

# **NEWCASTLE MUNICIPALITY**

**MINUTES OF THE SPECIAL COUNCIL MEETING OF THE  
NEWCASTLE MUNICIPAL COUNCIL, HELD IN THE  
CONFERENCE ROOM, SHOW HALL, HARDWICK STREET,  
NEWCASTLE ON WEDNESDAY, 28 MARCH 2018 AT 14:00**

## NEWCASTLE MUNICIPAL COUNCIL

SPECIAL MEETING : 28 MARCH 2018

### ATTENDANCE REGISTER

#### PRESENT

Councillor	J C N	Mkhwanazi	:	Speaker
Councillor	V V	Bam		
Councillor	M V	Buhali		
Councillor	S B	Buthelezi		
Councillor	E C J	Cronje		
Councillor	T J C	Danisa		
Councillor	X N M	Dladla		
Councillor	B S	Dlamini		
Councillor	D X	Dube		
Councillor	F P	Gama		
Councillor	V F	Hadebe		
Councillor	T S	Hlabisa		
Councillor	A	Khoza		
Councillor	B V	Khumalo		
Councillor	V D	Kubeka		
Councillor	N P	Kunene		
Councillor	N K	Majozi		
Councillor	F A	Malinga		
Councillor	A M	Mbuli		
Councillor	R N	Mdluli		
Councillor	A P	Meiring		
Councillor	S G	Miya		
Councillor	H N	Mkhwanazi		
Councillor	T P	Mkhwanazi		
Councillor	M S	Mlangeni		
Councillor	N G	Mnguni		
Councillor	M V	Molefe		
Councillor	R M	Molelekoa		
Councillor	M V	Mthembu		
Councillor	P B	Mwali		
Councillor	T M	Ndaba		
Councillor	R B	Ndim		
Councillor	S S	Ndlangamandla		
Councillor	M S	Ndlovu		
Councillor	M E	Ngcobo		
Councillor	B C	Ngema		
Councillor	D R	Ngema		
Councillor	D	Ngwenya		
Councillor	S J	Nhlapho		
Councillor	E M	Nkosi		
Councillor	S N	Nkosi		
Councillor	J B	Nkwanazi		
Councillor	T M	Nzuza		
Councillor	S E	Shabangu		
Councillor	M	Shunmugam		
Councillor	D M	Sibilwane		

Councillor	D P	Sibiya
Councillor	L T	Sikhosane
Councillor	S L	Stein
Councillor	G M B	Thwala
Councillor	L G	Thwala
Councillor	S M	Thwala
Councillor Dr	J A	Vorster
Councillor	S A	Yende
Councillor	M F	Zikhali
Councillor	S J	Zulu
Councillor	T M	Zulu
Councillor	N A	Zwane

**ABSENT WITH APOLOGY**

Councillor	L L	Bosman	:	other commitments
Councillor	C Y	Liu	:	other commitments
Councillor	N Y	Mbatha	:	other commitments
Councillor	V P	Mzima	:	other commitments
Councillor	P F	Ndlovu	:	other commitments
Councillor	C L	Nhlapho	:	other commitments
Councillor	M W	Twala	:	other commitments
Councillor	N S	Zulu	:	other commitments

**ABSENT WITHOUT APOLOGY**

Councillor	S Z	Zulu	:	
Inkosi	C S	Kubheka	:	Traditional Leader
Inkosi	B S	Radebe	:	Traditional Leader

**OFFICIALS PRESENT**

Municipal Manager	:	Mr	B E	Mswane
Strategic Executive Director : DP&HS	:	Mr	B E	Hlongwe
Acting Strategic Executive Director : Community Services	:	Dr	P D	Thabethe
Acting Strategic Executive Director : Corporate Services	:	Ms	N	Vinkhumbo
Acting Strategic Executive Director : Technical Services	:	Mr	N H	Ncube
Chief Audit Executive	:	Ms	S	Chenia
Director : Budget	:	Mr	M	Ndlovu
Director : Human Settlements	:	Mr	M O	Shozi
Manager: Monitoring and Evaluation	:	Mrs	N	Ticka-Ragunanan
Manager: Executive Support	:	Ms	H	Manqe
IDP Officer	:	Mr	V	Ngcobo
Senior Administrative Officer	:	Ms	M	Mduna
Secretariat Clerk	:	Mr	S	Thwala
Intern	:	Ms	P	Thwala

**1 : OPENING**

The Speaker welcomed everyone.

**2 : APPLICATIONS FOR LEAVE OF ABSENCE : (A 3/1/4/1)**

The meeting was informed that the following councillors had given notice to the effect that it would not be possible for them to attend the meeting :-

L L	Bosman	T M	Ndaba
E C J	Cronje	P F	Ndlovu
B S	Dlamini	T M	Nzuza
B V	Khumalo	M W	Twala
V P	Mzima		

**RESOLVED**

That Councillors

L L	Bosman	T M	Ndaba
E C J	Cronje	P F	Ndlovu
B S	Dlamini	T M	Nzuza
B V	Khumalo	M W	Twala
V P	Mzima		

**SED:CS(A)**  
R.N. Mdluli

be granted leave of absence from attending the meeting.

**3 : DRAFT MEDIUM TERM BUDGET 2018/2019 : IDP/BTO/PMS**

The Mayor, Cllr E.M. Nkosi presented the draft Newcastle Municipality Generation IDP : 2018/2019, the Draft Medium Term Budget and the Draft Performance Management System 2017/2018 to 2021/2022

**3 : MULTI-YEAR OPERATIONAL AND CAPITAL BUDGETS : IDP/BUDGET/PMS : (MM 6/1/1 - 2018/2019)****(i) Draft Newcastle Municipality Generation IDP : 2018/2019 : (DP&HS 13/15/6)**

Cllr. S.N Nkosi, for the People's Revolutionary Movement, accepted the Draft Budget, IDP and PMS and stressed that there should be an alignment of the three processes.

Cllr S. J. Zulu, for the Royal Loyal Progress, accepted thee Draft IDP, Budget and PMS

Cllr M.V. Buhali, for the Azanian People's Organisation welcomed the report by the Mayor and proposed that the municipality explore other sources of incomes and that the grants allocated to the municipality be increased.

Cllr V.F Hadebe, on behalf of the Economic Freedom Fighters, seconded the approval of the proposed IDP and mentioned that their comments will be submitted in writing.

Cllr A.P. Meiring , on behalf of the Democratic Alliance ,stressed that the IDP should be aligned to the budget and that the municipality should focus on the financial turnaround strategy before implementation of capital projects.

Cllr T.M. Zulu , on behalf of the Inkatha Freedom Party, accepted the IDP and stressed that it should be aligned to PDGS and NDGS to address the unemployment of youth. He further stressed that the LED strategies should be strengthened and that communities should pay for services rendered to enhance revenue.

Cllr M.F. Zikhali on behalf of the African National Congress, proposed the approval of the IDP, Budget and PMS.

Cllr P.B. Mwali, for the Independent, stressed that revenue collection should be properly managed to avoid over-budgeting, that grants be monitored and that the IDP be aligned to the budget.

### **RESOLVED**

- (a) That the NLM Draft Integrated Development Plan (2018/19) Review, together with one of its key components, the NLM Draft Spatial Development Framework (2018/19) Review, be approved in order to give guidance to the budget;
- (b) that it be noted that a public notice will be issued to give notice of the approval of the NLM Draft Integrated Development Plan (2018/19) Review by Council;
- (c) that the approved NLM Draft Integrated Development Plan (2018/19) Review will be submitted to the MEC: KZN-COGTA for assessment purposes, in line with the legislative requirements of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- (d) that the approved NLM Draft Integrated Development Plan (2018/19) Review will be submitted to the MEC: KZN-COGTA together with the NLM Draft Community Based Plans (2018/19) for all 34 wards in order to be assessed;
- (e) that it be noted that a public notice will be issued to inform members of the general public about the Draft Community Based Plans, so as to obtain additional input, and ensure participatory governance;
- (f) that it be noted that there has been a review of the Strategic Objectives and Strategies within the Institutional Transformation and Organizational Development KPA;

**MM**

- (g) that it be noted that the NLM Draft Integrated Development Plan (2018/19) Review document is subject to further changes in line with the submissions by departments before submission to KZN-COGTA for assessment purposes.
- (h) that the changes made by the Executive committee on the draft budget for 2018/2019 be effected on the draft IDP.

MM

**(ii) Draft medium term budget 2018/2019 : (BTO 6/1/1 - 2018/2019)**

Cllr M.S. Thwala, on behalf of the EFF, accepted the budget with reservations based on the outstanding resolutions and motions. He mentioned that the issue of the full-time Executive Committee, Speaker, Chief Whip and MPAC Chairperson was long outstanding.

Cllr A.P. Meiring , on behalf of the DA, requested that their dissenting vote be recorded and submitted their comments. (Annexure A). \*\*\*

Cllr Dr J.A. Vorster, on behalf of the IFP, approved the budget and acknowledged that the payment factor was calculated in a professional and scientific basis. He further submitted their comments. (Annexure B). \*\*\*

Cllr V.D. Kubheka, on behalf of the ANC, as well as proposed the approval of the draft budget.

The Mayor appreciated the inputs/comments by the opposition parties and proposed that specific areas on the IDP that are not aligned to the budget, must be indicated so that they are addressed. He reiterated that the communities need to pay for the services rendered.

He indicated that the article on the debt of R74 million of the Municipality to Eskom had misquoted CoGta and not address the core and arrangement of the municipality has with Eskom. He mentioned that SACC is under business administration and owes the municipality R50 million.

He further indicated that rate payers money will not be used to pay Eskom but Eskom will be paid through equitable share and that Newcastle will NOT plunge into darkness.

He thanked the Administration under the leadership of the Municipal Manager for the work done during the preparation of the budget.

**RESOLVED**

- (a) That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2018/19; and indicative allocations for the two projected outer years 2019/20 and 2020/21; and the multi-year capital appropriations be

**SED:BTO**  
**E.M. Nkosi**

approved subject to corrections made by Executive Committee;

- (b) that the sources to fund both operating and capital budgets be noted and approved;
- (c) that the Municipality's annual allocation of R82 934 172 to uThukela Water for the provision of bulk water be approved;
- (d) that in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out Tariff of Charges that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2018 for all services except for water and electricity consumption, which be levied on the new tariff with effect from 1 August 2018;
- (e) that the Tariff of Charges be approved and be applicable with effect from 1 July 2018;
- (f) that Property Rates, Water, Refuse and Sanitations tariffs be increased by 6.2% and other tariff be increased by 10%;
- (g) that NERSA proposed municipal Electricity Tariff guidelines increase of 6.84% increase be provisionally approved, it be recorded that the application supporting this tariff increase is to be processed by NERSA in April 2018. Any changes to NERSA's proposed tariff to be reconsidered by the Council before approval of the final budget in May 2018;
- (h) that in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at 3 500 per month;
- (i) that bulk electricity purchases be increased by 7.32% as per NERSA and the National Treasury guidelines;
- (k) that the rate rebates be capped and approved as follows:
 

Electricity consumption	: 50kW/h
Water consumption	: 6 KI
Electricity availability	: 100%
Water availability	: 100%
Sewer	: 100%
Refuse	: 100%
Property rates	: 100%
- (l) that the Budget Policy be noted and approved;

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- (m) that the Tariff Policy be noted and approved as attached Annexure C;
- (n) that the Rate Policy be noted and approved as attached Annexure C;
- (o) that the Indigent Policy be noted and approved as attached in Annexure C;
- (p) that the Customer Care Control and Debt Collection Policy Indigent Policy be noted and approved as attached in Annexure C;
- (q) that the Provision for Doubtful Debt and Debtors Write-Off Policy be noted and approved in Annexure C;
- (r) that the Supply Chain Management Policy be noted and approved as attached in Annexure C;
- (s) that the Cash And Investment Management Policy be noted and approved as attached Annexure C;
- (t) that the Asset Management Policy be noted and approved as attached in Annexure C;
- (u) that the Petty Cash Policy be noted and approved as attached Annexure C;
- (v) that the Virement Policy be noted and approved as attached in Annexure C;
- (w) that Funding and Reserves Policy be noted and approved as attached in Annexure C;
- (x) that the Borrowing Policy be noted and approved as attached Annexure C;
- (y) that the Loss control Policy be noted and approved as attached in Annexure C;
- (z) that the Short-term Insurance Policy be noted and approved as attached in Annexure C.

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**(iii) Draft Performance Management System 2017/2018 to 2021/2022 :**  
**(MM 6/1/1/2017/2018)**

**RESOLVED**

- (a) That in terms of section 53 of the Municipal Finance Management Act read with Chapter 6 Local Government: Municipal Systems Act, 2000 (Act N<sup>o</sup>. 32 of 2000) as

**MM**

amended - the Draft Framework for Performance Management (to include the Monitoring framework for municipal entities), Draft Performance Management System, (Organisational Score-card and Capital Cash flow projections and targets be noted for inclusion in the Draft IDP Review 2018/21;

- (b) that during the public consultation process, departments further align the Draft IDP and Budget to the Draft PMS for final approval in May 2018, following which it will be cascaded Individual Performance Plans for the Municipal Manager and Managers reporting directly to the Municipal Manager;
- (c) that revisions to the Organisational objectives and strategies be accordingly included in the Draft IDP Review;
- (d) that recommendations by Internal Audit, Auditor-General, Audit Committee and MPAC be addressed through the final PMS to be approved in May 2018, including submissions from the public and other stakeholders;
- (e) that any further revisions to the Draft PMS be effected prior to submission to CoGta and publishing to the website;
- (f) that where applicable, the PMS Framework be re-aligned to the Framework for Managing Programme Performance Information as per National Treasury and the Office of the Presidency guidelines as per recommendations by AG;
- (g) that the changes made by the Executive committee on the draft budget for 2018/2019 be effected on the draft PMS.

MM

#### 4 : **OVERSIGHT REPORT AND ANNUAL REPORT 2017/2018**

The Chairperson of the Municipal Public Accounts Committee, Councillor M.E. Ngcobo, moved that the recommendations of the Municipal Public Accounts Committee be considered and further requested that the resolutions of the said Committee be adopted under powers delegated to the Committee, subject to the correction of the date of 23<sup>rd</sup> to 25<sup>th</sup>.

#### **RESOLVED**

That the Oversight Report and Annual Report 2017/2018, be approved.

MM

**CONCLUSION OF MEETING**

The Speaker wished Council a safe Easter Holiday. There being no further business to discuss, the meeting concluded at 15:10.

**CONFIRMED**

**DATE**

**CHAIRPERSON**

**DRAFT**