



**STELLENBOSCH**  
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2019-10-04

**MAYORAL COMMITTEE MEETING**  
**WEDNESDAY, 2019-10-09 AT 10:00**

**TO** The Executive Mayor, Ald G Van Deventer (Ms)  
The Deputy Executive Mayor, Cllr N Jindela

**COUNCILLORS** P Crawley (Ms)  
AR Frazenburg  
E Groenewald (Ms)  
XL Mdemka (Ms)  
S Peters  
M Pietersen  
Q Smit

Notice is hereby given that a Mayoral Committee Meeting will be held in the Council Chamber, Town House, Plein Street, Stellenbosch on **Wednesday, 2019-10-09 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

**CHAIRPERSON**

**AGENDA  
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2019-10-09  
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# **APPENDIX 1**

## **Confirmation of Minutes: Mayoral Committee: 2019- 09-11**



**STELLENBOSCH**  
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2019-09-11

**MINUTES**

**MAYORAL COMMITTEE MEETING:**

**2019-09-11 AT 12:15**

**AND**

**CONTINUATION OF THE MAYORAL COMMITTEE  
MEETING:**

**2019-09-16 AT 10:00**

**MINUTES**  
**MAYORAL COMMITTEE MEETING**  
**2019-09-11**  
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**PRESENT:** Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)

**Councillors:** PR Crawley (Ms)  
A Frazenburg  
E Groenewald (Ms)  
XL Mdemka (Ms)  
S Peters  
Q Smit

**Also Present:** Alderman PW Biscombe (Chief Whip)  
Cllr WC Petersen (Ms) (Speaker)  
Cllr WF Pietersen

**Officials:** Municipal Manager (G Mettler (Ms))  
Chief Financial Officer (K Carolus)  
Director: Infrastructure Services (D Louw)  
Director: Corporate Services (A de Beer (Ms))  
Director: Community and Protection Services (G Boshoff)  
Acting Director: Local Economic Development (J Robyn)  
Chief Audit Executive (F Hoosain)  
Manager: Committee Services (EJ Potts)  
Senior Administration Officer (B Mgcushe (Ms))  
Committee Clerk (N Mbalu (Ms))

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<b>1.</b>	<b>OPENING AND WELCOME</b>
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The Executive Mayor welcomed everyone present and apologised for the postponement of the Mayoral Committee meeting till 12:15; there was an event in Franschhoek with Western Cape Transport Minister Madikizela which the Municipal Manager and the Executive Mayor had to attend.

<b>2.</b>	<b>COMMUNICATION BY THE CHAIRPERSON</b>
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NONE

<b>3.</b>	<b>DISCLOSURE OF INTERESTS</b>
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NONE

<b>4.</b>	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b>
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The following applications for leave were approved in terms of the Rules of Order of Council:-

Deputy Executive Mayor, N Jindela - 11 September 2019

Cllr M Pietersen - 11 September 2019

Director: Planning and Economic Development (T Mfeya) - 11 September 2019

5.	<b>CONFIRMATION OF PREVIOUS MINUTES</b>
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- 5.1 The minutes of the Mayoral Committee Meeting held on 2019-08-14 were confirmed as correct.

6.	<b>STATUTORY MATTERS</b>
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NONE

7.	<b>CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]</b>
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7.1	<b>COMMUNITY AND PROTECTION SERVICES: (PC: CLLR Q SMIT)</b>
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7.1.1	<b>STELLENBOSCH MUNICIPALITY INTEGRATED FIRE MANAGEMENT PLAN (JANUARY 2019)</b>
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Collaborator No: 658594  
 IDP KPA Ref No: Good Governance  
 Meeting Date: 11 September 2019

**1. SUBJECT: STELLENBOSCH MUNICIPALITY INTEGRATED FIRE MANAGEMENT PLAN (JANUARY 2019)**

**2. PURPOSE**

**Stellenbosch Municipality, like the rest of the Western Cape, continue to be threatened by veld fires.** The Draft Stellenbosch Municipality Integrated Fire Management Plan (SFMP, January 2019) (Annexure A) has been prepared to provide the necessary information for sound veld fire management with an emphasis on Stellenbosch Municipality's legal obligations as landowner. Following a previous Council decision, to advertise the document for public input, the Stellenbosch Municipality Integrated Fire Management Plan is brought back to Council for adoption.

**3. DELEGATED AUTHORITY**

For decision by the Council of Stellenbosch Municipality.

**4. EXECUTIVE SUMMARY**

Stellenbosch Municipality (the Municipality) continue to be threatened by veld fires. The dominant vegetation type within the region is both fire-prone and fire-dependent. This is exacerbated by the expansion of urban areas, infestations of alien vegetation and windy, hot and dry summer periods typical of the region.

The primary goal of the SFMP is to ensure that veld fires are able to serve greater good than harm. It aims to eliminate loss of life, human injury, economic and environmental losses as a result of veld fires. In order to fulfil these objectives the SFMP makes

provision for the following three components in the approach to the occurrence of veld fires namely:

- Awareness
- Prevention & preparedness
- Reponse

**RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.1.1**

that Council adopts the Stellenbosch Municipality Integrated Fire Management Plan (January 2019) to guide fire management within the WC024 area.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>Schalk van der Merwe</b>
<b>POSITION</b>	<b>Environmental Planner</b>
<b>DIRECTORATE</b>	<b>Community and Protection Services</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8679</b>
<b>E-MAIL ADDRESS</b>	<b>schalk.vandermerwe@stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>05 August 2019</b>

<b>7.1.2</b>	<b>POLICY FOR THE IMPLEMENTATION OF AN AUXILIARY LAW ENFORCEMENT SERVICE FOR STELLENBOSCH MUNICIPALITY</b>
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**Collaborator No:** 659698  
**IDP KPA Ref No:**  
**Meeting Date:** 11 SEPTEMBER 2019

**1. SUBJECT: POLICY FOR THE IMPLEMENTATION OF AN AUXILIARY LAW ENFORCEMENT SERVICE FOR STELLENBOSCH MUNICIPALITY**

**2. PURPOSE**

To obtain Council's approval of the Auxiliary Law Enforcement Service Policy for Stellenbosch Municipality (WC024).

**3. DELEGATED AUTHORITY**

For decision by the Municipal Council.

**4. EXECUTIVE SUMMARY**

Stellenbosch Municipality encompasses a vast jurisdiction which includes Franschhoek, Klapmuts, Pniel, Kylemore, Raithby and Jamestown. Enforcing municipal bylaws and preventing criminal activity through active visible policing is putting a big strain on the municipal budget. The continued escalation in crime has further heightened the pressure on local law enforcement and municipal traffic services.

This is borne out by the public outcry for help against rising crime in all communities. In order to extend the fight against crime to the community's themselves, the municipality has crafted a draft policy on the creation of a volunteer auxiliary law enforcement service. It is envisaged that the additional law enforcement contingent will improve the municipality's ability to stem the rise in crime experienced in local communities.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.1.2**

- (a) that Council approves the advertisement of the draft Policy for the implementation of an Auxiliary Law Enforcement Service for Stellenbosch Municipality for a period of 30 days for public input; and
- (b) that the inputs received during the above public participation process be worked into a final draft Policy for the implementation of an Auxiliary Law Enforcement Service for Stellenbosch Municipality to be presented to Council for approval.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Charl Kitching
<b>POSITION</b>	<b>Senior Manager Protection Services</b>
<b>DIRECTORATE</b>	<b>Community and Protection Services</b>
<b>CONTACT NUMBERS</b>	021 808 8815
<b>E-MAIL ADDRESS</b>	<a href="mailto:Charl.kitching@stellenbosch.gov.za">Charl.kitching@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	15 July 2019

<b>7.1.3</b>	<b>POLICY ON EXTERNALLY-FUNDED LAW ENFORCEMENT AND TRAFFIC OFFICERS</b>
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**Collaborator No:** 659698  
**IDP KPA Ref No:**  
**Meeting Date:** 11 SEPTEMBER 2019

**1. SUBJECT: POLICY ON EXTERNALLY-FUNDED LAW ENFORCEMENT AND TRAFFIC OFFICERS**

**2. PURPOSE**

To obtain Council's approval for the draft on Externally-Funded Law Enforcement and Traffic Officers Policy for the Stellenbosch Municipality (WC 024).

**3. DELEGATED AUTHORITY**

For decision by the Municipal Council

**4. EXECUTIVE SUMMARY**

Stellenbosch Municipality comprises of a vast area which includes the towns of Stellenbosch and Franschhoek, as well as the smaller settlement nodes of Klapmuts, Pniel, Kylemore, Raithby and Jamestown. This poses significant challenges to the municipality in terms of its mandate to provide a Traffic and Law Enforcement Service to all these communities. Add to this the annual influx of tens of thousands of university students into central Stellenbosch, the resultant congestion and "over-crowding" tends to cause major traffic and law enforcement challenges for the relevant departments.

The current staff component of the Protection Services Department (Law Enforcement, Traffic Services and Fire Services) is not adequate to provide a quality service to all communities through visible policing. This proposed policy provides private business and non-governmental organisations with the opportunity to partner with the municipality to fund the employment of additional law enforcement and traffic officials in designated areas where crime and traffic congestion has become a challenge.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.1.3**

- (a) that Council approves the advertisement of the draft Policy on Externally-Funded Law Enforcement and Traffic Officers for a period of 30 days for public input; and
- (b) that the inputs received during the above public participation process be worked into a final draft Policy on Externally-Funded Law Enforcement and Traffic Officers to be presented to Council for approval.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Charl Kitching
<b>POSITION</b>	<b>Senior Manager Protection Services</b>
<b>DIRECTORATE</b>	<b>Community and Protection Services</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8815</b>
<b>E-MAIL ADDRESS</b>	<a href="mailto:Charl.kitching@stellenbosch.gov.za">Charl.kitching@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	<b>09 July 2019</b>

7.2	<b>CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)</b>
7.2.1	<b>PROPOSED RENEWAL OF LEASE AGREEMENT: BURGERHUIS: HISTORIESE HUISE VAN SUID-AFRIKA BEPERK: ERF 3389, STELLENBOSCH</b>

Collaborator No:

IDP KPA Ref No:

Meeting Date:

**GOOD GOVERNANCE**

**11 September 2019 and 25 September 2019**

**1. SUBJECT: PROPOSED RENEWAL OF LEASE AGREEMENT: BURGERHUIS: HISTORIESE HUISE VAN SUID-AFRIKA BEPERK: ERF 3389, STELLENBOSCH**

**2. PURPOSE**

To obtain Council's approval for the renewal of the Lease Agreement on erven 3389 and 607, also known as Burgerhuis with "Historiese Huise".

**3. DELEGATED AUTHORITY**

Council must consider the matter.

**4. EXECUTIVE SUMMARY**

"Historiese Huise" has been renting the properties since 1960. The agreement was renewed on various occasions. The last lease agreement for erven 3389 and 607 with "Historiese huise" lapsed in 2009. "Historiese Huise" continued to maintain the property also known as "burgerhuis" and pay the rent. As the Municipality accepted the rent and the lease agreement therefore continued on a silent month to month basis. It is however necessary that the leasing of the property is formalised again.

The new Property Management Policy allow for a process whereby Council can lease a property after Council's intention so lease to a specific company was advertised for public inputs/comments or alternative proposals, before making a final decision.

In terms of the last Lease Agreement Historiese Huise is using a portion of the house for their office space, the remainder portion is managed as a living museum. For this reason it is recommended that they be responsible to pay 50% of market rental, to be determined by an independent valuer.

An application has been received from Historiese Huise van Suid-Afrika Beperk to renew the lease agreement in relation to Die Burgerhuis (erf 3389 and 607 Stellenbosch) for a period of 9 years and 11 months. They are proposing a rental agreement from 1 July 2016 and indicate that they spend R70 000 per year on the maintenance of the buildings and a further R40 000 per year on the gardens.

An audit was done on the historical properties belonging to the municipality and a decision on the management of all the properties will be taken in due course. The lease agreement with the applicants will make provision for a termination if the management of this property changes during the proposed lease period.

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**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.2.1**

- (a) that erven 3389 and 607, Stellenbosch, be identified as land not needed for use to provide basic services during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulations;
- (b) that Council, **in principle** approves that a lease agreement for 9 years and 11 months to be concluded on a private treaty basis with Historiese Huise van Suid-Afrika Beperk, as provided for in Regulation 34 (1) (b), but subject thereto that Council's intention be advertised for public inputs/comments/objections, as provided for in paragraph 9.2.2 of the Property Management Policy;
- (c) that an independent valuer be appointed to determine the fair market rentals for the properties referred to in (a),
- (d) that the lease agreement provides for a 3 months' notice period to terminate the lease agreement;
- (e) that Council, in principle, approves the rental at 50% of the fair market rental payable by Historiese Huise, as provided for in paragraph 22.1.4 of the Property Management Policy; and
- (f) that a draft agreement be submitted with the return item.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	PIET SMIT
<b>POSITION</b>	<b>MANAGER: PROPERTY MANAGEMENT</b>
<b>DIRECTORATE</b>	<b>CORPORATE SERVICES</b>
<b>CONTACT NUMBERS</b>	021-8088189
<b>E-MAIL ADDRESS</b>	<a href="mailto:Piet.smit@ Stellenbosch.gov.za">Piet.smit@ Stellenbosch.gov.za</a>
<b>REPORT DATE</b>	2019-02-07

<b>7.2.2</b>	<b>PROPOSED RENEWAL OF LEASE AGREEMENTS: BERGZICHT TRAINING CENTRE: PORTION OF REMAINDER ERF 235, STELLENBOSCH</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

*GOOD GOVERNANCE*

*11 September 2019 and 25 September 2019*

**1. SUBJECT: PROPOSED RENEWAL OF LEASE AGREEMENTS: BERGZICHT TRAINING CENTRE: PORTION OF REMAINDER ERF 235, STELLENBOSCH**

**2. PURPOSE**

To obtain Council's approval for the renewal of the Lease Agreement with Bergzicht Training Centre – erf 235 Stellenbosch. .

**3. DELEGATED AUTHORITY**

**Council**

**4. EXECUTIVE SUMMARY**

Stellenbosch Municipality and the Bergzicht Training Centre concluded a Lease Agreement during 1992 for a 9 years and 11 months period in relation to a portion of erf 235, Stellenbosch. The agreement was renewed in 2002 for a further period of 9 years and 11 months. The agreement however lapsed in 2013. Bergzicht however continued to lease and use the property as a training center and paid the rent and an informal agreement therefore continued on a month to month basis. It is however necessary to formalize the lease arrangement.

An application has now been received from Bergzicht Training Centre to renew the lease agreement for a further term of 9 years and 11 months. Council must now consider this request in terms of the Property Management Policy.

Seeing that the Training Centre is a NPO, it is used for the benefit of the community and it is maintained and has been updated by the lessee it is recommended that Bergzicht Training Centre pay 20% of market rental, to to be determined by an independent valuer.

The property under discussion is one of the historical properties belonging to the municipality. An audit was done on the historical properties belonging to the municipality and a decision on the management of all the properties will be taken in due course. The lease agreement with the applicants will make provision for a termination if the management of this property changes during the proposed lease period.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.2.2**

- (a) that the portion of Remainder erf 235, Stellenbosch, as indicated on fig 2 be identified as land not needed for own use during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulations;
- (b) that Council, **in principle** approves that a lease agreement for 2 years be concluded on a private treaty basis with Bergzicht, Training Centre, as provided for in Regulation 34 (1) (b), subject thereto that Council's intention be advertised for public inputs/comments/objections, as provided for in paragraph 9.2.2 of the Property Management Policy;

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- (c) that an independent valuer be appointed to determine the fair market rental for the property referred to in (a);
- (d) that the lease agreement provides for a 3 months' notice period to terminate the lease agreement;
- (e) that Council, in principle, approves 20% of the fair market value to be the rental payable by Bergzicht Training Centre, as provided for in paragraph 22.1.4 of the Property Management Policy; and
- (f) that a draft agreement be submitted with the return item.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	PIET SMIT
<b>POSITION</b>	<b>MANAGER: PROPERTY MANAGEMENT</b>
<b>DIRECTORATE</b>	<b>CORPORATE SERVICES</b>
<b>CONTACT NUMBERS</b>	021-8088189
<b>E-MAIL ADDRESS</b>	<a href="mailto:Piet.smit@stellenbosch.gov.za">Piet.smit@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	2019-08-01

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7.3	<b>FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))</b>
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NONE

7.4	<b>HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)</b>
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NONE

7.5	<b>INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT )</b>
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NONE

7.6	<b>PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))</b>
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NONE

7.7	<b>PLANNING AND ECONOMIC DEVELOPMENT: (PC:CLLR E GROENEWALD (MS))</b>
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NONE

7.8	<b>RURAL MANAGEMENT AND TOURISM: (PC: CLLR S PETERS)</b>
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NONE

7.9	YOUTH, SPORTS AND CULTURE: (PC: CLLR M PIETERSEN)
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7.9.1	WINELANDS MARATHON AND HALF MARATHON: THREE-YEAR PARTNERSHIP AGREEMENT WITH STELLENBOSCH MUNICIPALITY
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**Collaborator No:** 660766  
**IDP KPA Ref No:** *Good Governance*  
**Meeting Date:** 11 September 2019

**1. SUBJECT: WINELANDS MARATHON AND HALF MARATHON: THREE-YEAR PARTNERSHIP AGREEMENT WITH STELLENBOSCH MUNICIPALITY.**

**2. PURPOSE**

To submit the draft three-year partnership agreement between Stellenbosch Municipality and the Winelands Marathon and Half Marathon to Council for approval.

**3. DELEGATED AUTHORITY**

Municipal Council

**4. EXECUTIVE SUMMARY**

The Winelands Marathon and Half Marathon is an established event which annually takes place in WC024. The event is presented by Helderberg Harriers Running Club and organised by Top Events, one of the leading event organising companies in the Western Cape. The events start and and finish at Eikestad Primary School.

The event attracts approximately 5000 athletes, but has the potential to grow into a fully-fledged international event if infrastructure support and international marketing platforms can be accessed. The Stellenbosch Municipality, Top Events and new headline sponsor of the event, Sportsmans Warehouse, intends to partner with the events owner, Helderberg Harriers Running Club, to make this happen.

The objective with the partnership is to elevate the event to an international event which in turn would facilitate increased regional and international sport tourists to WC024, economic growth, social inclusion and job creation.

Further to this, the event will provide opportunities for cooperation, connectivity and constructive partnerships with the public and private sectors.

**RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.9.1**

that Council approves the draft three-year Partnership Agreement (MOU) between the Stellenbosch Municipality and the Winelands Marathon and Half Marathon for the period 2019 – 2021.

**FOR FURTHER DETAILS CONTACT:**

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<b>NAME</b>	<i>Albert van der Merwe</i>
<b>POSITION</b>	<i>Manager: Community Services</i>
<b>DIRECTORATE</b>	<i>Community and Protection Services</i>
<b>CONTACT NUMBERS</b>	<i>021 808 8165</i>
<b>E-MAIL ADDRESS</b>	<a href="mailto:Albert.vandermerwe@stellenbosch.gov.za"><u>Albert.vandermerwe@stellenbosch.gov.za</u></a>
<b>REPORT DATE</b>	<i>19 August 2019</i>

7.10	MUNICIPAL MANAGER
7.10.1	ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2019/20 FINANCIAL YEAR WITH RISK APPETITE

Collaborator No:

IDP KPA Ref No: *Good Governance*

Meeting Date: 11 September 2019

**1. SUBJECT: ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2019/20 FINANCIAL YEAR WITH RISK APPETITE**

**2. PURPOSE**

To obtain approval for the revised Strategic and Operational Risk Register and risk appetite for the 2019/20 financial year from the Mayoral Committee for referral to Council to be adopted.

**3. DELEGATED AUTHORITY**

For the Mayoral Committee to approval for referral to Council and for Council adoption.

**4. EXECUTIVE SUMMARY**

Municipal Governance best practice as well the Municipal Finance Management Act (MFMA), Act 56 of 2003, requires municipalities to have an effective risk management mechanism to stay abreast of prevalent risks and to determine the risk appetite. Inherent risk exposure means impact in relation to likelihood of a risk occurring. Risk appetite means the amount (level) of risk a municipality is willing to accept. Municipalities are required to formally assess risk annually to determine the risk severity and decide on the appropriate risk appetite for the municipality. To ensure effectiveness, a municipality must focus its attention and resources on the areas of most significant risk and concern to stakeholders. The risk assessment process is therefore a fundamental element of the risk management process.

The principal aim of the risk assessments process is to:

- Identify the risks threatening the achievement of the IDP's objectives of each directorate;
- Assess the key risks facing each directorate; and
- Identify the processes / functions / directorates / persons the municipality and top management relies upon to manage the identified risks.
- Align the mentioned risk management process with processes as established by provincial and national government (as communicated to the municipality).

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.10.1**

- (a) that the Mayoral Committee approves the register with appetite and refer to Council for adoption; and
- (b) that Council adopts the Strategic Risk Register for the 2019/20.

**FOR FURTHER DETAILS CONTACT:**

NAME	Shireen De Visser
POSITION	Senior Manager Governance
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8157
E-MAIL ADDRESS	Shireen.Devisser@stellenbosch.gov.za
REPORT DATE	11 September 2019

<b>7.10.2</b>	<b>APPROVAL OF COST CONTAINMENT POLICY</b>
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**Collaborator No:**

**IDP KPA Ref No:** *Good Governance*

**Meeting Date:** **11 September 2019**

**1. SUBJECT: APPROVAL OF COST CONTAINMENT POLICY**

**2. PURPOSE**

Council to adopt the Cost Containment Policy.

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

The objective of this policy is to give effect to the Cost Containment Regulations and the Local Government: Municipal Finance Management Act No. 56 of 2003 to ensure that resources of a municipality are used effectively, efficiently and economically by implementing cost containment measures.

As directed by Regulations, the policy will further set out-

- a) Monitoring measures to ensure implementation of the policy;
- b) Procedures for the annual review implementation of the policy; and
- c) Consequences for non-adherence to the measures contained in the policy.

The policy applies to all officials and political office bearers in Stellenbosch Municipality. In the event of any conflict between a provision of this policy and any other policy of council, the provision of this policy shall apply.

**RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-11: ITEM 7.10.2**

that the Cost Containment Policy be adopted.

**FOR FURTHER DETAILS CONTACT:**

NAME	Kevin Carolus
POSITION	Chief Financial Officer
DIRECTORATE	Financial Services
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.carolus@stellenbosch.gov.za
REPORT DATE	10 September 2019

8.	<b>REPORTS SUBMITTED BY THE EXECUTIVE MAYOR</b>
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NONE

9.	<b>MATTERS TO BE CONSIDERED IN-COMMITTEE</b>
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NONE

The meeting adjourned at 13:48.

**CHAIRPERSON:** .....

**DATE:** .....

**Confirmed on** .....

**PRESENT:** Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)

**Councillors:** PR Crawley (Ms)  
A Frazenburg  
E Groenewald (Ms)  
MM Pietersen  
S Peters

**Also Present:** Cllr FJ Badenhorst  
Alderman PW Biscombe (Chief Whip)  
Cllr Z Dalling (Ms)  
Cllr WF Pietersen  
Alderswoman J Serdyn (Ms)

**Officials:** Municipal Manager (G Mettler (Ms))  
Chief Financial Officer (K Carolus)  
Director: Infrastructure Services (D Louw)  
Director: Corporate Services (A de Beer (Ms))  
Director: Community and Protection Services (G Boshoff)  
Director: Local Economic Development (T Mfeya)  
Chief Audit Executive (F Hoosain)  
Manager: Committee Services (EJ Potts)  
Senior Administration Officer (B Mgcushe (Ms))  
Committee Clerk (N Mbali (Ms))

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<b>1.</b>	<b>OPENING AND WELCOME</b>
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The Executive Mayor welcomed everyone present.

<b>2.</b>	<b>COMMUNICATION BY THE CHAIRPERSON</b>
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NONE

<b>3.</b>	<b>DISCLOSURE OF INTERESTS</b>
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NONE

<b>4.</b>	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b>
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The following applications for leave were approved in terms of the Rules of Order of Council:-

Deputy Executive Mayor, N Jindela	- 16 September 2019
Cllr XL Mdemka (Ms)	- 16 September 2019
Q Smit	- 16 September 2019

<b>5.2.3</b>	<b>ADOPTION OF REVISED SYSTEM OF DELEGATIONS</b>
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**Collaborator No:**

**IDP KPA Ref No:** *Good Governance*

**Meeting Date:** 11 and 25 September 2019

**1. SUBJECT: ADOPTION OF REVISED SYSTEM OF DELEGATIONS**

**2. PURPOSE**

To re-submit the proposed amended System of Delegations for adoption by Council after the input from the Section 80 Committees have been elicited as resolved by council on 28 August 2019.

**3. DELEGATED AUTHORITY**

Council to approve.

**4. EXECUTIVE SUMMARY**

In terms of section 59 of the Local Government: Municipal Systems Act, 32/2000, a Municipal Council must develop a System of Delegations that will maximize administrative and operational efficiency and provide for adequate checks and balances, and, in accordance with such system, may:

- (a) delegate appropriate powers excluding the powers referred to in section 160(2) of the Constitution, the power to set tariffs, to decide to enter into a service delivery agreement in terms of section 76(b), to approve or amend the Municipality's IDP, and any other provision in legislation conferring the powers to Council alone. The delegations may be made to any of the Municipality's political structures, political office bearers, councillors or staff members;
- (b) instruct any such political structure, political office bearer, councillor, or staff member to perform any of the Municipality's duties; and
- (c) withdraw any delegation or instruction.

Section 59(2)(f) provides, inter alia, that the system of delegations developed in terms of section 59(1) by Council must be reviewed when a new council is elected.

The current system of delegations was approved by the previously elected Council. The current Council did not adopt the System of delegations – the Speaker ruled on 15 August 2016 to “*Note the existing System of Delegations*”. Council has not fulfilled its obligation in terms of section 59(2)(f) to review the system of delegations after its election in 2016. A revised system of delegations has been tabled after the election but was not considered.

The Delegations have been revised in its totality and a new format was used in an attempt to link legislation and the different authorities to whom delegations are made. The changes as discussed at the workshop on 13 February 2018 are included in the attached document.

**RESOLVED: THE EXECUTIVE MAYORAL COMMITTEE: 2019-08-14: ITEM 7.2.3**

that this item be deferred to a continuation meeting on 20<sup>th</sup> August 2019.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-20: ITEM 7.2.3**

- (a) that Council adopts the attached revised System of Delegations as set out in **APPENDIX 2** as the primary source of the delegations from 1 September 2019;
- (b) that Council takes note that by-laws or policies that are in the process of being revised and that are not included in the delegations will be taken up in the delegations administratively after the approval of the amended by-law or policy, and that the current delegations attached to those by-laws and policies remain in effect till such time it is revised; and
- (c) that all political office bearers, political structures, the Municipal Manager, Directors, Senior Managers, Managers, Heads of Departments and all other identified officials be hereby authorised to exercise on behalf of the Council the delegated powers designated to them in terms of **APPENDIX 2**.

Council considered the delegation on 28 August 2019 and the following ruling was made by the Speaker:

**30<sup>TH</sup> COUNCIL MEETING: 2019-08-28: ITEM 11.2.3**

*"The Speaker RULED*

*that, after consultation with the Executive Mayor, this matter be referred to all the Section 80 Portfolio Committee meetings in September 2019, where after same be resubmitted to the September 2019 Council meeting via the MAYCO.*

The item served at the following section 80 Committees:

Corporate Services	2 September 2019	Appendix 3
Financial Services	10 September 2019	Appendix 4
Infrastructure Services	5 September 2019	Appendix 5
Youth, Sport and Culture	5 September 2019	Appendix 6
Community and Protection Services	10 September 2019	Appendix 7
Parks and Open Spaces	2 September 2019	Appendix 8
Planning and Economic Development	3 September 2019	Appendix 9
Human Settlements	4 September 2019	Appendix 11
Rural management and Tourism	4 September 2019	Appendix 12

Inputs were also from the Municipal Manager (RS1) – change indicated in red and the Director Community and Protection services – Appendix 10. No input was received from the Directorate Planning and Economic Development by Friday 6 September 2019.

Input as send by the portfolio chairperson (Appendix 9A). All the changes relating to the inputs received since the previous council meeting is contained in red in the electronic **APPENDIX 2**.

## 5. RECOMMENDATIONS

- (a) that Council adopts the attached revised System of Delegations as set out in **APPENDIX 2** as the primary source of the delegations from 1 September 2019;
- (b) that it be noted that by-laws or policies that are in the process of being revised and that are not included in the delegations will be taken up in the delegations administratively after the approval of the amended by-law or policy, and that the current delegations attached to those by-laws and policies remain in effect till such time it is revised; and
- (c) that all political office bearers, political structures, the Municipal Manager, Directors, Senior Managers, Managers, Heads of Departments and all other identified officials be hereby authorised to exercise on behalf of the Council the delegated powers designated to them in terms of **APPENDIX 2**.

## 6. DISCUSSION / CONTENTS

### 6.1 Background

In terms of section 59 of the Local Government: Municipal Systems Act, 32/2000, a Municipal Council must develop a System of Delegations that will maximize administrative and operational efficiency and provide for adequate checks and balances.

### 6.2 Discussion

In terms of Section 59(2)(f), such System of Delegations must be reviewed when a new Council is elected.

The Local Government elections took place on 3 August 2016 and a System of Delegations was tabled at the first Council meeting on 15 August 2016. The recommendation to adopt the delegations was not approved and the Speaker ruled that Council NOTED the existing System of Delegations. The last time that the delegations were reviewed was in 2015.

In terms of section 59 of the Local Government: Municipal Systems Act, 32/2000, a Municipal Council must develop a System of Delegations that will maximize administrative and operational efficiency and provide for adequate checks and balances, and, in accordance with such system, may:

- (a) delegate appropriate powers excluding the powers referred to in section 160(2) of the Constitution, the power to set tariffs, to decide to enter into a service delivery agreement in terms of section 76(b), to approve or amend the Municipality's IDP, and any other provision in legislation conferring the powers to Council alone. The delegations may be made to any of the Municipality's political structures, political office bearers, councillors or staff members;
- (b) instruct any such political structure, political office bearer, councillor, or staff member to perform any of the Municipality's duties; and
- (c) withdraw any delegation or instruction.

The current system of delegations was approved by the previously elected Council in 2015. The current Council did not adopt the System of delegations – the Speaker ruled on 15 August 2016 to Note the existing System of Delegations.

The Delegations must be reviewed in order to align with, amongst others:

- Municipal Assets Transfer Regulations;
- Preferential Procurement Regulations; and
- Cost Containment Regulations.

The Delegations have been revised in totality and a new format was used in an attempt to link legislation and the different authorities to whom delegations are made in order to make it more user friendly. It is therefore not possible to show individual changes as it was changed as a whole.

The Directors all made their inputs in regard to their functional fields. To comply with the legal directive of maximizing administrative and operational efficiency, a high degree of sub-delegations to Directors, Managers, Heads of Departments and other senior employees are provided for. Although every effort was made to ensure that the new proposed system of delegations is accurate and incorporates the delegations, it may be that certain minor administrative overlaps and omissions can be identified.

There are policies and by-laws that are currently under review and those have not been included in the System of Delegations. It is therefore recommended that when a new policy or By-law is approved, the delegations are approved with it and then administratively added to the System of Delegations.

A workshop with Councillors took place on 13 February 2018. The changes as discussed at the workshop are included in the attached document.

#### **6.2.1 Requirement in terms of section 65**

Section 65 of the Municipal Systems Act requires that the municipal manager must submit to the council a report on the existing delegations issued in terms of section 59 with recommendations on any changes to the existing delegations which the municipal manager may consider necessary.

Given the fact the system of delegation submitted to council is a complete revision in terms of format, the report required in terms of section 65 is a complete change and replacement of the current system as adopted in 2015. In particular it should be noted that the numbering of the new system of delegations completely differs from the old system in that its link to the office bearers and or legislation.

Moreover, the Delegations has now been revised and a new format was used in an attempt to link legislation and the different authorities to whom delegation are made in order to make it more user friendly.

In particular Council should note that to further comply with section 65 the Delegations must be reviewed in order to align with amongst others:

- Municipal Assets Transfer Regulations;
- Preferential Procurement Regulations;
- Newly adopted municipal By- laws; and
- Cost Containment Regulations.

#### **6.2.2 Consultation process**

The Directors all made their inputs in regard to their functional fields. To comply with the legal directive of maximizing administrative and operational efficiency, a high degree of

sub-delegations to Directors, Managers, Heads of departments and other senior employees are provided for. Although every effort was made to ensure that the new proposed system of delegations is accurate and incorporates the delegations, it may be that certain minor administrative overlaps and omissions can be identified. There are policies and bylaws that are currently under review and those have not been included in the System of Delegations as they are outdated and it would mean that the System of Delegations has to be reviewed every time the new policy or Bylaw is approved. It is therefore recommended that when a new policy or Bylaw is approved the delegations are approved with it and then administratively added to the System of Delegations.

A workshop with Councillors took place on 13 February 2018. The changes as discussed at the workshop are included in the attached document.

Further to the above the administration and the then portfolio chairperson, Cllr Groenewald, met with representatives from Province to discuss reservations they had. Their reservations centred on mainly two types of delegations – the delegations from the Executive Mayor to the Municipal manager as well as the matters on which the Executive Mayor should consult the Mayoral committee. These issues has been address in the document currently before Council.

After the section 80 committees discussed the delegations the inputs were discussed with the portfolio holders and the Directors and the agreed input is contained in the document indicated in red.

### **6.3 Financial Implications**

As per the approved budget.

### **6.4 Legal Implications**

Compliance with Section 59(1) of the Systems Act and various other legislative measures as listed in the definitions and interpretations contained in part 1 of the System of Delegations.

### **6.5 Staff Implications**

If any additional staff has to be appointed permanently it will only be done within the framework of a Council-approved structure and with the necessary budgetary provisions.

### **6.6 Previous / Relevant Council Resolutions**

Council resolution dated 15 August 2016, containing the Speaker's ruling.

28 August 2019 – item 11.2.3

### **6.7 Risk Implications**

**Delegations must** maximize administrative and operational efficiency and provide for adequate checks and balances.

### **6.8 Comments from Senior Management**

The item was discussed at the Director's meeting and the workshop, and the Directors' inputs are contained in the report.

#### **6.8.1 Chief Financial Officer**

Agree with the recommendations.

**6.8.2 Municipal Manager**

Agree with the recommendations

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-16: ITEM 7.2.3**

- (a) that Council adopts the attached revised System of Delegations as set out in **APPENDIX 2** as the primary source of the delegations from 1 October 2019;
- (b) that it be noted that by-laws or policies that are in the process of being revised and that are not included in the delegations will be taken up in the delegations administratively after the approval of the amended by-law or policy, and that the current delegations attached to those by-laws and policies remain in effect till such time it is revised; and
- (c) that all political office bearers, political structures, the Municipal Manager, Directors, Senior Managers, Managers, Heads of Departments and all other identified officials be hereby authorised to exercise on behalf of the Council the delegated powers designated to them in terms of **APPENDIX 2**.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>A M C de Beer</b>
<b>POSITION</b>	<b>Director: Corporate Services</b>
<b>DIRECTORATE</b>	<b>Corporate Services</b>
<b>CONTACT NUMBERS</b>	<b>021 807 8018</b>
<b>E-MAIL ADDRESS</b>	<b>Annalene.deBeer@stellenbosch.org.za</b>
<b>REPORT DATE</b>	<b>16 September 2019</b>

7.7	PLANNING AND ECONOMIC DEVELOPMENT: (PC:CLLR E GROENEWALD (MS))
7.7.1	DRAFT BY-LAW FOR STELLENBOSCH MUNICIPALITY ON PROBLEM PROPERTY, 17 MAY 2019

**Collaborator No:**

**IDP KPA Ref No:** *Good Governance*

**Meeting Date:** 16 September 2019

**1. SUBJECT: DRAFT BY-LAW FOR STELLENBOSCH MUNICIPALITY ON PROBLEM PROPERTY, 17 MAY 2019**

**2. PURPOSE**

To advise the Executive Mayor and Council on the draft By-law on Problem Property for Stellenbosch Municipality.

**3. DELEGATED AUTHORITY**

For consideration by the Executive Mayor and recommendation to council for advertisement for public comment.

**4. EXECUTIVE SUMMARY**

In terms of the **14<sup>TH</sup> COUNCIL MEETING: 2017-11-29: ITEM 8.3.3**, the Administration advertised the Draft By-law for public comment during 2018 for a period of 90 days. Despite the long period, no written comments were received, except one person who requested a meeting in order to discuss the content of the Draft By-law.

Therefore, the Administration proposes to circulate the draft to all the internal departments, interested and affected parties as well as all ward committees for a second round of comments.

The Draft By-law is pertaining to how the municipality must endeavour to address problem properties (i.e.: derelict, undesirable, abandoned or dangerous properties) throughout the entire WCO24 municipal area.

At present, several properties within Stellenbosch municipality have been identified as problematic, due to their long-term abandonment and neglect and/or failure to develop or maintain. Such properties have the tendency to be used as illegal dumping sites, invite dangerous or illegal activities, create an eyesore for the surrounding community, and/or potentially lead to neighborhood decay due to their negative influence on surrounding property prices and community pride.

At present, Stellenbosch Municipality is working with an outdated by-law, promulgated in 1962 ("Stellenbosch Municipality: Regulations Relating to Dilapidated Buildings and Unsightly and Objectionable Structures, P.N 407/1962), which does not adequately capture the demands of current land use enforcement challenges associated with problematic properties.

Although a relevant draft by-law was developed and approved in-principle by Council in 2013 (Stellenbosch Municipality: Problem Buildings By-law (2013)), this By-law was never promulgated.

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**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-16: ITEM 7.7.1**

- (a) that the revised draft By-law on Problem Properties for Stellenbosch Municipality, 17 May 2019, be advertised for public participation for 30 days; and
- (b) that after the comments have been reviewed, the edited By-Law be resubmitted to the Mayoral Committee and Council for final consideration and subsequent approval.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Tabiso Mfeya
<b>POSITION</b>	Director
<b>DIRECTORATE</b>	Planning and Economic Development
<b>CONTACT NUMBERS</b>	021 808 8674
<b>E-MAIL ADDRESS</b>	Tabiso.mfeya@stellenbosch.gov.za
<b>REPORT DATE</b>	September 2019

**DIRECTOR: PLANNING AND ECONOMIC DEVELOPEMNT SERVICES**

The content of this report has been discussed with the Portfolio Committee Chairperson and the Councillor agrees that she has read the recommendations.

7.7.2	<b>DRAFT POLICY ON PLACE NAMING, STREET NAMING AND RENAMING AND NUMBERING FOR STELLENBOSCH MUNICIPALITY, EDITED 17 MAY 2019</b>
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Collaborator No:

IDP KPA Ref No: *Good Governance*

Meeting Date: 16 September 2019

1. **SUBJECT: DRAFT POLICY ON PLACE NAMING, STREET NAMING AND RENAMING AND NUMBERING FOR STELLENBOSCH MUNICIPALITY, EDITED 17 MAY 2019**

2. **PURPOSE OF REPORT**

To advise the Executive Mayor and Council on the Draft Policy on Place Naming, Street Naming and Renaming and Numbering for Stellenbosch Municipality

3. **DELEGATED AUTHORITY**

For consideration by the Executive Mayor and recommendation to council for advertisement for public comment.

4. **EXECUTIVE SUMMARY**

Council resolved as follows:

**“JOINT ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE:  
2018-03-06: ITEM 5.2.1**

*During deliberations on the matter, the following corrections were suggested on the Draft Policy:*

- (i) *Under bullet point 4.2, change 2km radius to 5km radius;*
- (ii) *Under bullet point 5.11, change the name of the Director: Engineering Services to Director: Infrastructure.*
- (iii) *Remove bullet point 6.7 Other situations.....on page 6 of the Draft Policy and change the numbering that follows, ie. 6.8 becomes 6.7, etc.;*
- (iv) *Under bullet point 9.2, replace the word “failure of” with the word “failing”, under paragraph 9.2 on page 8 of the Appendix;*
- (v) *Replace the Afrikaans word “Weg” with the Afrikaans word “Pad” next to the English word Road (Rd) on the 2<sup>nd</sup> last page of Annexure 1;*

**RESOLVED**

***that it be recommended to Council:***

- (a) *that the draft policy on Place naming, Street naming and Renaming and Numbering for Stellenbosch Municipality, August 2017, (including the amendments as listed in (i)-(v) above), be approved in principle; and*

- (b) *that the draft policy on Place naming, Street naming and Renaming and Numbering for Stellenbosch Municipality, August 2017 be advertised for public comment where after same be resubmitted to Council for final consideration and approval.”*

The administration edited the document on 8 April 2019 as requested in the above mentioned resolution. Thereafter, the draft policy was re-submitted to the PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE on the 17th of May 2019 for re-consideration.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-09-16: ITEM 7.7.2**

- (a) that the revised policy on Place Naming, Street Naming and Renaming and Numbering for Stellenbosch Municipality be advertised for public comments for 60 days; and
- (b) that the final approved policy be translated into all 3 official languages.

**DIRECTOR PLANNING AND ECONOMIC DEVELOPMENT**

FOR FURTHER DETAILS CONTACT:

<b>NAME</b>	Hedre Dednam
<b>POSITION</b>	Land Use Manager
<b>DIRECTORATE</b>	Planning and Economic Development
<b>CONTACT NUMBERS</b>	021 808 8674
<b>E-MAIL ADDRESS</b>	<a href="mailto:hedre.dednam@stellnbosch.gov.za">hedre.dednam@stellnbosch.gov.za</a>
<b>REPORT DATE</b>	30 July 2019

**DIRECTOR: PLANNING AND ECONOMIC DEVELOPEMNT SERVICES**

The meeting adjourned at 10:30.

**CHAIRPERSON:** .....

**DATE:** .....

**Confirmed on** .....

6.	<b>STATUTORY MATTERS</b>
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NONE

7.	<b>CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]</b>
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7.1	<b>COMMUNITY AND PROTECTION SERVICES: (PC: CLLR Q SMIT)</b>
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NONE

7.2	<b>CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)</b>
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7.2.1	<b>POSSIBLE DISPOSAL OF A PORTION OF ERF 23, FRANSCHHOEK TO THE FRANSCHHOEK METHODIST CHURCH</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Institutional Transformation**

**09 October 2019**

**1. SUBJECT: POSSIBLE DISPOSAL OF A PORTION OF ERF 23, FRANSCHHOEK TO THE  
FRANSCHHOEK METHODIST CHURCH**

**2. PURPOSE**

To make a final determination on the proposed disposal, following the public participation process.

**3. DELEGATED AUTHORITY**

The Municipal Council must consider the matter.

**4. EXECUTIVE SUMMARY**

The Franschhoek Methodist Church is leasing a portion of erf 23, Franschhoek from Stellenbosch Municipality since 1995. The lease will expire in 2020, where after they will have an option of renewal for a further period of up to ten (10) years on terms and conditions to be mutually agreed upon between the parties. They have applied to purchase the land from the Municipality. The property has been developed by the church, at their cost. The improvements consists of the following buildings:

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• Church building:	±175m <sup>2</sup>
• Crèche/ ECD Centre:	±260m <sup>2</sup>
<b>Total</b>	<b>: ±435m<sup>2</sup></b>

Having considered the request Council, on 24 April 2019, *inter alia* resolved as follows:

- 5.1 *that Council, in principle, approve the disposal of land to the Franschhoek Methodist Church without following a public tender process, and subject to the following conditions:*
- a) *that the **purchase price** be determined at **30% of market value**, the market value to be determined by two (2) independent valuers;*
  - b) *that a **reversionary clause** be inserted in the title deed of the property, should the property not be used for religious/social care purposes anymore;*
  - c) *that the church be responsible for the **sub-division** and rezoning of erf 23, Franschhoek, to allow for a separate unit to be transferred;*
  - d) *that a servitude be registered in favour of the Municipality regarding all municipal services crossing the property;*
  - e) *that a right of access from Bagatelle Street be registered in favour of the church.*
- 5.2 *that Council's intention to dispose of the property under the provisions set out above, be advertised for **public inputs/objections/alternative proposals** as provided for in par 9.2.2.1 of the Property Management Policy; and*
- 5.3 *that, following the public participation process, the matter be submitted to Council to make a final decision on the disposal, or not."*

Following the above decision a valuer has been appointed to do a valuation and the proposed disposal was advertised for public comment/inputs. Council to indicate if a second valuation must still be obtained. The municipal value for the property is

Following the above resolution, notice was published, soliciting public input/objections/alternative proposals with a closing date of 11 July 2019. No inputs/objections or alternative proposals were received.

An evaluator was appointed. The report from the valuator (**APPENDIX 3**) however does not indicate why erven in Michelsplein was used to determine the value of an erf in Franschhoek and the department was requested when the item was submitted to refer the valuation back and ask for clarity on the references that was used to determine a valuation. The department was also requested to appoint a second valuator as was indicated in the council resolution and request a second valuation urgently.

Council must now make a final determination in this regard.

## 5. RECOMMENDATION

For consideration.

## 6. DISCUSSION/CONTENT

### 6.1 Background

#### 6.1.1 Lease Agreement

On 29 November 1995 Franschoek Municipality and the Methodist Church of Franschoek concluded a 25 year lease agreement in relation to a portion of erf 23, Franschoek. In terms of this agreement they would be granted first right of refusal to procure the property, should the Municipality decide to sell the property.

#### 6.1.2 Application to purchase land

During 2018 the Franschoek Methodist Church requested to purchase the property at 10% of market value.

Council considered the matter on 24 April 2019. Having considered the application, Council resolved as follows:

- “(a) *that the portion of erf 23, excluding the parking area, Franschoek, as land indicated in Fig 3, be identified as land not needed to provide the minimum level of basic municipal services;*
- (b) *that Council, **in principle**, approve the disposal of land to the Franschoek Methodist Church without following a public tender process, and subject to the following conditions:*
- i) *that the **purchase price** be determined at **30% of market value**, the market value to be determined by two (2) independent valuers;*
  - ii) *that a **reversionary clause** be inserted in the title deed of the property, should the property not be used for religious/social care purposes anymore;*
  - iii) *that the church be responsible for the **sub-division** and rezoning of erf 23, Franschoek, to allow for a separate unit to be transferred;*
  - iv) *that a servitude be registered in favour of the Municipality regarding all municipal services crossing the property;*
  - v) *that a right of access from Bagatelle Street be registered in favour of the church.*
- (c) *that Council’s intention to dispose of the property under the provisions set out above, be advertised for **public inputs/objections/alternative proposals** as provided for in par 9.2.2.1 of the Property Management Policy; and*
- (d) *that, following the public participation process, the matter be submitted to Council to make a final decision on the disposal, or not”.*

A copy of the agenda item that served before Council is attached as **APPENDIX 1**.

#### 6.1.3 Public Notice

Following the above resolution, a public notice was published, soliciting public input/objections/alternative proposals. A copy of the notice is attached as **APPENDIX 2**.

The closing date for inputs/objections or alternative proposals was 11 July 2019.

No inputs/objections or alternative proposals were received.

#### 6.1.4 Valuation report

Hereto attached as **APPENDIX 3** a valuation report compiled by Cassie Gerber Property Valuers cc, valuating the land at R1 050 000.00 (exclusive of VAT). This report was referred back when the item was submitted as erven in Michelsplein was used to do a comparison.

### 6.2. DISCUSSION

#### 6.2.1 The Property

The portion of land, being a portion of Remainder erf 23, Franschoek, measuring approximately 2086m<sup>2</sup> in extent, is situated at the corner of Bagatelle Street and Lamprecht Street, Franschoek, as shown on Fig 1, 2 and 3 below.



Fig 1: Location and context

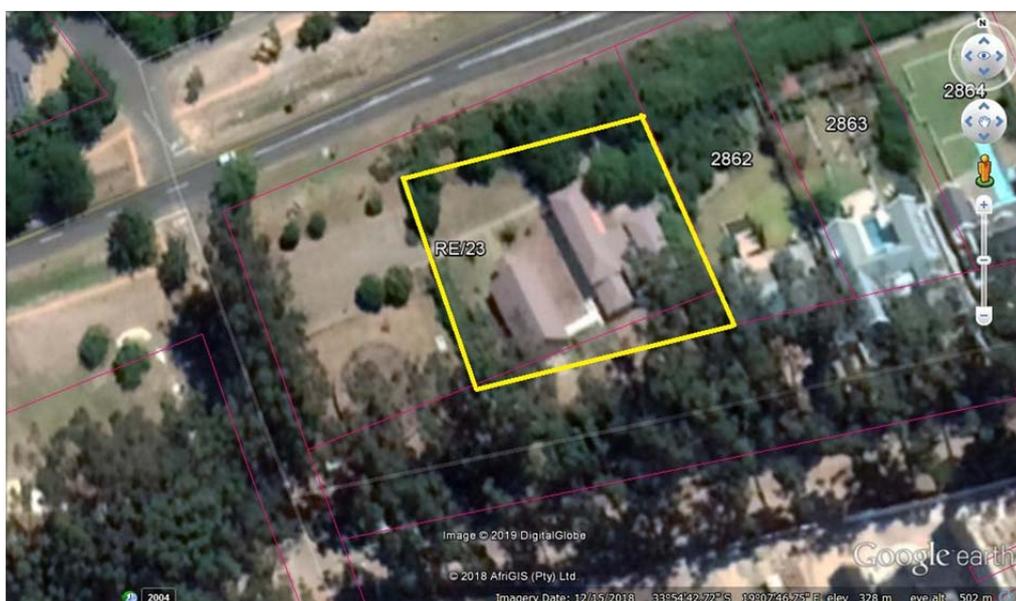


Fig 2: The Property



**Fig 3: Extent of property**

The property is owned by Stellenbosch Municipality and is zoned for Institutional use.

The property has been developed by the church, at their cost. The improvements consist of the following buildings:

- Church building:  $\pm 175\text{m}^2$
- Crèche/ ECD Centre:  $\pm 260\text{m}^2$
- Total** :  $\pm 435\text{m}^2$

The church also developed a parking area which is fenced in. This area has been excluded from the area recommended for disposal to the church.

There is a 50m building restriction applicable, measured from the middle of Lamprecht Street (Northern boundary of site) which would not allow the church to develop on that area.

### 6.2.2 Valuation report

As indicated in paragraph 6.1.4 above, the valuer has valued the land at R1 050 000.00 (Exclusive of VAT). This report was referred back given the reference to erven outside WC024 that was used to determine a value.

The council resolution also requires two reports from different valuers and the department was requested to comply with the Council resolution.

In terms of the Council resolution the sales price will then be 30% of market value.

### 6.3 Financial Implications

There are no financial implication except for the income (purchase price) that will be derived from the sale of the asset. All cost associated with the transfer will be for the account co the church.

**6.4 Legal Implications**

The recommendations contained in this report comply with Council's policies and all applicable legislation. The legal framework is discussed in paragraph of the previous council item and already taken into account.

**6.5 Staff Implications**

No additional staff implications

**6.6 Previous / Relevant Council Resolutions**

Item 7.2, 24 April 2019

**6.7 Risk Implications**

This report addresses the risk implications for the Municipality.

**6.8 Comments from Senior Management**

Agree with the recommendation.

**ANNEXURES:**

- 1: Agenda item that served before Council
- 2: Official Notice
- 3: Valuation report

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>ANNALENE DE BEER</b>
<b>POSITION</b>	<b>DIRECTOR</b>
<b>DIRECTORATE</b>	<b>Corporate services</b>
<b>CONTACT NUMBERS</b>	<b>021-8088018</b>
<b>E-MAIL ADDRESS</b>	<a href="mailto:Annalene.deBeer@stellenbosch.org.za">Annalene.deBeer@stellenbosch.org.za</a>
<b>REPORT DATE</b>	<b>2019-10-03</b>

# **ANNEXURE 1**



**Collaborator No:** *(To be filled in by administration)*  
**IDP KPA Ref No:** **INSTITUTIONAL TRANSFORMATION**  
**Meeting Date:** **10 April and 24 April 2019**

**1. SUBJECT**

**POSSIBLE DISPOSAL OF A PORTION OF ERF 23, FRANSCHHOEK TO THE FRANSCHHOEK METHODIST CHURCH**

**2. PURPOSE**

To consider an application from the Franschhoek Methodist Church for the acquisition of a portion of erf 23, Franschhoek.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The Franschhoek Methodist Church is leasing a portion of erf 23, Franschhoek from Stellenbosch Municipality since 1995. The lease will expire in 2020, where after they will have an option of renewal for a further period of up to ten (10) years on terms and conditions to be mutually agreed upon between the parties.

They have applied to purchase the land from the Municipality at 10% of the market value. The new Property Management Policy allow for direct negotiations subject to a public participation process and further allows a disposal of between 10 and 60% of the market value for inter alia church institutions. The Policy also allow for disposal at a discounted rate in specific circumstances. Council must, however first make an in principle determination, i.e. whether it supports the disposal of the property or not.

The property has been developed by the church, at their cost. The improvements consists of the following buildings:

- Church building:  $\pm 175\text{m}^2$
- Crèche/ ECD Centre:  $\pm 260\text{m}^2$
- Total** :  $\pm 435\text{m}^2$

The church also developed a parking area which is fenced in. This area has been excluded from the area recommended for disposal off to the church.

Should Council approve the recommendations, the Sales Agreement should provide for:

- Use right of the parking area by the church, but also available to the broader public; and
- Right of access from Bagatelle street.

There is a 50m building restriction is applicable, measured from the middle of Lamprecht Street (Northern boundary of site) which would not allow the church to develop on that area.

## 5. RECOMMENDATIONS

- 5.1 that the portion of erf 23, Franschhoek, as land indicated in Fig 3 be identified as land not needed to provide the minimum level of basic municipal services;
- 5.2 that Council , **in principle** , approve the disposal of land to the Franschhoek Methodist Church without following a public tender process and subject to the following conditions:
- a) that the **purchase price** be determined at **30% of market value**, the market value to be determined by two (2) independent valuers;
  - b) that a **reversionary clause** be inserted in the title deed of the property, should the property not be used for religious/social care purposes anymore;
  - c) that the church be responsible for the **sub-division** and rezoning of erf 23, Franschhoek, to allow for a separate unit to be transferred;
  - d) that a servitude be registered in favour of the Municipality regarding all municipal services crossing the property.
  - e) that the church be allowed to use the parking area to the west of the site be that it not be exclusive use i.e that the public also be allowed to use the parking area.
  - f) that a right of access from Bagatelle street be registered in favour of the church.
- 5.3 That Council's intention dispose of the property under the provisions set out above, be advertised for **public inputs/objections**, alternative proposals as provided for in par 9.2.2.1 of the Property Management Policy;
- 5.4 That, following the public participation process, the matter be submitted to Council to make a final decision on the disposal, or not.

## 6. DISCUSSION / CONTENT

### 6.1 Background

#### 6.1.1 Lease Agreements

On 29 November 1995 Franschhoek Municipality and the Methodist Church of Southern Africa, Franschhoek concluded a 25 year Lease Agreement, in terms where the church would be able to use a portion of erf 23, Franschhoek, measuring approximately 3386m<sup>2</sup>

in extent, for erecting a church building. A copy of the Lease Agreement is attached as **APPENDIX 1**.

In terms of clause 24 of the agreement the Lessee would be granted **first right of refusal to purchase** the property, should the municipality decide to sell the property.

Further, in terms of clause 25 of the agreement the Lessee shall have the option to renew the Lease Agreement for a further period of up to ten (10) years on the terms and conditions to be mutually agreed upon between the parties.

### 6.1.2 Application to purchase leased property

Hereto attached as **APPENDIX 2** a self-explanatory letter received from the Franschoek Methodist Church, requesting to purchase the lease area from the Municipality at 10% of market value.

## 6.2 Discussion

### 6.2.1 The property

The portion of land, being a portion of Remainder erf 23, Franschoek, measuring approximately 2086m<sup>2</sup> in extent, is situated at the corner of Bagatelle Street and Lamprecht street, Franschoek, as shown on Fig 1, 2 and 3 below.



**Fig 1: Location and context**



**Fig 2: The Property**



**Fig 3: Extent of property**

The property is owned by Stellenbosch Municipality and is zoned for Institutional use.

The property has been developed by the church, at their cost. The improvements consists of the following buildings:

- Church building:  $\pm 175\text{m}^2$
- Crèche/ ECD Centre:  $\pm 260\text{m}^2$

The church also developed a parking area which is fenced in. This area has been excluded from the area recommended for disposal off to the church. Should Council approve the recommendations, the Sales Agreement should provide for:

- Use right of the parking area by the church, but also available to the broader public; and
- Right of access from Bagatelle street.

There is a 50m building restriction is applicable, measured from the middle of Lamprecht Street (Northern boundary of site) which would not allow the church to develop on that area.

## 6.2.2 Legal requirements

### 6.2.2.1 MFMA

In terms of section 14(1) a municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

In terms of subsection (2), a municipality may transfer ownership or otherwise dispose of a capital asset other than those contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-

- (a) has decided on reasonable grounds that **the asset is not needed to provide the minimum level of basic municipal services**; and
- (b) has considered the **fair market value** of the asset and the **economic and community value** to be received in exchange for the asset.

### 6.2.2.2 Asset Transfer Regulation (ATR)

#### 6.2.2.2.1 Transfer or disposal on non-exempted capital assets

In terms of Regulation 5(1)(b) a municipal council may transfer or dispose of a non-exempted capital asset only after-

- a) the municipal council-
  - i) has made the determination required by Section 14(2)(a) and (b) of the MFMA; and
  - ii) has, as a consequence of those determinations approved in **principle** that the capital asset may be transferred or disposed of.

#### 6.2.2.2.2 Consideration of proposals to transfer or dispose of non-exempted capital assets

In terms of Regulation 7 the municipal council **must**, when considering any proposed transfer or disposal of a non-exempted capital asset in terms of regulation 5(1)(b)(i) and (ii), **take into account—**

- (a) whether the capital asset may be **required for the municipality's own use** at a later date;
- (b) the **expected loss or gain** that is expected to result from the proposed transfer or disposal;
- (c) the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a **significant economic or financial cost or benefit** to the municipality;

- (d) the **risks and rewards** associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interests;
- (e) the **effect** that the proposed transfer or disposal will have on the **credit rating** of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;
- (f) any **limitations or conditions** attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;
- (g) the estimated **cost** of the proposed transfer or disposal;
- (h) the transfer of any **liabilities** and reserve funds associated with the capital asset;
- (i) any comments or representations on the proposed transfer or disposal received from the local community and other interested persons; (if applicable)
- (j) any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury; (if applicable)
- (k) the interests of any affected organ of state, **the municipality's own strategic, legal and economic interests** and the interests of the local community; and
- (l) **compliance** with the **legislative regime** applicable to the proposed transfer or disposal.

#### 6.2.2.2.3 **Conditional approval of transfer or disposal of non-exempted capital assets**

Further, in terms of Regulation 11, an **approval in principle** in terms of regulation 5(1)(b)(ii) or 8(1)(b)(ii) that a non-exempted capital asset may be transferred or disposed of, **may be given subject to any conditions**, including conditions specifying—

- (a) **the way in which the capital asset is to be sold or disposed of;**
- (b) **a floor price or minimum compensation for the capital asset;**
- (c) whether the capital asset may be transferred or disposed of for **less than its fair market value**, in which case the municipal council must first consider the criteria set out in regulation 13(2); and
- (d) **a framework within which direct negotiations** for the transfer or disposal of the capital asset **must be conducted** with another person, if transfer or disposal is subject to direct negotiations.

#### 6.2.2.2.4 **Transfer or disposal of non-exempted capital assets to be in accordance with disposal management system**

In terms of Regulation 12; if approval has been given in terms of regulation 5(1)(b)(ii) or 8(1)(b)(ii) that a non-exempted capital asset may be transferred or disposed of, the relevant municipality may transfer or dispose of the asset only in accordance with its **disposal management system\***, irrespective of—

- (a) the value of the capital asset; or
- (b) whether the capital asset is to be transferred to a private sector party or an organ of state.

**\*Please note:** The Policy on the Management of Council-owned property is deemed to be the disposal management system. See par. 6.2.2.3 below.

#### 6.2.2.2.5 **Compensation for transfer of non-exempted municipal capital assets**

In terms of Regulation 13, the compensation payable to a municipality for the transfer of a non-exempted capital asset must, subject to sub regulation (2)—

- (a) be consistent with criteria applicable to compensation set out in the disposal management system of the municipality or municipal entity; and
  - (b) if regulation 12(2)(b) applies to the transfer, **reflect fair market value**.
- (2) **If a municipality** on account of the public interest, in particular in relation to the plight of the poor, **intends to transfer a non-exempted capital asset for less than its fair market value, the municipality** must, when considering the proposed transfer<sup>16</sup>, **take into account**—
- (a) the **interests of**—
    - (i) the State; and
    - (ii) the local community;
  - (b) the strategic and economic interests of the municipality or municipal entity, including the long-term effect of the decision on the municipality or entity;
  - (c) the constitutional rights and legal interests of all affected parties;
  - (d) whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and
  - (e) **whether the local community would be better served if the capital asset is transferred at less than its fair market value**, as opposed to a transfer of the asset at fair market value.

#### 6.2.2.2.6 Transfer agreements

Lastly in terms of Regulation 17, a municipality may transfer assets approved for transfer to a private sector party or organ of state in terms of this Chapter, **only by way of a written transfer agreement** concluded between the transferring municipality and the receiving private sector party or organ of state.

A transfer agreement must set out the terms and conditions of the transfer, including, as a minimum—

- (a) a sufficient **description** of the capital asset being transferred in order to identify the asset;
- (b) particulars of any subsidiary assets that are transferred with the capital asset;
- (c) particulars of any liabilities transferred with the asset;
- (d) the **amount of compensation** payable to the municipality or municipal entity for the transfer of the asset or assets, and the terms and conditions of payment; and
- (e) the **effective date** from which the risk and accountability for the asset or assets is transferred to the receiving private sector party or organ of state.

#### 6.2.2.3 Policy on the management of Council-owned property

##### 6.2.2.3.1 Disposal management principles

In terms of paragraph 7.2.1, unless otherwise provided for in the policy, the disposal of Viable Immovable property shall be effected-

- a) by means of a process of **public competition**; and
- b) at **market value** except when the public interest or the plight of the poor
- c) demands otherwise.

In terms of paragraph 9 the type of tender may vary, depending on the nature of the transaction. The following options may be considered:

- a) outright tender;
- b) Call for proposals;
- c) Call for proposals on a Build-Operate-Transfer basis

#### 6.2.2.3.3 Deviation from a Competitive process

In terms of paragraph 9.2.2 the Municipal Council may **dispense with the competitive processes** established in this policy, and may enter into a **Private Treaty Agreement** through any convenient process, which may include direct negotiations, including in response to an unsolicited application, but only in the following circumstances, and only **after having advertised Council's intention so to act**. Should any objections be received as a consequence of such a notice, such objections first be considered before a final decision is taken to dispense with the competitive process established in this policy. However, should any objections, be received from potential, competitive bidders, then a public competitive process must be followed. The advertisement referred to above should also be served on adjoining land owners, where the Municipal Manager is of the opinion that such transaction may have a detrimental effect on such adjoining land owner(s):

- (a) **in exceptional cases where the Municipal Council is of the opinion the public competition would not serve a useful purpose** or that it is in the interest of the community and the Municipality, and where none of the conditions as set out in the policy provides for such exception, is permitted, and where they are not in conflict with any provision of the policy. In such cases reasons for preferring such out-of hand sale or lease to those by public competition; must be recorded

#### 6.2.2.3.4 Disposal and Letting of Immovable Property for Social Care Uses

In terms of paragraph 9.3 "*Social care*" is defined as services provided by **registered** welfare, charitable, non-profit cultural and **religious organisations** and includes, but is not limited to, the following types of uses :-

- (a) **Place of Worship** to the degree and for that portion of a facility being used for spiritual gathering by, and social/pastoral/manse/welfare caring and support to Worshipers and the broader Community;
- (b) **Child care facility** insofar as it contributes to the functioning of a multi-use childcare facility and is operated on a non-profit basis;

In terms of the policy the Municipality **reserves the right to entertain unsolicited proposals for the purchase or lease of viable immovable property for social care uses** with the provision that it abides by the Municipality's IDP objectives.

From the above it is clear that **Council may dispense with a competitive process**, i.e. may enter into a Private Treaty Agreement, seeing that the Methodist Church falls within the description of a **social care use**, where

#### **6.2.2.3.5 Criteria for determining compensation**

In terms of par.21 immovable property may be disposed of only at market-related prices, except when the plight of the poor or public interest demands otherwise. In terms of par. 21.3, the Municipality may dispose properties for social care uses at a purchase price of between 10% and 60% of the fair market value.

Taking into account the period that the church is leasing the property, but also taking into account their capital investment over the period, it is recommended that the property be disposed of at 30% of market value, also taking into account that this is not a poor congregation, but also taking into account the public interest.

### **6.3 Financial Implications**

There are no financial implication except for the income (purchase price) to derived from the sale of the asset. All cost associated with the transfer will be for the account co the church. The value of the property still need to be determined through a valuation process.

### **6.4 Legal Implications**

The recommendations contained in this report comply with Council's policies and all applicable legislation. The legal framework is discussed in paragraph 6.2.2, *supra*.

### **6.5 Staff Implications**

No additional staff implications

### **6.6 Previous / Relevant Council Resolutions**

### **6.7 Risk Implications**

This report addresses the risk implications for the Municipality.

### **6.8 Comments from Senior Management**

#### **6.8.1 Director: Infrastructure Services**

There are municipal services (water main and sewer main) running over proposed portion of Erf 23, Franchhoek.

A servitude must be registered by the Methodist Church in favour of the Municipality for the services encroaching on the property.

The fees applicable to the registration of the servitude is to the account of the Methodist Church.

The width of the registered servitude must be a minimum of 3 m or twice the depth of the pipe (measured to invert of pipe), whichever is the highest value.

These services must at all times be accessible for maintenance purposes.  
 No structure will be allowed over or within 1.5 m of any services.  
 Should any future building upgrades be considered for Erf 23, building plans must be submitted on which further comment will follow.

#### 6.8.2 Director: Planning and Economic Development

None received.

#### 6.8.3 Chief Financial Officer

None received.

#### ANNEXURES:

A: Lease Agreement

B: Application to purchase

#### FOR FURTHER DETAILS CONTACT:

<b>NAME</b>	<b>Piet Smit</b>
<b>POSITION</b>	<b>Manager: Property Management</b>
<b>DIRECTORATE</b>	<b>Corporate services</b>
<b>CONTACT NUMBERS</b>	<b>021-8088189</b>
<b>E-MAIL ADDRESS</b>	<b><a href="mailto:Piet.smit@ Stellenbosch.gov.za">Piet.smit@ Stellenbosch.gov.za</a></b>
<b>REPORT DATE</b>	<b>2018-07-30</b>

#### DIRECTOR: CORPORATE SERVICES

The contents of this report have been discussed with the Portfolio Committee Chairperson and it was agreed to proceed with the recommendations to Mayco and Council.

# **ANNEXURE 2**



**STELLENBOSCH**  
 STELLENBOSCH • PNIEL • FRANSCHHOEK  
 MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

### **OFFICIAL NOTICE**

## **PROPOSED DISPOSAL OF ERF 23, FRANSCHHOEK TO THE FRANSCHHOEK METHODIST CHURCH**

Notice is hereby given in terms of par. 9.2.2.1 of Stellenbosch Municipality's Policy on the Management of Council-owned property of the Municipality's intention to dispose of a portion of erf 23, Franschhoek to the Franschhoek Methodist Church at 30% of market value.

#### **Background**

Franschhoek Methodist Church is leasing a portion of erf 23, Franschhoek from Stellenbosch Municipality since 1995. The lease will expire in 2020, whereafter they will have an option of renewal. They have now requested to purchase the land from the Municipality. Having considered the matter on 2019-04-24, Council resolved as follows:

#### **RESOLVED** (majority vote with abstentions)

- (a) that the portion of erf 23, excluding the parking area, Franschhoek, as land indicated in Fig 3, be identified as land not needed to provide the minimum level of basic municipal services;
- (b) that Council, **in principle**, approve the disposal of land to the Franschhoek Methodist Church without following a public tender process, and subject to the following conditions:
  - i) that the **purchase price** be determined at **30% of market value**, the market value to be determined by two (2) independent valuers;
  - ii) that a **reversionary clause** be inserted in the title deed of the property, should the property not be used for religious/social care purposes anymore;
  - iii) that the church be responsible for the **sub-division** and rezoning of erf 23, Franschhoek, to allow for a separate unit to be transferred;
  - iv) that a servitude be registered in favour of the Municipality regarding all municipal services crossing the property;
  - v) that a right of access from Bagatelle Street be registered in favour of the church.
- (c) that Council's intention to dispose of the property under the provisions set out above, be advertised for **public inputs/objections/alternative proposals** as provided for in par 9.2.2.1 of the Property Management Policy; and
- (d) that, following the public participation process, the matter be submitted to Council to make a final decision on the disposal, or not.

#### **Further Particulars:**

Further particulars, including the agenda item that served before Council, are available at the office of the Manager: Property Management during office hours.

#### **Invitation to submit written inputs**

Any interested and effected party who wishes to submit inputs/objections or alternative proposals to the proposed disposal, can do so by submitting it in writing to the Manager: Property Management on or before **11 July 2019**.

Objections/Inputs can be submitted by hand, posted or send by e-mail to:

Physical Address: 3rd Floor  
 Absa (Oude Bloemhof) Building, Corner of Plein and Rhyneveld Street  
 Stellenbosch  
 7600

Postal address: PO Box 17  
 Stellenbosch  
 7599

e-mail: piet.smit@stellenbosch.gov.za

In terms of the provisions of Section 21(4) of the Municipal Systems Act, anyone who cannot read or write is welcome to contact the office of the Manager: Property Management for assistance.

**Geraldine Mettler**  
**MUNICIPAL MANAGER**

**DATE: 2019-06-11**

20/06/2019

# **ANNEXURE 3**

**CASSIE GERBER  
PROPERTY VALUERS CC**

CK 98/22188/23

**C.L. Gerber, Registered Professional Valuer in Terms of Section 19 of Act 47 of 2000,  
Registration No: 1717/4**

P.O. Box 2217  
DURBANVILLE  
7551

Telephone: (021) 9757240  
Fax: 086 558 6933  
E-mail-caslg@mweb.co.za  
Cell phone- 082 416 2987

**VALUATION REPORT**

**MARKET VALUE OF A PORTION OF THE REMAINDER OF ERF 23,  
SITUATED ON THE CORNER OF BAGATELLE STREET AND  
LAMBRECHT STREET, FRANSCHHOEK**

**OWNER: MUNICIPALITY STELLENBOSCH**



Market value: As per report  
Date: 10 May 2019

=====

**VALUATION REPORT**

**MARKET VALUE OF A PORTION OF THE REMAINDER OF ERF 23,  
SITUATED ON THE CORNER OF BAGATELLE STREET AND  
LAMBRECHT STREET, FRANSCHHOEK**

**OWNER: MUNICIPALITY STELLENBOSCH**

**1. Instructions**

- 1.1 The Head of the Department of property Management, Stellenbosch, instructed me to value the above-mentioned property.
- 1.2 A market related value of the property is required for the possible alienation thereof.
- 1.3 Market value is defined in this report as a price, which the property might reasonably be expected to sell for, in a transaction between a willing, able and informed seller and a willing, able and informed buyer.

**2. Date of valuation**

10 May 2019

**3. Description of property**

An unregistered portion of the Remainder of Erf 23, Franschhoek

**4. Title deed**

Unknown

**5. Extent/Required**

3 386m<sup>2</sup> (2086m<sup>2</sup> required by the Church))

**6. Owner**

Stellenbosch Municipality

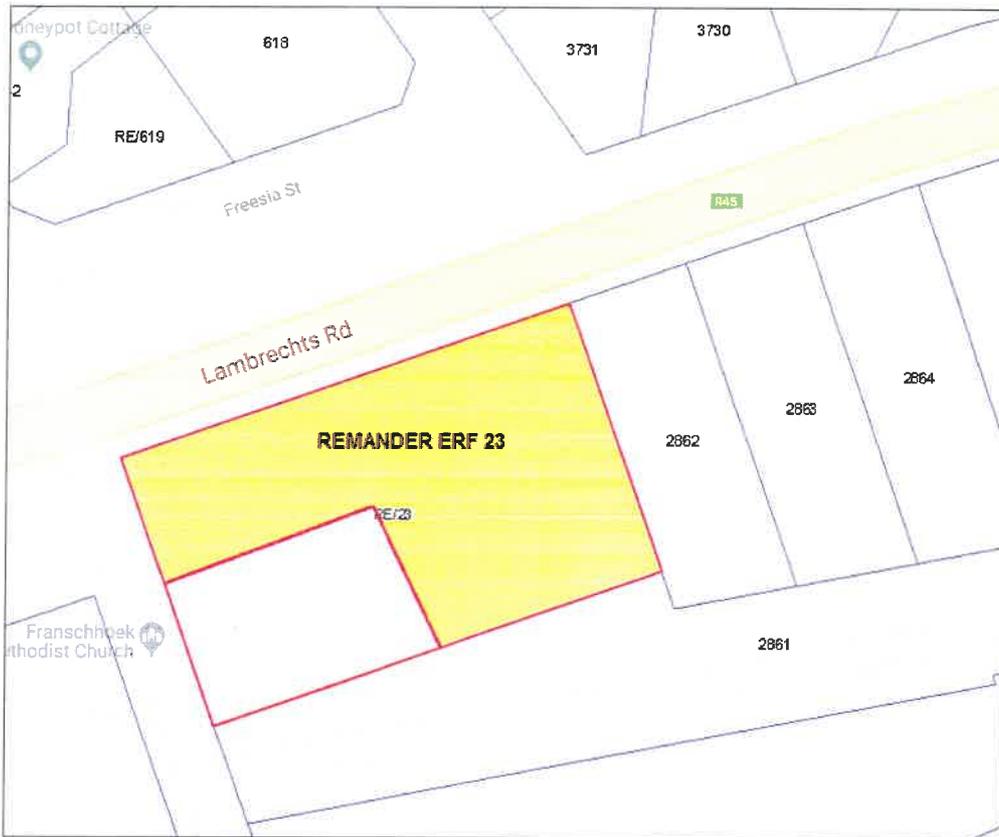
**7. Services**

All the necessary municipal services are available.

**8. Situation and physical aspects**

The property is situated on the corner of Bagatelle Street and Lambrecht Street, Franschhoek.

Location map and aerial photo page 3 below refers:



Location map



Aerial photo

## 9. Town Planning

The property has been built and used for church purposes for the past 30 years and is zoned for community purposes.

## 10. Highest and best use

The highest and best use of the property is its present use.

## 11. Improvements

The improvements on the site consist of a church building ±175m<sup>2</sup> and a crèche, 260m<sup>2</sup> in extent.

The property has been developed by the church at their own cost. Only the market value of the land, if vacant, must be determined.

## 12. Method of valuation

12.1 The comparable method of valuation has been applied to determine the market value of the property.

12.2 A market research was carried out and no sales of church sites were found and churches built in the established upper-class towns and suburbs of the Western Cape. The following is a list of the latest comparable transactions in the economical and lower income areas, which was traced and analyzed:

No.	Property	Extent	Sales information	Comments
1	Erf 10127, 47 Palm Street, Delf	1025m <sup>2</sup>	R300 000/R293/m <sup>2</sup> 2016-08	Zoned: Community 1. Smaller site, inferior location
2	Erf 1317, 3-5 King Arthur Street, Hagley	1482m <sup>2</sup>	R342 000/R230/m <sup>2</sup> 2017.02	Zoned: General res. R2 Smaller site, inferior location
3	Erf 23116, Amos Lengsi, Crescent, Khayelitsha	1720m <sup>2</sup>	R360 000/R209/m <sup>2</sup> 2017.07	Zoned: Community 1. Smaller site, inferior location
4	Erf 555, Kronendal Road, Michells Plain	1579m <sup>2</sup>	R1 003 000 R685/m <sup>2</sup> 2017.11	Zoned: Limited Use Superior submarket Property, which was purchased by a church organized association.
5	Erf 34457. Hawai Avenue, Colorado Park, Michells Plain	1767m <sup>2</sup>	R850 000/R481/m <sup>2</sup> 2017.05	Zoned GB1, but not really a good business location. Property was purchased by a church organized association.

### **13. Conclusions**

- 13.1 The above-mentioned comparable list of transactions are sites, which were purchased by church organizations. The comparable transactions have different zonings but during market research it was established that the church organizations paid market values for the sites.
- 13.2 Transaction 1 is zoned for Community 1 purposes, but the site has an inferior location. An upward adjustment in the rate per m<sup>2</sup> is necessary.
- 13.3 The site of transaction 2 is zoned for general residential purposes and smaller in size and has an inferior location to that of the subject property.
- 13.4 Transaction 3 is also smaller in size than the subject proper but has the same zoning. And upward adjustment of the subject property is necessary for better location.
- 13.5 Transaction 4 is situated in a business retail area. The site is much smaller with a better zoning and a downward adjustment in the rate per m<sup>2</sup> is necessary.
- 13.6 Transaction 5 is smaller in size and zoned for commercial purposes.
- 13.7 The market values of the comparable transactions vary between a rate of R230/m<sup>2</sup> and R635/m<sup>2</sup>, with the lower rates for the sites zoned for community purposes and the higher rates for the commercial zoned sites.

- 14.** Based on the above-mentioned comparable transactions with the necessary adjustments for time, size, zoning, location and the fact that the property has been used for community purposes for the past 30 years, a price of R500.00 per m<sup>2</sup> is market related.

### **15. Market value calculations**

2086m<sup>2</sup> @ R500.00 per m<sup>2</sup> = R1 043 000.00

Market value rounded: R1 050 000.00 (Excluding VAT)

### **16. Certificate**

I inspected the subject property described herein. I have no present or prospective interest in the property.

The valuation is independent and impartial and complies with all the ethical standards of the South African Institute of Valuers of which I am a member.

All suppositions and data in this report are to the best of my knowledge, true and correct and I have not attempted to conceal any information.

The valuation has been made to the best of my skill and ability.

I, Casper Louis Gerber, consider the market value of the property in paragraph 15 above to be fair and market related.



C.L. GERBER

Signed at Durbanville on 10 May 2019

### **QUALIFICATION TO VALUE**

I, Casper Louis Gerber, certify with this my qualifications and experience as follows:

- Professional Valuer registered with the South African Council of Valuers in terms of Act 47 of 2000.
- Member of the South African Institute of Valuers since 1974.
- Served as a member on various valuation boards.
- I have been involved in valuing fixed properties since 1965. At present, I am making an average of 15 valuations per month spread over the whole spectrum of the property market.

<b>7.2.2</b>	<b>TRANSFER OF 80 HOUSES: LA MOTTE VILLAGE</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Institutional Transformation**

**09 October 2019**

**1. SUBJECT: TRANSFER OF 80 HOUSES: LA MOTTE VILLAGE**

**2. PURPOSE**

To provide feedback and get direction in regard to the transfer of the 80 houses at La Motte.

**3. DELEGATED AUTHORITY**

**FOR DECISION BY MUNICIPAL COUNCIL.**

In terms of paragraph 3.1 of Stellenbosch Municipality's Irrecoverable Debt Policy the CFO has the delegated authority to consider applications up to an amount of R20 000.00 In the circumstances under discussion the Municipal Council must make a decision.

**4. EXECUTIVE SUMMARY**

The transfer of the 80 houses in the La Motte Village to identified beneficiaries has a very long history. A new Transferring Attorney had to be appointed to attend to this long outstanding matter. Due to the long delay in attending to the transfers, and due to the fact that no municipal accounts were rendered as no properly completed and signed agreements were concluded, none of the Lessees made any payments with regards to occupational rental. For this reason the outstanding debt in respect of rental was an amount of R15 315 589.30 in June 2017. The current outstanding amount is being calculated by Finance, but was not available at the day on which the item was submitted for the agenda.

It would be very difficult to recoup the outstanding amounts. The outstanding debt should be recouped before the transfer of the houses can take place as the payment of the rental amounts was provided for in the 2010 and 2014 Council resolutions. Council will have to approve that the debt be written off or change the 2014 council resolution.

**5. RECOMMENDATION**

For consideration

**6. DISCUSSION / CONTENTS**

**6.1. Background**

**6.1.1 Memorandum of Understanding (M.O.U)**

During January 2006, Stellenbosch Municipality and the Trans Caledon Tunnel Authority (TCTA) concluded a M.O.U in terms whereof, TCTA would transfer land and 80 houses to Stellenbosch Municipality, after construction of the Bergwater dam, on condition that it be managed for the benefit of the identified communities in the project area.

### 6.1.2 Transfer Agreement

During August 2008 a Transfer Agreement was concluded between TCTA and the Municipality, setting out the terms and conditions of the said transfer. One of the conditions was that the individual properties were to be transferred (sold) to qualifying residents of the area, the purchase price based on a sliding scale.

### 6.1.3 Rental Agreements

During the period 2009-2010 the individual plots were allocated to individuals and Rental Agreements were concluded, as the property had not been transferred to the Municipality at that stage. The lease amounts (occupational rent) was based on a sliding scale approved by the then Municipal Manager.

### 6.1.4 Management of Rental Agreements

Due to a “*lack of capacity*” in-house, it was agreed to appoint an attorney to (a) conclude the Rental Agreements on behalf of the Municipality and (b) to attend to the management thereof, i.e. rental collection on behalf of the Municipality.

Mr Clyde Meyer was appointed to attend to the above. His appointed was subsequently terminated due to lack of performance.

### 6.1.5 Deed of Donation

On 20 April 2010 a Deed of Donation was signed, paving the way for the actual transfer of the property to Stellenbosch Municipality. The property was eventually transferred to the Municipality during December 2012. Subsequently a General Plan was registered, paving the way for individual transfers to take place.

### 6.1.6 Transfer of property

The property was transferred to Stellenbosch Municipality in December 2012, paving the way for individual contracts to be concluded.

### 6.1.7 Determination of sales prices (sliding scale) and other related matters

On 2010-06-07 Council considered a report, dealing with a number of issues relating to the project.

Having considered the report, Council resolved as follows:

- a) *That Annexure A of the Transfer Agreement be amended to allow for the discounted rate (R120 000- R200 000) to qualifying residence of Wards 1 and 2. Should there not be sufficient qualifying residents the remaining property be offered to residents of the Dwarsrivier area, where after all remaining units be sold in the open market;*
- b) *The discounted Purchase Price (sliding scale), as set out in par. 3.1 (supra), be approved;*
- c) *That the reversionary (sliding scale), as set out in par. 3.1 (supra), be approved;*
- d) *That a monthly occupational rent, equal to 80% of a deemed monthly installment of the selling price (at 10% interest per annum) be approved;*

- e) *that the Acting Municipal Manager, be authorized to finalise the Sales Agreements and to sign same, on behalf of Stellenbosch Municipality;*
- f) *that a Transferring Attorney be appointed to attend to the transfer of the properties;"*

#### **6.1.8 Public Information Session**

On 20 August 2014 an information session was held with the Lessees of the 80 houses, informing them of the Council resolution pertaining the sales price and other related issues.

#### **6.1.9 Appointment of transferring attorneys**

Following a Supply Chain Management process Clyde Meyer and McRobert Attorneys were subsequently appointed to conclude Sales Agreements and to attend to the transfers, respectively\*

\*See paragraph 6.1.11 below. This appointment was subsequently terminated.

#### **6.1.10 Amendment to Lease Agreements: Cash Buyers**

On 2014-11-26 a report was tabled at the Council-meeting, recommending certain amendments to the Lease Agreements of those people (10) who have paid their purchase price up front, i.e. that they be exempted from paying rentals. Having considered the report, Council resolved as follows:

##### **Resolved (majority vote)**

- "a) that the outstanding debt, as set out in par. 2.7 (supra), totaling R809 704.55 as at 30 August 2014, be written off; on condition that the interest earned on the amounts paid up-front be regarded as the occupational rentals until such time as the properties have been transferred to the individuals; and*
- b) that the Sales Agreements be amended to allow for the above".*

#### **6.1.11 Appointment of new Transferring Attorneys**

\*As no progress was made by the transferring attorneys, their services were terminated during 2016.

Following a further Supply Chain Management process, Snippelisky and Killian Attorneys, was (July 2017) appointed to attend to the transfers.

During a meeting with them on 2017-08-25 it was agreed that:

- a) they would, as a first step, focus on the transfer of the 10 properties which were paid for in advance; where after
- b) sales agreements would be concluded with other beneficiaries, paving the way for them to apply for funding at financial institutions.

#### **6.1.12 Transfer of Trust Account money by CSM Attorneys**

On 12 September SCM Attorneys confirmed in writing that an amount of R2 417 403.81 was paid over to Stellenbosch Municipality. This amount is made up as follows:

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Advanced payments (cash buyers):	R1 072 634.00
Rental amounts collected	R1 257 647.63
Unallocated amount held in trust:	R 30 918.53
Interest	R 56 203.65
	<b>R2 417 403.81</b>

Following the above transfer, Stellenbosch Municipality open a Trust account, as provided for in the Transfer Agreement.

#### 6.1.13 List of outstanding debt

Hereto attached as **APPENDIX 1** a list of outstanding debt as at 30 June 2017, received from the Finance Department.

#### 6.1.14 Request to write off outstanding debt

Hereto attached as **APPENDIX 2** a self-explanatory letter received from Snippelisky & Killian Attorneys, who was appointed to attend to the transfers, requesting that the outstanding debt be written off, for reasons set out in the letter.

#### 6.1.15 Social Survey

When this report was considered by Mayco during 2018, they decided to refer the matter back, with the request that a Social Survey be conducted, i.e. to ascertain who is currently occupying which units.

Hereto attached as **APPENDIX 3** a survey that was compiled by the Human Settlement Department during December 2018.

From this survey it is clear that

- a) 61 of original beneficiaries is staying in their houses;
- b) 9 of the original beneficiaries is not staying in their houses;
- c) No information could be gathered for 1 house (nobody was present at date and time of visit); and
- d) 9 of the houses are illegally occupied.

#### 6.2 Discussion

It is important that the process of transferring the properties to identified beneficiaries be concluded as soon as possible. This is, however, not possible if the arrear amounts are to be added to sales prices. Council will have to consider the additional debt as well as the survey findings.

#### 6.3. Financial Implications

The outstanding debt as on 30 June 2017 was R15 420 885.00. The current outstanding amount was not available at the time the item was submitted for the agenda.

The debt of approximately R15 million was raised in the council books at the end of 2016/17. Similar accounting entries will have to be made for the 2017/18 financial year. Sufficient provision for writing off the bad debt in respect of occupational rental has been made.

**6.4 Legal Implications**

This is a feedback report requesting guidance on the manner to address the way forward.

**6.5 Staff Implications**

This report has no additional staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

As was indicated in par. 6.1.10 (*supra*) Council has already resolved to write off the outstanding debt of cash buyers.

Also, as indicated in paragraph 6.1.7, Council has already determined the new occupational rental, which will now be payable as from 1 July 2018.

**6.7 Risk Implications**

This report has no risk implications for the Municipality. As a matter of fact it would reduce the risk of the project not being implemented successfully, as envisaged in the M.O.U.

**6.8 Comments from Senior Management:****6.8.1 Chief Financial Officer:**

In principle, the Item is supported given the historical context of the matter and the greater purpose it seeks to achieve.

It must be ensured that the new Agreements of Sale reflect the detail of the council resolution in every respect.

**6.8.2 Legal Services:**

The item, as far as it relates to the writing off of the outstanding rental debt, is supported.

**ANNEXURES**

**Annexure A: List of Outstanding debt (will be distributed under separate cover)**

**Annexure B: Letter from Snippelisky & Killian Attorneys**

**Annexure C: Survey done by Human Settlement Department**

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Piet Smit
<b>POSITION</b>	Manager: Property Management
<b>DIRECTORATE</b>	CORPORATE SERVICES
<b>CONTACT NUMBERS</b>	021-8088189
<b>E-MAIL ADDRESS</b>	<a href="mailto:Piet.smit@stellenbosch.gov.za">Piet.smit@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	2019-02-07

# **ANNEXURE B**



# Snipelisky & Kilian

Attorneys / Conveyancers / Notaries

Suite # 7, First Floor  
La Rue des Roses  
2 Main Road  
Franschhoek

PO BOX 127  
FRANSCHHOEK  
7690

Telephone Numbers: (021) 876-2084/5

Fax Number: (021) 876-2572

E-Mail Mr Kilian : antonkill@law.co.za

Conveyancing & Estates: sniplaw@mweb.co.za

Litigation & General: adminsk@law.co.za

Accounts: esterley@law.co.za

Fax to Mail: 086 616 9137

Date/ Datum: 18 September 2017  
Our Ref/Ons Verw: A KILIAN/ss/LA MOTTE  
Your Ref/ U Verw:

**PROPERTY MANAGER  
STELLENBOSCH MUNICIPALITY**

Attention: Piet Smit  
E-mail: [piet.smit@stellenbosch.gov.za](mailto:piet.smit@stellenbosch.gov.za)

Dear Sir

**TRANSFERS: 80 LA MOTTE VILLAGE PROPERTIES**

We refer to the above and the tender awarded to us to proceed with the contracts and the transfer of the above properties.

1. We have already drafted the contracts for the people who have paid in cash, which will not pose any problems, as we have been instructed regarding the decisions taken by the Council regarding these purchasers.
2. We do have a problem to finalise the contracts regarding all the other people, as a result of the huge arrear amounts accumulated on these properties for unpaid rentals.
3. Writer hereof has been involved with these occupants for many years now, they all experienced the same problem regarding their financial positions and with the current economic situation and the stringent FICA and National Credit Act requirements, these people will struggle to obtain finance in the form of bonds for the purchase of these properties.
4. Should the arrear amounts be either added as a requirement to be repaid as part of the contracts, or by way of a separate acknowledgement of debt, this will jeopardise these purchasers' chances of obtaining any financial support from the banks.

ATTORNEY/ PROKUREUR: Anton Pieter Kilian, B. Proc. (S.A.) LLB.(UP)  
e-mail Mr Kilian: [antonkill@law.co.za](mailto:antonkill@law.co.za); Conveyancing/Estates: [sniplaw@mweb.co.za](mailto:sniplaw@mweb.co.za)  
Litigation & General: [adminsk@mweb.co.za](mailto:adminsk@mweb.co.za) Accounts: [esterley@law.co.za](mailto:esterley@law.co.za)

Mr. Kilian: 083 250 0943

5. To proceed with the contracts on this basis, it will be a futile exercise, as the Municipality purports to enter into agreements, which will be impossible to give effect to, and thus defeat the purpose of this housing scheme and project.
6. With reference to the above, we are of the opinion that the only workable and practical solution will be to request the Council to write these monies off, as many other legal and technical difficulties will be applicable should the Council try to collect these monies from the tenants.
7. Please also keep in mind that the Council never maintained these properties since the inception of this project and the tenants/occupants have maintained the properties on their own costs. These properties will be sold voetstoots, thus no guarantee regarding the condition will be given in the agreements to be signed.
8. Obviously, the purchasers will have to make sure their services accounts must be paid up in order to obtain a Clearance Certificate from Council for transfer purposes and this also will delay some of these transfers, as we have been advised that some people are also in arrears in large amounts to the Municipality regarding their services accounts.
9. As we are in the process of finalising these contracts, your co-operation and feedback herein will be highly appreciated.

Yours faithfully



**SNIPPELSKY & KILIAN ATTORNEYS**  
Pvt.

# **ANNEXURE C**



NO.	Initial Beneficiary		Current occupant name		Erf NO.	STRUCTURE NO.	GENDER	NUMBER OF OCCUPANTS
1	Z Maggie	MGIDI	Amos	Mgidi	276	1	Male	5
2	W JEFTHAS/W HENDRICKS	Jefthas/Hendricks	L	Hendricks	277	2	Male	1
3	Shane M	FORTUIN	Cylvia	Fortuin	278	3	Female	3
4	Mirtle	ARENDESE	Mirtle	Johannes	279	4	Female	2
5	Layton	BEUKES	Layton	Beukes	280	5	Male	2
6	HG	PHEIFFER	Gordon	Phiffer	281	6	Male	1
7	Idal Janice	DU PREEZ	Idal Janice	Du Preez	282	7	Female	4
8	Berenice	JEFTHAS	Berenice	Jefthas	283	8	Female	3
9	Albert Pieter	ROOS	Albert	Roos	284	9	Male	5
10	Heinrich &SN	DE KOCK & BROWN	Heinrich	De kock	285	10	Male	4
11	Wilfred L	O'REIN	Wilfred Leonard	O'Rein	286	11	Male	1
12	Samkelo	FUMBA	Samkelo	Fumba	287	12	Male	5
13	Olivia A	BOONZAAIER	Olivia	Boonzaaier	288	13	Female	1
14	Peter	James	Ashley	Ramjee	289	14	Male	3
15	Melvin A	DAVIDS	Anthea	David's	290	15	Female	3
16	Henwhill	DANIELS	Richard Christopher	Young	291	16	Male	4
17	Nolwandle	MALOTANA	Nolwandle	Malotana/Nkojana	292	17	Female	2
18	Cedric	DIEDERICKS	Cedric	Diedericks	293	18	Male	4
19	Nokuzola	Mbenenge	Nokuzola	Mbenenge	294	19	Female	2
20	Elanda	Van Zyl	Dr TD Fish	Fish	295	20	Female	2
21	Astle Bradley	Hoffman	OWNER UNAVAILABLE		275	21		
22	N	Makoba	Lucinda	Baardman	274	22	Female	3
23	Ntsikelelo	Jobela	Jenine Ilze	Pillay	273	23	Female	6
24	Jaco Henry	Hoffman	Jaco	Hoffman	272	24	Male	4
25	Franklin	Blaauw	Frankline	Blaauw	271	25	Female	5
26	Alwin Godwin	Arendse	Alvin Godwin	Arendse	270	26	Male	2
27	George	Silke	George	Silke	269	27	Male	2
28	David	Hoffman	David	Hoffman	267	28	Male	2
29	Bianca	Williams	Bianca	Williams	266	29	Female	1
30	Barend	Titius	Titius	Barend	265	30	Male	3
31	Sibonganjalo	Vingqi	Sibonganjalo	Vingqi	264	31	Male	3
32	Sintu	Quza	Sintu	Quza	263	32	Male	5
33	Xolelwa/Xolelwa	Ngalol/Makaula	Xolelwa	Makaula	262	33	Female	4
34	Beatrice	Kleinsmith	Beatrice	Klein-smith	261	34	Female	2
35	STELLENBOSCH MUNICIPALITY		Stefanus	Basson	253	35	Male	4
36	Aldine	Jacobs	Fabian	Burger	252	36	Male	2
37	Pauline	Bloemberh	Deon	Bloemberg	251	37	Male	2
38	Andile	Mgulwa	Lumka	Mgulwa	250	38	Female	1
39	Regan	Papier	Reagan	Papier	259	39	Male	3
40	Tania	Goliath	Gershwin	Goliath	258	40	Male	1
41	Vuyisa	Potina	Vuyisa	Potina	257	41	Male	5
42	Mark	Titus	Mark	Titus	256	42	Male	5
43	Mantombi	Vazana	Mantombi	Vazana	255	43	Female	3
44	Carla	Williams	Carla	Williams	254	44	Female	2
45	Lesley/ Colleen	BOONZAAIER	Colleen	Du plessis(boozaaier)	249	45	Female	1
46	Stanley Clive	Heneke	Stanley	Heneke Clive	248	46	Male	4
47	John	Blaauw	John	Blaauw	247	47	Male	2
48	Ivar	De Villiers	Ivar	De Villiers	246	48	Male	1
49	Petrus Apollis	Damon	Joseph	Atshipara	297	49	Male	2
50	Carol	Rhoda	Carrol	Rhooede	298	50	Female	1
51	Minnichar/Monica E	Riffel /Ankintolo	Monica	Akintola	299	51	Female	1
52	Gerald Matthew	Alexander	Gerald Mathew	Alexander	300	52	Male	3
53	Regina	Lackay	Regina	Lackay/Van der Merwe	302	53	Female	1
54	STELLENBOSCH MUNICIPALITY		Annelene	Mentoor	303	54	Female	1
55	STELLENBOSCH MUNICIPALITY		Themba	Lize	304	55	Male	2
56	STELLENBOSCH MUNICIPALITY		Yvonne Margaret	Werner	305	56	Female	2
57	Carina	Groenewald	Carina	Groenewald	222	57	Female	2
58	STELLENBOSCH MUNICIPALITY		Wayne	Hendricks	223	58	Male	2
59	Veronica	Marais	Veronica	Marais	224	59	Female	3
60	Barbara	Sampson	Barbara	Sampson	225	60	Female	2
61	Moraka Klass /MB MAFFA	Maffa	Betty	Maffa	226	61	Female	3
62	Jeneleen	Maerman	Jeneleen	Maerman	227	62	Female	3
63	Lucinda Dylene	Johannes	Aubreyan	Manuel	228	63	Male	2
64	Lezel	Hendricks	Garlin	Alberts	229	64	Male	2
65	STELLENBOSCH MUNICIPALITY		Edwin	Du Preez	230	65	Male	4
66	Shelvin Authur	Jacobs	Shelvin	Jacobs	231	66	Male	2
67	John Brian	Pedro	John Brian	Pedro	232	67	Male	1
68	Marelize	Leibrandt	Marelize	Esterhuizen	233	68	Female	1
69	Grayson	Wehr	Grayson	Wehr	234	69	Male	3
70	Roedie	Pietersen	Roedie	Pietersen	235	70	Male	3
71	Adrian Donald	BOONZAAIER	Andriaan	Boonzaaier	236	71	Male	3
72	Sheridan	Van Riet	Sheridan	Van Riet	237	72	Male	4
73	Beverly/Ryan	Bougaardt/Pheiffer	Ryan Sedrick	Phieffer	238	73	Male	4
74	Darius Johaness	Van Rensburg	Darius	Van Rensburg	239	74	Male	4
75	R ONTONG	Ontong	Rosetta Wilhelmina	Ontong	240	75	Female	1
76	Jerome	Leibrandt	Jerome	Leibrandt	241	76	Male	4
77	STELLENBOSCH MUNICIPALITY		Jocelyn	Van der ross	242	77	Female	3
78	STELLENBOSCH MUNICIPALITY		Candice Laetitia	Atshipara	243	78	Female	1
79	STELLENBOSCH MUNICIPALITY		Jessica	Groenewald	244	79	Female	2
80	Rosemarelda	Morris	Rosemarelda Julian	Morris	245	80	Female	2
<b>TOTAL</b>					<b>79</b>			<b>209</b>

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<b>7.3</b>	<b>FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))</b>
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NONE

<b>7.4</b>	<b>HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)</b>
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NONE

<b>7.5</b>	<b>INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT )</b>
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NONE

<b>7.6</b>	<b>PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))</b>
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NONE

<b>7.7</b>	<b>PLANNING AND ECONOMIC DEVELOPMENT: (PC:CLLR E GROENEWALD (MS))</b>
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NONE

<b>7.8</b>	<b>RURAL MANAGEMENT AND TOURISM: (PC: CLLR S PETERS)</b>
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NONE

<b>7.9</b>	<b>YOUTH, SPORTS AND CULTURE: (PC: CLLR M PIETERSEN)</b>
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<b>7.9.1</b>	<b>REVIEWING OF THE POLICY ON LEASING AND USE OF MUNICIPAL HALLS</b>
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**Collaborator No:** 662957  
**IDP KPA Ref No:** Good Governance  
**Meeting Date:** 09 October 2019

**1. SUBJECT: REVIEWING OF THE POLICY ON LEASING AND USE OF MUNICIPAL HALLS**

**2. PURPOSE**

To inform Council about the revision done on the Leasing and Use of Municipal Halls Policy and to obtain Council approval.

**3. DELEGATED AUTHORITY**

COUNCIL

**4. EXECUTIVE SUMMARY**

The policy has reached its maturity and the department identified elements to be revised. The amendments will ensure the consistent application of the policy by all respective users.

**5. RECOMMENDATION**

that the attached revised policy on the hiring and use of municipal halls be approved.

**6. DISCUSSION / CONTENTS**

**6.1 Background**

A strategic decision was taken that all policies of Council must be revised and updated to be relevant for the users of the Greater Stellenbosch.

**6.2 Discussion**

Currently, the Department is guided by the policy on the leasing and use of municipal facilities as approved by Council on 11 December 2008. Due to the age of this policy there is a need for the revision of the current policy. Other factors Include changing community demand and needs.

Stellenbosch Municipality, by virtue of the powers vested in it by section 156(2) of the Constitution of the Republic, of South Africa as amended, read with section 13 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, has made the Policy set out in the schedule below.

In terms of Section 152 (1) (b) of the Constitution of the Republic of South Africa, 1996, one of the main objectives of local government is to ensure the provision of services to communities in a sustainable manner. It is, therefore, incumbent upon Stellenbosch Municipality to ensure that essential and the minimum level of basic municipal services are maintained and that is has sufficient skilled and trained personnel to guarantee the uninterrupted delivery of the aforementioned services to the residents, of the Greater Stellenbosch Municipal area

At the MAYCO on 11 April 2018 this policy was referred back, with specific but not exclusive references to the following concerns:

- a) The use of the terminology in the policy (e.g. hire vs lease agreements. Ensure consistent use of the correct terminology).
- b) What happens with the deposit when Council must cancel the booking for the purpose mentioned?
- c) The damages during set up; how is this recorded and the process for the recovery of the amount for the damage, apart from the deposit when the damage is more than the deposit.
- d) Terminology in period of hire.
- e) The compiling of an SOP to guide the hirer / official through the pre-event and post event walk through in order to establish and agree on the state of the premises and / or damages occurred.
- f) What about posters, decorations.
- g) Refer under refreshments to section on liquor.
- h) Section on alcoholic beverages must be clear and in line with liquor licence.
- i) Liabilities for damages – what if the damages are more than the deposit.
- j) What about the user / hirer who damages the facility really badly? Will they be prevented from using all municipal facilities for a period of time? What is the period?
- k) Advise on why the deposit does not off-set the damages sometimes caused. How will this be addressed.

The above concerns have been addressed in the revision of this policy.

### **6.3 Financial Implications**

None

### **6.4 Legal Implications**

None

### **6.5 Staff Implications**

None

### **6.6 Previous / Relevant Council Resolutions:**

Council approved.

### **6.7 Risk Implications**

None

**6.8 COMMENTS FROM SENIOR MANAGEMENT:****6.8.1 Director: Infrastructure Services**

No comments received

**6.8.2 Director: Planning and Economic Development**

No comments received

**6.8.3 Director: Community and Protection Services:**

Agree with the recommendations.

**6.8.4 Director: Corporate Services:**

No comments received

**6.8.5 Chief Financial Officer:**

No comments received

**6.8.6 Municipal Manager:**

No comments received

**ANNEXURES**

**Annexure A:** Draft Revised Policy on the hiring and use of municipal halls and with track changes

**FOR FURTHER DETAILS CONTACT:**

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<b><i>DIRECTORATE</i></b>	<b>COMMUNITY AND PROTECTION SERVICES</b>
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<b><i>REPORT DATE</i></b>	<b>30 April 2019</b>

# **ANNEXURE A**



**STELLENBOSCH**  
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

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**REVISION OF THE POLICY ON THE**  
**LEASINGHIRING**  
**AND USE OF MUNICIPAL HALLS ~~AND FACILITIES~~**

Approved by Council on 2008-12-11

(Item 7.2)

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## 1. DEFINITIONS

In this Policy, unless the context otherwise indicates:

**"Authorized Official"** —means an official of the Council who has been authorized by it to administer, implement and enforce the provisions of this Policy;

**"Facility"** means a building or premises owned or operated by Stellenbosch Municipality, whether incorporating a community hall or not, at which group activities of an indoor, cultural or recreational nature can be pursued;

**"Council"** or **"Municipality"** means – the Municipality of Stellenbosch as established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, Councillor, duly authorized agent thereof or any employee thereof acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, Councillor, agent or employee;

**"LesseeHirerLessee"** means any person who applies, pays and obtains approval for the use of premises or a facility;

**"Premises"** means any land, building or structure or any portion of land, building or structure on or in which activities regulated by this Policy take place or on which a centre has been constructed and includes any facility in or on the premises;

**"Prescribed Fee"** means a fee determined by the Council by resolution in terms of applicable legislation.

**"Property"** means the land on which any building or structure of the Council is situated;

**"Weekdays"** means Monday 08:00 to Friday 18:00;

**"Weekends"** means Friday 18:00 to Monday 08:00.

## 2. APPLICATION FOR FACILITY ~~HIRE~~LEASE

(1) Each application for use must be made on the required application form, signed by the applicant, stating the purpose and hours required, and containing the applicant's undertaking to comply with these conditions of ~~hire~~lease. Where application is made on behalf of an organization or body of persons, the applicant shall state the name of such organization or body and the authority of the applicant for making such application, together with private and business telephone numbers of the applicant. The person making application on behalf of the organization or body will then be liable to ensure compliance with this policy.

(2) The ~~lesseehirerlessee~~ is limited to the use of the premises specified in the application form.

- (3) The premises so ~~hirelease~~ may not, except with the prior written permission of the Council, be used for any purpose other than the purpose indicated on the application form.
- (4) Applications for the ~~hirelease~~ of a facility will as far as possible be considered in the order in which they are received.
- (5) The approval of any application for the ~~leasinghiring~~ of a facility is in the sole and absolute discretion of the Council. A signature on behalf of the Council on the lease agreement by an authorized official will be indicative of the approval of the application.
- (6) A tentative booking of a facility for a specific date is provisional and will be valid for 15 (fifteen) working days only, excluding the day in which the booking was made, and unless a completed and duly signed lease agreement as well as the full deposit, is received within 15 (fifteen) working days, the provisional booking will be cancelled and the facility will once again be made available for use by other persons.
- (7) Council may cancel any booking when the facility is required for Council functions or due to a national or regional emergency even when these conditions of ~~hirelease~~ may have been accepted and signed and the ~~hirelease~~ fee and/or deposit has been paid. It is a condition of ~~hirelease~~ that the ~~lesseehirer/lessee~~ agrees to accept Council's right to cancel any booking and the ~~lesseehirer/lessee~~ will be held to have consented to such cancellation and to have no claim at law or in equity for any loss or damage in consequence of such cancellation. Any refund shall be at the sole discretion of Municipal Manager, whose decision shall be final.
- (8) Applicants must provide on the application form details of any additional equipment which they are intending to bring into the facility for the event, including without limitation public address systems and stage lights.  
Any damages to the facility while set up will be held liable by the lesseehirer/lessee to pay. These damages include during and after a function. These damages are inclusive for during and after the function. If the damage to the facility to the facility is more than the paid deposit, a market-related invoice for the damages will be for the account of the lessee.
- (9) Applicants must provide on the application form details of any persons who, or bodies which, require access to the facility, including without limitation musicians, caterers and other contractors.
- (10) Deposits which qualify for refund and not claimed within three (3) months after the date that the hall was used will be forfeited by the ~~lesseehirer~~.

### 3. PRESCRIBED FEES

A prescribed tariff, determined annually by Council, is payable for premises, services and ~~facilities~~ ~~halls~~ provided by the Council in terms of this Policy. All tariffs referred to in the rental agreement are subject to change with effect from 1st July annually. The ~~lessee-hirer~~ is obliged to pay the tariff applicable on the date of the function regardless the date of contracting or paying for the hall.

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### 4. PAYMENT OF FEES

- (1) No person is permitted to use any premises ~~hireleased~~ unless the prescribed fee has been fully paid: Provided that the Council may exempt any person or organization, on good cause, from the payment of portion or the entire prescribed fee.
- (2) Council shall determine an amount that should be paid as a deposit. In case there is damage to property the costs to repair the damages will be recovered from the deposit and if the deposit is too little, the ~~lesseehirer~~ will be liable to pay the remaining amount.
- (3) That a tariff subjected to the tariffs as described in the annual updated tariff structure as approved by council must be paid in full.
- (4) In any unforeseen circumstances affecting municipal services and/or challenges where the Executive Mayor or the Municipal Manager must address the public and/or rate payers, the use of any municipal halls will be free of charge.

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See APPENDIX 1 for discounts on hall tariffs.

### 5. PERIOD OF ~~HIRELEASE~~

- (1) Notwithstanding any determination made by Council regarding the dates and period for which the premises may be ~~hireleased~~, the Council may allow the ~~lessee-hirer~~ reasonable access to the premises prior to the commencement date of the period of ~~hirelease~~, to enable the ~~lesseehirer~~ to make the necessary preparations and arrangements in or on the premises, subject to the payment of additional fees.
- (2) Lease Periods: Morning \_\_\_\_ 08:00 to 13:00  
~~Afternoon 13:00 to 18:00~~  
 Evening \_\_\_\_ 18:00 to 24:00
- (3) -An additional fee will be payable for exceeding the lease period for whatever reason: 10 % of the total rental tariff per hour or part thereof. The same formula will be applicable for preparations and rehearsals.

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## 6. ADJUSTMENT OF PERIOD OF HIRELEASE

- (1) Any person who makes an application for the hirelease of premises may, subsequent to the approval of such application, apply for the postponement of such hiring to a later date, without penalty or forfeiture: Provided that the postponement may be refused if the premises have in the meantime been hireleased for use by another person or is required by the Council on the dates to which the postponement is sought.
- (2) Any person who has made an application for hiring of premises may cancel such application and if –
  - (a) an application is cancelled 30 days or longer prior to the commencement date of the period of hirelease, the lesseehirer will receive a full refund of the prescribed fee already paid;
  - (b) an application is cancelled more than 15 days but less than 30 days prior to the commencement date of the period of hirelease, the lesseehirer will receive a 50% refund of the prescribed fee already paid; or
  - (c) an application is cancelled 15 days or less prior to the commencement date of the period of hirelease, the lesseehirer is not entitled to receive any refund of the prescribed fee already paid.

## 7. SUB-LETTING

A lesseehirer may not sub-let the hireleased premises, or any part thereof, to any other person nor may the lesseehirer cede, pledge or renounce in favour of another person any of his rights or obligations under this policy, nor allow any other person to occupy the premises, without the prior written permission of the Council.

## 8. CONDITION OF PREMISES

- (1) The lesseehirer must inspect the hireleased premises, including any installation, appliance, fitting, accessory and furniture, on or in the premises before he commences to use such installation, appliance, fitting, accessory and furniture and if the lesseehirer finds that any installation, appliance, fitting, accessory or furniture on the premises are not in a proper state of repair, the lesseehirer must report this fact to the Council in writing.
- (2) If the lesseehirer fails either to inspect the premises or to report any defects found, in terms of subsection (1), it is deemed that upon

commencement of occupation by the lesseehirer, everything in the premises was in a proper state of repair.

## 9. DUTIES OF THE LESSEEHIRER

(1) A person hiring premises from the Council –

(a) ~~(a)~~ on approval of the application, the lessee will receive an Standard Operating Procedures document indicating the responsibilities for the leasing of the halls.

(b) must keep and maintain the premises hirelease out and return them to the Council in the same order and condition as when they were hirelease out;

(c) ~~(b)~~ must take all reasonable steps to keep every sewerage pipe, water tap and drain within or serving the premises free from obstruction or blockage as a result of the lessee's hirer's activities;

(d) ~~(e)~~ must at all times keep the premises in a clean, tidy and sanitary condition;

(e) ~~(d)~~ may not affix or attach to the premises any notice or other matter without the prior written permission of the Council and must upon the termination of the hirelease, remove every such attachment;

(f) ~~(e)~~ may not obscure any plate glass window by painting or otherwise;

(g) ~~(f)~~ may not drive any screw or nail into a wall or partition or door of the premises;

(h) ~~(g)~~ may not change or interfere with or overload any electrical installation in or on the premises;

(i) ~~(h)~~ may not remove or take out from the premises any furniture or other articles whatsoever belonging to the Council;

(j) ~~(i)~~ may not obstruct, interfere or tamper with any thermostat or air conditioning appliance in the premises or any building in which the premises are located;

(k) ~~(j)~~ may not introduce or install any unsafe or heavy article, furniture, fitting, appliance or equipment which, in the opinion of an authorized official could damage the premises or any part thereof without the permission of that official and subject to any conditions imposed by that official, to ensure the safety of the premises and any person using them;

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~~(l)~~ ~~(k)~~ may not install in the premises any air conditioning or ventilating unit or equipment without the prior written permission of the Council;

~~(m)~~ ~~(l)~~ may not permit the storage of any motor vehicle or other movable item of any description on any pavement outside an entrance hall, staircase or passage of the premises;

~~(n)~~ ~~(m)~~ may not do anything on the premises, nor allow anything to be done in non-compliance with any reasonable instruction given or issued by an authorized official; and

~~(o)~~ ~~(n)~~ may not park any vehicle nor allow the parking of any vehicle by any of the ~~lessee's~~ employees, invitees, agents, directors or other representatives anywhere on the premises except in properly demarcated parking bays on the premises as pointed out by an authorized official.

- (2) The ~~lessee~~ shall be responsible for all arrangements in connection with the admission of all persons to the facility and shall provide such ushers, cashiers, security and other staff as may be necessary to control the admission and conduct of all persons in the facility and on the premises to ensure compliance with the provisions of this policy and related by-laws / legislation.
- (3) The right to use a facility for a specified purpose on a specific day is granted to the ~~lessee~~ in their personal or legal capacity and they may not make the hall or any part thereof, either for the same or another purpose, available for use by any third party either by means of a sub-lease or by ceding, assigning, pledging or in any other way transferring all or part of their rights without the prior written consent of the Council.
- (4) Electric lighting and other electric appliances shall, except with the express permission of the Council, be handled only by a duly appointed official of the Council.
- (5) Candles and naked lights may be used in the facility subject thereto that the authorized official is notified beforehand by the ~~lessee~~.
- (6) The cloakrooms are for the duration of the lease under the supervision of the ~~lessee~~ who accepts full responsibility for all damages or losses caused to the cloakrooms.
- (7) The ~~lessee~~ shall give the authorized official at least 2 (two) working days prior written notice of the way in which the hall should be arranged.
- (8) The ~~lessee~~ and anyone associated with the ~~lessee~~ when using the facility will ensure that they comply with all legal requirements pertaining to the holding of a gathering and to the usage of the facility. This includes adherence to the Smoking Policy of Stellenbosch Municipality.

- (9) The lesseehirer shall be responsible for all catering arrangements and shall ensure that the caterer keep and leave such premises in a clean and tidy condition. Food shall be prepared only in the kitchen of a lesseehirer on electric stoves or other electric cooking equipment provided by the Council. The kitchen or scullery as well as the crockery and cutlery of the Council, if used, must be cleaned before the expiration of the lease of the facility.

#### 10. ADVERTISEMENTS AND DECORATIONS

- (1) No person who has applied for the hirelease of premises may publicly announce or advertise any function or event in respect of which an application for the hirelease of such premises has been made, before the Council has notified that person in writing that the application has been approved.
- (2) Every lesseehirer must, before vacating the hirelease premises or the termination of the period of hirelease for any reason whatsoever, remove every poster, notice, decoration, flag, emblem, sign and other form of advertisement or direction erected or affixed by him/her, and makes good any damage caused by such removal.
- (3) No posters, decorations or any other wall hangings may be glued or nailed to the walls of the municipal property.

#### 11. ADMISSIONS AND SALE OF TICKETS

The lesseehirer is responsible for all arrangements in connection with the admission of the members of the public to any function or event on or in the hirelease premises, the provision of ushers and other persons necessary to control the admission of persons to the premises, and the sale of tickets.

#### 12. OVERCROWDING

- (1) No overcrowding of the premises or facilitieshalls is allowed at any time during the lessee'shire's function or event and the lesseehirer must comply with the Council's requirements prescribing the maximum number of persons allowed on the premises during the function or event.
- (2) Without detracting from the general requirements referred to in subsection (1), the lesseehirer may not allow more persons admission to the premises than the number of available seats or, if seating is not provided, the maximum number of persons prescribed by notice on the premises or as stipulated in the agreement of hirelease.

### 13. SALE OF REFRESHMENTS

- (1) No person may sell refreshments or food stuffs on or in any ~~hirelease~~ premises during any function or event for which they have been ~~hirelease~~, without the prior written permission of the Council.
- (2) The Council may permit the sale of refreshments or foodstuffs by any person as it may approve after it has received a written application to sell such items, and the Council may allocate sufficient accommodation to that approved person, wherein trading stock, furniture, equipment, installations and books necessarily required for trading may be accommodated.
- (3) The provisions of subsections (1) and (2) do not apply if the supply and sale of refreshments or foodstuffs is an integral part of the function or event of the ~~lesseehirer~~.
- (4) With regards to the selling of liquor, see page 11.

### 14. SERVICES

- (1) The nature of the municipal services to be provided to the ~~hirelease~~ premises by the Council is at the sole discretion of the Council.
- (2) The Council may take such steps as it may consider necessary in its discretion for the proper maintenance and operation of any common areas in or on the ~~hirelease~~ premises.
- (3) An authorized representative of the Council may attend the ~~lessee'shirer's~~ function or event to ensure compliance with any provision of this policy.
- (4) A ~~lesseehirer~~ is not entitled to the official services of any authorized official or other representative of the Council who attends the ~~hireleaser's~~ function or event in terms of subsection (3).
- (5) A ~~lesseehirer~~ is not entitled to receive gratuitous cleaning or other service from the Council in connection with the ~~lessee'shirer's~~ activities during the preparation for, or during, a function or event.

### 15. CANCELLATION DUE TO DESTRUCTION OF PREMISES

- (1) The Council may cancel the ~~hirelease~~ of premises if –
  - (a) ~~(a)~~ the premises are destroyed or are damaged to such an extent that they are substantially unusable;
  - (b) ~~(b)~~ there is such damage to the premises that, although paragraph (a) does not apply, the premises have been rendered substantially unusable because of the absence of access or supply of any necessary municipal service or amenity; or

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(c) ~~(e)~~ there is destruction or damage to the premises or any part thereof or to any neighbouring building, whether or not the hirelease premises are involved, and the Council decides not to proceed with the hirelease of the premises in order to engage in reconstruction, renovation or rebuilding or for safety reasons.

(d) In a case of cancellation due to point (1) above, the deposit will be refunded to the lessee.

- (2) Any decision made in terms of subsection (1), must be communicated by written notice given by the Council to the lesseehirer within a reasonable period after the event referred to in subsection (1) giving rise to the cancellation.

#### 16. CANCELLATION DUE TO NON-COMPLIANCE

- (1) The Council may at any time cancel the hirelease of premises if the lesseehirer contravenes or fails to comply with any provision of this Policy or any other Law.-
- (2) A cancellation in terms of subsection (1) is without prejudice to any right or claim which the Council may have against the lesseehirer under any provision of this policy or at common law.

#### 17. TERMINATION OF PERIOD OF HIRELEASE

- (1) Upon the termination of the period of hirelease for any reason, the lesseehirer must return the premises and the facilitieshalls to the Council in good order and condition and must make good and repair or replace at his or her own cost on demand of the Council any damage or breakage or missing article or, in the alternative, reimburse the Council for the cost of repairing, making good or replacing any broken, damaged or missing article.
- (2) Every lesseehirer must vacate the hirelease premises after termination of the period of hirelease within the period specified in the application form or agreement of hirelease.
- (3) If a lesseehirer fails to comply with the provisions of subsection (2), he or she is liable to pay a further prescribed fee, for the additional period during which the lesseehirer remains in occupation of the premises after the termination of the period of hirelease.
- (4) The provisions of this subsection do not preclude the Council from taking lawful steps to procure the eviction of any such lesseehirer from the premises.

- (5) A ~~lessee~~hirer must comply with every reasonable and lawful instruction of the Council or an authorized official in respect of the cleaning of the premises when the ~~lessee~~hirer vacates the premises.
- (6) A ~~hire~~lease must comply with all reasonable and lawful instructions of the Council or an authorized official in respect of the vacation of the premises and the return of the ~~facilities~~halls concerned.

#### 18. FIRE HAZARDS AND INSURANCE

- (1) A ~~lessee~~hirer may not at any time bring or allow to be brought or kept on the premises, nor do or undertake nor permit to be done or undertaken in or on the premises, any matter, thing or activity whereby a fire or any other insurance policy relating to the building concerned may become or becomes void or voidable or whereby the premium for any such insurance may be or is increased.
- (2) If the premiums for insurance contemplated in subsection (1), are increased as a result of any act or omission contemplated in that subsection, the Council may, in its discretion, allow the activity concerned to continue and recover from the ~~lessee~~hirer the amount due in respect of any additional insurance premiums and the ~~lessee~~hirer must pay such amount immediately on notification from the Council or the insurance company to the effect that such additional premiums have been charged.
- (3) The Council may at any time in its discretion require the ~~lessee~~hirer to take up insurance or liability cover of the premises ~~hire~~leased with an insurance company approved by the Council, against loss or damage by fire or any other cause during or as a result of any function or event for which the premises are ~~hire~~leased.

#### 19. STORAGE ~~FACILITIES~~HALLS

The Council is not responsible for providing ~~facilities~~halls for the storage of the equipment of the ~~lessee~~hirer, or the ~~lessee~~'shirer's employees, visitors, supporters or agents during any period prior to, during or after the function or event concerned.

**20. EQUIPMENT**

- (1) A lessee/hirer who requests the Council to supply any equipment for use during a function or event, may use such equipment only with the permission of the Council and under the supervision of an authorized official.
- (2) If a lessee/hirer causes damage to the equipment referred to in subsection (1), or removes or causes the equipment to be removed from the premises without permission or, having removed it with permission, fails to return it, the lessee/hirer is liable for the repair or replacement costs thereof.

**21. RIGHT OF ENTRY**

- (1) Subject to the provisions of applicable national and provincial legislation, an authorized official or another authorized representative of the Council, or service provider may enter hire/lease premises at any reasonable time –
  - (a) to inspect the premises and carry out any repairs, alterations, additions, modifications or improvements on or in the premises; and
  - (b) in order to ensure that the conditions of hire/lease of the premises and the provisions of this Policy are being complied with.
- (2) An authorized official, other authorized representative of the Council, or a service provider is entitled to erect scaffolding, hoardings and building equipment in, at, near or in front of hire/lease premises as well as such other devices required by law or which the Council's architects may certify is necessary to carry out the activities contemplated in subsection (1)(a).

**22. INSPECTION**

Upon the conclusion of all the lessee's/hirer's activities at the termination of the period of hire/lease or at the cancellation of the hire/lease in terms of any provision in this policy, an authorized official and the lessee/hirer or his or her nominee must inspect the premises, for the purpose of assessing any damage or loss and compliance with the provisions of this policy.

**23. BY-LAWS**

A ~~lesseehirer~~ must comply with the Council's security and fire protection by-laws which may from time to time be in force in respect of the premises concerned.

**24. NUISANCE**

- (1) No person attending or intending to attend any function or event in or on ~~hireleased~~ premises, may conduct himself or herself in an unseemly or obnoxious manner or cause a nuisance or annoyance to any other person in or user of the premises, or to any occupier of any other part of the building or neighbouring building.
- (2) An authorized official may, during any function or event of a ~~lesseehirer~~, instruct the ~~lesseehirer~~ to remove from the premises any person who is in a state of intoxication or who is acting in contravention of subsection (1).
- (3) An authorized official may, during any function or event of a ~~lesseehirer~~, direct the ~~lesseehirer~~ to prevent the entry on or into the ~~hireleased~~ premises by any person who is in a state of intoxication or who is acting in contravention of subsection (1).

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**25. ALCOHOLIC BEVERAGES**

- (1) Subject to the terms and conditions stipulated in any agreement entered into between the Council and a ~~lesseehirer~~ of a facility, and subject to any other law, no person may –
  - (a) sell any alcoholic beverage on the premises of a facility without the prior written permission of the Council; or
  - (b) bring his or her own supply of alcoholic beverage on or into a facility without the prior written permission of an authorized official.
- (2) If the sale and consumption of alcohol on or in a facility is legally permitted by the Council, such sale or consumption is on condition that no person who is under 18 years of age is served or allowed to consume any alcoholic beverage and the ~~lesseehirer~~ of a facility or the person in charge thereof, as the case may be, is responsible for ensuring that this age limit restriction is observed.
- (3) The selling of alcohol is subject to Stellenbosch Municipality's Liquor Trading Hours By-law which is in line with the Western Cape Liquor Act, 2008 (Act No 4 of 2008).

**26. POST FUNCTION CLEANING**

The ~~lessee~~hirer will leave the facility, kitchen and/or rooms in a tidy condition and all fixtures in good working order and condition, and immediately place all rubbish and waste matter, in plastic bags within the garbage bins provided. If this is not done, Council shall be entitled to have the facility cleaned or put in order and the cost of doing so will be deducted from the deposit.

**27. KITCHEN ~~FACILITIES~~HALLS AND APPLIANCES**

The ~~lessee~~hirer must not take and must not allow any other person including caterers to take, into the kitchen or any part of the facility, or use, or allow to be used, any gas or electrical appliances not supplied by Council (e.g. spit roasts, hotplates, portable deep fryers) unless permission has first been obtained from Council.—The ~~lessee~~hirer must ensure that when leaving the kitchen at completion of the event all appliances are turned off and the kitchen is clean and all utensils are in good order and condition. It is the responsibility of the ~~lessee~~hirer to ensure that caterers adhere to this requirement. If this is not done Council shall be entitled to have the facility cleaned or put in order and the cost of doing so will be deducted from the deposit.

**28. FIREARMS AND TRADITIONAL WEAPONS**

No firearm or traditional weapon may be brought into a facility, unless, subject to the availability of a safe or other appropriate storage facility at the entrance to a facility, it is surrendered to an authorized official for safe keeping and must be collected from that official when leaving the facility.

**29. GENERALLY PROHIBITED CONDUCT**

No person may –

- (a) willfully or negligently destroy, damage or deface any part of a facility, including any feature, fixture, fitting or appliance contained therein or any article supplied by the Council for use in a facility;
- (b) throw, deposit or drop or cause to be thrown, deposited or dropped any refuse, glass, tin, paper, fruit, fruit peels, sharp object or any other object that is perishable, offensive or that may interfere with the cleanliness of a facility or that may cause annoyance, danger, injury or accident to any other person inside a facility; other than inside a refuse bin or container provided by the Council for that purpose;
- (c) walk upon or recline in any flowerbed or lawn on the premises of a facility or draw, drive or propel thereon any vehicle or machine of whatsoever nature in contravention of any prohibitory notice displayed in a conspicuous place therein or thereon; and
- (d) encroach upon or build any enclosure, make any hole, or erect or place any peg, spike, tent, booth, screen, stand, swing or any other

building, erection or structure of on or within a facility, without written authority from an authorized official.

### 30. LIABILITIES FOR DAMAGES

- (1) The ~~lessee~~ shall be liable for and shall bear the costs in excess of the deposit (if any), of any damages to the facility, furniture, fittings or to any other property of the Council which may occur during the period of hiring of the facility.
- (2) The Council will not be responsible or liable for damages to or for the loss of any property, article or anything placed in or left in the hall by the ~~lessee~~ or by any other person nor for damages to the property of or for injuries to any person entering the hall or using the equipment or ~~facilities~~ therein.
- (3) The Council shall not be liable for any damages or loss sustained by the ~~lessee~~ in consequence of the failure of or any defect in any machinery, appliances or lighting arrangements of the facility.
- (4) In the case of severe damage caused by the lessee, Stellenbosch Municipality reserves the right to decline any future application for a period of time as determined by Council.

### 31. INDEMNITY

The ~~lessee~~ and any other person using the facility of the Council on the day concerned for the specified purpose, do it at own risk and the ~~lessee~~ indemnifies the Council, its members, employees or agents, whether in personal or official capacity, against liability for all claims from whichever nature by the ~~lessee~~ or their ~~dependants~~ or any third party in respect of any patrimonial loss, consequential damages, injuries, or personal prejudice that he/she or any other person using the facility may suffer or sustain in connection with or resulting from the aforementioned use of the facility.

### 32. USE OF FACILITY BY ~~EXECUTIVE MAYOR~~ COUNCILLORS

In any unforeseen circumstance affecting municipal services and/or challenges where Executive Mayor or the Municipal Manger must address the public and/or rate payers, the use of any municipal hall. Each duly elected Councillor may book any facility according to the process as stipulated in this policy and may utilise any facility for a maximum of two occasions during any calendar month one event per month. Bookings for the aforementioned, must be done through the municipal department dealing with Community Participation. Free access to municipal halls for Ward Councillors for functions such as: Meetings, Workshops or any other ward related activities. This access will only be granted to a maximum of one event per month. This is not transferable for any other festivals, parties, dances, fund raisers, ect.

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**33. DATE OF COMMENCEMENT**

This policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.

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**Procedure: Application of Discounts on Hall tariffs as approved by Council, Item 7.15, on 26 August 2008**

All applications for the discounted tariffs are to be submitted in writing to the Director: Social Development Services for consideration and approval.

The identified groups qualifying for the discounted tariffs are:

- (i) Schools located within the WC024, limited to one booking per financial year.
- (ii) Churches located within the WC024, limited to one booking per financial year or otherwise.
- (iii) Churches using a hall on a regular basis. A formal agreement will be entered into between the parties subject to the specific conditions.
- (iv) Registered non-governmental and non-profitable organizations. Proof of registration must be submitted with each application. ~~Non-Governmental Organisations.~~
- (v) Governmental Departments e.g. All Pay, Education and SAPS.

Organisations promoting the well-being of the six recognized vulnerable groups, namely the elderly, disabled, children, youth, women and vagrants.

~~(vi) The six recognised vulnerable groups namely the Aged, Disabled, Children, Youth, Women and People living on the streets.~~

(vii) Individual families registered as indigent at the Stellenbosch Municipality ~~Municipality~~, limited to one booking per financial year.

(viii) Organizations promoting the image of the Greater Stellenbosch (WC024) creating jobs and contributing to our revenue streams e.g.:

All festivals

Flower Show (Stellenbosch and Priel)

International and National Sports Bodies/Events e.g. Cape Epic ~~Organisations~~

All political parties when using municipal halls

promoting the Greater Stellenbosch eg:

Wine Festival

Flower Show (Stellenbosch and Priel)

Stellenbosch Festival

Bastille Festival

Van Der Stel Festival

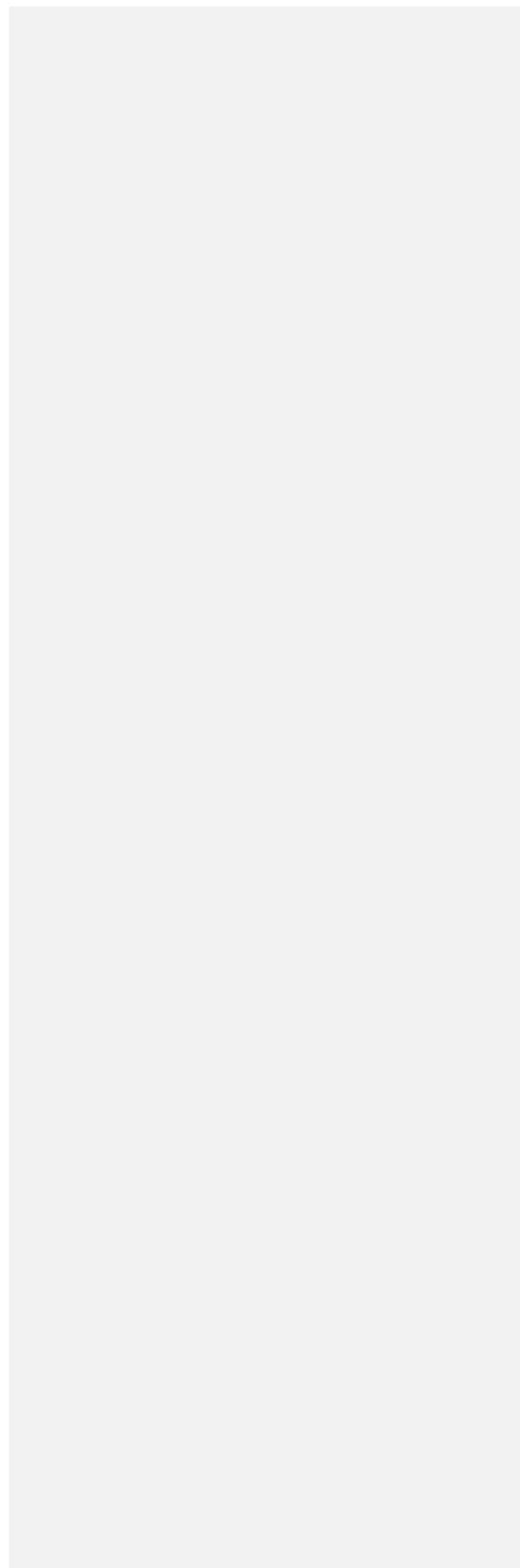
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The relevant deposits must be paid in full.

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7.10	MUNICIPAL MANAGER
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NONE

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE