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UMZIMVUBU
— LOCAL MUNICIPALITY —

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SPECIAL COUNCIL AGENDA

THURSDAY, 12TH DECEMBER 2024

VIRTUAL VIA MICROSOFT TEAMS APPLICATION, AT 09H00

SPECIAL COUNCIL MEETING

(Private and confidential)



UMZIMVUBU LOCAL MUNICIPALITY

NOTICE is hereby given in terms of **Section 29(1)** of the **Local Government Municipal Structures Act No 117 of 1998** as amended that the **Special Council Meeting** of Umzimvubu Local Municipality will be held **Virtually Via Microsoft Teams Application** on **Thursday, 12th of December 2024** by **09h00** to discuss the agenda items as set out hereunder:

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MR GPT NOTA
MUNICIPAL MANAGER

A G E N D A

1. **OPENING AND WELCOMING**
2. **READING OF THE OFFICIAL NOTICE**
3. **APPLICATIONS FOR LEAVE OF ABSENCE**
4. **APOLOGIES FROM MEMBERS**
5. **PECUNIARY INTEREST**
6. **DEPUTATIONS**
7. **COMMUNICATION STATEMENTS BY THE CHAIRPERSON**
8. **OFFICIAL ANNOUNCEMENTS**
9. **CONFIRMATION OF PREVIOUS MINUTES**

THERE ARE NO MINUTES TO BE CONFIRMED

10 BUSINESS OF THE DAY

CONSIDERATION OF REPORTS BY THE EXECUTIVE COMMITTEE

- 10.1.1 REPORT ON RECEIPT AND IMPLEMENTATION OF NOTICE NO. 51419 OF 21 OCTOBER 2024 ON DETERMINATION OF UPPER LIMITS OF THE SALARIES, ALLOWANCES AND BENEFITS OF MUNICIPAL COUNCILLORS
- 10.1.2 CORPORATE SERVICES DEPARTMENT – SOUND GOVERNANCE SECTION REPORT ON THE FINAL YEAR PLAN FOR 2025 CALENDAR YEAR

10.2 BUDGET AND TREASURY DEPARTMENT

- 10.2.1 REPORT ON ADJUSTMENTS BUDGET FOR 2024/2025 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

10 **BUSINESS OF THE DAY**
CONSIDERATION OF REPORTS BY THE EXECUTIVE COMMITTEE
10.1.1 **REPORT ON RECEIPT AND IMPLEMENTATION OF NOTICE NO. 51419 OF 21**
OCTOBER 2024 ON DETERMINATION OF UPPER LIMITS OF THE SALARIES,
ALLOWANCES AND BENEFITS OF MUNICIPAL COUNCILLORS

(File No. : 4/8/7/3)

(Author : SMCS/..)

(1st Level: Special CS Standing Committee- 09/12/2024)

(2nd Level: Special EXCO – 10/12/2024)

(3rd Level: Special Council – 11 /12/2024)

PURPOSE

To inform Council about the 2024/2025 financial year determination of upper limits of salaries, allowances and benefits of different members of the Municipal Council as published in Government Notice No. 51419 of 21 October 2024.

To recommend increase of the upper limits of salaries, allowances and benefits of the members of Council in terms of the criteria and requirements set out in the Government Gazette Notice No . 51419 of 21 October 2024.

To seek a mandate for the Municipal Manager to submit a request for increase of the upper limits of salaries, allowances and benefits of the members of Council to the Member of the Executive Council (MEC) for the Department of Co operative Governance and Traditional Affairs as per Item 18 of Government Gazette Notice No. 51419 of 21 October 2024.

To further seek a mandate for the Municipal Manager to implement the decision of the MEC on the request for the increase of the upper limits of salaries, allowances and benefits of the members of Council upon receipt of such concurrence.

LEGAL REQUIREMENTS AND AUTHORITY OR MANADATE

Remuneration of Public Office Bearers is done in terms of sections 7(1), 8(5)(a) and 9(5)(a) of the Public Office Bearers Act No 20 of 1998 and Government Gazette Notice No 51419 of 21 October 2024.

BACKGROUND AND REASONING

Every Financial year, the Minister of Co-operative Governance and Traditional Affairs determines the upper limits for the increase of Councillors allowances, salaries and benefits and gazette these to a Government Notice. The Council always makes a provision for the increases within its approved budget and once the notice is published, Council approves the determined upper limits for allowances, salaries and benefits depending on its budget affordability.

The operating budget approved for 2024/2025 made a provision for increases on Councillors remuneration. This report is accompanied by calculated of payable upper limits of salaries, allowances and benefits of different members of the Municipal Council as

contained in the Government Gazette Notice No. 51419 of 21 October 2024.

Government Gazette Notice No. 51419 of 21 October 2024 has been published with approved increases of Councillors salaries, allowances and benefits for 2024/2025 financial year with effect from 01 July 2024.

In terms of the provisions of Government Notice 51419 of 21 October 2024, the Council needs to consider and resolve on the increase of salaries, allowances and benefits of the members of Council for 2024/25 financial year, and wait for MEC's approval before implementation.

The propose increase is as follows:

1. Annual increase

The annual increase of (2,5%) is applicable to both full – time and part – time Councillors. The Council should further consider the annual increase for the Traditional Leaders sitting allowance of 2,5% for the current financial year.

2. Upper limits of allowances of Councillors

The upper limits of allowances of Councillors, that constitute part of the annual total remuneration package, are as follows:

2.1 Motor Vehicle

In terms of Section 9 (1) (a) A Councillor still has the discretion to structure his/her allowance to provide for a motor vehicle allowance. If a Councillor structures a vehicle allowance, the Councillor must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties.

A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Mayor or Speaker, utilise the municipal-owned vehicle for official purposes: Provided that the municipal council must, in line with applicable legislation and approved municipal council policy, exercise prudent financial management to ensure that the provision of motor vehicle does not undermine the need to prioritise service delivery and sustain a viable municipality.

These current upper limits Notice in section 9 (1) (e) and (f) excludes the use of municipal owned motor vehicle for official purposes as the allowance of fulltime and part time councillors and provides for utilisation of Municipal owned vehicles by councillors for official purposes in exceptional circumstances and upon good cause shown and with approval of the Mayor or speaker.

2.2 Cell phone allowances

The cell phone allowances have not increased from not exceeding **R3 600** per month and a councillor may, in addition to the annual total remuneration packages provided for be paid an allowance on the use of data bundles not exceeding **R317** per month.

2.3 Pension, Provident or Retirement Annuity Fund Contributions

Councillors may belong to a pension fund registered in terms of the law (Pension Fund Act, 1956 (No. 24 of 1956)).

It is further prescribed that the municipality shall deduct a monthly contribution from Councillors' basic salary and pay it over to a pension fund to which a Councillor is a member.

2.4 Medical Aid Contributions

A Councillor may participate in a medical aid scheme registered in terms of the medical aid schemes Act, 1998 (No. 131 of 1998).

The municipality shall deduct the relevant membership amount from Councillors' basic salary and pay it over to a medical scheme of which a Councillor is a member.

2.5 Special risk cover

A municipality must, in addition to the total remuneration packages provided for, take out risk cover to provide for an insurance cover provided for by the municipality to a councillor which covers the loss of or damage to a councillor's personal fixed moveable property and assets, excluding property used by such a councillor for business purpose, as well as life and disability cover for any loss or damage caused by riot, civil unrest, strike or public disorder.

In view of the above, a councillor is obliged to submit proof to the municipality the details of the property, assets and beneficiaries to be covered by the special risk cover upon request. A councillor who failed to submit the information required shall forfeit the benefits associated with the special risk insurance cover.

2.6 Tools of Trade that may be provided for by the municipality

In terms of item 15 (a) to (g) Government Gazette No. 51419, tools of trade that council may extend have not changed.

2.7 Capacity Building

A municipality must make a provision in its budget for development and implementation of capacity building programme for a Councillor during the term of office of that Councillor.

Capacity building programme consist of short courses or programmes as provided for in the training, education and development policy and skills development plan of the municipality, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organized local government.

The capacity building programme must take into consideration the capacity needs to fulfil a Councillor' statutory obligations and affordability by a municipality.

3. Overpayment

It is Any remuneration paid to a Councillor of a municipality otherwise than in accordance with section 167 (2) of the Local Government: MFMA, 2003, Act No. 53 of 2003, including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and the Municipality must recover that from any Councillor.

Where any Councillor has been overpaid with effect from 01 July 2024 to date, such overpayment needs to be recovered from such Councillor.

The Council resolution and request for implementation of decided increases should be forwarded to the MEC for Local Government and Traditional Affairs as soon as possible for his consideration and concurrence as stated in this Governmet Notice.

RISK IMPLICATIONS

The risk implications for this report may arise from failure by the Municipality to adhere to the criteria and requirements of the Notice No 51419. The envisaged risks are mitigated and managed through thoroughly informing the Council about the requirements for implementation of the upper limits of salaries, allowances and benefits of the members of Council.

LABOUR IMPLICATIONS

This entails no additional labour implications.

FINANCIAL IMPLICATIONS

The following is an illustration of the financial implications for the increase of upper limits of salaries, allowances and benefits for Councillors for category 3 municipality:

TOTAL REMUNERATION PACKAGE FOR FULL TIME COUNCILLORS					
GRAD E	EXECUTIVE MAYOR OR MAYOR OF A SECTION 79 OR SECTION 79A COMMITTEE	SPEAKER, DEPUTY EXECUTIVE MAYOR OR DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL CHAIRPERSON	CHAIRPERSON OF A SECTION 79 OR SECTION 79A COMMITTEE	OTHER PART-TIME MEMBERS
3	971, 690 p/a	777,353 p/a	728,770 p/a	714,128 p/a	

TOTAL REMUNERATION PACKAGE FOR PART- TIME COUNCILLORS					
3			406, 565 p/a	394, 630 p/a	307, 494 p/a

The expenses of increases of salaries, allowances and benefits of Councillors will be defrayed from the salaries and budget segment description of Councillors.

SERVICE DELIVERY IMPLICATIONS.

The service delivery implications are obviously that, Councillors will be spurred on working harder in improving service delivery within the Municipality. Councillors will be motivated and galvanized into action of serving the communities.

OTHER PARTIES CONSULTED

The Office of the Municipal Manager and Budget and Treasury Office have been consulted with regard to this matter.

ANNEXURES

The following annexure is attached to this report:

Annexure “A” - Determination of Councillors’ salaries, allowances and benefits, Government Gazette Notice No. 51419 of 21 October 2024.

RESOLVED TO RECOMMEND

1. That the 2024/25 financial year determination of upper limits of salaries, allowances and benefits of different members of the Municipal Council as published in Government Notice No . 51419 of 21 October 2024 be NOTED.
2. That an increase of the upper limits of salaries, allowances and benefits of the members of Council in terms of the criteria and requirements set out in the Government Notice No. 51419 of 21 October 2024 be APPROVED.
3. That the annual increase of two comma five percent (2,5%) applicable to both full – time and part – time Councillors for 2024/25 financial year be APPROVED.
4. That a notice be TAKEN that in terms of section 9 (1) (e) & (f) respectively, excludes the use of municipal owned motor vehicle for official purposes as the allowance of fulltime and part time councillors and provides for utilisation of Municipal owned vehicles by councillors for official purposes in exceptional circumstances and upon good cause shown and with approval of the Mayor or Speaker, and if a councillor uses a municipal-owned motor vehicle for official purposes, such councillor will not be reimbursed for kilometres travelled.
5. That, notwithstanding 4 above, Councillors are expected to provide their own transport when travelling for official purpose, and be reimbursed in terms Section 9 (1) (c) & (d) be NOTED.

6. That a notice be TAKEN that in terms of item 14 (1), a municipality must in addition to the annual total remuneration packages as provided for Full – time Councillors and Part –time Councillors respectively, take out risk insurance cover, to provide for an insurance cover, for immovable and moveable property and assets, excluding property used by such councillor for business purposes.
7. That the sitting allowance for the Traditional Leader in the Council be increased by 2,5 % for the current financial year, payable from January 2025 to them as well be APPROVED.
8. That a mandate to the Municipal Manager to submit a request for increase of the upper limits of salaries, allowances and benefits of the members of Council to the Member of the Executive Council (MEC) for the Department of Co-operative Governance and Traditional Affairs as per Government Notice No. 51419 of 21 October 2024 be APPROVED.
9. That a mandate be given to the Municipal Manager to implement the decision of the MEC on the request for the increase of the upper limits of salaries, allowances and benefits of the members of Council upon receipt of such concurrence be APPROVED.

10.1.2 CORPORATE SERVICES DEPARTMENT – SOUND GOVERNANCE SECTION REPORT ON THE FINAL YEAR PLAN FOR 2025 CALENDAR YEAR

(File No: 9/1/2/2)
(Author: M: CS/TF/sm)
(1st Level: MANCO – 04/11/2024)
(2nd Level: Corp. Serv. Comm – 14/11/2024)
(3rd Level: EXCO – 26/11/2024)
(4th Level: Council –

PURPOSE

To submit the Final ULM Annual Plan/Calendar for Council meetings, Standing Committee Meetings, and other municipal activities for the year 2025.

To submit ULM 2024 Annual Plan/ Calendar for noting by the Council.

To submit the report on the 1st Draft of the ULM year plan for 2025 to solicit comments from all Council and Management committees on the year plan.

LEGAL / STATUTORY REQUIREMENTS

Municipal Systems Act, Act No. 32 of 2000

AUTHORITY

Section 19 of the Local Government: Municipal Systems Act, No. 32 of 2000.

Section 51 (d) of the Local Government: Municipal Systems Act, No. 32 of 2000.

BACKGROUND AND REASONING

In terms of Section 19 of the Local Government Municipal Systems Act, Act No. 32 of 2000, the Municipal Manager of a Municipality must give notice to the public, in a manner determined by the Municipal Council, of the time, date and venue of every Ordinary Council meeting and Special/urgent Council meeting except when time constraints make this impossible. Compilation of the Municipal calendar/year planner is also done in the spirit of Section 51 of the Municipal Systems Act no. 32 of 2000 which deals with the administration of the organisation. This annual year plan/calendar is prepared mainly to assist all stakeholders concerned during the year 2024 to know when and what will sit and at what time. It will also assist both Umzimvubu Local Municipality Councillors and officials to plan and prepare for the meetings, events and activities ahead. It also assists the municipality to avoid clashing of events as it also encompasses the municipal activities for the whole year of 2025.

This is a first Draft Year Plan report being submitted to solicit the comments/inputs from the Management, Council and Council structures that normally replicate on the activities reflected in the year plan.

LABOUR IMPLICATIONS

There are no labour implications other than that all stakeholders will be able to plan their schedules around the municipal annual calendar/ year plan.

FINANCIAL IMPLICATIONS

The printing of the calendar would be conducted by the Sound Governance Division, and it is budgeted for.

SERVICE DELIVERY IMPLICATIONS

This Annual Plan/Calendar has been prepared mainly to assist both Umzimvubu Local Municipal Councillors, Officials and all municipal stakeholders to plan and prepare for the meetings ahead, during the year 2025. This will ensure that meetings sit as scheduled and time management is enhanced, therefore assuring effectiveness and efficiency in rendering excellent service delivery.

OTHER PARTIES CONSULTED

No other parties consulted.

ANNEXURE

ANNEXURE “A” – 1st Draft ULM Year Plan/Calendar for the year 2025.

RESOLVED TO RECOMMEND

- 1 That Council considers and notes the Final ULM Annual Plan/Calendar for Council meetings, Committee Meetings and Municipal activities for the year 2025.
- 2 That Council and its Committees take note and consider submitting the inputs/comments to Sound Governance for capturing in the year plan.

10.2 BUDGET AND TREASURY DEPARTMENT

10.2.1 REPORT ON ADJUSTMENTS BUDGET FOR 2024/2025 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

(File No: 9/2/1/2)
(Author: KM/SM/LL)
(1st Level: BSC – /12/2024)
(2nd Level: STANCO –/12/2024)
(3rd Level: EXCO –/12/2024)
(4th Level: Council – /12/2024)

PURPOSE

The purpose of the report is to table to council the adjustments budget as required in terms of section 28(2)(b) of the Municipal Finance Management Act 56 of 2003.

- For Council to note and approve adjustments on revenue and assets.

AUTHORITY

Council

LEGAL / STATUTORY REQUIREMENTS

The constitution of the Republic of South Africa, 1996
Municipal Finance Management Act No 56, 2003 Chapter 7, Section 28
Municipal Budget Reporting Regulations
mSCOA Regulations

BACKGROUND

The municipality had a disaster recovery grant allocation amounting to R35 777 000 for the 2023/24 financial year which was a conditional grant with approved projects to be funded as such.

The municipality could not fully spend the grant since it was received during the 3rd quarter of the financial year. The remaining funds amounting to R9 727 000 were rolled over to the 2024/25 financial year for the completion of the approved projects.

The rollover application was submitted to the relevant treasuries and approved.

The municipality may in terms of section 28 of the MFMA revise its approved annual budget through an adjustments budget.

5.1 Capital expenditure adjustments for MDRG

CAPITAL EXPENDITURE ADJUSTMENTS			
PROJECT	FUNDING	ADJUSTMENT	ADJUSTED BUDGET
Ngcozana AR and Bridge	MDRG	3 705 272,00	7 250 000,00
Mhlozini AR and Bridge	MDRG	2 718 555,00	4 500 000,00
Mqhokwe Bridge	MDRG	3 303 518,00	6 427 764,00
TOTAL		9 727 345,00	18 177 764,00

Transfers and subsidies adjustments

Description	Original Budget	ADJUSTEMENT	Adjusted-Budget
Transfers and Subsidies	488,707,000.00	11,477,345.00	500,184,345.00
Capital	192,047,000.00	9,727,345.00	201,774,345.00
Eastern Cape-Human Settlement	111,000,000.00	-	111,000,000.00
Integrated National Electrification Programme Grant	-	-	-
Municipal Disaster Recovery Grant	26,848,000.00	9,727,345.00	36,575,345.00
Municipal Infrastructure Grant	54,199,000.00	-	54,199,000.00
Other Transfers Private Enterprises	-	-	-
Other Transfers Public Corporations	-	-	-
Operational	296,660,000.00	1,750,000.00	298,410,000.00
Eastern Cape-Library Grant	1,434,000.00	1,750,000.00	3,184,000.00
Equitable Share	289,930,000.00	-	289,930,000.00
Expanded Public Works Programme Integrated Grant	2,656,000.00	-	2,656,000.00
Local Government Financial Management Grant	1,700,000.00	-	1,700,000.00
National Departmental Agencies	120,000.00	-	120,000.00
Private Enterprises	820,000.00	-	820,000.00

Discussion

The municipality received an additional funding for Library subsidies for the 2023/34 financial year and the funds could not be spent and rolled over to the 2024/25 financial year. The funds are relating to the repairs and maintenance of EmaXesibeni library and removal of Dutyini Modula library.

Total Budget 2024/2025 Adjustment Budget

Description	Original Budget	ADJUSTEMENT	Adjusted-Budget
Operating Budget	476,468,325.00	2,894,010.00	479,362,335.00
Capital Budget	261,013,008.00	12,583,335.00	273,596,343.00
Grand Total	737,481,333.00	15,477,345.00	752,958,678.00

OVERVIEW OF BUDGET RELATED POLICIES AND BUDGET ASSUMPTIONS

Budget Related Policies

There are no changes on the budget related policies that have been proposed on the adjustments budget.

Budget Assumptions

There are no changes to the budget assumptions proposed on the adjustments budget

Budget Funding

The adjustments budget is cash – funded which is an indicator of a “credible” budget. Funding levels are acceptable (inclusive of the Reserve balances), which is remarkable in these economic times, and is sufficient to cover all requirements of the funding and reserves policy.

RECOMMENDATIONS BY ACCOUNTING OFFICER

It is recommended that;

1. That, the adjustments budget, inclusive of changes in terms of section 28(2)(b) of the MFMA of Umzimvubu Local Municipality for the financial year 2024/2025; and indicative for the two projected years 2025/26 and 2026/27, as set-out in the schedules, be approved:
2. That, the Council approves the adjusted capital expenditure by R9 727 000
3. That, the Council approves the Library subsidies adjustment by R1 750 000
4. That, the Council approves the total capital budget amounting to R273 596 343
5. That, the Council approves the total operational budget amounting to R479 362 335

MUNICIPAL MANAGER’S QUALITY CERTIFICATE

I Tobela GP Nota, Municipal Manager of **Umzimvubu Local Municipality**, hereby certify that the first Adjustment Budget for the 2024/25 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name _____

Municipal Manager of Umzimvubu Local Municipality (EC442)

Signature _____

Date _____

11. ANNEXURES

11.1. ANNEXURE 'A'- ADJUSTED BUDGET SCHEDULES

11.2 ANNEXURE 'B'- ROLLOVER APPROVAL LETTER

11 **CONSIDERATIONS OF URGENT MATTERS**

12. **DATE OF THE NEXT MEETING**

The date of the next meeting will be communicated.

13. **CLOSURE**