

**UGU DISTRICT MUNICIPALITY**

**MINUTES OF THE SPECIAL MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD VIA MICROSOFT OFFICE TEAMS VIDEO CONFERENCING, ON FRIDAY, 30 JULY 2021, AT 13H11.**

**PRESENT:**

Cllr NH Gumede - Speaker

SR Ngcobo (Exco Member), PH Mthiyane (Exco Member), NT Dlamini (Exco Member), SP Mthethwa (Exco Member), LMR Ngcobo (Exco Member), AD Ngubo (Exco Member), S Chetty, SH Cele, TB Cele, SR Cele, K Dladla, SN Caluza, TW Dube, M Gcwabe, A Rajaram, TA Disane, SE Khawula, BE Machi, B Ntusi, JJ East, GD Henderson, NCP Mqwebu, DMM Hlengwa, MA Manyoni, NY Mweshe, R Nair, MPL Zungu

**BY INVITATION:**

Inkosi MP Ngcobo  
Inkosi ZGB Msomi  
Inkosi ZR Qwabe  
Inkosi EZ Jali  
Inkosi B Cele  
Inkosi BS Nzimakwe

**IN ATTENDANCE:**

Dr EMS Ntombela	-	Acting Municipal Manager
Mr VO Mazibuko	-	General Manager: Corporate Services
Mr S Mbewu	-	General Manager: Water Services
Ms D Rankin	-	General Manager: Economic Development and Environmental Services (EDES)
Ms L Sotshede	-	Acting General Manager: Budget and Treasury Office
Ms F Mbili	-	Senior Manager: Corporate Strategy and Shared Services
Mr F Zama	-	Senior Manager: Mayoralty and Communications
Mr S Kati	-	Manager: Risk and Internal Audit
Ms N Mbambo	-	Manager: Legal Services
Ms N Surajbally	-	Administrative Officer: Secretariat Unit
Ms B Malishe	-	Committee Co-ordinator
Ms T Kikine	-	Committee Clerk

**OPENING**

The Speaker welcomed all to the meeting.

**C 181/07/21 NOTICE OF MEETING**

The notice of the meeting was taken as read subject to the change of time from 13h00 to 13h11.

**C 182/07/21 APPLICATIONS FOR LEAVE OF ABSENCE**

It was noted that there were none.

**C 183/07/21 DECLARATION OF INTEREST**

It was noted that there were none.

**C184/07/21 CONFIRMATION OF AGENDA**

The Speaker took members through the confirmation of the agenda.

The Acting Municipal Manager requested that Item 6.1.1.3 be withdrawn from the agenda.

Following which,

It was

**RESOLVED:**

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**, subject to Item 6.1.1.3 being **WITHDRAWN**.

**C 185/07/21 MATTERS FOR DISCUSSION**  
**Monthly Budget Statements: June 2021**

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

She mentioned that the purpose of report was to comply with S52 and S71 of the MFMA and the requirements of the Municipal Budgeting and Reporting Regulations. She then reported on the following, namely:

- Statement of Financial Performance (SFP);
- Capital Expenditure;
- Bank Reconciliation - June 2021;
- Outstanding Debtors;
- Department Age Analysis for the Month Ending 31 May 2021;
- Debtors Age Analysis by Customers Group as at 31 May 2021;
- Department Age Analysis for the Month Ending 30 June 2021;
- Debtors Age Analysis by Customer Group as at 30 June 2021;

- Outstanding Creditors; and
- Investment Portfolio

In terms of the Capital Expenditure, she explained to members that the Municipality had spent 58.04% as of June 2021. She pointed out that the said percentage was before the Municipality had concluded other transactions in terms of the Capital Expenditure. She advised members that to date, the Municipality had spent 100% in terms of the Capex funded by the grants, and 41% in terms of Capex funded by the internal funds with an overall expenditure of 91%.

Commenting, Cllr East pointed out with concern that the revenue had decreased by 11.2%. He reminded members that according to the Municipal Finance Management Act (MFMA), stated that the Municipalities should budget realistically at a participated income. He pointed out that the Municipality had overestimated the income revenue in the previous years from the sales of water and sanitation, and that same had caused problems in the previous years. He further raised a concern that the Debtors Book had increased by R110 million. He then advised members that the Finance Department should also attend to the account queries.

He referred members to page 38 of the agenda and enquired if the Municipality still owed Umngeni Water the amount of R235.66 million.

Cllr Dlamini raised a concern on the debtor's book and pointed out that there were several strategies that were presented and approved by Council in order to address the issues of revenue. She also emphasised on the importance of getting the billing system in order.

Cllr Nair suggested that in order to increase revenue, the Municipality should introduce a strategy that would be a mutual benefit to both the Municipality and the customers e.g. offering the customers incentives.

Sharing the same sentiments, Cllr Rajaram advised that a timeframe should be put in place.

The Mayor reminded members that the said matter was previously discussed; whereby it was agreed that the Management should review the said proposal in order to determine how same could be implemented. He then advised that the Acting Municipal Manager should communicate with the former Acting Municipal Manager, Mr Sithole and the General Managers in order to expedite the process, and that a timeframe of two (2) weeks should be put in place.

The Acting General Manager: Budget and Treasury Office explained to members that the low revenue was due to the MIG funding being stopped. She mentioned that when the Covid-19 pandemic started, it was anticipated that the Municipality would be negatively affected.

In terms of sorting out the accounts, she pointed out that the plan was to clean the debtors book and introduce the incentives. She confirmed that the said process had commenced and that a report on same was presented to the last Management Committee meeting for onward submission to all the relevant structures.

Cllr Nair proposed that the issue of incentives should be delegated to the Executive Committee and that the said process should be fast-tracked in the next two (2) weeks.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the report on the Monthly Budget Statements – June 2021 be and is hereby **NOTED**.
- (b) That the Monthly Budget Statements – June 2021 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

**C 186/07/21 Report on the Effect of Civil Unrest in the District**

The Senior Manager: Mayoralty and Communications informed members that a Coalition of Understanding Committee was established in order to deal with the effect of the civil unrest. He then requested the General Manager: Economic Development and Environmental Services to apprise members on the said matter.

Taking over, the General Manager: Economic Development and Environmental Services pointed out that the Economic Cluster resolved that following the event of 12 and 13 July 2021, an economic impact assessment had to be conducted in order to quantify the damage and the impact of the occurrences of the two (2) days. She stated that the impact would be done in terms of the employment, extent of damage and on people generally. She further mentioned that the impact would be done through the affected businesses across the Ugu District and through surveys to be completed by all those that were affected.

She indicated that part of the survey enquired if businesses were insured or not; the number of people that were employed and the estimated quantification of the damage. In terms of the process, she informed members that businesses had up to Thursday, 29 July 2021 to complete the surveys. She further mentioned that once the information was received then an analysis of the surveys would be done in order to get a comprehensive picture of the impact in the Ugu District. She added that same would be done on Monday, 02 August 2021. Following the said analysis, she pointed out that the Municipality would develop a revival plan looking holistically in its approach at the infrastructure support and the SMME and business support, relief measures on rates and taxes to try and link such to the social relief grants, as well as the safety and security clusters linkage.

She further mentioned that many businesses that met indicated that same should be rebuilt and requested the Municipality to indicate that they would have safety and

security in place for their businesses. She pointed out that nothing had been finalised apart from the issues from the presentation that were made which were preliminary.

The Speaker had requested a report on the damage that occurred to the municipal infrastructure, e.g. the Ugu Fresh Produce Market and the Fleet as well as the Fleet Offices. She further requested information regarding what would be done regarding the said infrastructure.

Cllr Henderson sought clarity if the municipal property was covered by the SASIRA cover in terms insurance.

Cllr Dlamini appreciated the intervention from the Provincial and the National government which had indicated in trying to assist with the processes. She pointed out that Ugu was a Water Services Authority and that there were many areas that were relying on water tankering services. She then sought clarity on what interventions were put in place to address the issue quickly and swiftly while waiting for the quantification and the processes to be concluded on the issue of replacement. She further sought clarity if it was possible to have an imminent water intervention.

Cllr Ngcobo appreciated the detailed report and then proposed that both the Management and the Councillors should consider a water tariff holiday as the number of businesses were destroyed completely and that it was going to take long for same to be re-instated or rebuilt. He said that with regard to the economic aspect, the District had to play a co-ordinating role to get the number of service delivery vehicles that were destroyed. He also requested Management to come up with the plan on how to revive the Ugu Fresh Produce Market given that the small businesses were mostly affected.

The Mayor thanked all members for working together during the unrest. He added that in most cases people tend to blame each other. He pointed out that he was disappointed as he found out that no vehicles were torched in other Municipalities. He then echoed the same sentiments as Cllr Dlamini, that after everything that happened, the Municipality should start rebuilding.

He appreciated those who protected the properties and condemned those who used racial matters in certain issues. He further thanked the Ugu communities for not following what had happened in the Phoenix area. Furthermore, he stated that he believed that the insurances were in place. He pointed out that the Premier, Honourable S Zikalala had declared the KwaZulu-Natal area as a disaster and was hoping that Ugu would be getting assistance from the Province and National governments.

He informed members that he had met with the Acting Municipal Manager and discussed the issue and wrote a letter to the Minister of Water and Sanitation and sought clarity on what the Department was going to do in order to assist the Ugu communities to get water. He emphasized that it was crucial that the Municipality should formally write a letter to the Minister and request assistance on the said matter even though the Province and the National were still busy with the whole issue. He said that Minister Pattel had stated that there would be a need for the government in all spheres to revisit the budgets. He added that there would be guidance on the said

matter. He mentioned that he was pleased with the manner in which the Municipality was dealing with the whole situation.

The Speaker appreciated all those who contributed and that it was encouraging to note that something was done with regards to the issue of supplying water to assist the communities.

The Acting Municipal Manager stated that he was instructed by the Mayor to write to the Minister of Water and Sanitation. He then informed members that the Acting CEO of Umgeni Water, Ms Mkhize had requested the Municipality to write a report on the damages in the Ugu District. He stated that the report was submitted on the same day and was waiting for the outcome as they stated that they would discuss on how far same would assist the Municipality and that follow-up would be made next week.

In terms of the issue of the water tariff holiday for businesses he would meet with the Management and check how that would be done as well as the negative effects that same would have on the Municipality. He assured members that same would be tabled in order to get the endorsement from Council.

He referred to the issue of the insurance cover and reported that the Acting General Manager: Budget and Treasury Office informed him that all the Municipal properties were insured. However, he stated that the insurance companies would have to do their own assessments and that he could not promise if all claims would be successful. He further mentioned that he could not tell on how long it would take the claims to be paid.

He further mentioned that he had noted the comment by the Speaker when she indicated that the Municipality had to attend to the infrastructure and that the provision of water to the communities would be done and to minimize the use of water tankers, especially the ones that were provided by the services providers.

The Acting General Manager: Budget and Treasury Office informed Council that SALGA had sent a Circular whereby same required a report on the assets that were affected and the Municipality had since responded and hoped that there might be an intervention.

The Senior Manager: Mayoralty and Communications informed members that eight (8) water tankers, the service delivery vehicles, the excavators, the Ugu Fresh Produce Market and the Fleet Offices were torched. He raised a concern that already there was an impact in delivering portable water. On the communication side, he stated that the Mayor had been on the local Radio stations and that there were articles in the newspapers outlining that the communities should expect the delays due to the damages.

Following which,

It was unanimously,

**RESOLVED:**

That Report on the Effect of Civil Unrest in the District be and is hereby **NOTED**.

**C 187/07/21 Request for Consideration and Approval of Unauthorized Expenditure for Work Done without Purchase Orders**

It be noted that the item was withdrawn from the agenda.

**C 188/07/21 Annual Performance Reviews**

The Manager: IDP took members through the item.

She mentioned that the objective of the report was to remind the Council on the Annual Performance Reviews for the last quarter of the 2020/2021 financial year.

She then took members through the Summary Analysis Report and highlighted the quarterly performance of each Department measured as a % for the 2020/2021 financial year:

Department	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Water Services	46%	47%	44%	52%
EDES	87%	93%	93%	91%
Budget & Treasury	56%	55%	42%	37%
Corporate Services	98%	98%	98%	98%
Office of the MM	77%	68%	80%	80%
USCT	76%	69%	73%	80%
USCDA	81%	43%	59%	45%

Following which,

It was unanimously

**RESOLVED:**

That the report on the Annual Performance Reviews be and is hereby **NOTED**.

**IN-COMMITTEE MATTERS**

It was noted that there were none.

**C 189/07/21 CLOSURE**

There being no further items for discussion, the Speaker declared the meeting closed at 14h02.

**CHAIRPERSON:** -----

**DATE:** -----