

ITEM NUMBER: C 56/03/15

*RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2015*

**MC 27/03/15 CAPE TOWN PARTNERSHIP: 2014 ANNUAL GENERAL MEETING**

It is **RECOMMENDED** that:

- (a) the resolutions taken at the 2014 annual general meeting be noted.
- (b) the City of Cape Town resign as a member of the Cape Town Partnership but retain its board representation.



REPORT TO COUNCIL

DATE 2015-03-17

1. ITEM NUMBER : MC 27/03/15

2. SUBJECT

CAPE TOWN PARTNERSHIP: 2014 ANNUAL GENERAL MEETING

2. ONDERWERP

KAAPSTADSE VENNOOTSKAP: ALGEMENE JAARVERGADERING 2014

2. ISIHLOKO

UBUHLAKANI BASEKAPA: INTLANGANISO YONYAKA NGOKUTHE  
GABALALA YANGD-2014  
F0438

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

The Primary objective is Objective 5.1: Ensure a transparent and corruption-free government [Programme 5.1 (a): Transparent government (oversight) programme.] This then support the pursuit of an Opportunity City - Objective 1.1: Create an enabling environment to attract investment that generates economic growth and job creation

4. PURPOSE

The City of Cape Town is a founding member of the Cape Town Partnership and provides funding to the organization. The Annual General Meeting of the Cape Town Partnership was held on 5 November 2014 and this report provides feedback on the decisions taken. The report further seeks a decision to resign as a member of the Cape Town Partnership to bring it line with the Local Government: Municipal Systems Act.



5. FOR NOTING BY / FOR DECISION BY 215

This report is for consideration/decision by:

- Council

6. EXECUTIVE SUMMARY

The decisions taken at the Annual General Meeting are reported on. The report further recommends the resignation of the City as a member of Cape Town Partnership to bring it in line with S 86B(2) of the Local Government: Municipal Systems Act.

7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) The resolutions taken at the 2014 annual general meeting be noted.
- b) The City of Cape Town resign as a member of the Cape Town Partnership, but retain its board representation.

7. AANBEVELINGS

Nie gedelepeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Daar kennis geneem word van die resolusies wat tydens die algemene jaarvergadering in 2014 geneem is.
- b) Die Stad Kaapstad as lid van die Kaapstadse Vennootskap bedank, maar sy verteenwoordiging op die raad behou.

7. IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

- a) Makuqwalaselwe izigqibo ezigqitywe kwintlanganiso yonyaka ngokuthe gabalala ka-2014.
- b) ISixeko saseKapa masibeke phantsi iintambo njengelungu loBuhlakani baseKapa kodwa lisigcine isikhundla sokumelwa kwibhodi.

F0438

8. DISCUSSION/CONTENTS

8.1. Constitutional and Policy Implications



The Cape Town Partnership is a non-profit company whose main objective is

- a. to manage and facilitate various projects or mandates to enhance the development, management and promotion of Cape Town and surrounds;
- b. to develop, facilitate and promote the Cape Town central business district as a leading centre for retail, commercial, residential, cultural, tourism, education, entertainment and leisure activities.

The City is represented on its board of directors by Councillor G Bloor, Councillor D Bryant and Mrs L Muller. Mr. R Wootton is an alternate director to Mrs L Muller (T Siganda is an official invitee to the board as and when required).

### **8.1.1 ANNUAL GENERAL MEETING**

The Annual general meeting was held on 5 November 2014 and was attended by Councillor Dave Bryant, Louise Muller and Richard Wootton.

The following resolutions were up for adoption:

#### **MINUTES**

To approve the minutes of the previous Annual General Meeting of the Company dated 5th November 2013.

The minutes were approved.

#### **FINANCIAL STATEMENTS AND REPORTS**

To receive, consider and adopt the Annual Financial Statements of the Company together with the Directors' and Auditors' Report for the period ended 30 June 2013 and 30 June 2014.

In the process of preparing for 2014 financial period audit, certain anomalies were identified which had an impact on the previous financial year's Annual Financial Statements. The anomalies had the following material impact on the original 2013 Annual Financial Statements submitted to stakeholders:

- Operational revenue and receivables were overstated by R567 458.
- Operational expenditure and liabilities were understated by R377 473.
- Project revenue and expenditure was understated by R75 651.
- In summary, the net deficit for the period has increased from R968 818 to R1 913 750.

The 2013 Annual Financial Statements were therefore re-issued and were adopted. A letter to Stakeholders explaining the anomalies is also annexed to this report.

The 2014 Annual Financial Statements were adopted at the meeting.

#### **RE-ELECTION OF DIRECTORS RETIRING BY ROTATION**

To allow for the retirement of directors by way of rotation in terms of the Company's Memorandum of Incorporation and to allow for their re-appointment.

The following Directors were re-appointed by rotation:



- Amelia Jones
- Garreth Bloor
- Dr Gilbert Lawrence
- Hanns Bohle
- Prof. Njabulo Ndebele (Chair)
- Ralph Hamann
- Refqah Fataar Ho-Yee
- Thabo Mashologu
- Dave Bryant
- John Van Rooyen
- Louise Muller

Richard Wooton was re-appointed as an alternate director to Louise Muller. Rashid Toefy, Rob Kane and Laura Robinson did not stand for re-election as Directors.

### **APPOINTMENT OF AUDITORS AND APPROVAL OF AUDITORS REMUNERATION**

To consider the re-appointment of KPMG as the auditors of the Company. To approve the auditors remuneration for the audit of the 2014 financial year. The auditor's remuneration was approved, but no decision was taken in respect of the appointment of auditors for the next financial year and a report will be furnished to the board in this regard.

#### **8.1.2 MEMBERSHIP OF CAPE TOWN PARTNERSHIP**

The City of Cape Town was a founding member of the Cape Town Partnership in 1999 and has remained a member. There are currently five members. In preparing for the 2014 AGM the attorneys for the Cape Town Partnership pointed out a possible legal conflict by the City in respect of its membership of the company.

In terms of the Companies Act, 2008 a "member" in a non-profit company is defined as a "person who holds membership in, and specified rights in respect of that company". The primary right that the City holds in respect of its membership is the right to vote at an AGM as set out in the Memorandum of Incorporation of the company.

The Systems Act provides for situations where a municipality may be a shareholder or hold an interest in a corporate body.

S 86B(2) of the Act reads:

"(2) No municipality may establish, or participate in the establishment of, or acquire or hold an interest in, a corporate body, including a trust, except where such corporate body is—

(a) a private company, service utility or multi-jurisdictional service utility referred to in subsection (1); or

(b) a fund for the benefit of its employees in terms of a law regulating pensions or medical aid schemes."

It is not clear whether being a member of a Non-Profit Organisation constitutes "holding an interest in a corporate body" and could therefore be a contravention of the Systems Act.

It is prudent that the City resigns as a member to remove any doubt or uncertainty. The City's resignation as a member will not affect its board membership, or the way it currently funds the Cape Town Partnership.

## 8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City? No  Yes

8.2.2 The contents of the report comply with the IMEP (Integrated Metropolitan Environmental Policy), as approved by Council in October 2001.

## 8.3. Legal Implications

Section 86B(2) of the Systems Act reads:

"(2) No municipality may establish, or participate in the establishment of, or acquire or hold an interest in, a corporate body, including a trust, except where such corporate body is—

- (a) a private company, service utility or multi-jurisdictional service utility referred to in subsection (1); or
- (b) a fund for the benefit of its employees in terms of a law regulating pensions or medical aid schemes."

The City may be contravening this section and it is therefore recommended that it resign as a member of the Cape Town Partnership.

## 8.4. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

Yes

(if yes, please indicate whether or not it is part of the approved staffing structure, whether the posts are budgeted for etc.)

## 8.5. Risk Implications

There are no risk implications.

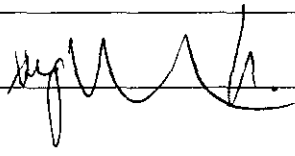
## 8.6. Other Services Consulted

Shareholding Management Department: Finance Directorate



- 2013 Annual Financial Statements of the Cape Town Partnership including a letter to stakeholders.
- 2014 Annual Financial Statements of the Cape Town Partnership

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Thembinkosi Siganda
<b>CONTACT NUMBERS</b>	021 417 4019
<b>E-MAIL ADDRESS</b>	Thembinkosi.Siganda@capetown.gov.za
<b>DIRECTORATE</b>	Tourism, Events and Economic Development
<b>FILE REF NO</b>	
<b>SIGNATURE :</b> T SIGANDA	
<b>SIGNATURE :</b> LOUISE MULLER	



EXECUTIVE DIRECTOR:  
A. GROENEWALD

Comment:

NAME

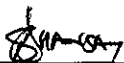
DATE

20/1/2015

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

LEGAL COMPLIANCE



NAME

TEL


DATE

A.S. Dhanoo

(021) 400 4536

29.01.15

Comment:

Certified as legally compliant:  
Based on the contents of the report. 

A.G.R.

EXECUTIVE DIRECTOR: COMPLIANCE AND  
AUXILIARY SERVICES (ED: CAS)

G. RAS

DATE

29/1/15

SUPPORTED FOR ONWARD SUBMISSION  
TO MAYOR  / MAYCO  / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:

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MAYORAL COMMITTEE MEMBER: TOURISM,  
EVENTS & ECONOMIC DEVELOPMENT  
CLLR. G. BLOOR

COMMENT:

NAME

2 Feb 2015.

DATE

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\_\_\_\_\_



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EXECUTIVE MAYOR

ALD. P. DE LILLE

*P. de Lille*

SUPPORTED FOR ONWARD SUBMISSION TO MAYCO  COUNCIL

PC RECOMMENDATION

RECOMMENDATION AS CONTAINED IN ORIGINAL REPORT

ALTERNATIVE RECOMMENDATION TO BE REFLECTED BELOW

APPROVED I.T.O. DELEGATED AUTHORITY

NOTED

REFUSED

REFERRED BACK

DATE 19.02.2015

COMMENT:

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