

# **EXECUTIVE COMMITTEE**

*of the*

## **NEWCASTLE MUNICIPAL COUNCIL**

MINUTES OF THE SPECIAL MEETING HELD IN THE EXCO  
ROOM, MUNICIPAL BUILDING, SCOTT STREET, NEWCASTLE  
ON WEDNESDAY, 10 JULY 2019 AT 14:00

## INDEX

| AGENDA<br>ITEM<br><u>NO</u> | <u>ACTION</u> | <u>SUBJECT</u>   | MINUTED AS<br>RESOLUTION/<br>RECOMMENDATIC<br><u>NO</u> |
|-----------------------------|---------------|--|---|
| 1                           |               | Opening  | B 111   |
| 2                           | A             | Leave of absence   | B 112   |
| 3                           |               | Feedback and engagement on final report on the state of local government | A 45  |

**EXECUTIVE COMMITTEE**  
**SPECIAL MEETING : 10 JULY 2019**  
**ATTENDANCE REGISTER**

**PRESENT**

|            |   |     |           |   |                    |
|------------|---|-----|-----------|---|--------------------|
| Councillor | M |     | Shunmugam | : | Acting Chairperson |
| Councillor | V | V   | Bam       |   |                    |
| Councillor | E | J C | Cronje    |   |                    |
| Councillor | R | M   | Molelekoa |   |                    |
| Councillor | S | M   | Thwala    |   |                    |
| Councillor | N | A   | Zwane     |   |                    |

**ABSENT WITH APOLOGY**

|            |   |     |         |   |                   |
|------------|---|-----|---------|---|-------------------|
| Councillor | N | N G | Mahlaba | : | other commitments |
| Councillor | R | N   | Mdluli  | : | other commitments |

**VACANCY**

Ex PR Councillor : D.P. Sibiya

**OFFICIALS PRESENT**

|  |   |    |   |   |                |
|--|---|----|---|---|----------------|
| Acting Municipal Manager                                 | : | Mr | M | J | Mayisela       |
| Strategic Executive Director : Corporate Services        | : | Dr | N | Y | Mbatha-Mahlubi |
| Strategic Executive Director : DP&HS                     | : | Mr | V |   | Govender       |
| Strategic Executive Director : Technical Services        | : | Mr | S |   | Chauke         |
| Acting Strategic Executive Director : BTO                | : | Mr | S | M | Nkosi          |
| Chief Audit Executive                                    | : | Ms | S |   | Chenia         |
| Director : Arts, Culture, Amenities and Community Safety | : | Ms | T |   | Mjilo          |
| Senior Administrative Officer                            | : | Ms | M |   | Mduna          |

**RESOLUTIONS**  
OF THE  
EXECUTIVE COMMITTEE  
ADOPTED UNDER  
DELEGATED POWERS

**B111 : OPENING**

The Acting Municipal Manager welcomed all and called for nominations for the Acting Chairperson.

**RESOLVED**

That Cllr. N.A. Zwane be the Acting Chairperson of the special Executive Committee for 10 July 2019.

|   |
|---|
| Mover : Cllr. R.M. Molelekoa    Seconded : Cllr. M. Shunmugam |
|---|

**B112 : APPLICATIONS FOR LEAVE OF ABSENCE : (CS(A) 3/1/4/1)**

The meeting was informed that Cllrs. R.N. Mdluli as well as Dr. N.N.G. Mahlaba had given notice to the effect that he would not be able to attend the meeting.

**RESOLVED**

That Cllrs. R.N. Mdluli as well as Dr. N.N.G. Mahlaba be granted leave of absence from attending the meeting.

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

**CONCLUSION OF MEETING**

There being no further business to discuss, the meeting concluded at 18:00.

**2019-07-23**  
**DATE**

**CONFIRMED**

  
**CHAIRPERSON**

**RECOMMENDATIONS  
OF THE  
EXECUTIVE COMMITTEE  
TO THE NEWCASTLE  
LOCAL COUNCIL  
  
FOR CONSIDERATION**

#### **A45 : FEEDBACK AND ENGAGEMENT ON FINAL REPORT ON THE STATE OF LOCAL GOVERNMENT**

The Acting Chairperson reported that the report emanated from the engagement with CoGta and Provincial Treasury. He then informed the Executive Committee that the purpose of the special Executive Committee meeting was to endorse the report as well as making inputs, whereafter a final report would be presented to the Premier of KwaZulu-Natal.

The Acting Municipal Manager then guided the structure of the document as presented in the report. He advised that the Executive Committee may comment on the schedule provided should they be not in agreement with any recommendations on a particular focal area.

Attached as Annexure "A", comments of the Executive Committee of Newcastle Municipality on the focal areas.

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#### **RESOLVED TO RECOMMEND**

- (a) That a dedicated, collective session between the Executive Committee and management be undertaken to rectify the financial situation of the municipality;
- (b) that Treasury guidelines on cost containment be circulated to the Executive Committee;
- (c) that water losses be noted with serious concern and a group created to report water leaks be utilised effectively to minimise further water losses;
- (d) that the outstanding creditors book be attended to speedily to improve the financial situation of the municipality;
- (e) that illegal car washes in Newcastle be closed down to curb water losses that are a huge cost to the municipality;
- (f) that the matter regarding water losses be thoroughly discussed at the proposed Executive Committee and management session;
- (g) that all manual systems be integrated into Phoenix Management System;
- (h) that a project implementation plan be prepared for discussion at the Executive Committee and management session;
- (i) that the use of regulation 36 of the Municipal Finance Management Act, be used minimally;
- (j) that in cases where regulation 36 of the Municipal Finance Management Act is used due to poor planning, consequence management, be implemented;

MM

- (k) that regulation 32 of the Municipal Finance Management Act on the appointment of contractors be applied in proper context before commencement of any work;
- (l) that all matters for condonement be referred to MPAC for investigation prior to Council approval;
- (m) that a report on the re-engineering process and filling of critical vacancies be submitted to the Executive Committee scheduled for 20 August 2019;
- (n) that a report on the skills audit outcome for Budget Treasury Office and Technical Services conducted by CoGta, be requested and submitted to the Executive Committee;
- (o) that, on all areas of concern identified on the report, a programme of action be developed and monitored;
- (p) that the matter of the Strategic Executive Director : Community Services be referred to CoGta for advice;
- (q) that the Acting Municipal Manager collate and submit all resolutions that were taken regarding the appointment of Mr. V. Govender as the Strategic Executive Director : Development Planning and Human Settlements;
- (r) that a report regarding the Municipal Manager (Mr. B.E. Mswane) be provided on the progress from 24 June 2019 outcome which must include the costs for defending the matter as well as the projections going to the end of the contract (2021);
- (s) that staff attending court cases must take leave of absence;
- (t) that regarding staff who are loitering during working hours, a memo be issued that this must come to an end;
- (u) that regarding a report on litigations, an item be submitted to the Executive Committee;
- (v) that a financial recovery plan be submitted to the Executive Committee after discussion at ManCo.

**MM**

# **ANNEXURE A**

**SPECIAL EXCO : 2019-07-10  
RECOMMENDATION : A44**

| NEWCASTLE MUNICIPALITY |   |  |                   |
|------------------------|---|--|-------------------|
| Nº.                    | Focal Area  | Comments by municipality   | Comments by CoGta |
| 1                      | Focal area 1 : Political and Administrative stability |  |                   |
|                        | Interface   | <ul style="list-style-type: none"> <li>The matter of the Strategic Executive Director : Community Services be referred to CoGta for advice.</li> </ul>   |                   |
|                        | Management  | <ul style="list-style-type: none"> <li>Table 9.14 : Organogram/Staff structure<br/>The municipality needs to re-evaluate the organogram in conjunction with the re-engineering process in order to record accurate figures in terms of the vacancy rate</li> <li>The matter of the Strategic Executive Director : Community Services be referred to CoGta for advice.</li> <li>Table 9.15 : Status of Senior Management Posts               <ul style="list-style-type: none"> <li>(i) The position of the Chief Financial Officer has been filled.</li> <li>(j) The Acting Municipal Manager to collate all resolutions about the Strategic Executive Director : Development Planning and Human Settlements )</li> <li>(k) The position of the Strategic Executive Director : Governance and Support is not on the organogram</li> </ul> </li> <li>Table 9.24 : Public protests<br/>There was a number of protests but none became violent</li> <li>Table 9.25 : Batho Pele Principles               <ul style="list-style-type: none"> <li>(g) Service delivery charter to be fast-tracked</li> </ul> </li> <li>The municipality request a report on the skills audit assessment conducted by CoGta</li> <li>Water and Sanitation provision to be discussed at IGR platforms</li> <li>Forensic investigations report to be presented by the Acting Municipal Manager to provide an updated status report.</li> </ul> |                   |
|                        | Skills Audit outcomes (BTO and Technical Services)    |  |                   |
|                        | IGR Functionality                                     |  |                   |
|                        | Investigations / allegations                          |  |                   |

|   |  |   |
|---|--|---|
|   | Consequence management (Fraud, corruption and maladministration, disciplinarys)  |   |
|   | Public protests (Issues and response/complaints management) and Public Participation Plans   | <ul style="list-style-type: none"> <li>Public Participation Policies have been developed and workshop to Ward Committees and Council</li> </ul>   |
| 2 | Focal area 2 : Sound financial management  |   |
|   | Financial viability  | <ul style="list-style-type: none"> <li>A dedicated session between the Executive Committee and Management be undertaken to rectify the financial situation of the municipality, where thorough discussions on issues of creditors book, collection rate, water losses, electricity losses and negative Net will be discussed</li> </ul>   |
|   | mSCOA  | <ul style="list-style-type: none"> <li>The municipality will ensure that all manual systems are integrated into Phoenix Management System</li> </ul>  |
|   | UIFW   | <ul style="list-style-type: none"> <li>In order to resolve all findings in ration of mSCOA the server had been budgeted for in the 2019/2020 financial year</li> <li>The municipality must ensure that the use of regulation 36 of the Municipal Finance Management Act is minimal and in cases where the regulation is used to poor planning, consequence management be implemented</li> </ul> |
| 3 | Focal area 3 : Provision of basic services   |   |
|   | Delays in project implementation (Nature of projects, WIP - time taken to completion) - MIG/INEP/WSIG/RBIG/LED. Reasons for project delays | <ul style="list-style-type: none"> <li>The municipality must apply regulation 32 of the Municipal Finance Management Act in proper context before the commencement of any project</li> </ul>  |
|   | Under-expenditure on grants  | <ul style="list-style-type: none"> <li>A condone letter and Council resolution be submitted on the utilisation of SWIG grant</li> </ul>   |
|   | Water provision  | <ul style="list-style-type: none"> <li>An indigent support policy is in place and adopted by Council and reviewed</li> </ul>  |
| 4 | Other comments   | None  |