

NDLAMBE MUNICIPALITY



AGENDA

SPECIAL OPEN NDLAMBE COUNCIL MEETING

DATE: TUESDAY, 09 MAY 2017

TIME: 14H00

**VENUE: COUNCIL CHAMBERS,
CAMPBELL STREET,
PORT ALFRED.**

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
TUESDAY, 09 MAY 2017 AT 14H00 IN THE COUNCIL CHAMBERS, CAMPBELL
STREET, PORT ALFRED**

NOTICE is hereby given that a SPECIAL OPEN meeting of the NDLAMBE COUNCIL will be held in the COUNCIL CHAMBERS, CAMPBELL STREET, PORT ALFRED on Tuesday, 09 May 2017 AT 14H00.

PORT ALFRED
08 May 2017


DIRECTOR, CORPORATE SERVICES
for: MUNICIPAL MANAGER

TO: Councillor N V Maphaphu (In the Chair)

Councillors: P Faxi, K Daweti, N Gamlashe, J P Guest, C B James, Y P Kani, A L Marasi, M Mateti, T Mazana, T M Mbunge, M E Njibana, N A Ngqosha, M Raco, R L Schenk, L Shahzad, S Venene, N E Xhasa, M W Yali, (1 Vacant)

Municipal Manager, Directors: Financial Management, Corporate Services, Infrastructural Development, Community / Protection Services.

Deputy Directors: Financial Management, Infrastructural Development (Port Alfred), Community and Protection Services, Manager: Local Economic Development, Manager: Human Resources, Manager: Town Planning, Manager: Integrated Development Plan, Manager: Administration, Manager: Performance Management System, Assistant Director: Housing, Communication Officer, SAMWU and IMATU.

SNCA001/05/2017
OPENING

SNCA002/05/2017
APPLICATION FOR LEAVE OF ABSENCE
3/2/4

SNCA003/05/2017
OFFICIAL ANNOUNCEMENTS BY THE SPEAKER
3/2/1

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
TUESDAY, 09 MAY 2017 AT 14H00 IN THE COUNCIL CHAMBERS, CAMPBELL
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SNCA004/05/2017

COMMUNICATION BY THE MAYOR

3/2/1

SNCA005/05/2017

**DISCLOSURE OF INTEREST BY COUNCILLORS (SCHEDULE 1 OF MUNICIPAL
SYSTEMS ACT)**

Attach as **Annexure SC.01**

SNCA006/05/2017

**DISCLOSURE OF INTEREST AND BENEFITS BY MUNICIPAL STAFF MEMBERS
(SCHEDULE 2 OF MUNICIPAL SYSTEMS ACT)**

Attach as **Annexure SC.02**

SNCA007/05/2017

**REPORT DATED 08 MAY 2017 FROM THE MUNICIPAL MANAGER TO COUNCIL:
REGISTRATION OF MUNICIPAL INFRASTRUCTURE GRANT PROJECTS FOR THREE
YEAR MTF CYCLE**

PURPOSE

For Council to rescind resolution **NCM 022/01/2017** and approve projects below for submission and registration to the Department of Local Government & Traditional Affairs for funding.

BACKGROUND

An item was submitted to council for approval of projects for implementation and registration on the MIG MIS. Subsequent to that additional R12 million has been made available by COGTA. The resolution that was taken on the 31st of January has to be rescinded and be adjusted due to the additional allocation. A separate item on the adjustment is included on this agenda. The amount of R12 million is meant for Bathurst Water Project as per the resolution of COGTA together with the municipality but due to non-registration of the Bathurst Project it was recommended that it be substituted by roads projects which were meant to be implemented next financial year. In the next financial year (2017/18), R12 million will be taken out of roads budget and be utilised for Bathurst Water Project.

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DISCUSSION

The Municipal Infrastructure Grant is aimed at providing all South Africans with at least a basic level of service through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor. The MIG programme is also a key part of government's overall drive to alleviate poverty in the country and, therefore, infrastructure is to be provided in such a way that employment is maximised through labour intensive construction methods and opportunities are created for enterprises to flourish.

It must be noted that the amounts reflected on this item do not mean an area has been allocated such an amount. This item's objective is only for registration purposes. A project can be approved or not approved depending on the registration process and Council's approval. The amounts indicated are just estimates by the time of implementation the situation might change based on the need or priorities in other areas.

The department prepares the estimates in-order for the projects to be included on the IDP so that if there is any other grant that can be sourced it doesn't get rejected because it doesn't appear on the IDP. MIG cannot be able to cater for the amounts that are put as estimates in all the financial years; the amounts are a cost estimate of the total cost of works.

Allocations for the three year MTEF Cycle

| Year | Financial Year | Allocation |
|-------------|-----------------------|-------------------|
| 1. | 2017/2018 | R27 872 000 |
| 2. | 2018/2019 | R29 289 000 |
| 3. | 2019/2020 | Not yet indicated |

Municipalities are expected to spend funds within the financial year as the non-spending of funds will negatively impact on future allocations, it is necessary to understand the context of commitment and project registrations in relation to expenditure. The single most critical issue around consistent and strong cash flow is having approved/registered projects on which to disburse funds.

The following is a Municipal Infrastructure Grant basic formula used to split allocations:

$$\text{MIG} = \text{B} + \text{P} + \text{E} + \text{N} + \text{M}$$

Where:

- B is the amount allocated for basic residential infrastructure (new and rehabilitated). This component consists of proportional allocations for water supply and sanitation, roads and street lighting.
- P is an allocation for public municipal service infrastructure (new and rehabilitated)

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- E is an allocation for infrastructure for social institution and micro-enterprises
- N is an allocation to identified nodal municipalities in the urban renewal and rural development programmes.
- M is a negative or positive allocation related to past performance of each municipality relative to grant allocation

The most critical funding windows from the above formula for Ndlambe Municipality are B, P and E components and this is because of huge backlog of basic services.

The most critical funding windows from the above formula for Ndlambe Municipality are B,P and E components and this is because of huge backlogs in basic services. Therefore the percentages for each funding window are as follows:

- B Component = 80%
- P Component = 15%
- E Component = 5%

It must be noted that if a project is not registered it cannot be implemented in a financial year.

Best lessons from other municipalities that spend MIG allocation faster is that they use internal funds to pay for MIG projects when the money is transferred to the municipal account it is already been spent. Also council must avoid changing of projects in each financial year that impacts negatively on planning and delays the registration process as there are steps to be taken when the projects are registered.

List of projects recommended for registration

| NO | PROJECT DESCRIPTION | WARD | ESTIMATED BUDGET | PROJECT |
|----|---|-----------|------------------|---------|
| 1. | Bulk and Internal sewerage Infrastructure in Station Hill | 9 | R 54 million | |
| 2. | Upgrading of Ndlambe Roads | All wards | R 80 million | |
| 4. | Upgrading of Wenzel Park Sports Field | 2 | R 4.5 million | |
| 5. | Bulk and internal sewerage Infrastructure in Alexandria | 1 | R 58 million | |
| 6. | Upgrading Sewerage Infrastructure in Kenton On sea | 4 | R 46 million | |
| 7. | Close and rehabilitate refuse sites. | All wards | R 8 million | |

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| | | | |
|-----|---------------------------------------|-----------|--------------|
| 8. | Establishment of transfer stations | All wards | R 11 million |
| 9. | Upgrading of Bathurst Water | 5 | R 25 million |
| 10. | Upgrading of Klipfontein Sports Field | 3 | R 5 million |
| 11. | Upgrading of Bulk Water in Alexandria | 1 and 2 | R 6 million |

Based on the available budget the above projects will be implemented in phases in different financial years. For the 2017/18 the only available budget is R 27.9million and is recommended to be utilised as follows:

| NO | PROJECT DESCRIPTION | WARD | FINANCIAL YEAR | ESTIMATED PROJECT BUDGET |
|----|--|------|----------------|--------------------------|
| 1. | Upgrading of Bathurst Bulk Water Phase 1 | 5 | 2017/18 | R18 million |
| 2. | Upgrading of Ndlambe Roads | All | 2017/18 | R4.2 million |
| 3. | Upgrading WENZEIS Park Sports field | 2 | 2017/18 | R4.3 million |
| 4. | PMU (5%) | | 2017/18 | R1.4 million |
| | Total | | | R 27.9 Million |

2018/19 Financial Year

| NO | PROJECT DESCRIPTION | WARD | FINANCIAL YEAR | ESTIMATED BUDGET |
|----|---|-----------|----------------|-----------------------|
| 1. | Bulk and Internal sewerage Infrastructure in Station Hill Phase 1 | 9 | 18/19 | R13 million |
| 2. | Upgrading of Ndlambe Roads | All wards | 18/19 | R7.3 million |
| 3. | Land disposal sites – Phase 1 | All wards | 18/19 | R1.5 million |
| 4. | Upgrading of Bathurst Water Phase 2 | 5 | 18/19 | R6 million |
| 5. | PMU | | | R 1.5 million |
| | TOTALS | | | R 29.3 million |

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2019/20 Financial Year

| NO | PROJECT DESCRIPTION | WARD | FINANCIAL YEAR | ESTIMATED BUDGET |
|----|---|---------|----------------|--|
| 1. | Bulk and Internal sewerage Infrastructure in Station Hill Phase 3 | 9 | 19/20 | Allocation not yet indicated on the DORA |
| 2. | Upgrading of Ndlambe Roads | All | 19/20 | Allocation not yet indicated on the DORA |
| 3. | Bulk and Internal sewerage Infrastructure in Alexandria Phase 1 | 1 | 19/20 | Allocation not yet indicated on the DORA |
| 4. | Upgrading of Bulk Water Infrastructure in Alexandria | 1 and 2 | 19/20 | Allocation not yet indicated on the DORA |
| 5. | Upgrading of Kenton On Sea Sewerage Infrastructure | 4 | 19/20 | Allocation not yet indicated on the DORA |

COMMENTS FROM OTHER DIRECTORATES

The following are the projects recommended for Community and Protection Services:

1. Close and rehabilitate refuse sites.
2. Establish and/or obtain authorisation to establish alternative waste management mechanisms and establishment of transfer stations.

RECOMMENDATIONS TO COUNCIL

- 1.) THAT the following projects be registered on the MIG-MIS for implementation in phases until the scope of work is completed starting in 2017/18 financial year.

| NO | PROJECT DESCRIPTION | WARD | ESTIMATED BUDGET | PROJECT BUDGET |
|----|---|-----------|------------------|----------------|
| 1. | Bulk and Internal sewerage Infrastructure in Station Hill | 9 | R54 million | |
| 2. | Upgrading of Ndlambe Roads | All wards | R80 million | |
| 4. | Upgrading of Wenzel Park Sports Field | 2 | R4.5 million | |
| 5. | Bulk and internal sewerage | | | |

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| | | | |
|-----|--|-----------|-------------|
| | Infrastructure in Alexandria | 1 | R58 million |
| 6. | Upgrading Sewerage Infrastructure in Kenton On sea | 4 | R46 million |
| 7. | Close and rehabilitate refuse sites. | All wards | R8 million |
| 8. | Establishment of transfer stations | All wards | R11 million |
| 9. | Upgrading of Bathurst Water | 5 | R25 million |
| 10. | Upgrading of Klipfontein Sports Field | 3 | R5 million |
| 11. | Upgrading of Bulk Water in Alexandria | 1 and 2 | R6 million |

- 2.) THAT it be noted that the amounts reflected in all the items are cost estimate not meaning the exact amount will be allocated for each area and the amount each year will depend on the total allocation from MIG and other grants.
- 3.) THAT the above projects be included in the IDP document in-order to apply for funding MIG and to other sector departments grant funding.
- 4.) THAT it be noted that the implementation of the above projects will take longer than three year cycle due to a scope of works and amount of allocations received.
- 5.) THAT it be noted that the DORA allocations might be revised every year, the above are just indicative figures.
- 6.) THAT the following projects be implemented for 2017/2018 financial year:

| NO | PROJECT DESCRIPTION | WARD | FINANCIAL YEAR | ESTIMATED PROJECT BUDGET |
|----|--|------|----------------|--------------------------|
| 1. | Upgrading of Bathurst Bulk Water Phase 1 | 5 | 2017/18 | R18 million |
| 2. | Upgrading of Ndlambe Roads | All | 2017/18 | R4.2 million |
| 3. | Upgrading Wenzels Park Sports field | 2 | 2017/18 | R4.3 million |
| 4. | PMU (5%) | | 2017/18 | R1.4 million |
| | Total | | | R 27. 9 Million |

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SNCA008/05/2017

**REPORT DATED 08 MAY 2017 FROM THE MUNICIPAL MANAGER TO COUNCIL:
MUNICIPAL INFRASTRUCTURE GRANT 2016/2017 FINANCIAL YEAR: ADJUSTMENT
BUDGET ADDITIONAL R12 MILLION**

PURPOSE

For Council to APPROVE adjustment budget of MIG Capital Projects for 2016/2017 financial year.

BACKGROUND

An additional amount of R 12 Million has been allocated to the municipality due to good expenditure trend for the current financial year.

2016/17 financial year projects approved for implementation were as follows:

| No | Project name | Financial year | Budget | Progress |
|-------------------------|---------------------------------------|----------------|---------------------|---------------|
| A | Upgrading of Bulk Water In Bathurst | 2016/17 | R2.2 Million | 100% Complete |
| B | Upgrading of Ndlambe Roads | 2016/17 | R20.4 Million | 80% Complete |
| C | Construction of Bathurst Sports Field | 2016/17 | R2.1 Million | 90% Complete |
| D | 5% PMU | 2016/17 | R 1.3 Million | |
| Total allocation | | | R 26 Million | |

DISCUSSION

The Municipality (Municipal Manager and Director: Infrastructure) was invited in a meeting in East London, COGTA recommended that the R12 million be utilised on water related projects. Obviously the priority for the Municipality is Bathurst; challenges facing Bathurst were then presented to the committee with an intention to use the money on rain water harvesting. The committee did not agree on rain water harvesting, which was going to be a quick-win for the municipality. The challenge faced by the municipality was the fact that Bathurst water project is not registered on the MIG MIS because the Consultants are still busy with the feasibility report.

It was then resolved that the roads projects which were to be implemented in 2017/18 financial year be implemented this financial year in order to utilise the R 12 million and then a registration for Bathurst Water project be fast tracked for implementation in the 2017/18 financial year, meaning the roads will substitute the Bathurst Water project. It is therefore recommended that the additional amount of R 12 Million be utilised for the implementation of roads projects in the current financial year as substitute for Bathurst Water Project and the water project be implemented in the 2017/18 financial year.

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| No | Project name | Financial year | Budget | Area |
|----|---|----------------|---------------------|---------------|
| A | Upgrading of Grave-yard Road in Port Alfred | 2016/17 | R 2.2 Million | Port Alfred |
| B | upgrading of portion Marselle main Road and Kom Streetr | 2016/17 | R 2.6 Million | Marselle |
| C | Upgrading of Hoyi Street In Kenton On Sea | 2016/17 | R 1.4 Milliom | Kenton On Sea |
| D | Upgrading of School Road in Klipfontein | 2016/17 | R 1.4 Million | Klipfontein |
| E | Upgrading of Bathurst road | 2016/17 | R 2.2 Million | Bathurst |
| F | Upgrading of Gladiola road in Wenzels park | 2016/17 | R 2.2 Million | Alexandria |
| | TOTAL | | R 12 Million | |

THAT it BE NOTED that the above estimates amounts are inclusive of materials and labour. It also be noted that not the total lengths of roads will be upgraded due to funding constraints.

A letter indicating the additional R 12 million is attached as **Annexure SC.03**

RECOMMENDATIONS TO COUNCIL

- (i) THAT Council APPROVE the adjustment budget of MIG projects for 2016/ 2017 financial year to include the additional R 12 million and that it be UTILISED as follows:

| No | Project name | Financial year | Budget | Area |
|----|---|----------------|---------------------|---------------|
| A | Upgrading of Graveyard Road in Port Alfred | 2016/17 | R 2.2 Million | Port Alfred |
| B | upgrading of portion Marselle main Road and Kom Streetr | 2016/17 | R 2.6 Million | Marselle |
| C | Upgrading of Hoyi Street In Kenton On Sea | 2016/17 | R 1.4 Million | Kenton On Sea |
| D | Upgrading of School Road in Klipfontein | 2016/17 | R 1.4 Million | Klipfontein |
| E | Upgrading of Bathurst road | 2016/17 | R 2.2 Million | Bathurst |
| F | Upgrading of Gladiola road in Wenzels park | 2016/17 | R 2.2 Million | Alexandria |
| | TOTAL | | R 12 Million | |

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- (ii) THAT the 2016/17 projects list be adjusted to include R 12 Million additional amount as follows:

| No | Project name | Financial year | Budget | Progress |
|----|--|----------------|----------------|---------------|
| A | Upgrading of Bulk Water In Bathurst | 2016/17 | R2.2 Million | 100% Complete |
| B | Upgrading of Ndlambe Roads | 2016/17 | R 20.4 Million | 80% Complete |
| C | Construction of Bathurst Sports Field | 2016/17 | R2.1 Million | 90% Complete |
| D | Upgrading of Graveyard Road in Port Alfred | 2016/17 | R 2.2Million | Tender Stage |
| E | upgrading of portion Marselle main Road and Kom Street | 2016/17 | R 2.6Million | Tender Stage |
| F | Upgrading of Hoyi Street In Kenton On Sea | 2016/17 | R1.4 Milliomm | Tender Stage |
| G | Upgrading of School Road in Klipfontein | 2016/17 | R1.4 Million | Tender Stage |
| H | Upgrading of Bathurst road | 2016/17 | R2.2 Million | Tender Stage |
| I | Upgrading of Gladiola road in Wenzels park | 2016/17 | R2.2 Million | Tender Stage |

- (iii) THAT it be noted that the additional amount falls within the current financial year and therefore a rollover will be submitted to National Treasury.

- (iv) THAT it also be NOTED that the R12 Million will be utilised for the Bathurst Water project in the 2017/18 financial year.

- (v) THAT a Roll over for the R 12 million additional amounts be submitted to National Treasury for approval as per Division of Revenue Act given that it might not be fully spent due to timeframes.

- (vi) THAT it be noted that the total allocation for the municipality in the 2016/17 financial year is R 38Million.

SNCA009/05/2017

URGENT REPORTS BY THE MUNICIPAL MANAGER

SNCA010/05/2017

CLOSURE

SPECIAL OPEN NDLAMBE COUNCIL MEETING

HELD ON TUESDAY, 09 MAY 2017

**DISCLOSURE OF INTEREST BY COUNCILLORS
(SCHEDULE 1 OF MUNICIPAL SYSTEMS ACT)**

ANNEXURE SC.01

NDLAMBE MUNICIPALITY



DECLARATION OF INTEREST BY COUNCILLOR

In accordance with Councillor's Code of Conduct Section 5(1)a, A Councillor must disclose to the Municipal Council or to any Committee of which that Councillor is a Member, any direct or indirect personal or private business interest that the Councillor or any Spouse, Partner or Business Associate of that Councillor may have in any matter before the Council or the Committee.

I, Councillor declare that I recuse myself during the discussion of the following items:

.....
.....
.....

And I will recuse myself on the abovementioned items.

Signed at: on this day of 2017

.....
Signature of Councillor

Witnesses:

1. Signature:
2. Signature:

SPECIAL OPEN NDLAMBE COUNCIL MEETING

HELD ON TUESDAY, 09 MAY 2017

**DISCLOSURE OF INTEREST BY MUNICIPAL
STAFF MEMBERS
(SCHEDULE 2 OF MUNICIPAL SYSTEMS ACT)**

ANNEXURE SC.02

NDLAMBE MUNICIPALITY



DECLARATION OF INTEREST BY STAFF

In accordance with Code of Conduct for Municipal Members under Section 4 Personal Gain
(1) a Staff Member of the Municipality may not:
b) take a decision on behalf of the Municipality concerning a matter in which that Staff Member's Spouse, Partner or Business Associate, has a direct or indirect personal or private business interest.

I, Identity Number

Staff Number employed by Ndlambe Council as

Hereby declare that I have an interest on the following items:

.....
.....
.....

And I will recuse myself on the abovementioned items.

Signed at: on this day of 2017

.....
Signature of Staff

Witnesses:

1. Signature:

2. Signature:

SPECIAL OPEN NDLAMBE COUNCIL MEETING

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**REPORT DATED 08 MAY 2017 FROM THE
MUNICIPAL MANAGER TO COUNCIL: MUNICIPAL
INFRASTRUCTURE GRANT 2016/2017 FINANCIAL
YEAR: ADJUSTMENT BUDGET ADDITIONAL R12
MILLION**

ANNEXURE SC.03



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

87 Hamilton Street, Arcadia, Pretoria, Private Bag X804, Pretoria, 0001 South Africa
Tel: (+27 12) 334 0600, Fax: (+27 12) 336 5954, Website: www.cogta.gov.za

The Municipal Manager
Ndlambe Local Municipality
P O Box 13
PORT ALFRED
6170
Fax No.: 046-624 2669

Dear Municipal Manager:

MUNICIPAL INFRASTRUCTURE GRANT (MIG): REALLOCATION AND AMENDMENT OF THE PAYMENT SCHEDULE IN TERMS OF SECTIONS 20 AND 23(4) OF THE DIVISION OF REVENUE ACT (ACT NO. 1 OF 2016)

National Treasury, in collaboration with the Department of Cooperative Governance has allocated an additional MIG allocation of **R12,000 million to Ndlambe Local Municipality**. The additional funding is subjected to MIG conditions as published in the **MIG Policy Framework and the 2016 Division of Revenue Act**. The detailed conditions and project(s) to be implemented with the additional allocation are expected to be confirmed with the municipality within the first week of April 2017

Enquiries regarding the content of this email can be directed to Mr Derick Gabone, Tel: 012 334 5655 or email: derickg@cogta.gov.za

With kind regards,

(pp)Ms V. Mabitsi

Senior Manager: MIG Administration

Date: 22 March 2017