Treatment Works.

- 2.2 That authority be granted for the City Manager to appoint a suitable internal Project Officer in terms of Section 7 of the Municipal Public Private Partnership Regulations.

- 2.3 That the City Manager accepts Transaction Advisory Services from the Development Bank of Southern Africa (DBSA) and the International Finance Corporation (IFC) for the Desalination Project in Central Wastewater Treatment Works (WWTW).
- 2.4 That subject to the approval of .3 above, authority be granted for the City Manager to enter into a Financial Advisory Services Agreement with the Development Bank of Southern Africa (DBSA) and the International Finance Corporation (IFC), on behalf of the eThekweni Municipality for the project preparation funding of approximately ZAR 34 Million to conduct a feasibility study and procurement phases of the project.
- 2.5 That findings and recommendations of the feasibility study carried out by the Transaction Advisor be presented to the Council for a decision to procure a PPP partner.

Financial Implications:

1. DBSA and IFC have submitted a project preparation funding proposal for up to R34 Million for the project.
2. If the feasibility study produces a negative outcome that could result in an unsuccessful project, the project preparation funding will be at no cost to the Municipality.
3. If the feasibility study produces a positive outcome that implies a successful project, the project preparation funding will be paid by the preferred PPP partner.
4. The structuring of the transaction will be set up in a manner where the obligation to pay back the project preparation funding is passed through to the preferred PPP Partner and not the Municipality.

ADOPTED by the majority vote.

3. REQUEST FOR CONTRACT EXTENSION OF ZIBAMBELE POVERTY ALLEVIATION PROGRAMME (4/3/5/1)

(Page 17)

Authority is sought to extend the current Zibambele Poverty Alleviation Programme on an ongoing basis until such time that Council determines a future model and the duration for the programme. In addition, authority is sought to renew on an annual basis the existing participants' contracts expiring on 31 July 2024, subject to approval from Ward Councillors in consultation with Ward Committee Structures. Furthermore, approval is sought to adjust stipends effective from 01 July 2024 in accordance with Council's salary increases.

The Municipal Council will recall that the primary objective of the programme is to alleviate poverty by creating supplementary work opportunities on the eThekweni Municipality's low order road network. Mention being made that the programme targets beneficiaries from low-income households selected and employed through Ward Structures to carry out minor road maintenance and cleansing functions on individual sections of road within walking distance of their residence.

As the custodian of the programme, the Roads and Stormwater Maintenance Department is collaborating with various departments to derive an effective exit strategy. As such training programmes have been provided to some of the beneficiaries to enhance their chances to compete in the job market. Due to negative economic climate, most participants have remained in the programme without being successfully exited, hence the need to extend the programme whilst other exit strategies are being explored.

The table below highlights the current distribution of overseers and the Beneficiaries for each Ward.

CURRENT DISTRIBUTION OF OVERSEERS AND BENEFICIARIES BY WARD								
Ward No.	No of beneficiaries	No. of overseers	Ward number	No of beneficiaries	No. of overseers	Ward number	No of beneficiaries	No. of overseers
EW01	261	7	EW37	42	1	EW65	42	1
EW02	312	8	EW38	53	1	EW67	133	3
EW03	153	3	EW39	28	1	EW72	71	2
EW04	240	7	EW40	59	1	EW77	80	2
EW05	136	3	EW41	41	1	EW91	133	3
EW06	130	3	EW42	39	1	EW92	72	2
EW07	191	6	EW43	68	1	EW93	66	2
EW08	98	4	EW44	89	2	EW94	180	5
EW09	79	2	EW45	49	1	EW95	124	5
EW10	36	1	EW46	37	1	EW96	92	3
EW11	9	1	EW47	48	1	EW98	139	3
EW12	87	2	EW52	26	1	EW99	81	2
EW13	50	1	EW53	35	1	EW100	233	6
EW14	150	4	EW54	50	1	EW102	33	1
EW15	90	2	EW55	53	2	EW103	114	3
EW16	85	2	EW56	91	3	EW104	93	2
EW17	68	2	EW57	83	2	EW105	161	4
EW19	94	2	EW58	20	1	EW106	161	4
EW20	88	2	EW59	82	2	EW107	89	2
EW21	59	1	EW60	20	Vacant	EW108	69	1
EW22	55	1	EW61	17	1	EW109	156	4
EW34	66	2	EW62	46	1	EW110	27	1

During discussion, both the DA and the IFP welcomed the report with reservations. They expressed concerns regarding what they considered lack of correlation between the number of beneficiaries allocated each Ward and it appears the size of the Ward is also not a consideration. Mention being made that, strangely, larger Wards appear to be allocated fewer people with smaller Wards being the opposite. That consideration of the Ward Committee in the absence of Ward Councillor will cause a debacle.

Concerns were raised regarding slow progress in developing an effective exit strategy for the beneficiaries. That despite numerous assurances that the strategy is underway, there has not been any progress. In this regard, the Municipality was cautioned against raising expectations of permanent employment for all participants. That a need exists for a thorough financial review of the Municipality to determine its capabilities to continue with the programme. Furthermore, emphasis was made on the importance of adhering to the age limit of 64 years to mitigate health risks.

Responding to the concerns raised, clarity was provided that Zibambele Programme focuses on low road network, and that the allocation then is informed by the roads requiring attention rather than the size of the Ward. That with Ward Councillors being Chairpersons of Ward Committees, it was confirmed that there is no exclusion then in this regard.

To clearly outline the role of Ward Councillors in this Programme, the Executive Committee Mthethwa proposed an amendment of recommendation 1.4 to remove reference to “Ward Structures” and the substitution thereof with “Ward Councillors in consultation with Ward Committees”. This was agreed to. Nevertheless, the DA continues to abstain on this matter. With the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 3.1 That Council approves continuation of the existing Zibambele Poverty Alleviation Programme model, with this to be retained for part-time work opportunities on an ongoing basis until such time that the Committee amends the existing model.
- 3.2 That contracts of the existing participants that are due to expire 31 July 2024, be renewed on an annual basis subject to approval by Ward Councillors in consultation with Ward Committees.
- 3.3 That Council approves an increase in stipend with effect from 01 July 2024, in line with the Council’s salary increases, as per the Council decision dated 30 October 2018, contained in the report by the Acting Head: Engineering dated 2024-03-06.
- 3.4 That replacements of participants may proceed with the approval of Wards Councillors in consultation with Ward Committees.
- 3.5 That the Business Support Unit conduct training for the participants to empower them as part of an exit strategy for the Zibambele Programme.

(Provided 2024/25) R128,121,540.00

Business Unit	Contract No	FC No
48910.10510.12120.0000.89614-17.0010	ZIBAMBELE	

Financial Implications:

Current Budget for Participants:

	No. of Participants	Stipend 2023/24	Monthly Expenditure 2023/24
Beneficiary	6819	R1,270.08	R8,660,675.52
Overseers	153	R5,490.54	R840,052.62
Part-time Overseer	3	R2,091.60	R6,274.80
Total	6,975		R9,507,002.94

Financial Provision:

BU	Item	Funding	Costing	Project	Region	<u>2023/ 2024</u>	<u>2024/ 2025</u>	<u>2025/ 2026</u>
48910	10510	12120	0000	89614-17	0010	R116,946,142.20	R128,121,540.00	R134,527,610.00

ADOPTED by the majority vote.

4. REQUEST TO ENTER INTO NEW MEMORANDUM OF AGREEMENT WITH TRANSNET NATIONAL PORTS AUTHORITY FOR PRELIMINARY DESIGN AND ENVIRONMENTAL IMPACT ASSESSMENT FOR A SECOND ACCESS ROAD TO THE PORT OF DURBAN (21/14/2 & 32/3/1)

(Page 28)

The Municipal Council previously granted authority for a joint study to be commissioned between eThekweni Municipality and Transnet National Port Authority for preliminary design and environmental impact assessment for a second access road to the Port of Durban. The project seeks to prioritise operations of the Port of Durban as the Key National and Municipal Strategic asset that generates heavy vehicle activity. Mention being made that the Port is crucial to both National and Local economic & industrialization aspirations.

For the purpose of the project, eThekweni and Transnet signed a Memorandum of Agreement (MOA) on 22 August 2020. The MOA governed and mandated the organs of state to work together to combat challenges concerning the road network and freight activities in and about the Port of Durban while the Municipality's Integrated Freight and Logistics Strategic Framework and Action Plan recognises the need for Transnet and eThekweni Transport Authority (ETA) to plan additional road capacity to and from the Port of Durban with improved freight management in this area.

The duration of the agreement was three (3) years from the date of signature by the Party signing last in time and remained in force for a period not exceeding three (3) years. The MOA in question **expired on 22 August 2023**.

The reasons for the Memorandum of Agreement to expire are highlighted as follows:

- The contract (with contract numbers: 1T-45226 & 1T-24449) for the second access to the Durban Port was advertised and cancelled for the second time in May 2023 due to legal issues that were raised by the tenderers based on the City's Supply Chain Management (SCM) Policy.
- The second non-award process required prior consent from the National Treasury as documented on the City's SCM Policy.
- Following multiple enquiries from ETA, it was discovered through the SCM Unit that National Treasury no longer deals with second non-awards as of 16 January 2023.
- Consequently, ETA was advised by the City's Bid Adjudication Committee (BAC) that the City's SCM policy requires an amendment to align with the National Treasury Policy which will only take place in 2024, then the non-award can be approved.

During deliberation, the Committee expressed support for the proposed initiative, emphasizing its potential to alleviate traffic congestion on roads and reduce delays in the Durban harbor. Thereafter, the IFP requested that the Municipality should explore a possibility to levy a charge on all trucks utilizing the roads to generate funds for roads maintenance and rehabilitation of associated infrastructural damages. On the other hand, the DA implored for this project to materialize thereby avoiding escalating costs. Thereafter, with the Committee being in support,

COMMITTEE RECOMMENDS:

- 4.1 That authority be granted for the City Manager, to enter into a new Memorandum of Agreement (MOA) between eThekweni Municipality and Transnet National Ports Authority for joint implementation of preliminary design and Environmental Impact Assessment (EIA) project for the second access road to the port of Durban in a bid to ease congestion and improve the Port operations.
- 4.2 That subject to .1 above, budget to the value of R25 Million, excluding VAT, be made available to cover for the 50% contribution part of the City, as follows:
R 3 000 000.00 FY 2024/25
R22 000 000.00 FY 2025/26

Financial Implications:

The overall Project is estimated at R50 million excluding VAT. This estimated cost will be shared by the eThekweni Municipality and Transnet on a 50/50 basis. As such, a budget to the value of R25 million excluding Vat be made available to cover for the 50% contribution part of the City as follows:

ADOPTED.

5. APPROVAL OF INTEGRATED DEVELOPMENT PLAN PROCESS PLAN FOR 2025/2026 FINANCIAL YEAR (2/1/6/1)

(Page 61)

The Municipal Council is required to note preparations and approve the advertisement of the draft 2025/2026 IDP Process Plan for all internal and external stakeholders will have an opportunity to provide comments on the proposed process.

The following activities will be undertaken to ensure that the Municipality complies with relevant statutory requirements:

- The process plan will be advertised for public comments until 30 August 2024;
- Based on the comments received, amendments will be made to the Process Plan;
- Thereafter, the Final Draft will be forwarded to the Municipal Council for approval in September 2024;
- The Final draft 2025/2026 Integrated Timetable of events as required by the Municipal Finance Management Act No 56 of 2003, which will include the budget performance management and annual report processes will be updated and included in the Final Draft 2025/2026 Process Plan.

It should be noted that Provincial Department of Cooperative Governance and Traditional Affairs (COGTA) will provide written comments on the Draft Process Plan. Accordingly,

COMMITTEE RECOMMENDS:

- 5.1 That in line with the requirements of the Local Government: Municipal Systems Act, No. 32 of 2000, the Draft 2025/2026 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.

- 5.2 That authority be granted to the City Manager to advertise the draft 2025/2026 IDP Process Plan for public comment from 2024-08-01 to 2024-09-06.
- 5.3 That the draft 2025/2026 IDP Process Plan be forwarded to the Honourable MEC for KwaZulu-Natal Co-operative Governance and Traditional Affairs in the IDP Unit for their comments, be approved.

Financial Implications:

The financial implications for the draft Process Plan revolve largely around:

- The printing of the Process Plan for distribution to the Municipal libraries, Councillors Offices and Regional Centers
- Advertising costs for the media.

ADOPTED.

6. REQUEST TO PARTNER WITH AFRICA OCEANS COUNCIL TO IMPLEMENT THE BLUE ECONOMY PROGRAMME AND CO-HOST THE AFRICA MARITIME INVESTMENT INDABA (20/1/6/1)

(Page 77)

The Africa Oceans Council has expressed interest to partner with the City of eThekweni to co-host the Africa Maritime Indaba and also support the development and implementation of the Blue Economy programme beyond the proposed Indaba. This partnership is in line with the Inner-City Regeneration Strategy focusing on re-envisioning and repositioning the eThekweni Municipality as a significant global player in the Blue Economy.

Oceans Africa is a South African organization with significant international experience on Oceans economy development. They have vast experience in Oceans and Maritime Industry Development including hosting similar international events such as the BRICS 2023 Business Session, East and West Africa Oceans Dialogue, participation in African Union platforms and their clarity on the global reposition of Durban Ocean Economy.

Therefore, authority is sought to partner with the Africa Oceans Council to implement the Blue Economy Programme and to Co-host the Africa Maritime Investment Indaba in November 2024. The latter is proposed to take place from 5 to 8 November 2024 at the Inkosi Albert Luthuli International Convention Centre. The Blue Economy Programme will be held from 24 to 28 September 2024.

The Economic Implication for the Blue Economy Week Programme and the Maritime Investment Indaba is highlighted as follows:

- Positive impact to local economy and the broader tourism sector;
- The direct spending by the international and local delegates in the hospitality industry have bearings on local tourism;
- One of the critical value-add elevated from this proposal is the repositioning of eThekweni as the Global Smart Coastal port City region, Destination Marketing, Investment Promotion for immediate to medium and long-term benefits including connection with global Industry leaders for economic growth and development for a maritime and coastal city.
- This programme will elevate discussions on growing investments through the Indian-Ocean Realm Association (IORA), BRICS, UNCTAD, International Maritime Trading networks in support of the AU Blue Economy Strategy 2050.

During discussion, the Chairperson of the Economic Development and Planning Committee acknowledged and commended the proposed initiative, emphasizing the necessity to engage the ECOD Cluster in specific activities. That this inclusion is deemed critical as the cluster serves as the custodian of the Inner-City Regeneration, thereby ensuring accountability throughout the execution of these activities.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 6.1 That Council notes progress made in the envisioning of the eThekweni Blue Economy Programme in support of the Inner-City Regeneration Programme.
- 6.2 That authority be granted for eThekweni Municipality to partner with Africa Oceans Council to co-host the Africa Maritime Indaba planned for November 2024, and support offered for the implementation of the Blue Economy Programme, with the City to contribute an amount of R1 500 000.00 (One Million Five Hundred Thousand Rand) towards venue hire for the 2024/2025 financial year conference.
- 6.3 That authority be granted for eThekweni Municipality to implement the Blue Economy Week in September 2024 and incur expenditure in the amount of R3 500 000.00 (Three Million Five Hundred Thousand Rand) for this purpose.
- 6.4 That authority be granted for eThekweni Municipality to utilise allocated funds for Inner-City Regeneration International Events to implement Blue Economy Programme in the amount of R5 250 000.00 (Five Million Two Hundred and Fifty Thousand Rand) and R5 500 000.00 (Five Million Five Hundred Thousand Rand) in the 2025/2026 and the 2026/2027 financial years, respectively.

Financial Implications:

1. The total cost of the Africa Maritime Investment Indaba is R8 000 000.00 (Eight Million Rand). The potential partner Ocean Africa requested the eThekweni Municipality as a host partner to contribute an amount of R1.5 Million (One Million Five Hundred Thousand Rand) towards covering the cost of the venue, as contained in the report of the City Manager dated 2024-06-21 as (Annexure D – quotation from the ICC). As with other partnerships on conferencing, security and safety is an important element for a successful event and eThekweni Municipality is also requested to assist with this as part of co-hosting the Indaba.
2. The Blue Economy Week planned for September 2024 with a proposed budget allocation of R3 500 000.00 (Three Million Five Hundred Thousand Rand) to cover the cost for hosting the Opening and Closing of Blue Economy Week Events which will include the Beach and Aqua Sports, Fun Run/Walk, Cultural Carnival, Hackathon, SMME Stalls, Music Festival, to mention a few as contained in the report of the City Manager dated 2024-06-21 as Annexure C for the Concept for the Blue Economy Week. The Team is also looking at a plan to mobilize additional funding to support the Blue Economy Week Activities.
3. The Inner-City Regeneration International Events Task Team through the Office of the City Manager will engage with all relevant Departments to support the planning and hosting of the Indaba and raise the budget for the following 2025/2026 and 2026/2027 financial years. The funds have already been committed as per table below:

Financial Year	Funds Requested	Funded From	Amount
2024/2025	30003.10970.12120.0000.31100-02.0010	26503.16315.12120.0000.38805-106.0010	R5 000 000.00
2025/2026	30003.10970.12120.0000.31100-02.0010	30003.25485.32.12120.0000.MRC01.001	R5 250 000.00
2026/2027	30003.10970.12120.0000.31100-02.0010	30003.25485.32.12120.0000.MRC01.001	R5 500 000.00

Item 6.1 NOTED, items 6.2, 6.3 & 6.4 ADOPTED.

7. APPROVAL IN TERMS OF SECTION 33 OF THE MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003 TO APPOINT PROFESSIONAL SERVICE PROVIDER FOR CONTRACT NO PSC2015/019: PROVISION OF CONSULTING SERVICES FOR THE DESIGN AND CONSTRUCTION SUPERVISION OF THE CATO RIDGE TRUNK SEWER PROJECTS (23/2/1/3/2)

(Page 135)

The eThekweni Water and Sanitation Unit has, in terms of Section 33 of the Finance Management Act (MFMA) No. 56 of 2003, embarked on a process to secure long-term contract, eight (08) years to be precise, for consulting services for the design and construction supervision of the Cato Ridge Trunk Sewer Project in Wards 1, 4 and 5.

It was reported that the Unit has followed due process, as prescribed in Section 33 of the Local Government: Municipal Finance Management Act No. 117 of 1998, to achieve necessary compliance in this regard. That this also included advertising public notice to obtain public comments and there were no objections received at the expiry of the advert. The Unit also solicited views of the relevant stakeholders including National & Provincial Treasury, the Department of Cooperative Governance & Traditional Affairs, the Department of Water & Sanitation, and the KZN Department of Economic Development Tourism & Environmental Affairs, with all being in support of this long-term contract given the sustainability and the benefits associated therewith.

The Unit decided to invoke Section 33 of the MFMA due to the duration of the process required for the successful implementation of this project. The table below illustrates timelines associated with each phase of the project:

Phases (with details)	Duration (years)
Design Development	3years
<ul style="list-style-type: none"> - Includes obtaining permits from SANRAL, EDTEA, DWS, Real Estate, etc. - Furthermore, this includes producing the Concept and Design in line with the Client’s brief. 	
Procurement for Construction	0.5 years
<ul style="list-style-type: none"> - Entails advertising via the Municipalities procurement process up to obtaining the LOA. 	
Construction	3 years
<ul style="list-style-type: none"> - Construction of approximately 11km of 1000mm diameter sewer pipe with multiple pressure breaking chambers and sewage pumpstations; crossing the N3 Highway; crossing the Transnet Railway; crossing sensitive Flora and wetlands, etc. - This construction will be undertaken over a tricky topography of a height difference of 150m. 	
Close-Out	1.5 years
<ul style="list-style-type: none"> - Entails training of operating and maintaining the pressure breaking tanks and pumpstations and servitude registration for the installed infrastructure. 	

During discussion, the DA recorded its abstention on the matter at this stage. They emphasized that as the World Class City, eThekweni Municipality should prioritise beefing up its internal resources rather than outsourcing services. That the amount associated with this tender could be utilised for other critical service delivery aspects.

Also, concerns were raised that some of the channels used for tender publications are not accessible to certain communities. That the Municipality consider using other media platforms including Government Gazette to reach all eThekweni citizens regardless of where they live. In addition, that the 8-year period for the scope of works is a lengthy period.

Contributing to the discussion, the ANC supported this project, drawing attention that Ezasegagasini Metro remains the main publication to broadcast key matters of eThekweni Municipality, including publicizing vacant positions and tenders. That this newspaper reaches wide coverage within the eThekweni Municipality at no cost to individual members of the community.

Furthermore, the work to be undertaken is considered to be of a specialist nature, whilst on the other hand, most of the technical staff are tied up, with the City focusing on infrastructure restoration. The IFP supported the item but still expressing reservations with regard to outsourcing the function. Meanwhile, the EFF abstained at this stage and queried alternative plans in the event the scope of work is not finalized within the prescribed timelines.

Accordingly, with the majority of the Political Parties,

COMMITTEE RECOMMENDS:

- 7.1 That in terms of Section 33(1)(b) Council notes:
 - 7.1.1 The projected financial obligations of the Municipality in terms of the proposed contract for each financial year covered by the contract.
 - 7.1.2 That no comments or representations on the proposed contract were received in terms of the invitation to the local community and interested parties.
 - 7.1.3 The views and recommendations on the proposed contract as received from National Treasury, the Department of Cooperative Governance and Traditional Affairs, Department of Economic Development, Tourism and Environmental Affairs and the Department of Water and Sanitation.
- 7.2 That in terms of Section 33(1)(c) Council:
 - 7.2.1 Approves Contract No. PSC2015/019 - Provision of Consulting Services for the Design and Construction Supervision of the Cato Ridge Trunk Sewer Project eight (08 years), as it is to be executed.
 - 7.2.2 Authorises the City Manager to sign the above contract on behalf of the Municipality and for the recommended service provider to be appointed for a period of ninety-six (96 months) (8 years).

Financial Implications:

It is estimated that Contract No. PSC2015/019 – Provision of Consulting Services for the Design and Construction Supervision of the Cato Ridge Trunk Sewer Project (8 Years), Wards 1, 4 and 5 will impose financial obligations on the Municipality over eight (8) financial years, with anticipated expenditure as summarised in the table below:

Financial Year	Financial Year	Anticipated Expenditure (excl. VAT)	24-26 MTREF Budget
1	2024/2025	R5 000 000	R5 000 000
2	2025/2026	R5 000 000	R5 000 000
3	2026/2027	R7 000 000	R7 000 000
4	2027/2028	R35 000 000	R0
5	2028/2029	R30 000 000	R0
6	2029/2030	R30 000 000	R0
7	2030/2031	R30 000 000	R0
8	2031/2032	R8 000 000	R0
TOTAL		<u>R 150 000 000</u>	

Vote No.: Y7628

FC No.: 365/C441

ADOPTED by the majority vote.

8. APPROVAL IN TERMS OF SECTION 33 OF THE MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003 TO APPOINT PROFESSIONAL SERVICE PROVIDER FOR CONTRACT NO PSC 2021/005: PROVISION OF MULTI-DISCIPLINARY ENGINEERING CONSULTING SERVICES FOR CAPACITY EXTENSION OF THE TONGAAT CENTRAL WASTEWATER TREATMENT WORKS (23/1/11/2/1/2)

(Page 177)

The eThekweni Water and Sanitation Unit has, in terms of Section 33 of the Finance Management Act (MFMA) No. 56 of 2003, embarked on a process to secure a long-term contract, seventy-two (72) months to be precise, for multi-disciplinary engineering consulting services for the 10ml/day to 22.5ml/day capacity extension of the Tongaat Central Wastewater Treatment Works.

A similar process was followed as prescribed in Section 33 of the MFMA, with the relevant stakeholders contributing positive input about this project. Appointed Professional Service Provider will take responsibility for supervision over the full construction period, monitor quality, attend to full commissioning and trial operation of the upgraded wastewater treatment works to ensure it operates to specification and produce as built drawings.

In order to fulfil the above requirements, it is estimated that an additional three (03) years is required over and above the normal three (03) years required for design and construction procurement for a wastewater treatment works of this capacity hence the need to invoke Section 33 of the MFMA.

The Committee shared similar views as those shared in the preceding item. Accordingly, the DA and the EFF abstained on the matter. With the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 8.1 That in terms of Section 33(1)(b) Council notes:
- 8.1.1 The projected financial obligations of the Municipality in terms of the proposed contract for each financial year covered by the contract.
- 8.1.2 That no comments or representations on the proposed contract were received in terms of the invitation to the local community and interested parties.
- 8.1.3 The views and recommendations on the proposed contract as received from National Treasury, the Department of Cooperative Governance and Traditional Affairs and the Department of Water and Sanitation.
- 8.2 That in terms of Section 33(1)(c) Council:
- 8.2.1 Approves Contract No. PSC 2021/005: Provision of Multi-disciplinary Engineering Consulting Services for the 10MI/d to 22.5MI/d Capacity Extension of the Tongaat Central Wastewater Treatment Works, as it is to be executed.
- 8.2.2 Authorises the City Manager to sign the above contract on behalf of the Municipality and for the service provider to be appointed for a period of seventy-two (72) months.

Financial Implications:

It is estimated that Contract No. PSC 2021/005: Provision of Multi-disciplinary Engineering Consulting Services for the 10MI/d to 22.5MI/d Capacity Extension of the Tongaat Central Wastewater Treatment Works seventy two (72 month contract). will impose financial obligations on the Municipality over six (6) financial years, with anticipated expenditure as summarised in the table below:

Financial Year	Financial Year	Anticipated Expenditure (excl. VAT)	Remarks
1	2023/2024	R2 000 000	Provided in 23 MTREF Budget
2	2024/2025	R5 000 000	Provided in 24 Draft MTREF Budget
3	2025/2026	R5 000 000	Provided in 24 Draft MTREF Budget
4	2026/2027	R21 000 000	Provided in 24 Draft MTREF Budget
5	2027/2028	R6 500 000	To be provided in forward Capital Budget
6	2028/2029	R4 562 500	To be provided in forward Capital Budget
		<u>R44 062 500</u>	

Vote No.: Y8889

FC No.: 365/C414

ADOPTED by the majority vote.

9. PROPOSED SPLITTING OF HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE INTO TWO COMMITTEES, TRADING SERVICES COMMITTEE AND HUMAN SETTLEMENT, ENGINEERING & TRANSPORT COMMITTEE (3/4/R)

(Laid-on-Table)

The Human Settlements and Infrastructure Committee is responsible for monitoring operations of the Trading Services and the Human Settlements, Engineering and Transport. These two Clusters receive a significant portion of the Municipal Budget to ensure the City continues providing effective service delivery.

However, attention is drawn to the fact that bulk of the service delivery complaints emanates from these two (02) Clusters and therefore a need exist for concerted efforts to ensure effective monitoring of service delivery.

In view of the above, a recommendation has been made for the Executive Committee to adopt a strategic direction which necessitates the Human Settlements and Infrastructure Committee to be split into two Committees. One Committee will deal with the Trading Services Cluster and the other to with the Human Settlements, Engineering and Transport Cluster. It is envisaged that this will achieve desired outcome of enhanced oversight over the service delivery functions.

Upon approval of this proposed strategic direction, formalities will ensue to allocate member and appoint Chairpersons accordingly. There is a possibility that this process may result into reconfiguration of all Section 80 Committees. Thereafter, the Municipal Council will be required to approve the relevant Terms of References to accommodate the two Committees, and any other change that might be necessitated for the existing Section 80 Committees. As per the statutory requirement, the Executive Committee will take responsibility to appoint Chairpersons of the proposed two Committees.

Members appreciated this initiative, citing progress in ensuring that the Service Delivery Clusters are given separate view in terms of monitoring. That this will ensure that the Trading Service Cluster is given attention in terms of ensuring that it is able to generate revenue for the Municipality without being clouded with issues of another Cluster. It was recognized that apparently the original Committee structure is bloated, yet the overall responsibility for the provision of sustainable service delivery to the local communities is centred under this Cluster.

Accordingly, the proposed split was considered a progressive move, and that such rethink is required if eThekweni is serious about implementing a turnaround plan to reclaim its former glory.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 9.1 That Council approves the strategic direction, to split the Human Settlements and Infrastructure Committee into two (2) committees to enhance oversight over the service delivery Units, i.e. Trading Services Committee and the Human Settlements, Engineering & Transport Committee.
- 9.2 That the establishment of the two (2) committees by the Municipal Council to assist the Executive Committee in the execution of its responsibilities, be approved.
- 9.3 The appointment of Councillors by the Municipal Council as members of these two (2) committees, be approved.
- 9.4 That Council approves the amendment of the Terms of Reference as necessary to effect the approved changes
- 9.5 That subject to the approval of .1, .2, .3, .4 above, the Executive Committee shall at a later stage, appoint the Chairpersons of the two (2) committees from its members.

ADOPTED by the majority vote.

10. REQUEST TO IMPLEMENT EXPANDED PUBLIC WORKS PROGRAMME
PHASE V IN THE 2024-25 FINANCIAL YAR (4/3/5/1)

(Laid-on-Table)

Authority is sought to implement Phase five (05) of the Expanded Public Works Programme (EPWP) for the 2024/2025 financial year. In addition, approval is sought for the City Manager to enter and sign a new Memorandum of Agreement (MOA) with the Department of Public Works and Infrastructure (DPWI) to receive Incentive Grant (IG) in the amount of R18 790 000.00 (Eighteen Million Seven Hundred and Ninety Thousand Rand).

This is a significant reduction of R42 000 000.00 (Forty-Two Million Rand) from the IG of the previous year. However, a proposal has since been submitted to reduce the number of participants from four thousand one hundred and fifty-five (4 155) to one thousand two hundred and seventy-six (1 276). The existing contract will expire end July 2024. New recruitment process will be undertaken in line with the EPWP Policy for all grant funded projects with the exception of the EPWP administration.

The EPWP is divided into various IG funded projects, namely, EPWP Administration, Safer Cities Volunteers Programme, Urban Management Zone (UMZ), iTrump, Durban Solid Waste Citywide Cleaning Programme, Community Based Water Agents, the Social Sector and the Cornubia Cleaning Services.

The Municipal Council should note that the reduction of the grant funding requires the Municipality to supplement budget, as it has been the practice in previous years. This is due to the fact that the number of EPWP participants needed by the City to meet the targets set out by the DPWI far exceeds what the grant can afford.

Control measures have been put in place to respond to the audit finding whereby the Municipality was found to have not taken reasonable steps to ensure that the Municipality implements and maintains effective systems of expenditure control. These are highlighted as follows:

- All contract files for the new intake will be approved by the designated before they are loaded on the system;
- All participants to be sent to the Department of Labour to ensure they are no employed elsewhere;
- The Administration of payroll for all projects to be centralized in the designated office;
- Access to amend rates/ add/ delete participant to be limited to only two payroll Administrators; and
- On a month basis, the respective payroll Administrators are to ensure that no EPWP participant is paid unless they have signed appropriate time sheets.

The DA (03) voted against this item. With the ANC (04), the EFF (01) IFP (01) and the NFP (01) being in support of the recommendation,

COMMITTEE RECOMMENDS:

- 10.1 That Council approves the implementation of the eThekweni Municipality Expanded Public Works Programme Phase V and projects for the 2024/2025 financial year.
- 10.2 That authority be granted for the City Manager to sign the Memorandum of Agreement on behalf of the eThekweni Municipality with the Department of Public Works and Infrastructure to receive the Incentive Grant.
- 10.3 That authority be granted for the Deputy City Manager: Finance to identify and allocate the top up funding of R92 125 545.00 (Ninety-Two Million One Hundred and Twenty-Five Thousand Five Hundred and Forty-Five Rand) from Council's savings.

EPWP Phase V Targets:

Total All Sectors							
Municipality		2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
eThekweni (ETH)	WO	12,342	12,759	13,025	13,311	13,581	65,018
	FTE	3,98	4,083	4,188	4,293	4,4	20,944

Financial Implications:

eThekweni Municipality will receive R18 790 000.00 (Eighteen Million Seven Hundred and Ninety Thousand Rand) from DPWI to fund the below listed projects for the 2024/2025 financial year. The estimated expenditure for the 2024/2025 financial year is R110 915 545.00 (One Hundred and Ten Million Nine Hundred and Fifteen Thousand Five Hundred and Forty Five Rand) hence Council funding required is R92 125 545.00 (Ninety Two Million One Hundred and Twenty Five Thousand Five Hundred and Forty Five Rand) for the implementation of the programme for the 2024/2025 financial year.

Project Name	No. of participants	Grant Funding	Council Funding	Total
Safer Cities	555	R8 704 883.00	R33 896 631.00	R42,601 514.00
EPWP Administration	64	R1 003 806.00	R4 296 054.00	R5 299 860.00
Community Water Agents	111	R1 740 977.00	R6 698 756.00	R8 439 733.00
Social Sector	300	R3 481 953.00	R14 561 027.00	R18 042 980.00
ITRUMP	20	R313 689.00	R299 369.00	R613 058.00
Cornubia Cleaning	4	R62 738.00	R79 307.00	R142 045.00
DSW	222	R3 481 953.00	R8 294 401.00	R11 776 354.00
TOTAL	1 276	R18 790 000.00	R68 125 545.00	R86 915 545.00

An additional amount of R24 000 000.00 (Twenty-Four Million is required for the final payment (July 2024) of the 4 155 participants that are currently in the programme.

ADOPTED by the majority vote.

11. ELECTION OF CHAIRPERSON OF THE FINANCE COMMITTEE

(Laid on Table)

The position of Chairperson in the Finance Committee became vacant following the resignation of the previous incumbent. The Finance Committee forms part of Section 80 Committees supporting the Executive Committee. As per the statutory requirement, the Executive Committee has powers vested in it to appoint Chairpersons of Section 80 Committees.

Given this mandate, the Executive Committee therefore embarked on a process to appoint the Chairperson of the Finance Committee. His Worship the Mayor, Councillor VC Xaba was then nominated and seconded accordingly to occupy the position of Finance Committee. His appointment was supported unanimously, thus signifying the commencement of the role of Chairperson in this regard.

Accordingly,

COMMITTEE RECOMMENDS:

That the Municipal Council notes that the Executive Committee, as per the powers vested in it in terms of Section 80(3)(a) of the Local Government: Municipal Structures Act 117 of 1998, unanimously appointed His Worship the Mayor, Councillor VC Xaba of the African National Congress to serve as Chairperson of the Finance Committee.

NOTED.

3. THIRD REPORT OF THE EXECUTIVE COMMITTEE: MEETING HELD ON TUESDAY 2024-07-30

1. REPORT OF THE COMMUNITY SERVICES COMMITTEE: MEETING HELD 2024-07-24

(Page R1)

1.1 Request for Authority to Receive Funding from the KwaZulu-Natal Provincial Department of Sports, Arts and Culture for Library Services (7/4/2):

(Page 8: Community Services Committee - Agenda 2024-07-24)

Parks, Recreation and Culture Unit is responsible for delivering on Plan 6 of the Integrated Development Plan (IDP) of the eThekweni Municipality and its goal is to encourage people within the city to interact creatively to stimulate economic growth, social cohesion and unity in diversity.

The eThekweni Municipal libraries are mandated to establish and maintain museums and public libraries to allow citizens to meet their full potential within educational, recreations, cultural, social inclusion, urban and rural development goals of eThekweni. The Provincial Department of Sports, Arts and Culture is therefore supporting this mandate with financial injection to ensure the functioning of these facilities.

Provincial Department of Sports Arts and Culture has been making provision in the form of various grants for specific projects/programs within the Municipal Libraries and Heritage Department. These grants are aimed at addressing the constitutional mandate whereby public libraries are an exclusive provincial competency. Therefore, this funding is for provision of following library services within the Municipality:

- Development and maintenance of museums and libraries
- Providing network infrastructure and all relevant ICT equipment and projects
- Subsidizing of all library staff salaries
- Care and preservation of cultural heritage
- Providing books and other relevant library materials in libraries which meet the needs of communities.

Accordingly, the Provincial Department is allocating a 3-year funding to undertake the Library services within the eThekweni Municipal area. In this regard, a three-year Memorandum of Agreement will have to be entered into between the Municipality and the Provincial department.

In view of the foregoing,

COMMITTEE RECOMMENDS:

- 1.1.1 That authority be granted for the Head: Parks Recreation and Culture to accept a 3-year grant funding i.e. 2024-2027 from the Provincial Department of Sports, Arts and Culture, in the total amount of R250 923 000.00 (Two Hundred and Fifty Million Nine Hundred and Twenty Three Thousand Rand), to be allocated in portions per each financial year as per the breakdown reflected in the table below for the Municipality to undertake the library services within the eThekweni Municipal area.
- 1.1.2 That subject to the approval of .1 above, authority be granted for the City Manager to sign a Memorandum of Agreement covering all aspects as required in terms of the Local Government: Municipal Finance Management Act (MFMA).

Financial Implications:

Section	2024/25 Amount	2025/26 Amount	2026/27 Amount	TOTAL
Libraries	R62 523.000	R65 324.000	R68 251.000	R196 098.000
Libraries (ICT)	R10 474.000	R11 409.000	R11 543.000	R33 426.000
Museum	R6 906.000	R7 215.000	R7 278.000	R21 399.000
TOTAL	R79 903.000	R83 948.000	R87 072.000	R250 923.000

ADOPTED.

**2. REPORT OF THE SECURITY AND EMERGENCY SERVICES COMMITTEE:
MEETING HELD 2024-07-25**

(Page R3)

2.1 Project Authority and Reprioritization of the 2024/2025 Capital Budget for the Homeless Facility, Sakhithemba Home, Illovo (7/1/2/2):
(Page 14 : Security and Emergency Services Committee - Agenda 2024-07-25)

The report seeks approval to reprioritise the capital budget amounting to R13 641 000.00 earmarked for new projects in the 2024/2025 financial year. Upon reprioritisation approval, the said budget will be re-allocated for the construction of a 400-bed homeless facility situated in Portion 2 of Erf 16946 of Illovo No. 16946 to be known as Sakhithemba Home. This funding was initially earmarked for the Block AK project which was to be located within the Durban CBD precinct.

However, upon advice and recommendations by the Inner-City Regeneration Committee that the Block AK site would not be suitable due to its proximity to tourist attractions such the Moses Mabhida Stadium and Greyville Race Course, the Economic Development & Planning and Safer Cities Units were tasked to identify an alternative suitable site hence the identification of Portion 2 of Erf 16946 in Illovo.

The Sakhithemba Home will provide the following:

- (a) Health Screening and Assessments
- (b) Feeding
- (c) Social Work Services
- (d) Security
- (e) Drug Rehabilitation

Other than the above-mentioned services, more focus will be on skills development and to also reunite the homeless with their families as there was no expectation for them to stay in the facility for longer periods.

The Committee welcomed the report and emphasised that in view of more homeless people residing in the CBD and surrounding areas of eThekweni, it was important that alternative sites/facilities to cater for this area be explored. Emphasis was made that proper screening should be done to the homeless people that will be transferred to the Sakhithemba Home to ensure that those with outstanding criminal offenses were dealt with by the relevant stakeholders.

On the issue of alternative facilities to cater for the CBD area, indication was made that would be resolved through the Better Buildings Programme, a programme earmarked to refurbish old buildings. A policy issue was also being explored to introduce some form of subsidy to cater for the homeless people that may opt to go to private shelters.

During discussion at the Executive Committee level, the DA emphasized the need for a more comprehensive report detailing how the facility will address the accommodation needs of both genders, as well as addressing concerns related to water supply and sewer reticulation, given the current non-operational nearby pump station. Additionally, it was emphasized that the Committee should receive feedback from the public participation process to better understand the community perspectives on the matter.

Joining the discussions, the IFP expressed concerns about the voluntary presence of some individuals on the streets who may have stable housing options. They advocated for a thorough profiling exercise to ensure that only those in genuine need are accommodated. That those with stable homes be reunited with their families. Furthermore, the Municipality was encouraged to strengthen its Bylaws to manage homelessness effectively and emphasized the importance of prioritizing ratepayers' needs, focusing on crime prevention and maintaining cleanliness.

The NFP supported the initiative and highlighted the necessity of backing the Safer Cities program. They stressed the importance of implementing measures to restore the inner city's appeal, thereby attracting more visitors.

Also contributing to the discussion, the (ANC) emphasized that the primary goal of the Economic Development initiative should be to ensure the safety of visitors throughout their stay in eThekweni. They suggested exploring alternative sites outside the City Centre to accommodate homeless individuals and reiterated the need for a comprehensive profiling exercise.

The Management acknowledged the inputs from the Committee and emphasized that this initiative is aligned with the Municipality's goal of making eThekweni the most caring and liveable City. That the Municipality is receiving substantial support from the Public Sector to ensure that homeless individuals are provided with adequate accommodation and effective rehabilitation support. It was mentioned that sites are being explored all over eThekweni to migrate people from the inner city.

The DA abstained both at the Support Committee level and at the Executive level. With other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 2.1.1 That authority be granted for the construction of a 400-bed homeless shelter facility situated on Portion 2 of Erf 16946 of Illovo No. 16946 to be known as Sakhithemba Home.
- 2.1.2 That Council approves the reprioritization of R13 641 000.00 (Thirteen Million Six Hundred and Forty-One Thousand Rand) from Block AK project to the Sakhithemba Home in Illovo for the financial year 2024/2025 financial year.
- 2.1.3 That subject to the approval of .2 above, Council approves the reprioritization to be included in the adjustment budget.

Financial Implications:

Since it has been agreed by the Inner-City Regeneration Committee that Block AK will be an unsuitable for use as a homeless facility, a total amount of R13 641 000.00 (Thirteen Million Six Hundred and Forty One Thousand Rand) for the financial year 2024/2025 allocated for the Block AK project is to be reprioritized to the new Sakhithemba Home Illovo for the financial year 2024/2025 through budget adjustment.

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DEFERRED.

- 2.2 Adoption of the eThekweni Municipality Disaster Risk and Response Management Level 2 Plan (29/2/2/1):
(Page 68 and Executive Summary on Page 114 Supplementary Agenda - Security and Emergency Services Committee - Agenda 2024-07-25)

The Disaster Management Corporate Plan was developed in 2011 and adopted in August 2013. The Disaster Management and Emergency Control Unit further embarked on developing a Level 2 Disaster Management Plan which is a statutory requirement as determined by the Disaster Management Act 57 of 2002. The process required a city-wide risk and vulnerability assessment and this was initiated in 2013 and concluded in 2017.

The need to review this plan arises from the recognition that disaster management is an evolving field, continually shaped by new challenges, vulnerabilities and emerging risks. The review is also imperative to ensure that the Municipality remains proactive, adaptive and resilient in the face of evolving, disaster risks.

The Level 2 Disaster Risk and Response Management Plan focuses on establishing processes for a comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing supportive information management and communication system and

emergency communication capabilities. It being noted that the plan further seeks to protect lives, property and the environment, strengthen community resilience and ensure that eThekweni Municipality is better equipped to face challenges posed by various disaster risks.

The primary purpose of the plan includes:

- (a) Risk reduction strategies
- (b) Enhanced preparedness
- (c) Effective and efficient response
- (d) Building community resilience
- (e) Legal and policy compliance
- (f) Efficient resource allocation
- (g) Effective co-ordination and collaboration
- (h) Public awareness and education
- (i) Efficient funding arrangements

During consideration at the Executive Committee level, issues of policies were considered critical. That the Support Committee report was not as detailed for Members to grasp the whole concept. In this regard, a view was submitted and agreed upon by all Members that moving forward, the Executive Committee be provided with the actual policy documents in order to interrogate the matter and make an informed decision.

With the Committee being in support,

COMMITTEE RECOMMENDS:

- 2.2.1 That the work involved in the finalising of the eThekweni Disaster Management Risk and Response Level 2 Plan, be noted.
- 2.2.2 That the summary of the eThekweni Disaster Management Risk and Response Level 2 Plan contained in the report of the Head: Disaster Management & Emergency Control dated 2024-05-13, be noted.
- 2.2.3 That Council approves the implementation of the eThekweni Disaster Management Risk and Response Level 2 Plan.
- 2.2.4 That the Deputy City Manager: Community and Emergency Services seeks the necessary resources and provides bi-annual reports linked to the implementation of activities detailed the Level 2 Plan.
- 2.2.5 That the Deputy City Manager: Community and Emergency Services initiates a review of the institutional arrangements of the Disaster Management and Emergency Control Unit to align to the recommended institutional arrangements as detailed in the Level 2 Plan.
- 2.2.6 That authority be granted to the Head: Disaster Management and Emergency Control to workshop local communities on the updated eThekweni Disaster Management Risk and Response Level 2 Plan and workshop the Council's support Committees and other stakeholders in view of disaster management being a transversal matter.

- 2.2.7 That the Deputy City Manager: Finance seeks the required budget to support the implementation of .5 and .6 above.

Financial Implications:

Budgets are to be mainstreamed using existing programmes for the implementation of the eThekweni Disaster Management Risk and Response Level 2 Plan.

DEFERRED.

3. REPORT OF THE FINANCE COMMITTEE: MEETING HELD 2024-07-25

(Page R6)

3.1 Budget Statement Report for the Quarter Ending: 30 June 2024 (7/1/4):
(Page 18 : Finance Committee - Agenda 2024-07-25)

The Committee noted the overall financial performance analysis of the Municipality as at the end of June 2024. The actual operating revenue of 101% of the year-to-date budget, with a variance of 1%. The actual operating expenditure was reported as a percentage of year-to-date budget figure of 97% with a variance of -3%. The capital expenditure was reported to be sitting at 92% of the budget and with a variance of -8%. The capital year to date spent was reported to be sitting at 11, 8%. The cash collection rate of 93% was considered slightly lower when compared to same period in the previous year (93,58%).

Thereafter, the Committee raised a concern on water loss and requested for breakdown to establish contribution by each component towards the non-revenue water. A submission being made that Finance Committee be provided with a detailed report on water losses experienced by the Municipality. That the report should comprehensively outline the root causes and contributing factors to these ongoing losses. Furthermore, that the report should include the breakdown in terms of the monetary losses being realized by the Municipality.

A concern also being raised on the delays in migrating the meter reader function to the Revenue Unit. A proposal being made that progress report be provided on the rollout of smart meter project. It being noted that the report should include detailed reasons for the delays including anticipated timeline for completion. That intervention of the Executive Committee be sought to expedite migration of the meter reading function from Water and Electricity Units to the Revenue Unit.

It being cited that meter reading is a major challenge within the City. In this regard, a submission was made that a report detailing the procedures for replacing meters that have been damaged or stolen from privately owned properties be submitted. That the report should include specifics in terms of the replacement process and associated costs. A further proposal being made that representative from the eThekweni Water and Sanitation and the Electricity Units be invited to the next meeting of the Committee. That these Units would be required to provide a detailed overview of meter reading practices and proposed strategies to address existing backlog in meter readings.

During discussion, it is noted with concern that there are schools that had water and electricity disconnections due to unpaid rates. In this regard, a submission was made that a report be submitted on the progress of installing prepaid meters

in the Section 21 schools that have a history of non-payment for Municipal services. That the report should include installation status and challenges, if any.

The Committee noted factors having potential to reduce revenue generation, including implementation of alternative energy supply by some of the customers, load shedding impact and water outages. In this regard, it was agreed to concentrate efforts and devise strategies to adopt alternative revenue streams. Along these lines, the attention of the Committee was drawn to the currently redundant Umhlathuzana Asphalt Plant for tar production. That reviving this plant could assist in reducing outsourced services but prioritizing internal capacity and achieve cost effectiveness.

Thereafter,

COMMITTEE RECOMMENDS:

- 3.1.1 That the Budget Statement quarterly report for the month ended 2024-06-30 and the supporting documents, submitted by the City Manager as per his report dated 2024-07-12, in compliance with Section 71 and Section 52 (d) of the Municipal Finance Management Act 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, relating to the “Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations”, be noted.
- 3.1.2 That in compliance with Section 32(2) of the Municipal Finance Management Act, Council notes the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW) incurred for the month of June 2024 as detailed on section 10 of the Budget Statement Report.
- 3.1.3 That Council refers the UIFW 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

NOTED.

- 3.2 Public Tender Awards of eThekweni Municipality for the Month Ended: 30 June 2024 (9/1/3):
(Page 197: Finance Committee - Agenda 2024-07-25)

The Committee noted that the amount of R393 031 550.04 (Three Hundred and Ninety-Three Million and Thirty-One Thousand Five Hundred and Fifty Rand Four Cents) was the total value of tenders issued during the month of June 2024.

In noting the report, the Committee expressed concern that the tenders awarded to Youth owned business enterprises equate to 4% and recommended that such opportunities for the eThekweni Youth be maximized. Further, a concern was expressed on what they viewed as a high percentage of Section 36 tender awards being issued for the month of June 2024; emphasis being made that the aforesaid Section is to be utilized only for emergency purposes. Reference was also made to contract extension in terms of Section 116(3) of the Local Government: Municipal Finance Management Act No 56 of 2003. It being cited that this was depriving service provider that have been rejected at the initial tender award stage based on expensive tender cost. That when a decision is taken to extend the contract it becomes the same as the tender initially rejected in view of the escalating cost as the result of the extension.

Whilst noting the concerns raised, Management clarified that the use of Sections referred to is permitted in terms of the Act and that due diligence is followed in this regard, including the vetting process at various stages internally. Therefore, the implementation in this regard being justified but that what is critical is the constant monitoring of the potential abuse of awarding tenders these Sections.

With the Committee noting the tender awards report subject to comments above, accordingly,

COMMITTEE RECOMMENDS:

- 3.2.1 That the public tender awards by the City for the month of June 2024, inclusive of awards made in terms of Section 36 of the Supply Chain Management Regulations, as contained in the report by the Acting Head: Supply Chain Management dated 2024-07-04, be noted.
- 3.2.2 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.
- 3.2.3 That the Finance Committee calls for additional information on individual awards, where it deems appropriate and necessary to play its oversight role.
- 3.2.4 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.
- 3.2.5 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.

DEFERRED.

- 3.3 Investment Report for the Month Ended: 31 May 2024 (7/11/4):
(Page 242: Finance Committee - Agenda 2024-07-25)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R 8, 214 175 000.00 (Eight Billion and Two Hundred and Fourteen Million One Hundred and Seventy-Five Thousand Rand), at an average rate of return on investments of 8,98%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eighty-Two Million Rand) and the unutilised Capital and Operational Grants as at the end of June 2024 was reported to be R1 054 000 000.00 (One Billion and Fifty-Four Million Rand). It being further noted that there was 52 (fifty-two) days cash on hand excluding grants.

Thereafter, the Committee noted the records of funds invested in different institutions, with a recommendation to focus attention on attracting more investors for the City to become an investment hub. That consideration be given to re-engineering processes to arrive at tangible actions to yield desired results. A recommendation having been made to review the investment policy; the attention of the Committee was drawn to the fact that investment matters fall under the jurisdiction of the Durban Invest Unit under the Economic Development & Planning Cluster.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2024-05-31, which records the total funds invested at financial institutions as R8 214 175 000.00 (Eight Billion Two Hundred and Fourteen Million One Hundred and Seventy Five Thousand Rand), at an average of return on investment of 8.98%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Municipal Finance Management Act, 2003, be noted.

DEFERRED.

3.4 Investment Report for the Month Ended: 30 June 2024 (7/11/4):
(Page 248 : Finance Committee - Agenda 2024-07-25)

The Committee noted the Municipal funds invested at different Financial Institutions are recorded to amount to R 8, 338 459 000.00 (Eight Billion and Three and Thirty-Eight Million Four Hundred and Fifty-Nine Thousand Rand), at an average rate of return on investments of 8,88%. Also, that the Municipality has an overdraft facility of R682 000 000.00 (Six Hundred and Eighty-Two Million Rand) and the unutilised Capital and Operational Grants as at the end of June 2024 was reported to be R876 000 000.00 (Eight Hundred and Seventy-Six Million Rand). It being further noted that there was 58 (fifty-eight) days cash on hand excluding grants.

Accordingly,

COMMITTEE RECOMMENDS:

That the report on investments for eThekweni Municipality as at 2024-06-30, which records the total funds invested at financial institutions as R8 338 459 000.00 (Eight Billion Three Hundred and Thirty Eight Million Four Hundred and Fifty Nine Thousand Rand), at an average of return on investment of 8.88%, as submitted by the City Manager, in line with the requirements of the Municipal Cash Management and Investment Regulation of the Municipal Finance Management Act, 2003, be noted.

DEFERRED.

3.5 Quarterly Report on Withdrawals from Municipal Bank Account in Terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, Dated 08 April 2024 (7/8/6):
(Page 265 : Finance Committee - Agenda 2024-07-25)

Committee noted the report, as per the transactions narrated relating to Section 11(f); (g); (h) of the MFMA, to refund incorrect payments; to refund guarantees, sureties and security deposits; as well as investing funds not required for immediate use.

Accordingly,

COMMITTEE RECOMMENDS:

3.5.1 That the report on withdrawals from the Municipal bank account as at 30 June 2024, submitted in terms of Section 11(4) of the 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.

3.5.2 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 requirement.

DEFERRED.

3.6 Amendment to eThekweni Municipality Municipal Standard Chart of Accounts (MSCOA) Roadmap (7/R):
(Page 268 : Finance Committee - Agenda 2024-07-25)

Upon presentation of the report, the Committee noted that the Municipal Regulations on a Standard Chart of Accounts (mSCOA) was gazetted by the Minister of Finance on 22 April 2014, to give effect to Section 216 of the Constitution of the Republic of South Africa. The mSCOA Regulations came into effect on 1 July 2017 and all Municipalities as well as Municipal Entities are required to comply with the regulations.

The Committee noted the legislated requirements for the implementation of mSCOA and approved the mSCOA implementation at its meeting held on 25/02/2015. The Municipalities are required to adopt the Municipal Standard Chart of Accounts (mSCOA) Roadmap in compliance with the mSCOA Regulations. The intention is to establish an Integrated Enterprise Resource Planning System (ERP).

To this effect Circular 80 of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) was issued to specify minimum business processes and systems requirements to ensure MSCOA compliance and address business process requirements across the entire Municipality's financial management accountability cycle.

The mSCOA Roadmap was adopted by Council at its meeting held on 2023-02-03 (Annexure A).

1. Regulating the mSCOA Business Processes and System Requirements (MFMA Circular 80):

The National Treasury has commenced the process of regulating the minimum mSCOA business processes and system requirements. It is anticipated that the legislation will become effective in the 2025/26 financial year.

2. Compliance with the mSCOA Regulations:

The mSCOA Regulations require that the ERP systems used by municipalities are a single integrated system. **Only where the core ERP system cannot provide the required functionality to comply with the required business process, a third-party system may be used.** However, such a third-party system must integrate seamlessly to the core ERP system and the core ERP system will determine the requirements for such integration. Seamless integration means that there are no manual processes to integrate the data from the 3rd party sub-system into the core ERP system, that such integration takes place in real time where possible or at least daily and that the core system can

drill down into the sub-system. Importantly, if the functionality is available on the core ERP system as part of the system solution and the municipality is already paying for such functionality and then chooses to use the functionality of a third-party system, this constitutes wasteful expenditure.

National Treasury has communicated with the Municipality regarding areas of clarification with regard to the mSCOA implementation and had received the following guidance / response on these issues as detailed in the following table:

mSCOA Issue	National Treasury Guidance / Response
Can an ERP be classified as a sub-system?	An ERP system cannot be classified as a sub-system as it is a fully integrated system and will not integrate to another ERP.
Can a municipality have two General Ledgers?	The municipality’s General Ledger must be part of its live core financial system. As such, the municipality cannot have two General Ledgers, since it implies that one is ‘live’ versus the other reflecting the General Ledger only after a delay.
Can a municipality have two SCM Modules?	The municipality is required, from 01 July 2017, to have a central supplier database. As such, also in terms of mSCOA, the Supply Chain Management (SCM) module must be part of the core live system of the municipality. The municipality therefore cannot have a 2nd SCM module, since this implies transactions with a delay in contrast to mSCOA that requires direct transacting in the live core financials, also for the supply chain, of the municipality.
Does the Asset Management Module have to be part of the core ERP?	<p>In terms of MFMA Circular No. 80, the Asset Management Module of a metropolitan municipality must form part of its core ERP.</p> <p>This does not exclude the municipality from using a 3rd party Asset Management Module if the result is one asset register functioning as a single source of all the municipality’s assets. In an ERP environment, this will probably only be a viable option in the event of the core ERP not meeting the functional requirements of the municipality or if it is more cost effective to use the third-party system. MFMA Circular No. 80 – Annexure B requires a single asset management system.</p>

In addition, MFMA Circular No. 123 issued in March 2023 requires that municipalities must inform the National and relevant Provincial Treasury of any intention to replace the ERP system or components thereof currently operating at the municipality prior to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing ERP system or components thereof. The motivation must contain a detailed explanation as to which functionality the core ERP system does not have that necessitates the procurement of a new or third-party system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80;

- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

National Treasury has further indicated that the service provider of the ERP has to provide written confirmation that their system does not meet the requirements before sourcing a third-party sub-system which meets the seamless integration requirements.

3. National Treasury Assessment of eThekweni Municipality's MSCOA roadmap and ERP System (including sub-systems):

The National Treasury conducted an on-site visit at the eThekweni Municipality's Offices from 2nd to 4th April 2024 to assess the implementation of the MSCOA road map, the functionality of the current ERP system (Oracle/JDE) and other sub-systems in compliance the minimum business process and systems requirements as contained in MFMA Circular 80. System demonstrations identified the following the key observations and findings:

- The MBBR schedules need to be generated of the core ERP which has not been fully developed.
- The Payspace HR/Payroll system does not seamlessly integrate with the core ERP and does not carry the budget or mSCOA chart and is therefore not mSCOA Compliant
- The RMS billing module does not carry the budget and mSCOA chart detail and the JDE core system does not have functionality to drilldown to the details of the billing system. For the billing data to be integrated to the General Ledger through a journal, a monthly procedure must be run. The billing system is therefore not in compliant with the mSCOA Regulations.
- The Ellipse system does not seamlessly integrate with JDE as revenue and expenditure is brought to JDE through a manual journal. Ellipse System does carry the full mSCOA Segments in terms of the mSCOA Chart and therefore does not meet the mSCOA requirements in terms of MFMA Circular No. 80.

- Reconciling or clearing of cash received and payments made to the General Ledger and Bank Account is done manually. This is not in line with the requirements of MFMA Circular No. 80 which requires that transactions must automated direct from the system.
- Grants, VAT, Investment Management and reporting must be automated in JDE
- The Metro appears to use a large number of sub-systems, and this should be reviewed and streamlined.
- The aim of mSCOA is to improve reporting by making use of an integrated ERP system where seamless integration takes place between sub-modules into the core system in real time. Therefore, the Metro should limit further investments on Ellipse and other sub-systems and focus on an integrated ERP system that is mSCOA compliant.
- The manual capturing in a number of business processes must be addressed.

National Treasury had recommended the following:

- It is recommended that the Metro consider the observations in this report and take corrective actions to address gaps in its mSCOA implementation by including the actions required in the Metro's mSCOA Road Map. Progress against the road map should be closely monitored by the mSCOA Steering Committee and reported quarterly to the National Treasury.
- The National Treasury will be Regulating the minimum mSCOA business processes and system requirements in 2025/26 and it is therefore in the Metro's best interest to fast track addressing the gaps in the mSCOA implementation and integrated ERP system functionality as soon as possible.
- Persistent and continued non-compliance with the mSCOA Regulations might lead to the withholding of the equitable share in terms of Section 216(2) of the Constitution

4. eThekweni Municipality's Enterprise Resource Planning System:

The Municipality's ERP is on an Oracle Platform which comprises a combination of the JDE Edwards Enterprise One System (JDE) and other Oracle Products as these products can seamlessly integrate. In terms of compliance with the mSCOA Regulations and MFMA Circular 80, the Municipality will first assess the functionality based on the following criteria as per MFMA Circular 80:

- JDE will first be assessed to determine if it can meet the requirements as standard functionality or with customization.
- If JDE cannot meet the requirements, then other product solutions within the Oracle offerings will be assessed to determine if they can meet the requirements as standard functionality or with customization.

- Should neither JDE nor another Oracle Product be able to meet the requirements, the Municipality will be required to go out on open tender to source a sub-system that will comply with the requirements including the seamless integration to the core ERP with drill down functionality. Note that the requirements as contained in MFMA Circular 123 will need to be complied with.

5. Assessment of eThekweni Municipality’s Enterprise Resource Planning System:

In terms of compliance with the mSCOA Regulations, MFMA Circular 80 and MFMA Circular 123 as well as the recommendations from National Treasury, the Municipality requested that Oracle as the Original Equipment Manufacturer (OEM) undertake a detailed ICT Due Diligence assessment based on the MFMA Circular 80 and business requirements to determine whether JDE or other Oracle Products will meet the requirements in terms of the Municipality’s assessment criteria.

The assessment was finalized at the beginning of July 2024 and Oracle has confirmed that between JDE and other Oracle Products that all the requirements can be met.

The table below reflects the outcomes of the assessment:

Business Process	Compliance	Product Solution
Corporate Governance	Yes	JDE
Municipal Budgeting, Planning and Financial Modelling	Yes	JDE / Oracle Fusion EPM
Financial Accounting	Yes	JDE
Costing and Reporting	Yes	JDE
Project Accounting	Yes	JDE
Treasury and Cash Management	Yes	JDE
Procurement Cycle: Supply Chain Management, Expenditure, Management, Contract Management and Accounts Payable	Yes	JDE
Grant Management	Yes	JDE
Full Asset Life Cycle Management including Maintenance Management	Yes	JDE
Real Estate and Resources Management	Yes	JDE
Human Resource and Payroll Management	Yes	Oracle Fusion HCM / EBS Payroll
Customer Care, Credit Control and Debt Collection	Yes	Oracle CX / Oracle Public Sector Revenue Management Solution
Valuation Roll Management	Yes	Oracle Public Sector Revenue Management Solution
Land Use Building Control	Yes	Oracle Public Sector Revenue Management Solution

Business Process	Compliance	Product Solution
Revenue Cycle Billing	Yes	Oracle Public Sector Revenue Management Solution / Oracle Customer 2 Meter (C2M)
Reporting	Yes	JDE * Reports Now can be used as an additional product as well as Oracle Analytics

6. Status of current mSCOA Roadmap Implementation and corrective action:

Progress on the current mSCOA Roadmap has been slow which is mainly attributable to the non-awards being declared for the Billing, HCM and Internal Audit Systems tenders as well as the delay in finalizing the Asset Management System decision. As a corrective action and in order to fast track implementation of the MSCOA roadmap as recommended by National Treasury, the municipality will now use the SITA panel of service providers provided they are Oracle accredited and subject to rate being in line with the market. However, if that fails, open tender process will then be followed.

7. Amendment to the mSCOA Roadmap:

Some of the target dates as per the initial mSCOA Roadmap approved by Council were not met and this necessitates the amendment of the mSCOA Roadmap. The reasons as indicated above include the non-award of key tenders. The mSCOA Roadmap detailed below has been adjusted to comply with the legislative requirements and recommendations of National Treasury to implement a consolidated ERP for the Municipality which is JDE/Oracle Platform. It is anticipated that that the implementation of the mSCOA Roadmap can only be achieved by June 2026.

CORPORATE GOVERNANCE		
Sub-process	Estimate Timeframe	Status
Performance Management System	June 2025 (Initial Target- December 2023)	<ul style="list-style-type: none"> Development had been completed – amendment required by Line Department
Municipal Website	Compliant (Initial Target- December 2023)	<ul style="list-style-type: none"> National Treasury have confirmed that the Municipal Websites processes are compliant
Document Management	Compliant (Initial Target- January 2023)	<ul style="list-style-type: none"> Transactional systems (including JDE system) are compliant in terms of document management. Other upcoming systems will also incorporate document management system requirements.
Reporting Mechanisms	June 2026 (Initial Target- December 2023)	<ul style="list-style-type: none"> Reporting requirements for MSCOA listed sub-processes will be determined continuously as per each sub- process rollout. One View Reporting available in JDE – RFI in process for an additional reporting tool
Internal, External Audit	December 2025 (Initial Target- December 2024)	<ul style="list-style-type: none"> Initial tender declared as a non-award

MUNICIPAL BUDGETING AND PLANNING		
Sub-process	Estimate Timeframe	Status
Main Budget	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> JDE as a core financial system is fully compliant. However, to achieve full compliance on the budgeting module, this requires all other sub-systems/3rd party systems (including Billing, HCM, Asset Management, etc.) to be compliant as well.
Adjustment and Virement Budget	December 2025 (Initial Target- 28 February 2023)	<ul style="list-style-type: none"> Specifications have been completed
Revenue	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Initial tender declared as a non-award
Human Resources & Payroll	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Initial tender declared as a non-award
Assets	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> The tender for the implementation of the JDE CAMS system is at BEC stage – Award to be finalized In addition an independent assessment of JDE and Ellipse EAM is currently being finalized.
Budget Management	June 2026	<ul style="list-style-type: none"> Budget control has been implemented. Sub-systems need to implement budget control at transactional level.

FINANCIAL ACCOUNTING		
Sub-process	Estimate Timeframe	Status
General Ledger	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> The general ledger is compliant on JDE, however, full compliance can only be achieved when all modules have been implemented
Accounts Receivable	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> The accounts receivable module within JDE is compliant Billing system to be implemented
Accounts Payable	December 2025 (Initial Target- June 2024)	<ul style="list-style-type: none"> JDE is compliant Implementation of Online Invoice Submission and workflow

COSTING AND REPORTING		
Sub-process	Estimate Timeframe	Status
Costing	June 2026 (Initial Target- December 2023)	<ul style="list-style-type: none"> JDE costing module for secondary costing is compliant Internal Billing is done on the Revenue System that is to be implemented Employee costing is part of the HCM Module which is to be implement

COSTING AND REPORTING		
Sub-process	Estimate Timeframe	Status
Reporting	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Reporting requirements for MSCOA listed sub-processes will be determined continuously as per each sub- process rollout. One View Reporting available in JDE – RFI in process for an additional reporting tool

PROJECT ACCOUNTING		
Sub-process	Estimate Timeframe	Status
Project Creation and Planning	June 2026 (Initial Target- December 2023)	<ul style="list-style-type: none"> IDP Budgeting Module has been live since 2016 Linkage to the Asset Management Module
Project Management & Health and Safety	December 2025 (Initial Target- June 2024)	

TREASURY AND CASH MANAGEMENT		
Sub-process	Estimate Timeframe	Status
Banking Module	December 2025 (Initial Target- 28 February 2023)	<ul style="list-style-type: none"> Specifications have been finalised
Petty Cash Module	December 2025 (Initial Target- 28 February 2023)	<ul style="list-style-type: none"> Specifications have been finalised
Investment and Cash Flow Management	December 2025 (Initial Target- 30 April 2023)	<ul style="list-style-type: none"> Specifications have been finalised
Loans Module	December 2025 (Initial Target- 28 February 2023)	<ul style="list-style-type: none"> Specifications have been finalised

PROCUREMENT CYCLE: SUPPLY CHAIN MANAGEMENT, EXPENDITURE MANAGEMENT, CONTRACT MANAGEMENT AND ACCOUNTS PAYABLE		
Sub-process	Estimate Timeframe	Status
Supply Chain Management	June 2026 (Initial Target- December 2023)	<ul style="list-style-type: none"> Supplier Portal and CSD Integration live Interim Online Tender Management – August 2024 Migration of SSS to Supplier Portal – September 2024 Online Tender Management – June 2026
Inventory	Compliant	

GRANT MANAGEMENT		
Sub-process	Estimate Timeframe	Status
Subsidies	December 2025 (Initial Target- 28 February 2023)	<ul style="list-style-type: none"> • Specifications have been finalised

FULL ASSET LIFE CYCLE MANAGEMENT INCLUDING MAINTENANCE MANAGEMENT		
Sub-process	Estimate Timeframe	Status
Asset Management	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> • The tender for the implementation of the JDE CAMS system is at BEC stag – Award to be finalized • In addition an independent assessment of JDE and Ellipse EAM is currently being finalized.

REAL ESTATE AND RESOURCES MANAGEMENT		
Sub-process	Estimate Timeframe	Status
Rental	December 2025 (Initial Target- June 2024)	
General Processes	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> • Linked to implementation of the Asset Management Module

HUMAN RESOURCE AND PAYROLL MANAGEMENT		
Sub-process	Estimate Timeframe	Status
Human Resources	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> • Initial tender declared as a non-award
Time Management	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> • Initial tender declared as a non-award
Payroll	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> • Initial tender declared as a non-award

CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION		
Sub-process	Estimate Timeframe	Status
Credit Control	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> • Linkage to Revenue Management System
Customers	October 2025	<ul style="list-style-type: none"> • Phase 1 for Fault Logging • Phase 2 – Linked to Asset Management Module

VALUATION ROLL MANAGEMENT		
Sub-process	Estimate Timeframe	Status
Property Valuation System	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Linked to Revenue Management System

LAND USE BUILDING CONTROL		
Sub-process	Estimate Timeframe	Status
Land Use	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Linked to Revenue Management System
Special	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Linked to Revenue Management System
Building Control	June 2026 (Initial Target- December 2023)	<ul style="list-style-type: none"> Linked to Revenue Management System

REVENUE CYCLE BILLING		
Sub-process	Estimate Timeframe	Status
Billing	June 2026 (Initial Target- June 2024)	<ul style="list-style-type: none"> Initial tender declared as a non-award

NB. The initial target dates were revised in subsequent reporting to Council

Non-Compliance With the MSCOA Regulations:

It being noted that should the Municipality not comply with the mSCOA Regulations, National Treasury can withhold the Municipality’s Equitable Share allocation as prescribed in S38(1)(b) of the MFMA. Further to this, non-compliance with the legislation will negatively impact on the Audit Opinion for the Municipality

Conclusion:

eThekweni Municipality is required to comply with mSCOA Regulations and the amended mSCOA Roadmap details the processes and timelines to achieve full compliance. The mSCOA Road Map has been amended to comply with the legislative requirements and recommendations from National Treasury. It is anticipated that the mSCOA implementation will be achieved by December 2026.

It should also be noted that failure to comply with the mSCOA Regulations will negatively impact the audit opinion as well as the finances of the Municipality with the risk of the Equitable Share being withheld.

It is imperative that the Municipality focus on expediting the implementation of the mSCOA Roadmap and reduce implementation times where possible. Progress will be closely monitored by the mSCOA Steering Committee and reported quarterly to Council as well as National Treasury.

With the DA abstaining, and by majority vote,

COMMITTEE RECOMMENDS:

- 3.6.1 That Council notes the progress on the approved mSCOA Roadmap and challenges highlighted in the report of the City Manager dated 2024-07-22.
- 3.6.2 That Council notes the mSCOA Roadmap Assessment Report by National Treasury as contained as Annexure B in the report of the City Manager dated 2024-07-22.
- 3.6.3 That Council notes the concern by National Treasury that the continued non-compliance with the mSCOA regulation can lead to the withholding of the Equitable Share allocation if this is not addressed timeously.
- 3.6.4 That Council to support that the Municipality will limit further investment on the other systems and focus on the existing Integrated Enterprise Resource Planning (ERP) system which is mSCOA compliant as assessed and recommended by National Treasury.
- 3.6.5 That Council approves the revised timeframes highlighted above in the report of the City Manager dated 2024-07-22 as per mSCOA Roadmap and the proposed corrective actions.

Items 3.6.1, 3.6.2 & 3.6.3 were NOTED, items 3.6.4 & 3.6.5 were ADOPTED.

4. REPORT OF THE HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: MEETING HELD 2024-07-25

(Page R19)

At the Executive Committee level, the DA indicated their inability to engage with the report due to insufficient time given to engage the report. In this regard, they registered their abstention on all items included in the Report of the Human Settlements and Infrastructure Committee.

4.1 Acquisition/Expropriation for 11kV Emthethweni Road Distribution for Substation 2586 (17/2/2/1/4):

(Page 50 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought for approval for the Head : Real Estate to acquire/expropriate the Proposed Property described as Erf P1168 at 256 Emthethweni Road, Umlazi P. The acquisition/expropriation of the requirements would grant the eThekweni Municipality a legal authority to access, install, maintain, and operate a 11Kv distributor substation. This distributor substation supplies electricity to Umlazi P, Umlazi R, and Umlazi M. The final costs relating to the acquisition of land will be determined through a land valuation process. Funding for the servitude acquisition and registration will be provided via the budget adjustment.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.1.1 That authority be granted for the Head: Real Estate to acquire/expropriate the proposed Property described as Erf 1168 Umlazi P from the registered Umlazi P from the registered landowner via donation, private treaty, or expropriation if necessary, following the appropriate procurement process as prescribed by the relevant legislation, including the Municipal Supply Chain Management Policy if applicable.
- 4.1.2 That in the event that expropriation is deemed necessary, authority be granted to the Head : Real Estate to proceed with the expropriation of Erf 1168 Umlazi P.
- 4.1.3 That subject to the adoption of .2 above the Head: Real Estate be grated authority to assess compensation in terms of Section 25 (3) of the Constitution of South Africa Act 108 of 1996 read in conjunction with expropriation No. 63 of 1975 as the proposed acquisition is in the public interest and or for public purposes and as such the acquisition is deemed compulsory.
- 4.1.4 That subject to the adoption of .3 above, authority be granted to the Head: Real Estate to conclude the appropriate agreement and sign all necessary documents to effect the transfer, donation or expropriation and registration in favour of eThekweni Municipality.

DEFERRED.

- 4.2 Adoption of the Wastewater Environmental Management Policy (WS2024/030) (23/1/P):
(Page 104 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought for adoption of the wastewater Environmental management Policy in order to comply with the Auditor-General finding arising from the June 2021 audit. The policy provides a guideline for the water and sanitation Unit as well as the Municipality as a whole on how to prevent environmental risks related to wastewater as well as manage wastewater related incidents in accordance with environment legislation.

The implementation of this policy will guide the procedures of the Water and Sanitation Unit towards safeguarding precious water sources and minimizing environmental impacts through the effective management of wastewater in eThekweni Municipality.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.2.1 That authority be granted for the adoption of the Wastewater Environmental Management Policy which will guide the procedures of the Water and Sanitation Unit towards safeguarding precious water sources and minimizing environmental impacts through the effective management of wastewater within eThekweni Municipality aimed to achieve the following that:
- 4.2.1.1 To ensure efficient and effective identification and management of environmental risks relating to wastewater generation, reticulation, treatment, and discharge within the eThekweni Municipality.

- 4.2.1.2 To prevent pollution, contamination and spillage incident arising from wastewater and/or its by-products within the eThekweni Municipality and its resultant socio-economic, environment and public health impact by ensuring effective implementation of the various, comprehensive, and multifaceted management system in place.
- 4.2.1.3 To censure management and mitigation, of all wastewaters related incidents such that the socio-economic, environmental, and public health impacts are minimised, and measures are put in place to prevent their recurrence.
- 4.2.1.4 To ensure compliance with eThekweni Municipality's By-law as well all governmental legislative requirements for wastewater which are binding to the Municipality through the permit and licenses and other environmental authorisations issued.

DEFERRED.

- 4.3 Acquisition/Expropriation for the Sewer and Drainage (S&D) 53 North Beach Road, Umdloti Ward 58 (17/2/1/1/4) & (25/1/1/2/2):
(Page 196 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought for approval for the Head : Real Estate to acquire/expropriate the proposed property described as 36 Bellamont Road, for the sewer and drainage No. 53 North Beach Road, Umdloti, Ward 58 from the registered landowner via donation, private treaty, if necessary, following the appropriate procurement process as prescribed by the relevant legislation including the Municipal Supply Chain Policy. A severe storm affected wide-spread regions of the eThekweni Municipality in April/May 2022, such event, combined with continuous rainfall in the preceding days, resulted in high ground saturated level, and high intensity flow, caused wide-spread damages to this property.

The acquisition/expropriation of the requirements would grant the eThekweni Municipality a legal authority to access, install, maintain, and operate stormwater and sewer within the servitude. The final costs relating to the acquisition of land will be determined through a land valuation process. Funding for the servitude acquisition and registration will be provided via the budget adjustment.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.3.1 That authority be granted for the Head : Real Estate for the acquisition of the following properties from the registered landowner via donation, private treaty or expropriation if necessary, following the appropriate procurement process as prescribed by the relevant legislation including the Municipal Supply Chain Management Policy, if applicable:
 - 4.3.1.1 270m² of S&D servitude over portion 1580 (1578) of the farm Cotton lands No. 1575
 - 4.3.1.2 102m² of S&D Servitude over Portion 1636 of the farm Cotton lands No. 1575
 - 4.3.1.3 688m² of S&D Servitude over Portion 2069 of the farm Cotton lands No. 1575
- 4.3.2 That in the event that expropriation is deemed necessary, authority be granted to the Head: Real Estate to proceed with the expropriation as indicated .1 above.

4.3.3 That subject to the adoption of .2 above, authority be granted to the Head: Real Estate to assess compensation in terms of Section 25(3) of the constitution of the Republic of South Africa Act 108 of 1996 read in conjunction with the Expropriation Act no 63 of 1975 as the proposed acquisition is in the public interest and/or for the public purposes and as such the acquisition is deemed compulsory.

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

Financial Implications:

Vote No.: 46300.11580.12120.0000.89686.0010

DEFERRED.

4.4 Acquisition/Expropriation for the Sewer and Drainage (S&D) 36 Bellamont Road, Umdloti Ward 58 (17/2/1/1/4 & 25/1/1/2/2):
(Page 200 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

4.4.1 That authority be granted for the Head : Real Estate for the acquisition for the sewer and drainage (S&D) 36 Bellamont Road, Umdloti of the following properties from the registered landowner via donation, private treaty or expropriation if necessary, following the appropriate procurement process as prescribed by the relevant legislation including the Municipal Supply Chain Management Policy, if applicable:

4.4.1.1 226m² of S&D servitude over Portion 2239 of the farm Cotton lands No. 1575

4.4.1.2 268m² of S&D Servitude over Portion 2247 (of 421) of the farm Cotton lands No. 1575

4.4.1.3 139m² of S&D Servitude over Portion 2248 (of 421) of the farm Cotton lands No. 1575

4.4.2 That in the event that expropriation is deemed necessary, authority be granted to the Head: Real Estate to proceed with the expropriation.

4.4.3 That subject to the adoption of .2 above, authority be granted to the Head: Real Estate to assess compensation in terms of Section 25(3) of the Constitution of the Republic of South Africa Act 108 of 1996 read in conjunction with the Expropriation Act No 63 of 1975 as the proposed acquisition is in the public interest and/or for the public purposes and as such the acquisition is deemed compulsory.

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

Financial Implications:

Vote No.: 46300.11580.12120.0000.89686.0010

DEFERRED.

4.5

Noting of Reason to Amend Contract No. 1R-47648 in Terms of Section 116(3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 For The Rehabilitation of Various Roads Located Within The Durban CBD and Surrounding Areas of eThekweni Municipality as and when Required for a Period of Thirty Six (36) Months (25/4/2):

(Page 225: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

The Committee received the report to notes the Major Amendment required for the Contract No. 1R-47648 in terms of Section 116(3) of the Municipal Finance Management Act (MFMA, Act No. 56 of 2003), and in terms of Clause 55 of the Supply Chain Management Policy to undertake the Rehabilitation of Inkosi Albert Luthuli Freeway (M4 Southern Freeway), in-bound carriageway.

The scope of work includes the following:

Rehabilitation Works:

This involves the removal of the existing distressed asphalt wearing course and supply and laying of a new asphalt wearing course to specification. The nature of work requires specialized skills and knowledge, heavy specialized equipment as well as the handling and utilization of specialized and hazardous (combustible) materials. Construction is being undertaken on the Municipality's roads and under heavy traffic conditions. The nature of our city requires that continuous access be provided to road users, businesses and residents. This adds to the complexity of the rehabilitation strategies as well as the construction processes. The contractors are required to mitigate against these risks.

MOTIVATION FOR MAJOR AMENDMENT

Due to the need for urgent rehabilitation works and a time constraint that makes the normal tender procurement process impractical, a contract amendment is the most viable solution in this instance. The contract amendment allows for modifications or additions to the existing contract without having to go through the lengthy process of initiating a new tender.

The following factors were considered when determining the need to pursue the major contract amendment:

- **Time Sensitivity:** The normal tender procurement process typically involves several stages, such as advertisement, submission of bids, evaluation, and awarding of the contract. These stages can take a considerable amount of time, which may not be feasible when urgent rehabilitation works are required. A contract amendment allows for a quicker resolution by making necessary modifications to an existing contract promptly.
- **Cost Considerations:** Delaying the road works due to the time-consuming tender process can lead to increased costs. The deteriorating condition of the road may result in more extensive damage, requiring costlier repairs or even complete reconstruction. By opting for a contract amendment, the road works can commence promptly, addressing the issues before they worsen and potentially saving costs in the long run.
- **Contractor Availability:** In certain situations, there may be a limited number of qualified contractors available for the specific road works needed, such as many of the other large Contractors being involved in multi-billion-rand road upgrade

projects for SANRAL on the N2 and N3 corridors. Going through the entire tender process could result in delays if suitable contractors are not readily accessible. A contract amendment allows for negotiations and modifications with the existing contractor, ensuring their availability and expertise for the required road works.

- Streamlined Administrative Process: Contract amendments generally involve less administrative effort compared to initiating a new tender. The existing contract framework, including terms and conditions, contract data etc can be utilized with necessary modifications, saving time and effort in drafting a new contract from scratch.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.5.1 That the Committee notes reasons to amend Contract No.: 1R-47648 in terms of Section 116(3) of the Local Government : Municipal Finance Management Act (MFMA) No. 56 of 2003 to undertake the rehabilitation of various roads located within the Durban CBD areas of eThekweni Municipality.
- 4.5.2 That the Committee notes that there were no comments received arising from the public participation process advertised through the media in terms of Section 116(3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003 as part of achieving compliance requirements
- 4.5.3 That the financial implication of the proposed amendment is that the contract authority of R135 000 000.00 (One Hundred and Thirty-Five Million) excluding VAT for a period of Thirty-Six (36) months.

Financial implications:

Due to the proposed rehabilitation of Inkosi Albert Luthuli Freeway (in-bound carriageway), the contract capping in terms of the financial authority as previously approved by the Bid Adjudication Committee would need to be increased to cater for the rehabilitation works. An additional R60 million contract authority is required for the works. The revised contract authority shall then be R135 million. Funds have been made available through the budget adjustment process in February 2024, to cater for the increased authority required.

MSCOA and Budget provision							
Financial Year	BU	Item	Funding	Costing	Project	Region	Budget (Excl VAT)
2023/24	49600	45130	30015	0000	P16002	R001	R29 323 250.00
2024/25	49600	45130	30015	0000	P16002	R001	R140 000 000.00

Items 4.5.1 & 4.5.2 were NOTED, item 4.5.3 was ADOPTED.

4.6

Noting of Reason to Amend Contract No.: 1R-47710 in Terms of Section 116(3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 for the Rehabilitation of Various Roads Located Within the Inanda, Ntuzuma, KwaMashu (INK) and Surrounding Areas of eThekweni Municipality as and when Required for a Period of Thirty Six (36) Months (25/4/20):
(Page 260 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

The Committee received the report to notes the Major Amendment required for the Contract No. 1R-47710 in terms of Section 116(3) of the Municipal Finance Management Act (MFMA, Act No. 56 of 2003), and in terms of Clause 55 of the Supply Chain Management Policy to undertake the Rehabilitation of various roads located within the Inanda, Ntuzuma, Kwamashu (INK) and surrounding areas of Inkosi Albert Luthuli Freeway (M4 Southern Freeway), in-bound carriageway for a period of Thirty-Six (36) months.

MOTIVATION FOR MAJOR AMENDMENT

Due to the need for urgent rehabilitation works and a time constraint that makes the normal tender procurement process impractical, a contract amendment is the most viable solution in this instance. The contract amendment allows for modifications or additions to the existing contract without having to go through the lengthy process of initiating a new tender.

The following factors were considered when determining the need to pursue the major contract amendment:

- **Time Sensitivity:** The normal tender procurement process typically involves several stages, such as advertisement, submission of bids, evaluation, and awarding of the contract. These stages can take a considerable amount of time, which may not be feasible when urgent rehabilitation works are required. A contract amendment allows for a quicker resolution by making necessary modifications to an existing contract promptly.
- **Cost Considerations:** Delaying the road works due to the time-consuming tender process can lead to increased costs. The deteriorating condition of the road may result in more extensive damage, requiring costlier repairs or even complete reconstruction. By opting for a contract amendment, the road works can commence promptly, addressing the issues before they worsen and potentially saving costs in the long run.
- **Contractor Availability:** In certain situations, there may be a limited number of qualified contractors available for the specific road works needed, such as many of the other large Contractors being involved in multi-billion-rand road upgrade projects for SANRAL on the N2 and N3 corridors. Going through the entire tender process could result in delays if suitable contractors are not readily accessible. A contract amendment allows for negotiations and modifications with the existing contractor, ensuring their availability and expertise for the required road works.
- **Streamlined Administrative Process:** Contract amendments generally involve less administrative effort compared to initiating a new tender. The existing contract framework, including terms and conditions, contract data etc can be

utilized with necessary modifications, saving time and effort in drafting a new contract from scratch.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.6.1 That the Committee notes reasons to amend Contract No.: 1R-47710 in terms of Section 116(3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003 to undertake the rehabilitation of various roads located within Inanda, Ntuzuma, KwaMashu (INK) and surrounding areas of eThekweni Municipality.
- 4.6.2 That the Committee notes that there were no comments received arising from the public participation process advertised through the media in terms of Section 116(3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003 as part of achieving compliance requirements.
- 4.6.3 That the financial implication of the proposed amendment is that the contract authority of R135 000 000.00 (One Hundred and Thirty-Five Million) excluding VAT for a period of Thirty-Six (36) months.

Financial Implications:

Due to the proposed rehabilitation of Inkosi Albert Luthuli Freeway (in-bound carriageway), the contract capping in terms of the financial authority as previously approved by the Bid Adjudication Committee would need to be increased to cater for the rehabilitation works. An additional R60 Million contract authority is required for the works. The revised contract authority shall then be R135 Million. Funds have been made available through the budget adjustment process in February 2024, to cater for the increased authority required.

MSCOA and budget provision							
Financial year	BU	Item	Funding	Costing	Project	Region	Budget (Excl VAT)
2023/24	49600	45130	30015	0000	P16002	R001	R29 323 250.00
2024/25	49600	45130	30015	0000	P16002	R001	R140 000 000.00

Items 4.6.1 & 4.6.2 were NOTED, item 4.6.3 was ADOPTED.

- 4.7 Noting of Reason to Amend Contract No.: 1R-47649 in Terms Of Section 116(3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 for the Rehabilitation of Various Roads Located Within the Pinetown and Surrounding Areas of eThekweni Municipality as and when Required for a Period of Thirty Six (36) Months (25/4/2):
(Page 297: Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

The Committee received the report to notes the Major Amendment required for the Contract No. 1R-47649 Rehabilitation of 116(3) of the Municipal Finance Management Act (MFMA, Act No. 56 of 2003), and in terms of Clause 55 of the Supply Chain Management Policy to undertake the Rehabilitation of various roads located within the Pinetown and surrounding areas of eThekweni Municipality for a period of Thirty Six (36) months.

MOTIVATION FOR MAJOR AMENDMENT

Due to the need for urgent rehabilitation works and a time constraint that makes the normal tender procurement process impractical, a contract amendment is the most viable solution in this instance. The contract amendment allows for modifications or additions to the existing contract without having to go through the lengthy process of initiating a new tender.

The following factors were considered when determining the need to pursue the major contract amendment:

- **Time Sensitivity:** The normal tender procurement process typically involves several stages, such as advertisement, submission of bids, evaluation, and awarding of the contract. These stages can take a considerable amount of time, which may not be feasible when urgent rehabilitation works are required. A contract amendment allows for a quicker resolution by making necessary modifications to an existing contract promptly.
- **Cost Considerations:** Delaying the road works due to the time-consuming tender process can lead to increased costs. The deteriorating condition of the road may result in more extensive damage, requiring costlier repairs or even complete reconstruction. By opting for a contract amendment, the road works can commence promptly, addressing the issues before they worsen and potentially saving costs in the long run.
- **Contractor Availability:** In certain situations, there may be a limited number of qualified contractors available for the specific road works needed, such as many of the other large Contractors being involved in multi-billion-rand road upgrade projects for SANRAL on the N2 and N3 corridors. Going through the entire tender process could result in delays if suitable contractors are not readily accessible. A contract amendment allows for negotiations and modifications with the existing contractor, ensuring their availability and expertise for the required road works.
- **Streamlined Administrative Process:** Contract amendments generally involve less administrative effort compared to initiating a new tender. The existing contract framework, including terms and conditions, contract data etc can be utilized with necessary modifications, saving time and effort in drafting a new contract from scratch.

At the Executive Committee level, the IFP urged the Municipality to rather delay the commencing with construction for any project until all relevant processes are fully finalized. That this is aimed to prevent sites from being left unattended for an extended period. In response, the Management acknowledged the input and confirmed that all processes had been concluded as planned. However, it was noted that the delay was attributable to issues with the manufacturer of the tar required for the project.

Accordingly, the DA maintained their abstention on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.7.1 That the Committee notes reasons to amend Contract No.: 1R-47649 in terms of Section 116(3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003 to undertake the rehabilitation of various roads located within the Pinetown and surrounding areas of eThekweni Municipality.

- 4.7.2 That the Committee notes that there were no comments received arising from the public participation process advertised through the media in terms of Section 116(3) of the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003 as part of achieving compliance requirements.
- 4.7.3 That the financial implication of the proposed amendment is that the contract authority of R135 000 000.00 (One Hundred and Thirty-Five Million Rand) excluding VAT, for a period of Thirty-Six (36) months.

Financial Implications:

Due to the proposed rehabilitation of Inoki Albert Luthuli Freeway (in-bound carriageway), the contract capping in terms of the financial authority as previously approved by the Bid Adjudication Committee would need to be increased to cater for the rehabilitation works. An additional R60 Million contract authority is required for the works. The revised contract authority shall then be R135 Million. Funds have been made available through the budget adjustment process in February 2024, to cater for the increased authority required.

MSCOA and budget provision							
Financial year	BU	Item	Funding	Costing	Project	Region	Budget (Excl VAT)
2023/24	49600	45130	30015	0000	P16002	R001	R29 323 250.00
2024/25	49600	45130	30015	0000	P16002	R001	R140 000 000.00

4.7.1 & 4.7.2 NOTED, 4.7.3 ADOPTED.

- 4.8 Request for Permission to Enter Into a Memorandum of Understanding (MOU) in Respect of the Construction of GO! Durban IPTN Corridor 1(C1) Work Package 5 (WP5) Between eThekweni Municipality and Passenger Rail Agency of South Africa (PRASA):
(Page 339 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought for approval to enter into a Memorandum of Understanding (MOU) and laying the ground for a Memorandum of Agreement (MOA) between eThekweni Municipality and Passenger Rail Agency of South Africa (PRASA) 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 bridges, crossing Inanda Arterial Road between Sea Cow Lake (to the West) and Chris Hani Road (to the East) in Springfield, Durban, Kwazulu-Natal, South Africa, with three (3) reinforced concrete rail-over-road bridges.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

That authority be granted to the City Manager to engage with the Passenger Rail Agency of South Africa (PRASA) for the purpose of developing and conclude a new Memorandum of Understanding (MoU) between the eThekweni Municipality and PRASA 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 Including widening the existing overhead Rail Bridges*).

Financial Implications:

- (a) 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 Cent) excl VAT, contingencies, and escalation.
- (b) 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) excl VAT, contingencies and escalation.

DEFERRED.

- 4.9 Closure of Public Open Space and Road Reserve Over Portions of Proposed Portions (A) and (B) of Erf 1029 Isipingo and Proposed Portion (C) (of 14) of Erf 1029 Isipingo, Hand Plan No: SH 9944 (21/7/R):
(Page 474 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

During discussion, Members requested the Head : Real Estate to conduct a consultation processes with the Ward Councillor as well as affected Community in this Ward. The Head undertook to conduct a public consultation process including the Ward Councillor immediately once the matter has been approved by Council.

Some of the members were not in support of the recommendations and the matter was accordingly put to vote and passed by the majority vote. With 29 Councillor present, 22 Councillors (ANC -13, IFP - 3, EFF - 4, KZNI -1 and ACC – 1) voted in support of recommendations and 7 – DA Councillors voted against the recommendations. In view thereof, accordingly

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.9.1 That in terms of the Section 211 and 212 Ordinance 25 of 1974 Portions of Proposed Portions described as (A) and (B) of Erf 1029 Isipingo and Proposed Portion C (of 14) of Erf 1029 Isipingo in extent 1,1727ha, 3,0521ha and 1,8128ha, respectively designated as public open space and road reserve respectively, depicted on Plan No. SH 9944 be permanently closed.
- 4.9.2 That the closure is to be advertised via the Land Use Management application process and is to be read together with Section 28(2)(e) of the eThekweni Municipality Planning and Land Use Management By-Law 2016.
- 4.9.3 That in the event of objections being lodged to the proposed closure of the public open space and road reserve areas over portions of Proposed Portions A and B of Erf 1029 Isipingo and Proposed Portion C (of 14) of Erf 1029 Isipingo in extent 1,1727ha, 3,0521ha and 1,8128ha respectively when it is advertised, the Planning and Land Use Management By-Law process be followed to attend to these objections.
- 4.9.4 That should the disposal of the property be deemed necessary at a later stage, a further report in accordance with the applicable legislation will be submitted by the Head: Real Estate for Consideration.
- 4.9.5 That authority be granted to the Head: Real Estate to sign all documents necessary documents to give effect to this decision.

DEFERRED.

- 4.10 Proposed Registration of a Tunnel Servitude Over Municipal Owned Road Being the Remained of Erf 501 Umlazi-S (Griffiths Mxenge/Mangosuthu Highway) in Favour of Mangosuthu University of Technology for Pedestrian Walk and Vehicle Access Within the Tunnel Plan No: SJ 4904/08 Extent 826M²:
(Page 486 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.10.1 That the Municipal Council declares in terms of Regulation 5(1)(b), Regulation 7 and Regulation 11 of the MATR read together with Section 14(2)(a) and (b) of the MFMA that:
- 4.10.1.1 The capital asset over which tunnel servitude is to be registered, being Erf 501 Umlazi S in extent approximately 826m² as depicted on hand plan SJ 4904/08 is determined by resolution of the Council to be not needed for the provision of a minimum level of basic municipal services and to be surplus to the requirements of the Municipality.
- 4.10.1.2 The current market value of the portion of land wherein the tunnel servitude will be registered and thereafter is currently assessed at a value of R130 000.00 (One Hundred and Thirty Thousand Rand) exclusive of VAT. This transaction will attract the payment of VAT.
- 4.10.2 That all conditions by the Municipality's service delivery units as detailed in point number 5 of this report will inform part of the servitude agreement and carried forward to the notarial deed of servitude.
- 4.10.3 That all costs incidental to the registration of the tunnel servitude shall be at the cost of the Mangosuthu University of Technology.
- 4.10.4 That subject to the adoption of paragraph .1 to .3 above, authority be granted to the Head: Real Estate to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality any other applicable legislation and that it shall be further subject to such further conditions as the Head: Real Estate considers necessary to protect Municipality's interest.

DEFERRED.

- 4.11 Proposed Granting of Rights to Use, Control or Manage Properties by Way of a Long-Term Lease on Portion 1 of Erf 546, Rem of Erf 546, Erf 547 and 548 All Sea View, in Total Extent 1 1601 Ha as Depicted on Had Plan SJ 4823/2 (17/2/1/2/5):
(Page 521 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.11.1 That the Municipal Council declares in terms of Section 14 of the Local Government: Municipal Finance Management Act No 56 of 2003 (MFMA) that:
- 4.11.1.1 The subject properties described as Portion 1 of Erf 546, Rem of Erf 546, Erf 547 and 548 all Sea View as depicted on hand plan SJ plan are not needed to provide the minimum level of basic municipal services and are surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said properties is proposed and

- 4.11.1.2 That the Municipality has considered the fair market value of the asset and the economic and community value to be received in exchange for the subject properties. That the current value of the subject properties is R31 000 000.00 (Thirty-One Million Rand) and an assessed market value rental of R174 000.00 (One Hundred and Seventy-Four Thousand Rand) per month excluding VAT has been considered.
- 4.11.2 That the Council grants approval in principle that a right be granted to use, control or manage the capital asset described as Portion 1 of Erf 546, Erf 547 and 548 all of Sea View as depicted on Hand Plan No. SJ 4823/2 in terms of Regulation 34(1)(b) read with Regulation 36 and 41(1) of the MATR 2008 as follows that:
- 4.11.2.1 A long-term right is proposed to be granted in respect of Portion 1 of Erf 546, rem of erf 546, 547 and 548 all of Sea View as depicted on Hand Plan No. SJ 4823/2.
- 4.11.2.2 The rental be assessed on open market value.
- 4.11.2.3 All conditions received from the Municipality's service delivery units as detailed in the report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 4.11.3 The subject properties described as Portion 1 of Erf 546, rem Erf 546, Erf 547 and 548 all of Sea View as depicted on hand plan SJ 4823/2 be leased by way of a public tender in accordance with the eThekweni Municipality: Supply Chain Management Policy at a base rental of R174 000.00 per month excluding VAT escalating by 8% for a period of 45 years. Both rental reviewable every five (5) year. The reviewable rental cannot be lower than the value at the time of the award.
- 4.11.4 That all costs incidental to the transaction shall be borne by the lessee and all the developmental plans must be submitted to the local authority for approval prior to any construction.
- 4.11.5 That the rental be suspended for the development period stipulated of the bidders proposal or until the practical completion certificate is issued (whichever comes first) from date of registration of the lease to allow for the refurbishment of the subject properties provided that the development period until practical completion certificate is issued does not exceed 3 years from date of registration of the lease and provided that the capital investment is above R30 000 000.00 (Thirty Million Rand).That the effective date of the lease be the date of practical completion.
- 4.11.6 That should the developer not complete the development within a three-year period an application must be made to the Head: Real Estate to submit a request to the Municipal Council to consider an extension of time, to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.
- 4.11.7 That subject to the adoption of .1 to .6 above and compliance with eThekweni Municipality Supply Chain Management Policy the Head: Real Estate be granted authority to sign all documents necessary to conclude the required lease agreement.

DEFERRED.

4.12 Proposed Alienation of Land for General Industry Purposes on Erven 21 and 23 Both of Phoenix Industrial Park, as Depicted on Pla No SJ 4912/5 (17/2/1/2/3):
(Page 582 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

During discussion, it was noted that some of the members were not in support of the recommendations and the matter was accordingly put to vote and passed by the majority vote. With 29 Councillor present, 22 Councillors (ANC -13, IFP - 3, EFF - 4, KZNI -1 and ACC – 1) voted in support of recommendations and 7 – DA Councillors voted against the recommendations. In view thereof, accordingly.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

4.12.1 The Municipal Council declares in terms of Regulations 5(1)(b), 7 and 11 of the MATR read together with Section 14(2)(a) and (b) of the MFMA that:

4.12.1.1 Erven 21 and 23 both of Phoenix Industrial Park in total extent of 1079m² as depicted on Hand Plan No. SJ 4912/5, a copy of the hand plan is attached (**See Annexure “A”**) are not required to provide the minimum level of basic municipal services and are surplus to the requirements of the Municipality.

4.12.1.2 Erven 21 and 23 both of Phoenix Industrial Park be alienated at a purchase price as assessed at a value of R2,160,000.00 (Two Million One Hundred and Sixty Thousand Rand) excluding (VAT), such price reflecting the current market value as assessed by a registered valuer which is to be paid by the purchaser to the Municipality.

4.12.2 That all costs incidental to the transaction shall be at the cost of the purchaser.

4.12.3 That all conditions by the Municipality’s service delivery units as detailed in point 5 of the report will form part of the sale agreement.

4.12.4 That all development plans be submitted to the Local Authority for approval prior to any construction.

4.12.5 That authority be granted to the Head: Real Estate to sign all the documents necessary to give effect to this transaction in terms of the Municipality’s Supply Chain Management Policy and any other applicable legislation, and that it shall be further subject to such further conditions as the Head: Real Estate considers necessary to protect Municipality’s interest.

DEFERRED.

4.13 Proposed Granting of Rights to Use Control or Manage Rem of Erf 105 Wentworth for Social Housing Purposes in Terms of Chapter 4 of the Municipal Asset Transfer Regulation (17/2/1/2/3):
(Page 609 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

During discussion, the Committee undertook that this item be brought back to a special meeting of the Human Settlements and infrastructure to be held in due course to enable the relevant official from the Human Settlements Unit to provide a brief presentation on issues related to Social Housing for information. In addition, it was agreed that the Ward Councillor and Community be consulted on this project.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.13.1 That the Municipal Council declares that in terms of Section 14 (2)(a) and 14(2)(b) of the Local Government : Municipal Finance management Act, No. 56 of 2003 that:
- 4.13.1.1 The Proposed Property described as Rem of Erf 105 Wentworth in extent of approximately 2 1412 hectares per SJ No. 4886/9 is not needed to provide the minimum level of basic Municipal services.
- 4.13.1.2 The Municipality has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset. The asset is regarded as surplus to the requirement of the Municipality for the period of the proposed granting of rights to use, control or manage the said property, subject to the provision that the property be used primarily for social housing development.
- 4.13.1.3 The current market value of the property is currently assessed at a value of R8 640 000.00 (Eight Million Six Hundred and Forty Thousand Rand) with an annual market rental value of R864 000.00 (Eight Hundred and Sixty Thousand Rand).
- 4.13.2 That the Council approves the granting of rights in terms of Regulation 34(1)(b), read with Regulation 13, Regulation 36 and Regulation 41(1) of the Municipal Asset Transfer Regulation 2008 for granting of long-term rights to use, control or manage the property described as Rem of Erf 105 Wentworth in extent of approximately 2 1412 hectares as per SJ No. 4886/9 for a period of 50 (fifty) years. It being recorded that after this lease period has lapsed, control of the afore mentioned property and all improvements thereon will revert to the Municipality.
- 4.13.3 That the Council approves that the proposed leases for exclusive social housing development will be discounted by up to 90% of the fair market rental value and the calculation of the rentals payable by an accredited social housing institution in respect of the property will accordingly be an amount of R86 400.00 (Eighty-Six Thousand Four Hundred Rand) per annum representing 10% of the market rental value.
- 4.13.4 That the Council approves that the proposed leases for exclusive Social Housing development will be discounted up to 90% of the fair market rental value and the calculation of rentals payable by an accredited Social Housing Institution in respect of the Property will accordingly be an amount of R86 400.00 (Eighty-Six thousand and Four Hundred Rand) per annum representing 10% of the market value.
- 4.13.5 That Council approves the suspension of rental payment during planning, funding approval and construction phase of the proposed social housing development on the property. The conditions specific to the rental suspension during the construction phase will be provided for in the land availability agreement, project agreement and lease agreement to be concluded between the appointed SHI and Municipality.
- 4.13.6 That the SHI will be required to undertake the planning, funding approval and construction for a period of 36 (Thirty-Six) months from the date of receiving its letter of award in respect of the site failing which the Municipality must exercise its right to retrieve the site from the SHI and readvertise the property to the panel of accredited SHI for the appointment of an alternative SHI.

- 4.13.7 The Council approves in principle that in the event of commercial opportunities being created within the proposed social housing development, the commercial leases will be leased at full market value as set out in Regulation 13(1) of the MATR subject to the following that:
- 4.13.7.1 Should the SHI wish to change the current use (social housing) to commercial, the SHI will prior to change of business use, request approval from the Municipality Head: Human Settlement and/or the Head: Development Planning who shall submit a report to the eThekweni Municipal Council apprising the Council of the change in use being created within the proposed social housing development.
- 4.13.7.2 The Head: Human Settlement shall keep a record of the conversions to ensure that the purpose of social housing is retained and not taken over by commercial entities and report such statistics to the eThekweni Municipal Council quarterly.
- 4.13.7.3 All the requisite municipal processes being complied with together approvals being granted for the development's plans.
- 4.13.7.4 The confirmation that all conditions and obligations detailed in the various agreements concluded between the Municipality and the SHI including the social housing lease agreement in terms of this proposed developments have been complied with.
- 4.13.8 That all conditions by the Municipality's service delivery units as detailed in annexure B of the report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 4.13.9 That all cost incidental to the transaction shall be at the cost of the duly appointed SHI to whom the right to use, control or manage capital asset is to be granted.
- 4.13.10 That all development plans and applications must be submitted and approved by the local authority prior to any commencement of construction.
- 4.13.11 That the Council delegates the City Manager to sign all documents necessary to give effect to this transaction subject to the provisions and compliance with the delegations of authority, any processes provided for in the Supply Chain Management Policy, the land disposal and granting of rights policy of the municipality, the Municipal Asset Transfer Regulations 2008 , The Municipal Finance Management Act No.56 of 2003, Municipality Land Disposal and Granting of Rights Policy and any other applicable legislation.

DEFERRED.

- 4.14 Proposed Alienation of Erf 526 Lovu for Worship Purposes Plan No SJ 470/9 & Extent 822m² (17/2/1/2/3):
(Page 650 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.14.1 That the Municipal Council declares that in terms of Regulation 5(1) (b) regulation 7 and Regulation 11 of the MATR read together with Section 14(2) and (b) of the MFMA that:

- 4.14.1.1 The Proposed Property described as Portion Erf 526 Lovu in extent 822m² as depicted on plan No. SJ 4740/9 is not required to provide the minimum level of basic municipal services and
- 4.14.1.2 The current market value of the property is currently assessed at a value of R670 000 (Six Hundred and Seventy Thousand Rand) Exclusive of VAT.
- 4.14.2 That the land described as Erf 526 Lovu Registration Division FT in the Province of Kwa-Zulu Natal, in extent 822m² depicted on Plan Number SJ 4740/9, be sold in freehold to the Lovu Assembly Of God with registration number 118-1'91 NPO at a purchase price of R67 000 (Sixty Seven Thousand Rand) such price reflecting a 90% discount of the current market value of R670 000 (Six Hundred and Seventy Thousand Rand) being assessed value by a registered valuer in full compliance with the prevailing municipal legislative framework including the municipal Supply Chain Management Policy.
- 4.14.3 That Council approves that the proposed alienation for worship purposes will be discounted to 90% of the fair market value having duly considered the principles as set out in Regulation 13(2) MATR, the discounted value is determined to be R67 000 (Sixty Thousand Rand) exclusive of VAT.
- 4.14.4 That a reversionary clause be included in the Title deed of the property stating that the subject property can only be utilized for religious purposes and for ancillary purposes thereto and no other purpose whatsoever.
- 4.14.5 That no encroachment over municipal sewer servitude is permitted. Prior to any development a sewer impact analysis is to be done prior to building plans submitted for approval.
- 4.14.6 That all cost incidental to the transaction shall be at the cost of the purchaser, including the submission and approval of special consent to the land Use Management Department.
- 4.14.7 That a public notice be issued to afford the affected community an opportunity to comment or objection on the transfer of the property to Illovu Assembly of God with registration number 118-191 NPO.
- 4.14.8 That in the event of objections being lodged, the matter be referred to the Accounting Officer for a final decision in terms of Section 50 of the Supply Chain Management Policy headed "Resolution of Disputes", objections, complaints and queries and
- 4.14.9 That the Head: Real Estate be granted authority to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality and any other applicable legislation and that it shall be further subject to such further conditions as the Head: Real Estate considers necessary to protect the municipal interest.

DEFERRED.

- 4.15 Proposed Granting of Rights to Use, Control or Manage Property by Way of a Long-Term Lease on the Remainder of Erf 776 Sea View and the Remainder of Erf 784 Dunns Grant, in Total Extent 1 1062ha as Depicted on Hand Plan SJ 4809/8A (17/2/1/2/5):
(Page 668 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.15.1 That the Council declares in terms of Section 14 of the Municipal Finance Management Act No 56 of 2003 (MFMA) that:
- 4.15.1.1 The Proposed Properties described as Remainder of Erf 776 Sea View and Remainder of Erf 784 Dunns Grant as depicted on Hand Plan No.SJ 4809/8A are not needed to provide the minimum level of basic municipal services and are considered to be surplus to the requirements of the Municipality for the period that the proposed granting of rights to use, control or manage the said properties.
- 4.15.1.2 That the Municipality has considered the fair market value of the properties and the economic and community value to be received in exchange for the properties. The current market value of the subject properties is R29 000 000 (Twenty-Nine Million Rand) at an assessed market rental of R170 000.00 (One Hundred and Seventy Thousand Rand) per month excluding VAT has been considered.
- 4.15.2 That the Council approves in principle that a right be granted to use, control or manage the capital asset described as proposed lease over Rem of Erf 776 Sea View and Rem of Erf 784 Dunns Grant as depicted on hand plan SJ Plan 4809/8A in terms of Regulation 34(1)(b) read with Regulation 36 and 41 of the Municipal Asset Transfer Regulation 2008 as follows that:-
- 4.15.2.1 The long-term right is proposed to be granted in respect of proposed lease over the Remainder of Erf 776 Sea View and the Remainder of Erf 784 Dunns Grant as depicted on hand plan SJ 4809/8a.
- 4.15.2.2 The rental be assessed on the open market value.
- 4.15.2.3 All conditions received from the Municipality's service delivery units as detailed in Section 6 of this report will form part of the lease agreement to be concluded between the Municipality and the successful tenderer.
- 4.15.2.4 The properties described as Remainder of Erf 776 Sea View and Remainder of Erf 784 Dunns Grants as depicted on hand plan SJ Plan 4809/8A be leased by way of a public tender in accordance with eThekweni Municipality Supply Chain Management Policy at a base rental of R170 000.00 (One Hundred and Seventy Thousand Rand) per month excluding VAT escalating by 8% per annum and be reviewable every 5 years for a period of 45 (Forty-Five) years.
- 4.15.2.5 All costs incidental to the transaction shall be borne by the lessee and all the developmental plans must be submitted to the Local Authority for approval prior to any construction.

- 4.15.2.6 The rental be suspended for the development period stipulated on the bidders proposal or until the practical completion certificate is issued (whichever comes first) from date of registration of the lease to allow for the refurbishment/ development of the properties provided that the development period or period until the practical completion certificate is issued does not exceed 3 years from the date of registration of the Notarial Deed of Lease and provided that the capital investment is above R30 000 000 (Thirty Million Rand). The effective date of the lease shall be the date of practical completion.
- 4.15.2.7 Should the developer not complete the development within a 3-year period an application must be made to the Head: Real Estate to submit a request to the Municipal Council to consider an extension of time, to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.
- 4.15.3 That subject to adoption of .1 .2 above and compliance with the eThekweni Municipality Supply Chain Management Policy, the Head: Real Estate be granted authority to sign all documents necessary to conclude the required lease agreement.

DEFERRED.

- 4.16 Proposed Amendment of Council Decision of 25 March 2010 Relative to the Donation of Land for Cemetery Purpose: Secker and Horace Roads Woodlands Proposed Erf A of Mobeni and Erf 3647 Mobeni Plan No SH 9939 Extent 1.4073 Ha, 5.2700 Ha and 8602m² (17/2/1/2/1) & (31/8/6/1/5):
(Page 711 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

The Committee received the report for approval to amend the donation agreement approved by Council at its meeting held on 25 March 2010 regarding the donation of Proposed Portion [A] and Erf 3647 both of Mobeni in extent approximately 2,0109 ha and 5,3737 ha depicted on the Plan Numbers SH 9423A and SG2550/2001, respectively, to prelude investments Registration No.1989/004652/07, for cemetery purposes and approve to the amended agreement.

To Approve the following:

The allocation of Proposed SA891, on part of remainder of Erf 1 of Mobeni in extent approximately 8602m² depicted on Plan number SH9939, to Parks Recreation and Culture Unit to Heroes Acre. This is a newly created portion from the land that was originally identified for donation. The donation of Proposed Portion [B] of Erf 3647 Mobeni in extent of approximately 5,2700ha as shown on Plan number SH 9939, for cemetery purposes; and the donation of Proposed Erf [A] of Mobeni in extent 1,4073ha as shown on Plan Number SH9939.

The Executive Committee resolved to conduct a site inspection to ascertain the current status of the land in question. That it should be noted that this action is not intended to undermine the work of the Human Settlements and Infrastructure Committee. That the Real Estate Unit will be engaged to lead the site inspection.

Accordingly, the DA maintained its abstention on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.16.1 That the Municipal Council concurs that the following Regulation adopted on 25 March 2010 relative to the donation of Proposed Portion A and Erf 3647 both of Mobeni in extent approximately 2,0109 HA and 5,3737ha on Plan Numbers SH 9423A and SG 2550/2001 respectively, to prelude investments registration No.1989/004652/07 for cemetery purposes to be rescinded in its entirety:
- “34.1 That the Council declares in terms of Section 14(2) of the Municipal Finance Management Act:-
- 34.1.1 That the said properties are not needed to provide the minimum level of basic municipal services; and
- 34.1.2 That the fair market value of the assets has been assessed at a R4 Million and economic and community value to be received have been considered.
- 34.1.3 That the necessary clearance to sell these properties has been obtained from the Housing Department
- 34.2 That in terms of Section 14 the Municipal Finance Management Act 56 of 2003 which read in conjunction with the Section of Supply Chain Management Policy headed “Disposal Management “Proposed Erf [A of Mobeni, in extent approximately 2,1019 Ha depicted on plan SH 9423A be donated to Prelude Investments PTY LTD Reg No 1989/004652/07 subject to terms and conditions No. 4692B Laid on table.
- 34.3 That in terms of Section 14 of the Municipal Finance Management Act 56 of 2003 which read in conjunction with Section of the Supply Chain Management Policy “Disposal Management” Proposed Erf 3647 Mobeni in extent 5 373Ha depicted on plan SG No 2550/2001 be donated to prelude investments (Pty) Ltd Reg No. 1989/004652/07 subject to terms and conditions donation No 4692B laid on table.
- 34.4 That in the event of objection being lodged to the proposed donation of proposed Erven [A] and 3647 both of Mobeni when it is statutorily advertised, the matter be referred to the City Manager for decision in terms of that Section of the Supply Chain Policy headed “Resolution of Disputes, Objections complaints and queries”
- 34.5 That for the following reasons: -
- 34.5.1 Independent development is not an option given the limited practical access off Horace Road.
- 34.5.2 Provision of additional cemetery graves/ site facilities at tariffs rates is in the interest of the community.
- 34.5.3 That the Head: Real Estate be authorized to sign all documents necessary to conclude the donation agreement.”

- 4.16.2 That the Municipal Council approves that 34.1 to 34.5.3 above be amended and replaced the following below:-
- 4.16.3 That the Council declares that in terms of Regulation 5(1)(b), Regulation 7 and Regulation 11 of the Asset Transfer Regulations 2008, Section 14 (2) (a) and (b) of the Municipal Finance Management Act 56 of 2003 that:
- 4.16.4 That proposed Erf [A] and Proposed Portion [B] both of 3647 in extent approximately 1,4073Ha and 5,2700 Ha respectively, all depicted on Plan Number SH 9939 and SG 2550/2001 are not required to provide minimum level of basic municipal services; and
- 4.16.5 The current market value of the above two properties is currently assessed at a total value of R14 700 000.00 (Fourteen Million Seven Hundred Thousand Rand) exclusive of VAT.
- 4.16.6 That the proposed Erf [A] and proposed Portion [B] both of Erf 3647 Mobeni in extent approximately 1,4073 Ha and 5,2700Ha respectively, all depicted on Plan Number SH
- 4.16.7 Prelude Investments is to:
- (a) fence off the land reserved for the Hero's Acre to separate it from the private cemetery
 - (b) Provide road and pedestrian access to the Heroes Acre and
 - (c) Provide use of the car parking facilities to mourners accessing the Heroes' Acre for burials and visits free of charge.
- 4.16.8 Proposed SA 891, on part of Remainder of Erf 1 of Mobeni, valued at R3 440 000.00 (Three Million Four Hundred and Forty Thousand Rand), in extent approximately 8602m² depicted on Plan Number SH 9939 be allocated to Parks, Recreation and Culture Unit for the Heroes Acre.
- 4.16.9 That proposed SA 891 and Proposed Portion [B] of Erf 3647 Mobeni are currently zoned special Residential 650m² and will be rezoned for cemetery purposes by Prelude Investments.
- 4.16.10 That proposed Erf [A] of Mobeni is currently zoned for public open space purposes and needs to successfully rezone to special Zone 20; Parking Zone by Prelude Investments at their own cost.
- 4.16.11 That in the event of objections lodged to the proposed rezoning of proposed Erf [A] and Proposed Portion [B] and Proposed SA 891 all of Erf 3647 Mobeni when statutorily advertised, the matter be referred to the MEC for Co-operative Governance and Traditional Affairs for consent.
- 4.16.12 That to transfer the properties for less than their market value having duly considered the principles set out in terms of Regulation 13(2) of the MATR.
- 4.16.13 That a reversionary clause be included in the Title Deed of the property restricting the use of the subject property to access parking and cemetery purposes only and no longer purposes whatsoever.

- 4.16.14 That all cost incidental to the transaction shall be at the cost of the done, including survey, subdivision, and conveyancing.
- 4.16.15 That all conditions by the Municipality's Service Delivery Units as detailed at the report will form part of the donation agreement.
- 4.16.16 That in the event of objections being lodged to the proposed donation of proposed Erf [A] and Proposed Portion [B] both of Erf 3647 Mobeni to Prelude Investments Registration No 1989/004652/07, the matter be referred to the Accounting Officer for a final decision in terms of Section 50 of the Supply Chain Management Policy headed "Resolution of Disputes, objections, complaints and queries" and thereafter to the minister of Co-operative Governance and Traditional Affairs for consent.
- 4.16.17 That subject to the adoption of paragraph .4 to .15 above, the Head: Parks, Recreation and Culture be granted authority to sign all documents necessary to give effect to this transaction in terms of the Supply Chain Management Policy of the Municipality., the MATR, MFMA, the Land Disposal and Granting of Rights Policy of the Municipality as amended and any other applicable legislation and that it shall be further subject to such further conditions as the Head: Real Estate considers necessary to protect municipalities interest

DEFERRED.

- 4.17 Request for Authority to Enter Into a Memorandum of Understanding (MOU) Between eThekweni Municipality and the Bremen Overseas Research and Development Association (Borda) to Support the Implementation of Dewats & Piloting of Off-Grid Sanitation Solutions in eThekweni Municipality (WS2024/110) (23/1/11/2/1/1):
(Page 796 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

Authority is sought for approval into a Memorandum of Understanding (MOU) between the eThekweni Municipality and the Bremen Oversea Research and development Association (BORDA) to support the implementation of decentralised wastewater treatment and management solutions that follows the BORDA Decentralised wastewater treatment Solutions (DEWATS) principles and support the piloting of off-grid sanitation solution in eThekweni Municipality for a period of three (3) years.

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.17.1 That authority be granted to the City Manager to enter into a Memorandum of Understanding (MOU) with Bremen Overseas Research and Development Association (BORDA) to support the implementation of Decentralized Wastewater Treatment Solution (DEWATS) within eThekweni Municipality and the piloting of off-grid sanitation solutions in eThekweni Municipality for a period of three years.
- 4.17.2 That it be noted that there are no financial implications that will be borne by eThekweni Municipality as a result of this amendment.

DEFERRED.

4.18 Request for Budget Reprioritization - Engineering Unit: Roads Provision – FY 2024/2025 (7/1/2/2):
(Page L110 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

With the Democratic Alliance (07) abstained on this matter, it being noted that the item was approved with the majority support of the ANC – (13), EFF (4), IFP (3), ACC (1) and KZNI (1).

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

- 4.18.1 That the reprioritization of the identified savings on capital budget for the Engineering Unit for 2024/2025 Financial year and the proposed reallocation of such funds to projects requiring additional funding, be approved.
- 4.18.2 That it be noted that the reprioritization budget submission be incorporated in the Council’s next 2024/2025 adjustment budget.
- 4.18.3 That this report requests the reprioritization of R9 050 000.00 (Nine Million Fifty Thousand Rand) from savings in the 2024/2025 financial year, to enable the Roads Provision Department to complete the projects.

Savings have been identified from the Strategic Projects P419C: VUSI MZILA ROAD WIDENING, PHASE 4- R19 3758 million (2024/2025). This project is due to be completed shortly and therefore the surplus funds will be available as savings in the 2024/25 year.

TABLE 1		PROJECTS REQUIRING ADDITIONAL BUDGET			
P Number	Ward No	Road Name	Budgeted amount 2023/24	Additional funds required 2024/25	Comments
P14714	16	CAVERSHAM ROAD	R1 500 000.00	R1 000 000.00	Priority to be implemented with savings identified.
P14487B	15	GOODWOOD ROAD AND STOCKVILLE ROAD	R 700 000.00	R 200 000.00	Priority to be implemented with savings identified.
P14539A	21	BERKSHIRE DR, NEW GERMANY	R 150 000.00	R 150 000.00	Priority to be implemented with savings identified.
P14540A	21	QASHANA KHUZWAYO RD BY MAMDIKAZI AREA	R 150 000.00	R 150 000.00	Priority to be implemented with savings identified.
P14546	21	BLOFIELD ROAD	R 80 000.00	R 80 000.00	Priority to be implemented with savings identified.
P14733	16	JAMES HERBET RD	R 750 000.00	R 750 000.00	Priority to be implemented with savings identified.
P14546B	15	SURPRISE ROAD	R2 000 000.00	R2 000 000.00	Priority to be implemented with savings identified.
			R5 330 000.00	R4 330 000.00	

TABLE 1		PROJECTS REQUIRING ADDITIONAL BUDGET			
P Number	Ward No	Road Name	Budgeted amount 2023/24	Additional funds required 2024/25	Comments
P14589	72	47053 Track	R3 800 000.00	R 750 000.00	Priority to be implemented with savings identified.
P14589	72	47054 Track	R3 800 000.00	R 750 000.00	Priority to be implemented with savings identified.
			R7 600 000.00	R1 500 000.00	
P1493A	17	ZAKWE PLACE AND MAHLOSE RD	R4 604 000.00	R3 100 000.00	Priority to be implemented with savings identified.
				R3 100 000.00	
P14626	65	GARDENDALE CRESCENT	R 560 000.00	R 120 000.00	Priority to be implemented with savings identified.
				R 120 000.00	
		TOTAL		R9 050 000.00	

ADOPTED.

4.19 Request for Authority to Undertake Public Participation for the 2024-2029 Comprehensive Integrated Transport Plan (CITP) for eThekweni (26/3/1/1/):
(Page L111 : Human Settlements and Infrastructure Committee - Agenda 2024-07-25)

At the Executive Committee level, the DA abstained on the matter due to insufficient time to thoroughly review the report. With other Parties present being in support,

COMMITTEE RECOMMENDS:

That authority be granted to the eThekweni Transport Authority (ETA) to undertake a public participation process for the 2024-2029 Comprehensive Integrated Transport Plan (CITP) for eThekweni to allow the public an opportunity to provide comments before finalizing the CITP.

There are various sources of funding, for example, for the various capital transport projects which include the Public Transport Network Grant (PTNG) funds allocated by the Department of Transport for the implementation of public transport systems and internal municipal funds. The CITP needs to be endorsed as to maintain current sources of funding and to ascertain future funding. Table 1 below sets out the total cost of the 3-year capital programme for the first five-year period of the CITP implementation programme.

Capital Budget Description	Sum of budget Amount allocated	2023/24	2024/35	2025/26
Bridge City Terminal	R481 204 000.00	R48 372 000.00	R205 290 000.00	R227 524 000.00
Corridor C1	R920 495 000.00	R236 229 000.00	R380 309 000.00	R303 957 000.00
Corridor C3	R461 178 000.00	R321 178 000.00	R140 000 000.00	R0.00

Capital Budget Description	Sum of budget Amount allocated	2023/24	2024/35	2025/26
Corridor C9	R263 908 000.00	R 63 908 000.00	R0.00	R200 000 000.00
ITS & IFMS- PTIS funded	R49 841 000.00	R14 950 000.00	R 17 020 000.00	R 17 871 000.00
IPTN	R2 176 626 000.00	R684 637 000.00	R742 619 000.00	R749 370 000.00
Intelligent Transport Sys New Controller	R9 500 000.00	R 2 000 000.00	R 3 500 000.00	R 4 000 000.00
Guardrails	R 3 897 000.00	R 439 000.00	R 1 500 000.00	R1 958 000.00
IFLS	R32 400 000.00	R32 400 000.00	R0.00	R0.00
Traffic UPS/RMS System	R2 800 000.00	R 800 000.00	R 1 000 000.00	R 1 000 000.00
Pedestrian safety	R21 520 000.00	R8 170 000.00	R0.00	R13 350 000.00
Pedestrian crossing	R1 750 000.00	R100 000.00	R1 650 000.00	R0.00
PT Shelters and PT Lay byes	4 000 000.00	R0.00	R0.00	R 4 000 000.00
Traffic calming	R17 405 000.00	R7 770 000.00	R4 635 000.00	R 5 000 000.00
Traffic signals	R1 100 000.00	R1 100 000.00	R0.00	R0.00
Sub Total B	R94 372 000.00	R52 779 000.00	R12 285 000.00	R29 308 000.00
Total	R2 270 998 000.00	R737 416 000.00	R754 904 000.00	R778 678 000.00

DEFERRED.**DIRECT EXCO REPORTS**5. **UPDATE REPORT ON THE CREDIT FACILITY AND THE SHORT-TERM OVERDRAFT FACILITY WITH NEDBANK AS AT 30 JUNE 2024 (7/8/4)**

(Page 1)

In its meeting of 2023-08-15, the Municipal Council received an update on the credit facility and short terms overdraft facility with Nedbank and it was resolved 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 with Nedbank as at 30 June 2024.

It should be noted the City currently has an overdraft facility which remains unutilized, and authority is sought to retain the overdraft facility for the current financial year of 2024/2025. Furthermore, that updates will be provided on any changes as when it may occur. Mention being made that the next update will be provided as at 30 June 2025.

Accordingly,

COMMITTEE RECOMMENDS:

- 5.1 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 2024/2025 financial year.

- 5.2 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 2025.

Update Facilities as at 30 June 2024:

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 2024
		R	R
1.	Primary Overdraft	20 000 000	Nil
2.	Performance Letter of Guarantees	170 500 000	143 604 003
3.	Letters of Credit	Nil	Nil
4.	Fleet Management	68 000	67 172
5.	Secondary Overdraft Facility	491 000 000	Nil
	Total Facility Portfolio and Usage	681 568 000	143 671 175

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 not been a need to utilize the primary and secondary facilities for the 2023/2024 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 2023-08-15.

The usage on the performance letters of guarantee which has increased from 2022/2023, includes a R129 328 003 (One Hundred and Twenty Nine Million Three Hundred and Twenty Eight Thousand and Three Rand) R117 181 653.00 (One Hundred and Seventeen Million One Hundred and Eighty One Thousand Six Hundred and Fifty Three Rand) for 2022/2023 financial year. 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.

Item 5.1 was NOTED and item 5.2 was ADOPTED.

6. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR THE QUARTER ENDED 30 JUNE 2024 (2/10/1/9)

(Page 4)

In accordance with Section 52(d) of the Local Government: Municipal Finance Management Act (MFMA), the Executive Committee received the Service Delivery and Budget Implementation Report for the quarter ending 30 June 2024. This report provides an overview of the performance of the Municipality and its entities.

As at 30 June 2024, the Municipality recorded an achievement rate of 79.08%. it being noted that the Inkosi Albert Luthuli International Convention Centre achieved a 100% achievement rate, while the Durban Marine Theme Park recorded a 72.73% achievement rate.

The Management emphasized that the Municipality's performance is monitored on a quarterly basis. Therefore, the Executive Committee was encouraged to play its oversight role to ensure that the Municipality meets its targets.

Accordingly,

COMMITTEE RECOMMENDS:

That in terms of the Local Government: 67Municipal Finance Management Act, Circular No. 13, the Service Delivery and Budget Implementation Plan for the quarter four ended 30 June 2024, which reflects achievement rate of 79,07%; with the Entities achieving 100.00% for Inkosi Albert Luthuli International Convention Centre and; 72.73% 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	100.00%
2	Developing a Prosperous, Diverse Economy and Employment Creation	100.00%
3A	Creating a Quality Living Environment: Trading Services	73.08%
3B	Creating a Quality Living Environment	58.06%
3C	Creating a Quality Living Environment: Strategic Office	66.67%
4A	Fostering a Socially Equitable Environment	44.44%
4B	Fostering a Socially Equitable Environment	85.00%
5	Supporting Design, Human Capital Development and Management	84.00%
6A	A vibrant and creative City - the foundation for sustainability and social cohesion	100.00%
6B	A vibrant and creative City - the foundation for sustainability and social cohesion	100.00%
6C	A vibrant and creative City - the foundation for sustainability and social cohesion	100.00%
7A	Good Governance and Responsive Local Government	90.91%
7B	Good Governance and Responsive Local Government	100.00%
7C	Good Governance and Responsive Local Government	100.00%
8	Financially Accountable and Sustainable City	75.00%
	Achievement Rate	79.07%

Plan No	Plan Name	Achievement Rate (%)
Plan 21	Inkosi Albert Luthuli International Convention Centre (ICC)	100.00%
Plan 22	Durban Marine Theme Park (DMTP)	72.73%

ADOPTED.

7. APPROVAL TO TRANSFER FUNDS TO THE INKOSI ALBERT LUTHULI INTERNATIONAL CONVENTION CENTRE IN ACCORDANCE WITH THE APPROVED BUDGET (7/1/3/2)

(Page 42)

Authority is sought to transfer funds to the ICC in accordance with the approved 2024/2025 budget. To also seek Council commitment to ensure financial viability of the entity. The ICC is a Council-owned entity which has been operating for nearly twenty-seven (27) years. The entity serves as a local economic hub and is instrumental in the development of the City’s tourism through its capabilities to host successful national and international high-profile events.

Due to its longevity, a need exists to undertake infrastructural upgrades and replacements on a regular basis to maintain effective operations in this entity. Therefore, grant funding was approved as part of the 2024/2025 Municipal operating budget. The entity requires an amount of R20 000 000.00 (Twenty Million Rand) to undertake various capital projects essential to the operation of the entity. The Capital projects prioritized at this stage include HVAC Chiller Replacement; Operable Walls; Generator; DEC Roof Repairs; Blast Chillers; and Evacuation System.

The Municipality is also required to provide an undertaking to ensure that the entity remains a “going concern”, it being recorded that this becomes an important consideration in compiling the Annual Financial Statements.

The DA recorded their abstention on the matter due to insufficient time to thoroughly interrogate the report. With the other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 7.1 That Council approves disbursement of funds, on a reimbursable basis, in the amount of R20 000 000.00 (Twenty Million Rand) to the Inkosi Albert Luthuli International Convention Centre (ICC) to undertake its capital projects.
- 7.2 That subject to the adoption of .1 above, the entity will implement projects as per the submission dated 10 July 2024 to the maximum of R20 000 000.00 (Twenty Million Rand).
- 7.3 That subject to the adoption of .1 above, authority be granted for the City Manager to disburse these funds to the ICC.
- 7.4 That, in noting that the ICC is operating at a close to a break-even level, the Municipal Council confirms its commitment to meet any funding shortfalls that may be required to ensure that the ICC continues trading as a “going concern.”

Financial Implications:

Grant funding of R20 000 000.00 (Twenty Million Rand) provided for in the 2024/2025 financial year.

FC No.: 2025/13/02

ADOPTED.

8. APPROVAL TO TRANSFER FUNDS TO THE DURBAN MARINE THEME PARK IN ACCORDANCE WITH THE APPROVED BUDGET (7/1/3/2)

(Page 47)

Authority is sought to transfer funds to the Durban Marine Theme Park (DMTP), trading as Ushaka Marine World, in accordance with the approved 2024/2025 budget and to seek Council commitment to ensure financial viability of the entity. The eThekweni Municipality maintains 100% ownership of the DMTP.

The Municipal Council will recall that the DMTP entered into an indefinite agreement with the South African Association for Marine Biological Research (SAAMBR), a Non-profit Organisation responsible for maintaining marine life of the entity. The annual grant funding provided by the Municipality is then disbursed to SAAMBR by the DMTP in quarterly tranches. It will be recalled that the operations of the entity consist of the following offering:

- Sea World
- Wet ‘n Wild

- Ushaka Kids World
(Currently closed for renovations)
- Sea Animal Encounter Island
- Dangerous Creatures
- Village Walk (Retail Mall); and
- In-House Food and Beverage operations
(Including Cargo Hold and Wahooz Restaurants)

Grant funding in the amount of R133 678 242.00 (One Hundred and Thirty Three Million Six Hundred and Seventy Eight Thousand Two Hundred and Forty Two Rand) was approved for the DMTP as part of the 2024/2025 Municipal operating budget. The provisions are as follows:

Entity	Details	Grant Amount	Total Per Entity
SAAMBR	Operational Grant	R77 378 962.00	
	Repairs and Maintenance	R 8 692 708.00	R86 071 670.00
DMTP	Operational Grant	R17 000 000.00	
	Repairs and Maintenance	R10 606 572.00	
	Capital Expenditure	R20 000 000.00	R47 606 572.00
Total Grant			R133 678 242.00

It should be noted that the allocations for capital projects repairs & maintenance are paid on a reimbursable basis. Whereas the operating grant will be paid in three tranches in July 2024, September 2024 and March 2025.

During discussion at the Executive Committee level, the DA recorded their abstention on the matter due to what they regarded as insufficient time to interrogate the report to make an informed decision. However, they recalled that the DMTP Turnaround Strategy was previously presented to the Executive Committee in an attempt for the entity to achieve financial sustainability. That progress report in this regard be submitted to the aforesaid Committee to assess and determine future plans of this entity.

With the majority of the Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 8.1 That Council approves payment of R77 378 962.00 (Seventy-Seven Million Three Hundred and Seventy-Eight Thousand Nine Hundred and Sixty-Two Rand) to the Durban Marine Theme Park (DMTP) in four (04) equal quarterly disbursements for the work undertaken by the South African Association for Marine Biological Research (SAAMBR).
- 8.2 That Council approves the disbursement of funds, on a reimbursable basis, in the amount of R8 692 708.00 (Eight Million Six Hundred and Ninety-Two Thousand Seven Hundred and Eight Rand) for repairs and maintenance being undertaken by the SAAMBR.

- 8.3 That, as part of the quarterly disbursement of operating grant funding to the DMTP, Council approves payment, of R5 666 667.00 (Five Million Six Hundred and Sixty-Six Thousand Six Hundred and Sixty-Seven Rand) in July 2024; R2 833 333.00 (Two Million Eight Hundred and Thirty-Three Thousand Three Hundred and Thirty-Three Rand) in September 2024; and R8 500 000.00 (Eight Million Five Hundred Thousand Rand) in March 2025.
- 8.4 That Council approves the disbursement of funds on a reimbursable basis in the amount of R20 000 000.00 (Twenty Million Rand) for capital projects and R10 606 572.00 (Ten Million Six Hundred and Six Thousand Five Hundred and Seventy Two Rand) for repairs and maintenance being undertaken by the DMTP.
- 8.5 That subject to the adoption of .4 above, the entity will implement capital projects as per the submission dated 02 July 2024 to the maximum of R20 000 000.00 (Twenty Million Rand).
- 8.6 That subject to the adoption of .1, .2 .3 and .4 above, authority be granted for the City Manager to disburse these funds to the DTMP.
- 8.7 That, taking cognizance that the DMTP is operating on or close to a break-even level, the Municipal Council confirms its commitment to ensuring the future financial viability of the DMTP and, more specifically, to meet any funding shortfalls that may compromise the DMTP to continue trading as a “going concern.”

Financial Implications:

Grant funding of R133 678 242.00 (One Hundred and Thirty-Three Million Six Hundred and Seventy-Eight Thousand Two Hundred and Forty-Two Rand) provided for in the 2024/2025 operating budget.

FC No.: 2025/13/03

ADOPTED.

9. REQUEST TO PARTNER AND PARTIALLY SPONSOR THE 7TH ANNUAL AFRICA BIO INTERNATIONAL CONVENTION TO BE HELD FROM 24 – 27 AUGUST 2024 AT THE INKOSI ALBERT LUTHULI INTERNATIONAL CONVENTION CENTRE (7/1/3/2)

(Page 56)

Authority is sought to support and partially sponsor the 7th Annual Africa Bio International Convention to be held from 24-27 August 2024 at the Inkosi Albert Luthuli International Convention Centre. The event will be held under the theme “Ensuring Health Security through Investing in Health Products Innovation and Manufacturing.

The Municipality seeks to partner with Africa BIO, a non-profit association of biotechnology industry stakeholders, representing the interest of all stakeholders involved in the biotechnology sector throughout the African Continent. The Africa BIO has held six (06) successful international conventions since 2018. The City has partnered through the Invest Durban and has agreed to reactivate the partnership to support the business and investments capitalization.

The BIO Africa Convention is a collaborative platform for sharing of innovative ideas and opportunities in the biotechnology industry, focusing on health, energy, agriculture and entrepreneurship sectors. It is aimed to get Africa talking about biotechnology developments and address challenges ranging from food security and medicine to vaccine manufacturing. The Convention is targeting more than 700 attendees. There are numerous activities to be undertaken and are highlighted as follows:

- Emerging start ups will get an opportunity to exhibit their business at the main Exhibition Hall
- The top 10 start-Ups will get an opportunity to pitch their business at the BIO Africa Convention.
- Bio-entrepreneurship bootcamps, where the Start-Ups founders will be exposed to high quality academic and training instructions by experts on innovation, fund raising, product development and clinical research of product development.
- Several tracks including One Health, Local manufacturing, Science Diplomacy where organisations and experts will be invited to share key insights

The eThekweni Municipality will receive exposure and opportunities equivalent with the level of partnership, which includes:

- Branding, PR and other benefits. Some of these will be on the mainstream Media;
- His Worship the Mayor, EXCO Members and the City Manager and all other relevant Units to get a waiver fee to attending the Convention;
- Creating an opportunity for officials and other stakeholders to network and establish partnerships in order to improve aspects within their functional areas;
- Introducing advanced technical innovations expose City officials to advanced technological innovation around agriculture, health and other business opportunities;
- Showcasing the City of Durban as a World Class tourism;
- Exposure of eThekweni citizens to the convention;
- This experience will encourage attendees to return to the City for further such events, general leisure and even investment.

At this stage of the proceedings, the DA recorded their abstention on the matter due to insufficient time to interrogate the report to make an informed decision. With other Political Parties present being in support,

COMMITTEE RECOMMENDS:

- 9.1 That authority be granted to the Deputy City Manager: Community and Emergency Services Cluster to support and fund aspects of 2024 BIO Africa Convention at the Inkosi Albert Luthuli International Convention Centre (ICC) from the 24 to 27 August 2024.
- 9.2 That contribution towards the ICC venue hire cost of R700 000.00 (Seven Hundred Thousand Rand) inclusive of VAT.
- 9.3 That subject to the approval of .1 above, Deputy City Manager: Community and Emergency Services Cluster administers contribution of R300 000.00 (Three Hundred Thousand Rand) towards hosting of the Mayoral Dinner.

9.4 That subject to the approval of .1 above, Deputy City Manager: Community and Emergency Services Cluster to ensure that Supply Chain Management processes are followed in the procurement of all other services as detailed in the financial implications below.

9.5 That Deputy City Manager: Community and Emergency Services Cluster prepares a close-out report for noting once the event is concluded.

Financial Implications:

The BIO Africa planning team has requested for the following support:

- The invitation to the Mayor to speak on day one (01)
- Contribution towards the venue hire cost
- Hosting of a Mayoral Reception

To adhere to the National Treasury Circular 2 regarding cost austerity measures the Municipality shall administer the following financial support:

- Contribution towards the venue hire cost not to exceed R700 000.00 (Seven Hundred Thousand Rand)
- Hosting of a Mayoral Reception not exceed R300 000.00 (Three Hundred Thousand Rand) inclusive of VAT.
- The funding shall come from ECOD, particularly Invest Durban and Community and Emergency Services (CES) Cluster
- All goods and services to host the event are to be procured locally and vendors will be invited to sell their products at the many stalls provided for thereby providing opportunities for small business exposure specifically those with BEEE status.

**Community and Emergency Services Cluster
Financial year 2024/2025**

Expenditure Item	Vote Number	Responsible Unit	Amount
Venue Hire cost	14003.22710.30.12120.0000.32100-3.0010	CES Cluster	R350 000.00 VAT inclusive
Mayoral Reception	14003.11400.12120.32100-3.0000.0010	Office of the Mayor	R150 000.00 VAT inclusive
TOTAL			R500 000.00 VAT inclusive

**Economic Development Cluster
Financial year 2024/2025**

Expenditure Item	Vote Number	Responsible Unit	Amount
Venue Hire cost	91000.22710.30.12120.0000.35000-4.0010	Invest Durban	R350 000.00 VAT inclusive
Catering	91000.11400.12120.0000.35000-4.0010	Invest Durban	R150 000.00 VAT inclusive
TOTAL			R500 000.00 VAT inclusive

ADOPTED

10. THE REVIEW AND AMENDMENTS OF THE SUPPLY CHAIN MANAGEMENT POLICY 2024 (9/P)

(Page 60)

Authority is sought to approve the proposed amendments to the Supply Chain Management (SCM) Policy 2024. This submission is in line with with Regulation 3(1)(b) of the Municipal Supply Chain Management Regulations 2005, which expects the City Manager on annual basis review the implementation of the SCM Policy for Council approval. The detailed proposed amendments are outlined in the recommendations below.

At this stage of the proceedings, the DA recorded their abstention on the matter due to insufficient time to interrogate the report to make an informed decision. With other Political Parties present being in support,

COMMITTEE RECOMMENDS:

That the amendments of the Supply Chain Management Policy 2024 hereinafter referred to as “the Policy” be approved, as outlined in the report of the City Manager dated 2024-07-26, it being recorded that the amendments relate to the following:

1. Definitions (Clause: 1)
2. Supply Chain Management Policy: Clause 2
3. Sub delegation: Clause 5
4. System of Demand Management: Clause 10
5. System of acquisition management: Clause 11
6. Range of procurement processes & Petty cash purchases: Clauses 12 and 15
7. Formal written quotations: Clause 16
8. Procedures for Procuring Goods or Services through written or verbal quotations and Formal Written Price Quotations – Clause 17
9. Competitive bidding process: Clause 18
10. Bid documentation for competitive bids: Clause 20
11. Procedure for handling, opening and recording of bids: Clause 23
12. Negotiations with preferred bidders: Clause 24
13. Bid Specification Committee: Clause 27
14. Bid Evaluation Committee: Clause 28
15. Bid Adjudication Committee: Clause 29
16. Procurement of goods and services under contracts secured by other organs of state : Clause 32
17. Deviations from normal procurement process: Clause 36
18. Logistics Management: Clause 39
19. Prohibition on Awards to Persons Whose Tax Matters are Not in Order: Clause 43
20. Objections and Complaints: Clause 49
21. Resolution of disputes, objections, complaints and queries: Clause 50
22. Preferential Procurement: Clause 52
23. Green Procurement: Clause 54
24. Amendments to Contracts- MFMA section 116(3): Clause 55
25. Municipality contracting with another organ of state MFMA 110: Clause 57
26. Special Deviations: Clause 58
27. Tender Validity: Clause 59
28. Other immaterial and minor amendments

PROPOSED TECHNICAL AND MATERIAL AMENDMENTS

Below is a summary of the changes proposed:

1. **Definitions (Clause: 1)**

1.1 The following definitions have been inserted in the draft SCM Policy 2024 and shall going forward be used in the implementation of the SCM Policy 2024:

“ad-hoc Bid Evaluation Committee” must mean a Bid Evaluation Committee, led by SCM; constituted by the Accounting Officer or his/ her delegate, for each tender;

“ad-hoc Bid Specification Committee” must mean a Bid Specification Committee, led by SCM; constituted by the Accounting Officer or his/ her delegate, for each tender;

“B-BBEE strategies” must mean the procurement strategies that incorporate preferential procurement goals as defined in the Preferential Procurement Policy Framework Act;

“Complaint” must mean a written grievance, excluding an Objection, brought a person:

- (a) in relation to the technical requirements contained in the bid specification or in the request for quotations;*
- (b) in relation the adjudication criteria set out in the bid specification or in the request for quotations;*
- (c) in relation to tender conditions set out in the bid specification or in the request for quotations;*
- (d) in relation to terms and conditions contained in bid specification documents or in the request for quotations;*
- (e) in relation to the implementation of a contract already awarded through the SCM process;*
- (f) requesting an enquiry relating to fraud or corruption during the awarding stage or during the execution of the contract; or*
- (g) any other matter which is not specifically mentioned arising from the implementation of the supply chain management implementation system,*

“Demand Management” must mean ensuring that the resources required to fulfil the needs identified in the strategic plan of the Municipality are delivered at the correct time, price and place and that the quantity and quality satisfies those needs, as part of this element of SCM, a total needs assessment should be undertaken, this analysis should be included as part of the strategic planning process of the institution and hence will incorporate the future needs;

“emergency” must mean a serious or unexpected situation that poses an immediate risk to health, life, property or environment which calls the Municipality to action and there is insufficient time to invite competitive bids;

“Objection” must mean a written grievance brought by an unsuccessful bidder against the award of a bid to another/other tendering entities, this includes awards via the quotation management system and the bid committee system;

“Official” must mean a full-time employee, and excludes any person employed on a part time basis or a person earning a stipend, provided that such person be verified and cleared in terms of conflicts of interest by the COI Task Team, “employee” shall have a corresponding meaning;

“Objection Authority” must mean an independent and impartial person appointed by the Accounting Officer in terms of Regulation 50 of the Local Government Municipal Supply Chain Regulations;

“Prospective Provider” must mean a person, business or enterprise registered with the Municipality in respect of specified categories of goods or services for which price quotations are invited as and when required;

“unconditional discounts” must mean that the Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally., a discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is effected;

- 1.2 The following definitions are hereby deleted from the Policy:

“Appeal Authority” must mean an independent and impartial person appointed by the Accounting Officer in terms of Regulation 50 of the Local Government Municipal Supply Chain Regulations; to allow for the establishment of an objections authority

“Service Provider” must mean a contractor;

“Targeted-Procurement” means a policy or programme of an Entity that targets a percentage of procurement exclusively for certain categories of enterprises.

- 1.3 The definition of **“in the service of state”** has been amended by exempting board members of the Municipal Entity from being defined as the persons in the service of the state. The enhanced definition is outlined herein below for ease of reference:

“a member of the board of directors of any Municipal entity, excluding non-executive board members of a Municipal entity but only in relation to supply chain awards by a municipal entity that they do not serve on;”

- 1.4 The below clauses are deleted from the Policy:

“The Minister of Finance has specifically exempted non-executive board members of a Municipal entity from the prohibition for being in the service of the state but only in relation to supply chain awards by a municipal entity that they do not serve on, to allow for the redefining of this exclusion as catered for in (b) of the definition of in the service of the state

An official or employee means a full time employee, and excludes any person employed on a part time basis or a person earning a stipend, provided that such person be verified and cleared in terms of conflicts of interest by the COI Task Team”;

- 1.5 The amendments in the following definitions are meant to enhance the meaning of the definition and this enhancement is explained on a case-by-case basis to provide the exact nature of the change that has been effected.

- 1.5.1 The definition of BBEE and PFMA has been amended by the inclusion of Act number and the year of promulgation.

“B-BBEE” must mean broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act 53 of 2003;

“PFMA” must mean Public Finance Management Act, 1999 (Act No.1 of 1999);

- 1.6 The following definition has been amended by the deletion of the general notice number and the date of promulgation. This amendment was effected because the SCM Regulations are amended as and when necessary:

“Regulation” must mean the Local Government: Municipal Supply Chain Management Regulations promulgated under General Notice 868 of 2005 dated 31 May 2005, as amended from time to time;

2. Supply Chain Management Policy: Clause 2

The following definition has been amended by the deletion of the word “eThekweni” and by deletion of clause 2.1 (ii) to remove all self-referencing and repetition.

“2.1 The ~~eThekweni~~ Municipality resolves in terms of section 111 of the Act to have and implement a supply chain management policy that:

- (a) gives effect to section 217 of the Constitution; and
- ~~(ii) Part 1 of Chapter 11 and other applicable provisions of the Act.”~~

3. Sub delegation: Clause 5

3.1 The amendment is proposed to align the delegations’ framework with the recently approved amendments of the procurement thresholds in line with the SCM Regulations. The proposed amendment is as follows;

“5.2(c) not exceeding ~~R200 000~~ R750 000 (VAT included), may be sub-delegated in terms of the supply chain management code of delegations approved by the Accounting Officer.”

4. System of Demand Management: Clause 10

4.1 Clause 10 on demand management has been amended to provide for the clarification of the BEE Strategies which are to be considered and submitted to Bid Specification Committee with projects above R10 million. The clarification of the BEE strategies has been amended to align with the definition of B-BBEE strategies as defined in the B-BBEEA Act. The proposed amendment is as follows:

“10.6 Further, all contracts exceeding R10 million (VAT inclusive) must be accompanied by project-specific procurement and B-BBEE strategies when presented to the Bid Specification Committee. These should be discussed and agreed between multi-disciplinary teams beforehand.”

4.2 The aim of demand management has been removed from the clause, as demand management has now been defined in the definitions of the Policy. The below clause has therefore been deleted:

“The aim of demand management is to ensure that the resources required to support the strategic and operational commitments are delivered at the right time, at the right price and at the right location, and that the quantity and quality satisfy the need of the Municipality.”

5. System of acquisition management: Clause 11

The System of acquisition management clauses has been amended to ensure that only Council approved National Treasury Circulars and guidelines are applicable to the procurement processes. This is consistent with section 168(3) of the MFMA. The proposed amendment is as follows:

“An official or bid adjudication committee to which the power to make final awards has been sub-delegated must ensure that:

- ~~(e) any Treasury guidelines applicable on acquisition management are properly taken into account.~~
- (c) procurement circulars or guidelines issued by the National or Provincial Treasury and specifically adopted by Council are taken into account.”

6. Range of procurement processes & Petty cash purchases: Clauses 12 and 15

- 6.1 The amendment of clause 12 is intended to align the petty cash threshold consistently across the Policy. The effects of the threshold alignment also extends to clause 15 to align all references to petty cash threshold to read as a maximum of R2000 (vat inclusive). The proposed amendments are as follows;

“12(1) The procurement of goods and services through this Policy can only be undertaken by way of:

- (a) petty cash purchases, up to a transaction value of R2000 (VAT included);*

15.1.1 Petty Cash Limits:

- (a) The purchase of a single item must not exceed an amount R 2000”*

7. Formal written quotations: Clause 16

- 7.1 Clause 16(1)(d) currently refers to a quotation’s threshold of R200 000 and must be amended to R750 000 (inclusive of vat) in alignment with the SCM Regulations. The amendment will read as follows:

“16(1)(d) If the invitation for quotations is not done in the course of normal procurement (i.e. in accordance with the electronic quotations system for goods and services under ~~R200 000~~ R750 000 (VAT included) the following shall apply.”

8. Procedures for Procuring Goods or Services through written or verbal quotations and Formal Written Price Quotations – Clause 17

This clause is amended to allow for a reduced advertising period to be approved by the CFO or his/her delegate for procurements which are less than R750 000 (vat inclusive) and further provide for advertising on both the website and the official notice board or either one at any given time. The proposed amendment is as follows:

“17(1) The operational procedure for the procurement of goods or services through formal written price quotations are:

- (a) all goods or services in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of this clause, be advertised for at least seven days on the website and/or an official notice board of the Municipality and municipal entity unless a shorter period of advertisement is approved by the Chief Financial Officer or his or her delegate;”*

9. Competitive bidding process: Clause 18

- 9.1 The proposed amendment deletes the provision on the unbundling of large projects into smaller projects as this determination will be made at the procurement planning stage and not at the procurement stage. The proposed deletion is as follows:

“18(3) However, the unbundling of large projects, where appropriate, into smaller contracts to ensure that a spread of opportunities are made available to suppliers, service providers and construction contractors of various sizes is permitted, but only with the approval of the Bid Specification Committee.”

10. Bid documentation for competitive bids: Clause 20

The proposed amendment empowers the Chief Financial officer or his/her delegate to approve deductions of surety against monies due to the contractor. The proposed amendment is as follows;

“20(4)In the event that a contractor is unable to raise the required surety, ~~The Head SCM~~ Chief Financial Officer or his/her delegate may allow such surety to be deducted in full or part from monies that are to become due to the contractor, this may take the form of deductions from the first three [3] payment certificates due to the contractor.”

11. Procedure for handling, opening and recording of bids: Clause 23

Clause 23 is amended to include expression of interest and to align the procedure for the handling of task orders which are above R750 000 (vat inclusive) to comply with the procedures as set for tenders/bids. The proposed amendment is as follows;

“23(1) The following procedures for the handling, opening and recording of bids including Framework Contracts or panel, Expression of Interest and task orders, applies:

23(2) Task orders that arise as a result of Expression of Interest or Framework contracts with a total transaction value of R750 000 and above inclusive of VAT must be opened in the same manner as process contemplated in clause 23.1(a)(i) above.”

12. Negotiations with preferred bidders: Clause 24

12.1 The proposed amendment confers the responsibility of breaking deadlocks and empowers the Accounting Officer to terminate any negotiation after having made consideration of the circumstances. The proposed insertion will read as follows;

“24(12) If negotiations fail to result in acceptable contract terms, the Accounting Officer or his / her delegate:

(a) may terminate the negotiations; and

(b) must inform the original preferred bidder(s) of the reasons for termination of the negotiations.”

13. Bid Specification Committee: Clause 27

13.1 Clause 27 introduces the establishment of an ad-hoc Bid Specification Committee to compile all bid specifications and bid documentation. It further introduces the determination of quorum as the majority of members. The proposed insertions are as follows;

“27.1 All bid specifications and bid documentation must be compiled by an ad-hoc Bid Specification Committee led by SCM; constituted for each tender or procurement activity.

27.4 Bid Specification Committee must only undertake business when an appropriate quorum is present, consisting of a majority of its members, subject to clause 27.5 below.”

13.2 We propose the following clause be deleted as no compliance checks are performed for reports submitted to Bid Specification Committee.

~~27 (5) No item may be considered at the Bid Specification Committee unless the appropriate SCM compliance check process has been undertaken and the item has been cleared for acceptance onto the agenda~~

14. Bid Evaluation Committee: Clause 28

14.1 Clause 28 introduces the establishment of an ad hoc Bid Evaluation Committee to do a preliminary evaluation of bids received. It further introduces the determination of quorum as the majority of its members. The proposed insertions are as follows;

“28(1) An ad-hoc Bid Evaluation Committee, led by SCM; must be constituted for each tender or procurement activity, to do a preliminary evaluation of bids received.

28(4) Bid Evaluation Committee must only undertake business when an appropriate quorum is present, consisting of the majority of its members, subject to clause 28.2(a) above”.

14.2 Deletions proposed:

~~(h) ensure that Health and Safety Plans are submitted at the time of tender where applicable; and this needing to be a BSC consideration~~

~~(j) If a municipality is in possession of a bidders original tax clearance certificate or tax compliance status with a PIN number and B-BBEE certificate through the municipality's database, it is not necessary to obtain a new tax clearance certificate or tax compliance status with a PIN number or B-BBEE certificate each time a price quotation or bid is submitted from that specific bidder. This provision may be applied only if at the closing date of the price quotation or bid falls within the expiry date of the tax clearance certificate or tax compliance status and B-BBEE certificate that is in municipality's possession. Whenever this ruling is applied, cross reference must be made to the original tax clearance certificate or tax compliance status and B-BBEE certificate for audit purposes.~~

14.3 Paragraph (j) has been moved to 13- General preconditions for the consideration of written quotations or bids. Other changes have resulted in the renumbering of the existing clauses.

15. Bid Adjudication Committee: Clause 29

This clause is amended to include the determination of quorum and further to remove the time factor within which the Accounting Officer must notify the listed stakeholders in terms of section 114 of the MFMA in cases where a bid other than the one recommended is awarded. The MFMA imposes no timeframe to this process. The proposed amendments are as follows:

"29(3) Bid Adjudication Committee must only undertake business when an appropriate quorum is present, consisting of the majority of its members, subject to clause 29.29(b) above.

29(9) The Accounting Officer must comply with section 114 of the Act ~~within 10 working days~~ if the decision is to award a bid other than the one recommended."

16. Procurement of goods and services under contracts secured by other organs of state : Clause 32

The proposed amendment is to include the Accounting Officer in the approval of clause 32 appointments in addition to the Bid Adjudication Committee. The proposed insertion is as follows:

"32(3) Any procurement of goods and services under contracts secured by other organs of state must be approved by the Accounting Officer or Bid Adjudication Committee after it has considered the following documents:"

17. Deviations from normal procurement process: Clause 36

17.1 The proposed amendments as listed below are intended to allow for the CFO, in addition to the Head SCM and Accounting Officer, to consider requests for authority to deviate from normal procurement process, and further allows for the CFO or his delegate to consider deviation awards below R750 000. The proposed amendments are as below:

"36(3) Prior authority to invite quotations invoking the use of clause 36 must be sought from:

- (a) the Accounting Officer;*
- (b) the Chief Financial Officer; or*
- (c) the Head: Supply Chain Management Unit.*

(36(4) The ~~Head SCM~~ Chief Financial Officer or his/her delegate has authority to make a final award on deviations below R750 000, these must be included in the reports contemplated in clause 36.2 above, on a quarterly basis.

36(6) All emergency procurement must be formalised in a report to the Accounting Officer within 5 working days.

~~*36(9) The Municipality must comply with section 217(1) of the Constitution in the event of an emergency situation with specific reference to obtaining goods and services on the best possible terms.*~~

36(13)(c) The response to the circular and compilation of the list of sole suppliers must be categorised, screened and supported by a relevant team appointed by the Head SCM, and in instances where there is no consensus among the team members, such must be escalated to Head: SCM for a decision and support;

36(13)(d) The supported list of sole suppliers must be advertised for public comments and objections for no less than 14 days;

36(14) The Units or Departments invoking the use of clause 36.1(a)(v) must, in all reports to BAC or Accounting Officer, demonstrate that the use of this provision:

36(15) The respective Unit Head must sign off a report to BAC/ Accounting Officer invoking clause 36.1(a)(v) that is accepting full responsibility and accountability for the report and its contents.

18. Logistics Management: Clause 39

18.1 We propose a deletion of the following clause as it poses a contractual risk to the Municipality where acceptance of delivery is also an acknowledgement of quality of goods or services.

~~*39(5) The acknowledgment of the receipt of goods and/or services and/or works by the Municipality means that the Municipality acknowledges those goods and/or services and/or works have been received and are in accordance with the quality and standard required.*~~

~~*(a) The acknowledgement by the Municipality also serves to confirm that payment for received goods and/or services and/or works can be effected.*~~

18.2 We further propose the deletion of the previous clause 38(7) so as not to duplicate processes which may add to ambiguity. The following clause is therefore deleted:

“38(7) Reminder letters may be sent to contractors based on the reminder levels (days before delivery due date) that are set out in the purchase order.”

19. Prohibition on Awards to Persons Whose Tax Matters are Not in Order: Clause 43

The proposed amendment is to ensure full tax compliance checks for all procurement regardless of value. The proposed amendment reads as follows:

43.1. The Accounting Officer must ensure that, irrespective of the procurement process followed, no award above R30 000 is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

20. Objections and Complaints: Clause 49

20.1 Clause 49 on objections and complaints is amended by deletion of the following clauses to allow for the separation of procedures for complaints and objections:

“(1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action to the City Manager unless it is an emergency procurement.

(2) If aggrieved person(s) request a copy of tender submission(s) a non-refundable administrative charge of R500.00 shall be applicable if hard copies of tender submission(s) are to be obtained from the Municipality.”

20.2 As a result of the above deletions, the following clause has been inserted in order to separate processes for complaints and objections. The separation is duly explained in the definitions added for complaints and objections in clause 1 of the Policy:

49. Complaints and Objections

49.1 Complaints

49.1.1 *The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes to assist in the resolution of complaints.*

49.1.2 *A flat, non-refundable tariff as per approved Council tariffs is payable by the Complainant to the Municipality.*

49.1.3 *Proof of the payment of the Fee must be attached to the Complaint.*

49.1.4 *The independent and impartial person contemplated in clause 49.1.1 decides matters on paper.*

49.1.5 *The Complainant shall cause to be lodged, a written complaint with all supporting documents, addressed to: The City Manager using the email address as directed in the tender document.*

49.1.6 *The following time frames apply to the different types of complaints:*

(a) *the complaint must be filed before closure of bid, in the case of a complaint relating to:*

(i) *the technical requirements contained in the bid specification;*

(ii) *the adjudication criteria set out in the bid specification;*

(iii) *the tender conditions set out in the bid specification; or*

(iv) *the terms and conditions contained in bid specification documents,*

(b) *the complaint must be filed before closure of the quotation management system, for complaints relating to requests for quotations; and*

(c) *the complaint must be filed within 14 days of the Complainant reasonably becoming aware of the cause of complaint relating to:*

(i) *the implementation of a contract already awarded through the SCM process;*

(ii) *the request for an enquiry relating to fraud or corruption during the awarding stage or during the execution of the contract; or*

(iii) *any other matter which is not specifically mentioned arising from the implementation of the supply chain management system.*

49.1.7 *Proof of payment as contemplated in clause 49.1.2 above, must accompany the complaint for it to be regarded as properly lodged.*

49.1.8 *Should the Complainant omit to attach the required proof of payment/s, Legal and Compliance may provide the Complainant with an indulgence to furnish the omitted proof within two (2) calendar days from the date of receipt of the complaint being lodged.*

49.1.9 *Failure to send the required proof of payments, shall be regarded as abandonment of the complaint and the matter must be regarded as being finalised.*

49.1.10 *Should a party not be satisfied with the ruling of the independent and impartial person contemplated in clause 49.1.1, the next step will be a review in a competent Court of Law.*

- 49.1.11 *In the event where the Bidder has requested information from the Municipality in order to formalise the complaint, the Bidder must be given 14 days from the time of receiving the documents or information to formalise and submit the formal complaint.*
- 49.1.12 *Failure to send the required formal complaint within the stipulated timelines contemplated in clause 49.1.6, shall be regarded as abandonment of the complaint and the matter must be regarded as being finalised.*
- 49.2 **Objections****
- 49.2.1 *An Objector must cause to be lodged a written Objection, with all supporting documents and payments within 14 days of notification that he/she is unsuccessful.*
- 49.2.2 *The Objection must be addressed to: The City Manager, c/o Simone Pillay (Legal and Compliance Unit) using the email address as directed in the tender document.*
- 49.2.3 *A flat, non-refundable tariff as reviewed annually as per approved Council tariffs is payable by the Objector to the Municipality.*
- 49.2.4 *Proof of the payment of the Fee must be attached to the Objection, should the Objector omit to attach the required proof of payment of the Fee; Legal and Compliance may provide the Objector with an indulgence to furnish the omitted proof within two (2) calendar days from the date of receipt of the Objection being lodged (as evidenced on the Outlook system).*
- 49.2.5 *Failure to attach or send the required proof of payment by the timeframe stipulated above, shall be regarded as abandonment of the Objection and the matter must be regarded as being finalised.*
- 49.2.6 *In the event where the Bidder has requested information from the Municipality in order to formalise the objection, the bidder must be given 14 days from the time of receiving the documents or information to formalise and submit the formal objection.*
- 49.2.7 *An Objection shall have the effect of causing all procurement processes to be held in abeyance until the Objection Authority rules on the Objection, save for in exceptional circumstances below:*
- (a) *where the outcome of the Objection will not affect the appointment of other bidders to a framework or panel, to which a successful Objector (after resolution by the Objections Authority) may be added; or*
- (b) *where emergency procurement necessitates that the work or part of the work be commenced with to remove potential danger.*
- 49.2.8 *The Objections Authority:*
- (a) *must decide matters on paper; or*
- (b) *may in exceptional circumstances and in its sole discretion; subject only to the consent of Head Legal and Compliance, convene an oral hearing.*
- 49.2.9 *All Bidders in the tender process must keep a copy of their own documents as a record, should the bidder fail to keep a copy of his or her documents; the Municipality must charge a flat non-refundable tariff.*
- 49.3 *In the case of emergency procurement contemplated in clause 36(1)(a)(i) above, clause 49 shall not apply.*

“48 (3) In the case of emergency procurement, Section 36(1)(a)(i) of the SCM Policy, the Accounting Officer is permitted to ~~adjust the period for Objections and Complaints to 48 hours.~~ This will accordingly be reported as a note in the SCM Monthly Awards reports.

21. Resolution of disputes, objections, complaints and queries: Clause 50

Clause 50 proposes the correction of the resolution of disputes processes for appeals to that of objections, queries and complaints. The proposed clause is as follows:

50(7) Reports on ~~Appeals-Objections and Complaints~~ must be included in the normal SCM monthly, quarterly and annual reports.

22. Preferential Procurement : Clause 52

22.1 The Policy proposes the deletion of the list of generic codes to prevent omission of any future gazette sector codes from implementation. Moreover, the amendment of clause 52.4.2 is amended to allow for the direct notification of bidders in a tender that is being cancelled as opposed to publishing the cancellation in the same media that the original advert of bid was published.

23. Green Procurement: Clause 54

The clause has been deleted and replaced with the below proposed clause to allow for consideration of Green procurement at Bid Specification Committee where possible. Proposed clause is as follows:

“54(1) Wherever possible green procurement must be supported so that the related environmental impact is minimised.”

24. Amendments to Contracts- MFMA section 116(3): Clause 55

24.1 Clause 55 is amended to include clause 55.3.3 (b) (c) & (d) to allow for BAC to consider amendment against the contract value as opposed to the contract authority and further to approve major amendments subject to the tabling of the intention to amend the contract at council. The effects of the amendments are as follows;

- (b) consideration of Section 33 of the MFMA must be made for contract extensions that will exceed three years; and
- (c) *where the contract ~~authority~~-value exceeds R10 million, or is a long-term contract, final authority rests with the Accounting Officer.*
- (d) *where the contract ~~authority~~ value exceeds R10 million, or is a long-term contract, final authority rests with the Accounting Officer.*

24.2 Furthermore clause 55.4.1(b)(c)(d) is proposed for amendment as follows;

- (b) *consideration must be made of section 33 of the MFMA for contracts extensions that will exceed three years;*
- (c) *Minor amendments may only be considered if the total amended value does not exceed 20% of its original contract ~~authority~~-value for construction related goods, services or infrastructure projects and 15% for all; and*
- (d) *where the contract ~~authority~~-value exceeds R10 million, or is a long-term contract, final authority rests with the Accounting Officer.*

- 24.3 The effects of the above proposed amendments are to ensure that clause 33 is only considered where the additional contract amendment will exceed 3 years which may fall outside of the MTREF and further to ensure that the contract amount is considered as the price to be adjusted instead of the contract authority when determining the calculation of the percentage of the contract amendment.
25. **Municipality contracting with another organ of state MFMA 110: Clause 57**
Clause 57(1),(2),(3) & (5) which dealt solely with Botanical Gardens and ICC has been deleted. Further proposed amendment is the addition of the Accounting Officer for the approval of contracts with a value above R10million in order to align with the delegation ranges for all awards.
26. **Special Deviations: Clause 58**
Special deviations are proposed for amendment to include the approval by the Accounting Officer for clause 58 transactions that are above R10 million.
27. **Tender Validity: Clause 59**
Clause 59 is relocated to clause 21 to retain numbering of critical Policy clauses which are linked to established administrative processes, procedures and templates.
28. **Other immaterial and minor amendments**
As part of the review of the Policy the grammatical errors, numbering and self-referencing have been proposed for amendment which cuts across all Policy clauses.
29. **Conclusion**
There will be constant review of the Policy through its implementation and interaction with Council Committees, Auditor General, etc. The SCM Unit will continue reporting to the various Council Committees on the implementation of the Policy as is prescribed on a regular and continuous improvement basis.

DEFERRED.

11. REQUEST FOR APPROVAL OF THE ETHEKWINI MUNICIPALITY ADJUSTMENT BUDGET 2023-2024 (7/1/2/2)

(Page 182)

Authority is sought for the final approval of the Adjustment Budget to the 2023/2024 approved budget. The submission is due to the additional expenditure requests and reallocation of expenditure including unforeseen expenditure which then requires the adjustments.

The submission is in line with Section 28 of the Local Government: Municipal Finance Management Act No 56 of 2003, which makes provision for the revision of an approved annual budget via an Adjustment Budget process. Council will recall that the Mid-Year Adjustments Budget to the 2023/2024 budget were considered and approved by the Municipal Council at its meeting of 29 February 2024.

The main reasons for the adjustments are summarised as follows:

- Adjustment in respect of the additional & withholding of grants allocations to the municipality as per the amended Division of Revenue for: Expanded Public Works Programme (EPWP) (3.3m) Public Transport Network Infrastructure Grant (PTNG) (-R220m) Neighbourhood Development Partnership Grant (NDPG) (40.520m) & Informal Settlement Upgrading Partnership (ISUP) (R60m);

- Adjustment for Housing Top Structure expenditure has been expensed as housing construction contract (DOH grant);
- Adjustment for Alternative Sanitation expenditure as it is transferred to Operating Expenditure;
- Re-prioritisation of projects mainly from Human Settlements, Engineering, Electricity, Sanitation and Water, OCM and the purchase of service delivery vehicles by City Fleet;
- Adjustment for reallocation of costs between operating and capital as well as alignment of funding sources; and
- Unbundling of blocksums to specific projects

The DA recorded their abstention on the matter due to insufficient time thoroughly interrogate the report. With other Political Parties present being in support,

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 2023/2024 Budget of the eThekweni Municipality (Parent Municipality) as reflected in Annexure ‘A’ (Operating Adjustment Budget); Annexure ‘B’ (Non-Cash Items Adjustments); and Annexure ‘C’ (Capital Adjustment Budget) in the report of the City Manager dated 2024-07-26, 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:

Total Adjusted Budget for 2023/24 as revised below:

Consolidated Budget (including entities):

Details	February Adjusted Budget 2023/24	Final Adjusted Budget 2023/24
	R'000	R'000
Operating budget	57 541 450	59 201 861
Capital budget	7 664 868	6 982 874
Total Budget	65 206 318	66 184 735

Parent municipality (excluding entities):

Details	February Adjusted Budget 2023/24	Final Adjusted Budget 2023/24
	R'000	R'000
Operating budget	57 007 619	58 811 238
Capital budget	7 602 767	6 920 733
Total Budget	64 610 386	65 731 971

ADOPTED.

FIRST REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. **RESCISSION OF COUNCIL RESOLUTION: SUBMISSION OF CIU REPORTS TO THE MUNICIPAL COUNCIL**
(as contained in the Supplementary Council Agenda 2024-08-01)

COMMITTEE RECOMENDS

That the resolution taken by Council on 2024-06-28, in respect of CIU reports being submitted to Council for accountability purposes, be rescinded.

DEFERRED.

SECOND REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

2. **2023/2024 QUARTERLY REPORT FROM JANUARY 2024 TO MARCH 2024**
(as contained in the Supplementary Council Agenda 2024-08-01)

COMMITTEE RECOMMENDS:

That Council notes the report of the Municipal Public Accounts Committee for quarter 3 of the 2023/2024 financial year, ended 31 March 2023; it being recorded that the activities undertaken during the period under review include:

- (i) Review of the 2022-23 eThekweni Municipality's Annual Report
- (ii) Oversight of the Municipality's financial management;
- (iii) Monitoring compliance with procurement processes;
- (iv) Monitoring performance of appointed service providers;
- (v) Oversight of Unauthorised; Irregular; Fruitless and Wasteful Expenditure;
- (vi) Tracking implementation of mitigating measures arising from the findings raised by the Auditor-General; and
- (vii) Monitoring of investigations undertaken by the City Integrity and Investigation Unit

DEFERRED.

THIRD REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

3. **2024/2025 WORK PLAN PROGRAMME**
(as contained in the Supplementary Council Agenda 2024-08-01)

COMMITTEE RECOMMENDS:

That the 2024/2025 Work Plan Programme for the Municipal Public Accounts Committee, be adopted.

DEFERRED.

FOURTH REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

4. **2023/2024 ANNUAL REPORT FOR ACTIVITIES OF THE COMMITTEE**
(as contained in the Supplementary Council Agenda 2024-08-01)

COMMITTEE RECOMMENDS:

That the Annual Report of the Municipal Public Accounts Committee detailing the activities of the Committee for the 2023/2024 financial year, be noted.

DEFERRED.

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

1. **NOTICE OF MOTION: PROPOSED BY COUNCILLOR M ISMAIL AND SECONDED BY COUNCILLOR: AS PHALA: REMOVAL OF COUNCILLOR PS SISHANGE AS THE CHIEF WHIP OF COUNCIL IN TERMS OF SECTION 41(3) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT 117 OF 1998**

This Council notes that:

1. The Chief Whip is to manage other Whips, maintain discipline and good conduct in Council; and that relationships are constructive and focused on key issues in Council and maintain good governance. This is not apparent.
2. There has been occasion when Council had erupted into protests and chaos, yet the Chief Whip did not act in accordance with her role of office to maintain decorum.
3. Therefore, it be resolved that Councillor Sishange in her capacity as Chief Whip, and in consultation with Section 41(3) of the Local Government: Municipal Structures Act, be removed from office.

DEFERRED.

2. **NOTICE OF MOTION: PROPOSED BY COUNCILLOR ZM MNCWANGO AND SECONDED BY COUNCILLOR BG KUBHEKA: RENAMING OF ETHEKWINI MUNICIPALITY TO PRINCE MANGOSUTHU BUTHELEZI METROPOLITAN.**

This Council noting that:

1. Prince Mangosuthu Buthelezi of KwaPhindangene is the former and long serving prime minister of the Zulu Nation.
2. The President of South Africa afforded Prince Buthelezi the state funeral (category 1), honouring him for the contribution he made to the people of South Africa and KwaZulu-Natal.
3. Ethekwini Municipality is the only Metro in KwaZulu-Natal.

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

1. The eThekweni Municipality be renamed to Prince Mangosuthu Buthelezi Metropolitan.
2. The proper public consultation process to followed and the budget implications to be conducted.

DEFERRED.

3. NOTICE OF MOTION: PROPOSED BY COUNCILLOR AS PHALA AND SECONDED BY COUNCILLOR I SYED: REMOVAL OF THE ENTIRE EXECUTIVE COMMITTEE FROM OFFICE IN TERMS SECTION 53(1) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT 117 OF 1998

The Council noting that:

1. The function of the Executive Committee as such is to concern itself with the daily functioning of the Municipality. The Executive Committee is essentially to provide guidance, steer Council subject to directions and rules of the Municipal Council, all of this done in an impartial way.
2. The Executive Committee, headed by the Executive Mayor, Councillor Thomas Kaunda, has failed in its impartiality and has thus turned itself into a mess of political ideology. Such, the functioning of the Executive Committee does not augur well for the Council when members adopt such a position. And that is evident at every full Council meeting deeming themselves free of accountability.
3. Therefore, it be resolved that and in deference to Section 53(1) of the Local Government: Municipal Structure Act, the entire Executive Committee be removed from office immediately.

DEFERRED.

4. NOTICE OF MOTION: PROPOSED BY COUNCILLOR MM HLENGWA AND SECONDED BY COUNCILLOR NE PATCHAPEN: REPRIORITIZATION OF FUNDS FROM OTHER PROGRAMMES TO ACCOMMODATE EPWP AND PEP WORKERS.

This Council notes that:

EThekweni Municipality employs more than 9000 (nine thousand) Expanded Public Works Programme (EPWP) and more than 6000 (six thousand) Public Employment Programme (PEP) workers through both programmes.

The two programmes are a much-needed contributing factor to poverty alleviation ad crime elimination.

The total annual expenditure of the EPWP programme is R297 000 000.00 (Two Hundred and Ninety Seven Million Rand) the Department of Public Works has reduced the incentive grants to R18 700 000.00 (Eighteen Million Seven Hundred Thousand Rand) will create a shortfall of R278 300 000.00 (Two Hundred and Seventy Eight Million Three Hundred Thousand Rand) making the programme unsustainable.

Further noting that:

All these workers will now go back to the unemployment pool increasing both the unemployment and crime rate.

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

1. EThekweni Municipality to reprioritize funds from other programmes to accommodate EPWP and PEP workers.
2. Both EPWP and PEP be adopted as eThekweni Municipality programmes and included in eThekweni Annual Budget.

DEFERRED.



PP
TB Mbhele
City Manager
05 August 2024