

**NELSON MANDELA BAY  
MUNICIPALITY**



**COUNCIL MEETING**

**14 AUGUST 2025  
AT 10:00**

# NELSON MANDELA BAY MUNICIPALITY

Office of the Speaker  
Noninzi Luzipho Building  
**GQEBERHA**  
1 August 2025

NOTICE IS HEREBY GIVEN IN TERMS OF SECTION 19 OF THE LOCAL GOVERNMENT : MUNICIPAL SYSTEMS ACT, ACT 32 OF 2000 (AS AMENDED), THAT A MEETING OF THE NELSON MANDELA BAY METROPOLITAN COUNCIL WILL BE HELD ON **THURSDAY, 14 AUGUST 2025 AT 10:00** AT THE **FEATHER MARKET CENTRES, BAAKENS STREET, GQEBERHA.**

**COUNCILLOR E JOHNSON**  
**SPEAKER OF COUNCIL**

## **A G E N D A**

1. APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT
2. DISCLOSURE OF INTEREST IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT
3. DISCLOSURE OF INTEREST BY OFFICIALS
4. STATEMENTS OR COMMUNICATIONS BY SPEAKER
5. INTERVIEWS WITH DEPUTATIONS  
  
(At the time of printing the Agenda, no requests in terms of Rule 24 had been received.)
6. STATEMENTS BY EXECUTIVE MAYOR
7. REPORT BY SPEAKER OF COUNCIL

**NB: ALL MEMBERS MUST SIGN THE ATTENDANCE LISTS.**

8. REPORT OF EXECUTIVE MAYOR TO COUNCIL IN TERMS OF SECTION 30(5) OF ACT NO. 117 OF 1998, INCLUDING OTHER MATTERS REFERRED TO COUNCIL BY THE EXECUTIVE MAYOR
9. REPORT BY EXECUTIVE MAYOR IN TERMS OF SECTION 56(5) OF ACT NO. 117 OF 1998 ON DECISIONS TAKEN IN TERMS OF SECTION 63 OF ACT NO. 32 OF 2000 (OTHER MATTERS)
10. REPORT BY EXECUTIVE MAYOR IN TERMS OF SECTION 56(5) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, ACT NO. 117 OF 1998 AND DECISIONS TAKEN IN TERMS OF SECTION 63 OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, ACT NO. 32 OF 2000
11. REPORT BY ACTING CITY MANAGER
12. MATTERS OF PUBLIC IMPORTANCE

(The Speaker will advise if any submissions in terms of Rule 28 have been received.)

**REPORT BY  
SPEAKER OF COUNCIL**

## **REPORT BY SPEAKER OF COUNCIL**

### **INDEX : 14 AUGUST 2025**

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**REPORT BY SPEAKER OF COUNCIL**

**(Meeting : 14 AUGUST 2025)**

**1. REPORT BY THE MEC OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS EASTERN CAPE (COGTA)**

**Purpose**

The purpose of this report is to inform Council of the Outcome by the MEC of COGTA relating to the matter of Councillor G van Niekerk.

**Background**

The Council be referred on 14 November 2024 resolved that the matter relating to Councillor G van Niekerk to the MEC of COGTA. The MEC of COGTA has resolved on the matter and the outcome of the Honorable MEC is annexed as **Annexure “A”** hereto.

**THE SPEAKER RECOMMENDS:**

That the ruling of the MEC of COGTA in respect of the matter relating to Councillor G Van Niekerk as reflected in the report attached as Annexure “A” hereto, be noted and that the matter now be closed.

**2. COMPOSITION OF STANDING COMMITTEES OF COUNCIL (Section 79 and 80 Committees)**

Section 79 and 80 Committees are of formal structures of Council and all members of Council (except for office bearers and MMC’s) are required to serve on a least one Standing Committee.

The list hereunder indicates the current status in respect of the membership of the various Committees of Council.

**Section 79 and 80 Committees (Updated AUGUST 2025)**

<b>Budget &amp; Treasury</b> (15 members / quorum = 8)	<b>Economic Development, Tourism &amp; Agriculture</b> (15 members / quorum = 8)	<b>Sports, Recreation, Arts &amp; Cultural Services</b> (15 members / quorum = 8)
1. <b>Ngqisha, K (Chairperson)</b>	1. <b>Kamana, M B (Chairperson)</b>	1. <b>Kwatsha, S (Chairperson)</b>
2. Blaauw, M	2. Bell, A H	2. Dlova-Namupluma, N
3. Booyesen, L A	3. Blaauw, M	3. Breakfast, M S
4. De Andrade, M J	4. James, P L	4. Engelbrecht, G J S
5. Hayselden, D A	5. Ludwabe, L R	5. Hendricks, A C
6. Tukani, S	6. Mitchell, J M	6. Ludwabe, L R
7. James, P L	7. Makunga, M L	7. Majola, M J
8. Majola, M J	8. Mleve, S	8. Meyer, R
9. Mani, K A	9. Mnyandu, L B	9. Mfana, L
10. Notshe, X L	10. <b>Vacancy (DA)</b>	10. Mleve, S
11. Nqakula, N E	11. <b>Vacancy</b>	11. Nqakula, N
12. Peter, L	12. Sijadu, S	12. Qwazi, N
13. Vani, P B	13. Stander, T	13. Rafani, S
14. Senekal, W	14. Vasco, Z	14. Sidina, M B
15. Pegram, BS	15. Wolf, B	15. Vencencie, R C

**Report by Speaker of Council  
14 August 2025**

<p><b>Public Health</b> (13 members / quorum = 7)</p> <ol style="list-style-type: none"> <li><b>Buyeye, T C S (Chairperson)</b></li> <li>Bogenpoel, V N</li> <li>Dlovu-Nampulana, N A</li> <li>Gelderbloem, G H</li> <li>Mabuda, M</li> <li>Makwetu, L N</li> <li>Boyana, Z</li> <li>Miggels, G G</li> <li>Nkosi, M M</li> <li>Nomnqa, B</li> <li>Sikawuti, N</li> <li>Sijadu, S</li> <li>Vani, P B</li> </ol>	<p><b>Human Settlements</b> (13 members / quorum = 7)</p> <ol style="list-style-type: none"> <li><b>Mafana, T B (Chairperson)</b></li> <li>Breakfast, M S</li> <li>James, P L</li> <li>Higgins, N R</li> <li>Mafumana, N A</li> <li>Mani, K</li> <li>Matenjwa, B</li> <li>Mlangazi, S N</li> <li>Minyayo, L</li> <li>Monks, D J S</li> <li>Moodley, G L</li> <li>Phezisa, N</li> <li>Zinto, M M</li> </ol>	<p><b>Safety &amp; Security Services</b> (15 members / quorum = 8)</p> <ol style="list-style-type: none"> <li><b>Lawu, L N (Chairperson)</b></li> <li>Best, J S</li> <li>Grobbelaar, J</li> <li>Koko, N N</li> <li>Mafumana, N A</li> <li>Momo, M P</li> <li>Ndamse, L</li> <li>Ngabase, M M</li> <li>Qupe, M B</li> <li>Rautenbach, G</li> <li>Sidina, M B</li> <li>Tappan, S</li> <li>Troon, L</li> <li>Von Buchenroder, M R</li> <li>Yanie, C</li> </ol>
<p><b>Infrastructure &amp; Engineering</b> (15 members / quorum = 8)</p> <ol style="list-style-type: none"> <li><b>Mafaya, B N (Chairperson)</b></li> <li>Hermaans, P</li> <li>Jakuja, M R</li> <li>Faldtman, G</li> <li>Mnyandu, L B</li> <li>Makwenkwe, N</li> <li>Maswana, N I</li> <li>Maqula, G D</li> <li>Mosi, T S</li> <li>Tukani, S</li> <li>Phezisa, N</li> <li>Swanepoel, E F</li> <li>Troon, L</li> <li>Van der Westhuyzen, A</li> <li>Steyn, M G</li> </ol>	<p><b>Human Resources &amp; Corporate Administration</b> (13 members/ quorum = 7)</p> <ol style="list-style-type: none"> <li><b>Mkhuseli, J (Chairperson)</b></li> <li>Basson, R D</li> <li>Doda, P T</li> <li>Kepe, O H</li> <li>Longbooi, L Z</li> <li>Lovemore, A T</li> <li>Mani, B G</li> <li>Meyer, R</li> <li>Monks, D J S</li> <li>Ngwane, L</li> <li>Terblanche, P W</li> <li>Tsotso, Z P</li> <li>Yanie, C</li> </ol>	<p><b>Roads &amp; Transport</b> (15 members/ quorum = 8)</p> <ol style="list-style-type: none"> <li><b>Pali, Y M (Chairperson)</b></li> <li>Fillis, S</li> <li>Kayser, R C</li> <li>Jonas, G F</li> <li>Minyayo, L</li> <li>Lötter, J M</li> <li>Mabuda, S M</li> <li>Makwetu, L N</li> <li>Mani, B G</li> <li>Boyana, Z</li> <li>Sikawuti, Z</li> <li>Faltain, T</li> <li>Van de Linde, F A</li> <li>Vinqi, X M</li> <li>Van Wyk, I L</li> </ol>
<p><b>Electricity &amp; Energy</b> (15 members / quorum = 8)</p> <ol style="list-style-type: none"> <li><b>Mnqokoyi, Z P (Chairperson)</b></li> <li>Adams, T P</li> <li>Vacancy (DA)</li> <li>Grootboom, L P</li> <li>Kepe, O H</li> <li>Maqula, G D</li> <li>Matenjwa, B</li> <li>Mbambo, N M</li> <li>Moodley, N R</li> <li>Mosi, T S</li> <li>Mpehlo, K</li> <li>Ndamse, L</li> <li>Ngxenge, R K</li> <li>Vinqi, X M</li> <li>Terblanche, P W</li> </ol>	<p><b>Rules &amp; Ethics (Section 79)</b> (9 members / quorum = 5)</p> <ol style="list-style-type: none"> <li><b>Ranyele, I F (Chairperson)</b></li> <li>Doda, P T</li> <li>Faldtman, G</li> <li>Fillis, S</li> <li>Harington, W B</li> <li>Longbooi, L Z</li> <li>Mosi, T S</li> <li>Notshe, X L</li> <li>Steyn, M G</li> </ol>	<p><b>Municipal Public Accounts Committee (MPAC)</b> (15 members / quorum = 8)</p> <ol style="list-style-type: none"> <li><b>Namette, L (Chairperson)</b></li> <li>Engelbrecht, G J S</li> <li>Grootboom, L P</li> <li>Koko, N N</li> <li>Mabhuda S M</li> <li>Maswana, N I</li> <li>Mfana, L</li> <li>Notshe, X L</li> <li>Nqakula, N E</li> <li>Peter, L</li> <li>Qwazi, N</li> <li>Steyn, M G</li> <li>Von Buchenroder, M R</li> <li>Vasco, Z</li> <li>Senekal, W</li> </ol>

A number of Councillors has passed on over the past few months and By-elections were conducted as well as Councillors being appointed from their respective political parties' proportional representative lists.

The Chief Whip of Council (Councillor W Jikeka) will report on the amendments to be affected in respect of the composition of the Standing Committees of Council.

FOR CONSIDERATION

**SPEAKER**

**REPORT OF EXECUTIVE MAYOR TO COUNCIL IN  
TERMS OF SECTION 30(5) OF ACT NO. 117 OF  
1998, INCLUDING OTHER MATTERS REFERRED  
TO COUNCIL BY THE EXECUTIVE MAYOR**

## **REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

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**REPORT OF EXECUTIVE MAYOR TO METROPOLITAN COUNCIL IN TERMS OF SECTION 30(5) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, ACT NO. 117 OF 1998, INCLUDING OTHER MATTERS REFERRED TO COUNCIL BY THE EXECUTIVE MAYOR  
(14 AUGUST 2025 – POSTPONED FROM 7 AUGUST 2025)**

**MEETING WITH THE EXECUTIVE MAYOR AND HER COMMITTEE HELD ON 4 JUNE 2025**

**REPORT OF THE ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE COMMITTEE : MEETING HELD 11 APRIL 2025  
(EXECUTIVE MAYOR MEETING HELD 4 JUNE 2025)**

**REPORT BY ACTING EXECUTIVE DIRECTOR: ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE**

**1. NELSON MANDELA BAY TOURISM MASTER PLAN (17/7/1)**

**Purpose**

The purpose of this report is to seek approval from the Council for the Nelson Mandela Bay Tourism Master Plan (2025–2035). This strategic plan outlines a long-term vision, key objectives, and actionable initiatives to enhance tourism growth and sustainability in Nelson Mandela Bay. A copy of a presentation made to the Economic Development, Tourism and Agriculture Committee is attached as **Annexure “A1”** hereto.)

**Background**

The Nelson Mandela Bay Tourism Master Plan outlines a comprehensive strategy for advancing tourism within the Metro, focusing on spatial development, product development, infrastructure, and marketing. Its primary aim is to position the city as a competitive and unique tourism destination locally and across Africa. The plan serves as a roadmap to drive inclusive, sustainable, and competitive tourism growth in Nelson Mandela Bay. The draft NMB Tourism Master Plan is attached as **Annexure “A2”** to this report.

Key objectives include:

- i. **Creating a Unified Vision:** Establishing a common vision for the future of tourism in Nelson Mandela Bay among all stakeholders.
- ii. **Enhancing Competitiveness:** Leveraging the Metro's unique attributes to solidify its status as a leading regional and metropolitan visitor destination.
- iii. **Promoting Responsible Tourism:** Implementing policies that ensure tourism growth aligns with sustainability principles.
- iv. **Maximizing Attractions:** Identifying, developing, and optimizing the use of all available tourism assets.
- v. **Community Involvement:** Ensuring meaningful participation and benefits for communities through sustainable tourism development.
- vi. **Job Creation and Investment:** Creating opportunities for employment, SMME growth, and BEE investments.

- vii. Driving Transformation: Providing a framework for transforming the tourism industry within the Metro.
- viii. Institutional Structuring: Establishing effective tourism institutions and building capacity for sustainable management.
- ix. Stakeholder Collaboration: Facilitating meaningful engagement and participation from all key role players in tourism development and marketing.

## **Executive Summary**

EDTA fulfills its destination marketing mandate by promoting NMB as a leading leisure and business tourism destination through innovative campaigns, digital outreach, and targeted promotions. Its efforts focus on delivering quality visitor experiences, leveraging PR and research to build the NMB brand, and driving tourism recovery in the wake of COVID-19. The Tourism Development unit complements these efforts by developing products and destinations, upgrading infrastructure, implementing policies, and supporting transformation initiatives such as skills development and community tourism forums. The Tourism Master Plan (TMP) provides a strategic framework for revitalizing and strengthening the tourism sector in Nelson Mandela Bay (NMB). The COVID-19 pandemic has dramatically reshaped the global tourism landscape, requiring businesses and destinations to adapt and build resilience to future challenges. In response, the Economic Development, Tourism, and Agriculture (EDTA) Directorate developed the Economic Recovery Framework in 2020, which guided recovery efforts and established a foundation for economic revival with tourism as a key sector.

The Tourism Master Plan now aim to serve as a comprehensive road-map for sustainable tourism growth, addressing the challenges posed by the pandemic while unlocking opportunities for economic development. It invites all stakeholders to contribute to positioning NMB as a premier destination in South Africa and the African continent.

## **The Tourism Master Plan Development Process**

The development of the Tourism Master Plan (TMP) for Nelson Mandela Bay was a structured, multi-phased initiative led by EDTA. An internal EDTA Tourism Master Plan committee was established to oversee the process. The first phase involved reviewing the previous master plan and developing a draft TMP based on extensive research and analysis. This included examining legislative and policy frameworks, conducting market research, assessing supply-side dynamics, evaluating existing tourism initiatives and community empowerment opportunities, analyzing transportation networks, and reviewing institutional structures for tourism development and marketing. Key documents such as the National Tourism White Paper (2024), the National Tourism Sector Strategy (2017–2026), and various Nelson Mandela Bay-specific strategies provided critical guidance.

The second phase focused on engaging stakeholders to gather input and build consensus. By October 2021, the initial draft was shared internally for feedback. After some delays workshops were conducted in 2024 with internal and external stakeholders, including private sector representatives, community tourism organizations, government agencies, academic institutions, and other tourism role players. The draft TMP was also circulated electronically to solicit further input on the situational analysis, SWOT findings, strategic goals, and proposed implementation actions. These engagements ensured that the TMP reflected a broad range of perspectives and aligned with shared objectives for sustainable tourism development.

The next step, Phase Three, involves presenting the proposed TMP to EDTA Standing Committee to obtain further input, consensus, and formal approval. This phase is critical to

finalizing the plan and setting the stage for its implementation, ensuring that it effectively addresses the tourism development and marketing needs of Nelson Mandela Bay.

### **Conclusion**

The TMP for 2025–2035 is a strategically crafted blueprint designed to advance the Metro's tourism sector as a cornerstone of sustainable economic growth. Developed through an extensive, evidence-based process and comprehensive stakeholder engagement, the TMP embodies a shared vision for fostering inclusive, competitive, and transformative tourism development.

The TMP addresses the multifaceted challenges faced by the tourism industry, particularly in the aftermath of the COVID-19 pandemic, while capitalizing on opportunities to position Nelson Mandela Bay as a premier destination within South Africa and across the African continent. With a focus on spatial development, product enhancement, infrastructure improvement, and innovative marketing, the plan aligns with the principles of sustainability, community empowerment, and sectoral transformation.

This report seeks the EDTA Standing Committee's endorsement of the TMP, inviting their input, consensus, and approval thereby recommending its adoption by Council. Once adopted, the TMP will serve as a guiding framework to drive the Metro's tourism strategy, ensuring alignment with stakeholder objectives and creating a road-map for meaningful, long-term impact.

Through the formal adoption and implementation of this Master Plan, Nelson Mandela Bay is poised to strengthen its position as a competitive and resilient tourism destination, fostering economic recovery, generating employment, and promoting inclusive growth for the benefit of all communities.

### **THE EXECUTIVE MAYOR RECOMMENDS:**

That the draft Nelson Mandela Bay Tourism Master Plan for 2025 to 2035, attached as Annexure "A2" to this report, be approved.

## **2. TARIFFS, FEES AND SERVICE CHARGES (17/1/1)**

### **Purpose**

To request Council to consider the revision of the Tariffs, Fees and Service Charges in respect of the services rendered by the Gqeberha Fresh Produce Market for the 2025/2026 Financial year.

### **Comment**

The Market revised its tariffs, fees and service charges on an annual basis to ensure that the services rendered by the facility is economically viable and in line with the income generated by the market such as:

- i. Rental of the Cold Storage Rooms to the Farmers and Agents;
- ii. Ripening Rooms for specially bananas and pawpaw's;
- iii. The hiring of trolleys for the movement of fruit and vegetables;
- iv. Rental of the computer systems (Making use of the current Fresh Mark System which manages the Fresh Produce Market Sales);

- v. Porters Registrations Fees;
- vi. The sale of trading cards for the sale / purchase of fruit and vegetables;
- vii. Rentals of office and trading space.

Below is the revised Tariffs, Fees, and Service Charges to be raised during the 2025/2026 financial year.

	2024/25		2024/25	2025/26		2025/26
Service	Total	VAT	Total	Total	VAT	Total
	Excludi ng VAT		VAT Included	Excluding VAT		VAT Included
<b>PE FRESH PRODUCE MARKET - NEW TARIFF STRUCTURE</b>						
Cold Storage Tariffs	11,891.48	1,783.72	13,675.20	12,450.43	1,867.57	14,318.00
Cold room (capacity of 80 pallets) (per month)	14,867.99	2,230.20	17,098.19	15,566.96	2,335.04	17,902.00
Cold room (capacity of 100 pallets) (per month)	17,837.22	2,675.58	20,512.80	18,675.65	2,801.35	21,477.00
Cold room (capacity 120 pallets) (per month)	29,735.98	4,460.40	34,196.38	31,133.91	4,670.09	35,804.00
Cold room (capacity of 200 pallets) (per month)	29.91	4.49	34.40	31.30	4.70	36.00
<b>Banana Ripening Tariffs (Ripening Cycle)</b>						
(a) STORING OF UNRIPENED BANANA AND PAWPAWS IN RIPENING ROOMS per 18kg per week or part thereof)	4.14	0.62	4.76	4.35	0.65	5.00
(b) STORING OF PRE-RIPENED BANANAS AND PAWPAWS IN RIPENING ROOMS (Per 18kg carton per week thereof)	2.09	0.31	2.40	2.61	0.39	3.00
<b>Market Trolley Hire</b>						
Hire of trolley (per day)	11.30	1.70	13.00	12.17	1.83	14.00
Trolley Hire (10 Trolleys) per month)	2,646.48	396.97	3,043.45	2,770.43	415.57	3,186.00
<b>Computer System Levied on the Market Agents</b>						
(a) Per sales transaction where value of transaction exceeds R100.00	0.36	0.05	0.41	0.38	0.06	0.43
<b>General Tariffs</b>						
Registration of Porters to conduct business on the market	133.30	20.00	153.30	140.00	21.00	161.00
<b>Transaction Fee</b>						
<b>Sale of Customer Cards</b>						
First issue	24.04	3.61	27.65	25.22	3.78	29.00
Additional card	43.83	6.57	50.40	46.09	6.91	53.00
Lost / Replacement card	60.10	9.02	69.12	62.61	9.39	72.00
<b>Rentals</b>						
Office Rental (per square meter) (per month)	86.96	13.04	100.00	91.30	13.70	105.00
Storeroom Rental (per square meter) (per month)	52.17	7.83	60.00	54.78	8.22	63.00
Platform Rentals	559.24	83.89	643.13	585.22	87.78	673.00
<b>NOTES</b>						
<i>* The rates have been bench-marked against East London and Tshwane Market.</i>						

<i>*There were discrepancies in the rates and some Agents were paying higher rates than others and now to promote fairness the new tariffs have been recommended.</i>						
<i>*The new rates are Property Market Related.</i>						

**THE EXECUTIVE MAYOR RECOMMENDS:**

That Tariffs, Fees, and Service Charges for the Gqeberha Fresh Produce Market for the financial year 2025/2026, be approved as reflected below:

Service	2024/25		2024/25		2025/26	
	Total	VAT	Total	Total	VAT	Total
	Excluding VAT		VAT Included	Excluding VAT		VAT Included
PE FRESH PRODUCE MARKET - NEW TARIFF STRUCTURE						
Cold Storage Tariffs	11,891.48	1,783.	13,675.20	12,450.43	1,867.57	14,318.00
Cold room (capacity of 80 pallets) (per month)	14,867.99	2,230.	17,098.19	15,566.96	2,335.04	17,902.00
Cold room (capacity of 100 pallets) (per month)	17,837.22	2,675.	20,512.80	18,675.65	2,801.35	21,477.00
Cold room (capacity 120 pallets) (per month)	29,735.98	4,460.	34,196.38	31,133.91	4,670.09	35,804.00
Cold room (capacity of 200 pallets) (per month)	29.91	4.49	34.40	31.30	4.70	36.00
Banana Ripening Tariffs (Ripening Cycle)						
(a) STORING OF UNRIPENED BANANA AND PAWPAWS IN RIPENING ROOMS	4.14	0.62	4.76	4.35	0.65	5.00
per 18kg per week or part thereof)						
(b) STORING OF PRE-RIPENED BANANAS AND PAWPAWS IN RIPENING ROOMS	2.09	0.31	2.40	2.61	0.39	3.00
(Per 18kg carton per week thereof)						
Market Trolley Hire						
Hire of trolley (per day)	11.30	1.70	13.00	12.17	1.83	14.00
Trolley Hire (10 Trolleys) per month)	2,646.48	396.97	3,043.45	2,770.43	415.57	3,186.00
Computer System Levied on the Market Agents						
(a) Per sales transaction where value of transaction exceeds R100.00	0.36	0.05	0.41	0.38	0.06	0.43
General Tariffs						
Registration of Porters to conduct business on the market	133.30	20.00	153.30	140.00	21.00	161.00
Transaction Fee						
Sale of Customer Cards						

First issue	24.04	3.61	27.65	25.22	3.78	29.00
Additional card	43.83	6.57	50.40	46.09	6.91	53.00
Lost / Replacement card	60.10	9.02	69.12	62.61	9.39	72.00
Rentals						
Office Rental (per square meter) (per month)	86.96	13.04	100.00	91.30	13.70	105.00
Storeroom Rental (per square meter) (per month)	52.17	7.83	60.00	54.78	8.22	63.00
Platform Rentals	559.24	83.89	643.13	585.22	87.78	673.00
NOTES						
<i>* The rates have been benchmarked against East London and Tshwane Market.</i>						
<i>*There were discrepancies in the rates and some Agents were paying higher rates than others and now to promote fairness the new tariffs have been recommended.</i>						

### **3. MEMORANDUM OF UNDERSTANDING BETWEEN THE NELSON MANDELA BAY MUNICIPALITY (NMBM) AND THE NATIONAL AFRICAN FEDERATED CHAMBER OF COMMERCE (NAFCOC NMB) (17/10/1)**

#### **Purpose**

To consider, and if endorsed, recommend to Council the approval in principle of a Memorandum of Understanding (MoU) to be entered into between NMBM and NAFCOC NMB.

#### **Comment**

The acceleration of economic development and growth of Nelson Mandela Bay necessitates improvements in business confidence/sentiment as well as the quality and accessibility of business support measures provided to small, medium, and micro-sized businesses and entrepreneurs to stimulate sustainable economic activity and job creation.

Historically, the Nelson Mandela Bay Municipality has made concerted efforts, for developmental purposes as well as the promotion of local economic development, to formally collaborate with the local business community and organised business formations (such as member-based industry associations and chambers of commerce).

One such example of this formalised collaboration is the conclusion of a Master Memorandum of Understanding ('Master MoU') between NMBM and the Nelson Mandela Bay Business Chamber which was approved by Council at its 7 December 2022 meeting and subsequently signed by the parties on 7 February 2023.

Giving full recognition to the reality that multi-sectoral co-responsible development is a strategic necessity for inclusive growth in Nelson Mandela Bay it is therefore proposed that NMBM enter into a Memorandum of Understanding with the regional formation/structure of the National African Federated Chamber of Commerce.

The National African Federated Chamber of Commerce, commonly referred to as NAFCOC, is a voluntary not-for-profit organization founded in 1964 to represent and uplift Small, Medium and

Micro Enterprises, in general, and historically disadvantaged businesses and business-people, in particular, within the Republic of South Africa.

The proposed MoU will form the basis upon which collaborative initiatives will be undertaken and supersedes any previous agreements/MoUs in respect of economic development.

The terms and conditions of the MoU, shall take into cooperation and collaboration in respect of:

- i. Broadening black economic empowerment through small, medium, and micro enterprise (SMME) development projects and programmes;
- ii. Broadening black economic empowerment opportunities through public procurement policy, plans, and programmes;
- iii. Broadening black economic empowerment opportunities through public-private partnership as it pertains to infrastructural development;
- iv. Improving governance, by-law enforcement, and compliance of foreign-owned businesses and traders;
- v. Enhancing and undertaking community-based crime intervention programmes;
- vi. Promoting township economic development strategies and inclusive spatial- and integrated- development planning; and
- vii. Undertaking community clean-up programmes.

If the applicable legislation imposes restrictions or obligations on NAFCOC NMB in respect of the proposed MoU between the NMBM and the NAFCOC NMB, the MOU shall be aligned with any such legislative requirements.

**THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That, "in-principle" approval of the Master Memorandum of Understanding (MoU) to be entered into between the Nelson Mandela Bay Municipality (NMBM) and the National African Federation Chamber of Commerce (NAFCOC), be granted.
- (b) That the terms of the Master Memorandum of Understanding (MoU) to be finalised and signed by the Acting City Manager.

**(REPORT OF HUMAN RESOURCES AND CORPORATE ADMINISTRATION  
COMMITTEE – MEETING HELD 5 MAY 2025 – ADJOURNED FROM 24 APRIL  
2025 AND POSTPONED FROM 10 APRIL 2025)  
(EXECUTIVE MAYOR MEETING HELD 4 JUNE 2025)**

**REPORT BY THE EXECUTIVE DIRECTOR : CORPORATE SERVICES**

#### 4. PROVINCIALISATION OF PRIMARY HEALTH CARE SERVICES: LEASING OF FOUR CLINICS ATTACHED TO MUNICIPAL PROPERTIES TO DEPARTMENT OF HEALTH AT NO COST

##### Purpose of Report

The purpose of the report is to recommend to the Council in its full sitting the leasing of the Health Care Facilities attached to the Municipal buildings to the Eastern Cape Department of Health (ECDOH) at no cost.

##### Background

Facilities Management, whilst there is still no certainty of where the lease management function will eventually reside in future called for a meeting with Department of Public works and Department of Health to discuss the issues relating the health care facilities. It was resolved by the City Manager in June 2023 that this function be transferred back to Human Settlements. This transfer process has not commenced as Human Settlements (HS) are not willing to take the function without additional resources. Whenever there are queries, HS refer them to Corporate Service: Facility Management.

There are applications made by ECDOHS to extend the existing clinics or to purchase even adjacent to existing health care facilities with the intention to consolidate and develop the structure further. The non-implementation of the council resolutions is somehow in the way as the applications cannot be even if approved, it will be difficult to implement as they are in the critical path of the whole process.

In trying to assist with the submitted applications, Facilities Management invited the Department of Public Works and ECDOH to two meetings with the intention to understand where the process is as resolved by the Council on 21 September 2017 and 19 October 2017. The Council resolution is attached as **Annexure "B1"**.

Briefly for the Council resolutions to be fully implemented, three processes must take place as follows:

- (i) The Transfer of the Forty-one (41) Stand Alone Buildings from the Nelson Mandela Bay Municipality to the Eastern Cape Department of Health.
- (ii) The signing of the Lease Agreements of the Five (5) Health Facilities which are attached to Municipal Sites.
- (iii) The Subdivision of approximately Five (5) Buildings which are situated on Municipal Land and are sharing services with other Municipal Amenities

Due to the complexity of the exercise to implement the Council resolutions, during the meeting we recommended that we deal with the abovementioned three processes separate from each other to speed up the process and that the easiest to tackle is to facilitate the lease agreements for the Clinics attached to the NMBM buildings as they cannot be transferred to ECDOH.

A formal application be submitted as a reference to also follow up internally on the work still to be done. The request is attached as **Annexure "B2"**.

##### Discussion

Initially there were five (5) Health care Facilities to NMBM buildings where signing of lease agreements is to be done and are listed below;

- (i) Schauder Clinic (attached to the Jarman Hall)
- (ii) Malabar Clinic (attached to the Malabar Community Hall)
- (iii) Struandale Pharmacy (situated within the Struandale Depot)
- (iv) Infrastructure Workshop (situated within the Gail Road Depot)
- (v) ATICC Offices (situated on the first floor of Korsten Building)

Now only four (4) clinics are to enter into lease agreements with the NMBM because the staff that were located at the ATICC offices in Korsten have since vacated these offices and are currently occupied by NMBM Public Health: Environmental Services.

Attached as **Annexure "B3"** is the spreadsheet with the list of all the health care facilities in the metro with erf numbers and ownership details. The aerial photographs are attached as well.

In considering the ECDOH request, we felt that this needs to be brought to the attention of the Standing Committee because provision of primary health care is purely a mandate of the Provincial department, therefore their request needs to be considered in their favour. The lease agreements should be at a nil (zero) cost rental amount but all the maintenance to the building should be at the cost of ECDOH. ECDOH to also pay the rates and taxes of all services they receive from the NMBM. The lease agreement to be for renewable for a long-term period.

It is worth noting that, the provision of health care services to the community is the sole mandate of the Department of Health, hence the recommendation stated below.

#### **THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That the NMBM enters in a long-term lease agreement for the four (4) Primary Health Care Facilities (Schauder Clinic, Malabar Clinic, Struandale Pharmacy and Infrastructure Workshop) at zero cost monthly rental.
- (b) That the maintenance and upkeep of the facilities externally, internally and surroundings be entirely at Eastern Cape Department of Health's (ECDOH) cost including major structural repairs.
- (c) That the rates and consumption bill be for the ECDOH'S account.
- (d) That the NMBM periodically, conducts inspections to the facilities to ensure that they are well maintained as per the resolution.
- (e) That any improvements, extensions on council approval be for the ECDOH'S account.

#### **5. DEMOLISHING OF MUNICIPAL BUILDING ON ERF 2121 LOCATED AT 79 PERL ROAD IN KORSTEN**

##### **Purpose**

To recommend to Council the demolishing of an extensively vandalised Municipal building on erf 2121 which is located at No. 79 Perl Road in Korsten Gqeberha, as well as having this Asset classified as impaired and be removed from the capital asset register.

## Background & Discussion

Erf 2121 is situated at No. 79 Perl Road, Korsten, Gqeberha and the area is 629 m<sup>2</sup>. Currently there is no lease in place nor tenants in the building. This double storey building used to accommodate workshops and service accommodation on the ground floor and the upper floor utilised as a social club. There is no available information from the data we have that shows if the users of this facility at the time had a valid lease agreement and paying any rental amount. A valuation of the building was done in 2015 to determine the Market value of the property.

At the time of valuation in 2015, the Municipal value reflected R1 600 000.00 on the valuation roll with valuation date as 01 July 2012. On completion of the valuation considering all relevant aspects, the market value of the property was R 825, 000-00. The big depreciation between year 2012 and year 2015 valuation is attributed to the fact that the improvements that were affected in the building were near redundant and in a poor state of repair. The valuation report dated 23 June 2015 is attached and marked **Annexure "C1"**.

Since then, the building deteriorated further due to vandalism to a point where repairs is no longer a viable option. The pictures in the valuation report compared with the pictures in the recent Building Inspectorate report dated 27 March 2025 depict the extent of vandalism. It has now become a shell with no roof, windows doors and finishes. Inside the building the floor slab has been dug out by the vandals who occupy this dilapidated structure on the said erf. There is no electrical cubing left or plumbing as it has been ripped out by vandals.

The Human Settlements: Building Inspectorate section visited this building and provided a report with a recommendation that this building be demolished. In their report, they highlighted that in its current state the building poses danger to public safety. Furthermore, the Municipality may also face litigation if a member of the public is injured and pursues a public liability claim, it is therefore a safety hazard. The report is attached and marked **Annexure "C2"**. Such claims could also be afforded to those who illegally occupy the property.

There is unauthorised occupation by vandals who refuse to vacate the premises. On one occasion when we visited this site with metro police with the hope to restore it to its former glory, the vandals blatantly refused to go and said they will come back to occupy the building and there is nothing anyone can do about that. Other than the building being an eye sore, it is susceptible to become a place where crime is committed if not already or to even store stolen property. This also may implicate the NMBM should there be punishable crimes committed in this facility or worse fatalities which may put the good name of the Metro in disrepute.

Facilities Management does not have funds to remunerate Security officers to guard this place. Even if the funds were available, it would be fruitless expenditure as the cost within eight (8) months would be more than the R 825 000-00 value of the building in 2015 when it was still intact, unless private security would be sourced. In our view, wrapping the building with danger tape or any form of cordoning off the building will not deter vandals in occupying this building.

We therefore concur with Human Settlements that the building should be demolished, and the site landscaped in the absence of an alternative workable solution.

At the meeting with the Executive Mayor held on 4 June 2025 the recommendations as set out hereunder was supported. It was further resolved that the Executive Director: Human Settlements investigates the alienation of the land referred to in recommendation (a) hereunder, rather than allowing it to remain vacant.

**THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That the Council supports the demolition of an extensively vandalised building located on erf 2121 - No 79 Perl Road in Korsten, which is Municipal property in compliance with section 43 of the occupational Health and Safety Act 85 of 1993, and Construction Regulations 2014 under demolition work.
- (b) That the building rubble be cart away and the site landscaped.
- (c) That this asset be removed from the asset register and classified as impaired.
- (d) That the water point be removed, and the electricity point be disconnected.

**1<sup>st</sup> SUPPLEMENTARY AGENDA OF THE MEETING WITH THE EXECUTIVE MAYOR AND HER COMMITTEE DATED 4 JUNE 2025**

**(1<sup>ST</sup> SUPPLEMENTARY REPORT BY EXECUTIVE DIRECTOR :CORPORATE SERVICES : MEETING HELD 4 JUNE 2025)  
(EXECUTIVE MAYOR MEETING HELD 4 JUNE 2025)**

**6. FINANCIAL SUPPORT TO SPORT ORGANIZATIONS (5/21/1/3/5)**

The following item was considered at the meeting with the Executive Mayor and her Committee held on Wednesday, 28 May 2025, as part of the Report of the Sport, Recreation, Arts and Cultural Services dated 22 May 2025 – rescheduled from 30 May 2025. At the Mayoral Committee meeting it was agreed that the item be deferred to allow the Acting Executive Director: Sport, Recreation, Arts and Cultural Services and the Chief Finance Officer to submit a revised item for consideration, as payments should be made to Sport Federations/Associations to provide the necessary support to the athletes who were selected for international participation.

**Purpose**

To recommend to Council for approval of the financial support to the following federations in lieu of their athletes’ participation in international sporting events:

No	Name of Federation	Amount
1.	NMB Chess Association	R20 000
2.	Eastern Province Athletics	R110 000
3.	NMB Triathlon	R20 000
6.	NMB Draughts Association	R20 000
	<b>TOTAL</b>	<b>R 170 000</b>

**Background**

The Sport, Recreation, Arts and Cultural Services Directorate has invited Sport Organizations to apply for assistance through an advertisement in the local print media which opened on 22 April 2024 and closed on 14 June 2024. The report served before the Sport, Recreation, Arts and Cultural Services Committee on 26 August 2024 and was subsequently approved by Council on 15 October 2024. (Refer to the Council’s resolution attached as **Annexure “D3”** to this report.)

The financial assistance also included individual athletes who were elected to participate in different international sport events, eg: World Chess Olympics in Budapest, World Athletics Games, Olympic Games and World Draught Championships.

In processing the payments to the Organizations and the individual athletes, we were notified by our Accountant that the direct payment to the individual athletes would not be aligned to the NMBM Policies and Section 67 of the MFMA and thus recommended that the payment should rather be made directly to the Sporting Organizations that the individuals represent through approval of the amendment by the Executive Mayor. (Refer to a copy of email correspondence, dated 9 January 2025)

## **Discussion**

One of the Strategic Objectives of the Integrated Development Plan (IDP) of the NMBM is to provide for the social needs of communities and empowerment of vulnerable people through provision of access to social services, social development and indigent support. The support to these athletes demonstrates the commitment of the municipality in being a caring local government. It will further contribute to South Africa as an 'Active and Winning Nation' internationally.

## **Follow-up Actions by the Sport, Recreation, Arts and Cultural Services Directorate**

Following the directive by the Chief Accountant in the above-mentioned email, the Director: Sport and Recreation drafted a Memorandum to obtain a Mayor's Resolution to correct the erroneous inclusion of individual athletes instead of Sport Organizations in the report that was approved by Council on 15 October 2024.

By following the directive, we were requesting the money be paid to the Sport Federations to which these athletes are affiliated, and this was subsequently communicated to them when they enquired about the delays in payment. It was anticipated that this correction would then align the payment with section 67 as indicated in the email from Budget and Treasury.

The support to the individual athletes were reflected as financial support to Organizations and should have been separated from the Advert and the process that invited Sport Organizations to apply for financial assistance.

It is for this reason that the report is brought back to Mayoral Committee to ensure the payments are made to Federations to provide the necessary support to their athletes who were selected for international participation.

## **Progress regarding the payment to the individual athletes**

This payment has not been processed yet due to the following reasons:

When the Directorate made the memorandum for the amendment of the item as recommended by the Budget and Treasury Accountant, the memorandum was not supported by the Chief Accountant and the Chief Financial Officer. However, the Acting CFO's final comments advised as follow:

- "An accurate report may have to serve in Council prior payments to individuals are made"
- The support to individual athletes was not supposed to form part of the item to approve financial assistance to Sport Organizations or it should have been disclosed as such.

- The error in the recommendation to Council was in recommendation (a) where we referred to 'organizations' and not including individual athletes as well.
- The comments of the Chief Accountant further referred to the Financial Support to NMB Triathlon and EP Athletics in the Financial Year of R 800 000 and R 6,360 000 respectively and not disclosed in the item and Memorandum.

*It must be noted that the above-mentioned funding to NMB Triathlon and EPA is part of separate agreements with its own deliverables and does not cover support to athletes representing the country internationally. (See attached memorandum and email)*

### **Risk Implications**

- Reputational damage for the NMBM as an expectation has been raised with these athletes and federations based on previous council decision of 15 October 2024.
- Non-compliance with the implementation of Council Resolutions.

### **Conclusion**

The Directorate has followed the guidance from the Budget and Treasury Directorate, by submitting this item for approval to the Mayoral Committee and Council to support the financial assistance to the following federations:

<b>No</b>	<b>Name of Federation</b>	<b>Amount</b>
1.	NMB Chess Association	R20 000
2.	Eastern Province Athletics	R110 000
3.	NMB Triathlon	R20 000
6.	NMB Draughts Association	R20 000
	<b>TOTAL</b>	<b>R 170 000</b>

### **BUDGET CONFIRMATION**

Budget was confirmed by the Chief Accountant previously on 12 August 2024 when the item served before the Sport, Recreation, Arts and Cultural Services Committee of 26 August 2024:

Vote Description: Sport Programs

Vote Number: 0064/0335

Job: 2018NSRA00266

Budget Available:

### **ANNEXURES:**

**"D1" Athlete profiles**

**"D2" Letters from Federations**

**"D3" Previous Council Resolution**

**"D4" Previous Memorandum**

The MMC: Sport, Recreation, Arts and Cultural Services referred to Annexure "C" on page 13 of the 1<sup>st</sup> Supplementary Agenda and indicated that the date in the subject heading should be amended to read '15 October 2024'.

**THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That the required amendments to Council Resolution: item 7; page 829 of the Council Minutes, dated 15 October 2024 - postponed from 10 October 2024 as per recommendation (a) to exclude the individual athletes from the list of organisations be noted and be rescinded accordingly.
- (b) To approve and authorise payment to the following federations as recommended in the following table:

No	Name of Federation	Amount
1.	NMB Chess Association	R20 000
2.	Eastern Province Athletics	R110 000
3.	NMB Triathlon	R20 000
6.	NMB Draughts Association	R20 000
	<b>TOTAL</b>	<b>R 170 000</b>

**OTHER MATTERS**

**7. REQUEST FOR COUNCIL TO RESCIND THE RESOLUTION RELATING TO AMENDMENT OF BUDGET ADJUSTMENTS FOR 2023/24 INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT (ISUPG) PROJECTS (3/2/1/3/3) (Minute No. 26/2024)**

The Executive Mayor on 18 June 2024 considered the following report:

**1. Purpose**

The purpose of this item is to request Council to rescind a resolution taken by the majority of Council relating to the amendment of the 2023/24 informal Settlements Upgrading Partnership Grant (ISUPG) related projects (Capital or Operating) that was approved on 27 February 2024 and which is annexed as **Annexure "E"** for ease of reference.

**2. Background**

On 15 August 2023 the National Department of Human Settlements approved a budget of R349 635 000 for Informal Settlements Upgrading Partnership Grant ("the iSUPG") for the Nelson Mandela Bay Municipality ("the NMBM) the 2023/24 financial year. The Informal Settlements Upgrading Partnership Grant (ISUPG) is a grant funding mechanism with very clear and specific terms and conditions which in turn will deliver specific targeted outcomes and outputs.

During the mid-term review Human Settlements conducted a performance assessment of the projects that were implemented by various directorates and determined that the expenditure was slow and that there was an exposure to risk. An item was submitted to Council seeking approval from Council to amend the 2023/24 ISUPG budget and to include new projects that were

anticipated to accelerate expenditure. The condition attached to the approval was that a revised business plan had to be submitted to the National Department of Human Settlements for its approval before affected directorates could implement the revised budget.

It is unfortunate to report that the National Department of Human Settlements has not approved the revised business plan because the National Treasury does not support the movement of funds linked to approved rollovers. This means that the item that was approved by Council on 27 February 2024 is no longer relevant and is unimplemented in its current form.

### **Budget and Treasury comments**

The Acting Chief Financial Officer is in support of the recommendation.

### **THE EXECUTIVE MAYOR RECOMMENDS:**

That Council, **by resolution taken by the majority of its full number**, and in terms of Section 30 (2) of the Local Government: Municipal Structures Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government Finance Management Act No 56 of 2003. and Clause 1.6 of the Council's Financial Management Policies, rescinds its resolution taken at its meeting of 27 February 2024 related to the amendment of the 2023/24 ISUPG funded projects (Capital and Operating).

(Decision taken by Executive Mayor on 18 June 2024 – Executive Mayor's Resolution No. 26/2024)

(Document No. 13039 received from the Office of the Executive Mayor on 19 June 2024)

### **8. BUDGET AMENDMENT OF R13 347 160,00 FOR THE RECRUITMENT OF 300 EPWP PARTICIPANTS FOR THE RENDERING OF SOLID WASTE MANAGEMENT SERVICES (REFUSE, CLEANSING & FESTIVE SEASON PERIOD) WITH EFFECT FROM 1 DECEMBER - 31 MAY 2025, ROUTINE MECHANICAL SWEEPING OF NMBM ROADS AND FREEWAYS, AND REMOVAL OF BULKY WASTE DURING FESTIVE SEASON. (3/2/1/3/3) (Minute No. 79/2025)**

The Executive Mayor on 4 December 2024 considered the following report.

#### **1. Purpose**

The purpose of this item is to request permission from the Executive Mayor and the Acting City Manager to consider and grant approval to amend the 2024/25 Public Health Operating Budget in order to allow for the recruitment of 300 EPWP participants for the rendering of Solid Waste Management (Refuse, Cleansing & Festive Season), Provision of routine mechanical sweeping of NMBM's roads and freeways, and Removal of bulky waste during festive season.

The amendment of the votes be as follows: 2024/25 Financial year.

**FROM:**

Vote Number	Description	Budget Estimate	Actual Expenditure	Balance	Virement "FROM" value
04704956	Community Based Contractors	R13 347 160,00	R0,00	R13 347 160,00	R13 347 160,00

**TO:**

Vote Number	Description	Budget Estimate	Actual Expenditure	Balance	Virement "TO" value
0969-8364	EPWP Participants	R3 135 090,00	R29,260	R3 105 830,00	R6 880 000,00
0412-8699	Mechanical Sweeping Vehicles	R0,00	R0,00	R0,00	R5 000 000,00
0468-1045	External NonPassenger Vehicle	R2 048 310,00	R233 557	R1 814 753,00	R820 000,00
0468-6283	External Hire: Solid Waste Disposal	R6 319 030,00	R1 639 079,17	R4 679 068,00	R647 160,00
					R13 347 160,00

## 2. Background

The Public Health Directorate, Solid Waste- Sub Directorate is responsible for provision of refuse and cleansing services within the Metro. The Sub- directorate is faced with a lot of challenges to render services effectively and efficiently, the main challenge being shortages of manpower due to recruitment delays, leave taken, retirement, abscondment and absenteeism by employees and it has caused more strain to our services and the dire shortages of general employees is detrimental to waste management service delivery and causes enormous backlogs. The unavailability of the mechanical sweeper contract and bulky waste removal resources are contributing factors to our limited resources.

The recruitment of EPWP participants, procurement of a mechanical sweeper and budget allocation for bulky waste will close the void mentioned above. EPWP recruitment will assist the depots to enable advance planning for daily operations. Waste Management Services (Refuse Collection, Cleansing and Disposal Services) are essential to the health and safety of the NMBM residents.

### Festive Season

Traditionally the demand for waste management services increases during the festive season. This has resulted in services being augmented during this period especially in the tourist areas but not limited thereto as the demand rises in the residential areas as well.

Additional resources are required i.e. recruitment of additional labour, tools and equipment, plant and machinery and extended hours for operations and manning of Public Conveniences to deal with the influx/ additional number of people utilising the beaches.

The experience has taught the Sub- directorate to plan, organise and facilitate procurement of the abovementioned services in advance in preparation for tourists and visitors to fully appreciate the natural beauty of the NMBM coastline.

### Steps taken to augment service delivery

- Lessons learnt from the past festive season and challenges experienced prepared us for a better and advanced planning this year.
- Operational hours and manpower will be increased to meet operational demands from 5h:00 - 12h:00 and 13h:00 - 20h:30

### 3. Budget Confirmation

The Budget and Treasury Directorate has perused the item and agrees with the approval of the budget amendment.

#### THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003, amends the Public Health 2024/25 Operating Budget as follows:

#### FROM:

Vote Number	Description	Budget Estimate	Actual Expenditure	Balance	Virement "FROM" value
04704956	Community Based Contractors	R13 347 160,00	R0,00	R13 347 160,00	R13 347 160,00

#### TO:

Vote Number	Description	Budget Estimate	Actual Expenditure	Balance	Virement "TO" value
0969-8364	EPWP Participants	R3 135 090,00	R29,260	R3 105 830,00	R6 880 000,00
0412-8699	Mechanical Sweeping Vehicles	R0,00	R0,00	R0,00	R5 000 000,00
0468-1045	External NonPassenger Vehicle	R2 048 310,00	R233,557	R1 814 753,00	R820 000,00
0468-6283	External Hire: Solid Waste Disposal	R6 319 030,00	R1 639 079,17	R4 679 068,00	R647,160,00
					R13 347 160,00

(Decision taken by Executive Mayor on 4 December 2024 – Executive Mayor’s Resolution No 79/2024)

(Document No. 13296 received from the Office of the Executive Mayor on 10 December 2024)

**9. ADJUSTMENTS BUDGET RELATING TO THE REDUCED PROJECTS WHOSE BUDGET HAS BEEN DIRECTED TO ACCOMMODATE THE DISASTER AS DIRECTED BY THE MINISTER (3/2/1/3/3) (Minute No. 46/2024)**

The Executive Mayor considered the following report on 2 September 2024.

**Purpose**

The purpose of this item is to request the approval of Council to amend the 2024/25 Informal Settlements Upgrading Partnership Grant (ISUPG) related projects (Capital or Operating). This amendment of the already approved 2024/25 Budget is necessitated by the Ministerial Directive to include in the business plan projects that have been affected by the disaster.

**Background**

On 29 March 2024 the Nelson Mandela Bay Municipality (NMBM) submitted a draft 2024/25 ISUPG Business Plan to the National Department of Human Settlements for its approval. Subsequently there were engagements between the two institutions and which engagements were directed at assessing the business plan and obtaining comments from the NMBM.

A consultant was appointed by the National Department of Human Settlements to assist with the assessment of the business plan.

There were delays in finalizing the approved of the business plan. One of the delays was occasioned by the review of the grant framework and the other by the transition from the 6<sup>th</sup> to the 7<sup>th</sup> administration. In assessing the business plan the Minister directed that the business plan be amended to include projects that would respond to the disaster that has befallen the NMBM and which has since been classified as a condition for the business plan approval.

A budget of R7 470 000,00 for the purchasing of chemical toilets was discontinued and redirected towards the procurement of building material. A further R2,090,000 for the purchasing of pump sets was also removed and redirected towards the procurement of building material.

An amount of R2 600 000 00 for purchasing of a tractor was reduced and redirected towards the procurement of building material to support households that have been affected by the recent disaster.

In total a budget of R12 160 000,00 has been set aside for the procurement of building material.

A budget of R3 000 000,00 was reduced from the water projects and redirected to water standpipes to support the informal settlements that have been affected by the disaster.

**Various Projects Affected By The Adjustment**

The following Table summarises projects in which the recommended changes, after consultation with Directorate's Project Managers: -

*Table 1*

PROJECT ID	PROJECT DESCRIPTION	FUNDING SOURCE	2024/25 APPROVED CAPITAL BUDGET (VAT INCL)	REDUCE BY (VAT INCL)	INCREASE BY (VAT INCL)	FROM (VAT INCL)	TO (VAT INCL)
20230336	Sanitation: Purchase of Chemical Toilets	ISUPG	7,470,000	- 7,470,000		7,470,000	-

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20240295	Sanitation: Purchase of Mobile Pump Sets	ISUPG	4,180,000	- 2,090,000		4,180,000	2,090,000
20240073	EDTA: Purchase of two tractors (ISUPG)	ISUPG	5,200,000	- 2,600,000		5,200,000	2,600,000
NEW OPEX VOTE	Procurement of Building Material	ISUPG	-		12,160,000	-	12,160,000
20230011	Installation of Standpipes & associated infrastructure-ISUP	ISUPG	5,866,000	- 3,000,000		5,866,000	2,866,000
NEW CAPEX PROJECT	ISUPG Disaster - Installation of Standpipes & associated infrastructure	ISUPG			3,000,000	-	3,000,000
			<b>22,716,000</b>	<b>- 15,160,000</b>	<b>15,160,000</b>	<b>22,716,000</b>	<b>22,716,000</b>

*Table 2*

SETTLEMENT NAME	SCOPE	ORIGINAL 2024/25 CAPITAL BUDGET	INCREASE BY	DECREASE BY	2024/25 REVISED CAPITAL BUDGET
Ekuphumleni	Standpipe	R60,000		-R30,000	R30,000
Bethelsdorp Extension 32,34,36	Standpipe	R84,000		-R12,000	R72,000
Rholihlahla/Vistarus	Standpipe	R152,000		-R80,000	R72,000
Ebhongweni	Standpipe	R57,000		-R20,000	R37,000
Khayamnandi	Standpipe	R67,000		-R30,000	R37,000
Vastrap	Standpipe	R128,000		-R80,000	R48,000
Dubai/ Area 11 Phase 4	Standpipe	R60,000		-R30,000	R30,000
Nkatha (Endulwini)	Standpipe	R204,000		-R140,000	R64,000
MK 32 Families	Standpipe	R57,000		-R20,000	R37,000
Masakhane Village	Standpipe	R204,000		-R140,000	R64,000
Joe Slovo (ward 41)	Standpipe	R104,000		-R80,000	R24,000
Goba Street	Standpipe	R104,000		-R80,000	R24,000
Joe Slovo West Invasion	Standpipe	R282,000		-R172,000	R110,000
Unkown Joe Slovo West	Standpipe	R116,000		-R80,000	R36,000
Reservoir Hills	Standpipe	R104,000		-R50,000	R54,000
Veepplaas Enkanini	Standpipe	R154,000		-R80,000	R74,000
Silvertown Swartkops	Standpipe	R188,000		-R100,000	R88,000
Jachtlakte	Standpipe	R180,000		-R100,000	R80,000
Qunu 2	Standpipe	R156,000		-R90,000	R66,000
Bungalows	Standpipe	R96,000		-R50,000	R46,000
Qunu 1	Standpipe	R36,000		R0	R36,000
Water Village	Standpipe	R72,000		-R20,000	R52,000
Missionvale- Greenfields	Standpipe	R36,000		R0	R36,000
Missionvale - Aloes Valley 1	Standpipe	R104,000		-R40,000	R64,000
Missionvale - Aloes Valley 2	Standpipe	R57,000		-R20,000	R37,000
Missionvale - GG's Ground	Standpipe	R57,000		-R20,000	R37,000

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Missionvale - Mckays Ground	Standpipe	R57,000		-R20,000	R37,000
Missionvale- Muller Ground	Standpipe	R57,000		-R20,000	R37,000
Bethelsdorp Salt Lake	Standpipe	R72,000		-R40,000	R32,000
Joe Slovo / Westville	Standpipe	R104,000		-R58,000	R46,000
Area K - Ward 37	Standpipe	R60,000		-R30,000	R30,000
Kleinskool Ext 36	Standpipe	R36,000		R0	R36,000
Area K - (Elias Ground)	Standpipe	R57,000		-R20,000	R37,000
Goba & Duka Str	Standpipe	R72,000		-R40,000	R32,000
Duka Street	Standpipe	R36,000		R0	R36,000
KwaNoxolo	Standpipe	R36,000		R0	R36,000
Phambili Str Water Site	Standpipe	R57,000		-R20,000	R37,000
Farmers	Standpipe	R84,000		-R50,000	R34,000
Nkandla	Standpipe	R84,000		-R50,000	R34,000
Winnie Mandela	Standpipe	R84,000		-R50,000	R34,000
Kingston	Standpipe	R72,000		-R40,000	R32,000
Nyamazana	Standpipe	R72,000		-R40,000	R32,000
Joe Slovo Powerline	Standpipe	R48,000		-R16,000	R32,000
Church Village	Standpipe	R84,000		-R40,000	R44,000
Zwide Cemetery	Standpipe	R24,000		R0	R24,000
Veepaas Endlovini	Standpipe	R60,000		-R30,000	R30,000
Veepaas	Standpipe	R48,000		-R18,000	R30,000
Veepaas Cleary Park	Standpipe	R48,000		-R18,000	R30,000
Ralo & Chelsea Rd	Standpipe	R57,000		-R20,000	R37,000
Redhouse	Standpipe	R57,000		-R20,000	R37,000
Govan Mbeki Village (GMV)	Standpipe	R144,000		-R90,000	R54,000
Ext 29 - Riemvasmaak	Standpipe	R84,000		-R40,000	R44,000
Kleinskool Kliprand	Standpipe	R72,000		-R30,000	R42,000
Area K - Ward 33	Standpipe	R60,000		-R30,000	R30,000
Wandeville Walmer	Standpipe	R93,000		-R40,000	R53,000
Sheleni				R0	
Westville	Standpipe	R275,000		-R130,000	R145,000
Mandela Village	Standpipe	R48,000		-R20,000	R28,000
Ramaphosa	Standpipe	R36,000		R0	R36,000
Nkatha/Seyisi	Standpipe	R84,000		-R50,000	R34,000
Edongweni East	Standpipe	R60,000		-R30,000	R30,000
Edongweni West	Standpipe	R60,000		-R30,000	R30,000
Meke Street	Standpipe	R57,000		-R26,000	R31,000
Boxongo Street (Ibhayi)	Standpipe	R204,000		-R140,000	R64,000
Mavuso Street (Ibhayi)	Standpipe	R204,000		-R140,000	R64,000
<b>TOTAL</b>		<b>R5,866,000</b>	<b>0</b>	<b>R -3,000,000</b>	<b>R2,866,000</b>

Table 3

SETTLEMENT NAME	SCOPE	ORIGINAL 2024/25 CAPITAL BUDGET	INCREASE BY	DECREASE BY	2024/25 REVISED CAPITAL BUDGET
Lapland	Standpipe - Disaster		R1,679,076		R1,679,076
Ramaphosa	Standpipe - Disaster		R308,087		R308,087
Chris Hani	Standpipe - Disaster		R385,109		R385,109
Duka Street	Standpipe - Disaster		R88,575		R88,575
Elephant Park	Standpipe - Disaster		R127,086		R127,086
Rubber Village	Standpipe - Disaster		R38,511		R38,511
Qona	Standpipe - Disaster		R19,255		R19,255
Coega Village	Standpipe - Disaster		R23,107		R23,107
Green Card	Standpipe - Disaster		R77,022		R77,022
Pola Park	Standpipe - Disaster		R61,617		R61,617
Muller's Ground	Standpipe - Disaster		R192,555		R192,555
<b>TOTAL</b>		<b>R0</b>	<b>R3,000,000</b>	<b>-</b>	<b>R3,000,000</b>

**COMMENTS BY BUDGET AND TREASURY:**

The budget adjustment is in line with resolution (f) of the Special Council Meeting dated 6 June 2024, wherein the Executive Mayor was delegated an authority to approve the Disaster related budget amendments with the proviso of reporting back to Council within 60 days of his approval.

**THE EXECUTIVE MAYOR RECOMMENDS:**

That the Council, **by resolution taken by the majority of its full number**, and in terms of Section 30 (2) of the Local Government: Municipal Structures Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government Finance Management Act No 56 of 2003, and Clause 1.6 of the Council's Financial Management Policies, amend the approved 2024/25 Budget relating to the affected ISUPG funded projects (Capital and Operating), as follows :

PROJECT ID	PROJECT DESCRIPTION	FUNDING SOURCE	2024/25 APPROVED CAPITAL BUDGET (VAT INCL)	REDUCE BY (VAT INCL)	INCREASE BY (VAT INCL)	FROM (VAT INCL)	TO (VAT INCL)
20230336	Sanitation: Purchase of Chemical Toilets	ISUPG	7,470,000	- 7,470,000		7,470,000	-
20240295	Sanitation: Purchase of Mobile Pump Sets	ISUPG	4,180,000	- 2,090,000		4,180,000	2,090,000
20240073	EDTA: Purchase of two tractors (ISUPG)	ISUPG	5,200,000	- 2,600,000		5,200,000	2,600,000
NEW OPEX VOTE	Procurement of Building Material	ISUPG	-		12,160,000	-	12,160,000
20230011	Installation of Standpipes & associated infrastructure-ISUP	ISUPG	5,866,000	- 3,000,000		5,866,000	2,866,000

NEW CAPEX PROJECT	ISUPG Disaster - Installation of Standpipes & associated infrastructure	ISUPG			3,000,000	-	3,000,000
			<b>22,716,000</b>	-	<b>15,160,000</b>	<b>15,160,000</b>	<b>22,716,000</b>

(Decision taken by Executive Mayor on 2 September 2024 – Executive Mayor Resolution No. 46/2024)

(Document No. 13203 received from the Office of the Executive Mayor on 3 September 2024)

**10. APPROVAL FOR VIREMENT OF FUNDS - SAFETY AND SECURITY OPERATING BUDGET FOR THE 2024/25 FINANCIAL YEAR (3/2/1/3/3) (Minute No. 16/2025)**

The Executive Mayor on 26 June 2025 considered the following report:

**“1. Purpose**

The purpose of this memorandum is to request approval from the Executive Mayor to move funds from the Provision for Vacancies vote (Vote number 1679 3753) to the Overtime vote (Vote number 1679 0048).

**2. Background and Discussion**

Within the Operating Budget of the Metro Police Department for this financial year, the funding in the Overtime vote line (Vote number 1679 0048) reflects a deficit amount of R2 087 270,91. The Safety and Security Directorate: Metro Police has identified savings of R5 500 000.00 in the Provision for Vacancies (Vote number 1679 3753). The provision for vacancies has accrued the savings, as all the funded vacant posts had not been filled yet.

**3. Budget Confirmation**

**Transfer from:**

Vote Description : Employee Related Costs – Salaries and Wages – Provision  
vacancies  
Vote Number : 1679 3753  
Budget Provision : R7 410 500.00  
Committed to Date : R0

**Transfer to:**

Vote Description : Employee Related Costs – Overtime Payments - Overtime  
Vote Number : 1679 0048  
Budget Provision : R4 000 000.00  
Committed to Date : R0  
**Virement Required : R5 500 000.00**

#### 4. Budget comments

The Chief Financial Officer supported the amendment as it is in line with the Council's Financial Management Policies and commented that the virement request is made to cover expenditure already incurred."

#### THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 approves the virement in the amount of R5 500 000.00 from Vote 1679 3753 (Provision of Vacancies) to Vote 1679 0048 (Overtime) of the Metro Police Department – Safety and Security Directorate.

(Decision taken by the Executive Mayor on 26 June 2025 – Executive Mayor's Resolution No. 16/2025)

(Document No. 13564 was received from the Office of the Executive Mayor on 2 July 2025)

#### 11. EMERGENCY CAPITAL BUDGET AMENDMENT IN TERMS OF AUTHORISING UNFORESEEABLE AND UNAVOIDABLE EXPENDITURE – SUBSTATION IN UITENHAGE (3/2/1/3/3) (Minute No. 6/2025)

The Executive Mayor on 1 April 2025 considered the following report:

##### 1. Purpose

The purpose of this memorandum is to obtain approval from the Executive Mayor to allow the Electricity and Energy Directorate to immediately amend the Capital budget funds for re-building of the MRM6 substation at Mqolomba Street in Uitenhage.

##### 2. Background

The MRM6 substation, which is supplied from the 11kV MRM8 feeder originating from Mabandla substation has suffered a building collapse due to vandalism. This incident happened on the 14 January 2025, resulted in a loss of electricity supply to the surrounding residents and a hospital.

##### 3. Discussion

The MRM6 substation collapse has resulted to a loss of supply at Pityana, Ngqondela, Mgwanza, Songwinqi, Mapela, Maduba, Nyiki, Sididi 1 and 2 Streets, Hostel, Post Office, Sewerage and Day Hospital in KwaNobuhle. To restore power, a comprehensive scope of work is shown below:

#### Proposed scope of works for VE-Reticulation

##### Civils

- Excavation
- Backfilling
- Cable Laying

Terminations & Joints

- 6 x 11kV joints
- 6 x 11kV terminations onto switchgear
- 1 x 11kV termination onto local transformer
- 11kV link between RMU's

Switchgear Supply & Installation including transport

- 6x RMU (2 x Isolator, 2 x CB)

P&G's

- Travelling
- Crane truck
- TLB

Demolition

- Structural Assessment
- Demolition
- Removal of Rubble

Estimated quote from VE-Reticulation is RI 855 358.18

New building will be done by means of an ISO to Facilities, attached is the e-mail from Facilities indicating the rough estimation of overall amount of R700 000 to re-build the MRM6 substation. Electricity and Energy Directorate is requesting approval for immediate adjustment of Capital budget to re-build the MRM6 substation.

The additional funds required will be obtained from the Refurbishment of Power transformers and LV line Refurbishment capital projects. The Electricity and Energy Directorate has thus reprioritized and reduced the scope of work on these projects which has to continue and be completed on the next 2025/26 financial year.

**4. Financial Provision**

Description	Vote No.	Reduce by	Increase by
Refurbishment of Power Transformers (Levies)	20150028	2 000 000	0
LV line Refurbishment (Levies)	20240171	700 000	0
Re-building of the MRM6 sub ( a new project that has to be created)			2 700 000

**5. Comments by Budget and Treasury**

Whilst authorising the unavoidable and unforeseeable expenditure is correctly in line with the Section 29 of the Municipal Finance Management Act and supported, failure to ensure that municipal assets are the responsibility of the Electricity and Energy Directorate. Reporting of the incident to the South African Police Services to obtain a case number is also an administrative process that the Electricity and Energy Directorate ought to have done.

**THE EXECUTIVE MAYOR RECOMMENDS:**

That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 approves the 2024/25 Budget amendment in terms of MFMA Section 29(1)(2) as follows:

Description	Vote No.	Reduce by	Increase by
Refurbishment of Power Transformers (Levies)	20150028	2 000 000	0
LV line Refurbishment	20240171	700 000	0
Re-building of the MRM6 sub (a new project that has to be created)			2 700 000

(Decision taken by the Executive Mayor on 1 April 2025 – Executive Mayor’s Resolution No. 6/2025)

(Document No. 13523 was received from the Office of the Executive Mayor on 4 April 2025)

**12. CAPITAL BUDGET AMENDMENT 2024/25 – PURCHASE OF VEHICLES FOR SUPPORT SERVICES – SAFETY AND SECURITY DIRECTORATE’S TRAFFIC DEPARTMENT (3/2/1/3/3) (Minute No. 8/2025)**

The Executive Mayor on 22 May 2025 considered the following report:

**“1. Purpose**

To request the Executive Mayor, to recommend to Council that the 2024/25 Capital Budget be amended by adding project 20230177-Traffic: Purchase of Vehicles for Support Services to the 2024/25 financial year and to move the funds (R 1 300 000.00) from project 20210202 - Lift to accommodate Disabled Persons: Sidwell Traffic Centre to the said project.

**2. Background**

The tender for project 20210202 - Lift to accommodate Disabled Persons: Sidwell Traffic Centre was advertised in October 2024. The Bid Evaluation Committee (BEC) on the 28 February 2025, found that none of the responding tenderers complied with the minimum requirements of the tender. The BEC recommended to the Bid Adjudication Committee (BAC) that the tender must be cancelled and readvertised due to no compliance by the tenderers. There will unfortunately not be sufficient time to finalize the tender process in the 2024/25 financial year due to time constraints.

The installation of the disabled lift at the Sidwell Traffic department is critical to ensure compliance with section 25 of the Disability Act, 2005. It is for this reason that project 20210202- Lift to accommodate Disabled Persons: Sidwell Traffic Centre will have to be continued and finalized in the 2025/26 financial year.

Three vehicles (LDV and Sedan x 2) will be procured are required to provide services. The current LDV is due for replacement and is not fitted with a tow bar which is required for the use of the departmental fuel bowser. The LDV vehicle is also required to provide assistant to traffic patrol vehicles and other pool vehicles in the event of breakdowns. The Sedans will be utilized as precinct patrol vehicles for the law enforcement division.

Funding for project 20230177-Traffic: Purchase of Vehicles for Support Services in the 2025/26 financial year, will be utilized to complete project 20210202 - Lift to accommodate Disabled Persons.

### 3. Financial Implications and Budget Allocations

#### 3.1 CURRENT/MEDIUM TERM BUDGET AND RELATION TO IDP

##### 3.1.1 Budget Amendment: Transfer from Capital Budget to Capital Budget.

The tables below show the requested budget amendment for 2024/25 Financial Year:

Table 1: Reduction in Capital Budget as follows:

Project ID	Job Number	Description	Ward	Funding Source	Budget Reductions
20210202	n/a	Lift to accommodate Disabled Persons: Sidwell Traffic Centre	15	959 - Levies	- R 1 300 000

Table 2: Increase in Capital Budget as follows:

Project ID	Job Number	Description	Ward	Funding Source	Budget Increase
20230177	n/a	Traffic: Purchase of Vehicles for Support Services	Metro wide	959 - Levies	R 1 300 000

### 4. Budget and Treasury Comments

Budget and Treasury reviewed the proposed budget amendment and after discussions with the Project Manager, it is evident that the PID 20210202 will not commence within the current financial year. The Directorate has therefore decided to accelerate PID 20230177, which can commence immediately to ensure that funding is effectively utilised within the current financial year. The funds will be adjusted in the Draft 2026 – 2028 Capital Budget in order to implement PID 20210202 in the 2025/26 financial year. Implementation of this amendment is applicable subject to Council approval and in line with the Municipal Finance Management Act Policies.

#### THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 approves the budget amendment in the amount of R 1 300 000.00 consisting changes and amending the 2024/25 Capital Budget as indicated hereunder:

Project ID	Job Number	Description	Ward	Funding Source	Budget Reductions
20210202	n/a	Lift to accommodate Disabled Persons: Sidwell Traffic Centre	15	959 - Levies	- R 1 300 000
<b>Table 2: Increase in Capital Budget as follows:</b>					
Project ID	Job Number	Description	Ward	Funding Source	Budget Increase
20230177	n/a	Traffic: Purchase of Vehicles for Support Services	Metro wide	959 - Levies	R 1 300 000

(Decision taken by the Executive Mayor on 22 May 2025 – Executive Mayor’s Resolution No. 8/2025)

(Document No. 13547 was received from the Office of the Executive Mayor on 26 May 2025)

**13. VIREMENT TO UTILIZE CONTRACT SCM/1204S2024 FOR PROVISION OF SAFETY AND SECURITY SERVICES TO PROTECT NEWLY BUILT TRU’S AT ERF 1948 WALMER FOR A PERIOD OF 3 MONTHS OR LESS (3/2/1/3/3) (Minute No. 18/2025)**

The Executive Mayor on 28 January 2025 considered the following report:

**1. Purpose**

To request Executive Mayor to approve virement for authority to utilize Gap Security appointed under contract SCM/ 1204/S/2024-2025 by Safety and Security, to provide Security Services in a temporary holding area within Walmer that is known as ERF 1948 for a period of three months (renewable if relocation has not been achieved or fully realized in the three-months period).

**2. Background**

The Walmer Airport Valley Informal Settlement is undergoing in-situ upgrading that currently entails the installation of internal services (water, sanitation, roads, stormwater...etc.) and the construction of top-structures. The relocation of existing 10000 informal structures in the area to alternative sites forms an essential and critical element of the project, as it is a precursor to services being installed and houses being built. Erf 1948, Walmer is a Temporary Relocation Area (TRA) that is intended to serve as a "revolving door" in that families are moved in batches from Airport Valley to the TRA, before being resettled back in Airport Valley when services have been installed and houses built.

The National Department of Human Settlement has funded the erection of +500 Temporary Relocation Units (TRU's in Walmer, Erf 1948 and these have been handed over to NMBM by the contractor/ service provider. Ongoing challenges with regards to the refusal/ resistance to relocate by the Airport Valley community has led to only 25 of these units being occupied to date. Consequently, a number (14) of the unoccupied units have been vandalized and more units are exposed to further vandalism and theft if the vacancy rate continues.

### 3. Discussion

A number of consultative meetings that are documented with the assistance of the Human Settlements Member of Mayoral Committee (Councillor T. Mafana) to persuade valid/ confirmed beneficiaries to relocate to Erf 1948. Legal processes have been pursued by NMBM towards the immediate eviction of families in Airport Valley to the TRU's in Erf 1948 and to an informal settlement area called Wonderville. A motion served before the Eastern Cape High Court in this regard and was granted on 28 November 2024. Whilst NMBM seeks to give effect to this order, there is dire need for the provision of round the clock security services and patrols in Erf 1948, Walmer. The Acting Executive Director of Safety and Security has been engaged on the matter and has indicated limitations in providing the needed services of guarding the site. We therefore herewith request the hiring of an external service provider for security services utilizing the Safety and Security existing contract - SCM 11204132024-2025.

#### Policy Implications

The NMB Municipality Supply Chain Management Policy (Version 7)

### 5. Comments by Budget and Treasury

As it relates to the Budget virement the request is withing paragraph 1.6 of the Municipal Financial management Policies. The utilization of the contract is an administrative decision.

#### Risk Implications

A number of Temporary Residential units have already been vandalized and will continue to be if the areas remain unguarded/ unsecured.

#### LEGAL IMPLICATIONS

None

#### FINANCIAL IMPLICATIONS

The continued vandalization of the TRU's already has financial implications for NMBM as the site has been handed over back to the municipality.

#### THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 approves the virement of an amount of R5 600.000.00 as requested by Corporate Services Directorate that the Safety and Security contact proceed.

Virements from Various Votes

Total transfer R1 800.000.00

Virement from	Item Description	Amount (reduction)	Virement to	Item Description	Amount (increased)
0442 0248	Furniture & Office equipment	200.000.00	0413 0205	Contract Security	200.000.00
0439 0248	Furniture & Office equipment	100.000.00	0413 0205	Contract Security	100.000.00
0413 0248	Furniture & Office equipment	200.000.00	0413 0205	Contract Security	200.000.00
0213 0248	Furniture & Office equipment	103.470.00	0413 0205	Contract Security	103.470.00
0415 0444	Buildings	200.000.00	0413 0205	Contract Security	200.000.00
0419 0248	Furniture & Office equipment	80.000.00	0413 0205	Contract Security	80.000.00

0389 0248	Furniture & Office equipment	62.860.00	0413 0205	Contract Security	62.860.00
0213 0444	Buildings	174.000.00	0413 0205	Contract Security	174.000.00
0413 0444	Buildings	49.000.00	0413 0205	Contract Security	49.000.00
0439 0444	Buildings	100.000.00	0413 0205	Contract Security	100.000.00
0442 0444	Buildings	530.670.000	0413 0205	Contract Security	530.670.000
<b>Total virement</b>		<b><u>1.800.000.00</u></b>			<b><u>1.800.000.00</u></b>

Virements from Various Votes

Virement from	Item Description	Virement to	Item Description	Amount
0442 0248	Furniture & Office equipment	0413 0205	Contract Security	200.000.00
0439 0248	Furniture & Office equipment	0413 0205	Contract Security	100.000.00
0413 0248	Furniture & Office equipment	0413 0205	Contract Security	200.000.00
0213 0248	Furniture & Office equipment	0413 0205	Contract Security	103.470.00
0415 0444	Buildings	0413 0205	Contract Security	200.000.00
0419 0248	Furniture & Office equipment	0413 0205	Contract Security	80.000.00
0389 0248	Furniture & Office equipment	0413 0205	Contract Security	62.862.00
0213 0444	Buildings	0413 0205	Contract Security	174.000.00
0413 0444	Buildings	0413 0205	Contract Security	49.000.00
0439 0444	Buildings	0413 0205	Contract Security	100.000.00
0442 0444	Buildings	0413 0205	Contract Security	530.670.000
<b>Total to 0205</b>				<b><u>1.800.002.00</u></b>

Virement from	Item Description	Virement to	Item Description	Amount
0416 5115	Maintenance of Building & Facilities	0216 0198	Transport & Car Rental	20.000.00
<b>Total to 0198</b>				<b><u>20.000.00</u></b>
<b>Total</b>				<b><u>1.820.002.00</u></b>

(Decision taken by the Executive Mayor on 28 January 2025 – Executive Mayor’s Resolution No. 18/2025)

(Document No. 13509 was received from the Office of the Executive Mayor on 29 January 2025)

**14. AMENDMENT OF THE 2023/24 OPERATING BUDGET IN THE AMOUNT OF R5 134 490.00 FOR SANITATION SERVICES (SOUTHERN REGION) – REPAIRS AND MAINTENANCE : SEWERS AND OUTFALLS (Minute No. 42/2025)**

**Purpose**

The purpose of this report is to seek authorisation to process a Virement of R5 134 490 (Refer to Table 1) to the Repairs and Maintenance : Sewers and Outfalls line item, to allow urgent maintenance and operations to continue and to ensure that service delivery to the public does not get affected.

**Background Discussion**

The Wastewater Conveyance Division is responsible for the everyday repairs, maintenance and operations of ±3 800km of sewer infrastructure in Nelson Mandela Bay area. This requires Depot teams to clear blockages, perform maintenance and other critical jobs, to ensure that sewer spillages are limited. Due to the Wastewater Conveyance budgets having to be in line with the funding provided by Budget and Treasury it places a huge strain on service delivery as certain necessary maintenance and activities must be performed with limited budget to prevent health hazards.

## Problem Statement

With the recent drought situation, statistics show that the number of blockages in the system have almost tripled, due to consumers using less water and therefore generating less wastewater. This has added a huge burden to a Section that has limited resources.

Sewers need to be dredged, especially in drought situations. As people are using water sparingly, there is a higher solid to water ratio, which means more blockages in the system. This can be seen by the increase of blockages per month since the drought has come into effect. Root infestation into the system has also increased because of the drought, as trees and plants are desperate for any kind of moisture. This means sewers are heavily silted up and need to be cleaned as soon as possible, to limit blockages.

Old infrastructure already passed their life span necessitates more maintenance to prevent failures. There has also been an increase in vandalism of sanitation infrastructure (sewers, pump stations and treatment work) systems, which results in repairs and maintenance funds being utilised to repair infrastructure which is placing an additional burden on our already limited budget.

Savings have been identified on alternative budget line items that will not be utilised and can therefore be a virement to Repairs and Maintenance : Sewers and Outfalls line item.

If these virements are not approved, the following impact on the sanitation system will be experienced:

- More sewer blockages will occur, resulting in sewage spillage into rivers and ultimately the sea;
- NMBM will be subjected to litigation resulting in millions of Rands;
- Spilling of sewage is regarded as a health hazard, as it will impact on the health of the residents and could even result in an outbreak of cholera. Sewage spillages cannot be allowed anymore, there are numerous articles with regards to sewage spillages that eventually ends up in the Swartkops, Baakens, Paapenkuils Rivers;
- It will also result in additional service delivery protests, as residents will be affected by the additional spillages;
- The blue flag status will be in jeopardy, due to the spillages that will occur on our beaches;
- Staff will not perform services after hours to prevent spillage of sewage, and ultimately prevent health hazards.

The table below indicates virements that need to be made, to provide additional budget where shortfalls have been identified. The proposed movement of savings identified on various line items can be moved to make up the additional budgeted required.

**Table 1 :**

SANITATION - VIREMENT FROM THE FOLLOWING PROJECT ID'S AND VOTE NUMBERS						
Project ID / Org Code / Item Code	Project Description	Current Budget	Expenditure	Vote No	Budget Balance	Amount to be Viremented
2018NSSXOS266	Brickfields Plant and Machinery / Electrical	17 800	0.00	0460 0476	17 800	8 900
2018NSSX01771	Brickfields Plant and Machinery / Electrical	830	0.00	0460 0476	15 830	7 920
2018NSSXOS267	Brickfields Plant and Machinery / Electrical	26 700	0.00	0460 0476	26 700	13 350

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2018NSSX01776	Brickfields Plant and Machinery / Electrical	26 110	0.00	0460 0476	26 110	13 060
2018NSSX01773	Brickfields Plant and Machinery / Mechanical	30 840	0.00	0460 0476	30 840	15 420
2018NSSX01770	Brickfields Plant and Machinery / Mechanical	27 590	0.00	0460 0476	27 590	13 800
2018NSSX01774	Brickfields Plant and Machinery / Mechanical	26 700	0.00	0460 0476	26 700	13 350
2018NSSX01778	Brickfields Plant and Machinery / Mechanical	26 170	0.00	0460 0476	26 170	13 100
2018NSSX01701	Fishwater Flats Plant and Machinery / Electrical	20 610	0.00	0457 0476	20 610	10 300
2018NSSX05261	Fishwater Flats Plant and Machinery / Electrical	1 709 290	1 439 026.82	0457 0476	270 263.18	78 550
2018NSSX01687	Fishwater Flats Plant and Machinery / Electrical	300 570	6 474.46	0457 0476	294 095.24	147 050
2018NSSX01686	Fishwater Flats Plant and Machinery / Electrical	200 000	4 864.56	0457 0476	195 135.44	97 570
2018NSSX01700	Fishwater Flats Plant and Machinery / Mechanical	1706 120	0.00	0457 0476	1 706 120	853 060
2018NSSX01702	Fishwater Flats Plant and Machinery / Mechanical	1 855 570	486 960	0457 0476	1 368 610	699 300
2018NSSX05980	Fishwater Flats Plant and Machinery / Mechanical	30 920	0.00	0457 0476	30 920	15 500
2018NSSX01684	Fishwater Flats Plant and Machinery / Mechanical	46 520	3 995.41	0457 0476	42 524.59	21 2601
2018NSSX05263	Cape Receife Plant and Machinery / Electrical	600 000	337 644.87	0458 0476	262 355.13	115 330
2018NssX01718	Cape Receife Plant and Machinery / Mechanical	165 2S0	137 855.10	0458 0476	27 394.90	13 000
201BNSSX01713	Cape Receife Plant and Machinery / Mechanical	22 410	1 950	0458 0476	20 460	10 230
2018NSSX01933	Tools and Equipment Motherwell	175 000	12 240	0982 0515	162 760	100 000
2018NSSX01946	Tools and Equipment Uitenhage	175 000	21 916.60	0982 0515	153 083.40	100 000
2018NSSX01935	Plant and Machinery Motherwell	385 200	0.00	0982 0476	385 200	215 000
2018NSSX01936	Plant and Machinery - Uitenhage	38S 200	0 00	0982 0476	385 200	215 000
2018NSSX01635	Sewerage Tool & Equipment Struanway Depot	122 300	36 594.06	04510515	85 705.94	50 000
2021NSSX00943	Sewerage Administration- COVID Consumables	190 000	3 717.50	0446 8499	186 282.50	100 000
2021NSSX00941	Sewerage Administration - COVID Contractors	665 000	0.00	0446 8499	665 000	465 000
2018NSSX01468	Plant Maintenance Plant and Machinery / Electrical	135 000	10 164.86	0392 0476	124 835.14	80 000
2018NSSX01456	Plant Maintenance Plant and Machinery / Electrical	5 000	0.00	0392 0476	5 000	5 000
2018NSSX01458	Plant Maintenance Plant and Machinery / Mechanical	10 000	0.00	0392 0476	10 000	10 000
2018NSSX01401	Plant Maintenance Plant and Machinery / Mechanical	251 380	23 877.15	0392 0476	227 502.85	100 000
2018NSSX01407	Pant Maintenance Plant and Machinery / Mechanical	75 000	32 907.74	0392 0476	42 092.26	35 000
2018NSSX0142S	Plant Maintenance Plant and Machinery / Mechanical	40 000	16 766.70	0392 0476	23 233.30	20 000
2018NSSX01591	Metro Pump Stations Daily Inspections / Electrical	24 500	1 560	0449 1232	22 940	22 940

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2018NSSX01579	Metro Pump Stations Plant and Machinery / Electrical	81 840	9 929.00	0449 0476	71 911	41 000
2018NSSX01588	Metro Pump Stations Plant and Machinery / Electrical	705 000	608 368.25	0449 0476	96 631.7S	25 000
7018NSSX01555	Metro Pump Stations Daily Inspections / Mechanical	300 000	92 174.46	0449 1232	207 825.54	50 000
2018NSSX01551	Metro Pump Stations Sites and Access Roads	17 100	0.00	0449 1237	17 100	17 100
2018NSSX01573	Metro Pump Stations Sites and Access Roads	3 280	0.00	0449 1237	3 280	3 280
0449 6362	Grass Cutting	107 000	0.00	0449 6362	107 000	57 000
2018NSSX01604	Creek Pump Station Daily inspections - Electrical	78 100	0.00	0450 1232	78 100	38 000
2018NSSX01627	Creek Pump Station Daily Inspections - Mechanical	78 100	0.00	0450 1232	78 100	38 000
2018NSSX01600	Creek Pump Station Removal of Screening	s 660	0.00	0450 4390	5 660	5 660
2018NSSX01610	Creek Pump Station Plant and Machinery / Electrical	21 250	0.00	0450 0476	21 250	21 250
2018NSSX01602	Creek Pump Station Sites and Access Roads	13 900	0.00	oaso 1237	13 900	13 900
2018NSSX01S97	Creek Pump Station Buildings	246 000	9 719.20	0450 0444	236 280.80	100 000
0450 6362	Grass Cutting	37010	0.00	0450 6362	37 010	17 010
2018NSSX01856	Kelvin Treatment Works Plant and Machinery/ Electrical	629 600	471 226.33	0975 0476	158 373.67	50 000
2018NSSX01855	Kelvin Treatment Works Plant and Machinery / Electrical and Mechanical	257 400	9425	0975 0476	247	100 000
2018NSSX05133	Kelvin Treatment Works Plant and Machinery / Electrical	311 100	163 194.81	0975 0476	147 905.19	70 000
2018NSSX05135	Kwanobuhle Treatment Works Plant and Machinery / Electrical	220 450	9 021.77	0977 0476	211 428.23	70 000
2018NSSX01885	Kwanobuhle Treatment Works Plant and Machinery / Electrical	154 300	38 6S5.18	0977 0476	IIS 644.82	75 000
2018NSSX01897	Kwanobuhle Treatment Works Plant and Machinery / Mechanical	281 100	11 5S6.1S	0977 0476	269 543.85	100 000
2018NSSX01892	Kwanobuhle Treatment Works Plant and Machinery / Mechanical	120 a80	0.00	0977 0476	120 480	60 000
2018NSSX05264	Driftsands Plant and Machinery / Electrical	252 890	187 236.86	0459 0476	65 653.14	32 850
2018NSSX01748	Driftsands Plant and Machinery / Electrical	70 070	2 936	0459 0476	67 134	33 570
2018NSSX01766	Driftsands Plant and Machinery / Mechanical	118 610	8 299.38	0459 0476	110 310.62	52 300
2018NSSX01768	Driftsands Plant and Machinery / Electrical	79 980	2 698	0459 0476	77 282	39 640
2018NSSX01961	Rocklands Sewerage Treatment Works Plant and Machinery / Mechanical	170 360	0.00	1494 0476	170 360	70 000
2018NSSX01963	Rocklands Sewerage Treatment Works Plant and Machinery / Mechanical	73 020	3 282-12	1494 0476	69 737.88	30 000

2018NSSX05137	Rocklands Sewerage Treatment Works Plant and Machinery / Electrical	97 990	0.00	1494 0476	97 990	35 000
2018NSSX01817	Wastewater Works - Despatch Plant and Machinery / Mechanical	272 590	195 584.01	0741 0476	77 005.99	30 000
2018NSSX01815	WWT Works — Despatch Plant and Machinery — Mechanical	116 830	26 814.69	0741 0476	90015.31	30 000
2018NSSX05314	Screw Pump Station Swartkops Plant and Machinery / Electrical	30 980	0.00	0605 0476	30 980	15 500
2018NSSX05315	Screw Pump Station Swartkops Plant and Machinery / Electrical	46 470	0.00	0605 0476	46 470	23 450
2018NSSX01810	Screw Pump Station Swartkops Plant and Machinery / Electrical	30 260	0.00	060S 0476	30 260	15 150
2018NSSX01806	Screw Pump Station Swartkops Plant and Machinery / Mechanical	46 480	0.00	0605 0476	46 480	23 250
2018NSSX01803	Screw Pump Station Swartkops Plant and Machinery / Mechanical	30 210	0.00	0605 0476	30 210	15 100
2018NSSX01795	Screw Pump Station Swartkops Plant and Machinery / Mechanical	70 340	0.00	0605 0476	70 340	35 170
2018NSSX01802	Screw Pump Station Swartkops Plant and Machinery / Mechanical	45 630	0.00	0605 0476	45 630	23 320
<b>TOTAL</b>						<b>R5 134 490</b>
SANITATION • VIREMENT TO THE FOLLOWING VOTE						
<b>Org. Code/ Item Code</b>	<b>Project Description</b>	<b>Current Budget</b>	<b>Expenditure</b>	<b>Vote</b>	<b>Budget Balance</b>	<b>Amount to be Viremented</b>
2018NSSX01528	Sewers and Outfalls Clearing of Sewers	35 582 900	34 811 407.04	0447 1238	771 429.96	5 134 490
<b>TOTAL</b>						<b>R5 134 490</b>

## Discussion

### Legal Implications

Failure to deal with blockages and spillages, will result in environmental and health challenges that will affect communities. This will lead to litigation against the NMBM.

### Financial implications and project allocations Current/medium term Budget and relation to IDP

An amount of R5 134 490 is required for the committed contractual payments on various projects, which is required for the department to provide an uninterrupted service to the residents of the Metro.

## Comment by Budget and Treasury

The virements are supported by the Acting Chief Financial Officer as it is in line with the Municipality's Financial Management Policies.

### THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 amends the 2023/24 Operating Budget of Sanitation Services : Sewers and Outfalls as indicated in Table 1 in this report in the amount of R5 134 490.

(Decision taken by the Executive Mayor on 16 August 2024 – Executive Mayor's Resolution No. 42/2024)

(Document No. 13087 was received from the Office of the Executive Mayor on 20 August 2024)

### **15. BUDGET AMENDMENT – SPORT, RECREATION, ARTS AND CULTURAL SERVICES 2024/25 OPERATING BUDGET TO PROVIDE FUNDING TO INCREASE THE EASTERN PROVINCE ATHLETICS (EPA) LEGACY PROJECT TO COVER ADDITIONAL EXPENSES RELATED TO THE IMPLEMENTATION OF THE MARATHON (3/2/1/3/3)**

The Executive Mayor on 26 June 2025 considered the following report:

#### **BACKGROUND**

The Sport, Recreation, Arts and Cultural Services Directorate submitted a Memorandum in March 2025 requesting an Executive Mayor's Resolution to increase the funding to Eastern Province Athletics with an amount of R1,000 000 (Inclusive of VAT).

The memorandum explains in detail the reasons for the request made by Eastern Province Athletics. The Budget and Treasury Directorate's Accountant and Acting Chief Financial Officer commented and signed the memorandum. The memorandum was then submitted to the Office of the City Manager before getting it signed by the Executive Mayor and an Executive Mayor's Resolution issued.

#### **DISCUSSION**

The memorandum was returned from the Acting City Manager's Office to the Sport, Recreation, Arts and Cultural Services Directorate to clarify the following issues:

##### **1. Reasons for the delay due to the Memorandum being presented in May 2025?**

*This Memorandum was delivered to the ACM Office during Mr Mvunelwa's acting tenure as City Manager. The Directorate is unable to provide reasons for the delay in the Office of the City Manager. The date captured on the original document indicates the document was received in the Office of the ACM on 09 April 2025.*

**2. Confirmation if the Human Rights Race occurred and if the financial allocation is still required.**

*The Directorate hereby confirms that the Human Rights Race was implemented on 15 March 2025 in Kariega and there is no longer a need for the allocation in respect of this race.*

**3. The Comments from Budget and Treasury and if there are any savings in the current budget whereby virements can be done?**

The Directorate notes the comments from Budget and Treasury and is not in agreement with some, due to the following reasons:

- Moving of the race to Cape Town and Durban was done as a principle by ASA to rotate the Championships to other provinces and not due to any negative issues relating to performance by EPA or NMBM. It must be noted that the race was hosted for 8 consecutive years in NMBM and ASA had to give other provinces an opportunity. When its an ASA Championship race, the federation provides their financial support to the hosting federation.
- The increased cost depends on the number of entries and this race is a mass participation race that includes a 5km distance and has 845 on-line registered athletes already. This means additional medals, race numbers and all the items mentioned in the tables on page 3 of the attached memo.
- The race must maintain its Elite Status with ASA and World Athletics. This requires the Federation to invite Elite Athletes across the African continent at its own cost. Additional costs for anti-doping and broadcasting would have been mostly covered by ASA, but the entire cost must be covered by EPA.
- On page 5 of the original memorandum, we have indicated that there is a saving on our budget from which the virement can be done.
- The R1,000 000 will be inclusive of VAT and therefore the actual increased funding to EPA amounts to R850 000.

The NMB Half Marathon is planned to take place on 29 June 2025 at Pollock Beach and promises to attract a big number of athletes across the country. It is therefore recommended that the requested increased budget be supported by the Acting City Manager for approval by the Executive Mayor.”

**NOTE BY SECRETARIAT:** A copy of the memorandum to the Executive Mayor and the Acting City Manager dated 3 March 2025 is attached as **Annexure “F1”** and the memorandum dated 27 May 2025 is attached as **Annexure “F2”** to this report.

**THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 amends the Sport, Recreation, Arts and Cultural Services Directorate’s Operating Budget in the amount of R1,000 000 (VAT Inclusive) to the Eastern Province Athletics (EPA) to support the increased requirements of the NMB Half Marathon in the 2024/25 financial year:

**FUNDS TRANSFERRED FROM:**

Vote No	Project ID	Job No	Project Title	Current Budget	Estimated Expenditure	Balance	Amendment
1114 4976	2018 1394	NSRA 201808579	Summer Season	R 5,700 000	R3,000 000	R2,750 000	-R1,000 000

**FUNDS TRANSFERRED TO:**

Vote No	Project ID	Job No	Project Title	Current Budget	Estimated Expenditure	Balance	Amendment
1114 4976	20281394	NSRA 201805881	EP Athletics	R 5,530 440	R5,530 440	R 0	+ R1,000 000

- (b) That subject to approval of the recommendation (a) above, the Acting City Manager be authorised to sign an Addendum to the existing Agreement between Eastern Province Athletics (EPA) and the NMBM to capture the increased budget of R1,000 000 (VAT Inclusive) in the 2024/25 financial year.

(Decision taken by the Executive Mayor on 26 June 2025)

(Document No. 13563 was via electronic mail from the Office of the Acting Executive Director: Sport, Recreation, Arts and Cultural Services on 8 July 2025)

**16. REQUEST FOR A BUDGET AMENDMENT FOR EPWP PARTICIPANTS OPERATING BUDGET ITEM IN ORDER TO PROVIDE A REASONABLE SERVICE DELIVERY WITHIN THE NMBM (3/2/1/3/3) (Minute No. 28/2025)**

The Executive Mayor on 22 January 2025 considered the following report:

**“1. Purpose**

The purpose of this correspondence is to request the consideration from the Executive Mayor and the Acting City Manager for granting approval to amend the 2024/25 Operating Budget to allow for the Electricity & Energy Directorate to shift funds from the Vacancies monies to EPWP Participants monies within Electricity and Energy Directorate.

**2. Background**

The Distribution Sub-Directorate of the Electricity & Energy Directorate is responsible for the maintenance and repair of electrical infrastructure within the NMBM. Instances occur when the existing personnel in the Directorate's Distribution Divisions are unable to carry out repairs and maintenance of the infrastructure due to constraints, loadshedding, shortage of resources, funding availability as well as of late flooding in several areas within NMBM. This has created a backlog of faults.

Loadshedding itself has created enormous challenges such as vandalism and theft of the infrastructure whilst the network is off. This infrastructure needs to then be replaced which was not anticipated. When switching of the electrical infrastructure back on after loadshedding a surge of current due to the load on the system creates an inrush of current. This inrush of current often causes premature failure of the already aging infrastructure. Additional maintenance is then required which was not originally anticipated. The above have created an unforeseen Operating Budget Expenditure that was not anticipated nor budgeted for.

Public lighting is an important community safety matter, and it decreases possible night accidents by enhancing visibility. Public lighting also assists in making pedestrians and motorists more aware of possible dangers, such as hijacking and robbery. It is very important for the NMBM to ensure that lights are kept on at night in our communities and most importantly in the previously disadvantaged communities where most of the residents are pedestrians. Streetlighting helps residents to feel safe and can help to reduce crime in our communities.

Of the funded vacancies only one Superintendent, one Senior Superintendent, three Cable Layers and thirteen Artisan Assistants were appointed in the last few months, of which the funds have been secure in the Vacancies votes for these appointments. The other appointments will be done later in the financial year.

Due to previous vacancy moratoriums, vacancies are not all funded, and the filling of vacancies has been very slow. The EPWP Participants program has assisted us and is assisting us especially where vacancies exist in the lower end grades of service delivery.

### **3. Discussion**

The Distribution Sub-Directorate's staff complement is not sufficient to service the public due to the vacancies that have not yet been filled because of the moratorium, delays in recruitment process and budget cuts over the past years. For this reason, the directorate is using contactors for the installation, repair, and maintenance of electricity infrastructure and EPWP Participants to dig trenches etc, all supplementing the requirements for achieving a functional, well-lit City. The Distribution Operating Budget in principle did not accommodate for all the additional Contractor and EPWP labour.

There are no contracts appointed at present for several Distribution disciplines, these Contracts were cancelled even though SCM had given the Contractors appointment letters. It appears that there has been a lack of insight or incorrect information even given to the External Lawyers. This has not been a lack of planning or fault of the Electricity and Energy Directorate. Duties of EPWP are as given in the spreadsheet attached. Most are Field Workers assisting with digging predominantly and Artisan Assistant type work. The remainder of the EPWP duties are assisting the Distribution Sub-Directorate with there is a lack of staff due to vacancies. The filling of vacancies is still a work in progress and HR is battling to keep up. We have seconded EPWP to assist HR with any admin type work as well to speed up the process. There is no specific project that the EPWP are assisting with other than as spelt out above in the Depots that they assist with are as indicated in the spreadsheet attached.

The savings identified in the Provision for Vacancies budget, detailed in Annexure A, represent unutilized funds resulting from vacancies not being filled over the past five months. These savings create an opportunity to reallocate funds to the EPWP Participants vote for more immediate operational needs.

- The recruitment process for vacant positions commenced in December 2023 following approval from the then Acting City Manager. While some funded positions have been filled, the recruitment process for the remaining positions is ongoing.
- Due to the delayed filling of vacancies, significant savings have accrued in the Provision for Vacancies budget over the past five months. These savings are clearly documented in the attached Annexure A (RN Status)
- Transferring these identified savings to the EPWP Participants vote will ensure optimal utilization of available resources. This will allow us to address pressing operational requirements, such as urgent maintenance issues, without impacting the ongoing recruitment process.

In-light of the above, we respectfully request the approval of the Executive Mayor to transfer the identified past 5 months savings identified from the budget allocated for the Provision for Vacancies to the EPWP Participants budget, within the Operating Budget. This transfer will enable the directorate to address urgent maintenance issues without compromising our financial stability.

As per Annexure B and Annexure C attached hereto 89 (47 + 42) EPWP participants' contracts need to be extended as soon as possible to ensure continued service delivery. Both annexures detail where the EPWP participants will be employed within the Distribution sub-directorate as well as the tasks that they will be performing for a further period of 6 months”.

### Comments by Budget and Treasury Directorate

The Budget and Treasury have reviewed the item and confirm agreement with the budget availability as per the approved 2024/2025 Original and Section 1.6 of the Financial Management Policy.

### THE EXECUTIVE MAYOR RECOMMENDS:

That Council **by resolution taken by the majority of its full number**, and in terms of Section 30 (2) of the Local Government: Municipal Structures Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government Finance Management Act No 56 of 2003, and Clause 1.6 of the Council’s Financial Management Policies amends 2024/2025 Operating Budget as follows:

### Budget Amendment details:

Reduce Vote	0374 - 3753	By	- 66,000.00
Reduce Vote	1603 - 3753	By	- 780,000.00
Reduce Vote	1602 - 3753	By	- 316,800.00
Reduce Vote	1601 -3753	By	- 900,000.00
Reduce Vote	1600 - 3753	By	- 726,000.00
Reduce Vote	1599 - 3753	By	- 272,025.00
Reduce Vote	1598 - 3753	By	- 486,242.50
Reduce Vote	1597 - 3753	By	- 1,114,163.75
Reduce Vote	1594 - 3753	By	- 382,800.00
			<b>-5,044,031.25</b>
Increase Vote	0374 - 8364	By	<b>5,044,031.00</b>

Decision taken by Executive Mayor on 22 January 2025 – Executive Mayor’s Resolution No. 28/2025).

(Document No. 13503 received from the Office of the Executive Mayor on 27 January 2025)

**17. REQUEST TO INCORPORATE THE RE-PRIORITISATION OF THE MDRG CAPITAL PROJECTS IN THE 2024/2025 FINANCIAL YEAR AND THE ROLLOVER OF MDRG UNSPENT FUNDING FROM THE 2024/2025 FINANCIAL YEAR CAPITAL BUDGET TO THE 2025/2026 FINANCIAL YEAR CAPITAL BUDGET (3/2/1/3/3) (Minute No. 32/2025)**

The Executive Mayor on 11 July 2025 considered the following report:

**1. Purpose**

The purpose of this item is to recommend to the Executive Mayor, an authority to incorporate the reprioritization of the 2024/2025 MDRG Capital Projects and to approve a rollover of the unspent funding on the Municipal Disaster Recovery Grant (MDRG – R53.9M) from the previous 2024/2025 Capital Budget financial year to the 2025/2026 Capital Budget to ensure budget availability towards the implementation of the Municipal Disaster Recovery Grant (MDRG) R53.9m.

The Provincial Disaster Management Centre (PDMC) has approved the extension of the 6 months Conditional Grant Framework up to end September 2025 (Annexure A). The implementation programme has commenced which will see the projects continued into the 2025/2026 financial year.

It is recommended that the unspent portion of the MDRG (Response) capital budget from the 2024/2025 Capital Budget year be rolled over to the 2025/2026 Capital Budget Framework.

**2. Background**

When approving the 2025/2026 Budget Council dated 18 June 2025 inter-alia resolved as follows:

*(n) That Council delegates the Executive Mayor to ensure that all projects linked to the Municipal Disaster Relief/Recovery Grants are incorporated into the 2025/2026 budget, to cover work that will proceed in the coming financial year (2025/2026), from the 2024/2025 financial year, to avoid any interruption towards project implementation.*

The above resolution was taken by Council with the full understanding that there may be certain implementation hurdles that may create problems in the 2025/2026 financial year, as the projects linked to the Disaster Grants were not part of the 2026-2028 Council approved 2025/2026 budget.

The Executive Mayor will then report her decision to Council as they are implemented.

The approved 2024/2025 MDRG projects list as demonstrated in the table below (along with the re-allocated amounts based on the PDMC approval).

The re-prioritised project values (refer to Annexure A) still need to be incorporated into the 2024/2025 Capital Budget.

**Table 1: 2024/2025 MDRG Approved Budget**

No.	Project Name	Approved Allocated Budget	Proposed Allocated Budget
1	Repairs to collapsed and burst pipelines (Jones Street, Taylor Street) – Jubilee Hotel - Kariega	R500 000,00	R500 000,00
2	Repairs and restoration of Mavuso Road and stormwater drainage – New Brighton	R10 000 000,00	R6 555 683,96
3	Repairs and restoration of Moegesukkel Access Road including stormwater drainage - Kariega	R7 099 000,00	R10 966 980,16
4	Repairs and restoration of Salt Lake – Jacks Street including stormwater drainage	R4 000 000,00	R3 575 218,61
5	Repairs and restoration of Salt Lake – Seibrits Pond	R2 500 000,00	R1 230 895,03
6	Repairs and restoration of Budaza Street including stormwater drainage – New Brighton	R4 000 000,00	R4 114 018,28
7	Repairs and restoration of Jabavu Footbridge - Kariega	R6 700 000,00	R6 695 307,83
8	Repairs and restoration of Mngwanza Street including stormwater drainage - Kariega	R4 200 000,00	R6 163 053,44
9	Repairs and restoration of De Mist Canal and Fourie Street - Kariega	R15 000 000,00	R14 197 842,69
	<b>Total Amount</b>	<b>R53 999 000,00</b>	<b>R53 999 000,00</b>

The revised project list (Including Construction Work as well as Consulting Services) is demonstrated in the table below:

**Table 2: MDRG Approved re-prioritised Budget**

Area: Town, Village, etc.	Revised Budget Allocation	Consulting Services Budget	Construction Budget
<b>INFRASTRUCTURE AND ENGINEERING BUDGET</b>			
Jubilee hotel-Collapsed and burst pipelines (Jones Street, Taylor Street)	R500,000.00	R -	R500,000.00
Mavuso Road - New Brighton	R6,555,683.96	R590,011.56	R5,965,672.40
De Mist Canal – Fourie Street	R14,197,842.69	R1,277,805.84	R12,920,036.85
New Brighton – Buduza Street Stormwater Reconstruction	R4,114,018.28	R370,261.65	R3,743,756.63
Jabavu - Footbridge	R6,695,307.83	R602,577.70	R6,092,730.13
Salt Lake – Jacks Street	R3,575,218.61	R321,769.67	R3,253,448.94
Salt Lake – Seibrits Pond	R1,230,895.03	R110,780.55	R1,120,114.48
Moegesukkel, Kariega Area	R10,966,980.16	R987,028.21	R9,979,951.95
Kariega – Mngwanza Street	R6,163,053.44	R554,674.81	R5,608,378.63
<b>Total</b>	<b>R53,999,000.00</b>	<b>R4,814,910.00</b>	<b>R49,184,090.00</b>

There has been 0% expenditure to date against the MDRG projects for construction works due to various delays encountered on the implementation of the programme. Work has already commenced on the 2024/2025 related to PSP services rendered against the MDRG Capital Projects. We have received the following listed invoices for PSP services payable in the 2024/2025 financial year.

**Table 3: 2024/2025 MDRG PSP Invoices**

<b>NELSON MANDELA BAY MUNICIPALITY</b>				
<b>INVOICES RECEIVED (MBSA)</b>				
<b>Date</b>	<b>Service Provider</b>	<b>Inv (Excl. VAT)</b>	<b>15% VAT</b>	<b>Inv (Incl. VAT)</b>
23/April/2025	MBSA Consulting	R365,876.40	R54,881.46	R420,757.86
23/April/2025	MBSA Consulting	R141,296.40	R21,194.46	R162,490.86
24/April/2025	MBSA Consulting	R130,700.00	R19,605.00	R150,305.00
24/April/2025	MBSA Consulting	R124,800.00	R18,720.00	R143,520.00
24/April/2025	MBSA Consulting	R120,276.40	R18,041.46	R138,317.86
24/April/2025	MBSA Consulting	R260,600.00	R39,090.00	R299,690.00
24/April/2025	MBSA Consulting	R187,476.40	R28,121.46	R215,597.86
24/April/2025	MBSA Consulting	R125,326.40	R18,798.96	R144,125.36
<b>TOTAL EXPENDITURE AS OF 30 JUNE 2025</b>		<b>R1,456,352.00</b>	<b>R218,452.80</b>	<b>R1,674,804.80</b>
<b>TOTAL DISASTER BUDGET</b>		<b>R46,955,652.17</b>		<b>R53,999,000.00</b>
<b>UNSPENT 2024/2025 BALANCE TO BE CONSIDERED FOR ROLLOVER TO 2025/2026</b>		<b>R45,499,300.17</b>		<b>R52,324,195.20</b>

The total unspent budget to be carried over to the 2025/2026 is R52 324 195.20 (Incl. VAT) from the 2024/2025 Capital Budget.

### **3. Budget and Treasury Comments**

The Directorate has perused the item and in agreement that for the project (i.e. MDRG) to be brought into the 2025/2026 financial year, the delegations to the Executive Mayor, as approved by Council dated 18 June 2025, will have to be applied.

The approval by the Executive Mayor will be reported to Council within 60 days of approval of this item. We must state though that due to the urgency of this matter, and the fact that we are dealing with an outcome of a disaster, grant already allocated and transferred to the NMBM for spending, this must be undertaken on an urgency basis.

As we are aware the Rollover applications have their process which commences when the annual financial statements are concluded on or before end August of each year, however, in this case the luxury of time does not exist as there will be no ability/authority to settle any invoices when there exists no budget in a Council approved budget for the 2025/2026 financial year.

Council must also understand that all Capital spending against the MDRG must be concluded on or before end September 2025, as no authority exists beyond this time, which may lead to the loss of funds required for this purpose.

It is also important to note that the amounts to be rolled over are based on what the Directorate has confirmed, as 30 June 2025, as there may be no opportunity to address any other invoices affecting the previous financial year (2024/2025), if there is anything missed.

**THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That the Council, **by resolution taken by majority of its full number**, and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act No. 56 of 2003 hereby approves that Infrastructure and Engineering Directorate incorporates the re-prioritisation of the MDRG Capital Projects in the 2024/2025 Financial Year and the rollover of MDRG Unspent funding from 2024/2025 financial year Capital Budget to the 2025/2026 Financial Year Capital Budget, as more fully set out in the attached Memorandum and Tables below.
- (b) That the incorporated reprioritisation of the MDRG Capital Projects into the 2024/2025 Capital Budget, refer to the table below (Note all values are VAT Inclusive):

Project ID	Project Title	2024/25 Council Approved Budget Incl VAT	Proposed re-distribution 2024/25 (As per PDMC Approval)
20250064	MDRG-Construction of new stormwater outlet headwalls, pipeline and drainage at Mavuso Road	10,000,000	6,555,684
20250065	MDRG-Reconstruction of Moegesukkel Access Road	5,679,200	2,193,396
20250066	MDRG-Reconstruction of Salt Lake-Jacks Street (Stormwater Channel 500mX450mm)	3,200,000	2,860,175
20250067	MDRG- Reconstruction of Salt Lake-Jacks Street (Roadworks 400mX6m)	800,000	715,044
20250068	MDRG-Upgrade and Restoration of Salt Lake-Siebritz Pond	2,500,000	1,230,895
20250069	MDRG-Construction of new stormwater piping at Budaza Street	4,000,000	4,114,018
20250070	MDRG-Reconstruction of Jabavu Footbridge in Kariega	6,700,000	6,695,308
20250071	MDRG-Reconstruction of Mngwanza Street in Kariega	4,200,000	6,163,053
20250072	MDRG-Reconstruction of De Mist Canal in Kariega	12,000,000	11,358,274
20250073	MDRG-Reconstruction of Fourie Street in Kariega	3,000,000	2,839,569
20250074	MDRG-Reconstruction of Stormwater Drainage System at Moegesukkel Access Road	1,419,800	8,773,584
20250083	MDRG-Replacement of Collapsed/Burst Pipelines (Jones and Taylor Street – Kariega CBD)	500,000	500,000
		<b>53,999,000</b>	<b>53,999,000</b>

- (c) That approval of the unspent MDRG Capital Budget 2024/2025 to be rolled over to the 2025/2026 Capital Budget, refer to the table below (Note all values are VAT inclusive):

Project ID	Project Title	Proposed re-distribution 2024/25 (As per PDMC Approval)	Invoices for PSP Services Rendered 2024/25	Capital Budget Remaining as 30 June 2025
20250064	MDRG-Construction of new stormwater outlet headwalls, pipeline and drainage at Mavuso Road	6,555,684	299,690.00	6,255,994
20250065	MDRG-Reconstruction of Moegesukkel Access Road	2,193,396		2,193,396
20250066	MDRG-Reconstruction of Salt Lake-Jacks Street (Stormwater Channel 500mX450mm)	2,860,175	143,520.00	2,176,655
20250067	MDRG- Reconstruction of Salt Lake-Jacks Street (Roadworks 400mX6m)	715,044		715,044
20250068	MDRG-Upgrade and Restoration of Salt Lake-Siebritz Pond	1,230,895	138,317.86	1,092,577
20250069	MDRG-Construction of new stormwater piping at Budaza Street	4,114,018	150,305.00	3,963,713
20250070	MDRG-Reconstruction of Jabavu Footbridge in Kariega	6,695,308	162,490.86	6,532,817
20250071	MDRG-Reconstruction of Mngwanza Street in Kariega	6,163,053	144,125.36	6,018,928
20250072	MDRG-Reconstruction of De Mist Canal in Kariega	11,358,274	420,757.86	10,937,516
20250073	MDRG-Reconstruction of Fourie Street in Kariega	2,839,569		2,839,569
20250074	MDRG-Reconstruction of Stormwater Drainage System at Moegesukkel Access Road	8,773,584	215,597.86	8,557,986
20250083	MDRG-Replacement of Collapsed/Burst Pipelines (Jones and Taylor Street – Kariega CBD)	500,000		500,000
		<b>53,999,000</b>	<b>1,674,804.80</b>	<b>52,324,195</b>

- (d) That the Executive Mayor report to the next Council meeting within 60 days of approval (Reference is made to Council Resolution):

(n) *That Council delegates the Executive Mayor to ensure that all projects linked to the Municipal Disaster Relief/Recovery Grants are incorporated into the 2025/26 budget, to cover work that will proceed in the coming financial year (2025/26), based on unspent portions of the MDRG to be determined during July/August 2025, from the 2024/25 financial year, to avoid any interruption towards projects implementation.*

(Decision taken by Executive Mayor on 11 July 2025 – Executive Mayor’s Resolution No. 32/2025)

(Document No. 13578 was received from the Office of the Executive Mayor on 15 July 2025)

**18. BUDGET AMENDMENT FOR OVERTIME PAYMENT FOR RENDERING CEMETERY SERVICES - PUBLIC HEALTH DIRECTORATE (2/2/1/3/3) (Minute No. 11/2025)**

The following report was considered by the Executive Mayor on 19 May 2025:

**“Purpose**

The purpose of this item is to request permission from the Executive Mayor and the Acting City Manager on the following:

- To consider and grant approval on the amendment of the 2024/25 Operative Cemeteries approved Adjustment Budget to allow for processing of overtime payments and the rendering of the Cemetery services until 30 June 2025.
- The movement of funds to the value of R2 000 000 from various Parks and Cemetery votes (Horticulture & Cemeteries Votes -1299) line-item Basic Remuneration (0021) to the Org Code 0080 (Operative Cemeteries) line item 0048 (Overtime)

**Background/Discussion**

The Cemetery staff in conjunction with Labour Relations, reached an Interim Agreement with the previous acting Executive Director, on the 6 September 2018, whereby these conditions were amended to a working week of Monday to Friday with a percentage of staff working overtime on Saturdays and Sundays on a rotation basis.

All Cemetery staff are employed as Variable staff, they work a 5-day variable week. The Cemetery staff took the NMBM to the Bargaining Council in 2018. The Presiding Officer ruled that the SALBC lacked jurisdiction to arbitrate the dispute and that the Applicants had the right to deal with the dispute in terms of section 64 (1) (a) of the LRA as a certificate of non-resolution was issued. Burials are not dictated to by time. One must also be aware of the Basic Conditions of Employment Act where an employee may not work more than 40 hours overtime per month.

Having the incumbent’s work, a 5-day variable week mean that they work on a rotation basis over the weekends and have 2 days during the week when the cemetery has the least amount of work.

Cemeteries are required to be manned over the weekends from 8h00 to 16h00. Time and a half will be 12-hours overtime paid for a Saturday. Double Time on a Sunday will be 16-hours overtime paid on a Sunday. Due to the hours worked by Cemetery staff now being classified as overtime the hours worked by some staff have exceeded the 40 hours per month threshold.

**Budget Confirmation**

Budget availability is confirmed for the virements to be processed subject to approval by the Executive Mayor in line with paragraph 1.6 of the Financial Management Policies.

The proposed budget amendment is supported.”

**THE EXECUTIVE MAYOR RECOMMENDS:**

That the Council, **by resolution taken by majority of its full number**, and in terms of section (30) (2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Chapter of the Local Government: Municipal Finance Management Act No. 56 of 2003 and clause 1.6 of the Council’s Financial Management Policies amends the 2024/25 Adjustment Budget approves the movement of funds to the value of R2 000 000 from various Parks and Cemetery votes (Horticulture & Cemeteries Votes -1299) line-item Basic Remuneration (0021) to the Org Code 0080 (Operative Cemeteries) line item 0048 (Overtime) as follows:

REVISED 2025-2025						
Virement from						
Organisations	ITEM DESCRIPTION	Funding Source	Estimate	Actual	Balance	Virement Value
1706 Plants and Weed Control	0021 Basic Remuneration	Levies	960,330	569,328.00	391,002.00	250,000.00
0073 Open Spaces - South	0021 Basic Remuneration	Levies	12,387,710	6,963,175.89	5,424,534.11	390,000.00
0074 Open Spaces - Central	0021 Basic Remuneration	Levies	9,214,500	5,346,230.45	3,868,269.55	440,400.00
0084 Open Spaces : East	0021 Basic Remuneration	Levies	13,002,670	7,903,545.19	5,099,124.81	260,000.00
0953 Open Spaces West	0021 Basic Remuneration	Levies	12,533,130	7,475,545.77	5,057,584.23	659,600.00
						2,000,000.00

Virement to						
Organisations	ITEM DESCRIPTION	Funding Source	Estimate	Actual	Balance	Virement Value
0080 Operative Cemeteries	0048 OVERTIME	Levies	3,060,290	2,962,776.04	97,513.96	2,000,000.00

(Decision taken by the Executive Mayor on 19 May 2025 – Executive Mayor’s Resolution No. 11/2025)

(Document No. 13543 was received from the Office of the Executive Mayor on 26 May 2025)

**19. BUDGET AMENDMENT OF THE 2024/25 ISUPG BUSINESS PLAN TO ACCELERATE EXPENDITURE – HUMAN SETTLEMENTS DIRECTORATE (2/2/1/3/3) (Minute No. 12/2025)**

The following report was considered by the Executive Mayor on 26 May 2025:

**“Purpose**

The purpose of this item is to request Council to approve the proposed amendments to the approved 2024/25 Informal Settlements Upgrading Partnership Grant (ISUPG) Capital Adjustments Budget in order to accelerate expenditure and deliver services to the needy communities.

## Background/Discussion

As required by the MFMA, the expenditure project must happen where there is sufficient budget.

The Minister of Human Settlements approved and gazetted an allocation of R361 684 000 (Vat Inclusive) for the 2024/25 ISUPG Business Plan on 23 July 2024. As per the 2025 Approved Adjustments Budget, and including the latest re-prioritisation of projects (Council 31 March 2025), the ISUPG has been distributed among the various departments as per the table below:

### SPENDING COMPARED TO BUDGET - 1 JULY 2024 - 30 APRIL 2025

Directorate	Approved Budget	Total Expenditure	% Spent 2024/25
<b>ELECTRICITY AND ENERGY (CAPITAL)</b>	<b>87,695,000</b>	<b>62,623,838</b>	<b>76%</b>
<b>HUMAN SETTLEMENTS (CAPITAL)</b>	<b>17,280,000</b>	<b>-</b>	<b>0.0%</b>
<b>ROADS (CAPITAL)</b>	<b>150,057,000</b>	<b>102,746,138</b>	<b>72.8%</b>
<b>SANITATION (CAPITAL)</b>	<b>12,880,000</b>	<b>1,247,422</b>	<b>9.7%</b>
<b>PUBLIC HEALTH (CAPITAL)</b>	<b>25,000,000</b>	<b>23,846,535</b>	<b>95.4%</b>
<b>WATER (CAPITAL)</b>	<b>5,866,000</b>	<b>3,621,257</b>	<b>61.7%</b>
<b>SRAC (CAPITAL)</b>	<b>7,305,000</b>	<b>5,460,473</b>	<b>74.7%</b>
<b>EDTA (CAPITAL)</b>	<b>3,000,000</b>	<b>2,070,336</b>	<b>69.0%</b>
<b>EDTA (OPERATING)</b>	<b>400,000</b>	<b>285,307</b>	<b>71.3%</b>
<b>SANITATION (OPERATING)</b>	<b>28,560,000</b>	<b>-</b>	<b>0.0%</b>
<b>HUMAN SETTLEMENTS (OPERATING)</b>	<b>23,641,000</b>	<b>7,028,097</b>	<b>29.7%</b>
<b>TOTAL VAT INCL</b>	<b>361,684,000</b>	<b>208,929,404</b>	<b>57.8%</b>

On 21 February 2025 the NMBM received a letter dated 14 February 2025 from National Treasury requesting the NMBM to motivate why R14,500,000 should not be stopped from the 2025 Financial Year allocation, because of under-performance. The NMBM prepared a strong motivation for the budget not to be stopped.

However, certain projects were proactively set aside in case National Treasury proceed to stop the R14,500,000.

The Government Gazette No. 52381 dated 25 March 2025 demonstrated that no budget would be stopped from the NMBM's 2025 Financial Year allocation. Therefore, the projects that were provisionally reserved for this purpose are now available for budget adjustments.

These capital projects are intended to complete the installation of High Voltage equipment and the commissioning of the HV bays at Matomela and KwaFord substations. The substations are supplying residential, commercial, and industrial customers.

At the beginning of the 2024/2025 financial year, it was identified that the funds allocated for both projects would not be sufficient to complete the projects. A request was made to the Human Settlements Directorate for consideration of possible additional funding amounting to R4,553,309.88 and R4,098,405.04 (Vat Inclusive) respectively.

It must be noted that the allocated funds for both the Matomela and KwaFord projects were fully exhausted by the end of the 2nd quarter of the 2024/2025 financial year.

After consideration, Human Settlements has identified additional funding that could be availed for both Matomela and KwaFord capital projects. It is anticipated that both projects will conclude within the 2025 Financial Year. These projects are linked together as they form a ring configuration of the electrical network and are needed to be completed in conjunction with each other.

The Bethelsdorp capital project is currently facing challenges, which has resulted in the project being placed on hold.

This project involves the laying of cables, for which an ISO has been submitted to the E&E Distribution Department. Currently, only R260,192 (Vat Inclusive) expenditure has been incurred against this project. Due to a huge backlog, it has been determined that the remaining capital budget on this project will not be spent in the 2025 Financial Year.

Therefore, the remaining budget of R2,939,810 (Vat Inclusive) has been identified to be utilized for the completion of the Matomela capital project in the current 2025 Financial Year.

As part of the 2025 Capital Adjustments Budget for Electricity and Energy Undeclared Informal Settlements, the Directorate erroneously provided the incorrect ward information for the re-allocation of funds to Bayland. The Budget for Bayland was incorrectly linked to Ward 41 instead of Ward 52. This error needs to be corrected.

Furthermore, an additional budget of R5,200,000 (Vat Inclusive) is required for the purchasing of electricity meters to connect shacks to the grid and enhance the revenue generation of the municipality.

This additional budget aims to accelerate the planned work for 2025/26 to the current financial year.

The requested funds are intended for the purchase meters as the meter procurement process through RT29 has been concluded.

Additional funding is required for the continuation of the construction of Sakhisizwe Road in Joe Slovo Ward 41 (20240309). This project is currently part of the 2024/25 approved ISUPG business plan.

For the **Bethelsdorp Extension 32, 34 and 36** capital projects, the contractor was appointed. However non-responsive contractors filed objections, and it is anticipated that the resolution of those objections will take some time due to a backlog of objections that exists. This causes uncertainty and exposes the project to a risk on non-performance.

On 24 February 2025, contact was made with the Ward Councillor to set up a meeting to discuss the Bethelsdorp Ext 32, 34 and 36 challenges.

It was then agreed to redirect all these funds to other performing projects, on condition that the project was included in the 2025/26 ISUPG Business Plan. It is confirmed that these projects are already part of the draft ISUPG Business Plan for 2025/26.

With regards to the Capital Projects for **Erf 818 at McCarthy**, the community surrounding the piece of land in question has rejected the servicing of sites for low-cost housing and have proposed that it be utilized for Social Housing. The process to pursue this option will require stringent compliance with certain processes and is subject to various internal and external factors that relates to Social Housing. These processes pose a risk to the successful implementation of the project.

A meeting was held on 11 February 2025 with the Ward Cllr and his Committee, and they vehemently rejected the implementation of low-cost housing on Erven 818. They rather proposed that a social housing solution be implemented instead.

Therefore, all the approved 2025 funding associated with the **Bethelsdorp Ext 32, 34 and 36** Capital Projects as well as the **Erf 818** Capital Projects can be re-prioritised to other performing ISUPG projects in the 2025 Financial Year.

### **Budget Confirmation**

Budget availability is confirmed for the virements to be processed subject to approval by the Executive Mayor in line with paragraph 1.6 of the Financial Management Policies.

The proposed budget amendment is supported.”

### **THE EXECUTIVE MAYOR RECOMMENDS:**

That the Council, **by resolution taken by the majority of its full number**, and in terms of Section 30 (2) of the Local Government: Municipal Structures Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government Finance Management Act No 56 of 2003, and Clause 1.6 of the Council's Financial Management Policies, amend the approved 2024/25 Capital Budget relating to the affected ISUPG funded projects, as follows :

PROJECT ID	PROJECT DESCRIPTION	TOTAL APPROVED PROJECT BUDGET (INCL VAT)	REDUCE BY (VAT INCL)	INCREASE BY (VAT INCL)	FROM (INCL VAT)	TO (INCL VAT)
20170022	Undeclared Informal Electrification	48,695,010	0	0	48,695,010	48,695,014
	<b>Ward Movements within 20170022</b>					
	Ward 41 - Bayland		-1,395,000			
	Ward 41 - Bayland		-2,810,000			
	Ward 52 - Bayland			4,205,000		
20170022	Undeclared Informal Electrification	48,695,000		5,200,000	48,695,000	53,895,000
20210330	E&E Upgrade bulk infrastructure 1X132KV CB Matomela substation - Ekuphumleni (Ward 19)	2,800,000		4,036,200	2,800,000	6,836,200
20220205	E&E: Re-configuration of Kwa-Ford Substation	3,163,250		5,000,000	3,163,250	8,163,250
20230307	2024 ISUP - Joe Slovo Ward 41 Construction of Roads	33,064,500		5,983,600	33,064,500	39,048,100
20230284	2024 ISUP- Construct 11kV power line from Bethelsdorp Sub to Loder Distribution sub - Kliprandt Ward	3,200,000	-2,939,800		3,200,000	260,200
20240273	Bethelsdorp Extension 32,34,36 - Water Reticulation	3,345,000	-3,345,000		3,345,000	-
20240286	Bethelsdorp Extension 32,34,36 - Sewer Reticulation	1,390,000	-1,390,000		1,390,000	-
20240288	Bethelsdorp Extension 32,34,36 - Stormwater Reticulation	3,345,000	-3,345,000		3,345,000	-
20240278	Erven 818 - Water Reticulation	1,380,000	-1,380,000		1,380,000	-
20240285	Erven 818 - Stormwater Reticulation	1,380,000	-1,380,000		1,380,000	-
20240304	Erven 818 - Sewer Reticulation	2,760,000	-2,760,000		2,760,000	-
20240305	Erven 818 - Roadworks	3,680,000	-3,680,000		3,680,000	-
	<b>TOTAL CAPITAL</b>	<b>108,202,750</b>	<b>- 20,219,800</b>	<b>20,219,800</b>	<b>108,202,750</b>	<b>108,202,750</b>

(Decision taken by the Executive Mayor on 26 May 2025 – Executive Mayor’s Resolution No. 12/2025)

(Document No. 141314 was received from the Office of the Executive Mayor on 27 May 2025)

**20. BUDGET AMENDMENT IN EXCESS OF R1,5M - PROVISION OF CONTRACT SECURITY FOR CRITICAL NMBM INFRASTRUCTURE (2/2/1/3/3) (Minute No. 32/2024)**

The following report was considered by the Executive Mayor on 18 July 2024:

**“Purpose**

The purpose of this report is to seek approval from Council to move funds from Safety & Security’s, Electricity & Energy’s and Infrastructure & Engineering’s Operating Budgets from various line items to Security’s Operating Budget, line item for Contract Security, vote number 0170/0205 to make provision for funds for Contract Security Services to protect Critical NMBM Infrastructure.

**Background/Discussion**

The Safety and Security Directorate has a responsibility to provide safety and security within the Nelson Mandela Bay Municipal jurisdiction. The Security Sub Directorate is therefore mandated to protect the Municipality’s assets as well as employees. In 2017 the Municipality embarked on insourcing of security personnel and thus terminating contracts with the two private security service providers in the belief that this would provide a more cost effective and efficient service.

It has proved to be a very costly and inefficient process which has resulted in substantial increases in Salaries, Overtime, Transport costs and Uniform to highlight just a few.

Therefore, in January 2022, Council Approved the use of a “Hybrid Security Process” which includes both Private and Internal Security.

The identification and categorisation of Essential and Critical Infrastructure has been undertaken as part of a Strategic Approach to Counter Vandalism and be implemented and approached as a Risk Reduction catalyst.

The security insourced personnel that is currently available to render an effective security protection function is simply insufficient to adequately deal with all the security needs of the Institution. This inefficiency has resulted in widespread vandalism and leaving key Municipal Infrastructure vulnerable to theft and vandalism.

As a result, GAP Management has been provisionally appointed for provision of security services for the below mentioned critical NMBM Infrastructure in terms of City Manager’s Resolution number 3750 for a period of 6 (six) months. On the 6<sup>th</sup> of September 2023 the City Manager approved a second emergency deviation application and the Company’s appointment was extended for another 6 (six) months in terms of City Manager’s Resolution number 3879. A third emergency deviation was approved on the 6<sup>th</sup> of March 2024 in terms of City Manager’s Resolution number 3975 and GAP Management was appointed for another month. The contract is expiring on the 3<sup>rd</sup> of May 2023, and the formal contract is yet to serve at the Bid Specification Committee (BSC), which suggests that at the time of the expiry, unless the deviation is extended, the service provider withdraws, leaving the institution’s assets and infrastructure vulnerable and exposed to being vandalised.

The Projected Annual expenditure for Contract Security for 2023/24 financial year from April until June 2024 is as follows:

**Report by Executive Mayor to  
Metropolitan Council  
14 August 2025 - Postponed from  
7 August 2025**

<b>GAP MANAGEMENT SITE LIST &amp; COSTING</b>					
Directorate	No	Site			
			Apr-24	May-24	Jun-24
Infrastructure & Engineering	1	Nooitgedacht Water Treatment Works	248,567.67	256,853.88	248,567.67
	2	Fishwater Flats Waste Water Treatment Works	290,201.82	299,875.84	290,201.82
	3	Driftsands Waste Water Treatment Works	248,567.67	256,853.88	248,567.67
	4	Standford Road Pump Station	165,711.78	171,235.92	165,711.78
	5	Motherwell Pump Station	165,711.78	171,235.92	165,711.78
	6	Chelsea Reservoir	165,711.78	171,235.92	165,711.78
	7	Loerie Water Treatment Works	165,711.78	171,235.92	165,711.78
	8	Kelvin Jones Water Treatment Works	165,711.78	171,235.92	165,711.78
	9	Kabah (Groendal) Water Treatments Works	165,711.78	171,235.92	165,711.78
	10	Cape Recife Water Treatment Works	165,711.78	171,235.92	165,711.78
	11	Despatch Waste Water Treatment Works	165,711.78	171,235.92	165,711.78
	12	Voortrekker Reservoir	165,711.78	171,235.92	165,711.78
	13	Coega Kop Water Treatment Works	323,644.51	334,433.34	323,644.51
	14	Missionvale Pumpstation	304,840.05	314,934.86	304,840.05
	15	Supervisors and Vehicles	244,679.98	253,510	244,679.98
		<b>Total</b>	<b>3,151,907.72</b>	<b>3,257,585.08</b>	<b>3,151,907.72</b>
		<b>Grand Total</b>			<b>9,561,400.52</b>
Directorate	No	Site	Apr-24	May-24	Jun-24
Electricity & Energy	1	Chatty Sub Station	248,567.67	256,853.88	248,567.67
	2	San Souci Sub Station	248,567.67	256,853.88	248,567.67
	3	Ditchling Sub Station	207,139.73	214,044.90	207,139.73
	4	Coega Main Sub Station	186,528.74	192,746.90	186,528.74
	5	Neptune Sub Station	186,528.74	192,746.90	186,528.74
	6	Recruitment Sub Station	186,528.74	192,746.90	186,528.74
	7	Sonop Sub Station	186,528.74	192,746.90	186,528.74
	8	Port Sub Station	186,528.74	192,746.90	186,528.74
	9	Malabar Substation	82,856.08	85,617.96	82,856.08
	10	Durban Road Towers Substation	82,856.08	85,617.96	82,856.08
	11	Caulfield Substation	82,856.08	85,617.96	82,856.08
	12	Motomela 22 KV Substation	82,856.08	85,617.96	82,856.08
	13	Motomela 66 KV Substation	82,856.08	85,617.96	82,856.08
	14	Kwaford 22 KV Substation	82,856.08	85,617.96	82,856.08
	15	Kwaford 66 KV Substation	82,856.08	85,617.96	82,856.08
	16	Struandale Substation	82,856.08	85,617.96	82,856.08
	17	Wells Estate BWB Substation	82,856.08	85,617.96	82,856.08
	18	Clevedon Road Substation	82,856.08	85,617.96	82,856.08
	19	Deal Party Substation	82,856.08	85,617.96	82,856.08
	20	Swartkops LC Substation	82,856.08	85,617.96	82,856.08
	21	Aloes Substation	82,856.08	85,617.96	82,856.08
	22	Summerstrand Towers Substation	82,856.08	85,617.96	82,856.08
	23	Chelsea Substation	82,856.08	85,617.96	82,856.08
	24	Newton Park Main Substation	82,856.08	85,617.96	82,856.08
	25	Arlington Substation	82,856.08	85,617.96	82,856.08
	26	Summerstrand Substation	82,856.08	85,617.96	82,856.08
	27	Algoa Road Substation	82,856.08	85,617.96	82,856.08
	28	BAIC Substation	186,528.74	192,746.90	186,528.74
	29	Swartkops Cable Tunnels Substation	82,856.08	85,617.96	82,856.08
	30	Supervisors and Vehicles	506,837.10	525,127.86	506,837.10
		<b>Total</b>	<b>3,987,406.21</b>	<b>4,121,721.12</b>	<b>3,987,406.21</b>
		<b>Grand Total</b>			<b>12,096,533.54</b>

**Budget Confirmation**

Budget availability is confirmed for the virements to be processed subject to approval by the Executive Mayor in line with paragraph 1.6 of the Financial Management Policies.

The proposed budget amendment is supported.”

## THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, **by resolution taken by the majority of its full number**, and in terms of Section 30 (2) of the Local Government: Municipal Structures Act, No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government Finance Management Act No 56 of 2003, and Clause 1.6 of the Council's Financial Management Policies, approve the budget amendment from Safety & Security's, Electricity & Energy's and Infrastructure & Engineering's Operating Budgets from various line items to Security's Operating Budget, line item for Contract Security, vote number 0170/0205, as follows :

- a) Vote number 0170 0205 – Security: Contract Security - Increase by R 21 491 784 from R 50 400 000 to R 71 891 784
- b) Vote number 0912 1168 – Electricity & Energy (Prepaid Vending): Prepaid Vending Committee – Decrease by R 3 000 000 from R 11 591 580 to R 8 591 580
- c) Vote number 1475 0021 – Electricity & Energy (Management Business Unit): Basic Remuneration – Decrease by R 4 000 000 from R 5 437 840 to R 1 437 840
- d) Vote number 0975 0476 – Infrastructure & Engineering (Kelvin Treatment Works): Plant Machinery Non-Cash – Decrease by R 857 750 from R 3 306 680 to R 2 448 930
- e) Vote number 0457 0476 – Infrastructure & Engineering (Fishwater Flats): Plant Machinery Non-Cash – Decrease by R 3 142 250 from R 11 414 800 to R 8 272 550
- f) Vote number 0170 6357 – Security: Pest Control and Fumigation by R 2 840 from R 5 420 to R 2 580
- g) Vote number 1567 5181 – Office of the Executive Director: Safety & Security: CCTV Integrated Security Systems Maintenance by R 3 024 500 from R 7 024 500 to R 4 000 000
- h) Vote number 1567 3753 – Office of the Executive Director: Safety & Security: Provision for Vacancies by R 25 140 from R 1 825 140 to R 1 800 000
- i) Vote number 1567 4369 – Office of the Executive Director: Safety & Security: Contractual Staff Appointments-Section 57 by R 84 060 from R 2 084 060 to R 2 000 000
- j) Vote number 1567 5183 – Office of the Executive Director: Safety & Security: Contractual Staff Appointments-Other by R 174 020 from R 1 174 020 to R 1 000 000
- k) Vote number 1567 5573 – Office of the Executive Director: Safety & Security: Performance Bonus - Section 57 by R 182 260 from R 182 260 to R 0
- l) Vote number 1567 0375 – Office of the Executive Director: Safety & Security: Training by R 762 490 from R 823 530 to R 60 940
- m) Vote number 1567 6367 – Office of the Executive Director: Safety & Security: Business and Advisory - Project Management by R 50 000 from R 1 050 000 to R 1 000 000
- n) Vote number 1567 6322 – Office of the Executive Director: Safety & Security: Maintenance of Equipment by R 100 000 from R 100 000 to R 0
- o) Vote number 1567 0460 – Office of the Executive Director: Safety & Security: Furniture and Office Equipment by R 200 000 from R 200 000 to R 0
- p) Vote number 1567 0392 – Office of the Executive Director: Safety & Security: Assets less than the Capitalisation Threshold by R 400 000 from R 400 000 to R 0
- q) Vote number 1567 0197– Office of the Executive Director: Safety & Security: Domestic Accommodation by R 19 700 from R 23 660 to R 3 960
- r) Vote number 1479 8499 – Metro Police Administration: Covid Expenses 2020 by R 54 400 from R 54 400 to R 0
- s) Vote number 1479 0138 – Metro Police Administration: Air Conditioning by R 50 000 from R 50 000 to R 0
- t) Vote number 0479 0476 – Infrastructure & Engineering (Mains Maintenance): Plant and Machinery Non-Cash by R220 000 from R570 000 to R 350 000

- u) Vote number 0483 0476 – Infrastructure & Engineering (Churchill Treatment Works): Plant and Machinery Non-Cash by R 200 000 from R 569 330 to R 369 330
- v) Vote number 0484 0476 – Infrastructure & Engineering (Linton Treatment Works): Plant and Machinery Non-Cash by R 88 515 from R 126 450 to R 37 935
- w) Vote number 0485 0476 – Infrastructure & Engineering (Loerie Treatment Works): Plant and Machinery Non-Cash by R 575 203 from R 871 980 to R 296 777
- x) Vote number 0486 0476 – Infrastructure & Engineering (Elandsjagt Treatment Works): Plant and Machinery Non-Cash by R 50 000 from R 579 310 to R 529 310
- y) Vote number 0493 0476 – Infrastructure & Engineering (Mpopfu Dam): Plant and Machinery Non-Cash by R 685 000 from R 1 050 000 to R 365 000
- z) Vote number 0495 0476 – Infrastructure & Engineering (Churchill Dam): Plant and Machinery Non-Cash by R 60 000 from R 100 000 to R 40 000
- aa) Vote number 0498 0476 – Infrastructure & Engineering (Bethelsdorp Pump Station): Plant and Machinery Non-Cash by R 200 000 from R 200 000 to R 0
- bb) Vote number 0500 0476 – Infrastructure & Engineering (Gamtoos Pump Station): Plant and Machinery Non-Cash by R 180 000 from R 200 000 to R 20 000
- cc) Vote number 0501 0476 – Infrastructure & Engineering (Seaview Pump Station): Plant and Machinery Non-Cash by R 158 000 from R 160 000 to R 2 000
- dd) Vote number 0502 0476 – Infrastructure & Engineering (Schoenmakerskop Pump Station): Plant and Machinery Non-Cash by R 190 000 from R 525 000 to R 335 000
- ee) Vote number 0504 0476 – Infrastructure & Engineering (Distribution Maintenance-South): Plant and Machinery Non-Cash by R 90 000 from R 211 760 to R 121 760
- ff) Vote number 0947 0476 – Infrastructure & Engineering (Groendal Pump Station): Plant and Machinery Non-Cash by R 100 000 from R100 000 to R 0
- gg) Vote number 0948 0476 – Infrastructure & Engineering (Springs Treatment Works): Plant and Machinery Non-Cash by R 4 656 from R 5 820 to R 1 164
- hh) Vote number 0951 0476 – Infrastructure & Engineering (Groendal Treatment Works): Plant and Machinery Non-Cash by R 81 000 from R 119 780 to R 38 780
- ii) Vote number 1493 0476 – Infrastructure & Engineering (Rocklands Treatment Works): Plant and Machinery Non-Cash by R 80 000 from R 206 000 to R 126 000
- jj) Vote number 0457 1211 – Infrastructure & Engineering (Fishwater Flats): Steam by R 800 000 from R 943 000 to R 143 000
- kk) Vote number 0457 0248 – Infrastructure & Engineering (Fishwater Flats): Furniture and Office Equipment by R 200 000 from R 250 410 to R 50 410
- ll) Vote number 0481 1302 – Infrastructure & Engineering (Reclaimed Water): Pipelines by R 500 000 from R 842 140 to R 342 140
- mm) Vote number 0741 6368 – Infrastructure & Engineering (Wastewater Treatment Works Despatch): Sewerage Services by R 100 000 from R 160 000 to R 60 000
- nn) Vote number 0975 6368 – Infrastructure & Engineering (Kelvin Treatment Works): Sewerage Services by R 800 000 from R 986 410 to R 186 410

Current Budget provision and expenditure for Contract Security for 2023/24 financial year from 01 July 2023 until 31 March 2024 are as follow:

Line Item	Description	Estimate	Actual Exp.	Commitments	Balance
0170/0205	Contract Security	50 400 000	48 313 491	1 920 357.50	166 151 .50

The Projected Annual expenditure for Contract Security for 2023/24 financial year is as follow:

**Report by Executive Mayor to  
Metropolitan Council  
14 August 2025 - Postponed from  
7 August 2025**

Line Item	Description	Estimate	Projected Annual Exp.	Projected shortfall
0170/0205	Contract Security	50 400 000	71 891 782.56	-21 491 782.56

(Decision taken by the Executive Mayor on 21 June 2024 – Executive Mayor’s Resolution No. 32/2024)

(Document No. 13134 was received from the Office of the Executive Mayor on 18 July 2024)

## **21. BUDGET AMENDMENT: 2024-2025 AND 2025/26 FINANCIAL YEAR TO INCLUDE VARSVLEI SWIMMING POOL**

### **1. Purpose**

The purpose of this report is to request Council's approval to amend the 2024/25 and 2025/26 capital budget to include a new capital project for work that was implemented at Varsvlei Swimming Pool. The project was initially funded through the operating budget, but upon review has been classified as capital work. This amendment is necessary to ensure compliance with relevant accounting standards and to resolve a recurring audit finding.

### **2. Background**

In preparation for the 2024/25 pool season, essential works were carried out at the Varsvlei Swimming Pool during November 2024. The scope of work included:

- Addressing significant leaks and adjusting the bath level to mitigate water losses, thereby reducing the operational costs associated with water replacement and chemical treatments.
- Installation of fencing around the plant room, caretaker cottage, and related facilities to safeguard municipal assets and reduce the risk of theft and vandalism.

These works were carried out using the operating budget due to the urgency before the 2024/25 swimming season, which was scheduled to start on 16 December 2024. However, a subsequent review by the Budget and Treasury Directorate during payment process, determined that the nature of these works qualifies as capital expenditure under the applicable GRAP standards, as it extended the useful life and enhanced the functionality of municipal infrastructure assets.

This misclassification of expenditure has been noted as a recurring finding by the Auditor-General, with a risk of continued non-compliance should corrective action not be taken.

### **3. Discussion**

It is proposed that the Council approve an amendment to the 2024/25 and 2025/26 capital budget to reclassify and incorporate the creation of the new project for the expenditure incurred for the Varsvlei Swimming Pool works under the capital budget. This will involve reprioritising the existing approved capital budget to identify savings from other projects that can be deferred or adjusted, thus ensuring there is no increase to the total capital budget.

The proposed adjustment will not increase the municipality's overall approved capital interval for 2024/25. Funding for the reclassification will be accommodated through identified savings within the current capital allocations, maintaining the integrity of the overall capital budget while correcting the classification of this expenditure.

Reclassifying the expenditure is necessary to align with the Municipal Finance Management Act (MFMA), the GRAP accounting framework, and to respond to audit queries raised by the Auditor-General regarding the misclassification of capital works under operating expenditure. This adjustment will promote accurate financial reporting and prudent asset management. To resolve this matter and ensure that the service provider is paid, the following is proposed:

- (a) Approval the amendment of the 2024/25 capital budget to include the expenditure incurred for a new project for Varsvlei Swimming Pool leak repairs, bath level adjustments, and fencing works, which have been determined as capital in nature.
- (b) Funding for this amendment be sourced from savings within the existing capital budget allocations, ensuring that the total capital budget for the 2024/25 and 2025/26 financial year remains unchanged.

#### 4 Financial Implications and Confirmation

It is proposed that the budget be amended as follows:

##### 1. 2024/25 Financial Year – Levies Funding

- a. Identify sufficient savings from SRAC Capital Projects within the 2024/25 Financial Year – (**Chatty Library Project ID 20220094 – R1 000 000 and Purchase of Bob Cat Project ID 20240135 – R300 000**)
- b. Create a new SRAC Capital Project for Varsvlei Swimming Pool Rehabilitation in the 2024/25 Financial Year
- c. Transfer the savings to the NEW Capital Project -(**New Project ID – R1 300 000**)

##### 2. 2025/26 Financial Year – Levies Funding

- a. Identify sufficient savings from SRAC Capital Projects within the 2025/26 Financial Year – (**Upgrade Newton Park Pool ID 20240141 – R1 300 000**)
- b. Incorporate the newly created SRAC Capital Project for Varsvlei Swimming Pool Rehabilitation in the 2025/26 Financial Year
- c. Transfer the savings to the NEW Capital Project (**New Project ID – R1 300 000**)

#### 5. Financial Comments

- 5.1 It should be noted that the 2024/25 Financial Year has effectively concluded as at 30 June 2025. The period that we are currently in is dealing with the finalising of all matters relating to the 2024/25 Financial Year.
- 5.2 Capital Budgets Section has only recently been made aware of the costs that were incurred at Varsvlei Swimming Pool, which does not have an approved Capital Project or Budget in the 2024/25 Financial Year. In order to recognise these costs in the correct financial period, a Project ID and Budget first needs to exist in the 2024/25 Financial Year, which requires Council approval.
- 5.3 The Directorate should note that any project budgets that are being re-allocated to the new Project ID (as per the included Financial Table) are considered **PERMANENT** in the 2024/25 Financial Year.
- 5.4 B&T is only confirming that as at 17 July 2025, sufficient budget is available against the identified SRAC Capital Projects to be re-allocated in the 2024/25 Financial Year.

#### THE EXECUTIVE MAYOR RECOMMENDS:

That the Council **by resolution taken by the majority of its full number**, and in terms of Sections 30 (2) of the Local Government: Municipal Structures Act, No: 117 of 1998) (as amended) read in conjunction with Chapter 4 of the Local Government Financial Management

Act No. 56 of 2003 and Clause 1.6.2. of the Council's Financial Management Policies amends the 2024/2025 revised Capital Budget as follows for the reinstatement of the Varsvlei Swimming Pool:

**2024/25 Financial Year**

Project ID	Project Title	Capital Budget Available 2024/25	Reduce by (Vat Exclusive)	Increase by (Vat Exclusive)	From	To
20220094	Chatty Library	R1 200 000	R1 000 000			R 200 000
20240135	Purchase of Bob Cat	R2 390 000	R 300 000			R2 090 000
New Project	Rehabilitation of Varsvlei Swimming Pool			R1 300 000	R0	R1 300 000

**2025/26 Financial Year**

Project ID	Project Title	Capital Budget Available 2025/26	Reduce by (Vat Exclusive)	Increase by (Vat Exclusive)	From	To
20240141	Upgrade Newton Park Pool	R3 350 000	R1 300 000			R 2 050 000
New Project (New)	Rehab Varsvlei			R1 300 000	R0	R1 300 000

**22. REQUEST A COUNCIL'S RESOLUTION TO APPROVE FUNDING FOR THE NORTHERN GEMS FESTIVAL TO BE HELD AT GELVANDALE DURING THE 2025/26 FINANCIAL YEAR**

The Executive Mayor on 22 July 2025 considered the following report :

**1. Purpose**

The purpose of this memorandum is to seek a Council's Resolution for the following:

- (a) To request rescindment of a council resolution taken Council on 31 March 2025.
- (b) Note the previously approved financial support for the Northern Gems Music Festival.
- (c) Note the close out report for the 2024 Northern Gems Festival. And
- (d) Approve that a budget of R600 000 (VAT inclusive) be allocated in the 2025/26 Financial Year to enable implementation of the event, as the originally planned event could not take place in the 2024/25 Financial Year.

## 2. Background

The Northern Gems Music Festival was supported by Council on 31 March 2025, (Council resolution attached as *Annexure A*), following recommendation by the Sport, Recreation, Arts and Culture Standing Committee and the Mayoral Committee. Council resolved as follows:

- Approval of financial support in the amount of R600 000 (VAT inclusive), to be funded from the 2024/25 financial year budget.
- Authority granted to the Acting City Manager to enter into an agreement with ZL Entertainment for the hosting of the event.
- Compliance required with Section 67 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, and its Regulations.

Subsequent the approval, Northern Gems submitted a request for additional funding of R500,000. However, this request was not approved by the Sport, Recreation, Arts and Culture Standing Committee due to the implementation of Circular 131, which placed limitations on the tabling of certain expenditure-related items. The request for additional funding was submitted to the Mayoral Committee of the 4<sup>th</sup> of June 2025. However, the Mayoral Committee resolved to not support the request for additional funding until the Acting Executive Director: SRAC submits a close out report for the 2024 Northern Gems Festival Event hosted by ZL Enterprises to the Mayoral Committee scheduled for 11 June 2025. However, the close out report could not serve before the latter Mayoral Committee meeting as it was received from the event organisers after the said meeting date. Additionally, a request for the postponement of the hosting of the event from the originally scheduled date was received from the event organisers.

Due to delays in the implementation of the event and the conclusion of the 2024/25 financial year, the originally allocated amount of R600,000 is no longer available as the 2024/25 Financial Year has concluded and the 2025/26 Financial Year has now taken effect.

The Directorate now seeks Council approval to allocate R600,000 in the 2025/26 Financial Year to enable the festival to take place.

## 3. Discussion

The Northern Gems Music Festival is a flagship community event that promotes local arts, culture, and economic participation in the Northern Areas of Nelson Mandela Bay. The event has previously demonstrated positive social and economic impact, including high attendance, support for local artists, and inclusion of elderly citizens and youth through various festival activities.

Following the initial item approved by Council on 31 March 2025 for an amount of R600 000. However, due to the time that lapsed before the implementation of the event, which was originally planned to take place in April 2025, the allocated funding was not transferred to the service provider. The Directorate now seeks approval for the event to be implemented during the 2025/26 Financial Year, subject to the allocation and confirmation of the approved funding.

## 4. Financial Implications

A budget amount of R R600 000 (VAT inclusive) needs to be allocated in the 2025/26 Financial Year to give effect to the implementation of the previously approved event.

The only available funding under the SRAC Projects, is the unallocated budget due to the implication of MFMA Circular 131 on the implementation of SRAC strategic events. It is therefore suggested that the following budget amendment be considered to assist with the request:

Vote No	Project ID	Job No	Project Title	Current Budget	Estimated Expenditure	Balance
1114 8600	N/A	N/A	Northern Gems Music Festival	R0.00	R600 000.00	R0.00

Attached as **Annexure “G”** hereto is a letter from the Chief Financial Officer in respect of the above matter.

**THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That the Council rescinds its resolution taken on 31 March 2025 in respect of the funding of the Northern Gems Music Festival.
- (b) That the Council notes the previously approved financial support for the Northern Gems Music Festival in the 2024/25 Financial Year (Council resolution dated 31 March 2025, attached as **Annexure “H”**).
- (c) That the Council notes the close out report for the 2024 Northern Gems Music Festival.
- (d) That the Council approves that the Directorate identifies and allocates an amount of R600 000 (VAT inclusive) in the 2025/26 Financial Year to enable the implementation of the Northern Gems Music Festival
- (e) That the Council authorises the Acting City Manager to conclude an agreement with ZL Entertainment for the hosting of the festival in the 2025/26 Financial Year, subject to all applicable laws and compliance requirements.
- (f) That funding be allocated to the Northern Gems Music Festival budget line item as follows:

Vote No	Project ID	Job No	Project Title	Current Budget	Estimated Expenditure	Balance
1114 8600	N/A	N/A	Northern Gems Music Festival	R0.00	R600 000.00	R0.00

**23. SERVICE DELIVERY AGREEMENT BETWEEN NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (NMBM) AND MANDELA BAY DEVELOPMENT AGENCY (MBDA) (ASSOCIATION INCORPORATED UNDER SECTION 21) REGISTRATION NUMBER: 2003/017900/08 (MBDA)**

**1. Purpose**

The purpose of the Item is for Council to delegate the City Manager to review and conclude a new Service Delivery Agreement (SDA) between the NMBM and MBDA.

## 2. Background

MBDA was established in 2003 as an implementing agent of the NMBM, specifically to pursue urban revitalisation to reverse urban decay in the inner city of then Port Elizabeth. The scope of the MBDA has widened over the years and now encompasses urban renewal across Nelson Mandela Bay, including areas such as the beachfront, the Nelson Mandela Bay (NMB) Stadium precinct, and Kariega (Uitenhage).

As a municipal entity, the MBDA is governed primarily by the Municipal Systems Act 32 of 2000 and receives its mandate from the NMBM through an SDA. The act provides that the Council in deciding on its service delivery mechanisms, may elect to deliver services either internally or establish a separate entity. In 2003 when establishing the MBDA, Council took the resolution to establish the MBDA as a separate entity (company).

As a company, the MBDA is led by a Board of Directors appointed by Council. The Board is mandated with the responsibility to provide strategic direction, appoint senior management, and assume the role of Accounting Authority for the entity. Operationally, the MBDA reports into the NMBM through the Office of the Chief Operating Officer (COO) and the relevant political oversight champion as directed by the Executive Mayor.

On 4 July 2022, Council entered the current three-year SDA with the MBDA. The current SDA is set to expire on 30 June 2025. The new SDA and is subject to Council review and approval.

## 3. Legislative authority

NMBM is in terms of the Constitution of the Republic of South Africa and other applicable legislation, charged with the responsibility of ensuring the sustainable provision of municipal services. With a view to deriving maximum benefit from the principles of performance-based contracting, the NMBM has elected to deliver certain services through and/or with the assistance of a service provider, the municipal entity MBDA. Section 78 of the Municipal Systems Act, read with Section 33 of the MFMA, grants authority to Council to review an SDA that is anticipated to expire or be terminated within the next 12 month. It may be noted that this authority resorts with Council and has not been delegated to the City Manager.

## 4. NMBM-MBDA SDA High-Level Review

During a high-level review of a new draft SDA received from MBDA, the following changes were noted -

NO	SECTION	PROPOSED CHANGE
1	5.1	There is a change in the duration of the SDA. The duration was changed from 3 years to 5 years. Historically, the SDA was aligned to the Medium-Term Revenue and Expenditure Framework (MTREF). Motivation provided by MBDA for the change in duration, is to align the duration of the SDA to the period set out in the Integrated Development Plan  It may, however, be noted that the implementation of the current five-year IDP (2022/23 – 2026/27) commenced in the 2022/23 financial year and has

NO	SECTION	PROPOSED CHANGE
		two years remaining (2025/26 and 2026/27).
2	7.1.2	An additional clause was added in which the municipality, on approved projects, delegates the authority to coordinate, lead and conclude transactions on land and property as duly mandated by Council to MBDA.
3	7.1.6	This clause has been expanded to grant MBDA the authority to initiate, procure or enter into a public-private partnership agreements on its own or on behalf of the municipality.
4	7.1.16	This clause has been expanded for Council to mandate the Office of the City Manager to conclude an SLA to regulate the management of Programme and Project Preparation Support Grant (PPPSG) allocations.
5	7.2	A clause was added whereby the municipality grants authority to MBDA to provide project management services to the municipality, and other parties, at a management fee.
6	General	SOPs have been added to the SDA which require further engagement with, and vetting by, the Municipality.

## 5. Service Delivery Agreement (SDA)

The Systems Act contemplates a service delivery agreement which sets out the framework within which the service provider is assigned the task of rendering the services on behalf of or in conjunction with the NMBM, without detracting from the accountability of the NMBM under its constitutional mandate.

The new draft SDA is annexed hereto as **Annexure "I"**. The current SDA concludes on 30 June 2025. Upon Council approval, the new draft SDA will be subjected to a detailed review and will be vetted by the NMBM's Legal Services Department.

**6. THE EXECUTIVE MAYOR RECOMMENDS:**

- (a) That Council approves that a Service Delivery Agreement be entered into between the NMBM and MBDA, and delegates the Acting City Manager to review and conclude the Service Delivery Agreement.
- (b) That the Service Delivery Agreement to *inter alia* incorporate the proposed changes as per Point 4 of this item apart from the following:
  - i. The Service Delivery Agreement should be for three years
  - ii. Section 7.1.2 of the SDA on land matters – this must be on a case-by-case basis and as determined by a separate agreement.
  - iii. Section 7.1.6 – Proposed change not supported. Each PPP must be dealt with separately due to various complications associated with PPP.

**EXECUTIVE MAYOR**

**REPORT BY  
ACTING CITY MANAGER**

## **REPORT BY ACTING CITY MANAGER**

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## **REPORT BY ACTING CITY MANAGER**

**(Meeting : 14 August 2025)**

### **1. NOTICE OF MOTIONS**

#### **1.1 Councillor L Grootboom – Matter of Public Importance: Debate by Council in Accordance with Rule 28**

A copy of a Notice of Motion in terms of Rule 28/Matter of Public Importance was received from Councillor L Grootboom, a copy of which is attached hereto as **Annexure “A”**.

For Consideration

#### **1.2. Councillor L Grootboom –: Request for Continuation and Conclusion of Motion of Exigency tabled on 24 JULY 2025**

A copy of a Notice of Motion of exigency was received from Councillor L Grootboom, a copy of which is attached hereto as **Annexure “B”**.

For Consideration

#### **1.3 COUNCILLOR R KAYSER–: MOTION OF EXIGENCY: REVIEW OF MUNICIPAL BY-LAWS AND FINE SCHEDULES**

A copy of a Notice of Motion of exigency was received from Councillor R Kayser, a copy of which is attached hereto as **Annexure “C”**.

Councillor R Kayser moves:

- (a) All By-laws promulgated before 2020 be thoroughly reviewed, and, if need be, revised and processed through the structures of Council and public participation,
- (b) The need for new by By-laws be investigated, and, where necessary, such By-laws be developed and appropriately processed;
- (c) Fine schedules for all By-laws be reviewed, and if necessary, referred to the judiciary for revision after approval by Council, and
- (d) Appropriate books for use for the issuing of fines for all By-laws must be developed and implemented.

### **2. BUDGET ADJUSTMENT ON THE 2025/2026 BUDGET AND TREASURY DIRECTORATE’S CAPITAL BUDGET TO INCORPORATE THE SECURITY UPGRADE PROJECT (EMERGENCY SECURITY MEASURES AT HARROWER ROAD CABLE YARD – ENCLOSING PERIMETER – 20250025)**

#### **1. Purpose**

The purpose of this item is to request approval from Council for the incorporation of the Budget and Treasury Directorate’s Capital project (i.e. Emergency Security Measures at Harrower Road

Cable Yard – Enclosing Perimeter – 20250025) into the 2025/26 Approved Capital Budget, as the work commenced towards the end of the previous financial year (2024/25).

## 2. Background

When approving the 2024/25 Adjustments Budget, Council will recall that a new project relating to the Upgrading of the boundary wall at the Cable Yard in the Supply Chain Management Sub Directorate's (SCM) building was incorporated into the Capital Adjustments Budget.

The requirement for the incorporation of this project in the adjustments budget (2024/25) was necessitated by the risk resulting to reported theft of the material in the facility, requiring that the security measures in the place be attended to so that the assets of the municipality can be adequately safeguarded.

## 3. Discussion

Due to urgency to deal with the SCM Cable Yard issue an urgent deviation, in line with SCM Regulation 36 was applied for and approved by the acting City Manager. The service provider that was procured had to prepare itself for the installation of the required fence for safeguarding the assets of the municipality.

It is unfortunate that the actual work commenced towards the end of the financial year (i.e. 2024/25) in question, resulting in the inability to fully complete the project. Only one invoice was payable in the 2024/25 Financial Year with regards to PID 20250085 (Perimeter Wall at Cable Yard), amounting to **R70 336.80 (Vat Excl)** against the total approved capital budget of **R2 500 000 (Vat Excl)** resulting to a remaining unspent amount of **R2 429 663.20** which must be incorporated in the 2025/26 Capital Budget for the continuation / conclusion of the project due to its urgency as per the risks stated above.

## 4. Budget and Treasury comments

This item has been perused by Budget and Treasury and understand the reasons that led to the unspent budget in the 2024/25 financial year, with the risks against the assets of the municipality in the Cable Yard as alluded to above. It should also be noted that the funding source linked to this Capital Project is Internal (CRR) and is therefore not subject to the Conditional Grant roll-over process. Budget and Treasury confirms that no other invoices are due for payment in the 2024/25 Financial Year, in relation to this Capital Project.

**IT IS RECOMMENDED:**

- (a) That Council, **by resolution taken by majority of its full numbers** and in terms of section (30) (2) of the Local Government: Municipal Structures Act, Act no.117 of 1998 (as amended), read in conjunction with Chapter of the Local Government: Municipal Finance Management Act no.56 of 2003 and clause 1.6 of the Council's Financial Management Policies amends the **2025/26** Capital Budget in respect of the Budget and Treasury Directorate as follows: -

<b>PROJECT ID NUMBER</b>	<b>PROJECT DESCRIPTION</b>	<b>BUDGET (2025/26)</b>	<b>INCREASE BY</b>	<b>TO</b>
20200055	Emergency Security Measures at Harrower Road Cable Yard: Enclosing Perimeter	R0.00	R2 429 660	R2 429 660
<b>TOTAL</b>		<b>R0</b>	<b>R 2 429 660</b>	<b>R2 429 660</b>

- (b) That of be noted that the above recommendation was to enable to conclusion of the project that commenced later in the 2024/2025 financial year and will also be incorporated in the 2025/26 Adjustment Budget to be tabled to Council on or before end February 2026.

**3. APPROVAL TO INCORPORATE THE REPRIORITISATION OF THE MDRecG CAPITAL PROJECTS IN THE 2024/25 FINANCIAL YEAR AND THE INCORPORATION OF THE UNSPENT PORTION OF THE R89 MILLION MDRecG FUNDING FROM THE 2024/25 FINANCIAL YEAR CAPITAL BUDGET TO THE 2025/26 FINANCIAL YEAR CAPITAL BUDGET (3/2/4/4; 5/1/1/1)**

**1. Purpose**

The purpose of this item is to request the following: -

- a) Approval of the reprioritisation of the MDRecG Disaster Business Plan to re-allocate the available Disaster Budget to the Cat Canal Rehabilitation Project as enquired in MISA's letter dated 30<sup>th</sup> June 2025 (See attached).
- b) Approval of the incorporation of the unspent funding on the Municipal Disaster Recovery Grant from the previous financial year (i.e. 2024/2025) Capital Budget to the 2025/2026 Capital Budget to ensure budget and project's availability towards the continuous implementation of projects linked to this funding to achieve the deadline of March 2026.
- c) It be noted that an item will also be prepared for the next available Council to fulfil the reporting requirements of the Executive Mayor which must occur within the next 60 days after approval.

The approval of the above is important for the continuation and completion of the Matanzima Bridge projects, as well as to provide the required funding shortfall on the Cat Canal project in the current 2025/2026 financial year.

## 2. Background

The reprioritisation of the budgets was endorsed by Council on the 23 April 2025 to reprioritise funding for the Matanzima Bridge projects within the 2024/2025 financial year. The reprioritisation was essential to ensure the implementation of the bridge projects in Matanzima Road KwaNobuhle. The entire R89 million was apportioned between the 2 Matanzima Bridge Capital Projects. See attached Council Minutes Extract

In terms of the letters of award to the contractors for the Matanzima Bridges, the total amount awarded was R36,197,451.07 and R47,171,411.25 respectively. The 2024/2025 MDRecG Disaster Budget (R89M) therefore has an un-apportioned or unallocated funding amount of **R5,631,137.68 (Inc. Vat)** which is required to be allocated to an approved project on the 2024/2025 MDRECG Disaster Business Plan, as originally approved by MISA, PDMC and NDMC.

As a risk mitigation strategy, the funding remained unassigned to allow flexibility in the event that the Matanzima Bridges contracts required additional funding to cater for any potential unforeseen costs. This funding however requires to be allocated to an approved project, or it will be declared as savings, as recommended by MISA in the notice submitted 30 June 2025 (See attached notice).

The implementation program, which is a 12-month program (as per the MDRecG Grant Conditions), has already commenced which will see the projects continue into the 2025/26 financial year, however, these projects were not incorporated in the original budget of 2025/26 Capital Budget and cannot wait until the approval of the Adjustments Budget (2025/26) which will only take place in February 2026.

It is recommended that the unspent portion of the MDRecG (Recovery) capital budget from the 2024/2025 Capital Budget year be incorporated into the 2025/2026 Capital Budget Framework.

The approved 2024/2025 MDRECG project list as demonstrated in the table below was originally approved by the National Disaster Management Centre (NDMC) on the 22 March 2025.

Table 2: 2024/2025 NMBM MDRECG DISASTER BUSINESS PLAN (APPROVED 22 MARCH 2025)

Item: Project description	Ward	GPS Coordinates and municipal wards	Total amount required	Proposed implementation period and submit a copy of the cashflow-projection in line with total amount requested
Construction & Rehabilitation of washed pipelines in the Brakriver	Wards 42, 43,44,45, and 46	33° 52' 59" S 25° 16' 59" E	R 6,000,000	6 months
Construction and rehabilitation of Kelvin Jones Wastewater Treatment Works	42	33.7571° S, 25.4083° E	R 7,000,000	4 Months
Rehabilitation to bridge and associated road works	43	33°48'25.24 S 25°25'23.51 E	R 25,500,000	10 Months
Rehabilitation to bridge and associated road works	43	33°48'25.24 S 25°25'23.51 E	R 25,000,000	10 Months
Rehabilitation of 2.5 km of the Cat Canal	48	33°45'40 S 25°22'23.51 E	R 25,500,000	10 Months
<b>TOTAL</b>			<b>R 89,000,000</b>	

A project re-prioritisation application was submitted to the National Disaster Management Centre (NDMC) and Provincial Disaster Management Centre (PDMC) requesting approval to allocate most of the approved funding to the Matanzima Bridges.

In response to the application, MISA has requested amongst others; -

- A detailed engineering report on the bridges be submitted. All reports, drawings, schedules were dully submitted to MISA and PDMC; -
- The unspent portion of R 5 631 137.68 be apportioned by NMBM to an approved project or declared as savings.

The re-prioritisation process reduced the approved budgets from 5 projects to 2, with the full budget being allocated to the Matanzima Bridges reconstruction program, as per the Table below that was approved by Council on 23 April 2025.

Table 3: 2024/2025 MDRECG Approved Budget – Council Approved Re-Prioritisation (April 2025)

PROJECT NUMBER	PROJECT NAME	ADJUSTMENT BUDGET (2024/25)	(REDUCED) / INCREASED BY	BALANCE AVAILABLE
NEW	Construction & Rehabilitation of a washed pipelines in the Brakriver	R6 000 000	(R6 000 000)	R0
NEW	Construction and rehabilitation of Kelvin Jones Wastewater Treatment Works	R 7 000 000	( R 7 000 000)	R0
NEW	Partial Rehabilitation of 2.5 km of the Cat Canal	R25 500 000	( R25 500 000)	R0
NEW	Rehabilitation to bridge and associated road works (Matanzima Nomakwazana)	R25 000 000	R23 000 000	R48 000 000
NEW	Rehabilitation to bridge and associated road works (Matanzima Ponana Tini)	R25 500 000	R15 500 000	R41 000 000
<b>TOTAL</b>		<b>R89 000 000</b>	<b>R0</b>	<b>R89 000 000</b>

Upon conclusion of appointments of service providers on the 7-8 April 2025, the committed funds on the MDRECG amounts to (see table below): -

Table 4: 2024/2025: MDRECG Recovery Grant (Committed Funding)

Project Name	MDRECG Allocation (Original)	Submission (Re-prioritisation)	% Variance	Contractors Appointment Value (Inc Vat)	% Variance
Bridge 1 (Matanzima – Nomakwazana)	R 25 000 000	R 48 000 000	92%	R 47 171 411.25	89%
Bridge 2 (Matanzima – Ponana Tini)	R 25 500 000	R 41 000 000	64%	R 36 197 451.07	45%
<b>TOTAL</b>	<b>R50 500 000</b>	<b>R89 000 000</b>		<b>R83 368 862.32</b>	

The balance of the funding (Total Budget *less* Contractor appointments: **R89 000 000 – R83 368 862.32 = R5 631 137.68**) on the MDRECG is R 5 631 137.68 (Incl Vat) as per MISA recommendation letter dated 30 June 2025 *must* therefore be allocated to an approved project on the original business plan or NMBM will risk returning the unspent funding allocation to National Treasury at the end of the twelve months period.

The proposal is thus to re-prioritise the funding to the **Rehabilitation of 2.5km of the Cat Canal** which was part of the original 2024/25 Disaster Project list approved. This would be additional to the R18 million already set aside for the Cat Canal in the 2025/26 Financial Year.

The construction on the Matanzima Bridge projects commenced on the 12<sup>th</sup> of May 2025. The expenditure to date on the grant framework equates to 18.31% of the total R89m grant funding.

The funding framework is a 12-month grant framework which thus requires expenditure of the funding to be concluded by March 2026, as confirmed in a letter dated **22<sup>nd</sup> March 2025 from the National Disaster Management Centre.**

It is estimated that the bridge program will be concluded by November 2025 (according to a 6-month construction program and subject to any unforeseen challenges) which would equate to R83 368 862.32 Inc. VAT and 10% contingencies.

The 2025/26 MDRG Capital Budget adjustment for the unspent portion equates to R 72 706 374.04 (Incl Vat) to ensure the projects are concluded within the 12-month framework condition ending March 2026.

This is also to ensure no delays in payment of service providers during this period as the budget would thus be incorporated into the current 2025/2026 Capital Budget Framework.

Upon consultation with the service providers, it was confirmed that there will be no more invoices relating to the 2024/25 financial year to be re-issued by them. The expenditure on the projects to date as of 30 June 2025 is as indicated below.

**Table 5: 2024/2025 MDRECG Expenditure (as of 30 June 2025)**

<b>NELSON MANDELA BAY MUNICIPALITY</b>				
<b>Service Provider</b>	<b>Project ID</b>	<b>Project Title</b>	<b>Actual Expenditure as at 30 June 2025</b>	<b>Actual Expenditure as at 30 June 2025</b>
			<b>(Vat Excl)</b>	<b>(Vat Incl)</b>
EMPA Structures	20250177	Rehabilitation to Bridge & associated road works - Ponana Tini & Matanzima Bridge Reconstruction	R 6 063 788.92	R 6 973 357.26
Power Construction	20250176	Rehabilitation to Bridge and associated road works - Entrance to KwaNobuhle Ward 43	R 8 104 581.48	<b>R 9 320 268.70</b>
<b>TOTAL 2024/2025 MDRG CAPITAL BUDGET EXPENDITURE AS AT 30 JUNE 2025</b>				<b>R 16,293,625.96</b>
<b>TOTAL DISASTER BUDGET (MDRecG)</b>				<b>R 89 000 000.00</b>
<b>TOTAL EXPENDITURE AS AT 30 JUNE 2025</b>				<b>18.31%</b>
<b>TOTAL UNSPENT BUDGET CAPITAL BUDGET AS AT 30 JUNE 2025</b>				<b>R 72,706,374.04</b>

The total budget adjustment on the 2025/2026 Capital Budget therefore equates to R 72 706 374.04.

#### **Attachments to the Item**

Attached to this item are the following documents: -

- **Annexure “D”** – Letter Dated 22 March 2025 from the National Disaster Management Centre
- **Annexure “E”** – Letter dated 30<sup>th</sup> June 2025 from MISA (Municipal Infrastructure Support Agent)
- **Annexure “F”** – Letter dated 25<sup>th</sup> July 2025 to National Treasury

#### **Budget and Treasury Comments**

- i. The Directorate has perused the item and in agreement that for the projects (i.e. MDRECG) to be incorporated into the 2025/26 financial year, the delegations to the Executive Mayor, as approved by Council dated 18 June 2025, will have to be applied, or the item be tabled directly to Council due to urgency.
- ii. The urgency in this matter is necessitated by the fact that work on both bridges is in progress, and service providers will never be willing to wait until February 2026 (approval of an Adjustments Budget) for them to be settled in terms of their invoices.
- iii. If the approval is granted by the Executive Mayor, as per the delegation approved by Council in its meeting dated 18<sup>th</sup> June 2025, it will then be reported to Council within 60 days of approval of this item.

- iv. It must be emphasized that due to the urgency of this matter, and the fact that we are dealing with an outcome of a disaster, grant already allocated & transferred to the NMBM for spending, this **must** be undertaken on an urgency basis as we have twelve months to implement the approved projects.
- v. As we are aware the National Treasury’s Rollover application process has its process which commences only once the annual financial statements are concluded on or before end August of each year. However, in this case the luxury of time does not exist as there will be no ability / authority to settle any invoices when there are no projects in a Council approved budget for the 2025/26 financial year.
- vi. The letter from National Disaster Management Centre (attached herewith) gives comfort that with the support from NDMC & PDMC, the rollover affecting the disaster grants will be favorable considered by the National Treasury.
- vii. We must also indicate that a letter attached herein as an Annexure to this report has also been written by the acting City Manager to the National Treasury to inform them of the processes, we are embarking on in dealing with the disaster.
- viii. Council **must** also understand that all Capital spending against the MDRECG must be concluded on or before end March 2026, as no authority exists beyond this time, which may lead to the loss of funds required for this purpose, whilst communities are negatively affected.
- ix. It is also important to note that the amounts to be incorporated are based on what the Directorate has confirmed, upon liaising with the service providers, as at 30<sup>th</sup> June 2025. There will be no opportunity to address any other invoices affecting the previous financial year (2024/25), if there is anything missed.
- x. It is important to also note that this urgent item and approach is necessitated by the understanding that if the municipality fails to make the deadlines the city will continue to lose grant funding, adding to the amount of nearly **R1.4 billion** already lost by the city ever since National Treasury introduced the rollover application process since 2012/13.

**IT IS RECOMMENDED:**

- (a) That Council, **by resolution taken by majority of its full numbers** and in terms of section (30) (2) of the Local Government: Municipal Structures Act, Act no.117 of 1998 (as amended), read in conjunction with Chapter of the Local Government: Municipal Finance Management Act no.56 of 2003 and clause 1.6 of the Council’s Financial Management Policies, approves the re-prioritisation of the 2024/2025 MDRecG to incorporate an amount of **R 5 631 137.68 (In Vat)** towards the Rehabilitation of Cat Canal project:

PROJECT ID	PROJECT TITLE	2024/25 CAPITAL BUDGET (VAT INCL)	REDUCE BY (VAT INCL)	INCREASE BY (VAT INCL)	FROM (VAT INCL)	TO (VAT INCL)
20250176	Rehabilitation to Bridge and associated road works - Entrance to KwaNobuhle Ward 43	R48,000,000	R828,589		R48,000,000	R47,171,411

20250177	Rehabilitation to Bridge & associated road works - Ponana Tini & Matanzima Bridge Reconstruction	R41,000,000	R4,802,549		R41,000,000	R36,197,451
20250178	Partial Rehabilitation of 2.5 km of the Cat Canal - ward 48	R0		R5,631,138		

- (b) That Council approves the budget adjustment of the 2025/26 Capital Budget to incorporate the unspent MDRECG Capital Budget 2024/25 R 69 710 462.99 (incl. Vat) into the 2025/26 Capital Budget as indicated in the below table: -

<b>PROJECT NUMBER</b>	<b>PROJECT TITLE</b>	<b>AMOUNT TO BE INCORPORATED (EXCL VAT)</b>	<b>AMOUNT TO BE INCORPORATED (INCL VAT)</b>
20250178	Partial Rehabilitation of 2.5 km of the Cat Canal - ward 48	R 4 896 641	R 5 631 138
20250176	Rehabilitation to Bridge and associated road works - Entrance to KwaNobuhle Ward 43	R 25,412,256	R 29,224,094
20250177	Rehabilitation to Bridge & associated road works - Ponana Tini & Matanzima Bridge Reconstruction	R 32,914,037	R 37,851,143
<b>TOTAL</b>		<b>R 63,222,934</b>	<b>R 72,706,375</b>

- (c) That it be noted that a letter to the PDMC has been written informing them about this matter and responding to the accounting of the full allocation to include the R5.6 million.

#### **4. LOCAL GOVERNMENT : MUNICIPAL SYSTEMS ACT – OBLIGATION ON COUNCILLORS TO DECLARE FINANCIAL INTERESTS (3/3/1)**

Paragraph 7(1) of the Councillors Code of Conduct (Schedule 1 of the Local Government : Municipal Systems Act, Act 32 of 2000) obliges all Councillors to declare in writing and within 60 days of their election to the Municipal Manager the following interests held by that Councillor:

- Category (a) shares and securities in any company (includes listed shares obtained on the Stock Exchange and debentures);
- Category (b) membership of any close corporation;
- Category (c) interest in any trust (beneficiaries and trustees);
- Category (d) directorships (includes executive and non-executive directorships of companies, parastatals, NGOs, Section 21 companies, etc.);
- Category (e) partnerships (any form of business undertaking);

- Category (f) other financial interests in any business undertaking;
- Category (g) employment and remuneration (any form of remuneration received as an employee);
- Category (h) interest in property (includes ownership or co-ownership of properties, shareholder in company that owns property, etc.);
- Category (i) pension; and
- Category (j) subsidies, grants and sponsorships by any organisation (e.g. sponsorships from donor organisations to complete studies and including government grants (e.g. State, Welfare).

In addition, Paragraph 7(2) of the Code of Conduct states that any change in the nature or detail of the financial interests of a Councillor must be declared to the Municipal Manager annually.

The Council on 8 December 2011 resolved, *inter alia*, that the Councillors' Declaration of Interest in terms of Paragraph 7(1) be treated in accordance with the under-mentioned categories:

**1. Category A: Councillors Declaration of Interest be disclosed to Council confidentially (i.e. published on green paper)**

- (i) Financial interests in an entity other than a private or public company;
- (ii) Foreign travel in circumstances where the details are required to be kept confidential;
- (iii) Pensions;
- (iv) Private residential details;
- (v) Details of financial interests of a Councillor's spouse or dependent child;
- (vi) Interest in any trust;
- (vii) Employment and remuneration.

**2. Category B: Councillors Declaration of Interest be disclosed to Council in Public (i.e. published on white paper)**

- (i) Shares and securities of any company – private or public;
- (ii) Membership of any close corporation;
- (iii) Directorships:
  - Partnerships;
  - Any financial interest in any business undertaking;
  - Interest in property (save for that of a Councillor's private residence);
- (iv) Subsidies, grants and sponsorships by any organization.

In order to comply with the above-mentioned resolution taken by the Council, a pro-forma will be circulated on an annual basis to all Councillors, for completion.

Declaration forms received from Councillors in respect of Category B is attached hereto as **Annexure "G"** and of Category A (i.e. published on green paper) as **Annexure "H"**, respectively.

Councillors' attention is drawn to Clause 44 of the Nelson Mandela Metropolitan Municipal Supply Chain Management Policy which reads as follows:

- “44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy -
- (a) who is in the service of the state;
  - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state;  
or
  - (c) a person who is an advisor or consultant contracted with the municipality.”

In terms of the above no Councillor will be granted authority in respect of the declarations made to trade/enter into contracts with the Council.

For information.

**D M PILLAY**  
**ACTING CITY MANAGER**  
14 August 2025