

**1. ITEM NUMBER C 19/11/21**

**2. SUBJECT**

HANDOVER REPORT TO COUNCIL 2021

**ONDERWERP**

OORHANDIGINGSVERSLAG AAN DIE RAAD 2021

**ISIHLOKO**

INGXELO ENGONIKEZELO LOLAWULO KWIBHUNGA NGOWAMA2021

LSU NUMBER: N1176

**3. DELEGATED AUTHORITY**

This report is for

**Committee name :**

The Executive Mayor together with the Mayoral Committee (MAYCO)

Council

**4. DISCUSSION**

The City of Cape Town (CCT) has prepared a Handover Report to be tabled at the first meeting of the newly elected council in line with the following three Circulars:

**4.1 Circular 108 of the Municipal Finance Management Act 56 of 2003 (“MFMA”):**

Circular 108 was issued by National Treasury on 08 March 2021. Section 3.2 of the Circular requests that each municipal manager, working together with the Chief

Financial Officer (CFO) and senior managers, prepare a Handover Report to be tabled at the first meeting of the newly elected council. The Handover Report aims to provide the new council with important information to orientate them on the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed. In terms of Circular 108, the Handover Report is to contain the following:

- a) An overview of the demographic and socio-economic characteristics of the municipality;
- b) An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- c) An overview of key municipal policies that councillors need to be aware of and where they can obtain the full text of such policies;
- d) An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- e) An overview of the municipality's financial health, with specific reference to:
  - i. Its cash and investments, and its funding of commitments;
  - ii. Cash coverage of normal operations;
  - iii. Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
  - iv. Current collection levels and debtors outstanding for more than 30 days; and
  - v. Extent of existing loans and associated finance and redemption payments.
- f) The municipality's 2019/20 audit outcome and its strategy to address audit issues;
- g) An overview of the provision of basic services, including plans to address backlogs;
- h) An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- i) A list of the main infrastructure projects planned for the 2021/22 budget and MTREF;
- j) A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc.; and
- k) Any other information deemed to be important.

The full Handover Report has been copied onto the USB sticks issued to Councillors. Together with the Report, Circular 108 also guides that each new councillor should be given the following key documents of the municipality:

1. Integrated Development Plan;
2. Adopted 2021/22 MTREF budget;

3. Mid-year Budget and Performance Assessment Report for 2020/21;
4. Latest monthly financial statement,; and
5. Integrated Annual Report for 2019/20.

Items 2-5 form part of the Handover report, whilst the IDP has been included on the USB stick, together with a folder containing CCT's key policies and strategies, Service Delivery Budget and Budget Implementation Plans (SDBIP) for 2021/22 as well as Directorate Contact details.

#### **4.2 DG CIRCULAR No. 62 of 2021, as issued by the Western Cape Government (WCG), (Reference No: 2/8/3/3/46 PS):**

The DG Circular issued on Tuesday 21 September 2021, requested additional and supporting information to be included in the Handover Report, in line with SALGA requirements, and to submit it to the Department of the Premier of WCG. The required information included the following:

- a) State of Development;
- b) Achievements;
- c) State of Governance;
- d) State of Administration;
- e) Monitoring, Reporting and Evaluation; and the
- f) State of Municipal Finance.

Annexure A of the Handover Report contains CCT's response to the DG Circular. Where Circular 108's information requirements already cover aspects of items a – f of the DG circular, the relevant sections have been cross-referenced.

#### **4.3 Joint Circular No. 1, issued by Department of Cooperative Governance (DCoG), National Treasury (NT) and the South African Local Government Association (SALGA):**

The Joint Circular No. 1, issued on 19th October, listed additional information requirements in terms of Section 4.4: "Preparation of Handover Reports". These were as follows:

- a) Approved annual institutional calendar of council, committees, and other organs of the municipality;
- b) An overview of the macro-organisational structure of the municipality with departmental core functions, with the names and numbers of senior managers;
- c) Appointment of Municipal Manager and managers directly reporting to the Municipal Manager, and status of contracts of employment;



4.4. Staff Implications  Yes  No

4.5. Risk Implications  Yes  No

4.6. POPIA Compliance  Yes It is confirmed that this report has been checked and considered for POPIA compliance.

## 5. RECOMMENDATIONS

a) It is recommended that Council receives and notes the Handover Report.

### AANBEVELING:

a) Daar word aanbeveel dat die Raad die oorhandigingsverslag ontvang en daarvan kennis neem.

### IZINDULULO

a) Kundululwe ukuba iBhunga malifumane kwaye liqwalasele iNgxelo engoNikezelo lolawulo.

---

## ANNEXURES

All annexures are included on USB stick issued to Councillors as part of Councillor induction packs

### FOR FURTHER DETAILS CONTACT

NAME	Daniel Sullivan	CONTACT NUMBER	021 400 5097
E-MAIL ADDRESS	daniel.sullivan@capetown.gov.za		
DIRECTORATE	Corporate Services	FILE REF NO	HRR: 001
SIGNATURE :	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p><b>Daniel Sullivan</b></p> <p><small>Digitally signed by Daniel Sullivan Date: 2021.11.02 16:30:29 +02'00'</small></p> </div>		

Acting **EXECUTIVE DIRECTOR**

NAME

Gareth Morgan

COMMENT:

DATE

SIGNATURE

	Digitally signed by Gareth Morgan Date: 2021.11.05 00:34:27 +02'00'
---	--

The ED's signature represents support for report content and confirms POPIA compliance.


**CHIEF FINANCIAL OFFICER**

NAME

COMMENT:

DATE

SIGNATURE

	Digitally signed by Kevin Jacoby Date: 2021.11.05 14:12:07 +02'00'
--	---

**LEGAL COMPLIANCE**

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

NON-COMPLIANT

NAME

COMMENT: For information

DATE

SIGNATURE

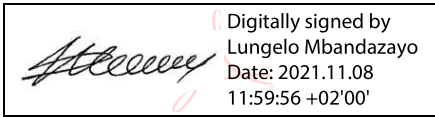
	Digitally signed by Jason Sam Liebenberg Date: 2021.11.05 15:16:10 +02'00'
---	---

**CITY MANAGER**

NAME Lungelo Mbandazayo

COMMENT: \_\_\_\_\_

DATE \_\_\_\_\_

SIGNATURE 

\_\_\_\_\_