

UGU DISTRICT MUNICIPALITY

MINUTES OF THE 7th MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, RAY NKONYENI MUNICIPALITY, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 23 JUNE 2022, AT 11H15.

PRESENT:

Cllr SR Ngcobo - Speaker

PH Mthiyane (Mayor), VM Chiya (Deputy Mayor), D Nciki (Exco Member), SN Caluza (Exco Member), GD Henderson (Exco Member), MZ Luthuli, SP Mthethwa (Exco Member), ST Khathi, BE Machi, MA Manyoni, SHE Mngoma, NY Mweshe, SA Ngcece, LMR Ngcobo, FM Ngwane, B Nyuswa, P Breedt, MP Shoji, BN Shoji, GS Shange, J Schmidt, MP Tenza, V Vezi, and LS Zungu.

IN ATTENDANCE:

| | | |
|-----------------|---|---|
| Dr EMS Ntombela | - | Acting Municipal Manager |
| Mr S Mbewu | - | General Manager: Water Services |
| | | Ms D Rankin - |
| | | General Manager: Economic Development and Environmental Services (EDES) |
| Mr K Audan | - | General Manager: Budget and Treasury Office |
| Ms N Grobler | - | Acting General Manager: Corporate Services |
| Mr F Zama | - | Senior Manager: Mayoralty and Communications |
| Ms F Mbili | - | Senior Manager: Corporate Strategy and Shared Services |
| Mr S Kati | - | Manager: Risk and Internal Audit |
| Ms Z Maphumulo | - | Manager: manager: Assets Management |
| Ms N Gumbi | - | Manager: Human Resources |
| Ms N Surajbally | - | Administrative Officer: Secretariat Unit |
| Ms B Malishe | - | Committee Co-ordinator: Secretariat Unit |
| Ms T Kikine | - | Acting Committee Co-ordinator: Secretariat Unit |

• OPENING

The Speaker extended a warm welcome to all present.

He reminded members to ensure that their cellphones were on silent.

He then requested the Manager: Assets Management to open the meeting in prayer.

NOTICE OF MEETING

The notice of the meeting was taken as read.

C 345/06/22

APPLICATIONS FOR LEAVE OF ABSENCE

[At that stage of the proceedings, the Speaker informed members that some Councillors had requested to join the meeting via a hybrid platform. He added that same would be monitored when the Councillors wished to have their inputs on the items.]

Cllr Ngcobo stressed his unhappiness regarding the Councillors that were going to join the meeting via the hybrid platform.

Sharing the same sentiments, the Speaker pointed out that this was a scheduled physical meeting and that he did not want to encourage Councillors to join the meeting via the hybrid platform.

Cllr Machi pointed out with concern that if the Speaker continued to grant members to use the hybrid platform for meetings, then more and more Councillors would take advantage and use the said platform and not see the importance of attending physical meetings which was disrespectful to the other members.

It was noted that Cllrs E Baptie (*organizational commitment*) , NA Njenga, X Nkasa, N Ndovela, MP Mteshane, SE Khawula (*family responsibility*), PC Shange (*council business*), TT Hlophe (*council business*) and JS Ngwane had requested leave of absence from the meeting.

It was further noted that the General Manager: Corporate Services (*municipal business*) had requested leave of absence from the meeting and that Ms N Grobler was representing the General Manager: Corporate Services.

Following which,

It was unanimously

RESOLVED:

(a) That Cllrs E Baptie (*organisational commitment*), NA Njenga, X Nkasa, N Ndovela, MP Mteshane, SE Khawula (*family responsibility*), PC Shange (*council business*), TT Hlophe (*council business*) and JS Ngwane be and are hereby granted leave of absence from the meeting.

(b) That, it be noted that from the Management component, the General Manager: Corporate Services (*municipal business*) be and is hereby granted leave of absence from the meeting.

(c) That, it be noted that Ms N Grobler was the Acting General Manager: Corporate Services.

C 346/06/22

DECLARATION OF INTEREST

It was noted that there were none.

C 347/06/22

CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

He pointed out that Councillors were given the agenda timeously; hence Councillors had enough time to study the reports and that the reports should be briefly presented.

Thereafter, Cllr MP Shoji moved for the acceptance of the agenda and was seconded by Cllr Mthethwa.

Following which,

It was

RESOLVED:

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED** subject to the inclusion of the following items:

- Item 11.2.1 Original Budget: 2022/2023: Ugu District Municipality; and
- Item 13.2 Circular 7 of 2022: Local Government: Regulations of the Appointment and Conditions of Employment of Senior Managers, 2014.

CONFIRMATION OF MINUTES

C 348/06/22

Minutes of the 6th Meeting of the Ugu District Municipal Council held on 26 May 2022

The Speaker took members through the confirmation of the minutes for the 6th meeting of the Ugu District Municipal Council held on 26 May 2022.

Thereafter, Cllr Ngcobo moved for the acceptance of the minutes and was seconded by Cllr Nciki.

Following which,

It was

RESOLVED:

That the minutes of the 6th Meeting of the Ugu District Municipal Council held on 26 May 2022, be and are hereby **CONFIRMED**.

C 349/06/22

Minutes of the Special Meeting of the Ugu District Municipal Council held on 30 May 2022

The Speaker took members through the confirmation of the minutes for the special meeting of the Ugu District Municipal Council held on 30 May 2022.

Thereafter, Cllr FM Ngwane moved for the acceptance of the minutes and was seconded by Cllr Luthuli.

Following which,

It was

RESOLVED:

That the minutes of the Special Meeting of the Ugu District Municipal Council held on 30 May 2022, be and are hereby **CONFIRMED**.

C 350/06/22 **Minutes of the Special Meeting of the Ugu District Municipal Council held on 10 June 2022**

The Speaker took members through the confirmation of the minutes for the special meeting of the Ugu District Municipal Council held on 10 June 2022.

Thereafter, Cllr Ntuli moved for the acceptance of the minutes and was seconded by Cllr Mweshe.

Following which,

It was

RESOLVED:

That the minutes of the Special Meeting of the Ugu District Municipal Council held on 10 June 2022, be and are hereby **CONFIRMED**.

RESOLUTION REGISTER

C 351/06/22 **Resolution Register for the 6th Meeting of the Ugu District Municipal Council held on 26 May 2022**

The Speaker took members through the Resolution Register for the 6th Meeting of the Ugu District Municipal Council held on 26 May 2022.

Thereafter, Cllr Henderson moved for the acceptance of the Resolution Register and was seconded by Cllr Mngoma.

Following which,

It was

RESOLVED:

That the Resolution Register for the 6th Meeting of the Ugu District Municipal Council held on 26 May 2022, be and is hereby **NOTED**.

C 352/06/22 Resolution Register for the Special Meeting of the Ugu District Municipal Council held on 30 May 2022

The Speaker took members through the Resolution Register for the special meeting of the Ugu District Municipal Council held on 30 May 2022.

Thereafter, Cllr Henderson moved for the acceptance of the Resolution Register and was seconded by Cllr Mngoma.

Following which,

It was

RESOLVED:

That the Resolution Register for the Special Meeting of the Ugu District Municipal Council held on 30 May 2022, be and are hereby **NOTED**.

C 353/06/22 Resolution Register of the Special Meeting of the Ugu District Municipal Council held on 10 June 2022

The Speaker took members through the Resolution Register for the special meeting of the Ugu District Municipal Council held on 10 June 2022.

Thereafter, Cllr Henderson moved for the acceptance of the Resolution Register and was seconded by Cllr Mngoma.

Following which,

It was

RESOLVED:

That the Resolution Register for the Special Meeting of the Ugu District Municipal Council held on 10 June 2022, be and are hereby **NOTED**.

C 354/06/22 OUTSTANDING MATTERS

It was noted that there were none.

STANDING ITEMS

C 355/06/22 Status on Covid-19 Cases

Her Worship, the Mayor took members through the item.

Following which,

It was unanimously

RESOLVED:

That the report regarding the Status on Covid-19 Cases be and is hereby **NOTED**.

C 356/06/22

Monthly Birthday Greetings: Councillors, Amakhosi and Senior Managers

The Speaker conveyed birthday wishes on behalf of Council to the Councillors who celebrated their birthdays during the month of April, namely:

- Cllr V Chiya - 06 June
- Cllr JS Ngwane - 04 June
- Cllr SP Mthethwa - 09 June
- Cllr D Nciki - 01 June

Following which,

It was unanimously

RESOLVED:

That the Monthly Birthday Greetings for Councillors, Inkosi and Senior Managers be and is hereby **NOTED**.

C 357/06/22

Water Supply Challenges

The General Manager: Water Services took members through the item.

Adding, the Mayor mentioned that as part of the Executive Committee's oversight role, the said Committee embarked on site visits and had already visited the St Helens Rock and Umtamvuna Plants. She reported that it was evident that the aging infrastructure was affecting the water supply.

The Acting Municipal Manager suggested that the name of the item should be changed to Water Supply Status Quo Report.

Cllr Henderson sought clarity if the completion date of the project at St Helens Rock was still the end of June 2022. He also requested for an update on the VTS trucks.

Cllr Breedt requested an update on the sewage overflow at the Margate Beach.

Cllr MP Shoji agreed on the suggestion by the Acting Municipal Manager that the name of the item be titled Water Supply Status Quo Report. She further suggested that the report be drafted in a table form like the Resolutions Register for same to be easily understood. She advised that after the report on the Water Supply Status Quo was presented to the Ugu District Municipal Council, same should be information for the communities of the Ugu District.

Cllr Ngcobo had appreciated the efforts of the Plumbers. He mentioned that there was a burst pipe in the Mpungashe Area and that the Ugu Plumbers had fixed same; however, the TLB had broken down whilst at work. He stated that the said Plumbers had continued to work using the spades. However, he indicated that after same was fixed, the land was not rehabilitated. He then requested that same should be attended to as a matter of urgency given that same was a danger to the community.

In response, the Acting Municipal Manager stated that the Ugu District Municipality had planned to buy its own VTS Trucks. He mentioned that a panel was established and that the General Manager: Budget and Treasury Office was tasked to negotiate the standard rates with the service providers, given that their prices were very high and that same was work in progress.

The General Manager: Water Services responded that the completion date of the project at St Helens Rock was still at the end of June 2022. He outlined that there would be a permanent solution on the issue of the sewage spill at Margate Beach which would be completed by 24 June 2022.

Thereafter, Cllr Manyoni moved for the acceptance of the report and was seconded by Cllr Caluza.

Following which,

It was

RESOLVED:

- (a) That the report on the Water Supply Challenges be and is hereby **NOTED**.
- (b) That the name of the report be changed to Water Supply Status Quo.
- (c) That the report be compiled in a table form similar to the Resolution Register for same to be easily understood.
- (d) That after the report on the Water Supply Status Quo was presented to the Ugu District Municipal Council, same be information for the communities within the Ugu District.
- (e) That, it be noted that there was a permanent solution to the issue of the sewage spill at Margate Beach and that same would be completed by 24 June 2022.
- (f) That, it be noted that there was a burst pipe in the Mpungashe Area and that the Ugu Plumbers had fixed same; however, the TLB had broken down whilst at work and that the said Plumbers had continued to work using the spades; however, after same was fixed, the land was not rehabilitated and that same should be attended to as a matter of urgency given that same was a danger to the community.
- (g) That, it be noted that the completion date of the project at St Helens Rock was still at the end of June 2022.

C 358/06/22

SALGA Monthly Report

The Speaker took members through the item.

Thereafter, Cllr Henderson moved for the noting of the report and was seconded by Cllr MP Shoji.

Following which,

It was

RESOLVED:

That the SALGA Monthly Report be and is hereby **NOTED**.

SECTION 79 REPORTS

**Extracts from the Minutes of the Municipal Public Accounts Committee (MPAC)
held on 15 June 2022**

C 359/06/22

Investigation Report on Irregular Expenditure

It be noted that the item was discussed under In-Committee Matters.

C 360/06/22

Fruitless and Wasteful Expenditure

It be noted that the item was discussed under In-Committee Matters.

C 361/06/22

MATTERS FOR DISCUSSION

It was noted that there were none.

MATTERS FOR CONSIDERATION FROM COMMITTEES

**Extracts from the Minutes of the Meeting of the Executive Committee held on
17 June 2022**

C 362/06/22

Request for the Permission to Occupy the Water Office

Her Worship, the Mayor took members through the item.

She informed Council that a request for permission to occupy the Water Office in Umtwalume was received and that same was thoroughly discussed at the Portfolio Committee on Sound Governance and Human Resource as well as the Executive Committee.

Following which,

It was

RESOLVED:

- a) That the report on the Request for the Permission to Occupy the Water Office be and is hereby **NOTED**.
- b) That, it be noted that the Ugu District Municipal Council which sat on 29 August 2019, had resolved on all requests of the nature as per attached extract from the Council meeting.
- c) That KwaQoloqolo Traditional Council be and is hereby given authority to occupy the unutilized Ugu District Municipality Water Services Office situated next to Umtwalume Combined School, subject to same obtaining a lease agreement with the Ingonyama Trust Board.

- d) That, it be noted that the Ugu District Municipality will not be responsible for any renovations or maintenance of the building.
- e) That the property be transferred to the Umzumbe Local Municipality, who would in turn lease the property to the specific organisation.
- f) That in future, for requests of a similar nature, the property be transferred to the respective Local Municipality, and that same in turn lease the property to the organisation that requested permission to occupy the vacant office space.
- g) That, it be noted that the Manager: Administration and Auxiliary Services be and is hereby tasked to identify all the vacant municipal structures within the Ugu District for the purpose of donating same to the Local Municipalities for service delivery and that a report on same be submitted to the next meeting.

C 363/06/22

Ugu District Investment Register

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Machi moved for the acceptance of the recommendations and was seconded by Cllr Manyoni.

Following which,

It was

RESOLVED:

That the report on the Ugu District Investment Register be and is hereby **NOTED**.

C 364/06/22

Policy Management Policy and Procedures- Review 2021/22 FY

Her Worship, the Mayor took members through the item.

Thereafter, Cllr FM Ngwane moved for the acceptance of the recommendations and was seconded by Cllr Zungu.

Following which,

It was

RESOLVED:

- (a) That the report on the Review of the Policy Management Policy and Procedures for the 2021/22 Financial Year be and is hereby **NOTED**.
- (b) That the additions and changes made to the said policy for the 2021/22 Financial Year review cycle be and is hereby **CONSIDERED** and **ADOPTED**.

C 365/06/22 IDP Budget Roadshows Public Comments 2022

Her Worship, the Mayor took members through the item.

She mentioned that the objective was to report on the IDP Budget Roadshows public comments for 2022.

Following which,

It was

RESOLVED:

- (a) That the report on the IDP Budget Roadshows Public Comments for the year 2022 be and is hereby **NOTED**.
- (b) That the IDP Budget Roadshows Public Comments for the year 2022 be and is hereby **NOTED**.

C 366/06/22 Disciplinary Matters

Her Worship, the Mayor took members through the item.

Following which,

It was

RESOLVED:

That the report on the Disciplinary Matters be and is hereby **NOTED**.

C 367/06/22 Cleaning Services to EPWP 2022

Her Worship, the Mayor took members through the item.

She informed Council that the objective was for the Cleaning Services to be done by the EPWP and that the current workers be converted to EPWP workers. She said that the EPWP grant would be used for the cleaning services.

Thereafter, Cllr Schmidt moved for the acceptance of the recommendations and was seconded by Cllr Machi.

Following which,

It was

RESOLVED:

- (a) That the report on the Cleaning Services to EPWP 2022 be and is hereby **NOTED**.

- (b) That, as from July 2022, the cleaning services for Ugu District Municipality be provided through the Expanded Public Works Programme (EPWP).
- (c) That the 2022/23 Budget for the Cleaning Services be utilized for the implementation of the above resolution (b).
- (d) That, it be noted that the new EPWP contracts would be developed for new beneficiaries instead of absorbing the current cleaning staff.
- (e) That the costs comparison mentioned in terms of sourcing the service vs providing the service through EPWP be and is hereby **NOTED**.
- (f) That during the recruitment of the new cleaning staff, the current staff be also considered.

C 368/06/22

Base Telecommunications Stations (B.T.S) Policy Report

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Caluza moved for the acceptance of the recommendations and was seconded by Cllr Breedt.

Following which,

It was

RESOLVED:

- (a) That the Base Telecommunications Stations (B.T.S) Policy Report be and is hereby **NOTED**.
- (b) That the reviewed Base Telecommunications Stations (B.T.S) Policy be and is hereby **ADOPTED**.

C 369/06/22

Establishment of the Position of Political Support Officer in the Municipal Organogram

Her Worship, the Mayor took members through the item.

Commenting, the Speaker pointed out that there were challenges in the Call Centre and that there should be a position of an Officer in the Call Centre.

Thereafter, Cllr Manyoni moved for the acceptance of the recommendations and was seconded by Cllr Ntuli.

Following which,

It was

RESOLVED:

- (a) That the report on the Establishment of the Position of Political Support Officer in the Municipal Organogram be and is hereby **NOTED**.
- (b) That the Establishment of the Position of Political Support Officer in the Municipal Organogram be and is hereby **CONSIDERED** and **SUPPORTED**.
- (c) That the positions of two (2) additional Officers be created within the Office of the Speaker and that each Officer be responsible for co-ordinating council business with (Umdoni Local Municipality and Umzumbe Local Municipality) and the other Officer for co-ordinating council business with (Ray Nkonyeni Local Municipality and Umuziwabantu Local Municipality) be and is hereby **CONSIDERED** and **APPROVED**.
- (d) That the establishment of the position for an Officer in Call Centre be and is hereby **APPROVED**.

C 370/06/22 **Overtime Exemption of the Call Centre and Stores Personnel for Overtime Above Threshold**

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Shozi moved for the acceptance of the recommendations and was seconded by Cllr Mngoma.

Following which,

It was

RESOLVED:

- (a) That the report on the Overtime Exemption of the Call Centre and Stores Personnel for Overtime Above Threshold be and is hereby **NOTED**.
- (b) That an application of the overtime exemption for the Stores and Call Centre Units be made to the SALGBC.

C 371/06/22 **2023/2024 Draft IDP, Budget, PMS Framework and Process Plan**

Her Worship, the Mayor took members through the item.

Following which,

It was

RESOLVED:

That the report on the 2023/2024 Draft IDP, Budget, PMS Framework and Process Plan be and is hereby **NOTED**.

C 372/06/22 Monthly Budget Statement – March 2022

Her Worship, the Mayor took members through the item.

Cllr Henderson moved for the acceptance of the recommendations and was seconded by Cllr MP Shoji.

Following which,

It was

RESOLVED:

- (a) That the report on the Monthly Budget Statement for the month March 2022 be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of March 2022 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

C 373/06/22 SCM Monthly Performance Report – March 2022

Her Worship, the Mayor took members through the item.

She stated that the rationale of the report was to apprise members on the SCM Monthly Performance Report for the month of March 2022.

Thereafter, Cllr Henderson moved for the acceptance of the recommendations and was seconded by Cllr MP Shoji.

Following which,

It was

RESOLVED:

That the report regarding the SCM Monthly Performance Report for the month of March 2022 be and is hereby **NOTED**.

C 374/06/22 Outstanding Creditors

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Henderson moved for the acceptance of the recommendations and was seconded by Cllr MP Shoji.

Following which,

It was

RESOLVED:

That the report on the Outstanding Creditors together with the list of the invoices be and is hereby **NOTED**.

C 375/06/22

Cash Management Cash Flow Report

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Henderson moved for the acceptance of the recommendations and was seconded by Cllr MP Shoji.

Following which,

It was

RESOLVED:

That the Cash Management Cash Flow Report be and is hereby **NOTED**.

C 376/06/22

Monthly Budget Statement – April 2022

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Henderson moved for the acceptance of the recommendations and was seconded by Cllr Caluza.

Following which,

It was

RESOLVED:

(a) That the report on the Monthly Budget Statement for the month April 2022 be and is hereby **NOTED**.

(b) That the Monthly Budget Statement for the month of April 2022 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

C 377/06/22

Disposal of Ugu District Municipality Assets by Auction

Her Worship, the Mayor took members through the item.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the report on the Disposal of the Ugu District Municipality Assets by Auction be and is hereby **NOTED**.
- (b) That the Annexures (2.1 Annexure A: Vehicles Disposal; 2.2 Annexure B: ICT Disposal; 2.3 Annexure C: Furniture) be and is hereby **NOTED**.
- (c) That the Strategies on 6.5 be and is hereby **NOTED**.
- (d) That the financial income generated during auction be utilised to procure new assets to better municipal services be and is hereby **NOTED**.

C 378/06/22 Write-Off of Ugu District Municipality Assets that were Burnt Down During the July Unrest

Her Worship, the Mayor took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Write-Off of the Ugu District Municipality Assets that were Burnt Down During the July 2021 Unrest be and is hereby **NOTED**.
- (b) That the Write-Off of the Ugu District Municipality Assets that were Burnt that were Burnt Down During the July Unrest be and is hereby **APPROVED**.
- (c) That the assets that were not found during the verification and assets that were burnt down during the July 2021 Unrest be and is hereby **NOTED**.
- (d) That the total amount to R14, 888, 388.24 of assets be and is hereby **WRITTEN-OFF**.
- (e) That the total assets amounting to R14, 888, 388.24 be and is hereby **REMOVED** from the Ugu District Municipality Assets Register.
- (f) That the amount of R14, 888, 388.24 for insured assets written-off be **CLAIMED** from the insurance company.

C 379/06/22 SCM Monthly Performance Report – April 2022

Her Worship, the Mayor took members through the item.

She stated that the rationale of the report was to apprise members on the SCM Monthly Performance Report for the month of April 2022.

Following discussion,

It was unanimously

RESOLVED:

That the report regarding the SCM Monthly Performance Report for the month of April 2022 be and is hereby **NOTED**.

C 380/06/22

Conditional Grants – April 2022

Her Worship, the Mayor took members through the item.

Adding, the Acting Municipal Manager said that going forward, Management had agreed that in the new financial year, grant expenditure would be monitored on a quarterly basis.

Thereafter, Cllr Caluza moved for the acceptance of the recommendations and was seconded by Cllr Schmidt.

Following which,

It was

RESOLVED:

That the report on the Conditional Grants for the month of April 2022 be and is hereby **NOTED**.

C 381/06/22

Fruitless and Wasteful Expenditure

Her Worship, the Mayor took members through the item.

Cllr MP Shoji moved for the acceptance of the recommendations and was seconded by Cllr Vezi.

Following which,

It was

RESOLVED:

That the report on the Fruitless and Wasteful Expenditure be and is hereby **NOTED**.

C 382/06/22

Total Overtime Paid

Her Worship, the Mayor took members through the item.

Cllr Khathi moved for the acceptance of the recommendations and was seconded by Cllr Nyuswa.

Following which,

It was

RESOLVED:

That the report on the Total Overtime Paid be and is hereby **NOTED**.

C 383/06/22 **KZN COGTA Request to utilise the Ugu Sport and Leisure and & Waivering of Tariff of Charges**

Her Worship, the Mayor took members through the item.

Members strongly believed that in future, people should pay for the use of council facilities.

Following which,

It was unanimously

RESOLVED:

(a) That the report on the KZN COGTA Request to utilise the Ugu Sport and Leisure and Waivering of the Tariff of Charges be and is hereby **NOTED**.

(b) That the waivering of the Tariff of Charges Fees for the KZN COGTA usage of the Ugu Sports and Leisure Facility on 28 June 2022 be and is hereby **APPROVED**.

C 384/06/22 **April 2022 Storms – Interventions and Support by SANDF**

Her Worship, the Mayor took members through the item.

Following which,

It was

RESOLVED:

That the April 2022 Storms – Interventions and Support by SANDF be and is hereby **NOTED**.

C 385/06/22 **Masinenge Informal Settlement Fire Incident**

Her Worship, the Mayor took members through the item.

Cllr Mthethwa raised a concern that visits were arranged to the affected communities; however, not all the Councillors of the Executive Committee was invited. He emphasised that in future, all members of the Executive Committee should be invited to the community events / visits.

Also commenting, Cllr Ngcobo sought clarity on what was the cause of the fire in Masinenge.

The Speaker mentioned that last year, there was a fire incident in Masinenge as well. He indicated that he did not have the final figures of the people affected and the cause of the fire; however, a report on same could be provided to the next meeting.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Masinenge Informal Settlement Fire Incident be and is hereby **NOTED**.
- (b) That the support and interventions provided to the affected community be and is hereby **NOTED**.
- (c) That information on the final figures of the people affected and the cause of the fire be submitted to the next meeting.

C 386/06/22 KZN KYOKUSHIN Karate Request to utilise the Ugu Sports and Leisure Centre and Waivering of Tariff of Charges

Her Worship, the Mayor took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the KZN KYOKUSHIN Karate Request to utilise the Ugu Sports and Leisure Centre and Waivering of Tariff of Charges be and is hereby **NOTED**.
- (b) That the waivering of the Tariff of Charges Fees for the KZN KYOKUSHIN Karate usage of the Ugu Sport and Leisure Facility on 08 and 09 July 2022 be and is hereby **APPROVED** and that KZN KYOKUSHIN Karate be held liable for 50% of the total costs.

C 387/06/22 Department of Water and Sanitation: Request to utilise the Ugu Sports and Leisure and Waivering of Tariff of Charges

Her Worship, the Mayor took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Department of Water and Sanitation: Request to utilise the Ugu Sports and Leisure Centre and Waivering of Tariff of Charges be and is hereby **NOTED**.
- (b) That the waivering of the Tariff of Charges Fees for the Department of Water and Sanitation to utilise the Ugu Sports and Leisure Facility on 24 June 2022 be and is hereby **APPROVED**.

Extracts from the Minutes of the Meeting of the Executive Committee held on 17 June 2022

Original Budget: 2022/2023: Ugu District Municipality

The General Manager: Budget and Treasury Office took members through the item.

He mentioned that the purpose of the report was to comply with the provisions of Chapter 4 of the Municipal Finance Management Act on the compilation, tabling, consultation, and adoption of the municipal budget.

He pointed out that the objective was to seek approval of the following:

- Original Budget of Ugu District Municipality for the financial year 2022/2023 and its outer years;
- Original Budget related policies;
- Tariff of Charges Schedule for the financial year 2022/2023;
- Executive Summary for the financial year 2022/2023; and
- The Financial Recovery and Funding Plan for the year financial 2022/2023

He said that there were interventions with Provisional Treasury and CoGTA whereby the following were agreed upon before the start of the 2022/2023 Financial Year:

- Ugu District Municipality was amongst other Municipalities with unfunded budgets called to attend an engagement / intervention formally convened by the Office of the MEC of Provincial Treasury in collaboration with the MEC of COGTA and chaired by the MEC of COGTA, Honourable S Hlomuka, held on 13th of May 2022;
- At the engagement, the MEC of COGTA expressed on the municipalities' Mayors, Accounting Officers and Chief Financial Officers present, the importance of passing a funded budget and pledged his support to the municipalities in their quest to relook at their budgets and to ensure a funded status. He also indicated that the technical teams of Provincial

Treasury and the Provincial COGTA were available to assist the said municipalities in achieving such a budget funding position.

- The Provincial Treasury, in their presentation, also indicated that those municipalities that wished to revise their budgets to achieve an improved funding status had until 01 July 2022 to do so.

He reported that prior to attending the said engagement, taking advantage of the pledged support by MEC of Provincial Treasury and MEC of COGTA, Management had to revisit the budget and assess the extent to which the budgets would have to be cut to reach an improved funding status and possibly an overall funded position in the 2022/23 financial year.

He pointed out that the approach utilized was for a payment plan with one of the largest creditors, being Umgeni Water, was concluded to settle the credit of R253 million over a four-year period.

He emphasised that the following terms were concluded which have a positive financial impact on the financial and funding position of the municipality:

- The interest on the debt was suspended which meant that the debt was not growing continuously and that there was a reduction in the fruitless and wasteful expenditure owing from this interest. The budget could, therefore, afford reduced provision for interest.
- The portion of the debt that was payable in periods after 12 months (R190 million) could be classified as non-current thus reducing the negative net working capital impact that the debt had, which positively improved the current ratios, going concern as well as the budget funding position of the municipality.
- The payment plan reduced the burden and legal expectation to settle the full R253 million immediately and allowed for a staggered payment over four years. This then frees up some resources to help fund the budget.

He said that the Office of the Provincial Treasury was engaged to determine the amount that needed to be cut to achieve the funded status.

He reported that an amount of R164 million in OPEX and a further R15 million in CAPEX was determined as the value by which the budgeted expenditure needed to be cut by to achieve an overall funded status. He indicated that the said reduction needed to be done against expenditure from a cost containment perspective and highly prioritised costs.

Commenting, Cllr Henderson expressed his contentment and pointed out that this was very positive and urged Management to stick to the payment plan.

Echoing the same sentiments, Cllr Ngcobo emphasised that Council must exercise a vigorous control and oversight on the budget.

Following which,

It was

RESOLVED:

- (a) That the report on the Original Budget of the Ugu District Municipality for the financial year 2022/2023 and its outer years be **NOTED**.
- (b) That the Original Budget of the Ugu District Municipality for the financial year 2022/2023 and its outer years be **APPROVED** as set out in the following schedules:
 - Table A1 - Budget Summary;
 - Table A2 - Budget Financial Performance (Standard Classification);
 - Table A3 - Budget Financial Performance (Rev & Exp by municipal vote));
 - Table A4 - Budget Financial Position (Revenue & Expenditure);
 - Table AS - Capital Budget;
 - Table A6 - Budget Financial Position;
 - Table A7 - Budget Cash Flow;
 - Table A8 - Cash Backed Reserves;
 - Table A9 -Asset Management;
 - Table A10 - Basic Service Delivery; and
 - Other Supporting Tables (Table SA1 - SA37)
- (c) That the Executive Summary for the financial year 2022/2023 be **APPROVED**.
- (d) That the Tariff of Charges Schedule for the financial year 2022/2023 be **APPROVED**.
- (e) That the following Budget related policies be **APPROVED**:
 - Asset Disposal Policy;
 - Asset Management Policy;
 - Borrowing Policy;
 - Budget Policy;
 - Cash Management and investment Policy;
 - Cash Management Policies;
 - Cost Containment Policy;
 - Credit Control and Debt Collection By-Law;
 - Credit Control and Debt Collection Policy;
 - Expenditure Policy;
 - Free Water Services Policy;
 - Funding & Reserves Policy;
 - Handling Of Insurance Claims Procedure and Process;

- Indigent Policy;
- Insurance Policies;
- Petty Cash Policy;
- Standard Infrastructure Procurement and Delivery Management;
- Supply Chain Management Policy;
- Unauthorized, Irregular, Fruitless and Wasteful Expenditure; and
- Virement Policy

(f) That the Financial Recovery and Funding Plan for the financial year 2022/2023 be **APPROVED**.

MINUTES FROM COMMITTEES

C 389/06/22 Minutes of the 7th Meeting of the Executive Committee held on 18 May 2022

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

That the Minutes of the 7th Meeting of the Executive Committee held on 18 May 2022 be and is hereby **NOTED**.

C 390/06/22 Minutes of the 8th Meeting of the Executive Committee held on 01 June 2022

The Speaker took members through the item.

Following which,

It was

RESOLVED:

That the Minutes of the 8th Meeting of the Executive Committee held on 01 June 2022 be and is hereby **NOTED**.

URGENT MATTERS

C 391/06/22 Recess Committee: 24 June 2022 to 15 July 2022

The Speaker took members through the item and reminded Council that as per the approved Roster of Meetings for 2022, the Recess Period starts from 24 June 2022 to 15 July 2022.

He reminded members that whilst the Council was on recess, there should be a Recess Committee in place; hence a Recess Committee had to be appointed.

It was noted that the Executive Committee including the Speaker would be the Recess Committee.

Following which,

It was

RESOLVED:

- (a) That the report on the Recess Committee: 24 June 2022 to 15 July 2022 be and is hereby **NOTED**.
- (b) That, it be **NOTED** that Council would be on recess from 24 June 2022 to 15 July 2022.
- (c) That all members of the Executive Committee including the Speaker be members of the Recess Committee, and that same applies for all the Recess Periods for the duration of the term of Council i.e. from 2021 to 2026.

C 392/06/22 **Circular 7 of 2022: Local Government: Regulations of the Appointment and Conditions of Employment of Senior Managers, 2014**

The Acting Municipal Manager took members through the item.

He mentioned that correspondence was received from CoGTA regarding Circular 7 of 2022: Local Government: Regulations of the Appointment and Conditions of Employment of Senior Managers, 2014.

He informed members that the purpose of the Circular was to advise Council of the developments made regarding the Local Government: Regulations on the Appointment and Conditions of Employment of Senior Managers, 2014.

He pointed out that the Circular directed compliance with the Regulations.

In addition, he mentioned that the KZN CoGTA confirmed that the Regulations on the Appointment and Conditions of Employment of Senior Managers, 2014 remained applicable and were still binding on Municipalities notwithstanding the invalidation of the Systems Amendment Act, 2011.

He highlighted that the Circular entailed the following:

- The Local Government: Municipal Systems Amendment Act, 2011 (Act No. 7 of 2011);
- The Western Cape Judgements;
- Acting Appointments; and
- Executive Committee's report and recommendation

Following which,

It was

RESOLVED:

That the report on the Circular 7 of 2022: Local Government: Regulations on the Appointment and Conditions of Employment of the Senior Managers, 2014 be and is hereby **NOTED**.

IN-COMMITTEE MATTERS

[At that stage of the proceedings, Cllr FM Ngwane moved for the meeting to move in-committee and was seconded by Cllr Mweshe]

C 393/06/22 In-Committee Minutes of the Special Meeting of the Ugu District Municipal Council held on 10 June 2022

The Speaker took members through the In-Committee Minutes of the Special Meeting of the Ugu District Municipal Council held on 10 June 2022.

Following which,

It was

RESOLVED:

That the In-Committee Minutes of the Special Meeting of Ugu District Municipal Council held on 10 June 2022 be and are hereby **CONFIRMED**.

C 394/06/22 Investigation Report on Irregular Expenditure

The Chairperson of the Municipal Public Accounts Committee (MPAC) took members through the item.

Following which,

It was

RESOLVED:

- (a) That the report on the Investigation Report on the Irregular Expenditure be and is hereby **NOTED**.
- (b) That the following irregular expenditure as detailed in the investigation report be and is hereby **WRITTEN OFF**:

| No. | Finding | Value |
|-----|--|----------------|
| 1. | Irregular expenditure incurred due to non-compliance with SCM Regulation (2) | R63 141 814.58 |
| 2. | Failure to disclose conflict of interest: Breach of Ethical Standards SCM Regulation 46 | R200 000 |
| 3. | Irregular Expenditure incurred due to Poor Planning | R18 959 981 |
| 4. | Irregular Expenditure incurred due to poor contract Management | R2003 484 |
| 5. | Irregular Expenditure incurred due to poor management to tender processes and poor expenditure | R 19 190 252 |
| 6. | Irregular Expenditure incurred due to failure to follow proper SCM processes | R 2 365 200 |

| | | |
|-----|--|-----------------|
| 7. | Irregular Expenditure incurred due TO Non-compliance resulting from poor internal controls | R1 886 333 |
| 8. | Expenditure does not qualify as irregular expenditure-procurement irregularities not identified. | R60 741 367 |
| 9. | Expenditure does not qualify as irregular expenditure – Conflict of Interest not identified | R3790985 |
| 10. | Irregular Expenditure incurred due to failure to obtain 3 quotations | R1 027 603.69 |
| | TOTAL | R169 896 020.27 |

- (c) That a submission be made to both KZN Provincial Treasury and National Treasury for condonation of these expenditure.
- (d) That consequence management be implemented against the Supply Chain Management (SCM) Officials for failure to declare conflict of interest and that Council be apprised on a quarterly basis on the developments of the consequence management.
- (e) That, it be noted that the municipality once experienced cashflow situations whereby it could not pay its service providers for repairs and maintenance vehicles which resulted in a backlog of vehicles not repaired.
- (f) That the Contracts Register and the Procurement Plan must be adequately implemented and be closely monitored.
- (g) That the Accounting Officer provide intervention on the ongoing extensions regarding the contract for the supply and delivery of the mobile toilets at the Umzinto Informal Settlements.
- (h) That the Administration look at the working relationship between the Departments to avoid impact on service delivery.
- (i) That explanation be provided on why one service provider Thubalam Trading was always appointed whenever there was poor planning.
- (j) That a consequence management report be submitted regarding the procurement irregularities which on Tender Number 07-1495-2019: KwaXolo Water Scheme Construction of 450MM Diameter Suction Line and 400MM Diameter Rising and Tender Number 07-1496-2019: KwaXolo Water Scheme Construction of 5ML Concrete Reservoir at Florida which were cancelled.
- (k) That Supply Chain Management (SCM) training must be provided for the SCM Practitioners and the Bid Committees
- (l) That forward planning be undertaken and a panel of civil work be appointed to avoid appointment of service providers under deviation process to undertake emergency work

C 395/06/22

Fruitless and Wasteful Expenditure Investigation

The Chairperson of the Municipal Public Accounts Committee (MPAC) took members through the item.

Following which,

It was

RESOLVED:

- (a) That the report on the Fruitless and Wasteful Expenditure Investigation Report be and is hereby **NOTED**.
- (b) That the Fruitless and Wasteful Expenditure amounting to R14, 069, 227.31 be and is hereby **WRITTEN OFF**.

C 396/06/22

Performance Bonus for S56 Managers

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Henderson moved for the acceptance of the recommendations and was seconded by Cllr MP Shozi.

Following which,

It was

RESOLVED:

- (a) That the report on the Performance Bonus for S56 Managers be and is hereby **NOTED**.
- (b) That, it be noted that the scores were as follows:
 - General Manager: Water Services - 0%
 - General Manager: Corporate Services - 5%
 - General Manager: EDES - 0%
- (c) That the report on Performance Bonus for S56 Managers be and is hereby **ADOPTED**.
- (d) That the General Manager: Corporate Services be paid a performance bonus of 5%.

C 397/06/22

Performance Agreements: Section 57 Managers

Her Worship, the Mayor took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the amendment of the Performance Agreements: Section 57 Managers be and is hereby **NOTED**.
- (b) That the amendment of the FY 21/22 Agreements by removing the clause linking to payment of bonus to municipal audit outcome be and is hereby **APPROVED**.
- (c) That future performance agreements do not contain this clause unless otherwise specifically resolved by Council.
- (d) That at least 5% of the S57 Managers salaries be allocated to the budget during the budget adjustments in the FY 22/23 for FY21/22 performance.

C 398/06/22 **Determination of Upper Limits Salaries, Allowance and Benefits of Different Members of Municipal Councils**

Her Worship, the Mayor took members through the item.

Thereafter, Cllr Mthethwa moved for the acceptance of the recommendations and was seconded by Cllr FM Ngwane.

Following which,

It was

RESOLVED:

- (a) That the report on the Determination of Upper Limits Salaries, Allowance and Benefits of Different Members of Municipal Councils be and is hereby **NOTED**.
- (b) That the provisions of Gazette No.46470 on the Determination of Upper Limits Salaries, Allowance and Benefits of Different Members of Municipal Councils be and is hereby **APPROVED** and **ADOPTED**; and MEC concurrence for implementation by the Municipality with effect from 01 July 2021.

[At that stage of the proceedings, Cllr LMR Ngcobo moved for the meeting to move out of committee and was seconded by Cllr Manyoni].

C 399/06/22 **DATE OF NEXT MEETING**

It was noted that the date of the next meeting was scheduled for 28 July 2022.

C 400/06/22

CLOSURE

[At that stage of the proceedings, the Mayor informed Council that the MEC of Water and Sanitation was coming to the Ugu District to intervene with the water supply challenges.

Taking over, the Acting Municipal Manager said that the venue was the Ugu Sports and Leisure Centre.

He also informed Council that on 28 June 2022, the Provincial Premier would be visiting the Ugu District.]

There being no further items for discussion, the Speaker declared the meeting closed at 14h20.

CHAIRPERSON: _____

DATE: _____