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E331-11/2025
DISPOSAL OF CAPITAL ASSETS

File Number:

Report By: LEROUXH

Item Reference Number: 22127401

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Report is to obtain Council's approval for the disposal of a Movable Capital Asset that is no longer in existence. The asset has been claimed through insurance.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

It came to our attention that the asset listed in Annexure A is no longer in use by the Municipality. It is the objective of the Asset Department to ensure that the information in the Capital Asset Register is up to date and correct. The disposal of the assets is thus required to update the Capital Asset Register.

The attached Annexure A details the asset to be disposed of.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The total carrying value of the Item to be disposed of, amounts to R10.84, as detailed in Annexure A. This amount will be recognised as a loss under Disposal of Property, Plant and Equipment in the Statement of Financial Performance for the 2025/2026 financial year.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The disposal of Capital Assets is dealt with in Section 14 of the MFMA read together with the Municipal Asset Transfer Regulations published under GNR 878 in GG 31346, promulgated in terms of Section 168 of the MFMA.

The heading of Section 14 (Disposal of Capital Assets) does not only refer to the sale of assets. The disposal of Capital Assets includes all kinds of disposals that must be dealt with in terms of Section 14. (In other words, a capital Item, apart from a correction of error, that is removed from the Capital Asset Register).

"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."

RECOMMENDATION

That the Capital Asset listed in the annexure be disposed of from the Capital Asset Register:

a. That Council approves the disposal of the Capital Asset, as per Annexures A, with a carrying value of R10.84.

ANNEXURE A - ASSETS TO BE DISPOSED

Property , Plant and Equipment

Bar code	Asset Code	Description	Dept	Location	Acquisition Date	Original Cost	Acc. Depreciation	Carry Value as on 31 October 2025	Reason For disposal	Claim number	Date of loss / disposal	Year
35195	35195	Microwave DefyDMO348 White 20L	5549	R0259	05/11/2014	516.66	505.82	10.84	Insurance Claim	16287735	12/09/2025	2025/26
						516.66	**505.82**	**10.84**				

E332-11/2025

WRITING OFF IRRECOVERABLE DEBTS FOR THE PERIOD ENDING NOVEMBER 2025

File Number:

Report By: FOURIEJ

Item Reference Number: 22244057

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this report is for Council to consider writing off debts up to November 2025.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Socio-economic conditions necessitated that more emphasis should be placed on debtor's ability to comply with their obligation towards the Municipality. Seeing that many of the debts have the probability of no collection and the Policy makes provision that debts can be written off in certain cases, all the accounts were thoroughly checked.

The purpose and background regarding the writing off of these irrecoverable debts is detailed in full in the Annexure attached hereto.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Writing off to the amount of R1 439 203.33.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The following is an extraction from the Customer Care, Credit Control, Debt Collection. Indigent and Tampering Policy:

"11 IRRECOVERABLE DEBT

The Municipal Council may, on recommendation from the Municipal Manager, or any duly delegated official, write off any debt or portion thereof, provided that the Municipal Council is satisfied that the debt or portion thereof is irrecoverable or that it will be in the best interest of the Municipality to accept part payment of the debt in full and final settlement.

The Executive Mayor may recommend to the Municipal Council that any outstanding debt or portion thereof be written off, if in his/her opinion it would be in the best interest of the Municipality, and that the writing off of the debt will not be contrary to the provisions of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

The Executive Mayor and Municipal Manager also have the right to authorise write off, of debt if the amount falls within their delegated power.

11.1 Debt will be regarded as irrecoverable if:

The Accounting Officer has ensured that all avenues were utilized to collect the arrear debt.

Circumstances whereby a Municipal Council may validate the termination of debt collection procedures as contemplated in Section 109(2) of the Municipal Systems Act:

(a) All reasonable notifications and cost-effective measures to recover a specific outstanding amount have been exhausted; or

(b) If the amount to be recovered is too small to warrant further endeavours to collect it; or

(c) The cost to recover the debt does not warrant further action, i.e. to summons in another country; or

(d) Inactive accounts where all the necessary steps have been taken with no success and/or the debtor has no assets;

(e) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate, sequestration, liquidation; or

(f) A deceased estate has no liquid assets to cover the outstanding amount; or

(g) Where the estate has not bee reported to the Master and there are no asset of value to attached; or

(h) A household with no liquid assets (nulla bona) to cover the outstanding debt; or

(i) The debt has prescribed; or

(j) The consumer is untraceable or cannot be identified to proceed with further action; or

(k) It is impossible to prove the debt outstanding; or

(l) the outstanding amount is;

(i) due to an irreconcilable administrative error by Council;

(ii) as a result of an administration error by Council.

(m) When the debtor qualifies as an indigent household or household housing a person with a disability and are receiving a subsidy (this write-off will include all debt on the owner's / previous tenant's account on the property that have accumulated during the time the new applicant have been the occupier).;

(n) Clients in correctional care or clients who are imprisoned and there is no way of recovering the debt;

(o) Water leakages resulting in high water levies at registered indigent households or households housing a person with a disability.

(p) Blocked drains and sewerage at registered indigent households or households housing a person with a disability.

11.2 Criteria for the Determination of the Recoverability or Non-Recoverability of Debt

(a) All cases with the following classification "summons, judgment or execution" should be tested prior to the taking of action, with regard to the following:

(i) Asset's Survey. To undertake a home visit to make a survey of the type of house, its contents and other assets like vehicles registered in the name of the account holder

(ii) as well as the combined income of the household. The result of this survey will determine whether further action is to be taken;

(b) If the survey however reveals that the debt is still not recoverable after all necessary steps has been taken, it should be tabled together with the "write off compliance report" for consideration by Council to write off the debts.

CONCLUSION / SAMEVATTING

The purpose and background regarding the writing off of irrecoverable debts is detailed in full on ANNEXURE A attached hereto.

The attached writing off lists are detailed as follows:

1. **INDIGENT HOUSEHOLDS (LEVEL 1) R1 091 402.54**
   If the debtor qualifies as an indigent household or household housing a person with a disability and are receiving a subsidy;
   "Debt Collection Policy Sec 11.1(M)"

2. **INDIGENT HOUSEHOLDS (LEVEL 2) R 322 286.79**
   If the debtor qualifies as an indigent household or household housing a person with a disability and are receiving a subsidy;
   "Debt Collection Policy Sec 11.1(M)"

3. **INDIGENT WATERLEAKS (LEVEL 2) R 11 608.60**
   Water leakages resulting in high water at registered indigent households or households housing a person with a disability;
   "Debt Collection Policy Sec 11.1(O)"

4. INCENTIVE & DEBT RELIEF SCHEME R 13 905.40

Eligible account holders may settle their debt by paying a 10**% deposit** of the total outstanding balance, which includes arrears, accrued interest, and the current account. The remaining 90% of the debt will be written off***;***
"Resolution E329-10/2025"

RECOMMENDATION

That the outstanding amounts as indicated here below, together with any interest or new levies up to date of approval be written off:

Indigent households for October (level 1) *(92 Debtor accounts; Maximum Debtor of R87,235.89)*	R1,091,402.54
Indigent households for October (level 2) *(29 Debtor accounts; Maximum Debtor of R82,644.11)*	R 322,286.79
Indigent water leakages for October *(3 Debtor accounts; Maximum Debtor of R8,845.73)*	R 11,608.60
Incentive & Debt relief scheme *(1 Debtor account; Maximum Debtor of R13,905.40)*	R 13,905.40
TOTAL	**R1,439,203.33**

Raad WRITEOFF FILE

INDIGENT (LEVEL 1) BM	R	1 091 402,54		
INDIGENT (LEVEL 2) BM	R	322 286,79		
INDIGENT WATERLEAK	R	11 608,60		
INCENTIVE & DEBT RELIEF SCHEME	R	13 905,40	R	1 439 203,33
WATER	R	436 461,98		
ELECTRICITY	R	301 722,53		
REFUSE	R	293 665,98		
SEWERAGE	R	298 829,52		
RATES	R	46 887,55		
COLLECTION FEE	R	53 435,75		
SUNDRY	R	1 870,68		
TAMPER	R	2 782,00		
HUUR	R	224,67		
LOANS	R	3 322,67	R	1 439 203,33

					1 439 203,33	436 461,98	301 722,53	293 665,98	298 829,52	46 887,55	53 435,75	2 782,00	1 870,68	224,67	3 322,67
Debtpack No.	Municipal Acc No	Suburb	Employer	Delegation	Totale	WATER	ELECTRICITY	REFUSE	SEWERAGE	RATES	COLLECTION FEE	TAMPER	Sundry	HUUR	LOANS
42484/1	630061490016	HEIDERAND X15 X9 (63)	66	RAAD	79 404,15	14 563,12	13 708,19	15 235,60	17 285,92	15 269,57	548,40	2 782,00	11,35	-	-
44089/1	780039430013	CIVIC PARK (78)	66	RAAD	4 321,75	1 145,26	1 000,62	964,93	1 100,33	5,81	104,80	-	-	-	-
44590/1	730105140012	D'ALMEIDA X8 (73)	66	RAAD	5 642,49	1 416,53	2 009,79	1 048,94	1 103,02	64,21	-	-	-	-	-
44597/1	100015340011	GREENHAVEN (10)	66	RAAD	1 560,33	301,51	497,18	320,62	365,61	75,41	-	-	-	-	-
44605/1	100040000038	GREENHAVEN (10)	66	RAAD	4 761,31	1 406,15	1 849,15	1 296,41	-	-	209,60	-	-	-	-
44670/1	710099820015	D'ALMEIDA X7 (71)	66	RAAD	9 031,14	1 812,42	2 949,05	1 916,90	2 159,87	192,90	-	-	-	-	-
44700/1	750092230015	D'ALMEIDA X23 (75)	66	RAAD	3 574,18	1 019,34	993,38	641,24	731,22	189,00	-	-	-	-	-
44476/1	180001460019	FRIEMERSHEIM (18)	66	RAAD	5 409,98	1 759,02	-	1 599,94	1 818,02	23,40	209,60	-	-	-	-
44057/1	740086090035	D'ALMEIDA X13 (74)	66	RAAD	10 092,50	3 392,45	2 686,80	3 482,95	-	-	530,30	-	-	-	-
44576/1	710105410018	D'ALMEIDA X8 (73)	66	RAAD	11 480,42	2 580,17	3 013,58	2 619,48	2 957,45	169,10	140,64	-	-	-	-
44578/1	710105200011	D'ALMEIDA X8 (73)	65	RAAD	447,10	146,52	-	137,60	156,22	6,76	-	-	-	-	-
44580/1	750207340033	D'ALMEIDA X23 (75)	66	RAAD	4 287,57	1 205,07	2 009,70	968,00	-	-	104,80	-	-	-	-
44624/1	830002660016	KWANONQABA (83)	66	RAAD	1 212,54	1 113,74	-	-	-	-	98,80	-	-	-	-
44414/1	580104890018	D'ALMEIDA X8 (73)	66	RAAD	4 580,87	1 311,07	1 499,59	821,51	731,76	112,14	104,80	-	-	-	-
44497/1	710100250011	D'ALMEIDA X7 (71)	65	RAAD	1 343,85	500,45	-	400,54	312,83	25,23	104,80	-	-	-	-
44544/1	830001500012	KWANONQABA (83)	66	RAAD	7 687,37	1 211,00	2 345,33	1 599,95	1 818,02	77,97	635,10	-	-	-	-
44562/1	640055610038	HEIDERAND X12 (64)	66	RAAD	1 981,62	345,34	496,69	320,62	365,61	453,36	-	-	-	-	-
44574/1	710105160012	D'ALMEIDA X8 (73)	65	RAAD	2 028,20	567,65	-	419,56	460,36	50,33	530,30	-	-	-	-
44680/1	830009250018	KWANONQABA (83)	66	RAAD	8 571,58	1 775,94	2 200,84	1 911,14	1 896,24	257,12	530,30	-	-	-	-
43970/1	830000480010	KWANONQABA (83)	66	RAAD	37 547,80	7 280,92	12 002,01	7 618,43	8 425,49	-	2 220,95	-	-	-	-
44103/1	840204140010	ALBERT LUTHULIPARK (84)	66	RAAD	8 303,80	4 188,04	-	1 599,94	1 818,02	-	697,80	-	-	-	-
44174/1	820020330011	ELANGENI/SINETHEMBA (82)	66	RAAD	7 736,39	2 852,96	1 232,78	1 599,95	1 738,35	23,39	104,80	-	184,16	-	-
44354/1	860067760015	DANABAAI (86)	65	RAAD	1 759,18	516,72	2,65	395,59	312,44	531,78	-	-	-	-	-
44372/1	360000060010	BRANDWACHT (36)	66	RAAD	13 588,92	3 755,39	-	3 847,07	4 322,96	-	1 663,50	-	-	-	-
44388/1	710095080066	D'ALMEIDA X7 (71)	66	RAAD	3 371,53	1 251,53	747,43	641,35	731,22	-	-	-	-	-	-
44420/1	710108090011	D'ALMEIDA X7 (71)	66	RAAD	7 205,21	1 585,08	2 469,99	1 403,29	1 477,69	164,36	104,80	-	-	-	-
44424/1	740087440011	D'ALMEIDA X13 (74)	66	RAAD	5 614,95	1 285,55	1 404,13	964,93	1 100,33	727,45	104,80	-	27,76	-	-
44426/1	790062920014	ASLAPARK (79)	66	RAAD	5 539,35	1 376,07	1 232,78	1 296,01	1 475,10	54,59	104,80	-	-	-	-
44436/1	100012570017	GREENHAVEN (10)	66	RAAD	44 338,44	28 892,39	5 292,84	4 508,47	5 073,94	-	570,80	-	-	-	-
44448/1	800132860017	JOE SLOVO VILLAGE (80)	66	RAAD	3 549,29	980,44	747,43	964,93	856,49	-	-	-	-	-	-
44464/1	100013250093	GREENHAVEN (10)	66	RAAD	7 597,83	1 616,28	2 465,57	1 601,81	1 818,44	-	-	-	-	95,73	-
44468/1	830027440017	KHAYELITSHA (81)	66	RAAD	23 643,20	7 249,12	6 858,02	4 508,47	4 894,39	-	133,20	-	-	-	-

44480/1	20002550017	GROOTBRAKRIVIER (8)	66	RAAD	727,14	336,12	248,35	142,67	-	-	-	-	-	-	-
44503/1	710108790010	D'ALMEIDA X7 (71)	66	RAAD	3 503,87	612,37	1 340,76	641,24	731,22	73,48	104,80	-	-	-	-
44257/1	830008120013	KWANONQABA (83)	66	RAAD	14 217,26	4 668,82	-	4 187,85	4 708,33	-	594,30	-	57,96	-	-
44259/1	830001840015	KHAYELITSHA (81)	66	RAAD	51 491,85	11 931,00	10 260,08	9 877,44	11 219,82	3 433,66	4 769,85	-	-	-	-
44279/1	640101720018	D'ALMEIDA X8 (73)	66	RAAD	5 158,42	1 520,82	984,43	1 279,32	1 230,03	39,02	104,80	-	-	-	-
44297/1	790047070015	ASLAPARK (79)	66	RAAD	7 796,22	1 930,30	1 568,79	1 907,74	2 152,76	39,03	197,60	-	-	-	-
44317/1	710107440028	D'ALMEIDA X7 (71)	66	RAAD	7 577,19	2 271,93	1 968,88	1 279,33	1 363,07	163,68	530,30	-	-	-	-
44338/1	740083660015	D'ALMEIDA X13 (74)	66	RAAD	7 188,25	910,41	3 011,14	971,07	1 107,33	553,20	635,10	-	-	-	-
44340/1	740084920026	D'ALMEIDA X13 (74)	66	RAAD	2 268,11	604,38	1 002,90	556,03	-	-	104,80	-	-	-	-
44360/1	830006560015	KWANONQABA (83)	66	RAAD	5 871,78	1 357,67	1 968,88	977,08	1 112,71	350,64	104,80	-	-	-	-
44045/1	950003860025	HERBERTSDALE (95)	66	RAAD	36 027,89	11 849,14	-	9 191,62	10 443,21	-	4 535,85	-	8,07	-	-
44192/1	100006000030	GREENHAVEN (10)	66	RAAD	4 804,50	1 005,50	984,43	973,95	1 107,71	202,61	530,30	-	-	-	-
44063/1	740083730217	D'ALMEIDA X13 (74)	66	RAAD	3 859,69	-	1 508,72	973,19	1 039,24	233,74	104,80	-	-	-	-
43994/1	790034660014	ASLAPARK (79)	66	RAAD	7 053,87	2 045,47	1 218,91	1 590,52	1 546,47	23,40	629,10	-	-	-	-
43668/1	860194150035	DANABAAI (86)	66	RAAD	2 714,45	604,06	499,08	-	540,38	966,13	104,80	-	-	-	-
43964/1	710103270027	D'ALMEIDA X8 (73)	66	RAAD	42 257,09	8 661,52	13 680,42	8 905,72	10 064,46	468,27	476,70	-	-	-	-
43966/1	700130470020	TARKA (69)	66	RAAD	87 235,89	23 944,70	13 680,42	23 985,13	23 948,30	1 625,87	-	-	51,47	-	-
44002/1	740085400024	D'ALMEIDA X13 (74)	66	RAAD	3 832,12	912,99	1 842,70	971,63	-	-	104,80	-	-	-	-
44299/1	710101920010	D'ALMEIDA X8 (73)	66	RAAD	2 914,43	985,12	-	905,24	990,58	33,49	-	-	-	-	-
44015/1	180001690012	FRIEMERSHEIM (18)	66	RAAD	14 735,89	5 190,90	-	3 656,16	3 898,22	21,56	1 969,05	-	-	-	-
44037/1	740086250011	D'ALMEIDA X13 (74)	66	RAAD	1 655,45	350,99	496,69	320,62	276,38	210,77	-	-	-	-	-
43870/1	740086930014	D'ALMEIDA X13 (74)	66	RAAD	4 618,56	990,68	984,43	971,65	1 107,34	459,66	104,80	-	-	-	-
44135/1	580104500010	D'ALMEIDA X8 (73)	66	RAAD	12 751,87	3 754,58	2 455,26	3 129,50	3 264,50	148,03	-	-	-	-	-
44186/1	820028630014	KHAYELITSHA (81)	66	RAAD	5 737,02	1 997,93	10,38	1 779,97	1 925,34	23,40	-	-	-	-	-
44188/1	700129970010	TARKA (69)	66	RAAD	9 089,66	2 464,70	1 786,25	2 256,84	2 542,84	39,03	-	-	-	-	-
44251/1	820032570018	KHAYELITSHA (81)	66	RAAD	11 802,86	2 342,97	3 871,47	2 541,88	2 515,14	31,20	500,20	-	-	-	-
43841/1	640153740059	HEIDERAND X12 (64)	66	RAAD	174,57	0,54	-	-	-	174,03	-	-	-	-	-
43938/1	790043510016	ASLAPARK (79)	66	RAAD	41 529,84	13 717,72	9 884,00	8 683,91	6 624,01	255,27	2 364,93	-	-	-	-
43968/1	790061430013	ASLAPARK (79)	66	RAAD	23 856,09	10 045,63	2 676,75	4 068,03	4 708,33	-	2 357,35	-	-	-	-
44107/1	790048330039	ASLAPARK (79)	66	RAAD	1 464,34	526,31	248,35	320,62	349,73	19,33	-	-	-	-	-
44127/1	710105930019	D'ALMEIDA X8 (73)	66	RAAD	6 081,05	2 591,23	1 505,43	651,62	738,26	64,21	530,30	-	-	-	-
44133/1	710102910016	D'ALMEIDA X8 (73)	66	RAAD	22 065,02	3 649,65	10 121,67	3 705,19	4 159,09	303,82	125,60	-	-	-	-
42423/1	830007060022	KWANONQABA (83)	66	RAAD	3 427,32	604,06	998,14	644,31	734,72	341,29	104,80	-	-	-	-
43313/1	950004210027	HERBERTSDALE (95)	66	RAAD	16 141,04	4 399,14	-	4 187,85	4 708,33	-	2 806,30	-	39,42	-	-
43588/1	100020380011	GROOTBRAKRIVIER (8)	66	RAAD	48,94	-	0,60	-	-	48,34	-	-	-	-	-
43604/1	810027190015	KHAYELITSHA (81)	66	RAAD	12 471,85	5 107,13	1 796,53	2 248,74	2 534,89	784,56	-	-	-	-	-
44195/1	830010900014	KWANONQABA (83)	66	RAAD	36 899,51	12 176,88	5 795,96	4 644,27	10 443,21	-	3 796,13	-	43,06	-	-
44249/1	750091620024	D'ALMEIDA X23 (75)	66	RAAD	11 469,96	2 572,92	3 380,12	2 048,32	2 153,56	1 117,44	197,60	-	-	-	-
43936/1	740084730012	D'ALMEIDA X13 (74)	66	RAAD	5 814,32	1 120,50	1 954,44	973,95	1 107,44	553,19	104,80	-	-	-	-
43982/1	100012640031	GREENHAVEN (10)	66	RAAD	2 027,65	833,38	502,81	586,66	-	-	104,80	-	-	-	-
44059/1	100013670013	GREENHAVEN (10)	66	RAAD	35 238,56	9 645,20	13 680,42	5 439,11	6 016,52	457,31	-	-	-	-	-
43940/1	100004570012	GREENHAVEN (10)	66	RAAD	5 740,10	1 897,28	2 521,21	1 321,61	-	-	-	-	-	-	-
43978/1	90028170029	HERSHAM (9)	66	RAAD	2 452,07	666,82	496,69	320,62	-	863,14	104,80	-	-	-	-
43860/1	830005790019	KWANONQABA (83)	66	RAAD	12 234,09	2 377,73	3 635,54	2 230,64	2 514,12	1 347,12	-	-	-	128,94	-
43862/1	640160921159	HEIDERAND X12 (64)	66	RAAD	9 664,00	2 048,31	2 521,78	2 090,14	1 819,21	1 085,76	98,80	-	-	-	-
43864/1	580104160010	D'ALMEIDA X7 (71)	66	RAAD	10 283,12	6 246,43	984,43	1 279,33	1 452,41	116,92	203,60	-	-	-	-
43866/1	640051460033	HEIDERAND X12 (64)	66	RAAD	4 898,02	1 234,02	754,35	644,31	734,72	1 425,82	104,80	-	-	-	-
43868/1	100023900016	GREENHAVEN (10)	66	RAAD	3 912,64	1 088,53	758,67	973,62	862,37	124,65	104,80	-	-	-	-
43898/1	180003480013	FRIEMERSHEIM (18)	66	RAAD	16 929,66	6 073,43	-	4 187,85	4 708,33	-	1 947,00	-	13,05	-	-
43725/1	430019300028	HARTENBOSHEUWELS (43)	66	RAAD	1 730,49	300,59	496,69	320,62	71,14	541,45	-	-	-	-	-
43821/1	740088270015	D'ALMEIDA X13 (74)	66	RAAD	7 876,47	1 097,13	3 337,96	973,94	857,38	549,46	1 060,60	-	-	-	-
43843/1	710103430016	D'ALMEIDA X8 (73)	66	RAAD	23 522,11	5 645,83	7 740,05	4 642,34	4 922,47	571,42	-	-	-	-	-

43848/1	710105420011	D'ALMEIDA X8 (73)	66	RAAD	2 082,39	604,06	499,08	508,84	365,61	-	104,80	-	-	-	-
43779/1	710107400026	D'ALMEIDA X7 (71)	66	RAAD	52,40	-	0,19	-	-	52,21	-	-	-	-	-
43972/1	190000330017	GROOTBRAKRIVIER (8)	66	RAAD	2 767,48	955,89	-	873,53	-	-	733,90	-	204,16	-	-
44794/1	720062500022	D'ALMEIDA X22 (72)	65	RAAD	26 584,33	7 378,64	6 420,33	6 012,95	3 432,85	1 425,86	1 913,70	-	-	-	-
44370/1	780033290013	CIVIC PARK (78)	65	RAAD	1 256,68	322,10	248,35	320,62	365,61	-	-	-	-	-	-
44644/1	210008790018	KLEIN-BRAKRIVIER (SEEKANT) (21)	65	RAAD	2 487,22	327,57	1 290,82	320,62	-	548,21	-	-	-	-	-
43064/1	280006910082	FRAAIUITSIG (28)	65	RAAD	137,60	-	-	137,60	-	-	-	-	-	-	-
44273/1	730226710017	MOUNTAIN VIEW (85)	65	RAAD	498,60	146,05	0,72	137,60	156,22	58,01	-	-	-	-	-
44277/1	780038830012	CIVIC PARK (78)	65	RAAD	10 737,37	3 250,13	1 961,77	2 702,26	2 786,22	36,99	-	-	-	-	-
44305/1	740084760040	D'ALMEIDA X13 (74)	65	RAAD	0,51	0,51	-	-	-	-	-	-	-	-	-
44075/1	710094980015	D'ALMEIDA X7 (71)	65	RAAD	6 389,37	1 355,69	1 968,88	1 416,93	1 519,68	23,39	104,80	-	-	-	-
43962/1	720061830010	D'ALMEIDA X22 (72)	65	RAAD	6 168,42	5 810,52	253,10	-	-	-	104,80	-	-	-	-
44184/1	690130170029	TARKA (69)	65	RAAD	223,51	-	-	67,29	156,22	-	-	-	-	-	-
44202/1	730226360014	MOUNTAIN VIEW (85)	65	RAAD	7 763,43	1 767,85	1 476,21	1 757,53	1 982,80	377,64	401,40	-	-	-	-
44221/1	750091750017	D'ALMEIDA X23 (75)	65	RAAD	5 620,34	1 556,81	754,35	1 110,79	1 037,02	631,07	530,30	-	-	-	-
44325/1	710099460019	D'ALMEIDA X7 (71)	65	RAAD	82 644,11	25 446,94	13 680,42	22 572,74	20 442,50	458,44	-	-	43,07	-	-
44141/1	740085140038	D'ALMEIDA X13 (74)	65	RAAD	522,32	147,45	-	138,92	157,31	78,64	-	-	-	-	-
44247/1	100013480012	GREENHAVEN (10)	65	RAAD	6 688,03	2 067,01	984,43	1 426,86	1 616,46	191,87	401,40	-	-	-	-
43854/1	520174870057	ISLAND VIEW (52)	65	RAAD	271,10	-	-	-	-	271,10	-	-	-	-	-
43790/1	790051750020	ASLAPARK (79)	65	RAAD	4 293,80	1 150,28	752,19	1 108,68	1 137,13	40,72	104,80	-	-	-	-
43794/1	740084470026	D'ALMEIDA X13 (74)	65	RAAD	11 516,30	5 267,56	1 968,88	1 416,92	1 608,63	1 254,31	-	-	-	-	-
INDIGENT	790043810017	ASLAPARK (79)	66	RAAD	4 425,61	1 588,07	-	1 295,14	1 106,69	10,21	425,50	-	-	-	-
INDIGENT	100013350744	GREENHAVEN (10)	66	RAAD	941,34	-	-	-	-	-	-	-	941,34	-	-
INDIGENT	810023590017	ELANGENI/SINETHEMBA (82)	65	RAAD	32 070,48	9 044,84	8 334,61	6 525,49	7 370,84	-	794,70	-	-	-	-
INDIGENT	580034330143	MOSSELBAAI (58)	66	RAAD	856,38	-	468,95	282,63	-	-	104,80	-	-	-	-
INDIGENT	600168100035	HEIDERAND X27 (60)	66	RAAD	1 140,22	165,17	348,40	308,25	213,60	-	104,80	-	-	-	-
INDIGENT	790044190011	ASLAPARK (79)	66	RAAD	11 492,31	3 494,55	2 191,37	2 581,89	2 799,00	-	425,50	-	-	-	-
INDIGENT	860067110021	DANABAAI (86)	65	RAAD	4 987,07	713,90	3 384,15	275,20	202,90	410,92	-	-	-	-	-
INDIGENT WATERLEAK	950001330010	HERBERTSDALE (95)	WL	RAAD	8 845,73	4 998,76	-	-	-	-	524,30	-	-	-	3 322,67
INDIGENT WATERLEAK	830016540012	KWANONQABA (83)	WL	RAAD	1 512,04	695,13	-	-	-	-	599,00	-	217,91	-	-
INDIGENT WATERLEAK	100043870029	GREENHAVEN (10)	WL	RAAD	1 250,83	1 146,03	-	-	-	-	104,80	-	-	-	-
INDIGENT	740083730301	D'ALMEIDA X13 (74)	66	RAAD	4 531,07	-	1 966,35	1 117,21	1 108,97	233,74	104,80	-	-	-	-
INDIGENT	770139140019	HIGHWAY PARK (77)	66	RAAD	18 250,35	3 585,15	5 846,49	3 852,50	4 005,34	460,67	500,20	-	-	-	-
INDIGENT	710097500010	D'ALMEIDA X7 (71)	66	RAAD	32 162,81	16 994,51	6 840,10	3 856,95	4 166,15	305,10	-	-	-	-	-
INDIGENT	100010130019	GREENHAVEN (10)	65	RAAD	13 456,43	2 791,82	4 372,01	2 733,39	3 025,33	132,48	401,40	-	-	-	-
INDIGENT	690130240014	TARKA (69)	65	RAAD	604,12	211,68	-	137,60	156,22	98,62	-	-	-	-	-
INDIGENT	790065980022	ASLAPARK (79)	65	RAAD	22 537,17	4 846,22	6 444,41	4 163,18	4 530,94	116,92	2 435,50	-	-	-	-
INDIGENT	760110760017	D'ALMEIDA X26 (76)	65	RAAD	6 398,95	2 010,80	1 504,35	1 108,68	1 117,82	552,50	104,80	-	-	-	-
INDIGENT	710108330014	D'ALMEIDA X7 (71)	65	RAAD	62 851,20	22 996,31	13 680,42	13 833,28	11 553,64	759,65	-	-	27,90	-	-
INDIGENT	830029700014	KHAYELITSHA (81)	66	RAAD	6 219,51	1 448,77	1 199,72	1 586,44	1 460,28	-	524,30	-	-	-	-
INCENTIVE & DEBT RELIEF SCHEME	790059780021	ASLAPARK (79)	DEBT RELIEF	RAAD	13 905,40	12 860,51	-	160,31	884,58	-	-	-	-	-	-

E333-11/2025
ACTION PLAN TO IMPROVE DEBT COLLECTION

File Number:

Report By: FOURIEJ

Item Reference Number: 23153200

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this report is for Council to take note of the current debt collection performance, and to approve the proposed Action Plan to enhance the Municipality's revenue recovery and improve cash flow management, in accordance with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Municipal Systems Act, 2000 (Act No. 32 of 2000).

Council resolved on 28 August 2025 as per resolution E250-08/2025 that the Municipal Manger be delegated to submit an Action Plan addressing the limitations raised by Minister Hlabisa to Council for consideration namely;

- *That the net debtor's calculated ratio is above the norm of 30 days and that the Municipality needs to implement a credit control Policy for collection of outstanding revenue as a significant amount of potential cash is tied up in consumer debtors.*

As at 31 October 2025, the Municipality's 12-month payment percentage stands at 96.04%, with a collection period of 50.72 days.

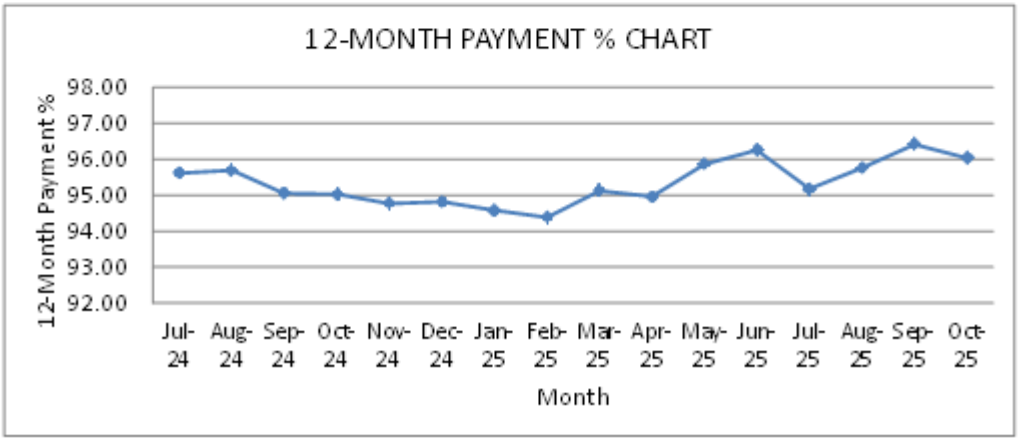
12-MONTH PAYMENT PERCENTAGES UNTIL OCTOBER 2025

	YEAR TO DATE 31 OCTOBER 2025		
SERVICE	LEVIES	PAYMENTS	%
WATER	222,153,568.14	202,132,370.99	90.99%
ELEC (EXCL PRE-PAID)	611,699,978.20	596,907,783.14	97.58%
REFUSE	116,521,662.32	108,300,315.03	92.94%
SEWERAGE	117,223,424.57	106,510,072.46	90.86%
RATES	267,074,379.27	265,340,036.15	99.35%
SUNDRY	31,798,379.22	33,111,294.29	104.13%
TOTAL	R 1,366,471,392	R 1,312,301,872	96.04%

The collection period for outstanding debt as at 31 OCTOBER 2025 was 50.72 days

R189888957 arrear debt x 365 days
R1366471392 total debits raised for the 12 month period ending OCTOBER 2025

Month	Payment %	Collection period
Jul-24	95.62	46.20
Aug-24	95.70	45.78
Sep-24	95.05	45.38
Oct-24	95.03	46.20
Nov-24	94.77	47.10
Dec-24	94.82	47.88
Jan-25	94.58	49.22
Feb-25	94.39	50.19
Mar-25	95.12	49.22
Apr-25	94.97	50.36
May-25	95.86	49.23
Jun-25	96.26	48.46
Jul-25	95.18	55.48
Aug-25	95.76	49.69
Sep-25	96.42	49.79
Oct-25	96.04	50.72



DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

In terms of Section 96 of the **Municipal Systems Act**, a Municipality must collect all money that is due and payable to it, subject to the provisions of the Act and any other applicable legislation.

The objective of the Action Plan is to strengthen debt management processes and to ensure continued financial sustainability. The following targeted actions have been identified to improve the Municipality's collection efficiency and to reduce the outstanding debtor's book:

Action	Responsible Official/Unit	Timeline	Expected Outcome
1. Intensify pre-legal collection efforts by issuing increased numbers of demands, final demands, and notices of intention to restrict services (e.g. water supply).	Credit Control Unit in collaboration with Debtpack	Immediate rollout – ongoing	Enhanced compliance by consumers prior to legal handover and earlier reduction in arrears.
2. Streamline legal proceedings through closer coordination with the Magistrate's Court to expedite summonses and judgments.	Credit Control Unit in collaboration with Debtpack	In progress – ongoing engagement	Reduced turnaround time for legal enforcement and improved recovery through court processes.
3. Develop and submit a proposal to Council for a **Debt Relief Scheme** targeting churches, NPOs, and PBOs, acknowledging their social value, while addressing unsustainable arrears.	Finance Directorate	Item approved by Council on 30 October 2025	Reduction of long-outstanding debt for community-based institutions and strengthened Municipal relations.
4. Implement revised prepaid electricity control measures by discontinuing the full-block system and introducing enhanced auxiliary deductions to manage arrears (30+ days = 55%; 60+ days = 70%; and 90+ days = 85%). The Administration retains the discretion to impose a full block where 85% deductions prove ineffective.	Finance Directorate	Item approved by Council on 17 October 2025	Sustainable arrears management, while maintaining enforcement capacity against persistent defaulters.
5. Amend the Credit Control Policy to allow more than two payment arrangements per account, with delegated authority to the Municipal Manager and CFO to approve additional arrangements in deserving cases.	Finance Directorate	Item approved by Council on 17 October 2025	Improved consumer cooperation and enhanced repayment compliance, strengthening Municipal cash flows.
6. Conduct ward-based indigent registration and awareness drives to ensure all qualifying households are	Indigent & Credit Control Units, supported by	Continuous programme – ward roll-outs	Broader registration of indigent households and

Action	Responsible Official/Unit	Timeline	Expected Outcome
registered and benefit from the subsidies.	Councillors and Debtpack		reduced arrears for qualifying consumers.
7. Implement Key Account Management by identifying and monitoring high-value accounts and consumers with multiple linked accounts. These accounts will receive direct monitoring and proactive engagement to ensure compliance and payment arrangements.	Credit Control Unit	Ongoing management	Improved oversight and early intervention with major debtors, reducing arrear risk exposure.
8. Review the top 100 outstanding accounts monthly: As part of a more focused and data-driven approach to credit control, the Municipality has initiated a structured review of the top 100 Municipal debtor accounts each month. These accounts are identified based on the highest total outstanding balances, regardless of category (residential, business, or government). The objective of this exercise is to ensure that the largest exposures within the debtor book are closely monitored, actively managed, and subject to immediate intervention where prolonged non-payment is identified.	Credit Control Unit supported by Debtpack	Monthly	Ensures consistent management of significant arrears and prevents accumulation of high-risk debts.

RECOMMENDATION

1. That Council takes note of the current payment performance indicators, namely the 12-month payment percentage of 96.04% and the collection period of 50.72 days as at 31 October 2025.

2. That Council approves the implementation of the following Action Plan to improve Debt Collection:

2.1 **Intensify pre-legal collection efforts** by issuing increased numbers of demands, final demands, and notices of intention to restrict services (e.g. water supply).

2.2 **Streamline legal proceedings** through closer coordination with the Magistrate's Court to expedite summonses and judgments.

2.3 Implementation of Debt Relief Scheme targeting churches, NPOs, and PBOs, acknowledging their social value, while addressing unsustainable arrears.

2.4 Implementation of prepaid electricity control measures by discontinuing the full-block system and introducing enhanced auxiliary deductions to manage arrears (30+ days = 55%, 60+ days = 70%; and 90+ days = 85%). The Administration retains the discretion to impose a full block where 85% deductions prove ineffective.

2.5 Implementation of amended Credit Control Policy to allow more than two payment arrangements per account, with delegated authority to the Municipal Manager and CFO to approve additional arrangements in deserving cases.

2.6 Conduct ward-based indigent registration and awareness drives to ensure all qualifying households are registered and benefit from the subsidies.

2.7 Implement Key Account Management by identifying and monitoring high-value accounts and consumers with multiple linked accounts. These accounts will receive direct monitoring and proactive engagement to ensure compliance and payment arrangements.

2.8 Review the top 100 outstanding accounts monthly: As part of a more focused and data-driven approach to credit control, the Municipality has initiated a structured review of the top 100 Municipal debtor accounts each month. These accounts are identified based on the highest total outstanding balances, regardless of category (residential, business, or government). The objective of this exercise is to ensure that the largest exposures within the debtor book are closely monitored, actively managed, and subject to immediate intervention where prolonged non-payment is identified.

2.9 Conduct ongoing electricity meter audits through Ontec, in collaboration with the Electricity and Revenue Sections, to verify system data accuracy and detect tampering or illegal connections.

E334-11/2025

2ND ADJUSTMENTS BUDGET FOR THE 2025/26 FINANCIAL YEAR: OPERATING AND CAPITAL BUDGETS

File Number:

Report By: BARKHUIZENV

Item Reference Number: 23492397

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

On 30 May 2025, Council approved the 2025/26 Annual Budget. This budget has already been adjusted once with the 2025/26 roll-over amounts.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The 2nd Adjustments Budget has been prepared in terms of Sections 28 and 29 of the Municipal Finance Management Act (MFMA), read together with regulations 23(4) and 71 of the Municipal Budget and Reporting Regulations.

The budget is adjusted due to the following reasons:

- Unforeseen/Unavoidable Expenditure: Emergency replacement of Sections of bulk water pipeline between Little Brak River Treatment Plan and Langeberg Reservoir (UB60-09/2025)

- Unforeseen/Unavoidable Expenditure: Emergency replacement: Rerouting of sewer pipelines: Saint Blaize Street, D'Almeida (UB70-10/2025)

Council must consider the full implications of the Adjustments Budget and the attached supporting documentation before approving the Adjustments Budget. The Schedule B documentation, which is prescribed in Section 21 of the Municipal Budget and Reporting Regulations, should be taken into consideration by Council when approving the Adjustments Budget.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The financial implications have been detailed in the 2nd Adjustments Budget supporting documentation as well as in the attached National Treasury Schedule B formats.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Municipal Finance Management Act, Sections 28 & 29 and the Municipal Budget and Reporting Regulations, Regulations 23(4) and 71.

INTEGRATED DEVELOPMENT PLAN IMPLICATIONS / GEÏNTEGREERDE ONTWIKKELINGS PLAN IMPLIKASIES

The Service Delivery and Budget Implementation Plan (SDBIP) need to be adjusted in accordance with the adjustments to the 2025/26 Annual Budget for the operational and capital budgets.

RECOMMENDATION

1. That in accordance with Sections 28(2)(c) and 29 of the MFMA and Regulations 23(4) and 71 of the Municipal Budget and Reporting Regulations, the 2nd Adjustments Budget for the 2025/26 financial year, as per the attached annexures, be approved.

2. That the Directors put control measures in place to prevent any over-expenditure on the 2025/26 Adjustments Budget.

3. That the Service Delivery and Budget Implementation Plan (SDBIP) be adjusted accordingly.

APPENDIX / BYLAAG

Attached is the following supporting documentation to be considered:

- **Annexure A:** Unforeseen/Unavoidable Expenditure: Emergency Replacement of Sections of bulk water pipeline between Little Brak River Treatment Plan and Langeberg Reservoir (UB60-09/2025)

- **Annexure B:** Unforeseen/Unavoidable Expenditure: Emergency Replacement: Rerouting of Sewer Pipelines: Saint Blaize Street, D'Almeida (UB70-10/2025)

The Operating budget attachments consist of the following annexures:

- **Annexure C**: Adjustments Summary Operating Budget 2025/26

  This is the summary page of the total Operating Budget per MFMA vote.

  It shows the 1st Adjustments budget for 2025/26, as was approved, as well as the 2025/26 budget adjustments and the New Revised 2nd Adjustments Budget for 2025/26 per MFMA vote.

- **Annexure D**: This annexure shows a list of the amendments to the already approved Operating Budget.

The Capital budget attachments consist of the following annexures:

- **Annexure E**: Adjustments Summary Capital Budget 2025/26

  This is the summary page of the total Capital Budget per MFMA vote.

  It shows the 1st Adjustments budget for 2025/26, as was approved, as well as the 2025/26 budget adjustments and the New Revised 2nd Adjustments Budget for 2025/26 per MFMA vote.

- **Annexure F**: Detailed Capital Program per capital project (To be distributed as a separate document)

- **Annexure G:** This annexure shows a list of the amendments to the already approved Capital Budget

- **Annexure H:** Schedule B documentation which is prescribed in Section 21 of the Municipal Budget and Reporting Regulations. (To be distributed as a separate document)

***Annexure A* - Unforeseen and unavoidable expenditure recommended by Executive Mayor (UB60-09/2025: Replacement of Bulk Water Pipeline between Little Brak River Treatment Plant and Langeberg Reservoir)**

UB60-09/2025

REPORT: UNFORESEEN AND UNAVOIDABLE EXPENDITURE: EMERGENCY REPLACEMENT: SECTIONS OF 500MM AND 800MM BULK WATER PIPELINE BETWEEN LITTLE BRAK RIVER TREATMENT PLANT AND LANGEBERG RESERVOIR

The purpose of this item is to obtain approval for unforeseen and unavoidable expenditure for emergency replacement of sections of two (2) water pipelines between Little Brak River Treatment Plant and the Langeberg Reservoir.

On the 2nd of July 2025 officials became aware of a leak on the 500mm diameter bulk main water pipeline and commenced with clearing the area to ascertain the scope of the repair works required.

Quotes were requested from three service providers with only two submitting quotes for the following amounts:

Henra R301 744.00 (Excluding VAT)
Phambili Civils R496 000.00 (Excluding VAT)
Transand No quote

The Municipality duly commenced with the required procurement process and the appointed Service Provider was on site on the 21st of July 2025.

Various challenges were encountered with the difficult terrain where the works had to be undertaken with unstable soil conditions and excessive seepage of water.

Extensive de-watering of the area had to be done intermittently with further challenges encountered with the miss-alignment of the pipes due to the sagging resulting from the unstable soil conditions.

During the works it was observed that water was also coming from an adjacent 800mm bulk main water pipeline which was potable water from the Kleinbrak Water Treatment Works.

The Service Provider proceeded to excavate around the 800mm water pipe and to stabilise the area.

After the 500mm pipe was holding pressure successfully for 96 hours it was commissioned but failed after 2 hours of operation when a leak occurred after which it was excavated again and repaired.

The 500mm pipe was placed back in operation on the 22nd of August 2025.

Attention was then turned towards the 800mm pipe which was de-commissioned and isolated to assess the work that had to be undertaken and to request for quotations.

The 800mm pipe was re-commissioned thereafter as the reservoir levels dropped below 30% and the site was made safe.

The breakdown of the costs of the repair works are as follows:

DESCRIPTION	AMOUNT (R) (excl VAT)	NOTE
1.) REPAIR OF BULK WATER MAIN - 500mm DIA. GRP		
1.1) Value of repair work based on what was visible during the 7 July 2025 site meeting	301 744.00	Order nr O / 3885. Invoice nr IN105182
1.2) Value of additional repair work that was required to successfully complete all repair work	525 272.00	No order issued
SUBTOTAL (1.1 + 1.2)	827 016.00	
2.) REPAIR OF BULK WATER MAIN - 800mm DIA. GRP		
2.1) Value of repair work	1 060 422.00	No order issued
TOTAL COST OF ALL REPAIR WORK (1.1 + 1.2 + 2.1)	**1 887 438**	

The costs due to the Service Provider for works already undertaken amount to R525 272.00 (Excluding VAT) and for work still to be undertaken on the 800mm pipe amount to R1 060 422.00 (Excluding VAT).

A separate order will be required should any release of contingencies be required.

According to the best of my knowledge the criteria set in the table below are considered in the context of the expenditure for which authorization is required:

Criteria	Tick box	
Was this expenditure foreseen at the time the annual budget of the municipality was passed?		No
If delayed, would this expenditure result in or cause:		
Significant financial loss for the municipality?	Yes	
Disruption or suspension, or a serious threat to the continuation, of a basic municipal service?	Yes	
Loss of life or serious injury or significant damage to		No

property?		
Obstruct the municipality from instituting or defending legal proceedings on an urgent basis?		No
Was this expenditure considered by the council, but not approved in the annual budget or an adjustments budget?		No
Is this expenditure required for:		
Price increases of goods or services during the financial year?		No
New municipal services or functions during the financial year?		No
The extension of existing municipal services or functions during the financial year?		No
The appointment of personnel during the financial year?		No
The allocation of discretionary appropriations to any vote during the financial year?		No
Would this expenditure result in or cause contravention any existing council policy?		No
Is the intended of this expenditure to ratify irregular or fruitless and wasteful expenditure?		No

This expenditure is in accordance with the framework of the Expenditure Policy and must be reported by the Executive Mayor to the Municipal Council at its next meeting where after the expenditure must be appropriated in an adjustment budget within sixty (60) days of which the expenditure was incurred.

As this is considered as unforeseen and unavoidable expenditure as set out in the item above the Executive Mayor authorized such expenditure in terms of Section 29 of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

FINANCIAL IMPLICATIONS / FINANSIëLE IMPLIKASIES

Additional expenditure of approximately R1 585 694.00 excluding VAT for repair work to the 500mm and 800mm bulk pipelines between the Kleinbrak Water Treatment Works and the Langeberg Reservoir. Once approved this must be appropriated in the 2025/2026 adjustments budget.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

In terms of section 29 of the MFMA the Executive Mayor may:

".. in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

(2) Any such expenditure—

a) must be in accordance with any framework that may be prescribed;

b) may not exceed a prescribed percentage of the approved annual budget;

c) must be reported by the mayor to the municipal council at its next meeting; and

d) must be appropriated in an adjustments budget."

The framework is prescribed in Sect 71 of the Municipal Budget and Reporting Regulations promulgated in government gazette no.32141 dated 17 April 2009

"Authorisation of unforeseen and unavoidable expenditure

71. (1) The mayor of a municipality may authorise expenditure in terms of section 29 of the Act only if –

a) the expenditure could not have been foreseen at the time the annual budget of the municipality was passed; and

b) the delay that will be caused pending approval of an adjustments budget by the municipal council in terms of section 28(2)(c) of the Act to authorise the expenditure may -

i) result in significant financial loss for the municipality;

ii) cause a disruption or suspension, or a serious threat to the continuation, of a basic municipal service;

iii) lead to loss of life or serious injury or significant damage to property; or

iv) obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

(2) The mayor of a municipality may not authorise expenditure in terms of section 29 of the Act if the expenditure –

a) was considered by the council, but not approved in the annual budget or an adjustments budget;

b) is required for-

i) price increases of goods or services during the financial year;

ii) new municipal services or functions during the financial year;

iii) the extension of existing municipal services or functions during the financial year;

iv) the appointment of personnel during the financial year; or

v) allocating discretionary appropriations to any vote during the financial year; or

c) would contravene any existing council policy; or

d) is intended to ratify irregular or fruitless and wasteful expenditure."

CONCLUSION / SAMEVATTING

That the Executive Mayor authorized the unforeseeable and unavoidable expenditure for repairs to the 500mm and 800mm bulk water pipelines between the Kleinbrak Water Treatment Works and the Langeberg Reservoir at an estimated cost of R1 585 694.00 VAT exclusive.

RESOLVED:

1. That it be noted and reported herewith to Council that the Executive Mayor authorised the unforeseen and unavoidable expenditure for repairs to the 500mm and 800mm bulk water pipelines between the Kleinbrak Water Treatment Works and the Langeberg Reservoir at an estimated cost of R1 585 694.00 VAT Excluding, to ensure the continuance of municipal services and address the existing hazard.

2. That it be noted that a procurement process was followed for the repair work to the 500mm pipeline and that Henra was accordingly appointed to an amount of R301 744 Excluding VAT.

3. That it be noted that due to the various challenges encountered during the repair works with regard to miss-alignment, extensive de-watering, sagging and unstable soil conditions that additional work to an amount of R525 272.00 Excluding VAT had to be undertaken.

4. That it be noted that an emergency procurement process will be followed to undertake the repair works to an amount of R1 060 422.00 (VAT excluding) on the 800mm pipeline and that separate orders will be required should any release of contingencies be necessary.

5. That this expenditure be appropriated in an adjustment budget within 60 days after the expenditure was incurred.

30/9/2025
DATE

D KOTZE
EXECUTIVE MAYOR

30/09/2025

***Annexure B_* Unforeseen and unavoidable expenditure recommended by Executive Mayor (UB70-10/2025: Rerouting of Sewer Pipelines: Saint Blaize Street, D'Almeida)**

UB 70-10/2025

REPORT: UNFORESEEN AND UNAVOIDABLE EXPENDITURE: EMERGENCY REPLACEMENT: REROUTING OF SEWER PIPELINE: SAINT BLAIZE STREET, D'ALMEIDA

The purpose of this item is to obtain approval for unforeseen and unavoidable expenditure for emergency rerouting of a sewer pipeline at Saint Blaize Street in D'Almeida which is overflowing due to ongoing blockages in the line.

On the 18th of June 2025 officials received complaints of sewer overflowing at 239 Saint Blaize Street in D'Almeida. Upon investigation it became apparent that the sewer line was blocked and that an illegal structure has been erected on the line making certain parts thereof inaccessible to municipal officials.

The blockages that could be reached were removed and notices for removal of the illegal structure was served on the occupier/owner thereof.

Further ongoing blockages were experienced and the Ward Councillor endeavoured to assist in facilitating the occupier/owners co-operation in removing the structure. Efforts were made by the occupier/owner to remove the structure but were stopped and the structure remains.

Further investigations by the Directorate: Infrastructure Services found that the pipeline may have collapsed and need to be replaced and re-routing the pipeline has therefore become a viable option.

Should legal action need to be taken a formal eviction process would need to be followed which will result in further time delays, legal costs and the outcome which cannot be guaranteed.

The costs for re-routing the pipeline is estimated to be R949 921.90 (Excluding VAT) and includes the construction costs and professional fees for the consulting engineer.

According to the best of my knowledge the criteria set in the table below are considered in the context of the expenditure for which authorization is required:

Criteria	Tick box	
Was this expenditure foreseen at the time the annual budget of the municipality was passed?		No
If delayed, would this expenditure result in or cause:		
Significant financial loss for the municipality?	Yes	
Disruption or suspension, or a serious threat to the continuation, of a basic municipal service?	Yes	
Loss of life or serious injury or significant damage to property?	Yes	
Obstruct the municipality from instituting or defending legal proceedings on an urgent basis?		No
Was this expenditure considered by the council, but not approved in the annual budget or an adjustments budget?		No
Is this expenditure required for:		
Price increases of goods or services during the financial year?		No
New municipal services or functions during the financial year?		No
The extension of existing municipal services or functions during the financial year?		No
The appointment of personnel during the financial year?		No
The allocation of discretionary appropriations to any vote during the financial year?		No
Would this expenditure result in or cause contravention any existing council policy?		No
Is the intended of this expenditure to ratify irregular or fruitless and wasteful expenditure?		No

This expenditure is in accordance with the framework of the Expenditure Policy and must be reported by the Executive Mayor to the Municipal Council at its next meeting where after the expenditure must be appropriated in an adjustment budget within sixty (60) days of which the expenditure was incurred.

As this is considered as unforeseen and unavoidable expenditure as set out in the item above the Executive Mayor authorized such expenditure in terms of Section 29 of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

FINANCIAL IMPLICATIONS / FINANSIëLE IMPLIKASIES

Expenditure of approximately R949 921.90 Excluding VAT for re-routing the collapsed sewer pipeline in Saint Blaize Street, D'Almeida. Once approved this must be appropriated in the 2025/2026 adjustments budget.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

In terms of section 29 of the MFMA the Executive Mayor may:

".. in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

(2) Any such expenditure—

a) must be in accordance with any framework that may be prescribed;

b) may not exceed a prescribed percentage of the approved annual budget;

c) must be reported by the mayor to the municipal council at its next meeting; and

d) must be appropriated in an adjustments budget."

The framework is prescribed in Sect 71 of the Municipal Budget and Reporting Regulations promulgated in government gazette no.32141 dated 17 April 2009

"Authorisation of unforeseen and unavoidable expenditure

71. (1) The mayor of a municipality may authorise expenditure in terms of section 29 of the Act only if –

a) the expenditure could not have been foreseen at the time the annual budget of the municipality was passed; and

b) the delay that will be caused pending approval of an adjustments budget by the municipal council in terms of section 28(2)(c) of the Act to authorise the expenditure may -

i) result in significant financial loss for the municipality;

ii) cause a disruption or suspension, or a serious threat to the continuation, of a basic municipal service;

iii) lead to loss of life or serious injury or significant damage to property; or

iv) obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

(2) The mayor of a municipality may not authorise expenditure in terms of section 29 of the Act if the expenditure –

a) was considered by the council, but not approved in the annual budget or an adjustments budget;

b) is required for-

i) price increases of goods or services during the financial year;

ii) new municipal services or functions during the financial year;

iii) the extension of existing municipal services or functions during the financial year;

iv) the appointment of personnel during the financial year; or

v) allocating discretionary appropriations to any vote during the financial year; or

c) would contravene any existing council policy; or

d) is intended to ratify irregular or fruitless and wasteful expenditure."

CONCLUSION / SAMEVATTING

That the Executive Mayor authorized the unforeseeable and unavoidable expenditure for replacement and re-routing of a collapsed sewer pipeline in Saint Blaize Street, D'Almeida at an estimated cost of R949 921.90 VAT exclusive.

RESOLVED:

1. That it be noted and reported herewith to Council that the Executive Mayor authorised the unforeseen and unavoidable expenditure for replacement and re-routing of a collapsed sewer pipeline in Saint Blaize Street, D'Almeida at an estimated cost of R949 921.90 VAT exclusive, to ensure the continuance of municipal services and address the existing hazard of sewer overflowing.

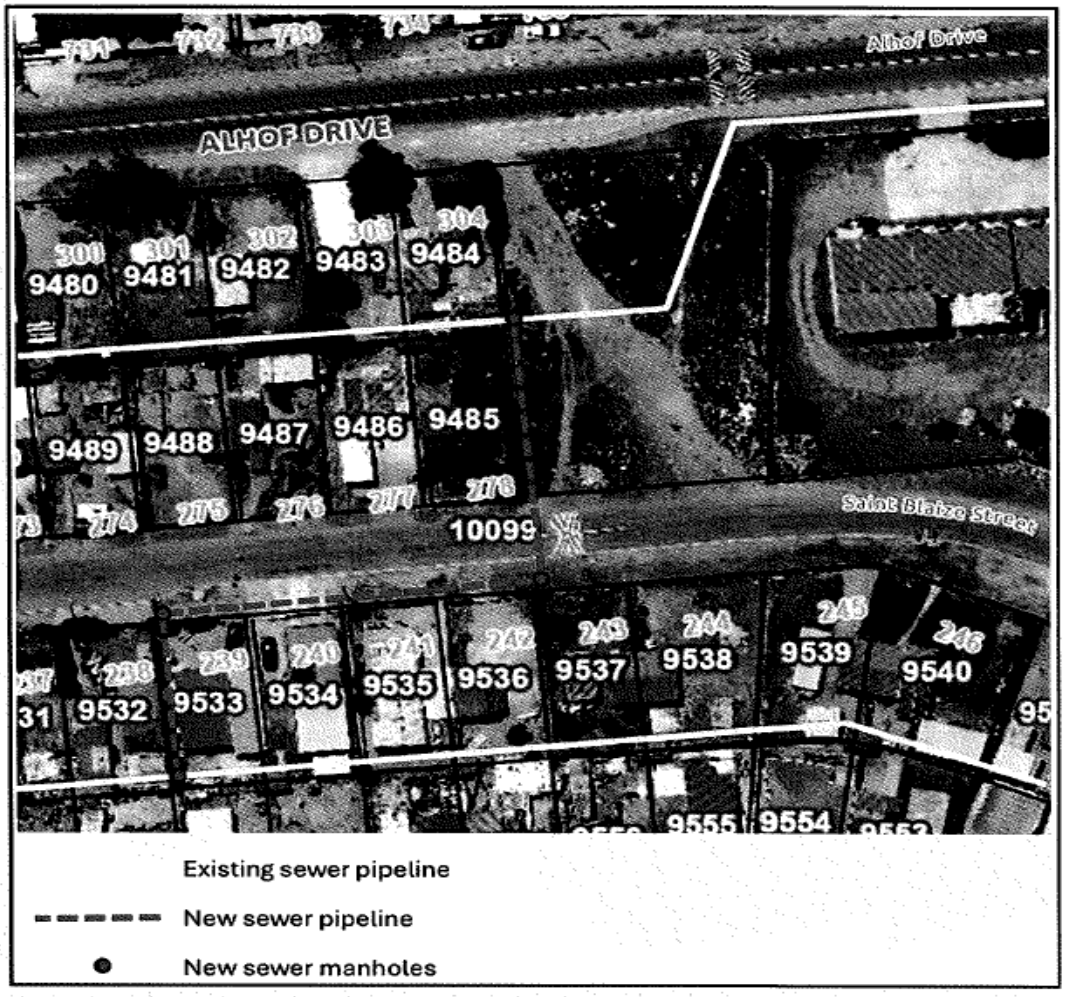
2. That it be noted that an emergency procurement process will be followed to undertake the proposed works to an estimated amount of R949 921.80 (VAT excluding) which includes construction costs and professional fees of the consulting engineer.

3. That this expenditure be appropriated in an adjustment budget within 60 days after the expenditure was incurred.

15/10/25
DATE

D KOTZÉ
EXECUTIVE MAYOR
15/10/2025

ANNEXURE A UB70-1



Annexure C - Summary of Operating Budget per Vote

MOSSEL BAY MUNICIPALITY : ADJUSTMENT SUMMARY OPERATING BUDGET 2025/26

	1st Adjustments Budget 2025/2026			2025/26 Unforeseen Expenditure				2nd Adjustments Budget 2025/2026		
				Expenditure		Income				
MFMA VOTE	Exp	Inc	(Surplus)/Deficit	Increase	Decrease	Increase	Decrease	Exp	Inc	(Surplus)/ Deficit
MUNICIPAL MANAGER	54 185 938	-23 829 871	30 356 067	-	-	-	-	54 185 938	-23 829 871	30 356 067
CORPORATE SERVICES	98 255 205	-1 290 045	96 965 160	-	-	-	-	98 255 205	-1 290 045	96 965 160
FINANCIAL SERVICES	106 687 584	-381 268 818	-274 581 234	-	-	-	-	106 687 584	-381 268 818	-274 581 234
TECHNICAL/INFRASTRUCTURE SERVICES	1 205 584 528	-1 317 358 330	-111 773 802	1 585 694	-	-	-	1 207 170 222	-1 317 358 330	-110 188 108
COMMUNITY SERVICES	246 513 311	-152 755 026	93 758 285	-	-	-	-	246 513 311	-152 755 026	93 758 285
PLANNING AND ECONOMIC DEVELOPMENT	125 232 801	-100 604 584	24 628 216	-	-	-	-	125 232 801	-100 604 584	24 628 216
COMMUNITY SAFETY	140 461 587	-37 098 604	103 362 983	-	-	-	-	140 461 587	-37 098 604	103 362 983
GRAND TOTAL	1 976 920 954	-2 014 205 278	-37 284 325	1 585 694	-	-	-	1 978 506 648	-2 014 205 278	-35 698 631

*Annexure D_* Operating Budget Adjustments – 2025/26 Unforeseen Expenditure

2025/26 UNFORESEEN EXPENDITURE

Vote Number	mSCOA Code	Vote Description	Mun.Functi	MFMA Vote	Description-Reporting	Expenditure Increase	Expenditure Decrease	Revenue Increase	Revenue Decrease	Funding Source	Reason
14488-221-1515	9/578-300-30470	Pipeline Mains	4488	TECHNICAL/INFRASTRUCTURE SERVICES	4.5 - TECH/INFRA SERV: Water and Sanitaton	1 585 694				Operational Revenue:General Revenue:Service Charges:Water	Unforeseen Expenditure. (Executive Mayoral decision : UB60-09/2025)
GRAND TOTAL						1 585 694	-	-	-		

Annexure E_ **Summary of Capital Budget per Vote**

MOSSEL BAY MUNICIPALITY : ADJUSTMENT SUMMARY CAPITAL BUDGET 2025/26										
	1st Adjustments Budget 2025/26			Unforeseen Expenditure				2nd Adjustments Budget 2025/26		
				C.R.R.		OTHER				
MFMA VOTE	C.R.R.	OTHER	TOTAL	Increase	Decrease	Increase	Decrease	C.R.R.	OTHER	TOTAL
MUNICIPAL MANAGER	128 200	-	128 200	-	-	-	-	128 200	-	128 200
CORPORATE SERVICES	10 299 025	-	10 299 025	-	-	-	-	10 299 025	-	10 299 025
FINANCIAL SERVICES	232 000	4 823 327	5 055 327	-	-	-	-	232 000	4 823 327	5 055 327
TECHNICAL/INFRASTRUCTURE SERVICES	144 489 492	245 568 948	390 058 440	949 922	-	-	-	145 439 414	245 568 948	391 008 362
COMMUNITY SERVICES	25 965 005	600 000	26 565 005	-	-	-	-	25 965 005	600 000	26 565 005
PLANNING AND ECONOMIC DEVELOPMENT	10 675 221	9 514 513	20 189 734	-	-	-	-	10 675 221	9 514 513	20 189 734
COMMUNITY SAFETY	3 271 446	4 373 913	7 645 359	-	-	-	-	3 271 446	4 373 913	7 645 359
GRAND TOTAL	195 060 389	264 880 701	459 941 090	949 922	-	-	-	196 010 311	264 880 701	460 891 012

Annexures F _ Detailed Capital Program per capital project

Document will be distributed as a separate annexure due to its size.

Annexure G_ Capital Budget Adjustments – 2025/26 Unforeseen and Avoidable Expenditure

CAPITAL BUDGET ADJUSTMENTS_2025/26 UNFORESEEN EXPENDITURE

mSCOA CODE	Vote Description	Mun.Functi(	VOTE (MUNICIPAL DIRECTORATE)	Description-Reporting	Increase Expenditure	Decrease Expenditure	Reason/Motivation	Type of Adjustment	Funding Source
9/129-19585393-2000	Re-routing of Sewer pipeline: Saint Blaize Street, D'Almeida	4478	Technical/Infrastructure Services	4.5 - TECH/INFRA SERV: Water and Sanitation	949 922	-	Unforeseen expenditure. (Executive Mayoral decision : UB70-10/2025)	Unfore. Unavoid.	C.R.R
GRAND TOTAL					**949 922**	-			

Annexures H_ Schedule B documentation

Document will be distributed as a separate annexure due to its size.

E335-11/2025

SERVICE LEVEL AGREEMENT: MOSSEL BAY MUNICIPALITY // NDK VALUERS (PTY) LTD: TENDER TDR122/2024/2025: GENERAL VALUATION AND SUPPLEMENTARY VALUATIONS FOR THE MOSSEL BAY MUNICIPALITY: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003: SECTION 33

File Number: 5/2/B

Report By: JUTHEN

Item Reference Number: 23606605

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to consider the Service Level Agreement for the General Valuation and Supplementary Valuations for the Mossel Bay Municipality from 1 July 2027 to 30 June 2032 in terms of TDR122/2024/2025 from NDK Valuers (Pty) Ltd (hereafter "NDK Valuers").

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The Municipality, after following a competitive bidding process in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) and Supply Chain Management Regulations, intends to enter into a Service Level Agreement with NDK Valuers (Pty) Ltd for the General Valuation and Supplementary Valuations for Mossel Bay Municipality in terms of TDR122/2024/2025.

The Mossel Bay Municipality requested tenders in terms of Tender 122/2024/2025 for the rendering of the General Valuation and Supplementary Valuations services for the Mossel Bay Municipality for the period from 01 July 2027 to 30 June 2032. The tender closed on 09 May 2025 at 12h00 whereafter the tenders were evaluated and NDK Valuers (Pty) Ltd was designated as the preferred Bidder.

In terms of the proposed Service Level Agreement, payment will be made to NDK Valuers upon receipt of a valid tax invoice for services rendered to the satisfaction of the Municipality. The financial implications for the Municipality will be as per Annexure A attached hereto.

The total estimated contract value for the contract term is R9 300 150,00 (Nine Million Three Hundred Thousand, One Hundred and Fifty Rands) VAT inclusive.

Provision for the expenditure has been made in the Operational Budgets and will be made in future budgets for the duration of the agreement.

The conclusion of a long-term agreement enables the Municipality to ensure an estimated fixed cost for the term of the agreement. This results in better financial planning and is more cost effective as the Municipality is required to undertake valuations in terms of legislation. A long-term agreement also enables continuity during a valuation period and that the Municipality

complies with prescribed processes and timeframes in terms of the Local Government: Municipal Property Rates Act, No. 6 of 2004.

As the contract will impose financial obligations on the Municipality beyond a period of three (3) years, a prescribed process in terms of Section 33 of the MFMA had to be followed prior to Council approving the agreement and as such the commencement date of the agreement can only be after a Council resolution has been taken.

The prescribed Public Participation Process in terms of the MFMA has been followed and the views and recommendations of National Treasury, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs were solicited.

The Department of Cooperative Governance and Traditional Affairs acknowledged receipt of the documents via email on 23 September 2025 (Annexure B), and in summary provided the following: that the Department considering the Municipal Property Rates Act, No 6 of 2004 (MPRA) as amended, is in support of the Municipality's endeavour to contract the services of the same Service Provider to compile the Municipality's next valuation roll and its related supplementary valuation rolls. The Department of Cooperative Governance and Traditional Affairs furthermore referenced the relevant Sections of the MPRA which are noted, and no further comments were provided by the Department.

National Treasury acknowledged receipt of the documents on 17 September 2025 as per Annexure C hereto and no further comments were provided to date.

No comments and/or recommendations were received from Provincial Treasury.

No comments, objections or representations were received from the public.

The proposed Draft Agreement is attached hereto, marked as Annexure D.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Fees as stated under the discussion and motivation of this Item with reference to Annexure A.

The total estimated contract value for the contract term is R9 300 150,00 (Nine Million Three Hundred Thousand, One Hundred and Fifty Rands) VAT inclusive.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Local Government: Municipal Finance Management Act, No 56 of 2003.

Local Government: Municipal Finance Management Regulations: Municipal Supply Chain Management Regulations.

CONCLUSION / SAMEVATTING

All requirements for concluding an agreement with NDK Valuers (Pty) Ltd have been met in terms of Section 33 of the MFMA.

RECOMMENDATION

1. That the attached agreement, marked as Annexure D in respect of TDR122/2024/2025 with NDK Valuers (Pty) Ltd, for the period from 1 July 2027 to 30 June 2032 be approved and be entered into for the General Valuation and Supplementary Valuations for the Mossel Bay Municipality.

2. That the financial implications for the Municipality for the duration of the agreement is an estimated R9 300 150,00 (Nine Million Three Hundred Thousand, One Hundred and Fifty Rands) VAT inclusive and will be in accordance with the tendered pricing in terms of the agreement and that the expenditure be provided for in future budgets.

3. That cognisance be taken that National Treasury acknowledged receipt of the documents and that no comments were provided to date.

4. That cognisance be taken that no comments were received from Provincial Treasury to date.

5. That cognisance be taken of the comments from the Department of Cooperative and Traditional Affairs dated 23 September 2025 that they support the Municipality's endeavour to contract the services of the same Service Provider to compile the Municipality's next valuation roll and its related supplementary valuation rolls and that cognisance be taken of the relevant Sections of the Municipal Property Rates Act as referenced by the Department of Cooperative and Traditional Affairs.

6. That cognisance be taken that no comments, objections or representations were received from the public.

7. That it be accepted and approved that the Municipality will derive a significant financial economic and service delivery benefit from the agreement due to the reasons stated under the motivation of this Item.

8. That the Municipal Manager be authorised to finalise and sign the agreement on behalf of the Municipality.

9. That no rights will vest prior to the signing of the agreement by both parties.

ANNEXURES

Yes

ANNEXURE A

GENERAL VALUATION

The Physical Inspection, the Calculation of Building Areas (if necessary) and components thereof, as well as the Valuation of identified properties in the Jurisdiction Area of the Mossel Bay Municipality.

DIVISION A

ITEM NO	CATEGORY OF VALUATION	CATEGORY DESCRIPTION	UNIT	RATE PER ITEM (INCLUSIVE OF VAT)
1.1	BUS	Business and commercial properties	Per property	R300,00
1.2	BUSV	Business vacant	Per property	R200,00
1.3	FAGR	Farm used for agricultural purpose	Per property	R300,00
1.4	IND	Industrial properties	Per property	R300,00
1.5	INDV	Industrial vacant	Per property	R300,00
1. 6	MULT	Multiple purpose properties	Per property	R300,00
1. 7	PSP	State-owned properties	Per property	R200,00
1. 8	MUN	Municipal properties	Per property	R100,00
1. 9	NMON	National monuments	Per property	R100,00
1.9	PBO	Public benefit organisation	Per property	R100,00
1.10	POWP	Place of worship – Parsonage	Per property	R100,00
1.11	POWC	Place of worship - Church	Per property	R100,00
1.12	PROT	Protected area	Per property	R300,00
1.13	PSI	Public Service Infrastructure	Per property	R300,00
1.14	PSII	Public Service Infrastructure impermissible	Per property	R300,00
1.15	RES	Residential properties	Per property	R70,00
1.16	RES - LOW- COST HOUSING	Residential properties – Low-Cost Housing	Per property	R70,00
1.17	RESV	Residential Vacant	Per property	R70,00

DIVISION B

ITEM NO	CATEGORY OF VALUATION	CATEGORY DESCRIPTION	UNIT	RATE PER ITEM (INCLUSIVE OF VAT)
2.1	BUS	The properties known as the PetroSA Petrochemical Plant, as well as other PetroSA owned properties, situated on the following industrial plots: - on the remaining extent of Farm 310, Mossel Bay Rd - on the remaining extent of Farm 316, Mossel Bay Rd - on the remaining extent of Farm 399, Mossel Bay Rd (Gourikwa Power Station) - Erf 16, Voorbaai, Hartenbos-area - Erf 1348, Voorbaai, Hartenbos-area - Erf 1349, Voorbaai, Hartenbos-area - Erf 1350, Voorbaai, Hartenbos-area - Erf 1373, Voorbaai, Hartenbos-area - Erf 1374, Voorbaai, Hartenbos-area - Erf 1375, Voorbaai, Hartenbos-area - Erf 3169, Voorbaai, Hartenbos-area	As a whole	R50 000,00

ANNEXURE A

SUPPLEMENTORY VALUATION ROLLS

The Physical Inspection, the Calculation of Building Areas (if necessary) and components thereof, as well as the Valuation of identified properties in the Jurisdiction Area of the Mossel Bay Municipality. Supplementary Valuation of properties as prescribed in section 78 of the Local Government Municipal Property Rates Act, Act 6 of 2004 and the Amendment Act, 29 of 2014.

(The adjustments will be calculated on the individual rates of items on the supplementary valuation roll submitted by the successful Tenderer)

SECTION 2.4B: PRICING SCHEDULE FOR SUPPLEMENTORY VALUATION ROLLS

ITEM NO	CATEGORY OF VALUATION	CATEGORY DESCRIPTION	UNIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
				RATE PER ITEM 1 JULY 2027 – 30 JUNE 2028 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2028 – 30 JUNE 2029 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2029 – 30 JUNE 2030 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2030 – 30 JUNE 2031 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2031 – 30 JUNE 2032 (INCLUSIVE VAT)
SUPPLEMENTORY VALUATION ROLLS								
1.1	BUS	Business and commercial properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.2	BUSV	Business vacant	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.3	FAGR	Farm used for agricultural purpose	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.4	IND	Industrial properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.5	INDV	Industrial vacant	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.6	MULT	Multiple purpose properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.7	PSP	State-owned properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.8	MUN	Municipal properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.9	NMON	National monuments	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.10	PBO	Public benefit organisation	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.11	POWP	Place of worship – Parsonage	Per property	R100,00	R350,00	R375,00	R400,00	R425,00

ANNEXURE A

1.12	POWC	Place of worship - Church	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.13	PROT	Protected area	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.14	PSI	Public Service Infrastructure	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.15	PSII	Public Service Infrastructure impermissible	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.16	RES	Residential properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.17	RES - LOW-COST HOUSING	Residential properties – Low-Cost Housing	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.18	RESV	Residential Vacant	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
OTHER								
2.1	ALL CATEGORIES	Inspection and Completion of: - Objections (per item)	Per Property	R100,00	R100,00	R100,00	R100,00	R100,00
2.2	ALL CATEGORIES	All objection expenses inclusive amount per day - Appeal Board Sessions All-inclusive amount per day (This will include all expenses for preparation work in respect of possible objection or appeal)	Per Day	R20 000,00	R20 000,00	R25 000,00	R25 000,00	R25 000,00

ANNEXURE B

Juthe, Nemeree

From:	Yunus Kader <yunusk@cogta.gov.za>
Sent:	Tuesday, September 23, 2025 11:17 AM
To:	Juthe, Nemeree
Cc:	Smit, Melanie; info; Manahano Mokone; admin; Noel Hlungwane; Montlhe Moatshe; Priscilla Abrahams; Beatrice Shilubane
Subject:	RE: SECTION 33: TDR122/2024/2025: GENERAL VALUATION AND SUPPLEMENTARY VALUATIONS
Attachments:	Section 33: MFMA - TDR122/2024/2025 - GENERAL VALUATION AND SUPPLEMENTARY VALUATIONS: NDK VALUERS (PTY) LTD & MOSSEL BAY MUNICIPALITY

***** [EXTERNAL]: This email originated from outside the organization. Exercise caution when opening attachments or clicking links, especially from unknown senders. *****

Dear Ms Juthe,

The embedded letter to your attached email refers.

The Municipal Property Rates Act (MPRA) No 6 of 2004, as amended, allows for a local municipality's valuation roll to be valid for a **five-year period** with a requirement for at least one supplementary roll per year to be prepared. Considering these, we support the municipality's endeavor to contract the services of the same service provider to compile your next valuation roll and its related supplementary valuation rolls.

The relevant sections of MPRA relating to the period of validity of a General Valuation Roll and subsequent Supplementary Valuation Rolls are reflected below for ease of reference:-

32. Commencement and period of validity of valuation rolls.—

(1) A valuation roll—

(a) takes effect from the start of the financial year following completion of the public inspection period required by section 49; and

(b) remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not for more than—

(i) four financial years in respect of a metropolitan municipality; and

(ii) five financial years in respect of a local municipality.

(2) The MEC for local government in a province may extend the period for which a valuation roll remains valid—

(a) in the case of—

(i) a metropolitan municipality, to six financial years; and

(ii) a local municipality, to seven financial years,

if the provincial executive has intervened in the municipality in terms of section 139 of the Constitution; or

(b) in the case of—

(i) a metropolitan municipality, to five financial years; and

(ii) a local municipality, to seven financial years,

on request by the municipality, in other exceptional circumstances which warrant such extension.

*77. **General.**—A municipality must regularly, but at least once a year, update its valuation roll by causing—*
(a) a supplementary valuation roll to be prepared, if section 78 applies; or
(b) the valuation roll to be amended, if section 79 applies.

*78. **Supplementary valuations.**—*
(1) A municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any rateable property—
(a) incorrectly omitted from the valuation roll;
(b) included in a municipality after the last general valuation;
(c) subdivided or consolidated after the last general valuation;
(d) of which the market value has substantially increased or decreased for any reason after the last general valuation;
(e) substantially incorrectly valued during the last general valuation;
(f) that must be revalued for any other exceptional reason;
(g) of which the category has changed; or
(h) the value of which was incorrectly recorded in the valuation roll as a result of a clerical or typing error.

Kind Regards,

Mr Mohamed Yunus Kader
Director: Municipal Property Valuation
012 334 0932 | 066 474 9072
yunusk@cogta.gov.za

cooperative governance
Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

Website: www.cogta.gov.za/?page_id=951

From: Juthe, Nemeree <njuthe@mosselbay.gov.za>
Sent: Tuesday, 23 September 2025 11:05
To: Yunus Kader <yunusk@cogta.gov.za>
Cc: Smit, Melanie <msmit@mosselbay.gov.za>
Subject: SECTION 33: TDR122/2024/2025: GENERAL VALUATION AND SUPPLEMENTARY VALUATIONS

You don't often get email from njuthe@mosselbay.gov.za. Learn why this is important

Good day,

The abovementioned and our telephonic conversation on even date refers.

Kindly find herewith enclosed correspondence as transmitted in relation to the above.

Thank you.

Regards.

Nemeree Juthe
Senior Administrative Officer (Legal Services)
101 Marsh Street, Mossel Bay
Email: njuthe@mosselbay.gov.za
Web: https://www.mosselbay.gov.za
Tel: +27 44 606-5164



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6506,
South Africa

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ANNEXURE C

Juthe, Nemeree

From: Wayne McComans <Wayne.McComans@treasury.gov.za>
Sent: Wednesday, September 17, 2025 12:29 PM
To: Juthe, Nemeree; Local Government MFMA; 'andile.dyakala@westerncape.gov.za'
Cc: admin; Khensani Makaneta; Gerda Fick
Subject: RE: Section 33: MFMA - TDR122/2024/2025 - GENERAL VALUATION AND SUPPLEMENTARY VALUATIONS: NDK VALUERS (PTY) LTD & MOSSEL BAY MUNICIPALITY

***** [EXTERNAL]: This email originated from outside the organization. Exercise caution when opening attachments or clicking links, especially from unknown senders. *****

Hi Nemeree

We confirm receipt of your letter and will revert soonest in this regard.

Regards

WAYNE MCCOMANS
Chief Director MFMA Implementation
Office of the Accountant General
Tel: +27 (0)12 315 5850
Cell: 077 608 1265
Email: wayne.mccomans@treasury.gov.za

www.treasury.gov.za

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

National Treasury EMail Disclaimer

From: Juthe, Nemeree <njuthe@mosselbay.gov.za>
Sent: Monday, September 15, 2025 12:01 PM
To: Local Government MFMA <mfma@treasury.gov.za>; 'andile.dyakala@westerncape.gov.za' <andile.dyakala@westerncape.gov.za>; Wayne McComans <Wayne.McComans@treasury.gov.za>
Cc: admin <admin@mosselbay.gov.za>
Subject: Section 33: MFMA - TDR122/2024/2025 - GENERAL VALUATION AND SUPPLEMENTARY VALUATIONS: NDK VALUERS (PTY) LTD & MOSSEL BAY MUNICIPALITY

Important: This email originated from an external sender. Please do not click on email links or open attachments you did not expect. When in doubt, please contact the ICT Service Desk.

Good day,

The aforementioned refers.

Please find the attached letter and Annexures for your attention.

Thank you.

Regards.

Nemeree Juthe
Senior Administrative Officer (Legal Services)
101 Marsh Street, Mossel Bay
Email: njuthe@mosselbay.gov.za
Web: https://www.mosselbay.gov.za
Tel: +27 44 606-5164



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101 Marsh Street,
Mossel Bay,
6506,
South Africa

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www.mosselbay.gov.za

National Treasury EMail Disclaimer

ANNEXURE D

SERVICE LEVEL AGREEMENT

MADE AND ENTERED INTO BETWEEN

MOSSEL BAY MUNICIPALITY

Herein represented by Colin Bernard Puren in his capacity as Municipal Manager who has been duly authorised thereto by resolution E85-04/2021 passed at a meeting of the Municipal Council on 29 April 2021.

(hereinafter referred to as the Municipality)

AND

NDK VALUERS (PTY) LTD
Registration number 1981/006082/07

Herein represented by Mr. Q De Klerk, in his/her capacity as Director properly authorised thereto.

(Hereinafter referred to as the Service Provider)

PREAMBLE

WHEREAS the Municipality requested tenders in terms of Tender 122/2024/2025 for General Valuation and Supplementary Valuations for Mossel Bay Municipality for the period ending 30 June 2032; and

WHEREAS after following a competitive bidding process in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) and Supply Chain Management Regulations, the Municipality followed the prescribed Section 33 process in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003; and

WHEREAS the Municipality has by virtue of Council Resolution _____ resolved to enter into a service level agreement with the Service Provider for the aforementioned services on the terms and conditions as hereinafter described.

DEFINITIONS AND INTERPRETATION

In this agreement, unless the context indicates otherwise-

i. An expression, which denotes any gender, includes the other genders, a natural person includes a judicial person and vice versa, and the singular includes the plural and vice versa;

ii. Clause headings are for convenience only and shall not be taken into account in the interpretation of this Agreement;

iii. The following expressions shall bear the meanings assigned to them-

"**agreement**": this Service Level Agreement (SLA) together with the tender documentation and any other annexures hereto;

"**Intellectual Property Rights**" means all current and future intellectual property rights of whatever nature in relation to or attaching to the Software, including, but not limited to, all vested, contingent and future patents, copyrights, data, designs, source codes, inventions, processes, know-how or techniques incorporated and / or embodied in the Software and / or Hardware, trademarks, service marks and other rights of a similar character, whether or not the same are registered or capable of registration.

"**parties**": **NDK Valuers (Pty) Ltd** and **Mossel Bay Municipality**;

"**Service Provider"** means NDK Valuers (Proprietary) Limited, a private company duly registered and incorporated with limited liability in accordance with the company laws and related acts, of the Republic of South Africa

iv. The tender documentation, incorporated herein, forms part of the agreement between the parties;

v. In the event of any inconsistency between the provisions of this Agreement (SLA) and the tender documentation, the provisions of tender documentation shall prevail;

vi. This agreement shall be interpreted in accordance with the laws of the Republic of South Africa.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. APPOINTMENT

1.1 The Municipality hereby appoints the Service Provider to render services to the Municipality for the period of five (5) years.

1.2 Notwithstanding the date of signature hereof, this agreement and appointment shall commence and shall in all respect be deemed to have commenced on 1 July 2027 and shall terminate on 30 June 2032.

1.3 The Service Provider must give six (6) months' prior written notice of termination of the agreement to the Municipality to enable the timely appointment of a new service provider.

2. WARRANTY AND ACCEPTANCE BY THE SERVICE PROVIDER

2.1 The Service Provider, in accepting this appointment, expressly warrants that it possesses or has ready access to the appropriate skills to execute all its obligations in terms of this agreement and herewith provides an unconditional warranty that it has the authority to provide the service as stipulated in this agreement.

2.2 The Service Provider expressly accepts that its services could be terminated on the grounds contained hereinafter and that the Municipality is not obliged to utilise the service of the Service Provider for any minimum period and that, upon termination, it would receive such fees and disbursements as are provided herein.

3. SCOPE OF WORK

3.1 The Service Provider is required to compile the General Valuation roll and the all Supplementary Valuation rolls after the General Valuation. The municipality supports the batch system.

3.2 In addition to compiling the said valuation rolls, the Service Provider's nominated person/s will be required to assist municipality in:-

3.2.1 Community Participation and Public Awareness relating to the valuation and objection process.

3.2.2 Attending to Valuation Enquiries on behalf of the municipality.

3.2.3 Valuation of different categories of properties in terms of Section 8(2) according to the use and in conjunction with the Rates Policy.

3.2.4 Valuation of multiple purpose properties in terms of Section (9) and the review thereof, if so required by the municipality.

3.2.5 Compile valuations in terms of Section 7(1) and subject to the provisions of Section 30(2), where applicable.

3.2.6 Compliance with the provisions of Section 30.

3.2.7 Compile the valuation rolls as at date of valuation in terms of Section 31.

3.2.8 Comply fully with Section 34 - Functions of Municipal Valuer.

3.2.9 Section 36 - Data Collectors. Assume responsibility for their performance.

3.2.10 Comply with Section 37 - Delegation where applicable and if necessary.

3.2.11 Comply with Section 39 - Qualifications of Municipal Valuers.

3.2.12 Comply with Section 40 - Prescribed Declarations.

3.2.13 Comply with Section 41 - Inspection of property within defined days and times, as well as Photo's, Valuation Items and any other documents used: eg Field forms to calculate the valuations.

3.2.14 Comply with Section 42 - Access to Information.

3.2.15 Comply with Section 43 - Conduct of Valuers.

3.2.16 Comply with Section 44 - Protection of Information.

3.2.17 Comply with Section 45 - Valuation methodology and Section 13 hereof as are on existing records and methods.

3.2.18 Comply with Section 46 - General basis of valuation.

3.2.19 Comply with Section 47 - Sectional Title Schemes.

3.2.20 Comply with Section 48 - Content of valuation roll including any additional information that the municipality may require in terms of this agreement.

3.2.21 Comply with Section 51 - Processing of objections, if so required by municipality.

3.2.22 Comply with Section 52(1)(3) - Compulsory review as will be needed on valuation batch process.

3.2.23 Comply with Section 53 - Notification.

3.2.24 Comply with Section 69 - Decision of Valuation Appeal Board and Section 34(f).

3.2.25 Comply with Section 78 - Supplementary valuations as on monthly batches and including annual reviews of multiple purpose properties in terms of Section 9 and properties affected in terms of Section 15 of the Act, if so required by municipality.

3.2.26 Comply with Section 81 & 82 of the Act, subject to Section 44 of the Act. Service provider's Nominated Person(s) shall provide and make available all data and valuations for purposes of internal monitoring by the municipality as well as monitoring by the MEC for local government in terms of Section 81(1) of the Act and the Minister in terms of Section 82(1) of the Act. Such data will be available in a format that is easy to read, understand and interpret. (excel format)

3.2.27 The Service Provider is responsible for the managing of an office in Mossel Bay for at least 5 working days per month to assist with telephonic and public enquiries, the issue, fax and e-mail of valuation objection forms to the objectors for the duration that the valuation roll is open for inspection

3.2.28 The value reflected in the valuation roll to be rounded off to at least the nearest thousand Rand.

4. CONDITIONS

The Service Provider undertakes to adhere to the specific conditions of contract as set out in Tender 122/2024/2025 and accepts the following:

4.1 The Service Provider confirms that it has at least, but not less than three (3) registered valuers at the South African Council for the Property Valuers Profession committed to the contract.

4.2 The Service Provider must operate and man a support office in the Mossel Bay Municipal area for the duration of the agreement which must be manned five (5) working days per week.

4.3 SPECIFICATIONS REGARDING GENERAL AND SUPPLEMENTARY VALAUTION

DATA BACK UP AND DISASTER RECOVERY PLAN

4.3.1 Subject to Section 44 of the Municipal Property Rates Act (hereafter "the Act), all data collected by the Service Provider is the property of the municipality.

4.3.2 The Service Provider will be required at all times to fully protect such data against theft, data corruption, data espionage and data loss.

4.3.3 The maintenance and protection of data on behalf of municipality is critical and vital.

4.3.4 The Service Provider must ensure that all data protected and backed up is capable of being restored and reinstalled into the valuation system of either municipality or Service Provider in less than seven (7) working days from date of data disaster.

4.3.5 Where the Service Provider utilizes data collection methods such as aerial photographs, electronic measurements, GIS etc. such data will also have to be fully protected and capable of restoration in the event of a data disaster.

4.3.6 All such data will be made available to municipality in a format specified by municipality.

4.3.7 Municipality reserves the right to appoint either its own officials to assess the data protection and disaster recovery procedure or appoint independent specialists to evaluate and consider the merits and adequacy of the plan as set out under Schedule 3 of the tender document.

4.3.8 The Service Provider will comply with the following minimum requirements for data protection and data recovery:

4.3.8.1 Service Provider will ensure that all data collected manually on paper be scanned into PDF document 'read only' format.

4.3.8.2 Service Provider shall keep an original copy of the document in conjunction with the document in electronic PDF format stored on magnetic based media.

4.3.8.3 Service Provider shall enforce all other static documents - formats are set as read only and set the relative permissions on GIS and all third-party data.

4.3.8.4 All data stored on any magnetic based media shall be hosted by an operating system capable of setting security permissions down to the individual file level.

4.3.8.5 Service Provider will ensure that all scanned document attributes stored on magnetic based media are filled in accurately and to the requirements requested by the municipality.

4.3.8.6 Service Provider will ensure that all servers hosting the documents referred to in this clause and schedules are protected and accessed at server level by the Service Provider's appointed network administrator/s only.

4.3.8.7 Service Provider must ensure strong password protection at the administrator level on the servers referred to in this clause.

4.3.8.8 Service Provider must ensure that data which is available to the public and not of a confidential nature is in 'read only format' and the original data or documents cannot be altered in any form whatsoever, whilst hosted on the Service Provider's infrastructure or appointed third party service providers infrastructure.

4.3.8.9 Service Provider will ensure that all metadata stored in custom designed relational database systems, cannot be altered once entered into the database and must be protected by the maximum levels of protection recommended by the manufacturers and as set out in this agreement.

4.3.8.10 Service Provider may make use of approved 'open source' software products available on the market, to build proprietary systems, provided prior approval is obtained from the municipality in writing.

4.3.8.11 All data output from a relational database system will be provided and made available in an approved format to municipality.

4.3.8.12 Service Provider must ensure that all data is backed up on a daily basis and verified.

4.3.8.13 Service Provider must ensure that two (2) sets of media are created and used for backup purposes each set will be used and alternated on a separate weekly basis.

4.3.8.14 Service Provider must create a fortnightly backup independent of the weekly backups, to be stored off site from the next business day when the backup is completed.

4.3.8.15 Service Provider must ensure that a monthly backup are enforced on the last business day of the month, this backup set will be removed the next business day and stored off site in a secure facility.

4.3.8.16 Service Provider must ensure that this backup cycle are enforced for the duration of the tender.

4.3.8.17 Service Provider must adhere to and implement the backup software vendors 'best practice' specifications.

4.3.8.18 Service Provider must adhere to and comply with the backup hardware manufacturers specifications.

4.3.8.19 Service Provider must ensure that all backup hardware is serviced regularly; service intervals shall not exceed a period of One Hundred and Twenty (120) days between intervals.

4.3.8.20 Municipality may review and amend this requirement at any time to keep pace with changes in technology and equipment.

4.3.8.21 Should municipality require that a revised basis of backup be implemented that is substantially different from that contained herein, they will consider a contribution towards the cost of Service Provider, implementing such changes.

4.3.8.22 Municipality reserves the right to authorise and appoint a third party consultant, to check and monitor the data protection methods of Service Provider during the duration of this agreement.

4.3.9 The Service Provider shall ensure that the data protection policy implemented by the Service Provider is within the specifications and requirements of the municipality for the full period of this agreement.

4.3.10 In the absence of a data protection policy, the following minimum data collection specifications will apply to the Service Provider:

4.3.10.1 Via electronic media

4.3.10.2 Bulk data transfer shall be made available to Municipality in a format specified by Municipality.

4.3.10.3 Municipality may request media from time to time to verify and ensure data integrity.

4.3.10.4 Service Provider will ensure secure site protocols are enforced for all website/internet available data.

4.3.10.5 Service Provider will ensure that all data collected be transferred to Municipality on a minimum of a fortnightly basis.

GENERAL

4.3.11 Service Provider will ensure that he fully acquaints himself with the amount of data to be stored and what data needs to be protected and satisfies the municipality or its duly appointed consultant that the Service Provider has an adequate Computer System to fully comply with the needs of the agreement as well as any other computer needs of the agreement.

PROMOTION OF ACCESS TO INFORMATION ACT, ACT 2 OF 2000

4.3.12 Service Provider is required to fully comply with the requirements of the Promotion of Access to Information Act, Act 2 of 2000.

4.3.13 The Service Provider as part of his function in collecting data on behalf of the municipality will be required to comply with the provisions of the Promotion of Access to Information Act, Act 2 of 2000.

4.3.14 Service Provider will not be required to provide information obtained in terms of Section (42) of the Act that is of a confidential nature, unless required to do so in terms of Section (44) of the said Act.

4.3.15 The Service Provider will however be required to supply any information that is of a general nature appearing in the valuation rolls and available to the public in the format prescribed by the municipality and against payment if so required.

4.3.16 Confidential information is to be considered as information specific to a property and unique thereto where such information is not available to the general public.

4.3.17 Examples are: rentals, details of leases, purchase and sale of member's interest in a close corporation, sale of shares in a company owning property, turnover clauses etc.

4.3.18 Such information may only be disclosed in terms of Section (44) of the Act.

PUBLIC PARTICIPATION AND AWARENESS:

4.3.19 Service Provider may be required to attend meetings in regard to the rates policy as well as being involved in public awareness relating to the valuation process.

4.3.20 Service Provider may be required by the municipality to handle all valuation enquiries on their behalf particularly during the objection notice period and the months during which the first rates account based on the new valuation roll are levied.

4.3.21 The costs of the aforementioned clauses 4.3.19 and 4.3.20 are included in prices as per Annexure C.

ASSISTANCE TO OBTAIN PRACTICAL EXPERIENCE

4.3.22 Service Provider must allow opportunity for any candidate valuer/s and professional associated valuers (with impeding restrictions) within the Municipality, to obtain practical experience.

GEOGRAPHIC INFORMATION SYSTEM (GIS) SPECIFICATION

4.3.23 The minimum requirements and specifications of a GIS system apply.

4.3.24 The Service Provider will use the municipality's GIS to provide the municipality with the following services:

4.3.24.1 Identify land parcels (i.e. cadastral properties) whose valuation might have changed within the municipal area;

4.3.24.2 Guide Valuation Inspectorate to the sites to be inspected;

4.3.24.3 Compare the properties of the municipal area with the entries registered in the Deeds Office as well as the Surveyor-General and notify the municipality of any errors/anomalies;

4.3.24.4 Provide all properties inspected with a geo-referenced photo attached.

4.3.24.5 Where the Service Provider uses external sources not supplied by the municipality these sources must be noted and data must be supplied to the municipality at the end of the agreement period.

GIS DATA STANDARDS

4.3.25 The following minimum standards will apply in respect of the GIS data format and compatibility:

4.3.25.1 All GIS data will be supplied to the Service Provider in the following format: ESRI ArcGIS 10.2.2 Web Based Spatial Viewer;

4.3.25.2 This data will be hosted by the municipality and will only be accessible via the internet.

4.3.25.3 The Service Provider is not allowed to distribute this data in any form or shape as the municipality is the custodian and owner of the data.

4.3.25.4 Only in exceptional circumstances will the data used in this agreement be allowed to be taken off the premises of the municipality.

4.3.26 The File Geodatabase supplied by the Municipality will contain the following:

4.3.26.1 Cadastral properties
4.3.26.2 Current Valuation Roll linked to cadastral properties.
4.3.26.3 Applicable Imagery.
4.3.26.4 Ownership information from the Deeds Office.
4.3.26.5 Wards.
4.3.26.6 Current Valuation blocks used to identify valuation areas.
4.3.26.7 Photos Web Based Spatial Viewer Relationship Class.
4.3.26.8 SG Allotments.
4.3.26.9 Street centerlines.
4.3.26.10 The Municipality will provide the Service Provider with updates on the cadastral and Ownership information on a regular basis throughout the period of the agreement.

4.3.26.11 The Municipality will indicate to the Service Provider on the GIS system where building plans have been submitted to indicate possible valuation variations.

SCOPE OF SERVICES: GENERAL VALUATION

4.4.1 It includes the physical compilation of property/valuation records of all properties in the Mossel Bay Municipal Area. The records should consist of the information as requested in the documents.

4.4.2 It includes the physical compilation of property/valuation records where no records exist of all buildings which are not on record with minimum requirements (drawn to scale and be calculated)

4.4.3 Regarding rural areas for the purposes of tender, all title deeds to be separately.

4.4.4 Service Provider must check and update Valuation field records of all properties.

4.4.5 All services rendered must comply to PPPFA standards and segregation of duties.

4.4.6 The execution of the General Valuation of all properties as divided into three divisions as follows:

DIVISION A:

1. Mossel Bay
2. Hartenbos
3. Great Brak River
4. Outeniqua Beach
5. Glentana
6. Little Brak River
7. Reebok
8. Tergniet
9. Boggomsbaa
10. Rural Areas / (including farms)
11. Vleesbaai
12. Mossdustria
13. Friemersheim
14. Herbertsdale
15. Kwanonqaba
16. Settlements in the Rural Area
    - Aalwyndal
    - Buysplaas
    - Brandwag
    - Toekoms
    - Ruiterbosch (old forestry housing)
    - Jonkersberg (old forestry housing)

DIVISION B:

The properties known as the PetroSA Petrochemical Plant, as well as other PetroSA owned properties, situated on the following industrial plots:

- on the remaining extent of Farm 310, Mossel Bay Rd
- on the remaining extent of Farm 316, Mossel Bay Rd
- on the remaining extent of Farm 399, Mossel Bay Rd (Gourikwa Power Station)
- Erf 16, Voorbaai, Hartenbos-area
- Erf 1348, Voorbaai, Hartenbos-area
- Erf 1349, Voorbaai, Hartenbos-area
- Erf 1350, Voorbaai, Hartenbos-area
- Erf 1373, Voorbaai, Hartenbos-area
- Erf 1374, Voorbaai, Hartenbos-area
- Erf 1375, Voorbaai, Hartenbos-area

DIVISION C

The properties known as the Harbor area and Mossel Bay Railway Station, situated on erven 12458 and 12459 Mossel Bay.

ADDITIONAL CONDITIONS

4.4.7 The Service Provider commits themselves to strict confidentiality both during

and after the valuation task.

4.4.8 Service Provider must ensure that no conflict of interest occurs during the valuation process and if any potential conflict arises, the Service Provider must advise the municipality accordingly.

4.4.9 Service Provider will be required to prepare a Sales Analysis/Project Plan in terms of Schedule 6 of the tender document and to adhere to the time schedules detailed therein.

4.4.10 Municipality will provide the Service Provider with certain data to compile valuations for a specific area and to submit the valuations for scrutiny as prerequired. This will assist the Municipality in effectively evaluate performance of the Service Provider.

4.4.11 Any further data or information required fulfilling the requirements of the Act and the specific requirements of the municipality shall be for the sole account and responsibility of the Service Provider.

VALUER

4.4.12 The Service Provider's nominated person/s if appointed by the municipality as either the Municipal Valuer and/or Assistant Municipal Valuer may not cede or assign his appointment to any other valuer unless such cession and/or assignment has been approved in writing by the municipality.

4.4.13 Should such person/s for any reason whatsoever no longer be associated or employed by the Service Provider, the municipality reserves the right to cancel this agreement and hold the Service Provider and/or appointed Municipal Valuer liable for any damages it may suffer as a result thereof.

4.4.14 The municipality shall not be obliged to approve any request for cession and/or assignment.

4.4.15 The nominated and designated Municipal Valuer and/or Assistant Municipal Valuer will be responsible for the full compliance of the functions and duties of the valuer as set out in the Act as well as fulfilling all the requirements of this agreement.

4.4.16 The Municipal Valuer and/or Assistant Municipal Valuer will be required to comply in terms of Section 43(l)(c) with the Code of Conduct set out in Schedule 2 of the Municipal Systems Act 2000 (Act No. 32 of 2000).

VALUATION SUMMARY

4.4.17 The following is an approximate summary of the number of properties appearing in the current Valuation roll

CATEGORY OF VALUATION	CATEGORY DESCRIPTION	ESTIMATED QUANTITIES

BUS	Business and commercial properties	910
BUSV	Business vacant	115
FAGR	Farm used for agricultural purpose	1000
IND	Industrial properties	440
INDV	Industrial vacant	80
MULT	Multiple purpose properties	135
PSP	State-owned properties	65
MUN	Municipal properties	1550
NMON	National monuments	40
PBO	Public benefit organization	45
POWP	Place of worship – Parsonage	30
POWC	Place of worship - Church	125
PROT	Protected area	13
PSI	Public Service Infrastructure	10
PSII	Public Service Infrastructure impermissible	210
RES	Residential properties	30 000
RES :LOW-COST HOUSING	Residential properties – Low-Cost Housing	8 400
RESV	Residential Vacant	3 230
Total Estimated Number of Entries on current property register		46 400

OBJECTIONS

4.4.18 Service Provider must comply with the provisions of sections 51, 52 & 53 of the Act.

4.4.19 The cost of complying with the objection process is reflected in Annexure C.

APPEALS

4.4.20 The Service Provider must attend all hearings of the valuation appeal board hearings. The costs of attending to the hearings is reflected in Annexure C.

DATA COLLECTION AND DATA COLLECTION SYSTEMS

4.4.21 The Service Provider will be fully responsible for the obtainment of all data necessary for the Service Provider to compile the General-and First Supplementary Valuation Rolls.

4.4.22 The data collected by the Service Provider must be capable of being checked, audited, verified and monitored.

4.4.23 Where the Service Provider has made use of aerial photography and or satellite imagery utilizes at his discretion and/or supplied by him either voluntarily or on behalf of the municipality, such aerial photographs and/or satellite imagery will become the data of the municipality, and the Service Provider shall have no lien thereon.

4.4.24 Notwithstanding Section 45(2)(a) of the Act, whereby inspections are optional, the Service Provider will be required to do a physical inspection of the properties of at least all monthly batch valuations.

THE MUNICIPALITY WILL PROVIDE THE FOLLOWING DATA (IN PRINTED, PDF, XLS OR ANOTHER FORMAT):

4.4.25 Current Valuation Roll;
4.4.26 Copies of all Supplementary Valuation Rolls;
4.4.27 Other available data.

PRINTING AND BINDING OF ROLLS

4.4.28 The provisional Valuation Roll must be prepared in the prescribed format which must in addition contain the account number allocated to the property and submitted on or before the closing date.

4.4.29 A separate provisional valuation roll for each area must be submitted.

4.4.30 The Service Provider will provide a Valuation Roll that consist of record for each registered property in the roll.

4.4.31 The printing and binding of the valuation roll shall be for the account of the Service Provider. In addition, the Service Provider shall provide the municipality with an electronic copy of the Valuation Roll and Supplementary rolls in a printable format.

VALUATION SYSTEM

4.4.32 Service Provider shall satisfy municipality that its valuation system will adequately be capable of not only producing the valuation rolls, but also storing historic data necessary in terms of the Promotion of Access to Information Act, Act 2 of 2000.

4.4.33 The Municipality is currently using the NeoLMS Land Management System to maintain the Property Register and Valuation Roll as prescribed by the MPRA.

KEY TASK OF SERVICE PROVIDER

4.4.34 The Service Provider will be required to follow the stages set out below and adhere to the following deadlines subject to the commencement date of the agreement:

STAGE	DESCRIPTION	PROPOSED DEADLINE DATES
1	Preparation stage, collecting of data, existing valuation roll download, establishment of master file, comparison between newly created property master and existing Municipal valuation records.	± August/September 2025 – December 2025
1.1	Meeting with municipality to confirm uniformed areas before submission of sales analysis	Within in first 3 months after appointment
2	Submission of Sales Analysis and final regression tables, per uniformed area. Submitted and discussed with Municipality. The Municipality must accept the Sales Analysis before data collectors are sent into areas. A meeting between the Valuers and Finance will be held to present sales analysis and final regression tables on submission there off.	January 2026 – March 2026 ± 3 months
3	Data Collection: Obtaining of new data necessary to compile valuations: - This must include inspections, data capture, sales, measurements, rentals, expense ratios etc.	Starts January - August 2026 or earlier ± 8 months
4	Compiling of valuations	August – September 2026

		± 2 months
5	Valuer: Internal monitoring of valuations including accuracy of data, review of sales and valuations between date of commencement and date of valuation	1 July 2026 30 November 2026
6	Submission of draft roll	2 November 2026
7	Corrections and submission of certified roll and reconciliation between property master file and existing valuation records of the municipality	16 November 2026
8	Handover of final roll to Municipal Manager and copies to the Valuation office	1 December 2026
9	Mailing of Public Notices and Period for Lodging of Objections Valuers to process objections	11 December 2026
9.1	Period for lodging objections end	11 December 2026 till 22 January 2027
10	Finalise GV Objection Roll	31 March 2026
11	Submission of all data or copies thereof to municipality & issuing of final delivery certificate	28 February 2027
12	Compile and submit draft Supplementary Valuation Roll (SV1)	9 April 2027
13	Submit final SV1 Roll	16 April 2027
14	Appeals Sitting (GV)	7 June 2027
15	Send SV1 Sec 49 Notices	30 April 2027
16	SV1 30 Day Objection period	29 May 2027
17	Complete SV1 Objections	4 June 2027

GUIDELINES OF WHAT IS REQUIRED IN EACH STAGE:

4.4.35 Accurate data collection is critical during the duration of the entire contract. Service Providers will have to ensure that data collected can be monitored by municipality and verified. Critical data that has a direct effect on valuations i.e. size, zoning, values etc must be able to be fully audited by way of an acceptable audit trail.

4.4.36 Failure to meet the deadlines will result in a cumulative knock-on effect with regard to the submission of the certified roll and subsequent rendering of Municipal rates and taxes accounts.

4.4.37 Failure to meet the deadlines in regard to the submissions of draft and certified valuation rolls will result in delays in the finalisation of the annual rates policy, which will ultimately affect the determination of the rates structure of the municipality.

4.4.38 Information required per stage is attached hereto as Annexure A.

SUPPLEMENTARY VALUATIONS

4.5 SPECIAL CONDITIONS OF CONTRACT REGARDING SUPPLEMENTARY VALUATIONS

4.5.1 Annually, at least one final supplementary valuation roll will be compiled on dates agreed to.

4.5.2 Monthly valuations must be completed in a draft monthly supplementary valuation batch and submitted 10 (ten) working days before submission of final monthly supplementary valuation batch roll.

4.5.3 Final monthly valuation batch must be submitted at least 2 working days before the last day of the month.

4.5.4 Progress reports on a monthly basis must be submitted to the municipality, also giving reasons for valuations not yet completed.

4.5.5 Review batch roll with supporting documents must be completed and submitted within before the end of the first 5 (five) working days of a month.

4.5.6 Progress reports on a monthly basis must be submitted to the municipality with reference to the Requests for Review.

4.5.7 Notices to the owner of each property owner included in the report must be provided.

4.5.8 The cost of valuating properties for compiling supplementary valuation rolls and the maintenance thereof shall be based on the fees as set out in the pricing schedule.

4.5.9 The Service Provider confirms that it has submitted a Quality Management Plan as part of their tender to ensure that quality control measures is in place to ensure the correctness of the supplementary valuations, review, supplementary valuation roll, objection and appeal processes.

INFORMATION AND SERVICES TO BE PROVIDED BY THE MUNICIPALITY

4.5.10 The Municipality will provide the Service Provider with the following data relating to the general valuation roll, supplementary valuation of properties:

4.5.10.1 Field sheet forms, which contains summary of the previous inspection of property and sketch, if available.
4.5.10.2 Building plans and schedule of completed buildings.
4.5.10.3 Cadastre updates
4.5.10.4 Copies of all sales/ rental agreements relating to properties sold by the municipality whether registered or not
4.5.10.5 Copies of all consent use applications received, approved or declined
4.5.10.6 Copies of all township applications, rezoning, consolidations, notarial ties, etc. submitted to Municipality
4.5.10.7 Copies of all approvals and/or rejections by Municipality of the above
4.5.10.8 Copies of all policy decisions relating to immovable property within Municipality
4.5.10.9 Geographic information system data
4.5.10.10 Monthly Deeds downloads
4.5.10.11 Occupation Certificates where available
4.5.10.12 Annual review of rates policy copy thereof
4.5.10.13 Municipal properties as listed in Asset Register

KEY TASK FUNCTIONS: SUPPLEMENTARY VALUATIONS

STAGE	DESCRIPTION	TIME FRAME
1	Receive source document or information from Municipality/Deeds transfer list. After acceptance of tender	Continuously
2	Initial Data collection	Continuously
3	Obtaining of data necessary to compile valuations: - Including inspections, data capture, sales,	Continuously

	measurements, rentals, expense ratios etc.	
4	Compiling valuations	Continuously
5	Compiling monthly batches consisting out of supplementary valuations completed which forms part of the next scheduled supplementary valuation roll. Each batch roll to be certified correct on final submission	Monthly
6	Compile report of cases not valued after received from Municipality/Deeds Transfer list.	Monthly
7	Internal monitoring of valuations including accuracy of data, review of sales and valuations between date of commencement and date of valuation	From date of Appointment (continuously)
8	Sent Notices	Monthly
9	Receive request for review	Monthly
10	Review process as per Local Government Municipal Property Rates Act, Act 6 of 200, as amended	Monthly
11	Compile draft supplementary valuation roll from supplementary valuations within prescribed period	Twice per financial year
12	Internal monitoring of valuations including accuracy of data, review of sales and valuations between date of commencement and date of valuation	5 Working days before final supplementary valuations
13	Corrections and submission of certified supplementary valuation roll and reconciliation between property master file and existing valuation records of the Municipality	Twice per financial year
14	Objections process as per Local Government Municipal Property Rates Act, Act 6 of 2004 and the Amendment Act, 29 of 2014	Twice per financial year
15	Valuation appeal board hearing(s) (Subject to completion of objections by valuer and availability of Valuation Appeals Board	Twice per financial year
16	Submission of all data or copies thereof to Municipality & issuing of final delivery certificate	Twice per financial year

4.5.11 Information required per stage is attached hereto as Annexure B

5. PENALTIES AND DEFAULTS

5.1 The Service Provider is required to perform his task to acceptable standards and shall be obliged to meet the deadlines determined by the municipality.

5.2 In the event of Service Provider not conforming to the standards required by the municipality as contained in this agreement the Service Provider shall be given thirty (30) days' written notice to remedy such default failing which, the municipality will be allowed to cancel this appointment without further notice and subject to the clause relating to Breach.

5.3 Serious default of this contract shall include but is not to be limited to

5.3.1 Non-compliance to submission dates

5.3.2 Breach of confidentiality and/or conflict of interest;

5.3.3 Inadequate valuation performance in terms of sections 51 and 52 of the Act and/or the results of any Valuation Appeal Board arising from this agreement.

5.3.4 Inadequate valuation results measured against monitoring;

5.3.5 Non-compliance with the Act and any other conditions referred to in this agreement.

5.3.6 Dishonesty

5.3.7 Corruption

5.3.8 In the case of dishonesty or corruption the municipality may terminate this appointment on immediate proof of conviction being made available to municipality.

5.3.9 In all the other events, the municipality will give the Service Provider thirty (30) days' notice to remedy such default, failing which the municipality shall cancel this tender without further notice or advice.

5.3.10 Municipality shall in either situation of inadequate valuation performance being suspected by the municipality and/or inadequate valuation results arising from internal monitoring, provincial monitoring or national monitoring, have the right to appoint a registered professional valuer of not less than ten year's registration to act as an adjudicator on behalf of the municipality to investigate their suspicion.

5.3.11 Such person shall consider the merits of the allegations made by the municipality.

5.3.12 The Nominated Person as well as the Service Provider shall be obliged to provide all documentation required by such adjudicator as well as attend all sessions of inquiry and interviews with the said adjudicator. The adjudicator shall, in his findings and deliberations declare whether in his opinion the inadequate performance by the nominated person is a serious default or not. The findings of the adjudicator will be handed to the municipality, the nominated person and Service Provider. The municipality shall consider the findings of the adjudicator and shall thereafter take the necessary steps against the nominated person and/or the Service Provider. The nominated person and/or Service Provider shall have the right to reply in full to any questions, allegations or statements made by the adjudicator. The findings of the adjudicator shall be final and binding on both the Service Provider and nominated person.

5.3.13 Should the municipality suffer any losses as a result of the default of Service Provider and/or the nominated person/s, the municipality shall

further be entitled to recover all costs or damages, resulting from such default as well as the cost of re-appointing alternative valuers and other financial losses suffered by the municipality, as a result of the default of Service Provider and/or the nominated person/s.

5.4 The municipality shall in addition to any of its other rights to claim damages from the Service Provider be entitled to enforce the following penalties:

5.4.1 The Municipality will be entitled to withhold an amount of R1 000 per day if any delays in terms of stages 5 and 6 of the agreement occurs.

5.4.2 Should it be apparent to the municipality that after Service Provider has been advised in writing by the municipality that the Service Provider is in default in complying with the deadlines of either stage 1 or 2 and that the Service Provider has failed to rectify such default within the amended time limit set by municipality then in such event municipality shall be entitled to cancel the contract and appoint a substitute Service Provider.

5.4.3 In such event, Service Provider will supply municipality with all data collected in his possession and municipality reserves the right to offset any payment due to Service Provider against the cost of appointing another person to fulfil the requirements of this agreement.

5.4.4 If the cause of delay is due to the municipality not supplying the Service Provider with agreed data, or other delays caused by the municipality themselves, then in such event, the municipality shall not be entitled to enforce this clause.

6. RETENTION

6.1 The municipality shall retain an amount equal to 10% of all payments made.

6.2 Such retentions shall be paid over to the Service Provider within 21 days of the Final Delivery Certificate having been issued by the municipality in terms of the definition hereof.

7. INSURANCE

7.1 The Service Provider shall submit proof in terms of Schedule 7 of the tender document hereof relating to Professional Indemnity Insurance relating to the nominated person/s to a minimum value of R5,000,000.00 and Public Liability insurance held by the Service Provider for a minimum value of R500,000.00.

8. PERFORMANCE INDICATORS

8.1 The Service Provider's performance in terms of the SLA will be reviewed annually.

9. FEES AND DISBURSEMENTS

9.1 Remuneration will be calculated on a progress basis measured against performance of each stage as per Annexures A, B and C attached hereto.

9.2 Amount payable will be calculated as follows: approve amount per entry multiplied by the total properties (per category) to get a total amount. Total amount will be multiplied with percentage.

9.3 Payment will be affected within thirty (30) days following receipt of a valid tax invoice.

9.4 Additional costs relating to valuation computer system (training, licensing, programming, updating, etc.) are for the account of the Service Provider.

9.5 The costs of attending to objections and appeals are included in prices as per Annexure C.

9.6 If an invoice is identified as incorrect, then the Service Provider shall either issue a corrected invoice if the amount has not yet been paid, or make a correction on the invoice for the month following the month in which the incorrect invoice was issued, if the amount has been paid.

9.7 The Municipality may withhold payment of charges, excluding payment of license fees, if any. Should the Municipality dispute payment of charges in good faith or, if the disputed charges have already been paid, the Municipality may withhold an equal amount from a later payment, including disputes in respect of an error in an invoice or an amount paid. Without limiting the generality of the foregoing, if the service provider fails to complete the work required to achieve a payment milestone successfully or deliver a deliverable ready for acceptance in a timely fashion, the Municipality may withhold the payment in respect of the applicable statement of work until the payment milestone has been achieved and such deliverable accepted.

If the Municipality withholds payment of any charges:

- the Municipality shall notify the service provider within 10 business days of invoice date of the charges that it is disputing; and
- the parties shall promptly address such dispute in accordance with the Dispute Resolution Procedure.

If the dispute relates to (or equals, in the case of disputed charges that have already been paid) only certain of the charges included on an invoice, then the Municipality shall pay the undisputed amounts.

10. ASSIGNMENT

Neither party may assign any right or obligations under this agreement without the express prior written consent of the other party.

11. CESSION

The Service Provider shall not be entitled to cede, transfer or make over any rights and/or duties in terms of this agreement to any third party without the prior written consent of the Municipality and which consent shall not be unreasonably withheld.

12. INDEMNITY

12.1. Without detracting from, and in addition to, any of the other indemnities in this Agreement, the Service Provider shall be solely liable for and hereby indemnifies and holds harmless the Municipality against all claims, charges, damages, costs, actions, liability, demands and/or legal proceedings and expenses in connection with:

12.1.1 personal injury to any individual or;

12.1.2 damage to property; or

12.1.3 any claims or legal proceedings instituted by any third party against the Service Provider; or

12.1.4 arising from, out of, or in connection with the provision by the Service Provider of the service in terms of this Agreement, save to the extent caused by the gross negligence or willful misconduct of the Municipality.

13. FORCE MAJEURE

13.1 If the performance of the agreement by either party is delayed, hindered or prevented or is otherwise frustrated by the reason of force majeure, which shall mean war, civil commotion, fire, flood, action by any government or any event beyond the reasonable control of the party affected, then the party so affected shall immediately notify the other party in writing, specifying the action of the force majeure and of the anticipated delay in the performance of the services agreed to herein.

13.2 The Municipality may either cancel the agreement or suspend the performance of the agreement for such period as the parties may mutually agree upon.

13.3 Should the force majeure persist for a period longer than that agreed upon by the parties, the parties may mutually agree to terminate the agreement. In this event the Municipality shall pay all fees and disbursements due and outstanding to the service provider within the financial limits of the agreements up to and including the date of termination.

14. INTELLECTUAL PROPERTY RIGHTS AND OWNERSHIP OF MATERIAL

14.1 All reports in paper, electronics or any other recorded format produced by the Service Provider shall remain the property of the Municipality for use by it.

14.2 The Municipality acknowledges that the Software or any part thereof, and/or module of same, and/or any enhancement thereto, and/or any customization and/or upgrade thereto that may be deployed, is the property of the Service Provider and nothing in this Agreement shall constitute the transfer of any Intellectual Property Rights to the Customer. The Customer shall only use the Software and/or any enhancement thereto, under the terms and conditions of this Agreement.

14.3 The Municipality acknowledges that any and all of the trademarks, trade names, copyrights, patents and all other intellectual property and intellectual property rights used and/or embodied in and/or existing in connection with the Software and/or resulting there from, and/or which may come about due to any update of the Software, as well as any documentation, will be and shall solely remain the property of the Service Provider. The Municipality will not during, and/or at any time after the expiry and/or termination of this License in any way question or dispute the ownership and right of the Service Provider.

14.4 The Municipality shall not subject to the conditions of this agreement with directly or indirectly, for the duration of the Agreement or at any time thereafter:

14.4.1 claim ownership of the Intellectual Property Rights of the Service Provider;

14.4.2 use the Intellectual Property or any confusingly similar trademark or other intellectual or industrial property in any manner not expressly authorised in writing by the Service Provider;

14.4.3 submit any application to register the Intellectual Property or any

other trademark or service mark, copyright, design right or invention of the Service Provider, without the Service Provider's prior written consent.

15. CONFIDENTIALITY

15.1 Each party hereby undertakes for the continuance of this agreement and after termination to the other to –

15.1.1 keep confidential all information (written, including information contained in electronic format, or oral) concerning the business and affairs of the other as well as the Municipality's customers that it shall have obtained or received from the other party ("the information");

15.1.2 not without the other's written consent to disclose the information in whole or in part to any other person save those of its employees involved in the implementation, of this agreement and who have a need to know the same; and

15.1.3 use this information solely in connection with the implementation of this agreement and not for its own or the benefit of any third party.

15.2 The provisions of 12.1 shall not apply to the whole or any part of the information to the extent that it is –

15.2.1 already known to the recipient without obligation of confidence; or

15.2.2 independently developed by the recipient; or

15.2.3 publicly available without breach of this agreement; or

15.2.4 released for disclosure by the disclosing party with the written consent of both parties; or

15.2.5 required to be disclosed in a response to a valid order of court or if disclosure is otherwise required by law.

15.3 The Service Provider will not be under any obligation; and the Municipality agrees that the Service Provider will not be under any obligation or forced in any manner or form; to disclose information about the private information and related activities of the Municipality's employees relating to materials kept on personal or other computing devices; to which the Service Provider will or might have access to during the term of this agreement;

15.3.1 The Service Provider agrees to inform the Municipality of the use of or existence of any such information on the Municipality's network or in the

Municipality's environment but the Service Provider will not compromise its obligation to the right of privacy of any and all Page 14 of 43 individuals as granted to such individuals through the Constitution of South Africa and the Municipality agrees to respect this reserved right as expressed by the Service Provider.

15.3.2 The Service Provider agrees to provide any and all information that it may have to the Municipality to enable the Municipality to fulfil its duties and/or obligations as required by the laws of the Republic of South Africa – but only after receipt of a formal written request has been lodged with the Service Provider by the Municipality.

15.4 Each party hereby undertakes to the other to make all relevant employees and agents aware of the confidentiality of the information and the provisions of this Clause 12 and without prejudice to the generality of the aforegoing to take all such steps as shall from time to time be necessary to ensure compliance by its employees, associates or agents with the provisions of this clause 12.

16 SYSTEMS AND SECURITY

16.1 The Service Provider confirms that it will at all times adhere to the Municipality's IT Policies during the tenure of this agreement when undertaking work on the municipal system.

16.2 The Parties must ensure that no person other than those authorised has or obtains access to the information and systems of the Municipality.

16.3 Each Party must immediately notify the other in writing if it has a reason to believe that any of the Municipality's confidential information or transactions may have been viewed by an unauthorised person.

16.4 Should any security threat be identified by either Party, the Service Provider must on such identification immediately notify the Municipality through any reasonable urgent means of communication regarding the security threat that has been identified as it relates to the Services and must take all such remedial actions as in necessary to remove any such threat. The Service Provider will provide the Municipality with written communication regarding the actions taken in this regard.

17. LIAISON WITH THE MUNICIPALITY

The Service Provider undertakes to liaise with the Municipality at all times during the tenure of this agreement.

18. INDULGENCES

No indulgence or relaxation which either party may allow to the other in regard to the carrying out of the other's obligation in terms of or pursuant to this agreement shall prejudice such party's rights under this agreement in any manner whatsoever, or be regarded as a waiver of such party's rights in terms of this agreement, or be constructed to act as an estoppel against that party or otherwise strictly enforce compliance of the other obligations in terms of this agreement.

19. SEVERABILITY

Should any provision of this agreement in any manner whatsoever contravene any law of the Republic of South Africa, such provision shall be deemed to be severable and shall not affect any other provision of this agreement nor effect the enforceability of those remaining provisions which are not in contravention of any law.

20. BREACH

20.1 In the event of the Service Provider failing to fulfil on due date any of the terms and conditions of this Agreement or to rectify any other act in breach of this Agreement within fourteen (14) days after being requested to do so in writing, the Municipality shall have the right to either:

20.1.1 cancel the sale by registered letter addressed to the Service Provider, in which event the Service Provider shall forfeit all monies paid to the Municipality or his agent in terms hereof, without prejudice to the Municipality's other legal rights and remedies and the right to claim damages; or

20.1.2 claim fulfilment of all the terms and conditions hereof.

20.2 In the event of the Municipality failing to fulfil on due date any of the terms and conditions of this Agreement or to rectify any other act in breach of this Agreement within fourteen (14) days after being requested to do so in writing, the Service Provider shall have the right to either:

20.2.1 cancel the sale by registered letter addressed to the Municipality and to
recover from the Municipality such damages as he/she/they may have suffered; or

20.2.2 claim the immediate fulfilment of all the terms and conditions hereof on
specific conditions.

21. DISPUTE CLAUSE

21.1 The parties hereby agree that in the event of a dispute arising out of this agreement then resolution of this dispute may be attempted by way of consultation between the parties. If the consultation process does not lead to a resolution of the dispute, within ten (10) days, then the parties agree that the dispute may be referred to for arbitration.

21.2 All arbitration proceedings shall be conducted in Mossel Bay. The arbitration shall be conducted informally, it being intended that if possible, it shall be concluded within ten (10) days of referral.

21.3 If the parties cannot agree on the appointment of a particular arbitrator within three (3) days after arbitration has been agreed upon, the President for the time being of the Legal Practice Council will be requested to appoint an arbitrator.

21.4 The fees payable to the arbitrator shall be determined and agreed to between the arbitrator and the parties and the parties shall be jointly and severally liable for the payment of the arbitrator's fees. Any party may request the other party to deliver an acceptable guarantee or reasonable deposit for this portion of the cost.

21.5 The arbitrator shall be requested to hand down his/her award within ten (10) days after the completion of the arbitration.

21.6 The decision of the arbitrator shall be final and binding and may be made an order of the Western Cape High Court upon the application by any party to the arbitration.

22. DOMICILIA CITANDI ET EXECUTANDI

22.1 The Parties choose their domicilia citandi et executandi as follows:

MUNICIPALITY:

101 Marsh Street
Mossel Bay
6500
Tel : 044 606 5000
Fax : 044 690 5786
Email: admin@mosselbay.gov.za

SERVICE PROVIDER:

42 Sunbird Drive
Myburgh Park
Langebaan
7357
Tel: 022 772 2230 / 079 037 7371
Email: info@africasurveyors.com

22.2 Any notice to either party shall be addressed to it at its domicilium and sent by either prepaid registered post or/ facsimile or email or delivered by hand. In the case of any notice:

22.2.1 sent by prepaid registered post, it shall be deemed to have been received, unless the contrary is proved, on the fourth business day after posting;

22.2.2 dispatched by facsimile or email, on the date of dispatch of such facsimile or email, provided that the correct answer back code of the address or read receipt is received on the facsimile or email;

22.2.3 delivered by hand, it shall be deemed to have been received, unless the contrary is proved, on the date of delivery, provided such date is a business day, or otherwise on the next following business day, save that if delivered by hand a receipt shall be obtained and kept as proof of such delivery.

23. WAIVER

Notwithstanding any express or implied provisions of this agreement to the contrary, any latitude or extension of time which may be allowed by the Municipality in respect of any matter or thing that the Service Provider is bound to perform or observe in terms hereof, shall not under any circumstances be deemed to be a waiver of the

Municipality's right at any time, and without notice, to require strict and punctual compliance with each and every provision or term hereof.

24. CONSENT TO JURISDICTION

The Parties hereto, in terms of section 45 of Act 32 of 1944, consent to the jurisdiction of the Magistrate's Court for the hearing of any action which may arise directly or indirectly from this Agreement, without prejudice however, to the Municipality or his/her/their agents' right to institute such action in the High Court in the event of their choosing to do so.

25 SEVERABILITY

Should any provision of this agreement in any manner whatsoever contravene any law of the Republic of South Africa, such provision shall be deemed to be severable and shall not affect any other provision of this agreement nor effect the enforceability of those remaining provisions which are not in contravention of any law.

26. ENTIRE AGREEMENT

26.1 This agreement, read together with the tender documents constitutes the entire contract between the parties relative to the subject matter hereof and supersedes all representatives, warranties, agreements or undertakings previously made relative to such subject matter, and no such representations, warranties, agreements or undertakings shall be in any force or effect unless contained herein.

26.2 No variations of any of the terms and conditions of this agreement will be binding on the parties unless committed to writing and signed by them respectively.

26.3 The annexures to this agreement form an integral part hereof and shall be read as if incorporated herein, and in the event of a conflict between this agreement and the annexures, the annexures shall take preference.

SIGNED at **MOSSEL BAY**, this _____ **DAY OF** _____ 2025, in the presence of the undersigned witnesses:

WITNESSES:

1. _____

2. _____ _____

MOSSEL BAY MUNICIPALITY

SIGNED at , this _____ **DAY OF** _____ 2025, in the presence of the undersigned witnesses:

WITNESSES:

1. _____

2. _____ _____

NDK VALUERS (PTY) LTD

ANNEXURE A
GENERAL VALUATION STAGES

2.1.B.15 MINIMUM REQUIREMENTS PER STAGE:

Stage 1: DOCUMENTATION

(a) Obtain the following:

- Copy of current valuation roll (if compiled)
- All supplementary valuation rolls
- Cadastral information

(b) Bulk Deeds download.

(c) Download all data onto the successful bidder(s) valuation system and create property master.

(d) Compare cadastral with the deeds download and existing Municipal Valuation Roll.

(e) Download other data in terms of section 48(2).

Stage 2: SUBMISSION OF SALES ANALYSIS

Includes: -

Submission of Sales Analysis and final regression tables.

(a) Submitted and discussed with Municipality.
(b) The Municipality must accept the Sales Analysis before data collectors are sent into areas

Stage 3: DATA COLLECTION (INSPECTION COMPULSARY)

Includes: -

(a) Inspections, measurements, sales, field sheets, data capture forms, updating of historic sales, obtaining relevant data applicable to specific property types, i.e. rentals, turnover, yields, etc.

(b) Use of aerial photographs for identification and/or electronic measurement.

(c) Supply of fully captured data forms.

Stage 4: VALUATION COMPILATION:

Analysis of all data and compiling of draft valuations.

Stage 5: INTERNAL MONITORING OF VALUATIONS:

(a) Internal quality control to be conducted by the successful bidder and measured against current sales and other relevant market data and adjusted to date of valuation.

(b) Basis on which the initial roll has been internally monitored must be made available to the municipality or its appointed monitors.

(c) The initial roll after internal monitoring must be amended and/or corrected if necessary.

(d) This includes cross boundary monitoring within the Municipal area if applicable.

Stage 6: SUBMISSION OF DRAFT ROLL:

(a) Draft roll to be submitted and internally checked and/or monitored by the municipality at their sole discretion.

(b) A draft roll must be supplied in electronic/and or hard copy format as requested by the Municipality.

Stage 7: CORRECTIONS TO DRAFT ROLL AND SUBMISSION OF CERTIFIED ROLL:

(a) The successful bidder will be required to correct any entry that has been found to be incorrect in terms of size, description, zoning, ownership, etc. as well as incorrect valuations based on sales ratio analysis and other factually indicated market trends.

(b) All draft valuation rolls submitted may be subjected to external monitoring by the municipality.

(c) After correcting the Draft Roll, if it is a requirement of municipality to do so, Successful bidder shall bind and certify the roll for submission to the Municipal Manager.

Stage 8: SUBMISSION OF FINAL ROLL

Stage 9: OBJECTION PROCESS:

The successful bidder will be obliged to attend to the following:

(a) Receive objections in terms of section 50(5). The successful bidder to appoint staff in each satellite office who will hand out objection forms and receive hard copies of objections returned for the duration of the objection

phase. All electronic objections through council's collab program will be forwarded electronically to the Successful bidder.

(b) Comply with section 51 and where section 52(1) is applicable comply with section 52(a)

(c) Comply with section 53(1) and 53 (3)

Stage 10: FINALISE GV OBJECTION ROLL

Stage 11: SUBMISSION OF ALL DATA OR COPIES THEREOF TO THE MUNICIPALITY & ISSUING OF FINAL DELIVERY CERTIFICATE

(a) Successful bidder(s) will have to ensure that within 30 (thirty) days of submission of the Valuation Roll and each Supplementary Valuation roll thereafter that a copy of all data in their possession has been provided to municipality in an electronic and hard copy format.

(b) Successful bidder(s) will have to ensure that within 30 (thirty) days of submission of the Valuation Roll and each Supplementary Valuation roll thereafter that a copy of all data in their possession has been provided to municipality in an electronic and hard copy format.

(c) A final delivery certificate can only be issued once this provision has been fulfilled.

(d) To enable municipality to issue a final delivery certificate, Successful bidder shall issue a signed declaration that he has transferred copies of all data in an electronic and hard copy format to municipality and will continue to do so at monthly intervals thereafter.

Stage 12: COMPILE AND SUBMIT DRAFT SUPPLEMENTARY VALUATION ROLL (SV-1)

Stage 13: SUBMIT FINAL SV-1 ROLL

Stage 14: VALUATION APPEALS BOARD HEARINGS:

In terms of section 34(f) Successful bidder shall be obliged to attend all sittings of the Valuation Appeals Board.

Stage 15: NOTICES

Successful bidder to send SV-1 Sec 49 Notices and submit proof thereof to the municipality.

Stage 16: SV-1 30 DAY OBJECTION PERIOD

Successful bidder to attend to all objections received

Stage 17: COMPLETION OF OBJECTIONS: SV-1

Stage 18: ATTENDING TO ALL VALUATION ENQUIRIES:

Successful bidder will, if required by municipality, for the duration of the tender, and in conjunction with the Valuation office, attend to all valuation enquiries from time to time regarding the valuation roll, reviews and supplementary valuation rolls.

ANNEXURE B
SUPPLEMENTARY VALUATION STAGES

4. MINIMUM REQUIREMENTS PER STAGE:

4.1 Stage 1: DOCUMENTATION:

Obtain the following:

- Copy of current valuation roll;
- All supplementary valuation rolls;
- Cadastre information;
- Deeds download.

4.2 Stage 2: DATA COLLECTION:

Includes: - Inspections, measurements, sales, field sheets, data capture forms, updating of historic sales, obtaining relevant data applicable to specific property types, i.e. rentals, turnover, yields, etc. Use of aerial photographs for identification and/or electronic measurement. The successful bidder will be fully responsible for the collection of all data necessary to compile the Supplementary Valuation Rolls.

The data collected by the successful bidder must be capable of being checked, audited, verified and monitored. The Municipality will establish whether the standard of data collection is accurate and in accordance with generally accepted valuation standards suggested by The South African Council for the Property Valuers Profession. If the findings of the Municipality and/or the said described body indicate that the standard of data collection is not in accordance with the above standards, the Municipality will give the Successful bidder twenty one (21) days written notice setting out their findings and request the them to rectify such default, failing which Municipality shall be entitled to cancel this tender without further notice.

The successful bidder will be given the opportunity to explain to the Municipality the differences between the findings of the Municipality relating to data randomly checked by them and data supplied to them by the successful bidder. All data collected by the successful bidder in no matter what format is the property of the Municipality. Where the successful bidder has made use of aerial photography and or satellite imagery, such aerial photographs and/or satellite imagery will become the data of the Municipality, and the successful bidder shall have no lien thereon. Notwithstanding Section 45(2)(a) of the Local Government: Municipal Property Rates Act, Act 6 of 2004 and the Amendment Act, 29 of 2014, whereby inspections are optional, the successful bidder will be required to adhere to the following minimum data collection requirements: - All supplementary valuations must have a valid georeferenced photo attached in addition to the above data the following minimum data is required:

4.2.1 RESIDENTIAL ERVEN AND BUILDINGS

The following minimum data is required:

- Age;
- Adverse features i.e. next to informal settlement, busy road, etc.;
- Condition and rating;
- Number of storeys;
- Quality;
- Size of dwelling/s, outbuildings and other structures on the property;
- Special features i.e. swimming pool, walling; Topography/slope; View.
- Where possible: Registered owner. Address
- Contact details.
- Incomplete improvements: On date of inspection, roof level with interim valuation,
- On date of inspection, Incomplete improvements: occupied with no occupational certificate with final value.

4.2.2 SECTIONAL TITLE RESIDENTIAL SCHEMES

The following minimum data is required:

- Age;
- Adverse features;
- Condition of section;
- Condition of scheme;
- Developable Land reserved for future extension to scheme;
- Erf no (cross referred);
- Exclusive use area;
- Floor level;
- Name of scheme;
- No of storeys in the scheme;
- Participation quota;
- Positive features;
- Registration no of scheme;
- Unit and flat number;

- Unit type i.e. simplex, duplex, etc;
- View;
- Where possible: Registered owner.
- Address.
- Contact details

4.2.3 INCOME PRODUCING PROPERTIES – Inspection compulsory – All income producing properties must have a valid geo-referenced photo attached

The following minimum data is required:

- Condition rating;
- Description of units i.e. 12 x 1bedroom flats, 6 x ground floor shops;
- Expense ratio to gross income;
- Rentable or usable area;
- Gross building area;
- Other income factors e.g. car bays;
- Quality of building rating;
- Rentals actual and/or estimates provided by agents, tenants, landlords etc;
- Sales capitalization rates and other information obtained from agents, brokers, purchasers etc; Surplus developable land;
- Turnover contribution if available;
- Where possible: Registered owner;
- Address.
- Contact details

4.2.4 SPECIALISED PROPERTIES

The following special valuation procedures must be followed when:

- PETROSA
- Industrial properties
- are valued according to specifications (Size of all buildings must be captured and documented)

4.2.5 PROPERTIES USED FOR AGRICULTURAL PURPOSES Inspection compulsory - All properties used for agricultural purposes must have a valid geo-referenced photo attached

These are properties that is used primarily for commercial farming or subsistence farming including the cultivation of land for crops and other plants, including plantations, the keeping or breeding of animals, including beekeeping, and includes such activities as are reasonably connected with the main farming activities, including the housing of the farmer, farm manager and farm workers, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of game.

Distinguish categories as per current Rates Policy. (List of categories available on request)

Vacant farm properties, which are farm properties used for purposes other than business purposes, agricultural purposes or residential purposes;

Where used as a farming unit 14.2.5 will apply;

Where used for other purposes 14.2.1, 14.2.3 or 14.2.4 may have to be followed.

The following minimum data is required:

- Analysis of land use e.g. Irrigation, dry land, grazing, homestead land etc;
- Description of all buildings including use, condition and functionality;
- Schedule of estimated building sizes;
- Investigation of land claims, land tenure etc;
- Registered owner;
- Address. (Very important)

Multiple purpose: Two or more purposes on one farm must be measured and valued as separate footprints according to each multiple purpose. **(Inspection compulsory - All properties used for agricultural purposes must have a valid geo-referenced photo attached)**

4.2.6 MINING LAND

All data relating to be freehold including inter alia offices, hostels, dwellings etc.

Buildings must be measured and fully described.

Mining equipment and/or machinery i.e. shafts, headgear etc. are excluded.

Where mining land is held under separate mining title all details of the activities relating to the title must be stated in full including inter alia: - size and description of buildings and improvements that are not deemed to be plant or equipment.

4.2.7 REGISTERED RIGHTS

Salient features of the lease.

4.2.8 PUBLIC SERVICE INFRASTRUCTURE

All relevant data including description, size and use of buildings. All equipment and/or machinery relating to Public Service Infrastructure must be excluded from the valuation process.

4.2.9 UNREGISTERED PROPERTIES

In the case of an unregistered property valued for exceptional reasons, cross references must be put on the valuation roll, referring to the related and registered erf from which the unregistered property is to be subdivided.

4.2.10 LOW-COST HOUSING

Affordable housing is housing which is deemed affordable to those with a household income at or below the median, as rated by the national government or a local government by a recognized housing affordability index. See list of low-cost housing included.

4.2.11 GENERAL

In the case of all improved properties an A4 size site plan must be submitted. It should include a sketch, and measuring must be correct to nearest 10 cm. Sales before or on the valuation date of 1 July 2026 is to be recorded and distinguished between vacant and improved sales.

If building plans are used, they are to be verified and checked against actual buildings erected on the property and the data collected must reflect an "as is" situation found on the site.

Categories of properties as well as multiple use purpose properties are to be reflected. (Any differences between building plans and buildings erected on property must be reported to Municipality.)

The Municipality does not guarantee the accuracy or correctness of any data supplied to the successful bidder and it is the responsibility of the successful bidder to check and correct any such data supplied. The successful bidder must satisfy themselves regarding the number of entries both registered and unregistered forming part of the existing Municipal records and reflected under paragraph 9 hereof. The valuation roll must be fully compatible with the billing system of the Municipality. Other data must be capable of being adapted to other systems of the Municipality.

4.2.12 ADHOC VALUATIONS FOR MUNICIPAL ASSETS

In the case where the Municipality might need ad-hoc valuations done on Municipal Properties, the tariff applicable for the valuation must be as per the specific year's tariff according to the category.

4.3 Stage 3: Sales and Market Report:

A draft market and Sales Report must be compiled and handed in by before the collection of data is commenced. The report must consist of, amongst others, project sales review; market and valuation methodology reports-

- Residential contract sales review, market and valuation methodology reports; and
- Non-residential contract sales review, market and valuation methodology reports (capitalization rates)
- Vacant contract sales review, market and valuation methodology reports
- In the case of agricultural farming units, market and valuation methodology reports, e.g. price per hectare for mountainous land, pastures, irrigated land, etc.

The successful bidder(s) must satisfy themselves regarding valuation system and financial system in use by Mossel Bay Municipality.

The CAMA process used by this Municipality currently supports the points system, improvements-items, sizes, etc used for calculation of property valuations on the regression module which is forthcoming out of the market report.

Categories of properties as well as multiple purpose properties are to be reflected. (Any differences between building plans and buildings erected on property must be reported to Municipality.)

The Municipality does not guarantee the accuracy or correctness of any data supplied to the successful bidder and it is the responsibility of the successful bidder to check and correct any such data supplied. The successful bidder must satisfy themselves regarding the number of entries both registered and unregistered forming part of the existing Municipal records and reflected under paragraph 9 hereof.

The valuation roll must fully integrate with the billing system of the Municipality. Other data must be capable of being adapted to other systems of the Municipality.

- The structure of the data required for integration with the financial system will be provided at the time of integration. The minimum data that will be required by the financial system is a field format that is recognizable by the financial system, e.g. the erf numbers and suburb codes. Subdivisions must correspond with the current data and have 5 (five) numerical characters for the portion number. It must also include the Surveyor General's code.

4.4 Stage 4: VALUATION COMPILATION:

Analysis of all data and compiling of supplementary valuations.

- ROUNDING: Must be compiled to the nearest R1000
- Items (sizes of improvements) must be captured separately on the valuation system and must be available for handling of enquiries.

4.4.1 VALUATION SYSTEM

The successful bidder shall satisfy the Municipality that its valuation system will adequately be capable of not only producing general valuation roll, supplementary valuations and the supplementary valuation rolls, but also storing historic data necessary in terms of the Promotion of Access to Information Act, Act 2 of 2000. The minimum, requirements of the data supplied by the Valuation System must be as follows: -

4.4.1.1 The data supplied by the successful bidder must integrate with the PROMUN system of the Municipality.

4.4.1.2 The data supplied by the successful bidder must be compatible with the GIS system, ESRI ArcGIS Geodata System, utilized by the Municipality as well as other management systems that are affected by the valuation process.

4.4.1.3 The valuation system must have an audit trail and the system must be able to verify all data that has an influence on values.

4.4.1.4 It must have adequate securities and controls to ensure that critical Valuation data cannot be manipulated or corrupted.

Please Note: The successful bidder will be provided with an ESRI ArcGIS System that is used by the municipality to incorporate valuation records. If the Successful bidder should decide to use its own valuation system, it is up to the successful bidder to ensure the data is correctly updated and displayed on the municipality's ESRI ArcGIS System.

4.4.1.5 In the case of property data:

The valuation system must be able to store changes relating to inter alia; - Land use, zonings, size, subdivisions, consolidations, excisions, notarial ties etc. Current and previous owners; Date of sale and transfer; Sales price; Title deed numbers; Servitudes; Caveats; Type of sale i.e. vacant or improved.

4.4.1.6 In the case of Valuations:

All current and future valuations. All changes to valuations to be historically reflected. Ability to produce monthly supplementary rolls for auditing and checking purposes.

4.4.1.7 In the case of supplementary valuations:

- All properties on supplementary valuations must have a photo (vacant and improved)
- All field forms must be completed accordingly and scanned on the valuation system per erf.
- Any other documentation is used to calculate the valuation must be scanned and allocated to the appropriate erf.

4.4.1.9 Objections:

The valuation system must be capable of recording objections and appeals and must reflect:

- Name of objector;
- Name of owner;
- Objection number;
- Entry required by objector;
- Decision of valuer;
- Reasons of valuer;
- Decision of appeal board;
- Existing valuations and valuations reflected in the valuation roll; adjustments made by the Valuation Appeal Board; Historic records of all objections lodged in terms of the Local Government Municipal Property Rates Act, Act 6 of 2004, as amended, against the property from date of commencement and for the full duration hereof.

4.4.1.10 Other:

- The valuation system must be capable of storing, inter alia: -

- Building plan date were used in the valuation process, site plans, aerial photographs and all other pertinent data on historic basis.
- Such data must be capable of being linked to each erf in a way that a full history of all data from date of appointment in terms of this tender, pertaining to that erf can be extracted by reference to that erf.
- The valuation system must be capable of extracting all properties that are subject to multiple entries, rebates, reductions or exemptions.
- The valuation system must be able to extract properties on a specific owner type i.e. municipal properties, state owned properties as well as categories of properties in terms of the rates policy of the municipality
- The valuation system must also be able to extract vacant properties and other information that the municipality may require for statistical purposes.
- The valuation system must also be able to download and update data directly from the deeds office as well as recording and linking properties with various databases with the property key number of the Surveyor General.
- The valuation system must be capable of printing the valuation roll for a selected Allotment or entire roll.
- The valuation system must be capable of exporting the roll electronically for a selected Allotment or the entire roll.
- The valuation roll must be capable of producing Section 49 and Section 78 notices for a single property, a selection of properties or the entire roll.

4.5 STAGE 5: INTERNAL MONITORING OF VALUATIONS:

- Internal quality control to be conducted by Successful bidder and measured against current sales and other relevant market data and adjusted to date of valuation.
- Basis on which the initial roll has been internally monitored must be made available to the Municipality or its appointed monitors.
- The initial roll after internal monitoring must be amended and/or corrected if necessary.
- This includes cross boundary monitoring within the Municipal area if applicable.

4.6 STAGE 6: REVIEW PROCESS (FOR SUPPLEMENTARY VALUATIONS):

(a) Receive Request to Review in terms of section 78(5)(b));
(b) Scrutiny of request to ascertain grounds for objection.
(c) Inspection of property, if necessary (i.e. if inspection of the property was not possible during the supplementary valuation, or if issues are raised that require inspection)
(d) Where changes to the original data are made, the Successful bidder must show the correction on the record form and the sketch (red ink).
(e) Verification of extents and measure if necessary.
(f) Meet with the owner in an attempt to reach settlement or clarify issues –
   i. settlement subject to approval by Municipality.
(g) If necessary, undertake a re-assessment of the value of the property, giving written reasons for the decision reached.

Request for review must be handled and if the supplementary valuation is changed, the review value must also be included in the supplementary valuation roll. This item will then be included in the final supplementary valuation roll as an additional entry.

4.7 STAGE 7: SUBMISSION OF DRAFT ROLL and final Sales and Market report:

Draft roll to be submitted and internally checked and/or monitored by the Municipality at their sole discretion.

4.8 STAGE 8: CORRECTIONS TO DRAFT ROLL AND SUBMISSION OF CERTIFIED ROLL:

The successful bidder will be required to correct any entry that has been found to be incorrect in terms of size, description, zoning, ownership, etc. as well as incorrect valuations based on sales ratio analysis and other factually indicated market trends.

4.8.1 Printing and binding of rolls

The successful bidder shall be responsible for providing 3 copies of the supplementary valuations and the valuation roll, all of which will be certified by him/her by an original signature. The valuation rolls shall be printed in A4 format and shall be appropriately indexed. The valuation roll shall be spirally bound, and each volume shall be numbered and contain a cover and back page. All pages of the valuation roll shall be consecutively numbered. The printing and binding of the valuation roll shall be for the account of the successful bidder. In addition, the successful bidder shall provide the Municipality with an electronic copy of the supplementary valuation and valuation supplementary rolls in a printable format. One copy of the final valuation roll, should be sorted according to town areas, certified with totals and bound separately.

According to the regulations in Government Gazette, 29304 dated 18 October 2006 (page 8), the sectional scheme must appear at the end of a supplementary valuation roll in alphabetical order according to scheme name. (Erf number on which the sectional scheme is situated, must be displayed)

All supplementary valuation rolls submitted may be subjected to external monitoring by the Municipality.

After correcting the Draft Roll, if it is a requirement of Municipality to do so, the successful bidder shall bind and certify the roll for submission to the Municipal Manager.

4.9 STAGE 9: OBJECTION PROCESS:

Successful bidder will be obliged to attend to the following:

(a) Receive objections in terms of section 50(5);
(b) Scrutiny of objection in order to ascertain grounds for objection.
(c) Inspection of property. (d) Where changes to the original data are made, the successful bidder must show (e) Verification of extents and measure if necessary.
(d) Meet with the owner in an attempt to reach settlement or clarify issues – settlement subject to approval by Municipality.
(e) If necessary, undertake a re-assessment of the value of the property, giving written reasons for the decision reached.

Comply with section 51 and where section 52(1) is applicable comply with section 52(a) Comply with section 53(1) and 53 (3) of the Local Government Municipal Property Rates Act, Act 6 of 2004, as amended. Costs of complying with the objection process must be included in the pricing schedule.

4.10 STAGE 10: VALUATION APPEALS BOARD HEARINGS:

In terms of section 34(f) of the Local Government Municipal Property Rates Act, Act 6 of 2004, as amended, the Municipal Valuer/ Assistant Municipal Valuer shall be obliged to attend all sittings of the Valuation Appeal Board.

Successful bidder will be obliged to attend to the following:

(a) Receive appeals
(b) Scrutiny of appeals in order to ascertain grounds for appeal.
(c) Inspection of property.
(d) Where changes to the original data are made, the Successful bidder must show the correction on the record form after appeal board hearing. The costs of attending the hearings are reflected in the pricing schedule.

4.11 STAGE 11: ATTENDING TO ALL VALUATION ENQUIRIES:

The successful bidder will, if required by Municipality attend to all valuation enquiries from time to time regarding the valuation roll and supplementary valuation rolls.

4.12 STAGE 12: SUBMISSION OF ALL DATA OR COPIES THEREOF TO MUNICIPALITY & ISSUING OF FINAL DELIVERY CERTIFICATE

The successful bidder will have to ensure that within 30 (thirty) days of submission of the valuation roll and each supplementary valuation roll thereafter that a copy of all data in their possession has been provided to Municipality in either an electronic or hard copy format. A final delivery certificate can only be issued once this provision has been fulfilled.

To enable Municipality to issue a final delivery certificate, the successful bidder shall issue a signed declaration that he has transferred copies of all data in either electronic or hard copy format to Municipality and will continue to do so at monthly intervals thereafter.

ANNEXURE C
PAYMENT

STAGE	DESCRIPTION	DEADLINE DATE	PAYMENT %	RETENTION	PAYMENT ON COMPLETION
1	Local Office establishment, Initial Sales collection, existing valuation roll download, establishment of master file, comparison between newly created property master and existing Municipal valuation records or where no existing valuation roll exists creation of property master.	Starts ± August 2025 till December 2025	5%	1%	After establishment of office and completion of stage 1.
2.	Submission of Sales Analysis and final regression tables. Submitted and discussed with Municipality. The Municipality must accept the Sales Analysis before data collectors are sent into areas. Meeting with Valuers and Finance to present sales analysis and final regression tables on submission there off.	January – March 2026	5%	1%	On Acceptance of Sales Analysis
3.	Data Collection: Obtaining of new data necessary to compile valuations: - This must include inspections, data capture, sales, measurements, rentals, expense ratios etc	March – August 2026	20%	2%	Made in monthly instalments for the 6 months
4	Compiling of valuations	August – September 2026	10%	1%	On receipt of 50% of the valuations on

					Valuation system
5	Valuer: Internal monitoring of valuations including accuracy of data, review of sales and valuations between date of commencement and date of valuation	March – October 2026	-	-	-
6	Submission of draft roll	2 November 2026	5%	1%	On receipt of draft Roll
7	Corrections and submission of certified roll and reconciliation between property master file and existing valuation records of the municipality	16 November 2026	5%	1%	-
8	Submission of final roll, electronic and hard copies	30 November 2026	10%	1%	On receipt of final Roll
9	Handover of GV to Municipal Manager	1 December 2026	-	-	-
10	Mailing of Public Notices	11 December 2026	5%	1%	Proof of inspections to be submitted
11	Period for Lodging of Objections. Processing of objections, capture of reasons, Notice of outcome to owners	11 December – 22 January 2027	-	-	-
12(a)	21-day – request for reasons on objections,	22 January 2027 – 11 February 2027	5%	1%	On receipt of accurate and Final objection roll
12(b)	Finalise GV Objection Roll	26 February 2027	-	-	
13	Submission of all data or copies thereof to municipality & issuing of final delivery certificate Ref. clause 1.4.3 Retention	28 February 2027	5%	0% Total = 10%	On receipt of all data, copies, ext

14	Compile and submit draft Supplementary Valuation Roll (SV1)	9 April 2027	-	-	On receipt of draft Roll
15	Submit final SV1 Roll	16 April 2027	10%	-	On Receipt of Final Roll
16(a) 16 (b)	Appeals Planning Sitting, Chairperson with members Appeal sittings to start	20 May 2027 7 June 2027	10%	-	After Appeals Sitting is successfully completed
17	Send SV1 Sec 49 Notices	30 April 2027	5%	-	-
18	SV1 30 Day Objection period end	29 May 2027	-	-	-
19	Complete SV1 Objections Roll	4 June 2027	-	-	On receipt of SV-1 Final Objection Roll
TOTAL PAYABLE			100%		

APPROVED PRICING

GENERAL VALUATION

The Physical Inspection, the Calculation of Building Areas (if necessary) and components thereof, as well as the Valuation of identified properties in the Jurisdiction Area of the Mossel Bay Municipality.

DIVISION A

ITEM NO	CATEGORY OF VALUATION	CATEGORY DESCRIPTION	UNIT	RATE PER ITEM (INCLUSIVE OF VAT)
1.1	BUS	Business and commercial properties	Per property	R300,00
1.2	BUSV	Business vacant	Per property	R200,00
1.3	FAGR	Farm used for agricultural purpose	Per property	R300,00
1.4	IND	Industrial properties	Per property	R300,00
1.5	INDV	Industrial vacant	Per property	R300,00
1. 6	MULT	Multiple purpose properties	Per property	R300,00
1. 7	PSP	State-owned properties	Per property	R200,00
1. 8	MUN	Municipal properties	Per property	R100,00
1. 9	NMON	National monuments	Per property	R100,00
1.9	PBO	Public benefit organisation	Per property	R100,00
1.10	POWP	Place of worship – Parsonage	Per property	R100,00
1.11	POWC	Place of worship - Church	Per property	R100,00
1.12	PROT	Protected area	Per property	R300,00
1.13	PSI	Public Service Infrastructure	Per property	R300,00
1.14	PSII	Public Service Infrastructure impermissible	Per property	R300,00
1.15	RES	Residential properties	Per property	R70,00
1.16	RES - LOW- COST HOUSING	Residential properties – Low-Cost Housing	Per property	R70,00
1.17	RESV	Residential Vacant	Per property	R70,00

DIVISION B				
ITEM NO	**CATEGORY OF VALUATION**	**CATEGORY DESCRIPTION**	**UNIT**	**RATE PER ITEM (INCLUSIVE OF VAT)**
2.1	BUS	The properties known as the PetroSA Petrochemical Plant, as well as other PetroSA owned properties, situated on the following industrial plots: - on the remaining extent of Farm 310, Mossel Bay Rd - on the remaining extent of Farm 316, Mossel Bay Rd - on the remaining extent of Farm 399, Mossel Bay Rd (Gourikwa Power Station) - Erf 16, Voorbaai, Hartenbos-area - Erf 1348, Voorbaai, Hartenbos-area - Erf 1349, Voorbaai, Hartenbos-area - Erf 1350, Voorbaai, Hartenbos-area - Erf 1373, Voorbaai, Hartenbos-area - Erf 1374, Voorbaai, Hartenbos-area - Erf 1375, Voorbaai, Hartenbos-area - Erf 3169, Voorbaai, Hartenbos-area	As a whole	R50 000,00

SUPPLEMENTORY VALUATION ROLLS

The Physical Inspection, the Calculation of Building Areas (if necessary) and components thereof, as well as the Valuation of identified properties in the Jurisdiction Area of the Mossel Bay Municipality. Supplementary Valuation of properties as prescribed in section 78 of the Local Government Municipal Property Rates Act, Act 6 of 2004 and the Amendment Act, 29 of 2014.

(The adjustments will be calculated on the individual rates of items on the supplementary valuation roll submitted by the successful Tenderer)

SECTION 2.4B: PRICING SCHEDULE FOR SUPPLEMENTORY VALUATION ROLLS

ITEM NO	CATEGORY OF VALUATION	CATEGORY DESCRIPTION	UNIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
				RATE PER ITEM 1 JULY 2027 – 30 JUNE 2028 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2028 – 30 JUNE 2029 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2029 – 30 JUNE 2030 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2030 – 30 JUNE 2031 (INCLUSIVE VAT)	RATE PER ITEM 1 JULY 2031 – 30 JUNE 2032 (INCLUSIVE VAT)
SUPPLEMENTORY VALUATION ROLLS								
1.1	BUS	Business and commercial properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.2	BUSV	Business vacant	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.3	FAGR	Farm used for agricultural purpose	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.4	IND	Industrial properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.5	INDV	Industrial vacant	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.6	MULT	Multiple purpose properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.7	PSP	State-owned properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.8	MUN	Municipal properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00

1.9	NMON	National monuments	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.10	PBO	Public benefit organisation	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.11	POWP	Place of worship – Parsonage	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.12	POWC	Place of worship - Church	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.13	PROT	Protected area	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.14	PSI	Public Service Infrastructure	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.15	PSII	Public Service Infrastructure impermissible	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.16	RES	Residential properties	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.17	RES - LOW-COST HOUSING	Residential properties – Low-Cost Housing	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
1.18	RESV	Residential Vacant	Per property	R100,00	R350,00	R375,00	R400,00	R425,00
OTHER								
2.1	ALL CATEGORIES	Inspection and Completion of: - Objections (per item)	Per Property	R100,00	R100,00	R100,00	R100,00	R100,00
2.2	ALL CATEGORIES	All objection expenses inclusive amount per day - Appeal Board Sessions All-inclusive amount per day (This will include all expenses for preparation work in respect of possible objection or appeal)	Per Day	R20 000,00	R20 000,00	R25 000,00	R25 000,00	R25 000,00

E336-11/2025
COMMISION ON INVESTMENTS MADE

File Number:

Report By: LEROUXH

Item Reference Number: 23492835

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of the report is to inform Council of the investment commission earned by the Fund Manager, handling the long-term investments of the Municipality.

Background

In accordance with the Mossel Bay Municipality's funding strategy, it is the intention to strive towards funding all long-term liabilities, except for borrowings, by means of cash investments. This strategy was initiated 10 years ago, in 2015. The long-term liabilities include the provision for the rehabilitation of landfill sites and the provision for the post-retirement benefits of employees, such as continued medical aid, long service and ex-gratia pension obligations.

In view of the magnitude of the required investments at the time of the initial implementation of the funding strategy, the ringfenced funding had to be achieved over a longer period. The instruments used for the investments were structured in such a manner that money was invested on a monthly basis, rather than a once-off and built-up over time.

The initial investment started at R 1 million per month for 5 years, with interest on maturity. All investments had to guarantee capital and interest upon maturity. When the initial investment matured, the full amount (capital and interest) was invested again; in addition to a new investment of R 2.5 million per month for the next 5 years.

The last part of the investment strategy is to cover long-term liabilities, which require cash out flows in the future, with longer-term investments commenced in the 2025/26 financial year.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Regulation 8(2) of the Municipal Investment Regulations states that *"if an investee(institution at which an investment is placed)**pays** any fee, commission or other reward to an Investment Manager in respect of any investment made by a Municipality, both the investee and the Investment Manager must declare such to the Council by way of a certificate disclosing full details of the payment.*".

It is to be noted that the Investment Manager was not paid any commission by the Municipality but earned commission from the institution at which the Fund Manager placed the investments, in the name of the Municipality.

As per normal investment processes, quotations were requested from all the major banks (ABSA, Standard Bank, FNB, Nedbank and Investec), complying with the credit rating as prescribed in the Policy.

The investment instruction was given as per normal SCM practices to call for quotes, to invest on long-term in order to comply with the cash requirements for long term liabilities and to get the two long-term liabilities cash funded. The requirements are shown below:

- Rehabilitation of Landfill Sites Provision – R 170 000 000

Structured investment as follows:

- Initial investment of R 170 000 000, whilst the following amounts must be available on the specific dates aligned to the closing dates of the respective landfill sites.

Investment Amount	**Investment Maturity date**	**Investment in days**
R12 000 000,00	2026/09/30	420
R28 000 000,00	2027/09/30	785
R60 000 000,00	2028/10/02	1153
R70 000 000,00	2029/10/01	1517
R170 000 000,00		

- Employee Benefits –R174 225 000,00

Structured investment is as follows:

- Initial investment of R 105 000 000, plus
- R 1 775 000 per month for 3 years and 3 months, with a maturity date of 28 September 2028.

The quotes closed and were evaluated as per the normal processes. The two bids were both awarded to the Investment Manager (**Catalyx Investments Proprietary Limited ("Catalyx").**

In both cases the investments were placed with Investec by the Investment Manager. The commission earned by the Investment Manager from Investec is as follows:

- Landfill Rehabilitation provision – R 170 000 000 - R 607 000 Incl. VAT
- Employee Benefits – R 105 000 000 plus R 1 775 000 per month – R 367 930,29

The Investment Manager will earn a total commission of R 974 930,29 over the respective terms of the investments.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The financial implication of the commission is zero to the Municipality. The institution at which the Investment Manager places the investment (Investec), pays the commission directly to the Investment Manager.

Attached as Annexures A and B are the mandates for the two investments. The commission earned by the Fund Manager is reflected in Annexure C.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Section 8(2) of the Municipal Investment Regulations states the following:

> (2) If an investee pays any fee, commission or other reward to an investment manager in respect of any investment made by a municipality or municipal entity, both the investee and the investment manager must declare such payment to the council of the municipality or the board of directors of the municipal entity by way of a certificate disclosing full details of the payment.

CONCLUSION / SAMEVATTING

As declared by the Fund Manager upfront, the value of the commission earned by the Fund Manager Catalyx Investments Proprietary Limited ("Catalyx") amounts to R 974 930,29 over the respective terms of the investments.

RECOMMENDATION

That Council notes the commission earned, in the amount of R 974 930,29, by the Fund Manager in terms of the long-term investments made.

CONFIDENTIAL

AGENCY TRANSACTION MANDATE

Between

Catalyx Investments Proprietary Limited ("Catalyx")
Registration number 2015/267715/07

And

Mossel Bay Municipality ("Client")

(+27) 21 531 1700 • www.catalyx.co.za
503, Block 3, Bridgewater One, Century City, Cape Town, 7441
Reg no: 2023/961517/07
Directors: T Ratshefola, AC Hamman

PART A - SPECIFIC TERMS

The parties wish to record the terms and conditions that will govern their engagement in relation to the Transaction and, in this regard, Part A (Specific Terms) and Part B (signatures) shall be read together with Annexure A (final trade terms after execution).

Catalyx Investments ("Executing Agent")	Catalyx Investments a financial services provider (FSP No. 50311) in terms of the Financial Advisory and Intermediary Services Act, 2002 and is regulated by the Financial Sector Conduct Authority.
Client	Mossel Bay Municipality, a category B municipality is regulated Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003)"
Authorised Issuer Counterparties	Catalyx shall execute the transaction acting as agent on behalf of the Client and approved market making financial institution. Authorised issuer counterparties to shall only be one or more of the following South African Banks: ▪ ABSA Bank Limited (part of ABSA Group) ▪ FirstRand Limited (part of FirstRand Group) ▪ Investec Bank Limited ▪ Nedbank Limited (part of Nedbank Group) ▪ The Standard Bank of South Africa Limited (part of Standard Bank Group Limited)
Transaction	The Client wishes to make investments in an OTC instrument, issued by an authorised counterparty, which can include credit linked references. **"All quotes to the Client are values or amounts that will be received by the Client, in other words net of costs"** Transaction:

Trade	Inception Date	Capital Invested	Maturity Date	Implied Term Years	Capital & Interest at Maturity Date
Trade 1	06-Aug-25	12,000,000	30-Sept-26	1.15	Solve
Trade 2	06-Aug-25	28,000,000	30-Sept-27	2.15	Solve
Trade 3	06-Aug-25	60,000,000	02-Oct-28	3.16	Solve
Trade 4	06-Aug-25	70,000,000	01-Oct-29	4.16	Solve

Mandated Services	Catalyx will perform Execution and Introductory Broker Services for the Client in relation to the transaction. This includes: ▪ Trade Execution Services ▪ Lifecycle Management ▪ Trade Liquidation or Unwind Management

Transaction Fee Percentage ("Commission")	Catalyx will be entitled to charge the Client a fee ("commission") for Mandated Services executed under the transaction. The commission applicable under the transaction will be 0.10% per annum (excluding VAT).
Transaction Fee	The commission payable is calculated as: Principal ZAR Amount x Fee Percentage x Legal Term (Maturity Date)
Transaction Fee Payment	The Client hereby gives the counterparty bank the authority to pay the above agreed Transaction Fee to Catalyx
Transaction Fee Payment Date	Three business days after the transaction has been executed
Catalyx Settlement Details	ABSA BANK Account name: Catalyx Investments Account Number: 4115329317 Branch: 632005 Swift: ABSAZAJJ Ref: Client Name
Reporting	Catalyx undertakes to obtain and transmit to the Client any information which a relevant product supplier (if applicable) must disclose in terms of any law unless the client in writing specifically requests Catalyx not to provide such information.
Transactional Banking	The Client hereby gives Catalyx the authority to open up a transactional beneficiary bank account with one of the authorised counterparties on behalf of the Client.
Confidentiality	For purposes of the "Confidentiality" provisions: **Divulging Parties** Catalyx and Client (as the context requires) **Receiving Party** Catalyx and Client (as the context requires) The Receiving Party undertakes in favour of the Divulging Party that the Confidential Information (as defined below) shall be used strictly in accordance with the provisions of this Mandate; "Confidential Information" means (whether disclosed prior to, subsequent to or on the date of signature of this Mandate), all matters of a confidential nature which relate to the Divulging Party's business and the business of the Divulging Party's Affiliates
Domicilia	**Client at:** Physical Adress: 101 Marsh Street, Mossel Bay, 6500, South Africa Attention: Hennie Le Roux Email: (044) 606 5267 **Catalyx at:** Physical Address: 503, Block 3, Bridgewater One, Century City, Cape Town, 7441 Attention: Thabiso Ratshefola, IW Olivier Email: thabiso@catalyx.co.za, iw@catalyx.co.za

PART B - SIGNATURES

Signed at Mossel Bay on 06-08-2025

For and on behalf of: Mossel Bay Municipality

.....

who warrants that he is duly authorised thereto
Full Name: Selwyn Thys
Title: Chief Financial Officer

.....

who warrants that he is duly authorised thereto
Full Name: Hendrik Lodewicus Le Roux
Title: Senior Manager Financial Administration

Signed at Cape Town on 4 August 2025

For and on behalf of: Catalyx Investments Proprietary Limited

.....

who warrants that he is duly authorised thereto
Full Name: Thabiso Ratshefola
Title: Portfolio Manager

.....

who warrants that he is duly authorised thereto
Full Name: Andrew Hamman
Title: Director

CONFIDENTIAL

Catalyx

ANNEXURE B – Trade details of the investment (post execution)

(+27) 21 531 1700 • www.catalyx.co.za
503, Block 3, Bridgewater One, Century City, Cape Town, 7441
Reg no: 2023/961517/07
Directors: T Ratshefola, AC Hamman

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ANNEXURE B – Trade details of the investment (post execution)

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Reg no: 2023/961517/07
Directors: T Ratshefola, AC Hamman

CONFIDENTIAL

AGENCY TRANSACTION MANDATE

Between

Catalyx Investments Proprietary Limited ("Catalyx")
Registration number 2015/267715/07

And

Mossel Bay Municipality ("Client")

(+27) 21 531 1700 • www.catalyx.co.za
503, Block 3, Bridgewater One, Century City, Cape Town, 7441
Reg no: 2023/961517/07
Directors: T Ratshefola, AC Hamman

PART A - SPECIFIC TERMS

The parties wish to record the terms and conditions that will govern their engagement in relation to the Transaction and, in this regard, Part A (Specific Terms) and Part B (signatures) shall be read together with Annexure A (final trade terms after execution).

<table>
<tr><td>Catalyx Investments ("Executing Agent")</td><td>Catalyx Investments a financial services provider (FSP No. 50311) in terms of the Financial Advisory and Intermediary Services Act, 2002 and is regulated by the Financial Sector Conduct Authority.</td></tr>
<tr><td>Client</td><td>Mossel Bay Municipality, a category B municipality is regulated Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003)"</td></tr>
<tr><td>Authorised Issuer Counterparties</td><td>Catalyx shall execute the transaction acting as agent on behalf of the Client and approved market making financial institution. Authorised issuer counterparties to shall only be one or more of the following South African Banks:
ABSA Bank Limited (part of ABSA Group)
FirstRand Limited (part of FirstRand Group)
Investec Bank Limited
Nedbank Limited (part of Nedbank Group)
The Standard Bank of South Africa Limited (part of Standard Bank Group Limited)</td></tr>
<tr><td>Transaction</td><td>The Client wishes to make investments in an OTC instrument, issued by an authorised counterparty, which can include credit linked references.

All quotes to the Client are values or amounts that will be received by the Client, in other words net of costs

Transaction:
<table>
<tr><th>Inception Date</th><th>Capital Invested</th><th>Monthly Contributions</th><th>Maturity Date</th><th>Implied Term Years</th><th>Capital & Interest at Maturity Date</th></tr>
<tr><td>18-Sep-25</td><td>R105,000,000</td><td>R1,775,000</td><td>28-Sept-28</td><td>3.03</td><td>Solve</td></tr>
</table></td></tr>
<tr><td>Mandated Services</td><td>Catalyx will perform Execution and Introductory Broker Services for the Client in relation to the transaction. This includes:
Trade Execution Services
Lifecycle Management
Trade Liquidation or Unwind Management</td></tr>
<tr><td>Transaction Fee Percentage ("Commission")</td><td>Catalyx will be entitled to charge the Client a fee ("commission") for Mandated Services executed under the transaction.
The commission applicable under the transaction will be 0.10% per annum (excluding VAT).</td></tr>
</table>

Transaction Fee	The commission payable is calculated as: Principal ZAR Amount x Fee Percentage x Legal Term (Maturity Date)
Transaction Fee Payment	The Client hereby gives the counterparty bank the authority to pay the above agreed Transaction Fee to Catalyx
Transaction Fee Payment Date	Three business days after the transaction has been executed
Catalyx Settlement Details	ABSA BANK Account name: Catalyx Investments Account Number: 4115329317 Branch: 632005 Swift: ABSAZAJJ Ref: Client Name
Reporting	Catalyx undertakes to obtain and transmit to the Client any information which a relevant product supplier (if applicable) must disclose in terms of any law unless the client in writing specifically requests Catalyx not to provide such information.
Transactional Banking	The Client hereby gives Catalyx the authority to open up a transactional beneficiary bank account with one of the authorised counterparties on behalf of the Client.
Confidentiality	For purposes of the "Confidentiality" provisions: **Divulging Parties** Catalyx and Client (as the context requires) **Receiving Party** Catalyx and Client (as the context requires) The Receiving Party undertakes in favour of the Divulging Party that the Confidential Information (as defined below) shall be used strictly in accordance with the provisions of this Mandate; "Confidential Information" means (whether disclosed prior to, subsequent to or on the date of signature of this Mandate), all matters of a confidential nature which relate to the Divulging Party's business and the business of the Divulging Party's Affiliates
Domicilia	**Client at:** Physical Adress: 101 Marsh Street Mossel Bay 6500 South Africa Attention: Hennie Le Roux Email: (044) 606 5267 **Catalyx at:** Physical Address: 503, Block 3, Bridgewater One, Century City, Cape Town, 7441 Attention: Thabiso Ratshefola IW Olivier Email: thabiso@catalyx.co.za iw@catalyx.co.za

PART B - SIGNATURES

Signed at Mossel Bay on 17-09-2025

For and on behalf of: Mossel Bay Municipality

.....

who warrants that he is duly authorised thereto
Full Name: Selwyn Thys
Title: Chief Financial Officer

.....

who warrants that he is duly authorised thereto
Full Name: Hendrik Lodewicus Le Roux
Title: 18-09-2025

Signed at Cape Town on 17 September 2025

For and on behalf of: Catalyx Investments Proprietary Limited

.....

who warrants that he is duly authorised thereto
Full Name: Thabiso Ratshefola
Title: Portfolio Manager

.....

who warrants that he is duly authorised thereto
Full Name: Andrew Hamman
Title: Director

CONFIDENTIAL

Catalyx

ANNEXURE B – Trade details of the investment (post execution)

(+27) 21 531 1700 • www.catalyx.co.za
503, Block 3, Bridgewater One, Century City, Cape Town, 7441
Reg no: 2023/961517/07
Directors: T Ratshefola, AC Hamman

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ANNEXURE B – Trade details of the investment (post execution)

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Reg no: 2023/961517/07
Directors: T Ratshefola, AC Hamman

Mossel Bay Municipality,
101 Marsh Street,
Mossel Bay,
6506,
South Africa

Good Day Hennie
I hope you are well.

Please see below the Catalyx fee confirmation schedule for the trade done on 6 August 2025 and 17 September 2025

Transaction 6 August 2025:
R554,139.99 Excl VAT / R607,000 Incl VAT
Calculation Fee

Amount Invested	Mandated Fee p.a.	VAT	Fee Incl VAT	Term	Total ZAR Fee	Fee Discount	Fee Charged
12,000,000.00	0.10%	15%	0.115%	1.15	15,870.00		
28,000,000.00	0.10%	15%	0.115%	2.15	69,157.54		
60,000,000.00	0.10%	15%	0.115%	3.16	217,695.00		
70,000,000.00	0.10%	15%	0.115%	4.16	334,535.00		
					637,257.54	- 30,257.54	607,000.00

Transaction 17 September 2025:
R318,164.38 Excl VAT / R365,889.04 Incl VAT
Calculation Fee

Amount Invested	Mandated Fee p.a.	VAT	Fee Incl VAT	Term	Total ZAR Fee
105,000,000.00	0.10%	15%	0.115%	3.03	365,889.04

Catalyx charges 0.10% Excl VAT on each R1,775,000 monthly payment.
These fees are accounted for in the investment.

Monthly Investments	Mandated Fee	VAT	Fee Incl VAT	Per Payment Fee
1,775,000.00	0.10%	15%	0.115%	2,041.25

.....
Authorised Signatory: IW Olivier
Contact Details: trading@catalyx.co.za
Contact Number: 021 531 1700

E337-11/2025

QUARTERLY REPORT FOR EXPENDITURE SECTION FOR THE PERIOD ENDING 30 SEPTEMBER 2025

File Number:

Report By: GERTSEG

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution FC71-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That the Quarterly Financial Report as prepared by the Expenditure Section, for the period ending 30 September 2025, be noted."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The report serves to inform Council on a quarterly basis of all financial issues in the Expenditure Section.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Hereto is a summary of the bank account withdrawals not done in terms of an approved budget as stipulated in the Municipal Finance Management Act, Section 11(4). These withdrawals are done in terms of Sub Section (1)(b) to (j) of Section 11 of the Municipal Finance Management Act and include payments in respect of refunds, investments, etc.

RECOMMENDATION

That the following recommendation be made to Council:

That the Quarterly Financial Report as prepared by the Expenditure Section, for the period ending 30 September 2025, be noted."

NOTE:

Please consult the complete annexures as attached to the agenda for the Financial Services Committee Meeting which was held on 12 November 2025 (Item FC71-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That the Quarterly Financial Report as prepared by the Expenditure Section, for the period ending 30 September 2025, be noted.

E338-11/2025

MONTHLY REPORTS WITH REGARD TO SUPPLY CHAIN MANAGEMENT – SEPTEMBER 2025

File Number:

Report By: ECHANDLER

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution FC72-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That the Monthly Reports, with regard to Supply Chain Management for September 2025, be noted."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The Monthly Report, received from Supply Chain Management is hereby submitted to Council for noting.

RECOMMENDATION

That the following recommendation be made to Council:

That the Monthly Reports, with regard to Supply Chain Management for September 2025, be noted."

NOTE:

Please consult the complete annexures as attached to the agenda for the Financial Services Committee Meeting which was held on 12 November 2025 (Item FC72-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That the Monthly Reports, with regard to Supply Chain Management for September 2025, be noted.

E339-11/2025

SUPPLY CHAIN MANAGEMENT MONTHLY REPORT OF DEVIATIONS APPROVED – SEPTEMBER 2025

File Number:

Report By: ECHANDLER

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution FC73-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That the Supply Chain Management Monthly Report, of Deviations Approved, September 2025, be noted "

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The Monthly Report of Deviations Approved, received from Supply Chain Management, is hereby submitted to Council for noting.

RECOMMENDATION

That the following recommendation be made to Council:

That the Supply Chain Management Monthly Report, of Deviations Approved, September 2025, be noted."

NOTE:

Please consult the complete annexures as attached to the agenda for the Financial Services Committee Meeting which was held on 12 November 2025 (Item FC73-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That the Supply Chain Management Monthly Report, of Deviations Approved, September 2025, be noted.

E340-11/2025

QUARTERLY REPORT FROM SUPPLY CHAIN MANAGEMENT AS AT 30 SEPTEMBER 2025

File Number:

Report By: ECHANDLER

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution FC77-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That the quarterly report of the Supply Chain Management Section for the period ending 30 September 2025, be noted."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"That the quarterly report of the Supply Chain Management Section, for the period ending 30 September 2025, is hereby submitted to Council for noting.

RECOMMENDATION

That the following recommendation be made to Council:

That the quarterly report of the Supply Chain Management Section for the period ending 30 September 2025, be noted."

NOTE:

Please consult the complete annexures as attached to the agenda for the Financial Services Committee Meeting which was held on 12 November 2025 (Item FC77-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That the quarterly report of the Supply Chain Management Section for the period ending 30 September 2025, be noted.

E341-11/2025

SALE OF ITEMS ON ANNUAL AUCTION: 2025 - 2026

File Number:

Report By: ECHANDLER

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

"That the following recommendation be made to Council:

1. That since the items listed in the documents are not needed for basic minimum Municipal services, that Council approves:

2. That the Items as listed in Attachments 1-7, be written off and that it be sold by public auction, as soon as possible.

3. That Council approves the sale of the Items in attachments 1 – 7 by public auction, as these Items are not needed for basic minimum Municipal services.

4. That Council approves the sale of the Items listed in attachment 8 by public auction, as these Items were previously reported but amended with the correct details.

5. That Council approves that the Items listed in attachment 9 – 10 be written off and that it be donated to a school/s which can be nominated by the Municipal Manager pending the decision by the Provincial Department of Education.

6. That Council approves that the Items listed in attachment 9-10 be donated to local schools identified by the Provincial Department of Education (WCED). Should the WCED fail to identify local schools interested in the equipment within the required time frame as outlined in paragraph 45(b)(iii) of the Supply Chain Policy; the Mayor, Municipal Manager or delegated authority to nominate the relevant local schools as beneficiaries.

7. That Council approves that Items listed in attachment 11 be destroyed, as disposing of the Items will pose a risk to the Municipality.

8. That Council approves that Items listed in attachment 12 be withdrawn from the previously approved list, as the Items were part of IT equipment or needed for basic minimum Municipal services or due to a barcode that was incorrectly reported."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this report is for Council to consider the lists of Items, which must be written off and sold on public auction, as received from the respective Departments.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Departments were contacted to obtain Items, and the lists were compiled based on what was received from the departments.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The financial value of the Items to be sold will be determined at the auction. The carrying value of the assets and other Items are listed and amounts to R818 742.10. The values of other Items such as copper will be obtained before the auction. It is to be noted that no values will be determined for Items that are not assets. The total financial implications will be determined after the auction is held.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The disposal of Capital Assets is dealt with in Section 14 of the MFMA read together with the Municipal Asset Transfer Regulations published under GNR 878 in GG 31346, promulgated in terms of Section 168 of the MFMA.

Section 14 (1) of the MFMA reads as follows:

"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."

RECOMMENDATION

The Items listed in the attached documents are not needed for basic minimum Municipal services, it is recommended that Council approves:

1. That the items as listed in Attachments 1-7, be written off and that it be sold by public auction, as soon as possible.

2. That Council approves the sale of the items in attachments 1 – 7 by public auction, as these Items are not needed for basic minimum Municipal services.

3. That Council approves the sale of the items listed in attachment 8 by public auction, as these Items were previously reported but amended with the correct details.

4. That Council approves that the items listed in attachment 9 – 10 be written off and that it be donated to a school/s which can be nominated by the Municipal Manager pending the decision by the Provincial Department of Education.

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6. That Council approves that items listed in attachment 11 be destroyed, as disposing of the Items will pose a risk to the Municipality."

7. That Council approves that items listed in attachment 12 be withdrawn from the previously approved list, as the Items were part of IT equipment or needed for basic minimum Municipal services or due to a barcode that was incorrectly reported.

NOTE:

Please consult the complete annexures as attached to the agenda for the Financial Services Committee Meeting which was held on 12 November 2025 (Item FC78-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That since the items listed in the documents are not needed for basic minimum Municipal services, that Council approves:

1. That the items as listed in Attachments 1-7, be written off and that it be sold by public auction, as soon as possible.

2. That Council approves the sale of the items in attachments 1 – 7 by public auction, as these Items are not needed for basic minimum Municipal services.

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6. That Council approves that items listed in attachment 11 be destroyed, as disposing of the Items will pose a risk to the Municipality.

7. That Council approves that items listed in attachment 12 be withdrawn from the previously approved list, as the Items were part of IT equipment or needed for basic minimum Municipal services or due to a barcode that was incorrectly reported.

E342-11/2025

PERFORMANCE EVALUATIONS AND BONUSES FOR DIRECTORS

File Number: 4/10; 4/3/2

Report By: PURENC

Item Reference Number: 22924749

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is to inform Council of the outcome of the 2024/2025 performance assessments of the Municipal Manager and the Senior Managers reporting directly to the Municipal Manager and the subsequent rewarding of exceptional performance in accordance with the provisions set in their respective Performance Agreements for the year under review.

In terms of the Local Government: Municipal Systems Act No. 32 of 2000 the Municipality must enter into a Performance-based Agreement with all Section 56 and Section 57 employees and Performance Agreements must be approved annually. The Performance Agreements thereafter establish the performance relationship between the employer and the employee and require that the performance of the employee needs to be formally evaluated at least twice per annum.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The 2024/2025 performance assessments of Senior Managers were conducted by a panel of members as prescribed by the applicable legislation and in accordance with the respective performance agreements for each Senior Manager as per the schedule below. Documentation relating to the performance information and outcomes of the performance assessments are available and filed at the office of the Municipal Manager for future audit purposes.

Municipal Manager	29 September 2025
Director: Community Services	
Director: Planning and Economic Development	
Director: Infrastructure Services	
Director: Corporate Services	
Director: Community Safety	

Performance Agreement

The purpose of the Performance Agreement is to:

(1) Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Local Government: Municipal Systems Act No. 32 of 2000 as well as the employment contract entered into between the parties;

(2) Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Municipality;

(3) Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;

(4) Monitor and measure performance against set targeted outputs;

(5) Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;

(6) In the event of outstanding performance, to appropriately reward the employee; and

(7) Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

Regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers 2006 provides the following criteria for the payment of a Performance Bonus:

"A *performance bonus, based on affordability, may be paid to the employee, after-*

(1) the annual report for the financial year under review has been tabled and adopted by the Municipal Council;

(2) an evaluation of performance in accordance with the provisions of regulation 23; and

(3) approval of such evaluation by the Municipal Council as a reward for outstanding performance."

A performance contract with measurable key performance indicators (KPI's) that was aligned with the SDBIP and IDP, as required, was in place for all the Directors for the 2024/2025 financial year.

Performance Assessment

For purposes of evaluating the performance of the employee, an evaluation panel constituted of the following persons was established in terms of Section 6.11 of the Performance Agreement –

- Alderman Kotzé - Executive Mayor for the Municipal Manager
- Alderman Bayman – Executive Deputy Mayor and Mayco member for Planning & Economic Development
- Alderman Booisen – Mayco member for Community Services
- Alderman Dellemijn – Mayco member for Infrastructure Services
- Councillor le Roux – Mayco member for Corporate and Governance Services
- Alderlady Fortuin – Speaker for the Municipal Manager
- Councillor G Riddles – Executive Mayor of Hessequa Municipality
- Mr C Puren – Municipal Manager
- Mr A de Klerk - Municipal Manager of Hessequa Municipality
- Adv. D Block - Chairperson of the Audit Committee
- Mrs L Edwards – Ward Committee Member

80% of the assessment focused on delivery in terms of the National Key Performance Areas. The content and weighting of these indicators and the respective KPA's are documented in each contract. The 5 National KPA's are:

- Basic Service Delivery

- Municipal Institutional Development and Transformation
- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation

The remaining 20% of the overall assessment is comprised of the competency framework as stipulated in annexure A of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers read together with the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.

The final scores were derived from the score allocated to each Key Performance Indicator or group of indicators by the panel, multiplied by the weight allocated to the respective indicator/group of indicators.

These scores are considered as the final score and an adjustment of any score will be made by considering an appeal or plea by an employee in terms of the agreement and based on the facts submitted by the individual.

Performance Bonuses

In terms of the Performance Regulations, performance bonuses are only payable after the Annual Report has been tabled and adopted by Council and the other conditions of Regulation 8 have been met.

The Directors: Corporate Services, Infrastructure Services, Planning and Economic Development and Community Services are entitled to a maximum bonus of 8,33% provided that they obtain 70% or more in their performance evaluation. The Municipal Manger is entitled a bonus of 14%, provided that he obtains 70% or more in their performance evaluation.

The scores which were attained during the evaluation entitle them to the following bonuses:

Municipal Manager	Bonus: 14%
Director: Corporate Services:	Bonus: 8,33%
Director: Planning and Economic Development:	Bonus: 8,33%
Director: Infrastructure Services:	Bonus: 8,33%
Director: Community Services:	Bonus: 8.33%

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Sufficient funds have been placed on the budget for the payment of bonuses.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Local Government: Municipal Systems Act No. 32 of 2000.

Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers 2006.

Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers 2014.

RECOMMENDATION

1. That the following performance bonuses be paid out in terms of the Performance Agreements and quality of work delivered:

Municipal Manager	Bonus: 14%
Director: Corporate Services:	Bonus: 8,33%
Director: Planning and Economic Development:	Bonus: 8,33%
Director: Infrastructure Services:	Bonus: 8,33%
Director: Community Services:	Bonus: 8.33%

2. That the bonuses be payable after the adoption of the 2024-2025 Annual Report.

E343-11/2025

AMENDED FRAUD AND RISK MANAGEMENT POLICY

File Number:

Report By: PURENC

Item Reference Number: 23037712

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to, in terms of the Fraud and Risk Management Implementation Plan, consider the approval of amendments to the Fraud and Risk Management Policy.

The Fraud and Risk Management Committee has been established by the Mossel Bay Municipality to assist the Accounting Officer to fulfil his risk management and control responsibilities in accordance with prescribed legislation and Corporate Governance principles.

Annually the Fraud and Risk Management Committee compiles the Fraud and Risk Management Implementation Plan, serving as a practical management tool that provides a roadmap for key activities during the year. One key deliverable is the review of the various Policies relating to the Fraud and Risk Management function.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The Fraud and Risk Management Implementation Plan make provision for the annual review of the various Policies, Strategy and Charter relating to Fraud and Risk Management, which are:

1. *Fraud and Risk Management Committee Charter*
2. *Combined Assurance Policy*
3. *Corruption and Fraud Policy*
4. *Fraud and Risk Management Policy*
5. *Fraud and Risk Management Strategy*

Following a thorough and detailed review of the Fraud and Risk Management Policies, Strategy, and Charter, the Fraud and Risk Management Committee have concluded that the current documents remain fully aligned with the existing risk environment. As a result, no substantive amendments are required.

The only change recommended is a minor administrative update, namely the addition of Section 1.2.7 to the Fraud and Risk Management Policy, which relates to the Risk Appetite and Tolerance Statement that should be approved by the Accounting Officer and noted by Council, thereby explicitly defining the nature and extent of risks that the Municipality is prepared to accept in the delivery of its strategic objectives and service delivery mandate. This statement will be reviewed annually as part of the strategic planning and risk assessment cycle, or when there are significant changes in the external or organisational risk landscape.

Subsequently at the Fraud and Risk Management Committee meeting held on 08 October 2025, Item FR 18-10/2025 resolved as follows:

1. *That the Fraud and Risk Management Committee approves the changes as proposed.*
2. *That all changes be referred to Council for approval.*

The amended Policy is attached hereto with all changes highlighted.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Local Government: Municipal Finance Management Act, No. 56 of 2003.

RECOMMENDATION

That the amended Fraud and Risk Management Policy be approved by Council and implemented.

MOSSEL BAY MUNICIPALITY

FRAUD AND RISK MANAGEMENT RISK POLICY

POLICY NAME	Fraud and Risk Management Risk Policy
Directorate	Office of the Municipal Manager
Council Resolution No	E27-02/2021
Effective Date	25 February 2021

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1. BACKGROUND

1.1 Purpose

The policy aims to support the objectives of the Municipality to enable the implementation and maintenance of effective systems to identify and mitigate the risks that threaten the attainment of service delivery and other objectives and optimise opportunities that enhance institutional performance.

1.2 Background or risk management

1.2.1 Government objectives and Risk Management

The concept of risk management is not new as the basic principles of service delivery (Batho Pele, 1997) clearly articulate the need for prudent risk management to underpin the achievement of municipal objectives.

Municipalities are bound by constitutional mandates to provide products or services in the interest of the public good. As no institution has the luxury of functioning in a risk-free environment, the municipality also encounter risks inherent in producing and delivering such goods and services.

Stakeholders understand this but expect Municipalities to perform without any unnecessary exposure to risk. In other words, stakeholders are averse to value erosion caused by risks that ought to be detected and avoided through prudent management actions.

The Municipal Environment is fraught with unique challenges, such as lack of capacity, lengthy decision lead times, limited resources, competing objectives and infrastructure backlogs to mention a few. Such dynamics place an extra risk management burden on the management of municipalities.

Risk management is a management tool that increases an institutions prospect of success through getting it right the first time and minimising negative outcomes. Value is maximised when institutions set clear and realistic objectives, develop appropriate strategies, understand the intrinsic risks associated therewith and direct resources towards managing such risks on the basis of cost-benefit principles. Within high performing institutions, risk management is a strategic imperative rather than an option.

1.2.2 What is risk?

There are numerous definitions of risk, which are informed principally by the context in which they are applied.

A generic definition of risk is as follows: “A risk is any threat or event that is currently occurring, or that has a reasonable chance of occurring in the future, which could undermine the institution’s pursuit of its goals and objectives.”

Risks manifest as negative impacts on goals and objectives or as missed opportunities to enhance institutional performance. Stakeholders expect the Municipality to anticipate and manage risks in order to eliminate waste and inefficiency, reduce shocks and crises and to continuously improve capacity for delivering on their institutionalised mandates.

1.2.3 Risk Management

Risk management forms part of management’s core responsibilities and is an integral part of the internal processes of an institution. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the institutions service delivery capacity.

When properly executed risk management provides reasonable, but not absolute assurance, that the institution will be successful in achieving its goals and objectives.

1.2.4 Enterprise Risk Management

Enterprise risk management (ERM) is the application of risk management throughout the institution rather than only in selected business areas or disciplines. ERM recognises that risks (including opportunities) are dynamic, often highly interdependent and ought not to be considered and managed in isolation. ERM responds to this challenge by providing a methodology for managing institution-wide risks in a comprehensive and integrated way.

1.2.5 Risk Categories

As the risk environment is so varied and complex it is useful to group potential events into risk categories. By aggregating events horizontally across an institution and vertically within operational units, management develops an understanding of the interrelationship between events, gaining enhanced information as a basis for risk assessment.

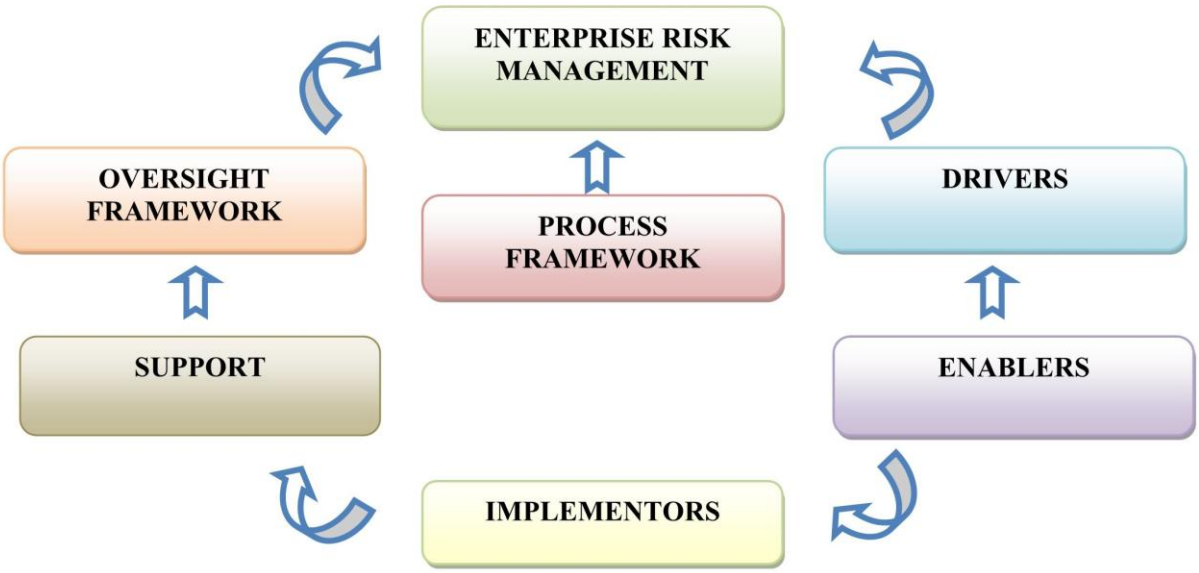
The main categories to group individual risk exposures are as follows:

	Risk Category	Description
Risk type Internal	Human resources	Risks that relate to human resources of an institution. These risks can have an effect on an institution's human capital with regard to: • Integrity & Honesty; • Recruitment; • Skills & competence; • Employee wellness; • Employee relations; • Retention; and • Occupational health & safety
	Knowledge and information management	Risks relating to an institution's management of knowledge and information. In identifying the risks consider the following aspects related to knowledge management: • Availability of information; • Stability of the information; • Integrity of information data; • Relevance of the information; • Retention; and Safeguarding
	Litigation	Risks that the institution might suffer losses due to litigation and lawsuits against it. Losses from litigation can possibly emanate from: • Claims by employees, the public, service providers and other third parties; • Failure by an institution to exercise certain right that are to its advantage
	Loss \ theft of assets	Risks that an institution might suffer losses due to either theft or loss of an asset of the institution
	Material resources (procurement risk)	Risks relating to an institution's material resources. Possible aspects to consider include: • Availability of material;

		• Costs and means of acquiring \ procuring resources; and • The wastage of material resources
	Information Technology	The risks relating specifically to the institution's IT objectives, infrastructure requirement, etc. Possible considerations could include the following when identifying applicable risks: • Security concerns; • Technology availability (uptime) • Applicability of IT infrastructure; • Integration / interface of the systems; • Effectiveness of technology; and • Obsolescence of technology
	Third party performance	Risks related to an institution's dependence on the performance of a third party. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with an institution. Non performance could include: • Outright failure to perform • Not rendering the required service in time; • Not rendering the correct service; and • Inadequate / poor quality of performance.
	Health & Safety	Risks from occupational health and safety issues e.g. injury on duty; outbreak of disease within the institution
	Disaster recovery Business continuity	Risks related to an institution's preparedness or absence thereto to disasters that could impact the normal functioning of the institution e.g. natural disasters, act of terrorism etc. This would lead to the disruption of processes and service delivery and could include the possible disruption of operations at the onset of a crisis to the resumption of critical activities. Factors to consider include: • Disaster management procedures; and • Contingency planning

	Compliance \ Regulatory	Risks related to the compliance requirements that an institution has to meet. Aspects to consider in this regard are: • Failure to monitor or enforce compliance; • Monitoring and enforcement mechanisms; • Consequences of non compliance; and • Fines and penalties paid
	Fraud and corruption	These risks relate to illegal or improper acts by employees resulting in a loss of the institution's assets or resources.
	Financial	Risks encompassing the entire scope of general financial management. Potential factors to consider include: • Cash flow adequacy and management thereof; • Financial losses; • Wasteful expenditure; • Budget allocations; • Financial statement integrity; • Revenue collection; and • Increasing operational expenditure.
	Cultural	Risks relating to an institution's overall culture and control environment. The various factors related to organisational culture include: • Communication channels and the effectiveness; • Cultural integration; • Entrenchment of ethics and values; • Goal alignment; and • Management style.
	Reputation	Factors that could result in the tarnishing of an institution's reputation, public perception and image.
External	**Risk category**	**Description**
	Economic Environment	Risks related to the institution's economic environment. Factors to consider include:

		• Inflation; • Foreign exchange fluctuations; and • Interest rates
	Political Environment	Risks emanating from political factors and decisions that have an impact on the institution's mandate and operations. Possible factors to consider include: • Political unrest; • Local, Provincial and National elections; and • Changes in office bearers.
	Social environment	Risks related to the institution's social environment. Possible factors to consider include: • Unemployment; and • Migration of workers
	Natural environment	Risks relating to the institution's natural environment and its impact on normal operations. Consider factors such as: • Depletion of natural resources; • Environmental degradation; • Spillage; and • Pollution
	Technological environment	Risks emanating from the effects of advancements and changes in technology
	Legislative environment	Risks related to the institution's legislative environment e.g. changes in legislation, conflicting legislation.



1.2.6 Risk Ratings

Impact
When rating a risk on the impact of the risk on the business, should it occur, you need to consider what the extent of the impact of that risk will be on the area of the business, which it affects. Some risks may have a major impact on the Human Resources Department, yet a fairly low impact on the organisation as a whole.

"Impact can be defined as the material loss to the organisation, should that risk materialise."

Impact Voting Matrix

Impact		
Score	**Grading**	Description
10	**Catastrophic**	Critical event resulting in immediate Council intervention. Long-term cessation of core organisational activities.
9	**Critical**	Major financial, operational and/or reputational loss for the Municipality. Issues that should be addressed on Council level.
8	**Severe/Major**	Critical event resulting in intervention of executive management. Probable long-term cessation of core business activity – material at organisation level – requires Audit Committee involvement.
7	**Significant**	Significant long-term impact to business – requires attention of

Impact		
Score	**Grading**	Description
		Directors/Department Managers.
6	**Moderate**	Reduced ability to achieve business objectives – requires executive management intervention. Short term/medium term disruption of services.
5	**Marginal**	Disruption of normal operations with a limited effect on achievement of the Municipality's strategy and objectives. Minor financial losses, e.g. petty theft.
4	**Immaterial**	No material impact on achievement of the Municipality's strategy and objectives. Irritation in rendering or receiving service.
3	**Minor**	Event will be coped with in short term through normal management processes.
2	**Insignificant**	Impact of adverse event is minimal.
1	**Negligible**	Impact of adverse event has little (if any) impact on business.

Likelihood

The assessment of the likelihood of occurrence of a specific risk evaluates the probability of a specific risk occurring.

The likelihood of occurrence assesses the inherent likelihood of the event occurring in the absence of any processes, which the business may have in place to reduce that likelihood.

Likelihood Voting Matrix

Likelihood		
Score	**Grading**	Description
10	**Certain**	Adverse event/opportunity will definitely occur.
9	**Almost Certain**	There is little doubt that the event will occur. History of occurrence internally and/or at similar institutions.
8	**Probable**	Highly likely that adverse event/opportunity will occur.
7	**Expected**	The adverse event/opportunity can be expected to occur.
6	**Possible**	It is more likely that adverse event/opportunity will occur than not.
5	**Potential**	There is a 50% probability of occurrence.
4	**Occasional**	Unlikely, but can reasonably be expected to occur.
3	**Remote**	Unlikely, but there is a slight possibility that the event will occur.
1-2	**Improbable**	Highly unlikely that adverse event/opportunity will occur.

1.2.7 Risk Appetite

The Municipality shall adopt a clearly defined Risk Appetite, approved by the Accounting Officer in consultation with Executive Management and noted by Council. This statement expresses the level of risk the Municipality is willing to accept in pursuit of its service delivery and strategic objectives, without compromising governance, regulatory compliance, or public trust.

This statement shall be reviewed annually as part of the strategic planning and risk assessment cycle, or when triggered by significant shifts in the external or organisational risk context.

2. PROCESS FRAMEWORK

2.1 Internal Environment

The Municipality's internal environment is the foundation of risk management providing discipline and structure. The internal environment influences how strategy and objectives are established, institutional activities are structured, and risks are identified, assessed and acted upon. It influences the design and functioning of control activities, information and communication systems and monitoring activities.

The internal environment comprises many elements including an institution's ethical values, competence and development of personnel, management's operating style and how it assigns authority and responsibility.

The internal environment

- Establishes a philosophy regarding risk management. It recognizes that unexpected as well as expected events may occur. This includes activities like a risk management policy, setting of risk appetite and risk tolerance levels;
- Establishes the institution's risk culture;
- Considers all other aspects of how the institution's actions may affect its risk culture. This typically includes activities such as risk management reporting lines.

2.2 Objective Setting

Objectives must exist before management can identify events potentially, affecting their achievement. Risk management ensures that management has a process in place to both set objectives and align the objectives with the municipality's mission / vision / organisational values and is consistent with the municipality's risk appetite and tolerance levels. The setting of these objectives is usually completed during the "Strategic planning and budgetary process".

2.3 Risk Identification

The purpose of completing a risk identification exercise is to identify, discuss and document the risks facing the institution. Management almost always know what risks the institution is exposed to but they do not always formally record such risks. This necessitated the development of risk identification guidelines to ensure that institutions manage risk effectively and efficiently.

The risk identification is defined as “the process of determining what, where, when, why and how something could happen”. Risk identification is a deliberate and systematic effort to understand and document all of the key risks facing the institution.

The objective of risk identification is to generate a comprehensive list of risks based on those events and circumstances that might enhance, prevent, degrade or delay the achievement of the objectives. This list of risks is then used to guide the analysis, evaluation, treatment and monitoring of key risks.

2.4 Risk Assessment

The risk assessment is a systematic process to understand the nature of risk and determine the level of risk. The risk assessment step aims to develop an understanding of the risk. It provides an input to decisions on whether risk response is necessary and the most appropriate and cost-effective risk response strategies.

The main purpose of risk assessment is to help management to prioritise the identified risks. This enables management to spend more time, effort and resources to manage risks of higher priority than risks with a lower priority.

2.5 Risk response strategy

A key outcome of the risk identification and evaluation process is a detailed list of all key risks including those that require treatment as determined by the overall level of the risk against the institution’s risk tolerance levels. However, not all risks will require treatment as some may be accepted by the institution and only require occasional monitoring throughout the period.

All key risk identified should be responded to however not all these risk will require treatment. The risks that fall outside of the institution’s risk tolerance levels are those which pose a significant potential impact on the ability of the institution to achieve set objectives and therefore require treatment.

The purpose of responding and treating risks is to minimize or eliminate the potential impact the risk may pose to the achievement of set objectives.

Risk response involves identifying the range of options for responding to risks, assessing these options and the preparation and implementation of response plans.

Risk response may involve a cyclical process of assessing a risk response, deciding that current risk levels are not tolerable, generating new risk response/s, and assessing the effect of that response until a level of risk based on the agreed risk criteria is reached.

2.6 Control activities

The institution can respond to risk through various mechanisms such as avoidance, transfer, accepting and managing of the risk. When the institution elects to manage the risk, it will require control activities to support the management of the risk to within tolerable levels.

The risk assessment will have produced a management's perspective of the effectiveness of the existing controls. This would inform management of additional control interventions required to better manage the risk exposures to an acceptable level. Management will be able to consider the best control options from various alternative control types.

- Management controls

  These ensure that the institutions structure and systems support the policies, plans and objectives and operate within laws and regulations;

- Administrative controls

  These ensure that policies and objectives are delivered in an efficient and effective manner and that losses are minimised.

- Accounting controls

  These ensure that resources allocated are accounted for fully and transparently and are properly documented.

- Information Technology controls

  These controls relate to IT systems and include access control, controls of system software programmes, business continuity controls and other controls.

Each control type above can be classified as either:

- Preventative controls

  These controls are designed to discourage errors or irregularities from occurring e.g. adequate physical security of assets to prevent losses such as theft or damage. If properly enforced, these controls are usually the most effective type of controls;

- Detective controls

  These controls are designed to find errors or irregularities after they have occurred e.g. performance of reconciliation procedures to identify errors.

- Corrective controls

These controls usually operate together with detective controls in order to correct identified errors or irregularities.

2.7 Information and Communication

Relevant information, properly and timeously communicated to relevant stakeholders, is essential in order to equip such stakeholders to identify, assess and respond to risks.

This may include implementing a risk management reporting system, incident reporting system and emergency risk warning system.

2.8 Monitoring

Risk management should be regularly monitored – a process that assesses both the presence and functioning of its components and the quality of their performance over time. Monitoring can be done in two ways:

- Through ongoing activities, or
- Separate evaluations

This will ensure that risk management continues to be applied at all levels and across the institution.

3. DRIVERS OF RISK MANAGEMENT

3.1 Risk management as a service delivery imperative

Risk management benefits the institution by underpinning and bolstering institutional performance through:

- More efficient, reliable and cost-effective delivery of services
- More reliable decisions
- Innovation
- Minimised waste and fraud
- Better value for money through more efficient use of resources
- Improved project and programme management, which provide better outputs and outcomes.

3.2 Legal Framework

Municipal Entity:

- The Municipal Finance Management Act (Act 56 of 2003)(MFMA);

- Municipal Structures Act (Act 117 of 1998); and
- Municipal Systems Act (Act 32 of 2000).

3.3 Accounting Officer

3.3.1 Section 62(1)(c)(i) of the Municipal Finance Management Act (Act 56 of 2003)(MFMA)

Section 62(1)(c)(i of the MFMA requires that;

"The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all responsible steps to ensure-

I that the entity has and maintains effective, efficient and transparent systems-

- *(i) of financial and risk management and internal control"*

3.4 Management, Other Personnel, Chief Risk Officer, Risk Champions

3.4.1 Section 78 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA)

The extension of general responsibilities in terms of Section 78 of the MFMA to other officials of municipal entities implies that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

3.5 Internal Auditors

3.5.1 Section 165(2) (a),(b)(iv) of the Municipal Finance Management Act (Act 56 of 2003) (MFMA)

Section 165(2)(a), (b)(iv) of the MFMA requires that:

"(2) The internal audit unit of a municipality or municipal entity must

(a) prepare a risk-based audit plan and an internal audit program for each financial year;

(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to;

- *(iv) risk and risk management"*

3.5.2 Section 2110 – Risk Management of the International standards for the Professional Practice of Internal Auditing

Section 2110 – Risk Management of the International standards for the Professional Practice of Internal Auditing states:

"The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of risk management and control systems

2110 A1 – The internal audit activity should monitor and evaluate the effectiveness of the organisation's risk management system

2001 A2 – The internal audit activity should evaluate risk exposures relating to the organisation's governance, operations, and information systems regarding the;

- *Reliability an integrity of financial and operational information;*
- *Effectiveness and efficiency of operations;*
- *Safeguarding of assets;*
- *Compliance with laws, regulations, and contracts*

2110 C1 – During consulting engagements, internal auditors should address risk consistent with the engagement's objectives and be alert to the existence of other significant risks.

2110 C2 – Internal Auditors should incorporate knowledge of risks gained from consulting engagements into the process of identifying and evaluating significant risk exposures of the organisation."

3.6 Audit Committee

3.6.1 Section 166(2)(a)(ii) of the Municipal Finance Management Act (Act 56 of 2003) (MFMA)

Section 166(2)(a)(ii) of the MFMA states:

"(2) An audit committee is an independent advisory body which must-

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and management staff of the municipal entity, on matters relating to-

- *(ii) Risk management"*

3.7 Corporate governance guidelines

Municipalities are encouraged to adhere to the principles espoused in the King Reports on corporate Governance given its promotion of an advanced level of institutional conduct. King Reports discusses the following risk management principles, which could be of value to the institution:

- Introduction and definition of risk management;
- Responsibility for risk management;
- Assimilating risk to the control environment; and
- Application of risk management.

Similarly, the principles of Batho Pele clearly articulate the need for prudent risk management to underpin government objectives. Batho Pele strives to instil a culture of accountability and caring by public servants. Further objectives of Batho Pele include supporting the government's governance responsibilities, improving results through more informed decision-making, strengthening accountability and enhancing stewardship and transparency, all of which resonate well with the principles of risk management.

4. ENABLERS OF RISK MANAGEMENT

5. RISK MANAGEMENT STRATEGY

The risk management strategy guides the institution on how to implement its risk management policy.

The strategy should articulate a high-level plan of action to improve the institutions risk profile. A Risk Management Implementation Plan informed by the institutions most recent risk profile should supplement the risk management strategy.

5.1 Developing a risk management strategy

There is one main output from this particular task. It is a document that describes how ongoing risk management will work in the institution.

The risk management strategy should consider the following five main elements:

- Structural configuration

  This element describes how the institution will be structured in terms of committees and reporting lines to give effect to the risk management policy

- Accountability, roles and responsibilities

  This element describes the authority and delegation of responsibilities to give effect to the risk management policy.

- Risk management activities

  This element includes the risk assessment of whether or not key milestones are achieved. More importantly it is also monitoring whether the risk management strategy is producing the sustainable outcomes as originally envisaged

- Assurance activities

  This element considers all assurance providers available to the institution and integration of their scope of responsibility.

The risk management strategy should include a risk management implementation plan, in the form of a project plan and record the tasks, names of responsible persons and target dates.

Documenting the risk management implementation plan also overcomes problems with changes in personnel and is a good way of creating risk awareness and promoting a culture of risk management.

5.1.1 Developing a risk management implementation plan

The following steps need to be taken when developing the risk management implementation plan:

- Determine the risk management activities to be performed taking into account the risk profile and related costs versus the benefits
- Resourcing requirements

  This element describes the capacity and competence of personnel and the strategy to address capacity gaps. It also addresses the technology and funding requirements to give effect tot the risk management strategy
- Determine the sequence of activities and the target implementation dates

  The competition for management attention and resources requires that the sequence of activities should be founded on the principles of urgency, quick wins and sustainability of implemented risk mitigation strategies
- Assign ownership for and communicate risk management activities
- Agree on frequency and format of reporting

5.1.2 Fraud Risk Management Policy and Strategy

A Fraud Prevention Plan represents an important component of the institution's overall risk management strategy and must be addressed by means of a Fraud Risk Management Policy and Fraud Risk Management Strategy

5.2 Basic requirements for effective ERM implementation

The effectiveness of ERM is strongly correlated with the investment of the required resources and application of specialist expertise. Listed below are the required resources:

- Competent people;
- Information, tools and technology;
- Funding for ERM

These fundamental requirements are discussed in more detail in the paragraphs below.

5.2.1 Competent personnel

ERM is affected by various people, sometimes as members of committees, who perform distinctive roles and undertake specific responsibilities. The fact that all people involved in the ERM process must be competent, willing and have the necessary capacity to perform such roles cannot be overemphasised as the vast majority of ERM failures can be attributed to the failure of people rather than the failure of modality.

5.2.2 Organisational structure

The challenge for the institution is to set up appropriate internal structures and delegate roles and responsibilities in such a way that the individual contributions of all role players in terms of risk management can converge in a systematic and coordinated manner. The organisational structure must facilitate efficient reporting relationships and flow of information between these parties.

5.2.3 Role players and responsibilities

ERM is most effective when performance expectations are clearly defined, communicated and integrated into performance agreements, and the responsible persons perform to these expectations.

The people responsible for ERM can be categorised into three distinct categories, namely implementers, support and oversight.

6. IMPLEMENTORS

6.1 Accounting Authority / Officer

The Accounting Authority / Officer are ultimately responsible for risk management within the institution. The Accounting Authority / Officer approve the risk management policy and strategy for the institution and provide leadership and guidance for their implementation. The Accounting Authority / Officer are accountable to the Executive Authority regarding the effectiveness of the risk management process.

5.2 Management

Management owns the risks, thus taking ownership for management of institutional risks.

Management is accountable to the Accounting Authority / Officer to integrate the principles of risk management into their daily routines to enhance the achievement of their service delivery objectives.

5.3 Other personnel

Other personnel are accountable to line management to integrate the principles of risk management into their daily routines to enhance the achievement of their functional objectives.

7. SUPPORT

6.1 Chief Risk Officer (CRO)

The CRO provides specialist expertise in providing a comprehensive support service to ensure systematic, uniform and effective enterprise risk management. The CRO plays a vital communication link between operational level management, senior management, risk management committee and other relevant committees. The CRO is thus the custodian of the ERM framework, the co-ordinator of the risk management throughout the institution and the institutional advisor on all risk management matters.

6.2 Risk Champions

A Risk Champion is usually an existing member of the senior management corps within the institution. Risk Champions support the risk management process in specific allocated areas or functions.

A Risk Champion has sufficient authority to drive ERM as required by the institutions risk management policy and strategy. A key part of the Risk Champions responsibility involves escalating instances where the risk management efforts are stifled, such as when individuals try to block ERM initiatives.

The Risk Champion also adds value to the risk management process by providing guidance and support to manage problematic risks and risks of a transversal nature.

8. OVERSIGHT

8.1.1 Parliamentary Oversight Structures

Parliamentary Oversight Structures are responsible for overseeing the complete spectrum of governance within an institution. This responsibility would therefore also include an interest in the effectiveness of the process of risk management within the institution.

8.1.2 Auditor-General

The auditor-General is responsible for providing an opinion on:

- The reasonability of the financial statements of the institution;

- Compliance with applicable legislation

In addition, the Auditor-General is required to highlight weaknesses or deficiencies in the performance reporting of the institution. In providing an opinion on compliance with legislation the Auditor-General will provide independent assurance on the effectiveness of the risk management activities of the institution.

8.1.3 National & Provincial Treasury

National & provincial Treasury have specific duties in terms of the MFMA to monitor and assess the systems of risk management in municipal Entities, assist with building risk management, capacity in Municipal Entities and to enforce the PFMA (by implementing the specific prescripts therein pertaining to risk management) in Municipal Entities.

8.1.4 Audit committee

The Audit Committee is responsible for assisting the Accounting Officer in addressing its oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management.

8.1.5 Risk Management Committee

The Risk Management Committee is responsible for oversight of the quality, integrity and reliability of the institutions risk management processes and risk responses. An important part of the Committees mandate is to provide recommendations to the Accounting Officer to continuously improve the management of specific risks as well as the overall process of risk management.

8.1.6 Executive Authority

The Executive Authority is accountable to Council in terms of the achievement of the goals and objectives of the institution. In this context the Executive Authority should take an interest in ERM to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the institution.

8.1.7 Internal Auditors

Internal Auditors are responsible for providing independent assurance on the effectiveness of risk management in the institution. This involves providing assurance that all material risks have been identified and assessed and that control systems implemented to treat such risks are both adequate and effective

9. EVALUATION OF ERM

Evaluation of the effectiveness of the ERM is vital to ensure that benefits of implementing ERM are realised. Often ERM initiatives fail to add value because of the absence of pre-determined goals and targets and/or the lack of appropriate monitoring.

The value of risk management is evaluated by measuring performance against pre-set goals, objectives and key performance indicators which are aligned to the overall goals and objectives of the institution.

10. CONTINUOUS IMPROVEMENT

Risk management, like any business activity should be continuously improved. This means that the institution will always strive to move from its current level of risk maturity to a more mature level of risk maturity. This maturity can include improvements in risk governance, risk identification, risk assessment, risk monitoring and risk optimisation.

11. REVIEW OF RISK POLICY

The Committee shall review the risk policy and recommend to Council for approval any amendments that may be required.

E344-11/2025

PROPOSED AMENDMENTS: OVERTIME POLICY: EMPLOYEES

File Number: 4/B

Report By: MEIRINGG

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution CG47-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That proposed amendments to the Overtime Policy for Employees be accepted by Council and implemented with effect from the 1st of the month following Council's approval."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The Overtime Policy for Employees has been reviewed to ensure compliance with legislation and to include recommendations recently made by Executive Management.

DISCUSSION AND MOTIVATION

Workshops with Trade Unions were held on 5 March 2025 and 26 May 2025. Inputs received from Trade Unions are indicated in green. Trade Unions were provided with additional time after the workshops for further written inputs. No further inputs were received.

Red parts on attachment indicates proposed deletions and blue indicates additions or amendments.

The part in purple (Clause 6.3 – 6.5) confirms Local Labour Forum resolution to extend the one month to take overtime earned, to twelve months.

The Local Labour Forum resolved per L42-06/2025:

1. That the Local Labour Forum (Employer and Labour Component) agrees to increase the period by which employees must take overtime, from one (1) to twelve (12) months. Thus, an employer must grant paid time off within twelve (12) months of the employee becoming entitled to it.

2. That the relevant Clauses to the Overtime Policy be amended accordingly.

3. That the 12-month-period to take overtime earned, shall come into effect on 1 July 2025.

4. That employees shall have 12 months to take overtime earned up until 30 June 2025.

Executive Management resolved per POL191-06/2025:

"1. That the proposed amendments to the Overtime Policy be approved, excluding inputs for Clause 8.11.

2. That Executive Management be provided with further clarity on inputs made by the Unions for clause 8.11 of the Overtime Policy, before being referred to the Local Labour Forum for acceptance and to Council for approval and implementation from a date to be determined by the Local Labour Forum."

Executive Management further resolved per POL332-07/2025:

"That the information submitted by the Human Resources Department to clarify inputs received from the Trade Unions on clause 8.11 be noted and the inputs of the Trade Unions accordingly be accepted."

Amendments to the Overtime Policy was accepted by the Local Labour Forum held on 23 October 2025 per Resolution L69-09/2025 after the following amendment (in bold italics) to clause 3.6 was agreed upon:

"The Municipality will provide employees performing an emergency function with financial assistance to enable him/her to buy a meal limited to an amount as determined by the Municipal Manager (or his/her Nominee) when an employee is expected to work overtime during an unplanned situation and when such overtime work continues for more than three hours on an ordinary working day or for more than five hours, ***and for every uninterrupted period of 5 hours thereafter***, on a weekend or public holiday, provided that the Saturday / Sunday / public holiday is not part of his / her ordinary working hours."

Attendance registers attached as annexure.

RELEVANT LEGISLATION

Basic Conditions of Employment Act

Conditions of Services Collective Agreement for the Western Cape

RECOMMENDATION

That the following recommendation be made to Council:

That proposed amendments to the Overtime Policy for Employees be accepted by Council and implemented with effect from the 1st of the month following Council's approval."

NOTE:

Please consult the complete annexures as attached to the agenda for the Corporate and Governance Services Committee Meeting which was held on 12 November 2025 (Item CG47-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That proposed amendments to the Overtime Policy for Employees be accepted by Council and implemented with effect from the 1st of the month following Council's approval.

E345-11/2025
PROPOSED AMENDMENTS: PROBATION POLICY

File Number:

Report By: BOUWERN

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution CG49-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That proposed amendments to the Probation Policy be approved by Council for implementation effective from the 1st of the month following Council's approval."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"Policies must be reviewed on a regular basis to ensure validity and alignment with legislation as well as other related Policies and procedures. The current Probation Policy was approved by Council on 31 October 2024 and implemented with effect from 1 November 2024.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

As per COR166-06/2025, it was resolved by Executive Management that the proposed amendments to the Probation Policy be accepted, and a workshop be held with the Trade Unions.

A workshop was held with the Trade Unions on 15 July 2025. No input or proposed amendments were provided by the Trade Unions.

As per L68-09/2025, it was resolved by the Local Labour Forum that the proposed amendments to the Probation Policy be accepted and referred to Council for approval.

RECOMMENDATION

That the following recommendation be made to Council:

That proposed amendments to the Probation Policy be approved by Council for implementation effective from the 1st of the month following Council's approval."

NOTE:

Please consult the complete annexures as attached to the agenda for the Corporate and Governance Services Committee Meeting which was held on 12 November 2025 (Item CG49-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That proposed amendments to the Probation Policy be approved by Council for implementation effective from the 1st of the month following Council's approval.

E346-11/2025

MOSSEL BAY MUNICIPALITY: HUMAN RESOURCES MANAGEMENT STRATEGY: PROPOSED AMENDMENTS

File Number:

Report By: G Meiring

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution CG50-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That the Human Resources Management Strategy be approved by Council and implemented with effect from the 1st of the month following Council's approval."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The Mossel Bay Municipality: Human Resources Management (HRM) Strategy must be reviewed annually to ensure that:

1. The HRM Strategy is aligned to relevant legislation, the staff establishment, IDP and Budget for the relevant medium-term revenue and expenditure framework;

2. Action Plans that flow from the HRM Strategy is relevant, monitored and executed;

3. New Action Plans identified in the Risk Register are included in the HRM Strategy; and

4. The Municipality has a plan for recruitment, retention and development of staff within the available budget for the MTREF period.

DISCUSSION AND MOTIVATION

The proposed amendments were workshopped with the Trade Unions on 21 May 2025. Inputs received from the Trade Unions that attended the workshop are as follow:

Page 11, point 2.3.1, Weaknesses: Inability to effectively implement change management.

Imatu requested that the sentence remain as a stated weakness, noting that change management has not yet been effectively implemented, as the process is still in its developmental stage.

Page 12, Strengths: Good labour relations

Imatu indicated that Good Labour Relations should be reclassified under Weaknesses.

Page 12, Threats : Staff have negative view of the HR department

Imatu and Samwu indicated that this sentence should be rephrased to reflect that staff hold a negative perception of certain Sections or functions within the HR department.

Page 12, Threats: Over dependency on HR staff due to lack of understanding and knowledge of HR related Policies and legislation.

Samwu indicated that it is no longer applicable.

Page 22, 24 & 25: Trade unions requested that N Jende be removed since the position is currently vacant.

N Jende was removed and replaced by HR Practitioner: Skills Development.

The HRM Strategy served before Executive Management with input as received from the Trade Unions. Taking into consideration the input from Trade Unions, Executive Management resolved per POL215-06/2025 as follows:

1. That "Inability to effectively implement change management" remain a weakness until implemented and the input of Trade Unions be accepted.

2. That Good Labour Relations not be classified as a Weaknesses because it is a strength for the Municipality and the inputs from Trade Unions not be accepted.

3. That the inputs of Trade Union "Staff hold a negative perception of certain Section or functions within the HR Department" be accepted.

4. That the name "N Jende" be replaced with the position HR Practitioner: Skills development.

3. That the Human Resources Management Strategy be submitted to the Local Labour Forum.

Proposed amendments to the Human Resources Management Strategy were discussed during the Local Labour Forum meeting held on 23 October 2025 and accepted per Resolution L67-09/2025 subject to an amendment to paragraph 2.3.1 indicated in ***purple bold italics*** on attachment.

Changes in red and blue are proposed additions and omissions. Changes made in green are proposed amendments from the Trade Unions.

RECOMMENDATION

That the following recommendation be made to Council:

That the HRM Strategy be approved by Council and implemented with effect from the 1st of the month following Council's approval."

NOTE:

Please consult the complete annexures as attached to the agenda for the Corporate and Governance Services Committee Meeting which was held on 12 November 2025 (Item CG50-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That the HRM Strategy be approved by Council and implemented with effect from the 1st of the month following Council's approval.

E347-11/2025

REVISION: EMPLOYEE STUDY AID

File Number:

Report By: ZNCAPHA

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution CG51-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That the Council approves the proposed amendments of the Revised Employee Study Aid Policy and for implementation on the 1st day of the month, following Council's approval."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"Policies must be reviewed on a regular basis to ensure compliance with legislation and internal processes. Proposed amendments were submitted to the Local Labour Forum and accepted per Resolution L77-10/2025 dated 23 October 2025.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

During the meeting held on 16 September 2024 as per COR296-09/2024, Executive Management resolved as follows:

1. That cognisance is taken that Executive Management scrutinized and discussed the proposed amendments to the revised Employee Study Aid Policy.

2. That the name of the Employee Study Aid Policy is changed to Internal Study Bursary Policy.

3. That Human Resources, Training & Skills Development Section arranges a workshop with the Trade Unions, after which Trade Unions will have 5 working days to submit their input.

4. That any proposed amendments be referred to the Executive Management for consideration, thereafter, LLF for acceptance and to Council for approval.

The workshop with the Trade Unions was held on 9 October 2024 to discuss the proposed amendments to Internal Employee Study Aid Policy and Trade Unions were provided five working days after the workshop to submit their inputs.

Below are the proposed changes highlighted during the workshop:

- The Policy definition be included
- Clause 5.2 General Conditions
  "The level of study aid is based on the relevance of the course to the applicant's current work at the Municipality, and on a balanced assessment of competing demands to invest available funds in other employees or in other forms of training and development. This assessment is made by the ***Executive Management Committee in consultation with Education, Training & Development Committee*** set up for this purpose, and level of support may be any amount up to 100% of the relevant course-related fees.

The proposed amendments from the workshop held with Trade Unions referred to Executive Management for further discussion and consideration. Executive Management Meeting held on 11 November 2024 resolved as follows as per COR373-11/2024:

1. That Executive Management takes cognisance of the workshop arranged with Trade Unions on 9 October 2024 to discuss the proposed amendments to the Internal Employee Study Aid Policy and that Trade Unions were provided five working days to submit their inputs.

2. That Executive Management scrutinized and discussed the proposed amendments to the revised Employee Study Aid Policy for possible revision, amendments, and improvement of the Policy.

3. That Executive Management agreed with the inputs provided by the Trade Unions.

4. That the Employee Study Aid Policy be referred to the LLF for acceptance and to Council for approval.

Attached hereto as annexure please find the Employee Study Aid Policy with proposed amendments which are indicated in ***bold italics format*** and the attendance register of the workshop on 9 October 2024**.**

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Skills Development Act 97 of 1998.

Skills Development Levies Act 9 of 1999.

Employee Study Aid Policy of Mossel Bay Municipality.

RECOMMENDATION

That the following recommendation be made to Council:

That the Council approves the proposed amendments of the Revised Employee Study Aid Policy and for implementation on the 1st day of the month, following Council's approval."

NOTE:

Please consult the complete annexures as attached to the agenda for the Corporate and Governance Services Committee Meeting which was held on 12 November 2025 (Item CG51-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That the Council approves the proposed amendments of the Revised Employee Study Aid Policy and for implementation on the 1st day of the month, following Council's approval.

E348-11/2025

WATER SERVICES DEVELOPMENT PLAN 2022-2027: EXECUTIVE SUMMARY

File Number:

Report By: LOUWE

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution T60-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That the Draft Water Services Development plan as compiled by IX Engineers be accepted.

2. That the plan be advertised for public comments and any changes to the plan after the Public Participation Process be referred to Council for final approval."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"Every Water Services Authority (WSA) has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.

Sections 12 and 13 of the Water Services Act (Act No 108 of 1997) place a duty on WSAs to prepare and maintain a WSDP, as part of the process of preparing an IDP. The DWS has

developed a new set of WSDP guidelines to assist WSAs with the WSDP process and to provide a framework for the capturing of the data.

The topics included in the guidelines and addressed in detail in Mossel Bay Municipality's WSDP are as follows:

- Settlements and Demographics
- Service Levels
- Water Services Asset Management
- Water Services Operation and Management
- Conservation and Demand Management
- Water Resources
- Financial
- Institutional Arrangements and Customer Care

The primary instrument of planning in the water services sector is the WSDP. The following principles apply to the WSDP:

- All WSAs must develop a WSDP.
- A new plan must be developed every five years, and the plan should be updated as necessary and appropriate in the interim years.
- The WSDP must be integrated with the IDP of the Municipality, as required in terms of the Municipal Systems Act.
- The WSDP must integrate water supply planning with sanitation planning.
- The WSDP must integrate technical planning with social, institutional, financial and environmental planning. The planning of capital expenditures must also be integrated with the associated operation and maintenance requirements and expenditures.
- The WSDP must be informed by the business plans developed by water services providers and with the plans of any regional water services providers, as relevant.
- The plan must consider the impact of HIV/Aids on future water demand.
- The WSDP must integrate with the catchment management strategy.
- The planning process must consider the views of all important stakeholders, including communities, through a consultative and participatory process. Every effort must be made to ensure the adequate and meaningful participation of women in consultation forums.
- The draft plan must be made available for public and stakeholder comment and all comments made must be considered when preparing the final plan.
- The contents of the WSDP must be communicated to all important stakeholders, including the DWS.
- A WSA must report annually and in a public way on progress in implementing the plan (Annual WSDP Performance- and Water Services Audit Report).

The purpose of this report is to provide relevant and summarised WSDP inputs for incorporation into Mossel Bay Municipality's IDP process and is structured as follows:

Section A: Status Quo Overview: Provides a summarised overview of the water services status quo in terms of the water services functional business elements as aligned to the WSDP framework.

Section B: State of Water Services Planning: Presents the status of- and references the water services planning within Mossel Bay Municipality.

Section C: Water Services Existing Needs Perspective: Gives an overview of Mossel Bay Municipality's assessment and interpretation of its water services, with specific focus on problem definition statements.

Section D: Water Services Objectives and Strategies: Outlines the 5-year water services objectives and strategies as developed through the WSDP process for incorporation in terms of the IDP and aligned to the water services functional business elements.

Section E: Water Services MTEF Projects: The agreed water services projects for the medium-term expenditure framework and inclusive of funding sources.

Section F: WSDP Projects: Presents the projects identified during the WSDP process to meet the water services strategies of Mossel Bay Municipality, as aligned to the outflow from the situation analysis per water services business element.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

None.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Water Services Act (Act No 108 of 1997).

RECOMMENDATION

That the following recommendation be made to Council:

1. That the Draft Water Services Development plan as compiled by IX Engineers be accepted.

2. That the plan be advertised for public comments and any changes to the plan after the Public Participation Process be referred to Council for final approval."

NOTE:

Please consult the complete annexures as attached to the agenda for the Infrastructure Services Committee Meeting which was held on 12 November 2025 (Item T60-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That the Draft Water Services Development plan as compiled by IX Engineers be accepted.

2. That the plan be advertised for public comments and any changes to the plan after the Public Participation Process be referred to Council for final approval.

E349-11/2025

ANNUAL WATER SERVICES DEVELOPMENT PERFORMANCE PLAN & WATER SERVICES AUDIT REPORT: 2024/25

File Number:

Report By: LOUWE

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution T61-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That cognisance be taken of the Water Services Development Performance Plan and the Water Services Audit Report for the 2024/25 financial year."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"Mossel Bay Municipality is required in terms of Section 18 of the Water Services Act, 1997 (Act No.108 of 1997), as well as the "Regulations relating to compulsory national standards and measures to conserve water", as issued in terms of Sections 9(1) and 73(1)(j) of the Water Services Act, to report on the implementation of its WSDP during each financial year and to include a water services audit in such an annual report.

Section 62 of the Water Services Act requires the Minister to monitor every WSI to ensure compliance with the prescribed national standards. This regulation requires a WSA to complete and submit a WSDP Performance- and Water Services Audit every financial year.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The WSDP Performance- and Water Services Audit is designed to monitor the compliance of the WSA and other WSIs with these regulations. The Water Services Act allows the audit to be used as a tool to compare actual performance of the WSA against the targets and indicators set in their WSDP. The purpose of the water services audit is as follows:

- To monitor compliance with the Act and these regulations.
- To compare actual performance against targets contained in the WSDPs.
- To identify possibilities for improving water conservation and water demand management.

The WSDP Performance- and Water Services Audit Report will give an overview of the implementation of the Municipality's previous WSDP, for the 2024/2025 financial year, and can be seen as an annexure to Mossel Bay Municipality's Annual Report. The Annual Report is compiled as required by the Local Government: Municipal Systems Act, Act no 32 of 2000 (Section 46) and the Local Government: Municipal Finance Management Act, Act no 56 of 2003 (Section 121).

The WSDP Performance- and Water Services Audit Report contains the following detailed information:

- The Municipality's performance regarding their KPIs for water and sewerage services for the 2024/2025 financial year, as included in the Municipality's SDBIP.

- The Municipality's Performance regarding DWS's Blue-, Green- and No Drop Assessments. Blue drop status is awarded to those water schemes that comply with 95% criteria on drinking water quality management. Green drop status is awarded to those WWTWs that comply with 90% criteria on key selected indicators on wastewater quality management. No drop status is awarded to those WSAs that comply with 90% criteria to water use efficiency (Acceptable performance in water demand management in the Municipal sector).

- DWS's Scorecard for assessing the potential for WC/WDM efforts in the Municipality.
- Information to be included in a WSDP Performance- and Water Services Audit as stipulated in regulations under Section 9 of the Water Services Act, "Guidelines for Compulsory National Standards" and required by DWS's 2014 WSDP Performance- and Water Services Audit Report guidelines.

- Information on the implementation of the various WSDP activities, as included under the WSDP Business Elements in DWS's WSDP guidelines.

The Revised Compulsory National Water and Sanitation Standards, as published in Government Gazette No.52814 of 6 June 2025, include the following Water Services Audit, as a component in the WSDP, requirements (Section 26):

26 (1) A Water Services Institution must include a water services audit on its annual report on the implementation of its WSDP required in terms of Section 18(1) and (2)(a) of the Act, which must also be submitted to the department, using the WSDP platform at , on an annual www.ws.dws.gov.za/wsdp.aspxbasis, within four months after the end of each Municipal financial year.

(2) A Water Services audit must access compliance to these compulsory Standards and must as a minimum, contain the following details:

(a) The quantity of water services provided which must include at least-
(i) the quantity of water used by each user sector.
(ii) the quantity of water provided to the Water Services Institution by another Water Services Institution.
(iii) the quantity of wastewater received at sewage treatment works.
(iv) the quantity of wastewater not discharged to wastewater treatment works and approved for use by the Water Services Institution.
(v) the quantity of faecal sludge received at faecal sludge treatment works and beneficiated.
(vi) the quantity of faecal sludge disposed and the coordinates on the disposal site.

(b) The levels of services rendered which must include at least-
(i) the number of user connections in each user sector.

(ii) the number of households provided with water through communal water services works.
(iii) the number of consumers connected to a water reticulation system where pressures rise above 90m at the consumer connection.
(iv) the number of households provided with sanitation services through consumer
installations connected to the sewerage system.
(v) the number of households with access to basic sanitation services.
(vi) the number of new water supply connections.
(vii) the number of new sanitation connections.
(viii) the number of on-site sanitation systems in each user sector.
(ix) the number of households provided with onsite sanitation through communal facilities.
(x) the type of on-site sanitation systems.
(xi) the number of new onsite sanitation systems provided.
(xii) the number of sanitation systems with full containments (tanks or pits).

(c) The numbers provided in compliance with sub-regulation (2) (b) must be expressed as a percentage of the total number of connections or households.
(d) A record of all water measuring devices installed (including Bulk, Zonal, District, and Consumer meters) and water measuring devices tested must include at least-
(i) the number of new measuring devices installed.
(ii) the number of measuring devices tested (in-situ-verification).
(iii) the number of measuring devices replaced expressed as a percentage of the total number of meters installed on an annual basis.

(e) The water quality sampling programme required under regulation 5 (4), the results of the comparison set out in regulation 5 (5) and any non-compliance reported as required under regulation 5 (6).

(f) Water conservation and water demand management must include at least-
(i) the results of the water balance as set out in regulation 17.
(ii) the total quantity of water losses and non-revenue water.
(iii) the demand management activities undertaken.
(iv) measures implemented to reduce water losses and non-revenue water.
(v) the progress made in the installation of water efficient devices; and
(vi) performance measured against key performance indicators.

(g) A Water Services Institution's compliance status to regulation 20 (2) and 20 (3) and progress of implementation toward achieving compliance.

(h) The integrated response plan to mitigate the adverse impact of electricity supply on critical water services infrastructure.

(i) Evaluation of efficacy of measures implemented to address risk findings from the annual condition assessment and three-yearly process audits as required for water treatment works and the water supply network (sub-regulation 22) and the wastewater system (sub-regulation 23).

(j) A Water Services Institution must provide evidence of the operations and maintenance expenditure per annum which must be measured in relation to the original budget contemplated in regulation 24 (2).

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

None.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Section 9 of the Water Services Act, 1997 (108 of 1997).

RECOMMENDATION

That the following recommendation be made to Council:

That cognisance be taken of the Water Services Development Performance Plan and the Water Services Audit Report for the 2024/25 financial year."

NOTE:

Please consult the complete annexures as attached to the agenda for the Infrastructure Services Committee Meeting which was held on 12 November 2025 (Item T61-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That cognisance be taken of the Water Services Development Performance Plan and the Water Services Audit Report for the 2024/25 financial year.

E350-11/2025
ELECTRICITY WHEELING POLICY

File Number:

Report By: OLIVIERM

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution T62-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That Council approves the Electricity Wheeling Policy, dated October 2025."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"Municipalities are receiving an increasing number of requests to wheel electricity across the distribution grid, where either or both of the generation facility and the customer premises is

located within a Municipality jurisdiction. It is important that Municipalities develop wheeling guidelines and processes, in order to consistently deal with these applications.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The proposed Electricity Wheeling Policy for Mossel Bay Municipality is based on a Policy template developed by workstreams of NECOM (National Energy Crisis Committee). Sustainable Energy Africa (SEA) were appointed to develop a training course that was presented to AMEU (Association of Municipal Electricity Utilities) members and other interested parties in the Energy Sector, including Eskom. Many Municipalities in South Africa will therefore base their wheeling Policies on this template.

Important reasons for Municipalities to develop wheeling guidelines and processes:

- Regulatory compliance:
  - To align with the Regulatory Rules on Network Charges for Third-Party Wheeling of Energy, v01, 03 March 2025. Distribution licensees are obligated to provide non-discriminatory access to their electricity grids and must facilitate electricity wheeling.
- Economic benefits:
  - Wheeling enables private sector investment in electricity generation capacity which can contribute to ending loadshedding.
  - Wheeling enables customers to procure clean energy to decarbonise their electricity supply and meet their climate targets.

Wheeling allows customers to sign long-term power purchase agreements which gives price certainty on electricity costs.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The Policy allows for wheeling tariffs that must be at least surplus (lost revenue – cost savings) neutral for the Municipality. Any additional charges for wheeling added by Eskom to the Municipality's account will be for the offtaker's account.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Electricity Regulation Act. (Act.no.4 of 2006).

RECOMMENDATION

That the following recommendation be made to Council:

That Council approves the Electricity Wheeling Policy, dated October 2025."

NOTE:

Please consult the complete annexures as attached to the agenda for the Infrastructure Services Committee Meeting which was held on 12 November 2025 (Item T62-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That Council approves the Electricity Wheeling Policy, dated October 2025.

E351-11/2025
WATER & SANITATION POLICY

File Number:

Report By: LOUWE

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution T63-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

That Council approves the Water and Sanitation Services Policy."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"Water and Sanitation Services Policy is a framework for providing access to water and sanitation services, based on South Africa's constitutional right to water and a healthy environment.

The Department of Water and Sanitation (DWS) is responsible for the development, review, assessment, evaluation, advocacy and alignment of Water Services Policies and legislation and support of the Water Services Authorities (WSAs) to fulfil their Constitutional obligation of provision of Water and Sanitation Services.

DWS initiated a Water Services Policy Advocacy and Alignment project to assist the Water Services Authorities across the entire country to fulfil their mandate with the objective:

1.) to ensure alignment of the Water Services Policies and legislation with the Sector Department's Policies to improve water and sanitation services provision in the country.
2.) to ascertain existence of Water Services Authorities Policies and Bylaw in areas of their jurisdiction.
3.) to assist WSAs to streamline planning frameworks with overarching national Water Services Policies and legislative frameworks.
4.) and to capacitate and provide support for Policy and By-law Development.

After various engagements between DWS and Mossel Bay Municipality the following Water and Sanitation Services Policy have been compiled.

RECOMMENDATION

That the following recommendation be made to Council:

That Council approves the Water and Sanitation Services Policy."

NOTE:

Please consult the complete annexures as attached to the agenda for the Infrastructure Services Committee Meeting which was held on 12 November 2025 (Item T63-11/2025) for more details.

RECOMMENDATION TO COUNCIL

That Council approves the Water and Sanitation Services Policy.

E352-11/2025

GARDEN ROUTE CLUSTER COMMITTEE NOMINATIONS FOR APPROVAL

File Number:

Report By: PURENC

Item Reference Number:

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The Western Cape Health Facility Boards and Committees Act, 2016 provides for the establishment, functions and procedures of Boards established for Hospitals and Committees established for Primary Health Care Facilities, and to provide for matters incidental thereto.

Section 4, 5 and 6 stipulate as follows:

"(4) That Provincial Minister must establish a Committee for –

(a) Every primary health care facility; or
(b) A group of primary health care facilities, determined by the Provincial Minister.

(5) The criteria and process for the clustering of primary health care facilities in the case of a Committee appointed for a group of primary health care facilities may be prescribed by the Provincial Minister.

(6) A Committee is not a juristic person and is not capable of suing or being sued or holding property in its own name."

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Section 6 of the Act stipulates, inter alia, as follows:

"*The Provincial Minister must appoint to a Committee not more than 12 members, including*

(a) one or more Councillor of the Municipal council for the Municipal area in which the primary health care facility is situated, nominated by the Municipal council or a health-related committee of the Municipal council;.

Mossel Bay Municipal area consists of the following three Health Clusters:

Alma/Asla Cluster:
Alma CDC
Asla Clinic
Dana Bay Satelite Clinic
Herbertsdale Satelite Clinic
Brandwaght Satelite Clinic
Brandwaght Mobile Clinic (Ruiterbos and Brandwaght farm area)
Alma Mobile 1 (Vleesbaai/Witteklip/Herbertsdale farm areas)

D'Almeida/Eyethu Cluster:
D'almeida CDC
George Road Clinic (Town area)
Hartenbos Clinic
Eyethu Clinic
Sonskyn Vallei Clinic
Eyethu Mobile Clinic (Hartenbos farm area)

Great Brak Clinic/Friemersheim Clinic Cluster:
Great Brak Clinic
Great Brak Mobile Clinic (Toekoms/Power town/Great Brak & Friemersheim farm areas)
Friemersheim Clinic

Council already appointed Councillors on the various Clinic Committees and Health Forums, but did not nominate Councillors to serve on the Garden Route Cluster Committee. The appointments are as follow:

Hospital Board:
Alderman J Bayman
Alderlady R Ruiters
Councillor A Janse van Rensburg
Councillor L Prins

Mossel Bay Health Forum:
Alderman J Bayman
Alderlady R Ruiters
Councillor A Janse van Rensburg
Councillor L Prins

Eden Health Forum:
Councillor A Janse van Rensburg
Councillor L Prins

Councillors who are nominated to serve on the various Health Clusters, must complete the attached nomination form for submission to the Provincial Minister who will then approve the nominations for appointment on the various clusters.

It will be expected of the nominated Councillors to undergo a three-day training session.

RECOMMENDATION

1. That Council nominates two Councillors for each of the following Health Clusters and that the six nominations be submitted to the Provincial Minister for approval:

   Alma/Asla Cluster:
   Alma CDC
   Asla Clinic
   Dana Bay Satelite Clinic
   Herbertsdale Satelite Clinic
   Brandwaght Satelite Clinic
   Brandwaght Mobile Clinic (Ruiterbos and Brandwaght farm area)
   Alma Mobile 1 (Vleesbaai/Witteklip/Herbertsdale farm areas)

   D'Almeida/Eyethu Cluster:
   D'almeida CDC
   George Road Clinic (Town area)
   Hartenbos Clinic
   Eyethu Clinic
   Sonskyn Vallei Clinic
   Eyethu Mobile Clinic (Hartenbos farm area)

   Great Brak Clinic/Friemersheim Clinic Cluster:
   Great Brak Clinic
   Great Brak Mobile Clinic (Toekoms/Power town/Great Brak & Friemersheim farm areas)
   Friemersheim Clinic

2. That the nominated Councillors sign the attached nomination form for submission to the Provincial Minister who will then approve the nominations for appointment on the various clusters.

3. That the nominated Councillors will undergo a three-day training session.

NOMINATION FORM FOR COMMITTEE MEMBERS IN TERMS OF THE WESTERN CAPE HEALTH FACILITY BOARDS AND COMMITTEES ACT, 2016 (ACT NO. 4 OF 2016) and Regulations (PN 219/2017)

NOMINATION FORM FOR PERSONS REPRESENTING THE COMMUNITY SERVED BY THE PRIMARY HEALTH CARE FACILITY FOR WHICH THE COMMITTEE IS ESTABLISHED

Community Bodies* making a nomination must ensure that the following form is completed and submitted along with the required documentation.

1. For which Committee (primary health care facility or cluster of primary health care facilities) is the nomination made?					
2. Name of Body* making the nomination					
3. Physical or Postal address of Body making the nomination					
4. Full name of the person who is nominated to serve on the Committee					
5. Residential address of nominee (person being nominated)					
6. Is the nominee a member of the nominating Body?		YES		NO	
6.1 If yes:	(a) For what period of time?				
	(b) What position does the nominee hold in the nominating Body?				
6.2 If no:	*Please attach to this nomination form a motivation as to why the* Body *is nominating the candidate*				

7. The signatures of the nominee to indicate that he/she accepts the nomination, and the person making the nomination, must appear in the space provided.

Nominee (Person being nominated):	**Person making the nomination:**
I hereby declare my willingness to serve on the Committee.	(On behalf of the Body specified in (2.))
Print Name:	**Print Name:**
Full Signature:	**Full Signature:**
Date:	**Date:**

8. The following documents must accompany the nomination:

8.1 A copy of the Body who is making the nomination's Constitution or Founding Document**
8.2 A signed copy of the nominee's (i.e. the person being nominated) curriculum vitae.
8.3 A motivation as to why the nominee is being nominated and why he/she will be a suitable Committee member.
8.4 A certified copy of the ID of the nominee must be attached.

Nominees must please take note of the following:

- The Provincial Minister of Health is the authority that appoints Committee members.
- The position of Committee member is a voluntary one with no remuneration attached to it. Members may however be reimbursed by the department for travelling expenses incurred.
- * Body may **not** be a political party but **could be** any organised group that in the opinion of the Minister is sufficiently representative of the interests of the community and could include, amongst others, a clinic committee, health forum, community development forum, non-governmental organisation, community-based organisation, civic or welfare organisation or a body representative of women, children, elderly, disabled people. The Body does not have to be a formally registered non-profit organisation (NPO).
- **Founding Document is any documentary evidence for the existence of the Body, what its objectives are and how it would function.

E353-11/2025

AVAILING SOUWESIA CAMPING AREA DURING THE 2025/2026 HOLIDAY SEASON

File Number:

Report By: NELE

Item Reference Number: 21276291

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to consider availing the Souwesia Camping Area as a temporary day camping area to the public during the 2025/2026 holiday season

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

In terms of Council Resolution E281-10/2024 it was resolved as follows:

1. That the Souwesia Camping Area be availed to the public as a temporary day camping area between the hours of 08:00 to 22:00 from 12 December 2024 until 7 January 2025.

2. That campers will be allowed to overnight on the premises on the following dates: 30 December 2024 to 3 January 2025.

3. That delegated authority be granted to the Municipal Manager to approve the temporary infrastructure and services needed to make points 1 and 2 supra, possible.

It is expected that Mossel Bay will once again receive many holiday makers during the December 2025 / January 2026 season.

As such it is hereby requested that Council again avail the Souwesia Camping Area as a temporary day camping area to the public as follows:

1. That the Souwesia Camping Area be availed to the public as a temporary day camping area between the hours of 08:00 to 22:00 from 12 December 2025 until 9 January 2026.

2. That campers will be allowed to overnight on the premises on the following dates: 29 December 2025 to 2 January 2026.

3. That delegated authority be granted to the Municipal Manager to approve the temporary infrastructure and services needed to make points 1 and 2 supra, possible.

The latter will also relieve the pressure on the Suiderkruis Day Camping area.

COMMENTS FROM FINANCIAL SERVICES

No further comments.

COMMENTS FROM CORPORATE SERVICES

No further comments.

COMMENTS FROM DEVELOPMENT AND PLANNING SERVICES

No further comments.

COMMENTS FROM TECHNICAL SERVICES

No further comments.

COMMENTS FROM LEGAL SERVICES

No further comments.

COMMENTS FROM COMMUNITY SERVICES

No further comments.

COMMENTS FROM COMMUNITY SAFETY SERVICES

No further comments.

COMMENTS FROM MUNICIPAL MANAGER

Supported.

RECOMMENDATION

1. That the Souwesia Camping Area be availed to the public as a temporary day camping area between the hours of 08:00 to 22:00 from 12 December 2025 until 9 January 2026.

2. That campers will be allowed to overnight on the premises on the following dates: 29 December 2025 to 2 January 2026.

3. That delegated authority be granted to the Municipal Manager to approve the temporary infrastructure and services needed to make points 1 and 2 supra, possible.

Outlook

SOUWESIA-KOMITEE: - SEISOEN KAMPERING

From Pamela Koert <pamelakoert@gmail.com>
Date Thu 2025/10/23 06:58
To admin@mosselbay.gov.za <admin@mosselbay.gov.za>; Puren, Colin <Cpuren@mosselbay.gov.za>

VIR WIE DIT MAG AANGAAN:

Geagte Meneer/Dame

Die seisoen is op hande en almal sien uit na kampering op Souwesia-strand.

Soos al die vorige jare is dit die gewoonte om met ingang van die nuwe jaar daar te gaan uitspan. Die voorgestelde datums/tydgleuf is vanaf Maandag 29 Desember 2025 tot en met Vrydag 02 Januarie 2026. Graag wil ons weet of dit u goedkeuring sal wegdra, Dit is 'n totaal van 5 dae soos die 2024/2025-seisoen.

Baie dankie
MAE KOERT (Voorsitter)

Translated from Afrikaans to English

10/29/25, 9.23AM SOUWESIA COMMITTEE-SEASONAL CAMPING-Fillies, Stacey Lee-Outlook

SOUWESIA COMMITTEE-SEASONAL CAMPING

From: Pamela Koert, <pamelakoert@gmail.com

Date:.gov.za Thu 2025/10/23 06:58

To: admin@mosselbay <admin@mosselbay.gov.za; Puren, Colin <Cpuren@mosselbay.gov.za

TO WHOM IT MAY CONCERN

Dear Sir/Madam

The season is on hand and everyone is looking forward to camping at Souwesia Beach.

Like all the previous years it is the habit with entering the new year to go camp there. The proposed dates / time span is from Monday 29 December 2025 up until Friday 2 January 2026. We wish to inquire if this is acceptable to you. It is a total of 5 days as was in the 2024/2025 season.

Thank you

MAE KOERT (Chair)

E354-11/2025

LEASE OF ERF 14099 (MUNICIPAL PROPERTY), SITUATED IN MCKINNERY STREET, MOSSEL BAY (1 007M²) BY MEANS OF THE TENDER PROCESS

File Number: 15/4/15/9;7/2/1/3

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE146-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period.
2. That cognisance be taken of the comment received from Mr K Potgieter, requesting that the property not be leased for a facility that renders services to the community, but be alienated for Business purposes.
3. That the request for amendment of the Tender Conditions, not be supported, as the relevant area has been earmarked by Directorate Planning and Economic Development for social infrastructure.
4. That Council Resolution E207-07/2025, be implemented as follows:

    "1. That approval be granted for the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²), for a period of nine (9) years and eleven (11) months, by means of the Tender Process as prescribed in terms of the Supply Chain Management Regulations and Policy, to be utilised for a facility that renders services to the community, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

    2. That the premises shall only be used for a facility that renders services to the community as provided for in the Mossel Bay Municipality Zoning Scheme By-Law.

    3. That the successful Bidder submit building plans for approval by the Municipality and construct a building on the premises which is suitable for Club purposes and obtain an Occupancy Certificate for the intended purpose within the first thirty-six (36) months of the lease period, failing which the Municipality will have the right to cancel the Lease Agreement with one (1) month's written notice.

    4. That no other buildings or structures may be erected on the property without the prior written approval of the Municipality, and approved building plans for the proposed structures.

5. That the successful Bidder will not sublet the erf or any portion thereof without prior written approval of the Municipality.

6. That the successful Bidder is responsible for the maintenance of the land in good and tidy condition to the satisfaction of the Municipality.

7. That the successful Bidder will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.

8. That the successful Bidder will indemnify the Municipality against any claim including flooding/stormwater overflow which may originate as a result of its use of the property.

9. The Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.

10. That the successful Bidder will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.

11. That the successful Bidder will be responsible for the cost of any necessary Land Use Planning applications, if applicable.

12. That the structures erected on the property will become the property of the Municipality, and the successful Bidder will not have any claims for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.

13. That no rights and/or obligations be vested prior to the final approval by Council and the Lease Agreement being signed by both parties."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is for Council to approve the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²) by means of the Tender Process in terms of the Supply Chain Management Regulations and Policy, to be utilised for a facility that renders services to the community.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

It was resolved under Council Resolution E207-07/2025, dated 31 July 2025, as follows:

"1. That approval be granted for the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²), for a period of nine (9) years and eleven (11) months, by means of the Tender Process, as prescribed in terms of the Supply Chain Management Regulations and Policy, to be utilised for a facility that renders services to the community, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

2. That the premises shall only be used for a facility that renders services to the community as provided for in the Mossel Bay Municipality Zoning Scheme By-Law.

3. *That the successful Bidder submit building plans for approval by the Municipality and construct a building on the premises which is suitable for Club purposes and obtain an Occupancy Certificate for the intended purpose within the first thirty-six (36) months of the lease period, failing which the Municipality will have the right to cancel the Lease Agreement with one (1) month's written notice.*

4. *That no other buildings or structures may be erected on the property without the prior written approval of the Municipality, and approved building plans for the proposed structures.*

5. *That the successful Bidder will not sublet the erf or any portion thereof without prior written approval of the Municipality.*

6. *That the successful Bidder is responsible for the maintenance of the land in good and tidy condition to the satisfaction of the Municipality.*

7. *That the successful Bidder will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.*

8. *That the successful Bidder will indemnify the Municipality against any claim including flooding/stormwater overflow which may originate as a result of its use of the property.*

9. *The Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

10. *That the successful Bidder will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.*

11. *That the successful Bidder will be responsible for the cost of any necessary Land Use Planning Applications, if applicable.*

12. *That the structures erected on the property will become the property of the Municipality, and the successful Bidder will not have any claims for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.*

13. *That the Public Participation Process, as prescribed in the relevant legislation, be followed.*

14. *That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which, it will be accepted that there are no comments, objections or representations.*

15. *That, after completion of the prescribed Public Participation Process, this Item be referred back to the Municipal Manager for further consideration.*

16. *That no rights and/or obligations be vested prior to the final approval by Council and the Lease Agreement being signed by both parties."*

The prescribed Public Participation Process was duly followed and the Council Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period.

A comment was received from Mr Kobus Potgieter, the Owner of kwaNonqaba Pharmacy, requesting that the property not be leased, but alienated for Business purposes.

A copy of the Comment received was annexed as Annexure 'A'.

Feedback on comment received:

The amendment of the Tender conditions is not supported by Directorate Planning and Economic Development due to the fact that social facility land uses cannot compete with business use investment. If the Tender is amended as requested, the reason why the larger area was created for social infrastructure, will probably not be realised as envisaged.

It is therefore proposed that the proposed utilisation not be amended and that Council approves the lease of the property for utilisation as a facility that renders services to the community.

The property is not required for the rendering of the minimum level of basic Municipal services and can therefore be leased.

A copy of the Locality Plan was annexed, marked 'B'.

In terms of Regulation 36 of the Asset Transfer Regulations R878, the Municipal Council must, when considering approval for any proposed granting of the right to use, control or manage a capital asset, take into account:

(a) whether the capital asset will be required for the Municipality's own use during the period for which the right is to be granted;

This portion of the asset is not required for Municipal use.

(b) the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the Municipality;

There will be financial benefit to the Municipality through the rental to be received.

(c) the risks and rewards associated with the use, control or management of the capital asset in relation to the Municipality's interests;

No risks are involved, and the utilisation of the asset will be to the benefit of the community of Mossel Bay.

(d) any comments or representations on the proposed granting of the right received from the local community and other interested persons;

The required Public Participation Process was followed and one (1) comment was received for the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²) by means of the Tender Process.

(e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant Provincial Treasury;

The Municipal Valuer determined the market value of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (1 007m²) at R730 000,00 (VAT inclusive). The market related rental was determined at an amount of R4 600,00 per month (VAT inclusive).

The lease period of the property is less than ten years. Therefore the written views and recommendations of the National Treasury and the relevant Provincial Treasury are not required.

(f) 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

The rental of the property is to the benefit of the local community.

(g) compliance with the legislative regime applicable to the proposed granting of the right.

The application is in compliance with:

The Local Government: Municipal Finance Management Act, No.56 of 2003.

The Local Government: Municipal Finance Management Act, No.56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Assets Management Policy.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The Municipality will gain by receiving rental as well as services fees from the successful Bidder.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003; Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted for the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²), for a period of nine (9) years and eleven (11) months, by means of the Tender Process as prescribed in terms of the Supply Chain Management Regulations and Policy, to be utilised for a facility that renders services to the community, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period.
2. That cognisance be taken of the comment received from Mr K Potgieter, requesting that the property not be leased for a facility that renders services to the community, but be alienated for Business purposes.
3. That the request for amendment of the Tender Conditions, not be supported, as the relevant area has been earmarked by Directorate Planning and Economic Development for social infrastructure.

4. That Council Resolution E207-07/2025, be implemented as follows:

"1. That approval be granted for the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²), for a period of nine (9) years and eleven (11) months, by means of the Tender Process as prescribed in terms of the Supply Chain Management Regulations and Policy, to be utilised for a facility that renders services to the community, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

2. That the premises shall only be used for a facility that renders services to the community as provided for in the Mossel Bay Municipality Zoning Scheme By-Law.

3. That the successful Bidder submit building plans for approval by the Municipality and construct a building on the premises which is suitable for Club purposes and obtain an Occupancy Certificate for the intended purpose within the first thirty-six (36) months of the lease period, failing which the Municipality will have the right to cancel the Lease Agreement with one (1) month's written notice.

4. That no other buildings or structures may be erected on the property without the prior written approval of the Municipality, and approved building plans for the proposed structures.

5. That the successful Bidder will not sublet the erf or any portion thereof without prior written approval of the Municipality.

6. That the successful Bidder is responsible for the maintenance of the land in good and tidy condition to the satisfaction of the Municipality.

7. That the successful Bidder will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.

8. That the successful Bidder will indemnify the Municipality against any claim including flooding/stormwater overflow which may originate as a result of its use of the property.

9. The Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.

10. That the successful Bidder will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.

11. That the successful Bidder will be responsible for the cost of any necessary Land Use Planning applications, if applicable.

12. That the structures erected on the property will become the property of the Municipality, and the successful Bidder will not have any claims for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.

13. That no rights and/or obligations be vested prior to the final approval by Council and the Lease Agreement being signed by both parties."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE146-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period.
2. That cognisance be taken of the comment received from Mr K Potgieter, requesting that the property not be leased for a facility that renders services to the community, but be alienated for Business purposes.
3. That the request for amendment of the Tender Conditions, not be supported, as the relevant area has been earmarked by Directorate Planning and Economic Development for social infrastructure.
4. That Council Resolution E207-07/2025, be implemented as follows:

   "1. That approval be granted for the lease of Erf 14099 (Municipal property), situated in McKinnery Street, Mossel Bay (±1 007m²), for a period of nine (9) years and eleven (11) months, by means of the Tender Process as prescribed in terms of the Supply Chain Management Regulations and Policy, to be utilised for a facility that renders services to the community, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

   2. That the premises shall only be used for a facility that renders services to the community as provided for in the Mossel Bay Municipality Zoning Scheme By-Law.

   3. That the successful Bidder submit building plans for approval by the Municipality and construct a building on the premises which is suitable for Club purposes and obtain an Occupancy Certificate for the intended purpose within the first thirty-six (36) months of the lease period, failing which the Municipality will have the right to cancel the Lease Agreement with one (1) month's written notice.

   4. That no other buildings or structures may be erected on the property without the prior written approval of the Municipality, and approved building plans for the proposed structures.

   5. That the successful Bidder will not sublet the erf or any portion thereof without prior written approval of the Municipality.

   6. That the successful Bidder is responsible for the maintenance of the land in good and tidy condition to the satisfaction of the Municipality.

   7. That the successful Bidder will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without

prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.

8. That the successful Bidder will indemnify the Municipality against any claim including flooding/stormwater overflow which may originate as a result of its use of the property.

9. The Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.

10. That the successful Bidder will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.

11. That the successful Bidder will be responsible for the cost of any necessary Land Use Planning applications, if applicable.

12. That the structures erected on the property will become the property of the Municipality, and the successful Bidder will not have any claims for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.

13. That no rights and/or obligations be vested prior to the final approval by Council and the Lease Agreement being signed by both parties."

E355-11/2025

PROPOSED MORATORIUM ON PAYMENT OF RENTAL IN TERMS OF THE LEASE AGREEMENT OF MUNICIPAL PROPERTY, SITUATED ON PORTIONS OF ERVEN 14703 AND 2001, SITUATED NEXT TO LOUIS FOURIE ROAD, HEIDERAND: ROCHSTREI TRUST

File Number: 15/4/34/9; 7/2/1/3

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE147-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that, in terms of Council Resolution E219-11/2020, approval was granted for the exchange of a portion of Erf 19201, Mossel Bay (±6150m²), a portion of Erf 14701, Mossel Bay (±1 920m²), Erf 14703 (±2590m²) and a portion of Erf 2001, Mossel Bay (±5 774m²) (Municipal property) for a Portion of Erf 14702, Mossel Bay (±20 378m²) (the property of Rochstrei Trust), to be utilised for the purposes of a formal Taxi Rank, residential (proposed social housing, GAP/Middle

Income Housing), education (proposed Crèche), authority, business and institutional uses and that these developments will be to the benefit of the Mossel Bay community and is considered to be in the public interest.

2. That cognisance be taken that an Exchange Transfer Agreement was subsequently signed by the parties on 11 October 2021.

3. That cognisance be taken that the Exchange Transfer is not yet finalised due to outstanding Environmental Authorisations for the proposed uses.

4. That cognisance be taken that, in terms of Council Resolution E174-10/2016, a portion of Erven 14703 and 2001 in extent ±3 600m² is leased to Rochstrei Trust for the purposes of parking and storage of building material, pending finalisation of the Exchange Transfer, in terms of a Lease Agreement, dated 1 December 2016.

5. That cognisance be taken that, in terms of Council Resolution E199-07/2025, approval was granted for the relocation of the UNCEDO and MOBTA Taxi Associations' Offices from a portion of Erf 2001, Mossel Bay to a portion of Erf 14702, Mossel Bay (new Taxi Rank), at the cost of the Municipality.

6. That cognisance be taken that a Memorandum of Agreement was subsequently signed by the Mossel Bay Municipality and the Taxi Associations on 5 September 2025.

7. That cognisance be taken of the letter received from the Applicant, Rochstrei Trust, dated 12 August 2025, requesting a Moratorium on the payment of rental in terms of the Lease Agreement for a portion of Erven 14703 and 2001 (Municipal property) dated 1 December 2016, as a portion of Erf 14702 (Applicant's property) was made available to the Municipality for the relocation of the Taxi Rank, at no charge, pending the finalisation of the Exchange Transfer of the relevant properties.

8. That approval be granted for a Moratorium on rental payments in terms of the Lease Agreement for a portion of Erven 14703 and 2001 (Municipal property), dated 1 December 2016, between Mossel Bay Municipality and Rochstrei Trust as from date of this Council Resolution until date of registration of the Exchange Agreement for Erf 14702 and a portion of Erf 19201, 14701, 14703 and a portion of Erf 2001, Mossel Bay.

9. That rental payments, in terms of the Lease Agreement dated 1 December 2016, will re-commence on date of registration of the Exchange Transfer of Erf 14702 and a portion of Erf 19201, 14701, 14703 and a portion of Erf 2001, Mossel Bay in terms of the Exchange Transfer Agreement, dated 11 October 2021."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is for Council to approve the Moratorium on payment of rental in terms of the Lease Agreement of Municipal property leased by Rochstrei Trust, situated on portions on Erven 14703 and 2001, situated next to Louis Fourie Road, Heiderand.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Council resolved under Council Resolution E219-11/2020, inter alia, as follows:

"3. That Council Resolution E99-07/2020, be implemented as follows:

"1. That approval be granted for the exchange of a portion of Erf 19201, Mossel Bay (±6150m²), a portion of Erf 14701, Mossel Bay (±1 920m²), Erf 14703 (±2590m²) and a portion of Erf 2001, Mossel Bay (±5 774m²) (Municipal property) for a Portion of Erf 14702, Mossel Bay (±20 378m²) (the property of

Rochstrei Trust), to be utilised for the purposes of a formal taxi rank, residential (proposed social housing, GAP/Middle Income Housing), education (proposed Crèche), authority, business and institutional uses and that these developments will be to the benefit of the Mossel Bay community and is considered to be in the public interest.

9. *That no rights and/or obligations will vest herein before an Exchange Agreement is signed by both parties."*

The Exchange Transfer Agreement was duly signed by the parties on 11 October 2021.

The Exchange Transfer is, however, not yet finalised due to outstanding Environmental Authorisations for the proposed uses.

In terms of Council Resolution E174-10/2016, a portion of Erven 14703 and 2001, in extent ±3 600m², is leased to Rochstrei Trust for the purposes of parking and storage of building material, pending finalisation of the Exchange Transfer, in terms of a Lease Agreement dated 1 December 2016.

Due to the proposed expansion of the Mikeva Centre on a portion of Erf 2001, alternative space for use by the Long Distance Taxi Associations, were needed. The Rochstrei Trust, through its trustee Mr Steyn, agreed to the relocation of the Taxi Associations to a portion of Erf 14702, which is currently still registered in the name of the Trust, pending finalisation of the Exchange Transfer, at no cost.

In terms of Council Resolution E199-07/2025, it was resolved, inter alia, as follows:

"1. That approval be granted for the relocation of the UNCEDO and MOBTA Taxi Associations' Offices from a portion of Erf 2001, Mossel Bay to a portion of Erf 14702, Mossel Bay (new Taxi Rank), at the cost of the Municipality.

2. That a Memorandum of Agreement regarding the relocation and the use of the Mobile Office Unit and chemical toilets, be entered into between the Municipality and the Taxi Associations UNCEDO and MOBTA."

The Memorandum of Agreement with the taxi associations was signed on 5 September 2025.

A request, dated 12 August 2025, was received from M Visagie on behalf of the Rochstrei Trust (hereinafter the Applicant) requesting a Moratorium on the payment of rental in terms of the Lease Agreement between the Mossel Bay Municipality and the Applicant for a portion of Erven 14703 and 2001, dated 1 December 2016, as the portion of Erf 14702 was made available to the Municipality for the relocation of the Taxi Rank at no charge, pending the finalisation of the exchange transfer.

A copy of the Request received, was annexed as Annexure A.

A copy of the Locality Plan of the portions of Erf 14703 and 2001, was annexed as Annexure B.

A copy of the Locality Plan of the portion of Erf 14702 to which the Long Distance Taxi Associations were relocated, was annexed as Annexure C.

It is therefore proposed that approval be granted for a Moratorium on rental payments in terms of the Lease Agreement dated 1 December 2016 between Mossel Bay Municipality and Rochstrei Trust pending finalisation of the Exchange Transfer of the relevant properties.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Temporary loss of rental income in the amount of R2 213,48 (VAT inclusive) per month.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Contractual Law.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted for a Moratorium on rental payments in terms of the Lease Agreement dated 1 December 2016 between Mossel Bay Municipality and Rochstrei Trust for a portion of Erven 14703 and 2001 (Municipal property) pending finalisation of the Exchange Transfer of the relevant properties, due to the Municipality utilising a portion of Erf 14702 (Applicant's property), at no cost with the Applicant's consent.

RECOMMENDATION

That the following recommendation be made to Council:

"1. That cognisance be taken that, in terms of Council Resolution E219-11/2020, approval was granted for the exchange of a portion of Erf 19201, Mossel Bay (±6150m²), a portion of Erf 14701, Mossel Bay (±1 920m²), Erf 14703 (±2590m²) and a portion of Erf 2001, Mossel Bay (±5 774m²) (Municipal property) for a Portion of Erf 14702, Mossel Bay (±20 378m²) (the property of Rochstrei Trust), to be utilised for the purposes of a formal Taxi Rank, residential (proposed social housing, GAP/Middle Income Housing), education (proposed Crèche), authority, business and institutional uses and that these developments will be to the benefit of the Mossel Bay community and is considered to be in the public interest.

2. That cognisance be taken that an Exchange Transfer Agreement was subsequently signed by the parties on 11 October 2021.

3. That cognisance be taken that the Exchange Transfer is not yet finalised due to outstanding Environmental Authorisations for the proposed uses.

4. That cognisance be taken that, in terms of Council Resolution E174-10/2016, a portion of Erven 14703 and 2001 in extent ±3 600m² is leased to Rochstrei Trust for the purposes of parking and storage of building material, pending finalisation of the Exchange Transfer, in terms of a Lease Agreement, dated 1 December 2016.

5. That cognisance be taken that, in terms of Council Resolution E199-07/2025, approval was granted for the relocation of the UNCEDO and MOBTA Taxi Associations' Offices from a portion of Erf 2001, Mossel Bay to a portion of Erf 14702, Mossel Bay (new Taxi Rank), at the cost of the Municipality.

6. That cognisance be taken that a Memorandum of Agreement was subsequently signed by the Mossel Bay Municipality and the Taxi Associations on 5 September 2025.

7. That cognisance be taken of the letter received from the Applicant, Rochstrei Trust, dated 12 August 2025, requesting a Moratorium on the payment of rental in terms of the Lease Agreement for a portion of Erven 14703 and 2001 (Municipal property) dated 1 December 2016, as a portion of Erf 14702 (Applicant's property) was made available to the Municipality for the relocation of the Taxi Rank, at no charge, pending the finalisation of the Exchange Transfer of the relevant properties.

8. That approval be granted for a Moratorium on rental payments in terms of the Lease Agreement for a portion of Erven 14703 and 2001 (Municipal property), dated 1 December 2016, between Mossel Bay Municipality and Rochstrei Trust as from date of this Council Resolution until date of registration of the Exchange Agreement for Erf 14702 and a portion of Erf 19201, 14701, 14703 and a portion of Erf 2001, Mossel Bay.

9. That rental payments, in terms of the Lease Agreement dated 1 December 2016, will re-commence on date of registration of the Exchange Transfer of Erf 14702 and a portion of Erf 19201, 14701, 14703 and a portion of Erf 2001, Mossel Bay in terms of the Exchange Transfer Agreement, dated 11 October 2021."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE147-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that, in terms of Council Resolution E219-11/2020, approval was granted for the exchange of a portion of Erf 19201, Mossel Bay (±6150m²), a portion of Erf 14701, Mossel Bay (±1 920m²), Erf 14703 (±2590m²) and a portion of Erf 2001, Mossel Bay (±5 774m²) (Municipal property) for a Portion of Erf 14702, Mossel Bay (±20 378m²) (the property of Rochstrei Trust), to be utilised for the purposes of a formal Taxi Rank, residential (proposed social housing, GAP/Middle Income Housing), education (proposed Crèche), authority, business and institutional uses and that these developments will be to the benefit of the Mossel Bay community and is considered to be in the public interest.
2. That cognisance be taken that an Exchange Transfer Agreement was subsequently signed by the parties on 11 October 2021.
3. That cognisance be taken that the Exchange Transfer is not yet finalised due to outstanding Environmental Authorisations for the proposed uses.
4. That cognisance be taken that, in terms of Council Resolution E174-10/2016, a portion of Erven 14703 and 2001 in extent ±3 600m² is leased to Rochstrei Trust for the purposes of parking and storage of building material, pending finalisation of the Exchange Transfer, in terms of a Lease Agreement, dated 1 December 2016.
5. That cognisance be taken that, in terms of Council Resolution E199-07/2025, approval was granted for the relocation of the UNCEDO and MOBTA Taxi Associations' Offices from a portion of Erf 2001, Mossel Bay to a portion of Erf 14702, Mossel Bay (new Taxi Rank), at the cost of the Municipality.
6. That cognisance be taken that a Memorandum of Agreement was subsequently signed by the Mossel Bay Municipality and the Taxi Associations on 5 September 2025.
7. That cognisance be taken of the letter received from the Applicant, Rochstrei Trust, dated 12 August 2025, requesting a Moratorium on the payment of rental in terms of the Lease Agreement for a portion of Erven 14703 and 2001 (Municipal property) dated 1 December 2016, as a portion of Erf 14702 (Applicant's property) was made available to the Municipality for the relocation of the Taxi Rank, at no charge, pending the finalisation of the Exchange Transfer of the relevant properties.
8. That approval be granted for a Moratorium on rental payments in terms of the Lease Agreement for a portion of Erven 14703 and 2001 (Municipal property), dated 1 December 2016, between Mossel Bay Municipality and Rochstrei Trust as from date of this Council Resolution until date of registration of the Exchange Agreement for Erf 14702 and a portion of Erf 19201, 14701, 14703 and a portion of Erf 2001, Mossel Bay.

9. That rental payments, in terms of the Lease Agreement dated 1 December 2016, will re-commence on date of registration of the Exchange Transfer of Erf 14702 and a portion of Erf 19201, 14701, 14703 and a portion of Erf 2001, Mossel Bay in terms of the Exchange Transfer Agreement, dated 11 October 2021.

E356-11/2025

PROPOSED DEVOLUTION OF PORTION 2 OF FARM 137 RENSBURG ESTATE (1.9751 HA), SITUATED IN GREAT BRAK RIVER (GREENHAVEN) FROM THE PROVINCIAL DEPARTMENT OF INFRASTRUCTURE (DOI) TO MOSSEL BAY MUNICIPALITY

File Number: 7/1/1

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE148-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken of the Letter received from the Provincial Department of Infrastructure (DOI), dated 7 August 2025, marked as Annexure 'A'.
2. That approval be granted for the devolution of Portion 2 of Farm 137 Rensburg Estate (1.9751ha), situated in Great Brak River (Greenhaven) from the Department of Infrastructure (DOI) to the Mossel Bay Municipality.
3. That cognisance be taken that the property is situated outside the Urban Edge and has very steep slopes with very little to no development potential for housing due to the lack of access and the high costs involved in providing services due to the distance from existing services.
4. That the Provincial Department of Infrastructure (DOI) be responsible for the costs associated with the registration of the property into the name of the Municipality.
5. That the property be registered on the Municipal Asset Register, after transfer into the name of the Municipality.
6. That the property remains in its undeveloped natural state, subject to reconsideration by Council in future."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is to obtain Council's approval for the devolution of Portion 2 of Farm 137 Rensburg Estate (1.9751ha), situated in Great Brak River (Greenhaven) from the Provincial Department of Infrastructure (DOI) to the Mossel Bay Municipality.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The Municipality was informed by the Provincial Department of Infrastructure (DOI) that, in terms of Section 15(2)(a) of the Housing Act, Act 107 of 1997 (the Act), any property that passed to Provinces in terms of the Act and which has not already been sold, must, subject to certain provisions, be devolved or transferred to the applicable Municipality or a potential beneficiary by no later than a date determined by the National Minister. This date, which denoted when all Housing Fund properties must be either devolved or transferred, was extended from 31 March 2025 to 31 March 2027 by the National Minister of Human Settlements.

The DoI and the Mossel Bay Municipality are consequently both obliged by the abovementioned legislation to ensure that devolution or transfer of these properties occur by the set date of 31 March 2027.

Council should note that the development potential of the property seems low due to the property located a distance away from existing Municipal services, is outside the Urban Edge, and has very steep slopes. It also has very limited access. However, as township expansion happens over time, the property could, in future, be included in the urban edge, be more accessible and feasible to service and develop.

It must be noted that the property is situated outside the Urban Edge, has very steep slopes and has very little to no development potential for housing due to the lack of access and the high costs involved in providing services due to the distance from existing services.

A copy of the Letter received from the Provincial Department of Infrastructure (DOI), was annexed as Annexure ‘A’.

The Municipal Valuer determined the market value of this property at R600 000,00 (VAT inclusive).

A copy of the Valuer’s Report, was annexed as Annexure ‘B’.

A copy of the Locality Map, was annexed as Annexure ‘C’.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

No immediate implication as the property is unoccupied and unserviced.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that Council approves the devolution of Portion 2 of Farm 137 Rensburg Estate (1.9751ha), situated in Great Brak River (Greenhaven) from the Department of Infrastructure (DOI) to the Mossel Bay Municipality.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken of the Letter received from the Provincial Department of Infrastructure (DOI), dated 7 August 2025, marked as Annexure ‘A’.
2. That approval be granted for the devolution of Portion 2 of Farm 137 Rensburg Estate (1.9751ha), situated in Great Brak River (Greenhaven) from the Department of Infrastructure (DOI) to the Mossel Bay Municipality.

3. That cognisance be taken that the property is situated outside the Urban Edge and has very steep slopes with very little to no development potential for housing due to the lack of access and the high costs involved in providing services due to the distance from existing services.
4. That the Provincial Department of Infrastructure (DOI) be responsible for the costs associated with the registration of the property into the name of the Municipality.
5. That the property be registered on the Municipal Asset Register, after transfer into the name of the Municipality.
6. That the property remains in its undeveloped natural state, subject to reconsideration by Council in future."Mossel Bay in terms of the Exchange Transfer Agreement, dated 11 October 2021."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE148-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken of the Letter received from the Provincial Department of Infrastructure (DOI), dated 7 August 2025, marked as Annexure 'A'.
2. That approval be granted for the devolution of Portion 2 of Farm 137 Rensburg Estate (1.9751ha), situated in Great Brak River (Greenhaven) from the Department of Infrastructure (DOI) to the Mossel Bay Municipality.
3. That cognisance be taken that the property is situated outside the Urban Edge and has very steep slopes with very little to no development potential for housing due to the lack of access and the high costs involved in providing services due to the distance from existing services.
4. That the Provincial Department of Infrastructure (DOI) be responsible for the costs associated with the registration of the property into the name of the Municipality.
5. That the property be registered on the Municipal Asset Register, after transfer into the name of the Municipality.
6. That the property remains in its undeveloped natural state, subject to reconsideration by Council in future.

E357-11/2025

APPLICATION FOR THE RENEWAL OF THE LEASE AGREEMENT FOR A PORTION OF PORTION 101 OF FARM 217, HARTENBOSCH (±5 HA): PLANT PARK WHOLESALE NURSERY (PTY) LTD

File Number: Hartenbosch-217/101

Report By**:** D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE149-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That approval be granted to the Applicant, Plant Park Wholesale Nursery (Pty) Ltd, for the renewal of the Lease Agreement of a portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares), as indicated on the locality plan marked 'B', for a period of three (3) years, at a market related rental amount of R8 955,00 per month (VAT inclusive) with an annual escalation equal to the CPI percentage, to be utilised for the growing of plants to be sold at Applicant`s two nurseries and other nurseries in the Western Cape, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.
2. That the Applicant will not sublet the property or any portion thereof without prior written approval of the Municipality.
3. That no other buildings/structures may be erected on the premises without the prior written approval of the Municipality.
4. That the Applicant be responsible for the maintenance of the premises in a good and tidy condition to the satisfaction of the Municipality.
5. The Applicant will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.
6. That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.
7. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.
8. That building plans be submitted by the Applicant, at the Applicant's cost, for approval before commencing any construction on the property.
9. That the Applicant be responsible for all costs related to the application, including advertising costs.
10. That the Applicant will indemnify the Municipality against any claim which may originate as a result of its use of the property.
11. That the Applicant will be responsible for the Insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
12. That the proposed use will not damage any of the existing onsite or surrounding Municipal infrastructure.
13. That the proposed use will not create a nuisance (smell, noise, traffic etc.) to the surrounding property owners and nearby estates.

14. That all temporary improvements to the lease area remain the property of the Applicant and will not become an asset of the Municipality.
15. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
16. That, after completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
17. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which, it will be accepted that there are no comments, objections or representations.
18. That, after completion of the prescribed Public Participation Process, this Item be referred back to the Council for further consideration.
19. That the Applicant be informed in writing that no rights and/or obligations are vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.
20. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"This Item is submitted to Council to acquire approval for the renewal of the Lease Agreement for a portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares), situated adjacent to the Regional Water Treatment Plant, to Plant Park Wholesale Nursery (Pty) Ltd (hereinafter referred to as the Applicant), for a period of three (3) years, at a market related rental amount of R8 955,00 (VAT inclusive) per month, with an annual escalation equal to the CPI percentage, since is it not required for basic Municipal purposes, to be utilised for the growing of plants to be sold at Applicant`s two nurseries and other nurseries in the Western Cape.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

An application was received from Plant Park Wholesale Nursery (PTY) Ltd, hereinafter referred to as the Applicant, to renew the lease a portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares) for a period of three (3) years since it is not required for basic Municipal purposes to be utilised for the growing of plants to be sold at Applicant`s two nurseries and other nurseries in the Western Cape.

A copy of the Application and Locality Plan were annexed, marked 'A' and 'B' respectively.

Portion 101 of Farm 217 Hartenbosch (74.7691 hectares), is zoned as a Utility Zone.

The Municipal Valuer determined the market value of this portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares) at R2 300 000,00 (VAT inclusive). The market related rental was determined at an amount of R8 800,00 per month (VAT inclusive).

A copy of the Valuers Report, was annexed, marked 'C'.

The current lease amount is R8 610,73 per month. It is therefore recommended that the lease of the property be renewed at a rental amount of R8 955,00 per month (VAT inclusive), which is in line with the CPI percentage

Portion 101 of Farm 217, Hartenbosch (74,77 hectares) is currently listed on the Municipal Asset Register at a book value of R1 800 000,00 and classified as Property, Plant and Equipment.

In terms of Regulation 34(3)(b) of the Asset Transfer Regulations R878, a request to the Municipal Council for authorisation of a Public Participation Process must be accompanied by an information statement stating:

(i) the reasons for the proposal to grant a long term right to use, control or manage the relevant capital asset;

The proposed lease period for the premises is only for three (3) years, therefore long term rights are not applicable.

(ii) any expected benefit to the Municipality that may result from the granting of the right;

The Municipality will benefit from the monthly rental to be received.

(iii) any expected proceeds to be received by the Municipality form the granting of the right; and

The Municipality will receive monthly rental as well as service fees from the Applicant.

(iv) any expected gain or loss that will be realised or incurred by the Municipality arising from the granting of the right.

Comments received from Directorate: Financial Services are as follows:

"The property (74,77 hectares) is listed on the Municipal Asset Register at a book value of R1 800 000,00 and classified as Property Plant and Equipment."

Directorate: Financial Services has no objection to the lease.

The Municipality will gain by receiving monthly rental from the Applicant.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The Municipality will receive monthly rental as well as service fees from the Applicant.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance management Act, No 56 of 2003.

Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted to the Applicant, Plant Park Wholesale Nursery (Pty) Ltd, for the renewal of the Lease Agreement of a portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares), as indicated on the Locality Plan marked 'B', for a period of three (3) years, at a market related rental amount of R8 955,00 per month (VAT inclusive) with an annual escalation equal to the CPI percentage, to be utilised for the growing of plants to be sold at Applicant`s two nurseries and other nurseries in the Western Cape, since it is not

required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

RECOMMENDATION

That the following recommendation be made to Council:

1. That approval be granted to the Applicant, Plant Park Wholesale Nursery (Pty) Ltd, for the renewal of the Lease Agreement of a portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares), as indicated on the locality plan marked 'B', for a period of three (3) years, at a market related rental amount of R8 955,00 per month (VAT inclusive) with an annual escalation equal to the CPI percentage, to be utilised for the growing of plants to be sold at Applicant`s two nurseries and other nurseries in the Western Cape, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.
2. That the Applicant will not sublet the property or any portion thereof without prior written approval of the Municipality.
3. That no other buildings/structures may be erected on the premises without the prior written approval of the Municipality.
4. That the Applicant be responsible for the maintenance of the premises in a good and tidy condition to the satisfaction of the Municipality.
5. The Applicant will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.
6. That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.
7. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.
8. That building plans be submitted by the Applicant, at the Applicant's cost, for approval before commencing any construction on the property.
9. That the Applicant be responsible for all costs related to the application, including advertising costs.
10. That the Applicant will indemnify the Municipality against any claim which may originate as a result of its use of the property.
11. That the Applicant will be responsible for the Insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
12. That the proposed use will not damage any of the existing onsite or surrounding Municipal infrastructure.
13. That the proposed use will not create a nuisance (smell, noise, traffic etc.) to the surrounding property owners and nearby estates.
14. That all temporary improvements to the lease area remain the property of the Applicant and will not become an asset of the Municipality.

15. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

16. That, after completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

17. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which, it will be accepted that there are no comments, objections or representations.

18. That, after completion of the prescribed Public Participation Process, this Item be referred back to the Council for further consideration.

19. That the Applicant be informed in writing that no rights and/or obligations are vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

20. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE149-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That approval be granted to the Applicant, Plant Park Wholesale Nursery (Pty) Ltd, for the renewal of the Lease Agreement of a portion of Portion 101 of Farm 217, Hartenbosch (±5 hectares), as indicated on the locality plan marked 'B', for a period of three (3) years, at a market related rental amount of R8 955,00 per month (VAT inclusive) with an annual escalation equal to the CPI percentage, to be utilised for the growing of plants to be sold at Applicant`s two nurseries and other nurseries in the Western Cape, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

2. That the Applicant will not sublet the property or any portion thereof without prior written approval of the Municipality.

3. That no other buildings/structures may be erected on the premises without the prior written approval of the Municipality.

4. That the Applicant be responsible for the maintenance of the premises in a good and tidy condition to the satisfaction of the Municipality.

5. The Applicant will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.

6. That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.
7. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.
8. That building plans be submitted by the Applicant, at the Applicant's cost, for approval before commencing any construction on the property.
9. That the Applicant be responsible for all costs related to the application, including advertising costs.
10. That the Applicant will indemnify the Municipality against any claim which may originate as a result of its use of the property.
11. That the Applicant will be responsible for the Insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
12. That the proposed use will not damage any of the existing onsite or surrounding Municipal infrastructure.
13. That the proposed use will not create a nuisance (smell, noise, traffic etc.) to the surrounding property owners and nearby estates.
14. That all temporary improvements to the lease area remain the property of the Applicant and will not become an asset of the Municipality.
15. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
16. That, after completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
17. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which, it will be accepted that there are no comments, objections or representations.
18. That, after completion of the prescribed Public Participation Process, this Item be referred back to the Council for further consideration.
19. That the Applicant be informed in writing that no rights and/or obligations are vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.
20. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties.

E358-11/2025

APPLICATION TO LEASE THE MUNICIPAL BUILDING SITUATED ON ERF 4371 (187M²) AND A PORTION OF ERF 4370, HARTENBOS (±1 792M²), SONSKYN VALLEY: BADISA SONSKYNVALLEI DAY CARE CENTRE

File Number: 3/2/1/3/1;7/2/1/3;17/21/4/2

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE150-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received from the public.
2. That Council Resolution E210-07/2025, be implemented as follows:

    "1. That cognisance be taken of the Application received from Badisa Sonskynvallei Day Care Centre (the Applicant) for the lease of the Municipal building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei.

    2. That cognisance be taken of the Letter (Annexure 'A') and Minutes (Annexure 'B') received from Badisa Sonskynvallei Day Care Centre, dated 13 September 2024, to the effect that the Day Care Centre is currently operated by Badisa Sonskynvallei Day Care Centre independently of Hartenbos Bejaardesorgdiens.

    3. That approval be granted for the lease of the Municipal Building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, to Badisa Sonskynvallei Day Care Centre, at a rental amount of R791,00 (VAT inclusive) per month, in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, to be utilised for a Day Care Centre, Educational purposes and a play area and storage, for a period of five (5) years, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

    4. That, as it was agreed that the Applicant will in future operate the premises independently from Hartenbos Bejaardesorgdiens, the current Lease Agreement with Hartenbos Bejaardesorgdiens, be cancelled simultaneously with the signing of the Lease Agreement with the Applicant.

5. *That all improvements become the property of the Municipality, and the Applicant will not have any claim for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.*

6. *That the Applicant continues to render education services from grade RR to grade R to fulfill the needs of the Sonskyn Valley community, and to enable the learners to continue with their school education at St Lukes Primary in Brandwag or Hartenbos Primary.*

7. *That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.*

8. *That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.*

9. *That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.*

10. *That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.*

11. *That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.*

12. *That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.*

13. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

14. *That the Applicant be responsible for all costs related to the application, including advertising costs.*

15. *That no rights and/or obligations be vested prior to the Lease Agreement being signed by both parties."*

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"This Item is submitted to Council to acquire approval for the lease of the Municipal building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, to Badisa Sonskynvallei Day Care Centre, since it is not required for basic Municipal purposes.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

During Council Meeting held on 31 July 2025, Council Resolution E210-07/2025, it was resolved as follows:

"1. That cognisance be taken of the Application received from Badisa Sonskynvallei Day Care Centre (the Applicant) for the lease of the Municipal building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei.

2. *That cognisance be taken of the Letter (Annexure 'A') and Minutes (Annexure 'B') received from Badisa Sonskynvallei Day Care Centre, dated 13 September 2024, to the effect that the Day Care Centre is currently operated by Badisa Sonskynvallei Day Care Centre independently of Hartenbos Bejaardesorgdiens.*

3. *That approval be granted for the lease of the Municipal Building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, to Badisa Sonskynvallei Day Care Centre, at a rental amount of R791,00 (VAT inclusive) per month, in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, to be utilised for a Day Care Centre, Educational purposes and a play area and storage, for a period of five (5) years, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.*

4. *That, as it was agreed that the Applicant will in future operate the premises independently from Hartenbos Bejaardesorgdiens, the current Lease Agreement with Hartenbos Bejaardesorgdiens, be cancelled simultaneously with the signing of the Lease Agreement with the Applicant.*

5. *That all improvements become the property of the Municipality, and the Applicant will not have any claim for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.*

6. *That the Applicant continues to render education services from grade RR to grade R to fulfill the needs of the Sonskyn Valley community, and to enable the learners to continue with their school education at St Lukes Primary in Brandwag or Hartenbos Primary.*

7. *That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.*

8. *That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.*

9. *That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.*

10. *That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.*

11. *That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.*

12. *That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.*

13. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

14. *That the Applicant be responsible for all costs related to the application, including advertising costs.*

15. *That the Public Participation Process, as prescribed in the relevant legislation, be followed.*

16. *That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.*

17. *That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.*

18. *That no rights and/or obligations be vested prior to the Lease Agreement being signed by both parties."*

The prescribed Public Participation Process was duly followed and the Council Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received.

The property is not required for the rendering of the minimum level of basic Municipal services and can therefore be leased.

A copy of the Locality Plan was annexed, marked 'B'.

In terms of Regulation 36 of the Asset Transfer Regulations R878, the Municipal Council must, when considering approval for any proposed granting of the right to use, control or manage a capital asset, take into account:

(a) whether the capital asset will be required for the Municipality's own use during the period for which the right is to be granted;

This portion of the asset is not required for Municipal use.

(b) the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the Municipality;

There will be financial benefit to the Municipality through the monthly rental to be received.

(c) the risks and rewards associated with the use, control or management of the capital asset in relation to the Municipality's interests;

No risks are involved, and the utilisation of the asset will be to the benefit of the community of Mossel Bay.

(d) any comments or representations on the proposed granting of the right received from the local community and other interested persons;

The required Public Participation Process was followed and no objections were received to the application for the lease of the Municipal Building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, for a period of five (5) years.

(e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant Provincial Treasury;

The Municipal Valuer determined the market related value of the Municipal building on this portion of Erf 4371 (187m²) Hartenbos at R1 548 360,00 (VAT inclusive). The

market related rental was determined at an amount of R7 600,00 per month (VAT inclusive).

The Municipal Valuer determined the market related value of this portion of Erf 4370 (±1 792m²), Hartenbos at R61 824,00 (VAT inclusive). The market related rental was determined at an amount of R310,00 per month (VAT inclusive).

The lease period of the property is less than ten years. Therefore the written views and recommendations of the National Treasury and the relevant Provincial Treasury are not required.

(f) 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

The rental of the property is to the benefit of the local community.

(g) compliance with the legislative regime applicable to the proposed granting of the right.

The application is in compliance with:

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Assets Management Policy.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The Municipality will gain by receiving monthly rental as well as services fees from the Applicant.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003; Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted for the lease of the Municipal Building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, to Badisa Sonskynvallei Day Care Centre, since it is not required for basic Municipal purposes, at a rental amount of R791,00 (VAT inclusive) per month, in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, for a period of five (5) years, since it is not required for Municipal purposes, to be utilised for a Day Care Centre, Educational purposes and a play area and storage, since it is not required for basic Municipal purposes.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also

displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received from the public.

2. That Council Resolution E210-07/2025, be implemented as follows:

"1. That cognisance be taken of the Application received from Badisa Sonskynvallei Day Care Centre (the Applicant) for the lease of the Municipal building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei.

2. That cognisance be taken of the Letter (Annexure 'A') and Minutes (Annexure 'B') received from Badisa Sonskynvallei Day Care Centre, dated 13 September 2024, to the effect that the Day Care Centre is currently operated by Badisa Sonskynvallei Day Care Centre independently of Hartenbos Bejaardesorgdiens.

3. That approval be granted for the lease of the Municipal Building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, to Badisa Sonskynvallei Day Care Centre, at a rental amount of R791,00 (VAT inclusive) per month, in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, to be utilised for a Day Care Centre, Educational purposes and a play area and storage, for a period of five (5) years, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

4. That, as it was agreed that the Applicant will in future operate the premises independently from Hartenbos Bejaardesorgdiens, the current Lease Agreement with Hartenbos Bejaardesorgdiens, be cancelled simultaneously with the signing of the Lease Agreement with the Applicant.

5. That all improvements become the property of the Municipality, and the Applicant will not have any claim for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.

6. That the Applicant continues to render education services from grade RR to grade R to fulfill the needs of the Sonskyn Valley community, and to enable the learners to continue with their school education at St Lukes Primary in Brandwag or Hartenbos Primary.

7. That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.

8. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.

9. That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.

10. That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.

11. *That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.*

12. *That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.*

13. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

14. *That the Applicant be responsible for all costs related to the application, including advertising costs.*

15. *That no rights and/or obligations be vested prior to the Lease Agreement being signed by both parties."*

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE150-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received from the public.

2. That Council Resolution E210-07/2025, be implemented as follows:

"1. That cognisance be taken of the Application received from Badisa Sonskynvallei Day Care Centre (the Applicant) for the lease of the Municipal building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei.

2. That cognisance be taken of the Letter (Annexure 'A') and Minutes (Annexure 'B') received from Badisa Sonskynvallei Day Care Centre, dated 13 September 2024, to the effect that the Day Care Centre is currently operated by Badisa Sonskynvallei Day Care Centre independently of Hartenbos Bejaardesorgdiens.

3. That approval be granted for the lease of the Municipal Building on Erf 4371 (187m²) and a portion of Erf 4370, Hartenbos (±1 792m²), Sonskyn Valley; situated adjacent to Erf 4371, Hartenbos, Lelieblom Street, Sonskynvallei, to Badisa Sonskynvallei Day Care Centre, at a rental amount of R791,00 (VAT inclusive) per month, in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, to be utilised for a Day Care Centre, Educational purposes and a play area and storage, for a period of five (5) years, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

4. *That, as it was agreed that the Applicant will in future operate the premises independently from Hartenbos Bejaardesorgdiens, the current Lease Agreement with Hartenbos Bejaardesorgdiens, be cancelled simultaneously with the signing of the Lease Agreement with the Applicant.*

5. *That all improvements become the property of the Municipality, and the Applicant will not have any claim for enrichment against the Municipality if the Lease Agreement should be terminated for any reason whatsoever.*

6. *That the Applicant continues to render education services from grade RR to grade R to fulfill the needs of the Sonskyn Valley community, and to enable the learners to continue with their school education at St Lukes Primary in Brandwag or Hartenbos Primary.*

7. *That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.*

8. *That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.*

9. *That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.*

10. *That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.*

11. *That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.*

12. *That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.*

13. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

14. *That the Applicant be responsible for all costs related to the application, including advertising costs.*

15. *That no rights and/or obligations be vested prior to the Lease Agreement being signed by both parties."*

E359-11/2025

APPLICATION FOR THE RENEWAL OF THE LEASE AGREEMENT AND INCREASE IN LEASE AREA OF A PORTION (±1 748.7M²) OF ERF 9060 (UNREGISTERED ERF 11302), MOSSEL BAY, SITUATED AT SAMPSON STREET, EXTENSION 23, MOSSEL BAY: JUWEELTJIE CRÈCHE

File Number: 7/2/2/1

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE151-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that the current Lease Agreement with the Applicant is for the Municipal building (±230m²) only, but due to the Applicant utilising a larger area for the purposes of a play area, an increase in the leased area to ±1 748.7m² is required.
2. That approval be granted to the Applicant, Juweeltjie Crèche, for the renewal of the Lease Agreement with an increase in the lease area from ±230m² to ±1 748.7m² of a portion of Erf 9060 (unregistered Erf 11302), Mossel Bay, Situated at Sampson Street, Extension 23, Mossel Bay, for a period of nine (9) years and eleven (11) months, to be utilised for Crèche purposes (Municipal building and play area), at a rental amount of R150,00 (VAT inclusive) per month in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior the date of escalation in terms of the agreement.
3. That cognisance be taken that the property is leased at less than ten percent (10%) of the market related rental as the continued existence and improvement of the Crèche is deemed to be to the benefit of the community.
4. That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.
5. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.
6. That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.
7. That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
8. That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.
9. That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.
10. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.
11. That the Applicant be responsible for all costs related to the application, including advertising costs.
12. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

13. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.

14. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

16. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"This Item is submitted to Council to acquire approval for the renewal of the Lease Agreement of a portion (±1 748.7m²) (Municipal building and play area) of Erf 9060 (unregistered Erf 11302), Mossel Bay, Situated at Sampson Street, Extension 23, Mossel Bay, to Juweeltjie Crèche (hereinafter referred to as the Applicant), for a period of nine (9) years and eleven (11) months, at a rental amount of R150,00 (VAT inclusive) per month, with an annual escalation equal to the CPI percentage, since is it not required for basic Municipal purposes, to be utilised for Crèche purposes, since it is not required for basic Municipal purposes.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

An application was received from Juweeltjie Crèche (hereinafter referred to as the Applicant) to renew the lease of a portion (±1 748.7m²) (Municipal building and play area) of Erf 9060 (unregistered Erf 11302), Mossel Bay, Situated at Sampson Street, Extension 23, Mossel Bay, for a period of nine (9) years and eleven (11) months, to be utilised for Crèche purposes.

A copy of the Application was annexed, marked 'A'.

The initial Lease Agreement was for the Municipal building (230m²) only. The Applicant has however placed and utilises play equipment on the whole portion of Erf 9060 (unregistered Erf 11302), Mossel Bay. There is no Lease Agreement in place for the portion of the property utilised for the play area. It is therefore proposed that the lease area be increased to ±1 748.7m².

The Municipal Valuer determined the market related value for this portion (±1 748.7m²) of Erf 9060 (unregistered Erf 11302), Mossel Bay, Situated at Sampson Street, Extension 23, Mossel Bay at R1 200 000,00 (VAT inclusive). The market related rental of this property was determined at an amount of R6 000,00 (VAT inclusive) per month.

A copy of the Valuer's Report was annexed, marked 'C'.

The current lease amount is R50,43 per month (for the Municipal building only). It is therefore recommended that the lease of the property (Municipal building and play area), be renewed at a rental amount of R150,00 per month (VAT inclusive), which is less than ten percent (10%) of the market related rental, but represents a reasonable increase in the current rental payable.

In terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, immovable property is let only at market related prices except when the public interest or the plight of the poor demands otherwise.

It is proposed that the lease of the property to the Applicant is in the public interest and demanded by the plight of the poor as the continued existence and improvement of the Crèche will benefit the community of Mossel Bay.

In terms of Regulation 34(3)(b) of the Asset Transfer Regulations R878, a request to the Municipal Council for authorisation of a Public Participation Process must be accompanied by an information statement stating:

(i) the reasons for the proposal to grant a long term right to use, control or manage the relevant capital asset;

The proposed lease period is only for nine (9) years and eleven (11) months, therefore long term rights are not applicable.

(ii) any expected benefits to the Municipality that may result from the granting of the right;

The Municipality will benefit from the monthly rental to be received as well as service fees.

(iii) any expected proceeds to be received by the Municipality from the granting of the right; and

The Municipality will receive a monthly rental as well as service fees from the Applicant.

(iv) any expected gain or loss that will be realised or incurred by the Municipality arising from the granting of the right.

The Municipality will gain by receiving monthly rental from the Applicant.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Income to the Municipality by receiving monthly rental.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted to the Applicant, Juweeltjie Crèche, for the renewal of the Lease Agreement and increase of the lease area from ±230m² to ±1 748.7m² of a portion of Erf 9060 (unregistered Erf 11302), Mossel Bay (to include Municipal building and play area), situated at Sampson Street, Extension 23, Mossel Bay, for a period of nine (9) years and eleven (11) months, to be utilised for Crèche purposes, at a rental amount of R150,00 (VAT inclusive) per month in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior the date of escalation in terms of the Agreement.

RECOMMENDATION

1. That cognisance be taken that the current Lease Agreement with the Applicant is for the Municipal building (±230m²) only, but due to the Applicant utilising a larger area for the purposes of a play area, an increase in the leased area to ±1 748.7m² is required.
2. That approval be granted to the Applicant, Juweeltjie Crèche, for the renewal of the Lease Agreement with an increase in the lease area from ±230m² to ±1 748.7m² of a portion of Erf 9060 (unregistered Erf 11302), Mossel Bay, Situated at Sampson Street, Extension 23, Mossel Bay, for a period of nine (9) years and eleven (11) months, to be utilised for Crèche purposes (Municipal building and play area), at a rental amount of R150,00 (VAT inclusive) per month in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior the date of escalation in terms of the agreement.
3. That cognisance be taken that the property is leased at less than ten percent (10%) of the market related rental as the continued existence and improvement of the Crèche is deemed to be to the benefit of the community.
4. That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.
5. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.
6. That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.
7. That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
8. That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.
9. That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.
10. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.
11. That the Applicant be responsible for all costs related to the application, including advertising costs.
12. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
13. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.

14. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

16. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE151-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that the current Lease Agreement with the Applicant is for the Municipal building (±230m²) only, but due to the Applicant utilising a larger area for the purposes of a play area, an increase in the leased area to ±1 748.7m² is required.

2. That approval be granted to the Applicant, Juweeltjie Crèche, for the renewal of the Lease Agreement with an increase in the lease area from ±230m² to ±1 748.7m² of a portion of Erf 9060 (unregistered Erf 11302), Mossel Bay, Situated at Sampson Street, Extension 23, Mossel Bay, for a period of nine (9) years and eleven (11) months, to be utilised for Crèche purposes (Municipal building and play area), at a rental amount of R150,00 (VAT inclusive) per month in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, since it is not required for basic Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior the date of escalation in terms of the agreement.

3. That cognisance be taken that the property is leased at less than ten percent (10%) of the market related rental as the continued existence and improvement of the Crèche is deemed to be to the benefit of the community.

4. That no buildings/structures may be erected on the premises without the prior written approval of the Municipality.

5. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.

6. That the Applicant is responsible for the maintenance of the premises, in good and tidy condition to the satisfaction of the Municipality.

7. That the Applicant will be responsible for the insurance of its contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.

8. That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.

9. That the Applicant will be responsible for the payment of all Municipal services in respect of the premises to the satisfaction of the Manager: Income Section.
10. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.
11. That the Applicant be responsible for all costs related to the application, including advertising costs.
12. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
13. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.
14. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.
16. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties.

E360-11/2025

AMENDMENT OF CLAUSE 3.1 OF THE DEED OF SALE BETWEEN THE MOSSEL BAY MUNICIPALITY AND DITAU INVESTMENT GROUP (PTY) LTD FOR ERF 4534, PUBLIC OPEN SPACE, SITUATED AT THE CORNER OF CALITZ CRESCENT AND STUURMAN STREET, ASLA PARK, KWANONQABA (±1 161M²)

File Number: 17/21/4/2

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE152-11/2025 it was resolved as follows:

“That the following recommendation be made to Council:

1. That cognisance be taken of the email received from Mr KM Rapelego on behalf of the Purchaser, Ditau Investment Group (Pty) Pty, dated 13 October 2025, requesting an amendment of Clause 3.1 of the Deed of Sale to extend the Reversion Condition in order for the Purchaser to comply with its contractual obligations.
2. That approval be granted for the amendment of Clause 3.1 of the Deed of Sale between the Mossel Bay Municipality and Ditau Investment Group (Pty) Ltd Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1 161m²), to be extended until 31 December 2026.
3. That no rights or obligations will vest herein before signing of the amendment to the Deed of Sale by both parties."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is to obtain Council's approval for the amendment of Clause 3.1 of the Deed of Sale between the Mossel Bay Municipality and Ditau Investment Group (Pty) Ltd for Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1 161m²), to extend the Reversion Condition until 31 March 2026.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

During Council Meeting held on 27 February 2020, under Council Resolution E32-02/2020, it was resolved, inter alia, as follows:

"1. That cognisance be taken that a Public Participation Process was followed and no objections or comments were received.
2. That Council Resolution E229-10/2019, be implemented as follows:
    "1. That approval be granted for the alienation of Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1161m²) by means of the Tender Process in terms of the Supply Chain Management Regulations and Policy, since it is not required for basic Municipal purposes, to be utilised for Crèche and After Care purposes.
    2. That a Reversion Condition be included in the Deed of Sale as well as the Title Deed that Erf 4534, Asla Park, kwaNonqaba be utilised for Crèche and After Care purposes only and should the successful Bidder fail to erect a Crèche and After Care facility and obtain an Occupation Certificate for the intended use thereof within two (2) years from date of registration, or not use the property as specified, the erf will revert back to the Municipality for the same amount as the original purchase price."

A Deed of Sale was entered into by the Municipality and Ditau Investment Group (Pty) Ltd, dated 30 March 2021, to purchase Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1 161m²), to be utilised for Crèche and After Care purposes.

Clause 3.1 of the Deed of Sale reads as follows:

"A Reversion Condition will be included in the Deed of Sale as well as the Title Deed that Erf 4534, situated at the corner of Calitz Crescent and Stuurman Asla Park, kwaNonqaba be utilised for Crèche and After Care purposes only and should the PURCHASER fail to erect a Crèche and After Care Facility and obtain an Occupancy Certificate for the intended use

thereof within two(2) years from date of registration, or not use the property as specified, the erf will revert back to the SELLER for the same amount as the original purchase price."

Erf 4534, kwaNonqaba was registered into the Purchaser's name on 10 June 2022. The Purchaser was unable to fulfil his contractual obligations, due to a delay in the rezoning of Erf 4534 as a result of a building project the Purchaser is busy with on Erf 6740, placing a strain on its finances. The Purchaser has requested until end of March 2026 to complete the Zoning and Building Plans.

A copy of the Email request as well as the Locality Plan were annexed, marked 'A' and 'B'.

It is therefore proposed, as the Crèche and After Care Facility still needs to be erected, that the Reversion Condition be extended until 31 December 2026 to allow the Purchaser an opportunity to fulfil his contractual obligations.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

None.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Contractual Law

Municipal Asset Management Policy.

Constitution of the Republic of South Africa, 1996.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted for the amendment of Clause 3.1 of the Deed of Sale between the Mossel Bay Municipality and Ditau Investment Group (Pty) Ltd for Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1 161m²), to extend the Reversion Condition until 31 December 2026, to enable the Applicant to comply with its contractual obligations.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken of the email received from Mr KM Rapelego on behalf of the Purchaser, Ditau Investment Group (Pty) Pty, dated 13 October 2025, requesting an amendment of Clause 3.1 of the Deed of Sale to extend the Reversion Condition in order for the Purchaser to comply with its contractual obligations.
2. That approval be granted for the amendment of Clause 3.1 of the Deed of Sale between the Mossel Bay Municipality and Ditau Investment Group (Pty) Ltd Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1 161m²), to be extended until 31 December 2026.
3. That no rights or obligations will vest herein before signing of the amendment to the Deed of Sale by both parties."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE152-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken of the email received from Mr KM Rapelego on behalf of the Purchaser, Ditau Investment Group (Pty) Pty, dated 13 October 2025, requesting an amendment of Clause 3.1 of the Deed of Sale to extend the Reversion Condition in order for the Purchaser to comply with its contractual obligations.
2. That approval be granted for the amendment of Clause 3.1 of the Deed of Sale between the Mossel Bay Municipality and Ditau Investment Group (Pty) Ltd Erf 4534, Public Open Space, situated at the corner of Calitz Crescent and Stuurman Street, Asla Park, kwaNonqaba (±1 161m²), to be extended until 31 December 2026.
3. That no rights or obligations will vest herein before signing of the amendment to the Deed of Sale by both parties.

E361-11/2025

PROPOSED REGISTRATION OF A SERVITUDE (±140M²) OVER A PORTION OF MUNICIPAL PROPERTY, ERF 6017, DANA BAY IN FAVOUR OF ERF 6044, DANA BAY, 83 NERINA ROAD, DANA BAY: JJ SCHUTTE

File Number: 16/3/2/1

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE153-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received from the public.
2. That Council Resolution E213-07/2025, be implemented as follows:

    "1. That approval be granted for the registration of a Servitude (±56m²) indicated as 6044B, S3, S2, S5, S4, 6044B on the Land Surveyor's Diagram, over a portion of Erf 6017, Dana Bay (Municipal property) in favour of Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay (the property of the Applicant, JJ Schutte), at the cost of the Applicant, in order to rectify the historical encroachment of the boundary wall, staircase, driveway and portion of the swimming pool onto the Municipal property.

    2. That an amount of R64 400,00 (VAT inclusive), be payable by the Applicant to the Municipality as market related compensation for the registration of the Servitude in favour of the Applicant's property (Erf 6044, Dana Bay).

3. *That the parking and driveway on a portion of Erf 6017, Dana Bay currently being utilised by the Applicant, which falls outside the servitude area, be rehabilitated by the Applicant to a natural state and facilitate stormwater drainage to the nearest stormwater inlet.*

4. *That the rehabilitation work to be done by the Applicant, as described in Item 3 above, be done to the satisfaction of the Directorate Infrastructure Services at the cost of the Applicant.*

5. *That the request be approved on condition that the Applicant complies with the parking requirements in terms of the Mossel Bay Municipality's Zoning Scheme By-law and that the lay-out of the parking bays on the property be submitted to the Municipality for approval prior to the alienation.*

6. *That no further buildings or structures may be erected on the servitude area.*

7. *That the Applicant will not alter or in any way disturb any existing services on the servitude area.*

8. *That the Municipality reserves the right of free access to the servitude area, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

9. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future.*

10. *That the Applicant will be responsible for all costs related to the registration of the servitude, including surveying costs.*

11. *That no rights and/or obligations will vest herein before final approval by Council and the signing of the Notarial Servitude Agreement by all parties."*

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is for Council to consider the application by Mr JJ Schutte for the Registration of a Servitude (±56m²) over a portion of Municipal property, Erf 6017, Dana Bay in favour of his adjacent property, Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay in order to rectify the historical encroachment of the boundary wall, staircase, driveway, portion of the swimming pool and parking area onto a portion of Erf 6017, Dana Bay (Municipal property).

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

During Council Meeting held on 31 July 2025, Council Resolution E213-07/2025, it was resolved as follows:

"1. That cognisance be taken that the Applicant is unable to afford the compensation of R300 000,00 payable for the original servitude area, as approved by Council and therefore requested a decrease in the servitude area to 56m2.

2. That cognisance be taken of the proposed amendment of the requested servitude area from 140m² to 56m², as received from TMK Professional Land Surveyors, dated 19 September 2024.

3. That, due to the above, Items 1, 2 and 3 of Council Resolution E199-07/2024, be amended to read and be implemented as follows:

"1. That approval be granted for the Registration of a Servitude (±56m²) indicated as 6044B, S3, S2, S5, S4, 6044B on the Land Surveyor's Diagram, over a portion

of Erf 6017, Dana Bay (Municipal property) in favour of Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay (the property of the Applicant, JJ Schutte), at the cost of the Applicant, in order to rectify the historical encroachment of the boundary wall, staircase, driveway and portion of the swimming pool onto the Municipal property.

2. *That an amount of R64 400,00 (VAT inclusive), be payable by the Applicant to the Municipality as market related compensation for the registration of the Servitude in favour of the Applicant's property (Erf 6044, Dana Bay).*

3. *That the parking and driveway on a portion of Erf 6017, Dana Bay currently being utilised by the Applicant, which falls outside the servitude area, be rehabilitated by the Applicant to a natural state and facilitate stormwater drainage to the nearest stormwater inlet.*

4. *That the remainder of Council Resolution E199-07/2024, remains unchanged and be implemented accordingly.*

5. *That the request be approved on condition that the Applicant complies with the parking requirements in terms of the Mossel Bay Municipality's Zoning Scheme By-Law and that the lay-out of the parking bays on the property, be submitted to the Municipality for approval prior to the alienation."*

A copy of the Locality Plan was annexed, marked 'B'.

The prescribed Public Participation Process was duly followed and the Council Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received

The property is not required for the rendering of the minimum level of basic Municipal services and can therefore be leased.

In terms of Regulation 36 of the Asset Transfer Regulations R878, the Municipal Council must, when considering approval for any proposed granting of the right to use, control or manage a capital asset, take into account:

(a) whether the capital asset may be required for the Municipality's own use at a later date;

This portion of the asset is not required for Municipal use.

(b) the expected loss or gain that is expected to result from the proposed transfer or disposal;

The Municipal Valuer determined the market related compensation payable for the registration of the Servitude (±56m²), over a portion of Erf 6017, Dana Bay, situated adjacent to Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay at R64 400,00 (VAT inclusive).

(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;

The Municipality will receive payment of the compensation.

(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;

There will only be rewards applicable in relation to the Municipality's interest.

(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;

No detrimental effect will be experienced on the credit rating; cash flow will be enhanced.

(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;

An application was received from Mr JJ Schutte (hereinafter referred to as the Applicant) requesting the registration of a Servitude over Municipal property, a portion of Erf 6017, Dana Bay in favour of his adjacent property, Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay in order to rectify the historical encroachment of the property's boundary wall, staircase, driveway, portion of the swimming pool and parking area. This portion of Erf 6017, cannot be alienated to the Applicant, as it is zoned as Public Open Space.

(g) the estimated cost of the proposed transfer or disposal;

All costs are for the Applicants' account.

(h) the transfer of any liabilities and reserve funds associated with the capital asset;

No transfer of reserve funds is associated with the asset.

(i) any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;

The required Public Participation Process was followed and no objections were received to the proposed alienation.

(j) any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant Provincial Treasury;

The current market related compensation payable for the registration of the Servitude (±56m²), over a portion of Erf 6017, Dana Bay, situated adjacent to Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay at R64 400,00 (VAT inclusive).

(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

No interests will be affected.

(l) compliance with the legislative regime applicable to the proposed transfer or disposal.

The application is in compliance with:

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Income to the Municipality as compensation for the registration of a servitude.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

Spatial Development Framework, 2022.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted for the registration of the newly proposed Servitude area (±56m²) indicated as 6044B, S3, S2, S5, S4, 6044B on the Land Surveyor's Diagram, over Municipal property, a portion of Erf 6017, Dana Bay in favour of the Applicant's property, Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay (Private Property), at the cost of the Applicant in order to rectify the historical encroachment of the boundary wall, staircase, driveway and portion of the swimming pool onto this portion of Erf 6017, Dana Bay.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received from the public.

2. That Council Resolution E213-07/2025, be implemented as follows:

   "1. That approval be granted for the registration of a Servitude (±56m²) indicated as 6044B, S3, S2, S5, S4, 6044B on the Land Surveyor's Diagram, over a portion of Erf 6017, Dana Bay (Municipal property) in favour of Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay (the property of the Applicant, JJ Schutte), at the cost of the Applicant, in order to rectify the historical encroachment of the boundary wall, staircase, driveway and portion of the swimming pool onto the Municipal property.

   2. That an amount of R64 400,00 (VAT inclusive), be payable by the Applicant to the Municipality as market related compensation for the registration of the Servitude in favour of the Applicant's property (Erf 6044, Dana Bay).

   3. That the parking and driveway on a portion of Erf 6017, Dana Bay currently being utilised by the Applicant, which falls outside the servitude area, be rehabilitated by the Applicant to a natural state and facilitate stormwater drainage to the nearest stormwater inlet.

   4. That the rehabilitation work to be done by the Applicant, as described in Item 3 above, be done to the satisfaction of the Directorate Infrastructure Services at the cost of the Applicant.

   5. That the request be approved on condition that the Applicant complies with the parking requirements in terms of the Mossel Bay Municipality's Zoning Scheme By-law and that the lay-out of the parking bays on the property be submitted to the Municipality for approval prior to the alienation.

   6. That no further buildings or structures may be erected on the servitude area.

7. *That the Applicant will not alter or in any way disturb any existing services on the servitude area.*

8. *That the Municipality reserves the right of free access to the servitude area, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

9. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future.*

10. *That the Applicant will be responsible for all costs related to the registration of the servitude, including surveying costs.*

11. *That no rights and/or obligations will vest herein before final approval by Council and the signing of the Notarial Servitude Agreement by all parties."*

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE153-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that the prescribed Public Participation Process was duly followed and the Resolution referred to the Ward Councillor. A Notice was also displayed on the frontage of the relevant property for the duration of the Public Participation Period. No comments and or objections were received from the public.

2. That Council Resolution E213-07/2025, be implemented as follows:

"1. That approval be granted for the registration of a Servitude (±56m²) indicated as 6044B, S3, S2, S5, S4, 6044B on the Land Surveyor's Diagram, over a portion of Erf 6017, Dana Bay (Municipal property) in favour of Erf 6044, Dana Bay, 83 Nerina Road, Dana Bay (the property of the Applicant, JJ Schutte), at the cost of the Applicant, in order to rectify the historical encroachment of the boundary wall, staircase, driveway and portion of the swimming pool onto the Municipal property.

2. That an amount of R64 400,00 (VAT inclusive), be payable by the Applicant to the Municipality as market related compensation for the registration of the Servitude in favour of the Applicant's property (Erf 6044, Dana Bay).

3. That the parking and driveway on a portion of Erf 6017, Dana Bay currently being utilised by the Applicant, which falls outside the servitude area, be rehabilitated by the Applicant to a natural state and facilitate stormwater drainage to the nearest stormwater inlet.

4. That the rehabilitation work to be done by the Applicant, as described in Item 3 above, be done to the satisfaction of the Directorate Infrastructure Services at the cost of the Applicant.

5. That the request be approved on condition that the Applicant complies with the parking requirements in terms of the Mossel Bay Municipality's Zoning Scheme By-law and that the lay-out of the parking bays on the property be submitted to the Municipality for approval prior to the alienation.

6. That no further buildings or structures may be erected on the servitude area.

7. *That the Applicant will not alter or in any way disturb any existing services on the servitude area.*
8. *That the Municipality reserves the right of free access to the servitude area, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*
9. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future.*
10. *That the Applicant will be responsible for all costs related to the registration of the servitude, including surveying costs.*
11. *That no rights and/or obligations will vest herein before final approval by Council and the signing of the Notarial Servitude Agreement by all parties."*

E362-11/2025

PERMISSION FOR THE CONSTRUCTION OF A GALVANISED FENCE ±89 METERS LONG, ON A PORTION OF ERF 2001, SITUATED AT LOUIS VAN WYK STREET, PARALLEL WITH LOUIS FOURIE ROAD, MOSSEL BAY

File Number: 7/2

Report By: Y van der Berg

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE154-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That approval be granted to the Santos De Bakke Special Rating Area, herein after referred to as the Applicant, for permission to construct a clearview or similar fence, ±89 meters long, on a portion of Erf 2001, situated at Louis van Wyk Street, parallel with Louis Fourie Road, Mossel Bay, as per Annexure B, in order to enhance public safety.

2. That the Applicant will be responsible for all costs related to the approval of the building plans, relocation of any services if required, and the erection of the clearview or similar fence.
3. That approval for the alterations and improvements be granted subject thereto that the building works commence only after the date that the building plans are approved.
4. That the Applicant be responsible for the maintenance of the clearview or similar fence.
5. That the Applicant will not utilise any portion of the fence for the display of outdoor advertising or signage without prior written approval of the Municipality.

6. That the Municipality reserves the right of free access to the portion of Erf 2001, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair or construction of Municipal services and that the Municipality will not be liable for payment of any damages to the clearview or similar fence caused by such repairs, maintenance or construction of Municipal services.
7. That the Applicant indemnifies the Municipality against any claim which may be brought against the Municipality as a result of the permission granted.
8. That the Municipality may request the Applicant to move or remove the fence with two (2) months written notice and the Applicant will not have the right to claim damages of any nature if same is requested by the Municipality.
9. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
10. That the Applicant be responsible for Public Participation advertisement cost.
11. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.
12. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
13. That Delegated Powers be awarded to the Municipal Manager to finalise, conclude and sign the Co-Operation Agreement.
14. That no rights will vest prior to final approval by Council and the signing of the Memorandum of Understanding."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is for Council to consider the application received from the Santos De Bakke Special Rating Area for permission to construct a galvanised fence, ±89 meters long, on a portion of Erf 2001, situated at Louis van Wyk Street, parallel with Louis Fourie Road, Mossel Bay in order to enhance public safety.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

An application was received from the Santos De Bakke Special Rating Area, herein after referred to as the Applicant, for permission to construct a galvanised fence, ±89 meters long, on a portion of Erf 2001, situated at Louis van Wyk Street, parallel with Louis Fourie Road, Mossel Bay in order to enhance public safety.

A copy of the Application was attached and marked as Annexure A.

A copy of the Locality Plan was attached and marked as Annexure B.

The request of the Applicant conforms with the Motivation and Implementation Plan of the Applicant, as approved by Council, however, the Municipality has erected or allowed similar spaces to be fenced with a clearview or similar fences due to this product being more aesthetically appealing. It is less intrusive and has a minimal visual impact. It is recommended that a clearview or similar fence, be erected instead of the proposed galvanised fence.

It is therefore proposed that approval be granted to the Applicant for the construction of the galvanised fence in order to enhance public safety, subject to the signing of a Memorandum of Understanding.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The Applicant will be liable for payment of all cost and maintenance of the fence.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Mossel Bay Municipality Special Rating Area By-Law, 2010

CONCLUSION / SAMEVATTING

It is therefore proposed that permission be granted to the Santos De Bakke Special Rating Area, to construct a clearview or similar fence, ±89 meters long, on a portion of Erf 2001, situated at Louis van Wyk Street, parallel with Louis Fourie Road, Mossel Bay, as per Annexure B, in order to enhance public safety.

RECOMMENDATION

That the following recommendation be made to Council:

1. That approval be granted to the Santos De Bakke Special Rating Area, herein after referred to as the Applicant, for permission to construct a clearview or similar fence, ±89 meters long, on a portion of Erf 2001, situated at Louis van Wyk Street, parallel with Louis Fourie Road, Mossel Bay, as per Annexure B, in order to enhance public safety.

2. That the Applicant will be responsible for all costs related to the approval of the building plans, relocation of any services if required, and the erection of the clearview or similar fence.

3. That approval for the alterations and improvements be granted subject thereto that the building works commence only after the date that the building plans are approved.

4. That the Applicant be responsible for the maintenance of the clearview or similar fence.

5. That the Applicant will not utilise any portion of the fence for the display of outdoor advertising or signage without prior written approval of the Municipality.

6. That the Municipality reserves the right of free access to the portion of Erf 2001, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair or construction of Municipal services and that the Municipality will not be liable for payment of any damages to the clearview or similar fence caused by such repairs, maintenance or construction of Municipal services.

7. That the Applicant indemnifies the Municipality against any claim which may be brought against the Municipality as a result of the permission granted.

8. That the Municipality may request the Applicant to move or remove the fence with two (2) months written notice and the Applicant will not have the right to claim damages of any nature if same is requested by the Municipality.

9. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

10. That the Applicant be responsible for Public Participation advertisement cost.

11. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.
12. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
13. That Delegated Powers be awarded to the Municipal Manager to finalise, conclude and sign the Co-Operation Agreement.
14. That no rights will vest prior to final approval by Council and the signing of the Memorandum of Understanding."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE154-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That approval be granted to the Santos De Bakke Special Rating Area, herein after referred to as the Applicant, for permission to construct a clearview or similar fence, ±89 meters long, on a portion of Erf 2001, situated at Louis van Wyk Street, parallel with Louis Fourie Road, Mossel Bay, as per Annexure B, in order to enhance public safety.
2. That the Applicant will be responsible for all costs related to the approval of the building plans, relocation of any services if required, and the erection of the clearview or similar fence.
3. That approval for the alterations and improvements be granted subject thereto that the building works commence only after the date that the building plans are approved.
4. That the Applicant be responsible for the maintenance of the clearview or similar fence.
5. That the Applicant will not utilise any portion of the fence for the display of outdoor advertising or signage without prior written approval of the Municipality.
6. That the Municipality reserves the right of free access to the portion of Erf 2001, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair or construction of Municipal services and that the Municipality will not be liable for payment of any damages to the clearview or similar fence caused by such repairs, maintenance or construction of Municipal services.
7. That the Applicant indemnifies the Municipality against any claim which may be brought against the Municipality as a result of the permission granted.
8. That the Municipality may request the Applicant to move or remove the fence with two (2) months written notice and the Applicant will not have the right to claim damages of any nature if same is requested by the Municipality.
9. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

10. That the Applicant be responsible for Public Participation advertisement cost.
11. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.
12. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
13. That Delegated Powers be awarded to the Municipal Manager to finalise, conclude and sign the Co-Operation Agreement.
14. That no rights will vest prior to final approval by Council and the signing of the Memorandum of Understanding.

E363-11/2025

APPLICATION FOR THE RENEWAL OF THE LEASE AGREEMENT OF A PORTION (±90M²) OF MUNICIPAL BUILDING, SITUATED ON ERF 12666, GEORGE ROAD, MOSSEL BAY: CREATING EFFECTIVE FAMILIES

File Number: 7/2/2/1

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE155-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That approval be granted to the Applicant, Creating Effective Families, for the renewal of the lease of a portion (±90m²) of the Municipal building, situated on Erf 12666, George Road, Mossel Bay, as indicated on the Locality Plan, at a monthly rental amount of R325,00 (VAT inclusive), for a period of three (3) years, with an annual escalation equal to the CPI percentage, since it is not required for Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.
2. That the Lease Agreement may be cancelled by either party by giving the other party six (6) months written notice of cancellation.
3. That this portion of the property will only be utilised for the purposes of Therapeutic Service Delivery to Families.

4. That, at the termination of the Agreement, all structures and/or improvements on the property be removed within two (2) months of written notice to the satisfaction of the Municipality and that all costs will be for the Applicant.
5. That the Applicant will not sublet the erf or any portion thereof.
6. The Applicant will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.
7. That the Applicant will be responsible for the maintenance of the premises, including the open space or garden, to the satisfaction of the Municipality.
8. That the Applicant will indemnify the Municipality against any claim which may originate from it utilising the erf.
9. That the Applicant will be responsible for the insurance of their contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
10. That the Applicant be responsible for all costs related to the application, including advertising costs.
11. That, due to the value, locality and potential of Erf 12666, Mossel Bay (506.14m²), a separate Item be submitted to Council to invite proposals for the future utilisation of this property.
12. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
13. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.
14. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.
16. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is for Council to consider the application for the renewal of the Lease Agreement of a portion (±90m²) of the Municipal building situated on Erf 12666, George Road, Mossel Bay, to Creating Effective Families, for a period of three (3) years, at a rental amount

of R325,00 per month to be utilised for the purposes of Therapeutic Service Delivery to Families.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

An application was received from Creating Effective Families (hereinafter referred to as the Applicant) to renew the lease of a portion (±90m²) of Municipal building situated on Erf 12666, George Road, Mossel Bay, for a period of three (3) years, to be utilised for the purposes of Therapeutic Service Delivery to Families.

A copy of the Application was annexed, marked 'A'.

The Lease Agreement, dated 9 October 2015, between the Municipality and the Applicant lapsed on 8 September 2025. The lease was for nine (9) years and eleven (11) months.

It is proposed that the lease be renewed for three (3) years only and that proposals for the future utilisation of Erf 12666, Mossel Bay be invited and that a separate Item be submitted to Council in this regard.

Due to the intended call for proposals, it is proposed that the Lease Agreement between the Municipality and the Applicant be extended for three (3) years, subject to a six (6) month cancellation period by either party.

A copy of the Locality Plan was annexed, marked 'B'.

The Municipal Valuer determined the market value of this portion of Erf 12666, George Road, Mossel Bay at R885 500,00 (VAT inclusive). The market related rental was determined at an amount of R4 400,00 per month (VAT inclusive).

A copy of the Valuer's Report was annexed, marked 'C'.

The current lease amount is R310,33 per month. It is therefore recommended that the lease of the property be renewed at a rental amount of R325,00 per month (VAT inclusive), which is in line with the CPI percentage.

Erf 12666, Mossel Bay (506.14m²) is listed on the Municipal Asset Register at a book value of R900 000,00 and classified as Community Facilities.

In terms of Regulation 34(3)(b) of the Asset Transfer Regulations R878, a request to the Municipal Council for authorisation of a Public Participation Process must be accompanied by an information statement stating:

(i) the reasons for the proposal to grant a long term right to use, control or manage the relevant capital asset;

The proposed lease period is only for three (3) years, therefore long term rights are not applicable.

(ii) any expected benefits to the Municipality that may result from the granting of the right;

The Municipality will benefit from the monthly rental to be received as well as service fees.

(iii) any expected proceeds to be received by the Municipality from the granting of the right; and

The Municipality will receive a monthly rental as well as service fees from the Applicant.

(iv) any expected gain or loss that will be realised or incurred by the Municipality arising from the granting of the right.

The Municipality will gain by receiving monthly rental from the Applicant.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Income to the Municipality by receiving monthly rental.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted to the Applicant, Creating Effective Families, for the extension of the lease of a portion (±90m²) of the Municipal building, situated on Erf 12666, George Road, Mossel Bay, as indicated on the Locality Plan, at a monthly rental amount of R325,00 (VAT inclusive), for a period of three (3) years, with an annual escalation equal to the CPI percentage, since it is not required for Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

It is further proposed that, due to the value, locality and potential of Erf 12666, Mossel Bay (506.14m²), the Municipality invites proposals for the future utilisation of this property to be submitted to Council for consideration, subject to predetermined conditions and criteria, and that a separate Item be submitted to Council in this regard.

RECOMMENDATION

That the following recommendation be made to Council:

1. That approval be granted to the Applicant, Creating Effective Families, for the renewal of the lease of a portion (±90m²) of the Municipal building, situated on Erf 12666, George Road, Mossel Bay, as indicated on the Locality Plan, at a monthly rental amount of R325,00 (VAT inclusive), for a period of three (3) years, with an annual escalation equal to the CPI percentage, since it is not required for Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.
2. That the Lease Agreement may be cancelled by either party by giving the other party six (6) months written notice of cancellation.
3. That this portion of the property will only be utilised for the purposes of Therapeutic Service Delivery to Families.
4. That, at the termination of the Agreement, all structures and/or improvements on the property be removed within two (2) months of written notice to the satisfaction of the Municipality and that all costs will be for the Applicant.
5. That the Applicant will not sublet the erf or any portion thereof.
6. The Applicant will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of

the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.

7. That the Applicant will be responsible for the maintenance of the premises, including the open space or garden, to the satisfaction of the Municipality.

8. That the Applicant will indemnify the Municipality against any claim which may originate from it utilising the erf.

9. That the Applicant will be responsible for the insurance of their contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.

10. That the Applicant be responsible for all costs related to the application, including advertising costs.

11. That, due to the value, locality and potential of Erf 12666, Mossel Bay (506.14m²), a separate Item be submitted to Council to invite proposals for the future utilisation of this property.

12. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

13. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.

14. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

16. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE155-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That approval be granted to the Applicant, Creating Effective Families, for the renewal of the lease of a portion (±90m²) of the Municipal building, situated on Erf 12666, George Road, Mossel Bay, as indicated on the Locality Plan, at a monthly rental amount of R325,00 (VAT inclusive), for a period of three (3) years, with an annual escalation equal to the CPI percentage, since it is not required for Municipal purposes. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

2. That the Lease Agreement may be cancelled by either party by giving the other party six (6) months written notice of cancellation.
3. That this portion of the property will only be utilised for the purposes of Therapeutic Service Delivery to Families.
4. That, at the termination of the Agreement, all structures and/or improvements on the property be removed within two (2) months of written notice to the satisfaction of the Municipality and that all costs will be for the Applicant.
5. That the Applicant will not sublet the erf or any portion thereof.
6. The Applicant will not utilise any portion of the premises for the display of outdoor advertising and signage, or change existing signage, without prior written approval of the Municipality as well as approval in terms of the Mossel Bay Municipal By-Law Relating to Outdoor Advertising.
7. That the Applicant will be responsible for the maintenance of the premises, including the open space or garden, to the satisfaction of the Municipality.
8. That the Applicant will indemnify the Municipality against any claim which may originate from it utilising the erf.
9. That the Applicant will be responsible for the insurance of their contents as well as to take out Public Liability Insurance, proof of which must be furnished to the Municipality.
10. That the Applicant be responsible for all costs related to the application, including advertising costs.
11. That, due to the value, locality and potential of Erf 12666, Mossel Bay (506.14m²), a separate Item be submitted to Council to invite proposals for the future utilisation of this property.
12. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
13. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.
14. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.
16. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties.

E364-11/2025

PROPOSED TRANSFER FROM GARDEN ROUTE DISTRICT MUNICIPALITY TO MOSSEL BAY MUNICIPALITY: ERF 99, GLENTANA (4.7HA)

File Number: 7/1/B

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE157-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that, in terms of Council Resolution E231-11/2020, delegated powers were awarded to the Municipal Manager to negotiate and finalise the purchasing of Erf 99, Glentana.
2. That cognisance be taken of the Letter (Annexure 'A') to the Garden Route District Municipality, dated 16 March 2021, containing a formal offer for the purchase of Erf 99, Glentana to an amount of R304 000,00 (VAT inclusive), which was not accepted by the Garden Route District Municipality.
3. That cognisance be taken of the Resolution taken by the Garden Route District Municipality on 30 September 2025, as confirmed in the Letter dated to the Mossel Bay Municipality dated 23 October 2025 (Annexure 'B'), that approval be granted to transfer Erf 99, Glentana to Mossel Bay Municipality.
4. That it be accepted that Erf 99, Glentana be formally transferred and registered in the name of Mossel Bay Municipality, at the cost of the Municipality.
5. That, due to the property being transferred from the Garden Route District Municipality to the Mossel Bay Municipality, no further consideration be given to instituting a claim for the expenditure incurred on Erf 99, Glentana to safeguard the property against further damage.
6. That, after registration of Erf 99, Glentana in the name of Mossel Bay Municipality, it be added to the Municipal Asset Register."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The purpose of this Item is for Council to approve the transfer of Erf 99, Glentana (4.7ha) from Garden Route District Municipality to Mossel Bay Municipality, at the cost of Mossel Bay Municipality.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

In terms of Council Resolution E231-11/2020, dated 26 November 2020, it was inter alia, resolved as follows:

"1. That Council approves the Memorandum of Understanding regarding transfer of properties between Garden Route District Municipality and Mossel Bay Municipality, namely:

1.1 To be transferred to Mossel Bay Municipality:

Erf 488, Tergniet (5 499m²) (parking area, Municipal ablution block and waste transfer station);

Erf 76 (2 230m²), Erf 77 (2 230m²) and Erf 78, Little Brak River (1. 4211ha) (Mid-Brak Cemetery and Community Hall);

Erf 238, Little Brak River (1. 5026ha) (Public Street);

Erf 1040, Little Brak River (6 500m²) (Municipal reservoir);

Portion of Portion 2 of the Farm Hoogekraal No 238 (4 531m²) (Municipal reservoir);

Portion of Erf 271, Reebok (6 800m²) (Municipal infrastructure);

Northern portion of Erf 3803, Mossel Bay (8 565m²) (Fire Station); and

1.2 To be transferred to Garden Route District Municipality:

Erf 12406, Mossel Bay (1 188m²) (Garden Route District Municipal Health Services Offices)

Southern portion of Erf 3803, Mossel Bay (±8 565m²) (Fire Station).

2. That Mossel Bay Municipality will be responsible for all costs related to the transfer of the properties listed in 1.1 above, including the survey and subdivision costs.

3. That Mossel Bay Municipality will submit a formal market related offer of R304 000,00 (VAT inclusive) to Garden Route District Municipality to purchase Erf 99, Glentana currently utilised by Mossel Bay Municipality as a parking area, ablution facility and picnic/braai area.

4. That the properties transferred to Mossel Bay Municipality, be valued by the Municipal Valuer and added to the Municipal Asset Register on registration in the name of the Municipality.

5. That the Executive Mayor and Municipal Manager be authorised to sign the Memorandum of Understanding.

6. That Delegated Powers be awarded to the Municipal Manager to give effect to the Memorandum of Understanding and to ensure the transfer of the properties, to negotiate and finalise the development and layout of Erf 271 and 264, Reebok as well as the purchasing of Erf 99, Glentana."

The Memorandum was duly signed by the parties on 23 February 2021, as well as a subsequent Transfer Agreement, dated 30 March 2021.

The Municipality submitted a formal offer for the purchase of Erf 99, Glentana to an amount of R304 000,00 (VAT inclusive) to Garden Route District Municipality on 16 March 2021, in terms of the Memorandum of Understanding regarding Transfer of Properties between Garden Route District Municipality and Mossel Bay Municipality, dated 23 February 2021.

A copy of the Letter was annexed, marked 'A'.

The offer was rejected by the Garden Route District Municipality by means of a letter, dated 9 March 2022.

In terms of Council Resolution E108-05/2025, dated 29 May 2025, it was resolved as follows:

"1. That cognisance be taken that the embankment at the public parking area and ablution facilities at Beach Road, Erf 99, Glentana (Annexure A) was damaged due to recent storms and that the public access steps to the beach and adjacent shower structure were also washed away.

2. That cognisance be taken that Mossel Bay Municipal Infrastructure is situated on Erf 99, Glentana and is currently under threat and necessitates an urgent response to prevent the ablution facility from collapsing into the sea with another storm.

3. That cognisance be taken that Erf 99, Glentana is still currently the property of the Garden Route District Municipality and that the Mossel Bay Municipality is still negotiating regarding the transfer of the property.

4. That the Municipal Manager be mandated to proceed with the Rock Revetment Works on Erf 99, Glentana, as it is deemed to be in the public and Municipality's interest due to the following reasons:

4.1 Facilitating access to the beach area.

4.2 That the public ablution facilities are for the use of visitors and residents.

4.3 That the public parking area is for the use of visitors and residents.

4.4 To safeguard residential and business areas from possible future damage should the dunes further destabilise.

4.5 To protect Municipal infrastructure.

5. That cognisance be taken that the cost estimation for these works amount to R16 980 776,94 VAT inclusive and that sufficient provision has been made in the 2024/2025 and 2025/2026 Operational and Capital Budgets under Vote 9/407-136-16502 and that it be accepted.

6. That the required procurement processes be followed in terms of the prescribed legislation to proceed with the coastal revetment.

7. That Garden Route District Municipality be informed in writing that the Municipality proceeds with rock revetment on their property and that, should the negotiations with Garden Route District Municipality regarding transfer of Erf 99, Glentana to Mossel Bay Municipality not be successful, consideration will be given to instituting a claim for the expenditure on Erf 99 to safeguard the property against further damage.

8. That, as this is in the public interest, the necessary information be conveyed to the public by means of the Municipality's communication processes.

9. That a full Report be submitted to Council by the Directorate: Infrastructure Services after completion of the urgent works on Erf 99, Glentana, for cognisance."

Further negotiations regarding the purchase and ownership of Erf 99, Glentana ensued.

Garden Route District Municipality adopted a Resolution on 30 September 2025 to transfer Erf 99, Glentana to the Mossel Bay Municipality.

A copy of the Letter dated 23 October 2025 received from Garden Route District Municipality was attached, marked 'B'.

A copy of the Locality Plan was annexed, marked ‘C’.

The property will be transferred without any compensation payable, at the cost of the Mossel Bay Municipality.

It is therefore proposed that, due to the property being transferred from the Garden Route District Municipality to the Mossel Bay Municipality, no further consideration be given to instituting a claim for the expenditure incurred on Erf 99, Glentana to safeguard the property against further damage.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Transfer costs of Erf 99, Glentana.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Contractual Law.

CONCLUSION / SAMEVATTING

It is therefore proposed that Council grants its approval for the transfer of Erf 99, Glentana (4.7ha) from Garden Route District Municipality to Mossel Bay Municipality, at the cost of the Municipality.

It is further proposed that, due to the property being transferred from the Garden Route District Municipality to the Mossel Bay Municipality, no further consideration be given to instituting a claim for the expenditure incurred on Erf 99, Glentana to safeguard the property against further damage.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken that, in terms of Council Resolution E231-11/2020, Delegated Powers were awarded to the Municipal Manager to negotiate and finalise the purchasing of Erf 99, Glentana.
2. That cognisance be taken of the Letter (Annexure ‘A’) to the Garden Route District Municipality, dated 16 March 2021, containing a formal offer for the purchase of Erf 99, Glentana to an amount of R304 000,00 (VAT inclusive), which was not accepted by the Garden Route District Municipality.
3. That cognisance be taken of the Resolution taken by the Garden Route District Municipality on 30 September 2025, as confirmed in the Letter dated to the Mossel Bay Municipality dated 23 October 2025 (Annexure ‘B’), that approval be granted to transfer Erf 99, Glentana to Mossel Bay Municipality.
4. That it be accepted that Erf 99, Glentana be formally transferred and registered in the name of Mossel Bay Municipality, at the cost of the Municipality.
5. That, due to the property being transferred from the Garden Route District Municipality to the Mossel Bay Municipality, no further consideration be given to instituting a claim for the expenditure incurred on Erf 99, Glentana to safeguard the property against further damage.
6. That, after registration of Erf 99, Glentana in the name of Mossel Bay Municipality, it be added to the Municipal Asset Register.”

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE157-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that, in terms of Council Resolution E231-11/2020, Delegated Powers were awarded to the Municipal Manager to negotiate and finalise the purchasing of Erf 99, Glentana.
2. That cognisance be taken of the Letter (Annexure 'A') to the Garden Route District Municipality, dated 16 March 2021, containing a formal offer for the purchase of Erf 99, Glentana to an amount of R304 000,00 (VAT inclusive), which was not accepted by the Garden Route District Municipality.
3. That cognisance be taken of the Resolution taken by the Garden Route District Municipality on 30 September 2025, as confirmed in the Letter dated to the Mossel Bay Municipality dated 23 October 2025 (Annexure 'B'), that approval be granted to transfer Erf 99, Glentana to Mossel Bay Municipality.
4. That it be accepted that Erf 99, Glentana be formally transferred and registered in the name of Mossel Bay Municipality, at the cost of the Municipality.
5. That, due to the property being transferred from the Garden Route District Municipality to the Mossel Bay Municipality, no further consideration be given to instituting a claim for the expenditure incurred on Erf 99, Glentana to safeguard the property against further damage.
6. That, after registration of Erf 99, Glentana in the name of Mossel Bay Municipality, it be added to the Municipal Asset Register.

E365-11/2025

RENEWAL OF THE LEASE AGREEMENT OF TWO PORTIONS OF ERF 401, LITTLE BRAK RIVER (±8 704M²): VISTA BOWLING CLUB

File Number: BV 7

Report By: D Steyn

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE158-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That approval be granted for the renewal of the Lease Agreement of two portions of Erf 401, Little Brak River (±8 704m²), as indicated on the Locality Plan marked as 'B1'

and 'B2', to the Applicant (Vista Bowling Club), for a period of twenty nine (29) years, to be utilised for the purposes of a Bowling Club and additional parking purposes since it is not required for basic Municipal purposes, at a rental amount of R880,00 per annum (VAT inclusive), in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, with an annual escalation equal to the CPI percentage. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.

2. That cognisance be taken that the renewal of the lease of these two portions, will run concurrently with the current Lease Agreement with the Lessee for the second Bowling Green (±2 800m²), indicated as B3 on the Locality Plan, for practical purposes.

3. That no other buildings/structures may be erected on the premises without the prior written approval of the Municipality.

4. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.

5. That the Applicant is responsible for the maintenance of the premises, greens, buildings and fences in good and tidy condition to the satisfaction of the Municipality.

6. That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage without prior written approval of the Municipality.

7. That the Applicant will be responsible for the insurance of the building and their contents as well as to obtain Public Liability Insurance.

8. That the Applicant be responsible for all costs related to the application, including advertising costs.

9. That the Notarial Lease Agreement for these two portions of property, as well as the current Lease Agreement with the Applicant, be registered against the Title Deed of the property by the Municipality's Panel Attorneys at the cost of the Applicant.

10. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

11. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, following which it will be accepted that there are no comments, objections or representations.

12. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

13. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

14. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"This Item is submitted to Council to acquire approval for the renewal of the Lease Agreement of two portions of Erf 401, Little Brak River (±8 704m²), to Vista Bowling Club, for a period of thirty (30) years, at a rental amount of R880,00 per annum (VAT inclusive), with an annual escalation equal to the CPI percentage, to be utilised for the purposes of a Bowling Club and parking area.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The Applicant currently has three (3) Lease Agreements with the Municipality for portions of Erf 401, Little Brak River. The two (2) leases utilised for Bowling Club (±8 000m²) and parking (±704m²) purposes both end on 15 September 2027 and the lease for the second Bowling Green (±2 800m²), ends on 30 November 2054.

An application was received from the president of Vista Bowling Club (hereinafter referred to as the Applicant), for the renewal of the two Lease Agreements of the two portions of Erf 401, Little Brak River (±8 704m²), utilised for the Bowling Club (±8 000m²) and parking area (±704m²), for a period of thirty (30) years, since it is not required for basic Municipal purposes.

It is proposed that the renewal of the two Lease Agreements of these two portions of Erf 401, Little Brak River (±8 704m²), be combined to run concurrently with the lease period of the existing Lease Agreement dated 10 December 2024 for the second Bowling Green, expiring on 30 November 2054 for practical reasons.

A copy of the Application as well as the Locality Plan were annexed, marked 'A' and 'B' respectively. The three (3) lease areas are indicated on the Locality Plan as B1 to B3.

The Municipal Valuer determined the market value of the portion (±8 000m²) (Bowling Club) of Erf 401, Little Brak River at R1 220 000,00 (VAT inclusive). The market related rental was determined at an amount of R6 100,00 per month (VAT inclusive).

The Municipal Valuer determined the market value of the portion (±704m²) (parking area) of Erf 401, Little Brak River at R400 000,00 (VAT inclusive). The market related rental was determined at an amount of R2 000,00 per month (VAT inclusive).

A copy of the Valuer's Report were annexed, marked 'C'.

The current lease amount for both portions is R845,12 per annum. It is therefore recommended that the lease of the combined two portions, be renewed at a rental amount of R880,00 per annum (VAT inclusive), which is in line with the CPI percentage.

In terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, immovable property is let at market related rates, except when the public interest or the plight of the poor demands otherwise.

It is submitted that the continued existence of the Club is in the public interest due to the contribution to sport development within the Little Brak River community and the promotion of a healthy active lifestyle and that a deviation from the market related rental requirement is justified in this case, as provided for in Section 40(2)(c)(i).

Erf 401, Little Brak River (2.01 ha) is listed on the Municipal Register at a book value of R169 572,34 and classified as Sport and Recreation Facilities.

In terms of Regulation 34(3)(b) of the Asset Transfer Regulations R878, a request to the Municipal Council for authorisation of a Public Participation Process must be accompanied by an information statement stating:

(i) the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;

The proposed lease of the two portions of Erf 401, Little Brak River (±8 704m²) run concurrently with the lease period of the existing Lease Agreement for the second Bowling Green as it will be managed by the same Lessee, therefore long term rights are not applicable.

(ii) any expected benefits to the Municipality that may result from the granting of the right;

The Municipality will benefit from the annual rental to be received as well as service fees.

(iii) any expected proceeds to be received by the Municipality from the granting of the right; and

Annual rental as well as service fees to be received from the Applicant.

(iv) any expected gain or loss that will be realised or incurred by the Municipality arising from the granting of the right.

The Municipality will gain by receiving annual rental from the Applicant. The Club will also be to the benefit of the community.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Comments received form Directorate: Financial Services are as follows:

"Erf 401, Little Brak River (2.01 ha) is listed on the Municipal Register at a book value of R169 572,34 and classified as Sport and Recreation Facilities."

Directorate: Financial Services has no objection to the proposed renewal of the lease.

Costs of registering the Notarial Lease Agreement, will be for the Club`s account.

Surveyor costs will be paid by the Municipality.

Income to the Municipality by receiving annual rental as well as service fees.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003; Municipal Asset Transfer Regulations, 2008.

Municipal Supply Chain Management Policy.

Municipal Asset Management Policy.

CONCLUSION / SAMEVATTING

It is therefore proposed that approval be granted for the renewal of the Lease Agreement of two portions of Erf 401, Little Brak River (±8 704m²), as indicated on the Locality Plan marked 'B', as B1 and B2 to the Applicant (Vista Bowling Club), to run concurrently with the remaining period of the Club's Lease Agreement for a second Bowling Green (±2 800m²) dated 10 December 2024 (termination date 30 November 2054), to be utilised for the purposes of a Bowling Club and additional parking purposes since it is not required for basic Municipal purposes, at a rental amount of R880,00 per annum (VAT inclusive), in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, with an annual escalation equal to the CPI percentage.

RECOMMENDATION

That the following recommendation be made to Council:

1. That approval be granted for the renewal of the Lease Agreement of two portions of Erf 401, Little Brak River (±8 704m²), as indicated on the Locality Plan marked as 'B1' and 'B2', to the Applicant (Vista Bowling Club), for a period of twenty nine (29) years, to be utilised for the purposes of a Bowling Club and additional parking purposes since it is not required for basic Municipal purposes, at a rental amount of R880,00 per annum (VAT inclusive), in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, with an annual escalation equal to the CPI percentage. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.
2. That cognisance be taken that the renewal of the lease of these two portions, will run concurrently with the current Lease Agreement with the Lessee for the second Bowling Green (±2 800m²), indicated as B3 on the Locality Plan, for practical purposes.
3. That no other buildings/structures may be erected on the premises without the prior written approval of the Municipality.
4. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.
5. That the Applicant is responsible for the maintenance of the premises, greens, buildings and fences in good and tidy condition to the satisfaction of the Municipality.
6. That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage without prior written approval of the Municipality.
7. That the Applicant will be responsible for the insurance of the building and their contents as well as to obtain Public Liability Insurance.
8. That the Applicant be responsible for all costs related to the application, including advertising costs.
9. That the Notarial Lease Agreement for these two portions of property, as well as the current Lease Agreement with the Applicant, be registered against the Title Deed of the property by the Municipality's Panel Attorneys at the cost of the Applicant.
10. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
11. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, following which it will be accepted that there are no comments, objections or representations.
12. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.
13. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

14. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE158-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That approval be granted for the renewal of the Lease Agreement of two portions of Erf 401, Little Brak River (±8 704m²), as indicated on the Locality Plan marked as 'B1' and 'B2', to the Applicant (Vista Bowling Club), for a period of twenty nine (29) years, to be utilised for the purposes of a Bowling Club and additional parking purposes since it is not required for basic Municipal purposes, at a rental amount of R880,00 per annum (VAT inclusive), in terms of Section 40(2)(c)(i) of the Municipal Supply Chain Management Regulations, with an annual escalation equal to the CPI percentage, with an annual escalation equal to the CPI percentage. The applicable CPI percentage shall be the CPI of two (2) months prior to the date of escalation in terms of the Agreement.
2. That cognisance be taken that the renewal of the lease of these two portions, will run concurrently with the current Lease Agreement with the Lessee for the second Bowling Green (±2 800m²), indicated as B3 on the Locality Plan, for practical purposes.
3. That no other buildings/structures may be erected on the premises without the prior written approval of the Municipality.
4. That the Applicant will not sublet the erf or any portion thereof without prior written approval of the Municipality.
5. That the Applicant is responsible for the maintenance of the premises, greens, buildings and fences in good and tidy condition to the satisfaction of the Municipality.
6. That the Applicant will not utilise any portion of the premises for the display of outdoor advertising or signage without prior written approval of the Municipality.
7. That the Applicant will be responsible for the insurance of the building and their contents as well as to obtain Public Liability Insurance.
8. That the Applicant be responsible for all costs related to the application, including advertising costs.
9. That the Notarial Lease Agreement for these two portions of property, as well as the current Lease Agreement with the Applicant, be registered against the Title Deed of the property by the Municipality's Panel Attorneys at the cost of the Applicant.
10. That the Public Participation Process, as prescribed in the relevant legislation, be followed.
11. That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, following which it will be accepted that there are no comments, objections or representations.

12. That, after the completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

13. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

14. That, if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest prior to the Lease Agreement being signed by both parties.

E366-11/2025

AMENDMENT OF RESOLUTION E223-08/2024 (E164-06/2025) FOR THE PROPOSED ALIENATION OF A PORTION (±306M²) OF ERF 10142 (ROAD RESERVE) AND REGISTATION OF A SERVITUDE (209 M²), MOSSEL BAY, SITUATED ADJACENT TO ERF 10108, MOSSEL BAY: J PRINSLOO

File Number: 7/2/2/3

Report By: J Roux

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE160-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

"1. That cognisance be taken that the prescribed Public Participation Process, was duly followed.

2. That, based on the comments and objections received, the following recommended amendment to Council Resolution E164-06/2025 (E223-08/2024), be made to Council:

"1. That approval be granted for the alienation of a portion (±306m²) and registration of a servitude (209m²) of/on Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay, to J Prinsloo (hereinafter referred to as the Applicant - Numbi Construction Pty Ltd), at a market related purchase price of R460 000,00 (VAT inclusive), to be consolidated with the Owner's adjacent property, Erf 10108, Mossel Bay, in order for the consolidated property to be redeveloped for General Residential Zone 3 (Flats) purposes, since it is not required for basic Municipal purposes.

2. That the ±306m² portion of Erf 10142, Mossel Bay be consolidated with the Applicant's adjacent property, Erf 10108, Mossel Bay, at the cost of the Applicant.

3. That permission hereby be granted to launch the necessary applications in terms of all relevant legislation to enable the utilisation of the property for the

intended purposes and the closure/ subdivision/ consolidation/ rezoning/ servitude registration of/on the applicable properties.

4. *That, taking into consideration that this portion (±306m²) of Erf 10142, Mossel Bay is situated adjacent to the Applicant's current property Erf 10108, Mossel Bay and that the Applicant is the only entity to whom this piece of land will have any value, Council is satisfied that the disposal will be beneficial to the community and therefore resolves to dispose of this (±306m²) portion of Erf 10142, Mossel Bay directly to the Applicant, the Owner of the adjacent Erf 10108, Mossel Bay.*

5. *That a 1,2m pedestrian sidewalk (situated in the servitude area) be constructed by the Applicant between the existing public parking and the eastern boundary of the property to be purchased.*

6. *That the mentioned sidewalk be constructed and maintained by the Applicant at its own expense to the satisfaction of the Director: Infrastructure Services.*

7. *That the Applicant be responsible to maintain the existing public parking area situated in the road reserve of Erf 10142, Harry Muller Street, Mossel Bay, to the satisfaction of the Director: Infrastructure Services, at its own costs.*

8. *That the arrangement in Recommendation 7, be formalised through the registration of a Servitude over the public parking and sidewalk area in the road reserve of Harry Miller Street, in favour of the general public and Erf 10108, Mossel Bay plus the portion to be disposed (consolidated Applicant's property), at the cost of the Applicant and to the satisfaction of the Director: Infrastructure Services.*

9. *That the consolidated Erf 10108, Mossel Bay plus the portion to be disposed (Applicant's property), be rezoned to accommodate the proposal and that the Applicant be responsible for the costs of the mentioned application and any other Land Use Applications necessary.*

10. *That the Applicant construct a ±330sqm paved parking area (10 parking bays), maneuvering space and access from 21st Avenue on a portion of Erf 10141, Mossel Bay. That the design of the proposed parking area be approved by the Directorate Infrastructure Services and the created asset, be donated to the Municipality. That the proposed parking area be constructed before occupation of the proposed building on the consolidated property (Erf 10108 and portion of Erf 10142).*

11. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

12. *That the Applicant will be responsible for all costs of the application, including advertisement, transfer, service connection costs and other as needed.*

13. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future. This precondition must also be included in the Title Deed.*

14. *That the Applicant will not alter or in any way disturb any existing services on the abovementioned properties, without permission of the Director: Infrastructure Services, at the cost of the Applicant.*

15. *That building plans be submitted by the Applicant, at the Applicant's cost, for approval and that the building plans be approved by the Municipality before the Applicant may commence with any building construction on the property.*

16. *That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties.*

17. *That all windows facing to the west and south, be designed to ensure the privacy of the neighbours are preserved as far as possible.*

18. *That the height of the proposed development on the newly consolidated property, be limited to 9m, as defined by the Planning Scheme By-Law.*

19. *That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties."*

20. *That during the SPLUMA Application Process, detail proposals be submitted with the application and be made available to the surrounding community as part of the Public Participation Process.*

21. *That all stakeholders who participated in this process be included in the Public Participation Process for the Town Planning Applications.*

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"In terms of Council Resolution E164-06/2025, it was resolved as follows:

"1. That cognisance be taken that the prescribed Public Participation Process was duly followed.

2. That, based on the comments and objections received, the following recommended amendment to Council Resolution E223-08/2024, be made to Council:

"1. That approval be granted for the alienation of a portion (±306m²) and registration of a servitude (209m²) of/on Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay, to J Prinsloo (hereinafter referred to as the Applicant - Numbi Construction Pty Ltd), at a market related purchase price of R460 000,00 (VAT inclusive), to be consolidated with the Owner's adjacent property, Erf 10108, Mossel Bay, in order for the consolidated property to be redeveloped for Business purposes, a Restaurant (Coffee Shop) and Flats, since it is not required for basic Municipal purposes.

2. That the ±306m² portion of Erf 10142, Mossel Bay be consolidated with the Applicant's adjacent property, Erf 10108, Mossel Bay, at the cost of the Applicant.

3. That permission hereby be granted to launch the necessary applications in terms of all relevant legislation to enable the utilisation of the property for the intended purposes and the closure/ subdivision/ consolidation/ rezoning/ servitude registration of/on the property.

4. That, taking into consideration that this portion (±306m²) of Erf 10142, Mossel Bay is situated adjacent to the Applicant's current property Erf 10108, Mossel Bay and that the Applicant is the only entity to whom this piece of land will have any value, Council is satisfied that the disposal will be beneficial to the community and therefore resolves to dispose of this (±306m²) portion of Erf

10142, Mossel Bay directly to the Applicant, the Owner of the adjacent Erf 10108, Mossel Bay.

5. *That a 1,2m pedestrian sidewalk (situated in the servitude area) be constructed by the Applicant between the existing public parking and the eastern boundary of the property to be purchased.*

6. *That the mentioned sidewalk be constructed and maintained by the Applicant at its own expense to the satisfaction of the Director: Infrastructure Services.*

7. *That the Applicant be responsible to maintain the existing public parking area situated in the road reserve of Erf 10142, Harry Muller Street, Mossel Bay, to the satisfaction of the Director: Infrastructure Services, at its own costs.*

8. *That the arrangement in Recommendation 7, be formalised through the registration of a Servitude over the public parking and sidewalk area in the road reserve of Harry Miller Street, in favour of the general public and Erf 10108, Mossel Bay plus the portion to be disposed (consolidated Applicant's property), at the cost of the Applicant and to the satisfaction of the Director: Infrastructure Services.*

9. *That the consolidated Erf 10108, Mossel Bay plus the portion to be disposed (Applicant's property), be rezoned to accommodate the proposal and that the Applicant be responsible for the costs of the mentioned application and any other Land Use Applications necessary.*

10. *That the Applicant construct a ±330sqm paved parking area (10 parking bays), maneuvering space and access from 21st Avenue on a portion of Erf 10141, Mossel Bay. That the design of the proposed parking area be approved by the Directorate Infrastructure Services and the created asset, be donated to the Municipality. That the proposed parking area be constructed before occupation of the proposed building on the consolidated property (Erf 10108 and Portion of Erf 10142).*

11. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

12. *That the Applicant will be responsible for all costs of the application, including advertisement, transfer, service connection costs and other as needed.*

13. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future. This precondition must also be included in the Title Deed.*

14. *That the Applicant will not alter or in any way disturb any existing services on the abovementioned properties, without permission of the Director: Infrastructure Services, at the cost of the Applicant.*

15. *That building plans be submitted by the Applicant, at the Applicant's cost, for approval and that the building plans be approved by the Municipality before the Applicant may commence with any building construction on the property.*

16. *That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties.*

17. *That the Coverage on the newly consolidated property, be limited to 70%.*

18. *That trading hours of all the business uses, be restricted between 07h00 and 18h00.*
19. *That the proposed Business use/Coffee Shop must not cause a public nuisance to the surrounding Owners.*
20. *That the new building to be constructed must be shifted as far as possible north and east.*
21. *That all windows facing to the west and south, be designed to ensure the privacy of the neighbours are preserved as far as possible.*
22. *That the height of the proposed development on the newly consolidated property, be limited to 9m, as defined by the Planning Scheme By-Law."*

3. That, due to the number of substantive objections received to the existing Council Resolution, the material amendment to the previous Council Resolution and the potential impact on the character of the area, a further comprehensive Public Participation Process, in terms of the previous Council Resolution, be followed including the proposal in respect of the new development be made available to the public.
4. That, as part of the Public Participation Process, all individuals who commented on the current Council Resolution, be included and informed of the proposed amendment in terms of this Resolution.
5. That, after completion of the prescribed Public Participation Process, this Item be referred to Council for further consideration.
6. That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties."

(Previous Item was attached as Annexure A)

Public Participation

Subsequent to the abovementioned Council decision, the following Public Participation Process was followed:

- An advertisement was published in the Mossel Bay advertiser, 12 September 2025.
- Site Notices were displayed on the site.
- Notice was sent to the Ward Councillor.
- Notices were sent to adjoining Property Owners.
- Notices were sent to all interested parties which commented previously.
- Public meeting was arranged by the developer and every interested party who participated previously was invited.

The Public Participation Process commenced on 12 September 2025 and closed on 13 October 2025.

Summary of comments received: (Comments were attached as Annexure B).

In total 3 comments were received:

A: Linkside Park: (adjacent Owner)

1. General

- The development will have a negative impact on the well-being of the Linkside Park residents.
- The sale will allow and increase in residential density.
- Lead to the construction of a 3 storey building exceeding the prevailing height of existing structures and undermines the low-rise nature of the area.
- It will disrupt the architectural harmony in the area.
- Object strongly to the application unless strict conditions are set to illuminate any risk.
- The Notice is misleading since it is not only a land transaction but will result in a business rezoning.
- The residents are not given the full scope and impact of the development.
- We request that a full site development plan and explanation of the business zoning be made available for comment.
- A portion of the property is being used for access by Unit 2 and 3 and therefore the applicable property do have use for other Mossel Bay residents.

2. Zoning & Building-Line Compliance

- Mossel Bay zoning laws set building lines and setbacks to protect neighbours.
- The proposed plan pushes buildings and parking against boundaries, contrary to these rules.
- Any departure to allow such encroachment would be unreasonable and harmful to neighbours.

3. Cumulative Negative Impacts

- Traffic: Significant increase near a busy school zone.
- Noise: Cars, deliveries, café activity will disturb quiet enjoyment.
- Overlooking: 3-storey flats infringe on privacy and garden views.
- Safety: Commercial use brings foot traffic, loiterers, and risks to security.
- Visual Impact: Oversized development undermines neighbourhood character.

4. Precedent & Slippery Slope

- Allowing land acquisition and encroachment erodes buffer zones.
- Creates precedent for further relaxations, rezoning, and intensification by stealth.

5. Procedural Fairness & Public Participation

- Public Participation is a constitutional requirement.
- Municipality must give proper notice, consider objections fairly, and avoid bias.
- Any failure (poor notice, developer influence) would be procedurally unlawful.

6. Neighbourhood Character & Fairness

- The area is residential with moderate density, privacy, and quiet.
- The proposed mixed-use flats + café are too intense and out of context.
- Old zoning rights do not entitle overdevelopment; compatibility with current neighbourhood must be prioritised.

7. Relief/Demands:

i) Reject any request to purchase sidewalk/road reserve

ii) Subject any rezoning, departure, or intensification applications to full public participation and compliance with all building, height, parking, and property rights requirements.

iii) Carefully consider objections rather than approve developments solely for economic benefit.

iv) Ensure transparency and fairness in notices, signage, and public participation.

v) Provide full access to all development-related documents (Plans, Studies, Assessments) in advance to allow meaningful response.

vi) Grant any By-Law relaxations only if no harm is caused to neighbours, with the Developer bearing the burden of proof.

B: <u>Dr Andre and Linda du Plessis (adjacent Owner)</u>

1. Not apposed to the proposed disposal subject to the property's existing access from 21st Ave being secure.
2. I support the proposed public parking at the park as long as the park and parking will be accessible to the general public.
3. I am opposed to parking being created next to my property (Erf 10107). Direct street access from Erf 10108, Harry Miller Street and 21st Ave is available.
4. I propose that the development be placed as far South and West on Erf 10108 and not North and East as proposed. This will minimize the noise factor for surrounding neighbours.
5. Taking into account the 9 m height of the proposed building the proposed placement will not have a negative impact on neighbours
6. The windows on the southern and western side must still be designed to facilitate privacy.

7. We are apposing the Coffee Shop. It will have a negative impact on the peaceful character of the residential area. Rather develop another flat in the space allocated for the coffee shop.
8. We are supporting residential development which will respect the value, peaceful character and rights of existing owners in the area.
9. The Municipality and Developer must ensure proper communication regarding any future proposal.

C: Tertius and Elsabe Cloete (adjacent Owner)

1. The objection is lodged on behalf of 6 residents and Owners (no names mentioned – direct neighbours)
2. The Existing Business Zone 2 zoning should have been converted to Business Zone 3 when the new scheme was adopted and therefore the current zoning allows additional rights. The proposed Business Zone 1 zoning will allow even more floor factor and allow the construction of 13 flats.
3. Increase in density, building height, vehicular access, parking, noise, traffic will materially impact us, particularly given the proximity of approximately 10–20 metres from our house, bedroom window, and swimming pool.
4. The public meeting did not provide sufficient information regarding impact on traffic, privacy, noise, safety and character and amenities of the surrounding neigbourhood.
5. Grounds of Objection:
    - Impact of increased traffic, congestion, and safety risks
    - Noise, privacy, and visual intrusion
    - Inadequate justification for rezoning and density increase
    - The approval will set a precedent regarding intensification of land use, higher buildings, increased commercial activity, and additional encroachment into residential zones.
    - Non-compliance and insufficient disclosure in the process of the floor factor implications of the rezoning.
    - Impact on property values and residential amenity
    - Various legislative process must be adhere to when any rezoning or relaxation that materially increases density, traffic, noise, or overlooks neighbouring properties must be subject to strict conditions or, where appropriate, refused, unless the developer can demonstrate satisfactory mitigation measures that protect the interests of surrounding residents.
6. Request the Municipality
    - Reject the proposed alienation of the road reserve.
    - Should any rezoning or development be contemplated.
        - Independent Traffic Impact Assessment.
        - Studies on potential noise and light pollution.

- Strict adherence to building height, placement, and setback regulations to preserve the privacy and amenity of neighbouring properties.
- Imposition of strict limits on commercial activities.
- Guarantee that the Public Participation Process.
- Consider alternative, more modest developments that are compatible with the existing.
- Residential character.

7. Conclusion

We are not opposed to reasonable development or to the growth of Mossel Bay; however, the proposals currently under consideration are excessive, poorly justified, and would be highly detrimental to the immediate neighbourhood and its residents. Approval of this proposal would not meaningfully or equitably "uplift" the area; rather, it would compromise residential amenity, safety, privacy, and local infrastructure

(The complete set of objections were attached as Annexure B)

Comments Received from the Applicant

D: The Applicant also provided comments regarding decision

The Applicant highlighted that Conditions 9, 10, 13, 17, 18, 19 ,20 21 and 22 does not relates to the MFMA process at hand but must be evaluated later in the Town Planning Application Process. The Applicant also provided an independent Valuation Report which questions the market value determined by the Municipal Valuer. The Municipal Valuer determined the fair market value to be R 460 000,00 and the independent Valuation Report determined the fair marker value to be R 250 000,00.

Although the mentioned conditions are more related to zoning matters and a process to be followed, Council do have the right to set conditions on property transactions. The independent Valuation Report was send to the Municipal Valuer which indicated her value, as presented in this Report, is the fair market value.

(The documents from the Applicant were attached as Annexure C)

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Existing Zoning and currently allowed development on Erf 10108

- **Zoning :** Business Zone 2 with a Primary Right of "Shop"
- **Land Use Description:** "Shop" means property used for the retail sale of goods and services to the public, and includes a retail concern where goods that are sold in the concern are manufactured or repaired, a funeral parlour, ancillary sale of alcoholic beverages, service trade and the sale of motor vehicles, flats above ground floor, fibre node container, rooftop base telecommunication station, open air motor vehicle display, offices; and

Development Parameters:

The following Development Parameters apply:

- **Floor factor**

The maximum floor factor on the land unit is 1.

- **Coverage**

  The maximum coverage of all buildings on a land unit is 100%.

- **Height**

  The maximum height of a building is 9 meters to the top of the roof.

It is therefore clear that the current zoning of Erf 10108, does already allow for the development of a 3 storey (9m) business building (for instance offices, medical rooms etc.) or flats above ground level up to a height of 9m. The number of Flats is regulated by the Zoning Scheme By-Law through restriction to coverage and parking to be provided.

IMPACT OF THE PROPOSED DISPOSAL TO POSSBILE DEVELOPMENT IN THE AREA

Erf 10108 is 732m² in size which allows a total coverage of 100% (existing zoning) and a floor factor of 1 which relates to a 732m² ground floor building. In the proposal it is proposed to add 306 m² of land (disposal) with the existing 732m² of Erf 10108 which result in a new consolidated property of 1038 m² in size. This will allow the building footprint to be enlarged (100% coverage) to a 1038m² or the total floor area to be extended to 1038 m². Therefor the extra portion to be sold to the applicant will potentially result in 30% more ground floor building (coverage and floor area) on the consolidated property.

OBJECTIONS RECEIVED: (The complete set of objections were attached as Annexure B)

The objections can be summarised as follows:

1. The proposed business will create more traffic in the quiet neighbourhood.
2. The proposed development does not fit into the surrounding area.
3. The proposed development is too high.
4. The proposed business will attract people into the area which would otherwise not go into the area.
5. The proposed business will create a security risk.
6. The proposed business will create noise afterhours and might be a nuisance to neighbours
7. The proposal will result in the loss of privacy for the surrounding neighbours.
8. The proposal will have a negative impact on the character of the area.
9. Existing access of surrounding properties will be compromised.
10. The larger property to be created will result in enhanced development rights and will enhance the impact of a land use not belonging in the area.
11. The Public Participation does not provide a true reflection of the application.
12. Zoning conversion should have been to Business Zone 3 and not Business Zone 2
13. The rezoning to Business Zone 1 will create additional building bulk which will result in a larger building.

DISCUSSION REGARING OBJECTIONS RECEIVED (As summarised above)

- The objections regarding the impact the business land use will have on the surrounding community, needs to be evaluated within the existing Land Use Rights which already

allows the business use on the site. The Owner can therefor submit building plans now and built a business building without any Land Use Applications. The existing Land Use Rights also allows for a neighbourhood grocer and take away business to be operated from the site.

- The objections regarding the impact the physical new building will have on the surrounding sense of place, needs to be evaluated against the negative impact the design/height of the proposed building will have. This needs to be evaluated within the context of the existing zoning. The existing zoning already allows a business building to be constructed on Erf 10108 to a height of 9m with flats above ground level. The Owners of Erf 10108 can therefore submit a building plan now to construct a 9m high office block or a building with businesses on the ground floor and two more floors of flats without any land use applications.
- The objections regarding impact on existing access must be addressed to ensure there is no impact on the legal existing access rights.
- The objections regarding the increase of the business use in the area via adding the additional land to the existing erf, which could result in a larger business building in the area, must be mitigated or it could possibly result in a negative impact on the surrounding community.
- The objections regarding afterhours trading, noise and possible odours must be mitigated or it could possibly result in a negative impact on the surrounding community although the business right is already established, the Coffee Shop right and Aftercare/Tutor Facility is not allowable via the exiting business rights (Town Planning Applications will have to be launched).
- The statements that it is mainly a residential area where residential uses will fit in better must be taken into account. The Linkside Park property was created via the same disposal process with a General Residential Zone 3 (Flats) zoning. The General Residential Zone 3 (Flats) zoning is therefore already established in the area.

PROPOSED MITIGATION TO BE APPLIED IN RELATION TO THE OBJECTIONS

- All the Objectors were against the Coffee Shop. All the Objectors were not against development that will fit into the area. Although there are existing business rights on Erf 10108, Mossel Bay, the Municipality have the right to try and guide future development to enhance the larger space. It is therefore proposed to change the proposed use from business to flats only which relates to the Linkside Development adjoining the subject property.
- It is proposed that to mitigate impact on the surrounding neighbourhood the floor factor of the newly consolidated property be limited to 1.
- That all windows facing to the west and south be designed to ensure the privacy of the neighbours are preserved as far as possible.
- That the height of the proposed development on the newly consolidated property, be limited to 9m as defined by the Planning Scheme By-Law.

The Municipal Valuer determined the market value of this portion (±306m²) of Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay at R460 000,00 (VAT inclusive).

A copy of the Valuer's Report was annexed, marked 'D'.

In accordance with the provisions of Regulation 5(3)(b) of the Municipal Asset Transfer Regulations R878 of 2008, a request to the Municipal Council for authorisation of a Public Participation Process, must be accompanied by an information statement stating:

(i) the valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;

The current market value of a portion (±306m²) of Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay at R460 000,00 (VAT inclusive).

(ii) The reasons for the proposal to transfer or dispose of the capital asset

An application was received from Marlize De Bruyn Planning on behalf of Mr J Prinsloo, hereinafter referred to as the Applicant, to purchase a portion (±306m²) and registration of a servitude (209 m²) of/on Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay, to be consolidated with the Owner's adjacent property

(iii) any expected benefits to the Municipality that may result from the transfer or disposal;

The Municipality will benefit through the income of the purchase price as well as service fees and rates and taxes.

The transaction will reduce the Municipal maintenance cost for the public parking area (proposed servitude area).

(iv) any expected proceeds to be received by the Municipality from the transfer or disposal; and

The Municipality will receive payment of the purchase price.

(v) any expected gain or loss that will be realised or incurred by the Municipality arising from the transfer or disposal.

Comments received from Directorate: Financial Services are as follows:

"Erf 10142, Mossel Bay is listed on the Municipal Asset Register at a book value of R4 000,00 and classified as Roads Infrastructure and Property, Plant and Equipment."

The Municipality will gain through income of the purchase price as well as services fees and rates and taxes.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Income to the Municipality by receiving the purchase price as well as service fees and rates and taxes.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

COMMENTS FROM FINANCIAL SERVICES

No further comments.

COMMENTS FROM CORPORATE SERVICES

No further comments.

COMMENTS FROM DEVELOPMENT AND PLANNING SERVICES

Recommendation is supported.

COMMENTS FROM TECHNICAL SERVICES

No further comments.

COMMENTS FROM LEGAL SERVICES

This Item was submitted for the first time during August 2024 and is this the fourth time going back to Council.

During each submission, comprehensive comments were provided by Legal Services in relation to the application and objections, representations and comments received.

Although existing rights exist, the question remains is whether Council wants to alienate a further portion of land and go through a Land Use Application Process to allow for a larger footprint (consolidated bigger portion of land) enabling a bigger and more densified development in a quiet residential area.

In summary, Council will have to weigh up the interests of the local residents in the affected area by means of the objections, representations and comments received against the envisaged development on the property and based thereon take a decision with regard to the alienation of the land.

Mitigating changes to the conditions and new conditions were imposed to address the concerns of the community and Legal Services.

CONCLUSION / SAMEVATTING

Due to the objections/comments/proposals received during the Public Participation Process, it is proposed to amend Condition 1, deletion of Condition 17-20 (relates to business rights) & 3-5 (completed PPP) and adding new mitigating Conditions (20-21) to Council Resolution E164-06/2025. The proposed disposal amount as indicated in the Municipal Valuer's Report is accepted as the fair market value. It is therefore proposed that approval be granted for the amendment of Council Resolution E223-08/2024, E341-11/2024 and E164-06/2025, by amending conditions, as stated above, of resolution E164-06/2025 for the alienation of a portion (±306m²) and registration of a servitude (209 m²) of/on Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay, to J Prinsloo (Numbi Construction Pty Ltd), at a market related purchase price of R460 000,00 (VAT inclusive), to be consolidated with the Owner's adjacent property, Erf 10108, Mossel Bay.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken that the prescribed Public Participation Process, was duly followed.
2. That, based on the comments and objections received, the following recommended amendment to Council Resolution E164-06/2025 (E223-08/2024), be made to Council:

   "1. That approval be granted for the alienation of a portion (±306m²) and registration of a servitude (209m²) of/on Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay, to J Prinsloo (hereinafter referred to as the

Applicant - Numbi Construction Pty Ltd), at a market related purchase price of R460 000,00 (VAT inclusive), to be consolidated with the Owner's adjacent property, Erf 10108, Mossel Bay, in order for the consolidated property to be redeveloped for General Residential Zone 3 (Flats) purposes, since it is not required for basic Municipal purposes.

2. *That the ±306m² portion of Erf 10142, Mossel Bay be consolidated with the Applicant's adjacent property, Erf 10108, Mossel Bay, at the cost of the Applicant.*

3. *That permission hereby be granted to launch the necessary applications in terms of all relevant legislation to enable the utilisation of the property for the intended purposes and the closure/ subdivision/ consolidation/ rezoning/ servitude registration of/on the applicable properties.*

4. *That, taking into consideration that this portion (±306m²) of Erf 10142, Mossel Bay is situated adjacent to the Applicant's current property Erf 10108, Mossel Bay and that the Applicant is the only entity to whom this piece of land will have any value, Council is satisfied that the disposal will be beneficial to the community and therefore resolves to dispose of this (±306m²) portion of Erf 10142, Mossel Bay directly to the Applicant, the Owner of the adjacent Erf 10108, Mossel Bay.*

5. *That a 1,2m pedestrian sidewalk (situated in the servitude area) be constructed by the Applicant between the existing public parking and the eastern boundary of the property to be purchased.*

6. *That the mentioned sidewalk be constructed and maintained by the Applicant at its own expense to the satisfaction of the Director: Infrastructure Services.*

7. *That the Applicant be responsible to maintain the existing public parking area situated in the road reserve of Erf 10142, Harry Muller Street, Mossel Bay, to the satisfaction of the Director: Infrastructure Services, at its own costs.*

8. *That the arrangement in Recommendation 7, be formalised through the registration of a Servitude over the public parking and sidewalk area in the road reserve of Harry Miller Street, in favour of the general public and Erf 10108, Mossel Bay plus the portion to be disposed (consolidated Applicant's property), at the cost of the Applicant and to the satisfaction of the Director: Infrastructure Services.*

9. *That the consolidated Erf 10108, Mossel Bay plus the portion to be disposed (Applicant's property), be rezoned to accommodate the proposal and that the Applicant be responsible for the costs of the mentioned application and any other Land Use Applications necessary.*

10. *That the Applicant construct a ±330sqm paved parking area (10 parking bays), maneuvering space and access from 21st Avenue on a portion of Erf 10141, Mossel Bay. That the design of the proposed parking area be approved by the Directorate Infrastructure Services and the created asset, be donated to the Municipality. That the proposed parking area be constructed before occupation of the proposed building on the consolidated property (Erf 10108 and portion of Erf 10142).*

11. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.

12. That the Applicant will be responsible for all costs of the application, including advertisement, transfer, service connection costs and other as needed.

13. That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future. This precondition must also be included in the Title Deed.

14. That the Applicant will not alter or in any way disturb any existing services on the abovementioned properties, without permission of the Director: Infrastructure Services, at the cost of the Applicant.

15. That building plans be submitted by the Applicant, at the Applicant's cost, for approval and that the building plans be approved by the Municipality before the Applicant may commence with any building construction on the property.

16. That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties.

17. That all windows facing to the west and south, be designed to ensure the privacy of the neighbours are preserved as far as possible.

18. That the height of the proposed development on the newly consolidated property, be limited to 9m, as defined by the Planning Scheme By-Law.

19. That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties."

20. That during the SPLUMA Application Process, detail proposals be submitted with the application and be made available to the surrounding community as part of the Public Participation Process.

21. That all stakeholders who participated in this process be included in the Public Participation Process for the Town Planning Applications.

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE160-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that the prescribed Public Participation Process, was duly followed.

2. That, based on the comments and objections received, the following recommended amendment to Council Resolution E164-06/2025 (E223-08/2024), be made to Council:

   "1. That approval be granted for the alienation of a portion (±306m²) and registration of a servitude (209m²) of/on Erf 10142, Mossel Bay, situated adjacent to Erf 10108, Mossel Bay, to J Prinsloo (hereinafter referred to as the Applicant - Numbi Construction Pty Ltd), at a market related purchase price of R460 000,00 (VAT inclusive), to be consolidated with the Owner's adjacent

property, Erf 10108, Mossel Bay, in order for the consolidated property to be redeveloped for General Residential Zone 3 (Flats) purposes, since it is not required for basic Municipal purposes.

2. *That the ±306m² portion of Erf 10142, Mossel Bay be consolidated with the Applicant's adjacent property, Erf 10108, Mossel Bay, at the cost of the Applicant.*

3. *That permission hereby be granted to launch the necessary applications in terms of all relevant legislation to enable the utilisation of the property for the intended purposes and the closure/ subdivision/ consolidation/ rezoning/ servitude registration of/on the applicable properties.*

4. *That, taking into consideration that this portion (±306m²) of Erf 10142, Mossel Bay is situated adjacent to the Applicant's current property Erf 10108, Mossel Bay and that the Applicant is the only entity to whom this piece of land will have any value, Council is satisfied that the disposal will be beneficial to the community and therefore resolves to dispose of this (±306m²) portion of Erf 10142, Mossel Bay directly to the Applicant, the Owner of the adjacent Erf 10108, Mossel Bay.*

5. *That a 1,2m pedestrian sidewalk (situated in the servitude area) be constructed by the Applicant between the existing public parking and the eastern boundary of the property to be purchased.*

6. *That the mentioned sidewalk be constructed and maintained by the Applicant at its own expense to the satisfaction of the Director: Infrastructure Services.*

7. *That the Applicant be responsible to maintain the existing public parking area situated in the road reserve of Erf 10142, Harry Muller Street, Mossel Bay, to the satisfaction of the Director: Infrastructure Services, at its own costs.*

8. *That the arrangement in Recommendation 7, be formalised through the registration of a Servitude over the public parking and sidewalk area in the road reserve of Harry Miller Street, in favour of the general public and Erf 10108, Mossel Bay plus the portion to be disposed (consolidated Applicant's property), at the cost of the Applicant and to the satisfaction of the Director: Infrastructure Services.*

9. *That the consolidated Erf 10108, Mossel Bay plus the portion to be disposed (Applicant's property), be rezoned to accommodate the proposal and that the Applicant be responsible for the costs of the mentioned application and any other Land Use Applications necessary.*

10. *That the Applicant construct a ±330sqm paved parking area (10 parking bays), maneuvering space and access from 21st Avenue on a portion of Erf 10141, Mossel Bay. That the design of the proposed parking area be approved by the Directorate Infrastructure Services and the created asset, be donated to the Municipality. That the proposed parking area be constructed before occupation of the proposed building on the consolidated property (Erf 10108 and portion of Erf 10142).*

11. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

12. *That the Applicant will be responsible for all costs of the application, including advertisement, transfer, service connection costs and other as needed.*
13. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future. This precondition must also be included in the Title Deed.*
14. *That the Applicant will not alter or in any way disturb any existing services on the abovementioned properties, without permission of the Director: Infrastructure Services, at the cost of the Applicant.*
15. *That building plans be submitted by the Applicant, at the Applicant's cost, for approval and that the building plans be approved by the Municipality before the Applicant may commence with any building construction on the property.*
16. *That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties.*
17. *That all windows facing to the west and south, be designed to ensure the privacy of the neighbours are preserved as far as possible.*
18. *That the height of the proposed development on the newly consolidated property, be limited to 9m, as defined by the Planning Scheme By-Law.*
19. *That no rights and/or obligations will vest herein before further consideration and final approval by Council and signing of the Deed of Sale by both parties."*
20. *That during the SPLUMA Application Process, detail proposals be submitted with the application and be made available to the surrounding community as part of the Public Participation Process.*
21. *That all stakeholders who participated in this process be included in the Public Participation Process for the Town Planning Applications.*

E367-11/2025

MOSSEL BAY SPATIAL DEVELOPMENT FRAMEWORK 2027 (SDF) STATUS QUO

Reference Number: 15/2/2/3

Report By: Susan Human

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE161-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That cognisance be taken that, in terms of Section 3(1) of the Mossel Bay Municipality: By-Law on Municipal Land Use Planning, the Municipality initiated the compilation process of the Mossel Bay Spatial Development Framework 2027, to be concluded during the 2026/27 financial year.

2. That, in terms of the adopted Process Plan of Council, the following progress be noted:

   2.1. Established a Project Committee and Intergovernmental Steering Committee to assist in the compilation of the Municipal Spatial Development Framework.

   2.2. Informed the Provincial Minister in writing of the intention to compile the MSDF and Decision in terms of SubSection (1)(b).

   2.3. Notice was published in a newspaper circulating in the area of the intention to compile or amend the Municipal Spatial Development Framework; and the process to be followed.

   2.4. Compilation of the Draft Spatial Development Framework Status Quo Report.

3. That, Council takes cognisance of the progress made with the compilation of the Capital Expenditure Framework and Long Term Financial Plan.

4. That, in terms of the Mossel Bay Municipal Land Use Planning By-Law, 2021, Section 6(2), Council adopts the Draft Spatial Development Framework Status Quo Report as the base document for the development of the Draft Spatial Development Framework 2027."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The Municipality has an adopted Spatial Development Framework (SDF) in place. In terms of the Spatial Planning and Land Use Management Act, 2013, the Municipal Council of a Municipality must, by Notice in the Provincial Gazette, adopt a Municipal Spatial Development Framework (MSDF) as part of a Municipality's Integrated Development Plan (IDP), in accordance with the provisions of the Municipal Systems Act. The compilation of a Spatial Development Framework is therefore a legislated and mandatory process which must be followed every 5 years. Council must consider a new or amended Spatial Development Framework together with its next 5-year IDP. Consideration of these strategic documents must take place no later than May 2027 to coincide with the term of the newly elected Council. Council resolved to initiate the process in terms of Council Resolution PE45-04/2025:

"1. That, in terms of Section 3(1) of the Mossel Bay Municipality: By-Law on Municipal Land Use Planning, the Municipality proceed with the compilation process of the Mossel Bay Spatial Development Framework 2027, to be concluded during the 2026/27 financial year.

2. That, in terms of Section 5(1) and 5(2) of the Mossel Bay Municipality: By-Law on Municipal Land Use Planning, the Council establish an Intergovernmental Steering Committee to assist in the compilation of the Municipal Spatial Development Framework, consisting of the following officials:

- *The Municipal Manager or Designated Official*
- *Representatives of—*
  - *the Municipality, nominated by the Municipal Manager;*
  - *the Department, nominated by the Head of Department;*
  - *the Provincial Department responsible for Environmental Affairs, nominated by the Head of that Department; and*

- *other relevant Organs of State, if any, who may have an interest in the compilation or amendment of the Spatial Development Framework of the Municipality.*

3. *It is recommended that the Municipality proceed in establishing the Intergovernmental Steering Committee and invite nominations by virtue of their qualifications and experience in, and knowledge of, Land Use Planning or Environmental Management for suitably qualified and experienced representatives.*

4. *That, in terms of Section 3(2)(a)(ii) of the Mossel Bay Municipality: By-Law on Municipal Land Use Planning, the SDF Process be aligned with the 2026/27 IDP and Budget Process Plan of Council and the following process be approved for such a purpose:*

   - *Inform the Provincial Minister in writing of the intention to compile the MSDF and decision in terms of SubSection (1)(b) - end of April 2025.*
   - *Publish a Notice in a newspaper circulating in the area of the intention to compile or amend the Municipal Spatial Development Framework; and the process to be followed - end of April 2025.*
   - *Establishment of an Intergovernmental Steering Committee - end of April 2025.*
   - *Development of a Status Quo Report - July 2025 to February 2026.*
   - *Council to adopt the Status Quo document as a base document for the development of the SDF 2027 (end of February 2026).*
   - *The Intergovernmental Steering Committee will develop a draft SDF 2027 which will be presented to the Municipal Council to approve the publication thereof for public comment (March 2026 - October 2026).*
   - *The Intergovernmental Steering Committee will consider all comments and representations during the mentioned process and submit a final draft SDF 2027 to the Municipal Council for adoption (November 2026).*
   - *Should the final draft SDF 2027 be materially different from the draft SDF 2022 that was Public Participated, a second Public Participation Process will be followed (January 2027 – March 2027) before the SDF 2027 is adopted by Council.*
   - *The final SDF 2027 will be presented to Council for adoption as part of the IDP and Budget and, within 14 days of its decision, a Notice will be published in the Provincial Gazette and media to inform the public of the adopted SDF 2027 (end May 2027).*

5. *That cognisance be taken that the approved Spatial Development Framework 2027 will be a legally binding document which will guide development in the Mossel Bay area for the period 2027-2032.*

6. *That, within the context of District and Regional Coordination, the Garden Route District Municipality be given the opportunity to comment on the respective draft documents developed throughout the process."*

The purpose of this Item is to inform Council of the progress to date and present the updated Spatial Development Framework Status Quo Report to Council for adoption to be used as base document for future developmental planning for the Mossel Bay Municipal area.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Background

The Mossel Bay Spatial Development Framework 2027 will guide decision making regarding future development and evaluation of Land Use Applications in the Mossel Bay Municipal Area from 2027 to 2032. It will be a legally binding document. The review/amendment/compilation of a Municipal Spatial Development Frameworks (MSDF) are a legislated administrative action and therefore is a mandatory process which must be followed every 5 years.

Progress on Process to be followed:

During Council Meeting dated 24 April 2025, Council Resolution PE45-04/2025, the SDF Process Plan was adopted, and the following progress has been made in terms of the said Council Resolution:

Establishment of Project Committee and Intergovernmental Steering Committee

In terms of the Mossel Bay Municipal Land Use Planning By-Law, 2021 Section 5(1) and 5(2), a Project Committee and Intergovernmental Steering Committee has been established.

Notices

In terms of the Mossel Bay Municipal Land Use Planning By-Law, 2021 Section 3(2) Notice must be given of the intention to compile the Municipal Spatial Development Framework. A Notice in three of the official languages of the Province was placed in the local newspaper on Friday, 9 May 2025; the Provincial Minister was informed in writing of the intention to compile the MSDF and decision in terms of SubSection (1)(b) from the said By-Law on 2 May 2025.

Development of the Status Quo document

In terms of the Mossel Bay Municipal Land Use Planning By-Law, 2021 Section 6(2), a Status Quo Report must be developed and submitted to Council for adoption. The Status Quo Report is herewith presented as the base document for the development of the SDF 2027.

The Mossel Bay Spatial Development Framework Status Quo Report 2027 is a snapshot of Mossel Bay, as it exists at present. The document is used as a base information document from where future planning can start to ensure the vision (as included in the IDP) for the future of Mossel Bay becomes a reality. Therefore the Status Quo Report contains information which presents the current reality, existing Planning Documents and Legislation. No actual future Planning, Spatial Principles, or Policies form part of the Status Quo Report. This will follow during the process after adoption of the Report.

Capital Expenditure Framework and Long Term Financial Plan

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) mandates the inclusion of a Capital Expenditure Framework within a Municipal Spatial Development Framework (SDF). Specifically, Section 21(n) of SPLUMA requires that a Spatial Development Framework "determine a Capital Expenditure Framework for the Municipality's development programs, depicted spatially."

This legislative requirement underscores the importance of Integrating Spatial Planning with financial planning, ensuring that the Spatial Strategies articulated in the Spatial Development Framework, are implemented through practical and affordable infrastructure investments.

As a long-term (10-year) planning tool, the Capital Expenditure Framework quantifies infrastructure needs, consolidates them into prioritised project pipelines, and aligns them with

the Municipality's financial capacity as outlined in the Long-Term Financial Plan (LTFP). It ensures that infrastructure investments are not only spatially targeted but also financially sustainable, bridging the divide between visionary spatial strategies and practical implementation.

The objective of a Long-Term Financial Plan is to recommend Strategies and Policies that will maximise the probability of the Municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the Municipality's historic performance and the environment in which it operates.

Next steps

After adoption of the Mossel Bay Spatial Development Framework Status Quo Report 2027, the draft SDF 2027 will be compiled by the project committee for submission to the Intergovernmental Steering Committee for comment. The draft SDF 2027 will be presented to Council to approve the publication thereof for public comments in accordance with the adopted process in terms of Section 28 and 29 of the MSA. The necessary consultation with Council and the public will take place before the final SDF 2027 is presented, as part of the IDP, to Council at the end of May 2027.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

The cost associated with the process for the 2025/2026 financial year is included in the Budget for Council and will be included in the draft budget for the 2026/2027 financial year.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Municipal Systems Act, 2000 (Act 32 of 2000) MSA.

Land Use Planning Act, 2014 (Act 3 of 2014) LUPA.

Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013).

Mossel Bay Municipality: By-Law on Municipal Land Use Planning, 2021.

Intergovernmental Relations Framework Act (No 13 of 2005).

CONCLUSION / SAMEVATTING

The Mossel Bay Spatial Development Framework 2027 will be compiled during 2025/2026 and 2026/2027. The approved Spatial Development Framework 2027 will be a legally binding document which will guide development in the Mossel Bay area for the period 2027-2032. The Mossel Bay Spatial Development Framework Status Quo Report 2027 is presented to Council for adoption as the base document for the development of the SDF 2027. A Workshop with Council was held on 23 October 2025.

RECOMMENDATION

That the following recommendation be made to Council:

1. That cognisance be taken that, in terms of Section 3(1) of the Mossel Bay Municipality: By-Law on Municipal Land Use Planning, the Municipality initiated the compilation process of the Mossel Bay Spatial Development Framework 2027, to be concluded during the 2026/27 financial year.
2. That, in terms of the adopted Process Plan of Council, the following progress be noted:
    2.1. Established a Project Committee and Intergovernmental Steering Committee to assist in the compilation of the Municipal Spatial Development Framework.

2.2. Informed the Provincial Minister in writing of the intention to compile the MSDF and Decision in terms of SubSection (1)(b).

2.3. Notice was published in a newspaper circulating in the area of the intention to compile or amend the Municipal Spatial Development Framework; and the process to be followed.

2.4. Compilation of the Draft Spatial Development Framework Status Quo Report.

3. That, Council takes cognisance of the progress made with the compilation of the Capital Expenditure Framework and Long Term Financial Plan.

4. That, in terms of the Mossel Bay Municipal Land Use Planning By-Law, 2021, Section 6(2), Council adopts the Draft Spatial Development Framework Status Quo Report as the base document for the development of the Draft Spatial Development Framework 2027."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE161-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That cognisance be taken that, in terms of Section 3(1) of the Mossel Bay Municipality: By-Law on Municipal Land Use Planning, the Municipality initiated the compilation process of the Mossel Bay Spatial Development Framework 2027, to be concluded during the 2026/27 financial year.

2. That, in terms of the adopted Process Plan of Council, the following progress be noted:

2.1. Established a Project Committee and Intergovernmental Steering Committee to assist in the compilation of the Municipal Spatial Development Framework.

2.2. Informed the Provincial Minister in writing of the intention to compile the MSDF and Decision in terms of SubSection (1)(b).

2.3. Notice was published in a newspaper circulating in the area of the intention to compile or amend the Municipal Spatial Development Framework; and the process to be followed.

2.4. Compilation of the Draft Spatial Development Framework Status Quo Report.

3. That, Council takes cognisance of the progress made with the compilation of the Capital Expenditure Framework and Long Term Financial Plan.

4. That, in terms of the Mossel Bay Municipal Land Use Planning By-Law, 2021, Section 6(2), Council adopts the Draft Spatial Development Framework Status Quo Report as the base document for the development of the Draft Spatial Development Framework 2027.

E368-11/2025

THE PRIORITY HUMAN SETTLEMENT & HOUSING DEVELOPMENT AREA PHASE 3 (DRAFT VISION STATEMENT AND STRATEGIC FRAMEWORK)

File Number: 15/1/B

Report By: S Human

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

In terms of Executive Mayoral Committee Resolution PE162-11/2025 it was resolved as follows:

"That the following recommendation be made to Council:

1. That Council takes cognisance of the Priority Human Settlement and Housing Development Area Project and progress to date.

2. That Council takes cognisance of the following concerns identified in the draft Phase 3 document:

    2.1. Proposed new Priority Human Settlement & Housing Development Area Boundary: New 15-year boundary proposed (Annexure C Map 1 Page 13).

    2.2. Infrastructure Gaps: Limited bulk infrastructure in western and southern Priority Human Settlement & Housing Development Area expansion areas. Requires substantial investment before new developments can be implemented (Annexure C Map 9, 10, 11 Page 33, 34, 35).

    2.3. Housing Deficits: High demand across income bands; mismatch between typologies and community preferences.

    2.4. Social Infrastructure Shortfalls: Significant service gaps exist in the western and southern Priority Human Settlement & Housing Development Area expansion areas, where coverage of schools, clinics, and emergency services remains low (Annexure C Map 12 Page 40). While strategic land parcels in these areas hold long-term potential, it cannot support large-scale settlement without parallel investment in social services.

    2.5. Environmental Constraints: Development limited by sensitive ecosystems, wetlands, and flood-prone areas.

    2.6. Governance & Institutional Readiness: Need for formalised roles, SOPs, and community engagement structures.

    2.7. Land Readiness & Acquisition: Strategic Opportunity Areas identified (Annexure C Map 15, 16, 17 Page 60, 61, 62) that represent optimal convergence of development readiness, community need, and catalytic potential offer limited development potential. Legal and ownership barriers to strategic land parcels.

    2.8. Economic Integration & Mobility: Connectivity between housing and employment nodes. Need for public transport networks.

2.9. Financing & Delivery Constraints: Limited Municipal budget and reliance on external funding.

3. That Council takes cognisance of the different development scenarios:

3.1. Scenario A: Mixed typologies within existing Priority Human Settlement & Housing Development Area boundary. Delivers 13 404 units efficiently. Aligns with infrastructure and Policy readiness (Annexure C Map 3 Page 24).

3.2. Scenario B: Accommodate community demand for larger 80 m² units, delivering 11 150 units. The only way to sustain the 80 m² preference without reducing yield would be to identify ±25 hectares of additional land outside the Priority Human Settlement & Housing Development Area (Annexure C Map 5 and Page 26).

3.3. Scenario C: Extends Priority Human Settlement & Housing Development Area across the N2. Highest yield (16 671 units) but requires major infrastructure investment and land acquisition (Annexure C Map 7 and Page 28).

4. That Council takes cognisance of the Priority Human Settlement and Housing Development Area Development Plan is a Holistic Implementation Strategy, but development decisions will be project specific."

The Item which served before the Executive Mayoral Committee on 18 November 2025 reads as follows:

"The Priority Human Settlement & Housing Development Area Programme, is a National Spatial Transformation approach to build new integrated functional and inclusive settlements. It intends to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households and overcome segregated spatial patterns by fostering integrated urban forms.

Priority Human Settlement and Housing Development Areas (PHSHDA's), were declared by the Minister of Human Settlements in terms of Section 3 of the Housing Act (No 1047 of 1997) in conjunction with Section 7(3) of the Housing Development Agency Act, 2008 (No 23 of 2008), the Spatial Planning Land Use Management Act (SPLUMA), 2013 (No 16 of 2013) and the Infrastructure Development Act, 2014 (No 23 of 2014).

The National Department of Human Settlements went through a process, with assistance from the respective Provinces, to identify Municipalities with exceptional growth and a growing need for government human settlement support with the aim to advance spatial transformation. The Greater Mossel Bay (Mossel Bay Municipality) Priority Human Settlement & Housing Development Area (PHSHDA), was approved and gazetted by the National Department of Human Settlements in May 2020 (Layout Plan marked as Annexure A). An Item served at Council in May 2020 to take cognisance of the publication:

"Council Resolution UB98-05/2020:

1. *That Council takes cognisance of the inclusion of Mossel Bay Municipality as one of the Priority Human Settlements and Housing Development Area (PHSHDA), as per Government Gazette No 43316.*

2. *That Council takes cognisance of the intention of the declaring is to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise the town and strengthen the livelihood*

prospects of households and overcome old spatial patterns by fostering integrated urban forms."

Subsequent to the Gazette Notice of the Priority Human Settlement & Housing Development Area, the Western Cape Government Department of Human Settlements availed grant funding for the drafting of a Development Plan. A Funding Agreement was concluded in June 2024, and a Development Plan was initiated to ensure a holistic implementation strategy for the approved Priority Human Settlement & Housing Development Area.

The project has followed an integrated and multidisciplinary approach to ensure that all planning aspects, infrastructure considerations, environmental constraints, and socio-economic factors are considered. The methodology has focused on data collection, stakeholder engagement, spatial and infrastructure analysis, and the development of a phased implementation plan.

The purpose of this Item is to inform Council of the Holistic Implementation Strategy for the approved Priority Human Settlement & Housing Development Area, provide progress to date, present the Phase 3: Draft Vision Statement and Strategic Framework of the Priority Human Settlement and Housing Development Area (PHSHDA), to consider and note strategic concerns and recommendations outlined.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The project phasing for compiling the Development Plan, is detailed in the table below:

Phase	Key Deliverables	Stakeholder engagement required (Yes / No)	Status (Complete / In Process)
PHASE 1: Inception Report	• Inception Report • Project Steering Committee establishment • Work Plan	No	Complete
PHASE 2: Data Collection and Situational Analysis	• Status Quo Report. • Spatial Analysis Maps. • Socio-Economic and Infrastructure Gaps Report. • Draft Development Vision and Objectives.	Yes: Ward Committee meetings with wards situated within the PHSHDA.	Complete
PHASE 3: Vision Statement and Strategic Framework	• Land Use & Housing Strategy Report. • Infrastructure & Service Provision Plan. • Social Facilities Provision Plan (as per Provincial standards) • Draft Development Plan	Yes: Ward Committee feedback meetings with wards situated within the PHSHDA.	In process

Phase	Key Deliverables	Stakeholder engagement required (Yes / No)	Status (Complete / In Process)
PHASE 4: Implementation Plan and Consultation	• Housing Pipeline and Implementation Strategy. • Workshop Findings • Stakeholder Consultation Report	No	
PHASE 5: Approval and Adoption	• Final Development Plan. • Approval and Endorsement from Council.	No	

As indicated in the Table above, the project is currently in Phase 3 (Draft Vision Statement and Strategic Framework), marked as Annexure C. The draft Phase 3 Report represents a shift from data collection and situational analysis (Phase 2) toward a forward-looking framework that provides spatial, institutional, infrastructure and housing strategies to address the Municipality's human settlement development challenges.

Core concerns and recommendations for consideration:

- **Proposed new Priority Human Settlement & Housing Development Area Boundary:** New 15-year boundary proposed (Annexure C Map 1 Page 13).
- **Infrastructure Gaps:** Limited bulk infrastructure in western and southern Priority Human Settlement & Housing Development Area expansion areas. Requires substantial investment before new developments can be implemented (Annexure C Map 9, 10, 11 Page 33, 34, 35)
- **Housing Deficits:** High demand across income bands; mismatch between typologies and community preferences.
- **Social Infrastructure Shortfalls:** Significant service gaps exist in the western and southern Priority Human Settlement & Housing Development Area expansion areas, where coverage of schools, clinics, and emergency services remains low (Annexure C Map 12 Page 40). While strategic land parcels in these areas hold long-term potential, it cannot support large-scale settlement without parallel investment in social services.
- **Environmental Constraints:** Development limited by sensitive ecosystems, wetlands, and flood-prone areas.
- **Governance & Institutional Readiness:** Need for formalised roles, SOPs, and community engagement structures.
- **Land Readiness & Acquisition:** Strategic Opportunity Areas identified (Annexure C Map 15, 16, 17 Page 60, 61, 62), that represent optimal convergence of development readiness, community need, and catalytic potential offer limited development potential. Legal and ownership barriers to strategic land parcels.
- **Economic Integration & Mobility:** Connectivity between housing and employment nodes. Need for public transport networks.
- **Financing & Delivery Constraints:** Limited Municipal budget and reliance on external funding.

Housing realities in Priority Human Settlement & Housing Development Area:

- **Waiting List**
  - The housing backlog in Mossel Bay Municipality is estimated at 11 111 households.
  - The waiting list is distributed across various areas:
    - kwaNonqaba / Asla: 5 367 households
    - Mossel Bay / D'Almeida: 3 686 households
    - Groot Brak: 998 households
    - Sonskynvallei: 362 households
    - Joe Slovo: 336 households
- **Existing Informal Households (UISP)**
  - There are an estimated 14 787 informal structures within the PHSHDA.
  - Many informal households are located in environmentally sensitive areas, near steep slopes including flood-prone zones and biodiversity corridors.
  - The Upgrading of Informal Settlements Programme (UISP) is a key intervention, with 6 539 units planned for in-situ upgrading under Scenario A.
- Current Housing Pipeline Yield
  - The housing pipeline includes 7 999 units across various programmes:
    - UISP (NUSP In-Situ Upgrading): 3 349 units
    - Spekboom Housing Project: 2 926 units (BNG / GAP / FLISP)
    - Mayixhale (Erf 1717 & 1712): 500 units (Social / GAP / FLISP / UISP)
    - Schoeman Street: 114 units (Social Housing)
    - Erf 19201: 278 units (FLISP / GAP / Social Housing)
    - GRDM Housing Projects: 582 units (Social Housing)
    - Erf 3803 GRDM Housing: 250 units (Social Housing)

Scenario Comparison

The draft Report presents three development scenarios to inform the housing pipeline:

- **Scenario A:** Mixed typologies within existing Priority Human Settlement & Housing Development Area boundary. Delivers 13 404 units efficiently. Aligns with infrastructure and Policy readiness (Annexure C Map 3 and Page 24).
- **Scenario B:** Accommodate community demand for larger 80 m² units (Annexure D, Page 4, 5), delivering 11 150 units. The only way to sustain the 80 m² preference without reducing yield would be to identify ±25 hectares of additional land outside the Priority Human Settlement & Housing Development Area (Annexure C Map 5 and Page 26).
- **Scenario C:** Extends Priority Human Settlement & Housing Development Area across the N2. Highest yield (16 671 units) but requires major infrastructure investment and land acquisition (Annexure C Map 7 Page 28).

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Project Plan is financed through grant funding. Implementation will be subject to future budget allocations and external funding approvals.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Housing Act (No 1047 of 1997).

Housing Development Agency Act, 2008 (No 23 of 2008).

Spatial Planning Land Use Management Act (SPLUMA).

Infrastructure Development Act, 2014 (No 23 of 2014).

CONCLUSION / SAMEVATTING

Presented to Council is the phased approach that has been adopted for the compilation of the Development Plan and the draft document of Phase 3, which focuses on addressing the Municipality's human settlement development challenges. A Workshop with Council was held on 23 October 2025.

RECOMMENDATION

That the following recommendation be made to Council:

1. That Council takes cognisance of the Priority Human Settlement and Housing Development Area Project and progress to date.

2. That Council takes cognisance of the following concerns identified in the draft Phase 3 document:

    2.1. Proposed new Priority Human Settlement & Housing Development Area Boundary: New 15-year boundary proposed (Annexure C Map 1 Page 13).

    2.2. Infrastructure Gaps: Limited bulk infrastructure in western and southern Priority Human Settlement & Housing Development Area expansion areas. Requires substantial investment before new developments can be implemented (Annexure C Map 9, 10, 11 Page 33, 34, 35).

    2.3. Housing Deficits: High demand across income bands; mismatch between typologies and community preferences.

    2.4. Social Infrastructure Shortfalls: Significant service gaps exist in the western and southern Priority Human Settlement & Housing Development Area expansion areas, where coverage of schools, clinics, and emergency services remains low (Annexure C Map 12 Page 40). While strategic land parcels in these areas hold long-term potential, it cannot support large-scale settlement without parallel investment in social services.

    2.5. Environmental Constraints: Development limited by sensitive ecosystems, wetlands, and flood-prone areas.

    2.6. Governance & Institutional Readiness: Need for formalised roles, SOPs, and community engagement structures.

    2.7. Land Readiness & Acquisition: Strategic Opportunity Areas identified (Annexure C Map 15, 16, 17 Page 60, 61, 62) that represent optimal convergence of development readiness, community need, and catalytic potential

offer limited development potential. Legal and ownership barriers to strategic land parcels.

2.8. Economic Integration & Mobility: Connectivity between housing and employment nodes. Need for public transport networks.

2.9. Financing & Delivery Constraints: Limited Municipal budget and reliance on external funding.

3. That Council takes cognisance of the different development scenarios:

3.1. Scenario A: Mixed typologies within existing Priority Human Settlement & Housing Development Area boundary. Delivers 13 404 units efficiently. Aligns with infrastructure and Policy readiness (Annexure C Map 3 Page 24).

3.2. Scenario B: Accommodate community demand for larger 80 m² units, delivering 11 150 units. The only way to sustain the 80 m² preference without reducing yield would be to identify ±25 hectares of additional land outside the Priority Human Settlement & Housing Development Area (Annexure C Map 5 and Page 26).

3.3. Scenario C: Extends Priority Human Settlement & Housing Development Area across the N2. Highest yield (16 671 units) but requires major infrastructure investment and land acquisition (Annexure C Map 7 and Page 28).

4. That Council takes cognisance of the Priority Human Settlement and Housing Development Area Development Plan is a Holistic Implementation Strategy, but development decisions will be project specific."

NOTE:

Please consult the complete annexures as attached to the agenda for the Planning and Economic Development Services Committee Meeting which was held on 12 November 2025 (Item PE162-11/2025) for more details.

RECOMMENDATION TO COUNCIL

1. That Council takes cognisance of the Priority Human Settlement and Housing Development Area Project and progress to date.

2. That Council takes cognisance of the following concerns identified in the draft Phase 3 document:

2.1. Proposed new Priority Human Settlement & Housing Development Area Boundary: New 15-year boundary proposed (Annexure C Map 1 Page 13).

2.2. Infrastructure Gaps: Limited bulk infrastructure in western and southern Priority Human Settlement & Housing Development Area expansion areas. Requires substantial investment before new developments can be implemented (Annexure C Map 9, 10, 11 Page 33, 34, 35).

2.3. Housing Deficits: High demand across income bands; mismatch between typologies and community preferences.

2.4. Social Infrastructure Shortfalls: Significant service gaps exist in the western and southern Priority Human Settlement & Housing Development Area expansion areas, where coverage of schools, clinics, and emergency services remains low

(Annexure C Map 12 Page 40). While strategic land parcels in these areas hold long-term potential, it cannot support large-scale settlement without parallel investment in social services.

2.5. Environmental Constraints: Development limited by sensitive ecosystems, wetlands, and flood-prone areas.

2.6. Governance & Institutional Readiness: Need for formalised roles, SOPs, and community engagement structures.

2.7. Land Readiness & Acquisition: Strategic Opportunity Areas identified (Annexure C Map 15, 16, 17 Page 60, 61, 62) that represent optimal convergence of development readiness, community need, and catalytic potential offer limited development potential. Legal and ownership barriers to strategic land parcels.

2.8. Economic Integration & Mobility: Connectivity between housing and employment nodes. Need for public transport networks.

2.9. Financing & Delivery Constraints: Limited Municipal budget and reliance on external funding.

3. That Council takes cognisance of the different development scenarios:

3.1. Scenario A: Mixed typologies within existing Priority Human Settlement & Housing Development Area boundary. Delivers 13 404 units efficiently. Aligns with infrastructure and Policy readiness (Annexure C Map 3 Page 24).

3.2. Scenario B: Accommodate community demand for larger 80 m² units, delivering 11 150 units. The only way to sustain the 80 m² preference without reducing yield would be to identify ±25 hectares of additional land outside the Priority Human Settlement & Housing Development Area (Annexure C Map 5 and Page 26).

3.3. Scenario C: Extends Priority Human Settlement & Housing Development Area across the N2. Highest yield (16 671 units) but requires major infrastructure investment and land acquisition (Annexure C Map 7 and Page 28).

4. That Council takes cognisance of the Priority Human Settlement and Housing Development Area Development Plan is a Holistic Implementation Strategy, but development decisions will be project specific.

E369-11/2025

REQUEST FOR CONSENT TO APPLY TO THE WESTERN CAPE DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING FOR THE NESSESARY ENVIRONMENTAL AUTHORISATION: BAYVIEW DUNE REHABILITATION

File Number: 17/21/2;15/4/9/1/4

Report By: VANDERBERGY

Item Reference Number: 23607655

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to consider permission to the home owners along the Bayview Coastline to rehabilitate the coastal dune on Erf 2683, Hartenbos adjacent to their properties.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

A letter was received from Messrs Oosthuizen, Sweetnam, Reitz and Fourie Attorneys, on behalf of various owners situated adjacent to the Bayview Coastline (herein after referred to as the Applicants), requesting consent from the Mossel Bay Municipality for them to apply to the Western Cape Department of Environment Affairs and Development Planning for the necessary authorisation to conduct dune rehabilitation on a portion of Erf 2683 Hartenbos in order to safeguard their property.

The Applicants are willing to obtain the necessary environmental authorisation in order to rehabilitate the dunes situated in front of their properties in a manner similar to the sandbag system (geo-bags) implemented by the ATKV in Hartenbos.

The Applicants are willing to attend to the necessary implementation themselves at their own costs.

A copy of the letter is attached and marked as Annexure A.

The dunes situated in front of the Applicants properties were damaged due to a number of factors over the years and intervention is necessary in order to safeguard the private infrastructure situated on the top of the dunes.

A copy of the locality plan is attached hereto and marked as Annexure B.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

None.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

National Environmental Management Act, no 107 of 1998.

CONCLUSION / SAMEVATTING

It is proposed that as the Applicants have a direct interest in safeguarding their property the necessary letter of consent be provided to the Applicants in order for them to apply to the Western Cape Department of Environment Affairs and Development Planning for the necessary authorisation to conduct dune rehabilitation on a portion of Erf 2683 Hartenbos, in order to safeguard their property.

RECOMMENDATION

1. That note be taken of the letter received from Messrs Oosthuizen, Sweetnam, Reitz and Fourie Attorneys, on behalf of various owners situated adjacent to the Bayview Coastline (herein after referred to as the Applicants)

   1.1 requesting consent from the Mossel Bay Municipality for them to apply to the Western Cape Department of Environment Affairs and Development Planning for the necessary authorisation to conduct dune rehabilitation on a portion of Erf 2683 Hartenbos in order to safeguard their property;

   1.2 confirming that the applicants are willing to attend to the obtain of the necessary environmental authorisation in order to rehabilitate the dunes situated in front of their properties in a manner similar to the sandbag system (geo-bags) implemented by the ATKV in Hartenbos.

2. That permission be granted that the Applicants in collaboration with the Municipality apply to the Western Cape Department of Environment Affairs and Development Planning for the necessary authorisation to conduct dune rehabilitation on a portion of Erf 2683 Hartenbos in order to safeguard their property in a manner similar to the sandbag system (geo-bags) as implemented by the ATKV in Hartenbos.

3. That after obtaining permission of the Western Cape Department of Environment Affairs and Development Planning, the rehabilitation be done in terms of the conditions of the letter of authority and to the specifications and satisfaction of the Municipality.

4. That the Applicants be responsible for all future maintenance of the rehabilitated dunes.

5. That all costs of the application and future maintenance be for the Applicants.

6. That a letter of appreciation be addressed to the Applicants for their willingness to contribution the rehabilitation of the coastline of Mossel Bay Municipality.

7. That a Memorandum of Understanding be entered into and that delegated authority be awarded to the Municipal Manager to negotiate, finalise and sign on behalf of the Municipality.

ANNEXURE A

OOSTHUIZEN SWEETNAM REITZ & FOURIE
— EST. 1938 —
PROKUREURS | NOTARISSE | TRANSPORTBESORGERS | BOEDELADMINISTRATEURS | WAARDEERDERS | EIENDOMSAGENTE

JCR Gebou
Rietbok Straat
Kathu

Tel: 053 723 3271
Docex 1, Kathu

Epos: aktes@osrattorneys.co.za

Datum: 24 OKTOBER 2025
U Verwysing: Mnr. Niel Prins.
Ons Verwysing: G REITZ

Die Munisipale Bestuurder
Mosselbaai Munisipaliteit
Mosselbaai
6500

Per Epos - admin@mosselbay.gov.za –

Vir aandag: Regsafdeling / Mnr. Niel Prins.

Geagte Meneer

IN SAKE: Duin erosie / Bayview Hartenbos / Bob Bouwer en ander strate teen die Bay View kuslyn.

Skrywer verwys na bogemelde en treë hierin op namens verskeie eienaars van eiendomme geleë teen die kuslyn van Bay View. Na `n besoek aan u Mnr. Carel Venter neem skrywer die vrymoedigheid om hierdie skrywe aan u te rig.

Weens die erosie en wegkalwing van die duin deur die see en daarmee gepaartgaande bedreiging van die kus eiendomme, geleë op en aangrensend tot die duin, versoek ons u toestemming, as eienaar van die duin, vir die volgende:

1. Om aansoek te doen vir die nodige omgewingstoestemming vir rehabilitasie van die duin, by die nodige owerhede;
2. Om die duin voor die huise te rehabiliteer met sandsakke, soortgelyk aan die sakke by die hoofstrand in Hartenbos (voor die ATKV).

Ons verneem graag ook of u verslag voltooi is m.b.t. die Bay View kus erosie en of u as eienaar en verantwoordelike liggaam enige bydrae sal kan maak tot sodanige rehabilitasie en oplossing van die noodtoestand wat daar ontstaan?

Ons verneem graag so spoedig moontlik vanaf u en dank u vir u aandag aan die aangeleentheid.

Die uwe

OOSTHUIZEN SWEETNAM REITZ & FOURIE

Translation from Afrikaans to English

ANNEXURE A

OOSTHUIZEN SWEETNAM REITZ & FOURIE

JCR BUILDING
RIETBOK STREET
KATHU
Tel: 053 723 3271
Docex 1, Kathu
e-mail: aktes@osrattorneys.co.za

EST. 1938
TITLE DEEDS / ESTATE ADMINISTRATORS / VALUERS / ESTATE AGENTS

Date: 24 October 2025
Your Ref: Mr Niel Prins
Our Ref: G REITZ

Municipal Manager
Municipality
6500
By e-mail – admin@mosselbay.gov.za –
For attention: Legal Section / Mr Niel Prins
Dear Sir
RE: Dune erosion / Bayview Hartenbos / Bob Bouwer and other streets adjacent to the Bayview coast line.

Writer refers to the abovementioned and herein acts on the behalf of various owners of properties situated adjacent the coast line of Bayview. After a visit to your Mr Carel Venter, the writer boldly directs this letter to you.

Due to the erosion and calving away of the dune by the sea water and with that the accompanying threat to the coastal properties, situated on and adjacent to the dune, we request your permission, as owner of the dune, for the following:

1. **To make application for the necessary environmental permission for rehabilitation of the dune, at the necessary authority;**

2. **To rehabilitate the dune in front of the houses with sand bags, similar to the bags at the main beach in Hartenbos (in front of the ATKV).**

We also enquire whether your report with reference to the Bayview coast erosion is completed and whether you as owner and responsible body will be able to make any contribution to such rehabilitation and solution of the emergency condition arising there?
We await your reply as soon as possible and thank you for your attention in the matter.
Yours faithfully

OOSTHUIZEN SWEETNAM REITZ & FOURIE
G. REITZ (B Jur. Et Com. LLB) / J. Reitz (LLB) / S. Fourie (LLB) / R. Fourie (B Com, LLB)
Donald du Plooy (LLB)

PORTION OF ERF 2683 HARTENBOS ANNEXURE B



0 0,1 0,2 0,4 km

1:4 514

Date: 2025-11-18

Disclaimer:
The Mossel Bay Municipality accepts no responsibility for and will not be liable for any errors or omissions contained herein.

N

E370-11/2025

PROPOSED ALIENATION OF A PORTION (±2 816M²) OF ERF 7377, MOSSEL BAY, SITUATED ADJACENT TO PENISOLA VILLAGE, MINOR STREET, DANA BAY, MOSSEL BAY: PENISOLA VILLAGE HOMEOWNERS ASSOCIATION

File Number: 7/2/2/3

Report By: STEYND

Item Reference Number: 22243712

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to consider the alienation of a portion (±2 816m²) of Erf 7377, Mossel Bay (Open Space Zone I), situated adjacent to Penisola Village, Minor Street, Dana Bay, Mossel Bay, to the Penisola Village Homeowners Association, in order to rectify the historical encroachment of its boundary fence onto Municipal property, since it is not required for basic Municipal purposes.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

An application was received from Mr E Kruger on behalf of the Penisola Village Homeowners Association, hereinafter referred to as the Applicant, to purchase a portion (±2 816m²) of Erf 7377, Mossel Bay, situated adjacent to Penisola Village, Minor Street, Dana Bay, Mossel Bay, in order to rectify the historical encroachment of its boundary fence onto Municipal property.

Council during its meeting on 28 August 2025 in terms of Resolution E239-08/2025 resolved as follows:

"1. That cognisance be taken of the application received from the Pennisola Village Homeowners Association (the Applicant) to purchase a portion (±2 816m²) of Erf 7377, Dana Bay in order to rectify the encroachment of its boundary fence onto Municipal property.

2. *That cognisance be taken that this portion of the property cannot be alienated to the Applicant, as it is part of A Conservation Area.*

3. *That approval be granted for the lease of a portion (±2 816m²) of Erf 7377, Dana Bay (Open Space Zone I), situated adjacent to Penisola Village, Minor Street, Dana Bay, Mossel Bay to Penisola Village Homeowners Association, at a market related lease amount of R5 000,00 (VAT inclusive) per month, for a period of nine (9) years and eleven (11) months, due to the encroachment of its boundary fence onto Municipal property, since it is not required for basic Municipal purposes.*

4. *That the Applicant submits building plans for the existing fence on Erf 7377, Dana Bay to the Municipality for approval; and that no further structures will be allowed on this portion of Erf 7377, Dana Bay.*

5. *That the Applicant be responsible for the costs of any Land Use Applications, if required.*

6. *That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.*

7. *That the Applicant will be responsible for all costs of the application, including advertisement and service connection costs.*

8. *That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future. This precondition must also be included in the Title Deed.*

9. *That the Applicant will not alter or in any way disturb any existing services on the abovementioned property.*

10. *That the Public Participation Process, as prescribed in the relevant legislation, be followed.*

11. *That, in addition to the prescribed Public Participation Process, the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.*

12. *That, after completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.*

13. *That no rights and/or obligations will vest herein before final approval by Council and the Lease Agreement is signed by both parties."*

The Council Resolution was communicated to the Applicant on 3 September 2025.

The Applicant subsequently approached the Municipality requesting further discussions regarding the application and the background pertaining thereto.

A meeting was held on 3 October 2025 followed by a written motivation from the Applicant on 7 October 2025 to purchase the portion of the property.

A copy of the letter is attached hereto and marked as Annexure A.

In terms of the letter dated 7 October 2025 the Trustees of the Penisola Village Homeowners Association (Applicant) still applies to rectify the historical encroachment by purchasing the encroached area of Erf 7377 from the Municipality. As the encroached area is already fenced and practically included in the development, alienation of the area is regarded as the best solution. The alternative of relocating the fence to the current boundaries of the individual erven will be impractical as the fence will then be too close to some of the existing houses.

The following historical aspects are highlighted in the motivation letter of the Applicant:

- The fence was erected more than twenty-three (23) years ago by the developer;

- Neither the current Applicant or any of its members were involved with the construction of the fence;

- The Municipality has granted approval for several building plans and occupation certificates in the estate over many years without any formal notifications of any transgressions;

- The relocation of the fence to the current boundaries of the individual erven will have a severe negative impact on some of the property owners as the properties were built in accordance with Municipal approved zero building lines;

- The proposed alienation will not impact upon any other residential or nearby developments and no party will be disposed or prejudiced if the Applicant obtains ownership of the property;

- The Applicant will utilise the purchased portion in accordance with its natural character and status and ensure that no improvements of any nature is constructed within the relevant portion of Erf 7377 Mossel Bay;

Erf 7377 is zoned as Open Space Zone I.

A copy of the Locality Plan is attached hereto and marked as Annexure B.

It is proposed that the area to be purchased, be closed as a Public Open Space and rezoned to Private Open Space at the cost of the Applicant and that no structures or buildings be allowed on this portion except for the existing fence. The area is to be utilised in accordance with its natural character and status and no disturbance of the natural vegetation will be allowed.

The Municipal Valuer determined the market value of this portion (±2 816m²) of Erf 7377, Mossel Bay at R1 000 000,00 (VAT inclusive).

A copy of the Valuer's Report is attached hereto and marked as Annexure C.

Erf 7377, Mossel Bay (28.97 ha) is listed on the Municipal Asset Register at a book value of R797 367,76 and classified as Property, Plant and Equipment.

In accordance with the provisions of Regulation 5(3)(b) of the Municipal Asset Transfer Regulations R878 of 2008, a request to the Municipal Council for authorisation of a Public Participation Process must be accompanied by an information statement stating:

(i) the valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;

The current market value of this portion (±2 816m²) of Erf 7377, Mossel Bay was determined by the Municipal Valuer at R1 000 000,00 (VAT inclusive).

(ii) The reasons for the proposal to transfer or dispose of the capital asset;

An application was received from the Penisola Village Homeowners Association, hereinafter referred to as the Applicant, to purchase a portion (±2 816m²) of Erf 7377,

Mossel Bay (Open Space Zone I), in order to rectify the historical encroachment of its boundary fence onto Municipal property.

(iii) any expected benefits to the Municipality that may result from the transfer or disposal;

The Municipality will benefit through the income from the purchase price as well as service fees and rates and taxes.

(iv) any expected proceeds to be received by the Municipality from the transfer or disposal; and

The Municipality will receive payment of the purchase price.

(v) any expected gain or loss that will be realised or incurred by the Municipality arising from the transfer or disposal.

Comments received from Directorate: Financial Services are as follows:

"*Erf 7377, Mossel Bay (28.97 ha) is listed on the Municipal Asset Register at a book value of R797 367,76 and classified as Property, Plant and Equipment."*

The Municipality will gain through income of the purchase price as well as services fees and rates and taxes.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Income to the Municipality by receiving the purchase price as well as service fees and rates and taxes.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

COMMENTS FROM FINANCIAL SERVICES

No further comments.

COMMENTS FROM CORPORATE SERVICES

No further comments.

COMMENTS FROM DEVELOPMENT AND PLANNING SERVICES

No further comments.

COMMENTS FROM TECHNICAL SERVICES

No further comments.

COMMENTS FROM LEGAL SERVICES

No further comments.

COMMENTS FROM COMMUNITY SERVICES

No further comments.

COMMENTS FROM COMMUNITY SAFETY SERVICES

No further comments.

COMMENTS FROM MUNICIPAL MANAGER

No further comments.

CONCLUSION / SAMEVATTING

The purpose that Council approves the alienation of a portion (±2 816m²) of Erf 7377, Mossel Bay (Open Space Zone I), situated adjacent to Penisola Village, Minor Street, Dana Bay, Mossel Bay, to the Penisola Village Homeowners Association, in order to rectify the historical encroachment of its boundary fence onto Municipal property, since it is not required for basic Municipal purposes.

RECOMMENDATION

1. That Council Resolution E239-08/2025 be rescinded.

2. That approval be granted for the alienation of a portion (±2 816m²) of Erf 7377 Mossel Bay (Open Space Zone I), situated adjacent to Penisola Village, 44 Minor Street, Dana Bay, Mossel Bay to Penisola Village Homeowners Association, at a market related purchase price of R1 000 000.00 (VAT inclusive), in order to rectify the historical encroachment of its boundary fence onto Municipal property, since it is not required for basic Municipal purposes.

3. That, due to the historical background of this encroachment and as the Applicant is the only entity to which this portion of property will have any practical use and as it will be utilised to rectify the historical encroachment of the boundary fence, Council resolves to dispose of this portion of the property directly to the Applicant.

4. That the Applicant submits building plans for the existing fence on Erf 7377 Mossel Bay to the Municipality for approval.

5. That the Applicant be responsible for the costs of any Land Use applications, if required, as well as the rezoning of the property to Private Open Space.

6. That this portion of Erf 7377 Mossel Bay be utilised by the Applicant in accordance with its natural character and status. No disturbance of the natural vegetation or further structures and buildings will be allowed on this portion, except for the existing fence. This condition must also be included in the Deed of Sale and registered against the Title Deed of the property.

7. That the Municipality reserves the right of free access to the property, without notice, for the purpose of inspection, maintenance, renewal, cleansing, repair and construction of Municipal services.

8. That the Applicant will be responsible for all costs of the application, including advertisement, transfer and service connection costs.

9. That the Municipality be indemnified against any damages for any stormwater overflow/flooding or any other causes that may occur in the future. This precondition must also be included in the Title Deed.

10. That the Applicant will not alter or in any way disturb any existing services on the abovementioned property.

11. That the Public Participation Process, as prescribed in the relevant legislation, be followed.

12. That in addition to the prescribed Public Participation Process the Council Resolution be referred to the Ward Councillor to bring it under the attention of the Ward Committee and that any comments, objections or representations be submitted by the Ward Councillor to the Municipality within thirty (30) days from date of the Council Resolution, failing which it will be accepted that there are no comments, objections or representations.

13. That it be noted that in terms of the Asset Management Policy, a re-active disposal of a lower value immovable capital asset may be effected directly to the prospective purchaser and that following the Public Participation Process, it will be deemed to be fair, equitable, transparent, competitive and cost effective.

14. That, after completion of the prescribed Public Participation Process, this Item be referred back to Council for further consideration.

15. That the Applicant be informed in writing that no rights and/or obligations is vested by this approval, which is subject to the completion of the prescribed Public Participation Process and consideration by Council of the comments and/or objections received from the public during the Public Participation Process.

16. That if approved by Council after consideration of the outcome of the prescribed Public Participation Process, no rights and/or obligations will vest herein before final approval by Council and the Deed of Sale is signed by both parties.

ANNEXURE A

Penisola Village

Penisola Village Homeowners Association
44 P Nana Street, Dana Bay
Mosselbay

7 **OCTOBER 2025**

The Municipal Manager
THE MOSSEL BAY MUNICIPALITY
101 Marsh Street
Mossel Bay
6506

Dear Mr Puren,

RE: ERECTED FENCE ON PORTION OF ERF 7377 MOSSEL BAY AND SALE OF A PORTION (± 2816 SQUARE METRES) TO THE PENISOLA VILLAGE HOA :

We thank you for the meeting with Yourself, Mr Steyn and Mr Prins at your offices on 3 October 2025 and in particular the spirit in which the meeting was conducted. Our impression is that all parties intend moving forward in a pro-active and bona fide manner to implement a solution to the benefit of all parties.

We confirm that the municipality has expressed its willingness to sell the piece of land to the HOA in terms of a Deed of Sale to be concluded and we were requested to provide a letter of motivation in this regard.

In this regard and for the sake of completeness, we confirm the following:

1. The fence was erected more than **23 years** ago by the developer;

2. We understand that the developer had permission from the previous head of the town planning department of the municipality to erect the fence in its current locality;

3. Neither the HOA or any of its members were involved with the relevant arrangements or the erection of the fence as stated above;

4. In the interim, the municipality has granted approval for several building plans and issued municipal clearance certificates as well as occupation certificates over many years and no formal notification of any transgression was provided to the HOA or its members for more than 23 years;

5. The fence (a palisade fence with an electrical line installation) cannot be relocated due to the fact that it would impact severely upon certain individual owners as the fence will have to be relocated to or close to their residences which was built on a municipal approved zero building line. In addition there are practical considerations, e.a. the expected substantial relocation costs thereof and during relocation, the absence of the fence will create a severe risk to safety and security. In addition, any construction works relating to relocation of the fence, will severely impact the natural vegetation and character of the land .

6. The HOA and its members have been in possession and control of the portion of land for more than 23 years;

7. Save in relation to a sewer pump installation dealt with below, no party other than the HOA or its members had use of the relevant land due to its location, consequently no party will be dispossessed or prejudiced if the HOA obtains ownership of the property;

8. The HOA advised the municipality of the apparent transgression in 2024 of its own accord, and took the initiative to resolve this aspect in a proper and legal manner;

9. The HOA has spent substantial funds to investigate this aspect, to seek legal advice and to engage the services of a land surveyor to provide the relevant diagram;

10. Due to the location of the Penisola Village and the relevant portion of land, the proposed obtaining of ownership will not impact upon any other residential or nearby developments;

11. There is an existing municipal sewer pump station installation situated on a portion of the relevant property;

12. There is an understanding that the property is part of a conservancy area alternatively a so-called “green area”;

13. To enable implementation of a Deed of Sale and subject to your requirements to be advised, we expect that various administrative processes may have to be dealt with at substantial costs.

14. The HOA does not intend changing the character of the relevant land save to potentially request that the so-called “public open space” be rezoned as “private open space”;

15. The HOA will utilise the area with reference to its natural character and status;

16. The HOA will ensure that no improvements of any nature is constructed within the relevant portion of Erf 7377 Mossel Bay;

17. The municipality will be entitled to inspect the land to ensure that the HOA complies with its obligations to be undertaken;

18. The HOA wants to resolve this matter to the benefit of all parties while retaining the natural character of the relevant portion of land;

19. Any concerns of the municipality can be dealt with by agreement and/or the imposition of appropriate conditions of approval;

20. In terms of par. 4.5 of our constitution the HOA has to comply with all legal requirements of the municipality including conditions of subdivision and rezoning;

21. In addition, in terms of par. 4.7.5 of the constitution, the HOA has to take transfer of, maintain and insure the roads, the private open space and improvements in the development and control the usage thereof and the facilities belonging to the association or falling under its control; and

22. In terms of par.7.1 and 7.3 of its rules, the HOA is entitled to control all environmental aspects at, on or about the development including management of fauna and flora, and no person may disturb the natural habitat of any fauna or flora, especially bird life.

Having regard to the following aspects, a purchase price has to take into account and has to be agreed upon namely:

1. The existence of a municipal sewer pump station and/or other service installations on the property;

2. That due to its nature, the portion of erf 7377 cannot be developed that clearly impacts upon its fair value;

3. That due to its location, no other party will be dispossessed or prejudiced nor will have any use for this portion of erf 7377 except the Penisola Village HOA and that clearly impacts upon its fair value;

4. Any property valuation that may deal with the extent of the property without taking into account the layout and nature of the property, may not be reflective of the fair market value;

5. The costs for the relevant applications and approvals that have to be dealt with, in addition to the relevant costs to be concluded as to payment for a portion of erf 7377. We understand that costs of a subdivision approval and diagrams are normally paid by the seller/owner of the land, whereas transfer costs relating to registration of transfer is paid by the purchaser; and

6. The purchase price and related provisions accordingly have to be finally negotiated by the parties, but this can clearly only be achieved once details of all required steps and costs to implement the sale are known.

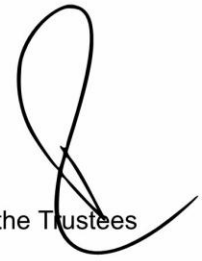
The implementation of an acceptable Deed of Sale will be subject to all relevant applications being successfully granted.

This letter serves to confirm the intent to implement a Deed of Sale between the HOA and the Municipality.

Kindly advise us of your requirements and the applications that have to be dealt with.

We trust that this letter will receive your consideration and positive response.

Yours faithfully,



For the Trustees

Paul van Zyl
Chairperson
Penisola Village HOA

All rights of the Penisola Village Homeowners Association and its members are strictly reserved.

ANNEXURE B


PORTION (±2 816M²) OF ERF 7377 DANA BAY
Mossel Bay
'B'
ZONING: OPEN SPACE ZONE I
P. LINEARE
617
7377
7403
16068
16071
16072
16073
16074
16075
16076
16080
16081
18072
7449
7450
7451
7452
7453
7454
7455
7456
7457
7458
7459
7460
7461
7462
8165
8166
8167
8187
8188
8189
6170
8216
Miller Street
Minnet Street
Disclaimer:
The Mossel Bay Municipality accepts no responsibility for and will not be liable for any errors or omissions contained herein.
1:2 257
Date: 2025/04/08
N
0
0,05
0,1
0,2
km

ANNEXURE C

'C'

Municipality of Mossel Bay

MEMORANDUM

DATE : 15 JULY 2025

TO : LEGAL SERVICES: ATTENTION MR. D. STEYN

FROM : VALUER: D GROENEWALD

SUBJECT : PROPOSED LEASE OF A PORTION (2 816M²) OF ERF 7377 DANA BAY, SITUATED ADJACENT TO ERF PENISOLA VILLAGE HOA

VALUATION MANDATE

Instruction was received from Mr. D Steyn at Legal Services to determine a Market Value as well as a Market Rental of a portion of erf 7377, Dana Bay, more fully described as:

Erf	7377
MOSSEL BAY	
Province Western Cape	
Deeds registry:	Cape Town
Total land size:	28.9943ha
Registered owners:	Mun Mossel Bay
Title deed:	T1614/2006

Description:

The subject property portion, 2 816m² in extent, is vacant. It is zoned Open space zone I. The required portions will be used for gardening purposes only.

CALCULATIONS

Sales of vacant residential properties were used to direct me to a value. Provision for difference in size, use, zoning etc. was made in the calculation.

Market value for 2 816m² (incl. VAT):	R1 000 000.00
Annual Market rental for 2 816m² (incl. VAT):	R 60 000
Monthly Market rental for 2 816m² (incl. VAT):	R 5 000

With an annual escalation equal to the CPI.

D Groenewald

ML GROENEWALD
MUNICIPAL VALUER

E371-11/2025

PARTICIPATING MUNICIPALITIES COMMITTEE MEETING FEEDBACK ON THE PROGRESS OF THE REGIONAL LANDFILL SITE: NOVEMBER 2025

File Number: 12/3/1/9; 16/4/2/4

Report By: VANDERBERGY

Item Reference Number: 23492943

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is to provide feedback to Council regarding the construction of the Regional Landfill Site.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

During the Participating Municipalities Committee meeting held on 6 November 2025, Garden Route District Municipality (GRDM) confirmed the following to the representatives of the Participating Municipalities who attended the meeting:

- **Signing of Waste Disposal Agreement by Knysna Municipality**

- Knysna Municipality's Council has approved the signing of the Waste Disposal Agreement and GRDM is awaiting a copy of the duly signed agreement.

- **Construction progress:**

- The evaluation of the tenders received for the completion of the construction of phase 1 of the site has been completed and the necessary letters sent to all bidders.

- After the expiry of the appeal period GRDM will confirm to all participating Municipalities if any appeals have been received.

- If no appeals have been received it is expected that construction will commence during February or March 2026 and that same will be finalised in twelve to fifteen months.

- **Costs**

    - GRDM has requested its consultants to provide a revised cost implication on the construction of the landfill site, which will be provided to and discussed with the participating Municipalities as soon as possible.

It must be noted that the progress as set out above is not contained in formal minutes of the Participating Municipality Committee, as the minutes of the meeting held on 6 November 2025 will only be accepted formally during the next meeting which will be held on 4 December 2025. Due to the importance of the matter the feedback report is being submitted to Council directly after the meeting.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Possible increase in contribution for the construction of the Regional Landfill Site.

RELEVANT LEGISLATION / RELEVANTE WETGEWING
Local Government: Municipal Systems Act

CONCLUSION / SAMEVATTING

It is proposed that Council takes cognisance of the feedback of the meeting of the Participating Municipalities Committee, established in terms of the Waste Disposal Agreement in respect of the Regional Landfill Site, as held on 6 November 2025.

RECOMMENDATION

1. That cognisance be taken that a Participating Municipalities Committee Meeting was held on the 06th of November 2025 from which the following may be noted:

    1.1 That Knysna Municipality's Council has approved the signing of the Waste Disposal Agreement and GRDM is awaiting a copy of the duly signed agreement.

    1.2 That Garden Route District Municipality has followed a tender process in order to appoint a Service Provider to finalise the construction of phase 1 of the Regional Landfill Site and that the subsequent appointment of the preferred bidder is currently subject to an appeal period.

    1.3 That if no appeals have been received it is expected that construction will commence during February or March 2026 and that same will be finalised in twelve to fifteen months.

    1.4 That Garden Route District Municipality has requested its consultants to provide a revised cost implication on the construction of the landfill site, which will be provided to and discussed with the participating Municipalities as soon as possible.

E372-11/2025

SUPPORT FOR THE DECLARATION OF THE PINNACLE POINT SITE COMPLEX AS A WORLD HERITAGE SITE AND TO DECLARE THE MANAGEMENT AUTHORITIES

File Number: 13/B

Report By: VANDERBERGY

Item Reference Number: 23493106

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to consider providing a letter of support for the declaration of the Pinnacle Point Site Complex as a world heritage site in terms of the World Heritage Convention Act, No. 49 of 1999.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

During the Council Meeting held on 08 December 2011 in terms of Item E235-11/2011 it was resolved as follows:

"1. That Council expresses its support for an application to have the Pinnacle Point Caves declared as a World Heritage Site as well as for Mossel Bay accommodating the World Heritage Site Gateway.

2. That the Municipal Manager be authorised to further investigate the possibilities in this regard and make recommendations to Council in due course on the required level of involvement of the Municipality.

3. That the Executive Mayor addresses a letter of support on behalf of Council to Professor Marean for the World Heritage Site application as well as for Mossel Bay to accommodate the Gateway and Interpretive Centre".

The Minister of Forestry, Fisheries and the Environment, has in terms of Sections 1(xxiv)(a), 7 and 8 of the World Heritage Convention Act, No. 49 of 1999 (the Act), given notice in the Government Gazette Published on 7 November 2025, No 53637, Notice no 6810, of his intention to proclaim certain land situated in the KwaZulu-Natal and Western Cape Provinces, as the Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site and to declare the Management Authorities as set out in the Schedule thereto. The notice is attached hereto marked as Annexure A.

The Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site is composed of the following components:

No.	**Component**	**Proposed Management Authority**
1	Diepkloof Rock Shelter (Western Cape Province)	Member of Executive Council for Cultural Affairs and Sport in the Western Cape Province
2	Pinnacle Point Site Complex (Western Cape Province)	Member of Executive Council for Cultural Affairs and Sport in the Western Cape Province
3	Sibhudu Cave (KwaZulu-Natal Province)	Member of Executive Council for Cultural Affairs and Sport in KwaZulu-Natal Province

The Management Authorities shall exercise the powers and duties referred to in terms of Section 13 and 15 of the Act, including but not limited to the implementation of the Convention, liaise with various stakeholders, conserve, manage and promote the cultural and natural heritage.

The Minister further intends to declare that Sections 21, 22, 33,34, 35 and 42 of the Act and applicable Sections of the National Environmental Management: Protected Areas Act, no 57 of 2003 shall apply to the Management Authorities.

In terms of the aforementioned Sections the Management Authorities will be responsible to, *inter alia*, prepare and implement an integrated management plan which is consistent with the requirements of the Convention and the Operational Guidelines applicable to provincial, regional and local government planning and development plans.

Members of the public has been invited to submit written representations or objections to the notice within thirty (30) days of publication of the notice.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

None.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The World Heritage Convention Act, No. 49 of 1999.

National Environmental Management: Protected Areas Act, no 57 of 2003.

CONCLUSION / SAMEVATTING

It is proposed that Council expresses its support of the intention of the Minister of Forestry, Fisheries and the Environment to in terms of Sections 1(xxiv)(a), 7 and 8 of the World Heritage Convention Act, No. 49 of 1999, to proclaim certain land situated in the KwaZulu-Natal and Western Cape Provinces, as the Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site and to declare the Management Authorities as set out in the Schedule thereto.

RECOMMENDATION

1. That the intention of the Minister of Forestry, Fisheries and the Environment to in terms of Sections 1(xxiv)(a), 7 and 8 of the World Heritage Convention Act, No. 49 of 1999, to proclaim certain land situated in the KwaZulu-Natal and Western Cape Provinces, as the Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site and to declare the Management Authorities attached hereto, marked as Annexure A, be noted.

2. That Council expresses its support of the intention of the Minister of Forestry, Fisheries and the Environment and that a letter in this regard be drafted to the Director-General of the Department of Forestry, Fisheries and Environment and that it be signed by the Municipal Manager.

ANNEXURE A

STAATSKOERANT, 7 NOVEMBER 2025 No. 53637 159

DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT

NO. 6810 **7 November 2025**

WORLD HERITAGE CONVENTION ACT, 1999 (ACT NO. 49 OF 1999)

NOTICE OF INTENTION TO PROCLAIM CERTAIN LAND SITUATED IN THE KWAZULU-NATAL AND WESTERN CAPE PROVINCES TO BE THE EMERGENCE OF MODERN HUMAN BEHAVIOUR: THE PLEISTOCENE OCCUPATION SITES OF SOUTH AFRICA AS A WORLD HERITAGE SITE AND TO DECLARE THE MANAGEMENT AUTHORITIES

I, Dion Travers George, Minister of Forestry, Fisheries and the Environment, hereby in terms of sections 1(xxiv)(a), 7 and 8 of the World Heritage Convention Act,1999 (Act No. 49 of 1999), give notice of my intention to proclaim certain land situated in the KwaZulu-Natal and Western Cape Provinces, as the Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site, and to declare the Management Authorities, as set out in the Schedule hereto.

The Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site is composed of the following components:

NO.	COMPONENT	PROPOSED MANAGEMENT AUTHORITY
1	Diepkloof Rock Shelter (Western Cape Province)	Member of Executive Council for Cultural Affairs and Sport in the Western Cape Province
2	Pinnacle Point Site Complex (Western Cape Province)	Member of Executive Council for Cultural Affairs and Sport in the Western Cape Province
3	Sibhudu Cave (KwaZulu-Natal Province)	Member of the Executive Council for Sport, Arts and Culture in KwaZulu-Natal Province

The Management Authorities shall exercise those powers and duties referred to in sections 13(1) and (2), and 15 of the World Heritage Convention Act, 1999 (Act No. 49 of 1999). In order for the Management Authorities to be able to perform their duties, I furthermore intend to declare that sections 21,22, 33,34, 35, and 42 of the World Heritage Convention Act, 1999 (Act No. 49 of 1999) and applicable sections of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) shall apply to the Management Authorities.

Members of the public are invited to submit written representations or objections to my notice of intention, within 30 (thirty) days from the date of publication of this notice in the Government *Gazette*, or newspapers, whichever date is the last date of publication, to any of the following addresses:

By post to: The Director-General: Department of Forestry, Fisheries and the Environment
Attention: Ms Thumeka Ntloko
Private Bag X 477
Pretoria

This gazette is also available free online at **www.gpwonline.co.za**

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By hand: Ground Floor (Reception), Environment House Building, 473 Steve Biko Street, Arcadia, Pretoria, 0083.

By e-mail: TNtloko@dffe.gov.za / whsmanagement@dffe.gov.za

Any inquiries in connection with this notice can be directed to Ms T Ntloko at: (012) 399 9531.

Comments received after the closing date may not be considered.

DR DION TRAVERS GEORGE
MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT

SCHEDULE

ANNEXURURE 1

THE EMERGENCE OF MODERN HUMAN BEHAVIOUR: THE PLEISTOCENE OCCUPATION SITES OF SOUTH AFRICA (CONSISTING OF DIEPKLOOF ROCK SHELTER COMPONENT, PINNACLE POINT SITE COMPLEX AND SIBHUDU CAVE) AS A WORLD HERITAGE SITE

The Emergence of Modern Human Behaviour: The Pleistocene Occupation Sites of South Africa World Heritage Site is made up of the following components

Component of the serial property	Province	Coordinates of Central Point	Area of Core and Buffer Zone
Diepkloof Rock Shelter Component	Western Cape Province South Africa	32° 23' 11" S, 18° 27' 9" E	Core: 2.1 ha Buffer zone: 531 ha As described in Annexure 1(A)
Pinnacle Point Site Complex	Western Cape Province South Africa	34° 12' 27" S, 22° 05' 22" E	Core: 51 ha Buffer zone: 416 ha As described in Annexure 1(B)
Sibhudu Cave	KwaZulu-Natal Province South Africa	29° 31' 26" S, 31°05' 10" E	Core: 4.3 ha Buffer zone: 18.5 ha As described in Annexure 1(C)

Hereunder is a detailed description of these components:

ANNEXURE 1 (A)

NAME OF THE SITE:

Diepkloof Rock Shelter Component

PROVINCE:

Western Cape Province

EXACT LOCATION OF THE SITE ON MAP WITH GEOGRAPHICAL COORDINATE:

Location of the site:

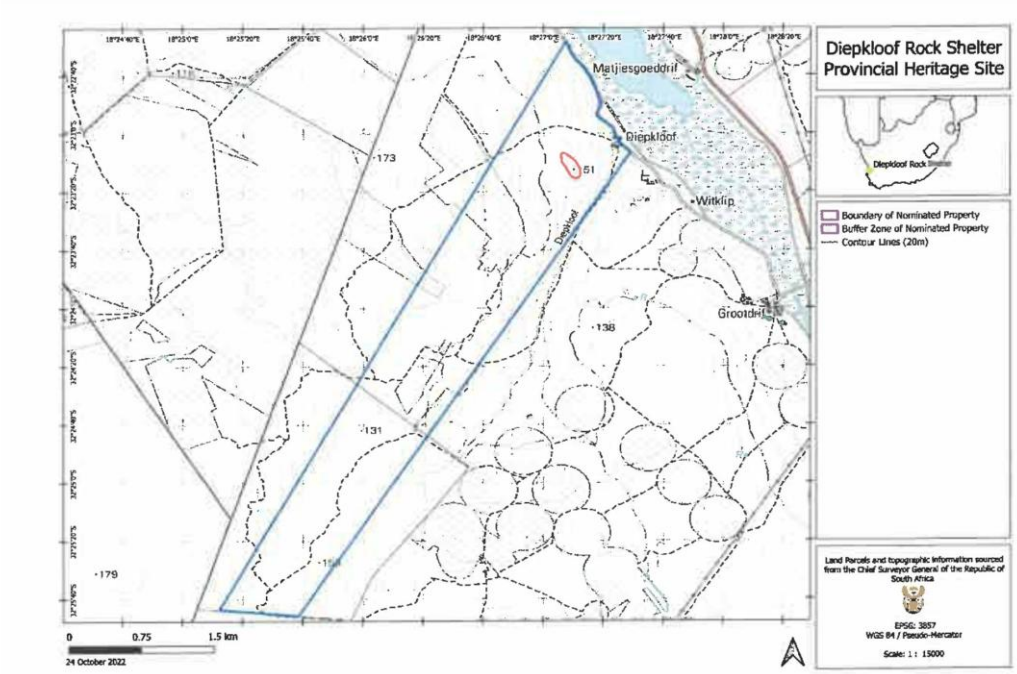
The site proposed is located at Portion 3 of the Farm Groote Drift No. 5, Piketberg.

Geographical Coordinates:
Centre of the World Heritage Site: 32° 23' 11" S, 18° 27' 9" E

The description of the boundaries:
The Core
All property above the 100m contour line on the hill known as Diepkloof on Portion 3 of the Farm Groote Drift 5, Piketberg.

The Buffer Zone
The buffer zone follows the cadastral boundaries of Portion 3 of Farm Groote Drift 5.

Map of the World Heritage Site


Diepkloof Rock Shelter
Provincial Heritage Site
Matjiesgeoddrif
Diepkloof
Witklip
Grootdrif
173
51
138
131
179
Boundary of Nominated Property
Buffer Zone of Nominated Property
Contour Lines (20m)
Land Parcels and topographic information sourced from the Chief Surveyor General of the Republic of South Africa
EPSG: 3857
WGS 84 / Pseudo-Mercator
Scale: 1 : 15000
0
0.75
1.5 km
24 October 2022

ANNEXURE 1(B)

NAME OF THE SITE:

Pinnacle Point Site Complex

PROVINCE:

Western Cape Province

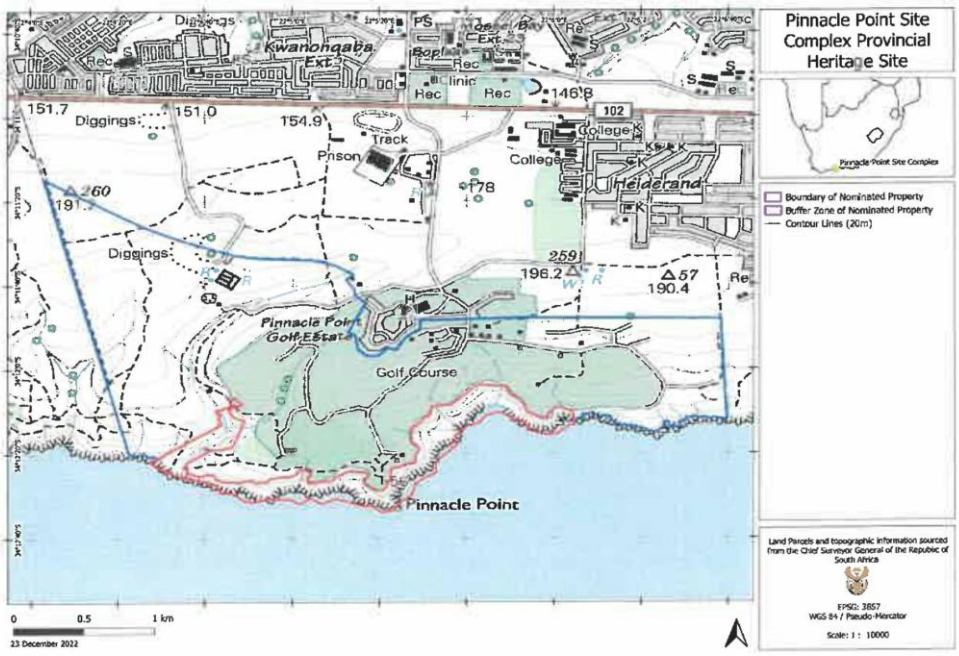
EXACT LOCATION OF THE SITE ON MAP WITH GEOGRAPHICAL COORDINATE:

Location of the site:

The site proposed is located at Pinnacle Point Estate, Erf 15391 (a portion of Erf 2001) Boplaas, Mossel Bay.

Geographical Coordinates:
Centre of the World Heritage Site: 34° 12' 27" S, 22° 05' 22" E

Map of the World Heritage Site



ANNEXURE 1(C)

NAME OF THE SITE:

Sibhudu Cave

PROVINCE:

KwaZulu-Natal Province

EXACT LOCATION OF THE SITE ON MAP WITH GEOGRAPHICAL COORDINATE:

Location of the site:

The site proposed is located at Portion 10 of Farm Sinembe No16902-FU, KwaDukuza Local Municipality, iLembe District Municipality, in KwaZulu-Natal, held by Deed of Transfer No. T3284/1988

Geographical Coordinates:
Centre of the World Heritage Site: 29° 31' 26" S, 31°05' 10" E

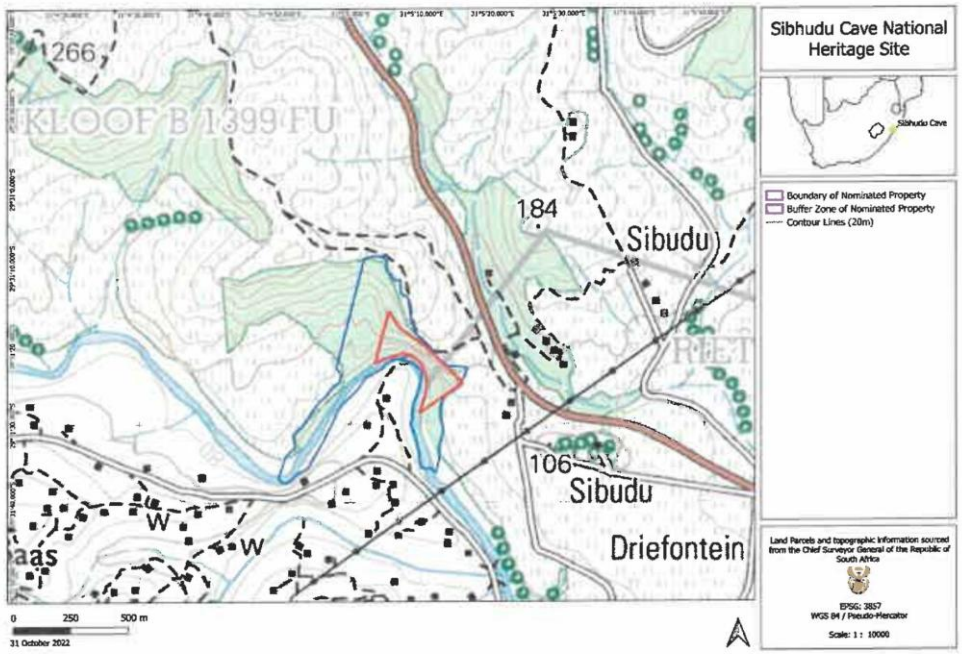
The description of the boundaries

The proposed site of portion 10 of the Farm Sinembe no 16902 – FU is bound by coordinates as outlined below:

Co-ordinates

Points	Latitude	Longitude
1	-29.52356820	31.08772868
2	-29.52236616	31.08637526
3	-29.52162512	31.08527291
4	-29.52103288	31.08484845
5	-29.52291109	31.08429992
6	-29.52274022	31.08465158
7	-29.52259663	31.08515359
8	-29.52254569	31.08542993
9	-29.52258137	31.08567686
10	-29.52273126	31.08593637
11	-29.52289070	31.08611437
12	-29.52310878	31.08624552
13	-29.52337098	31.08633739
14	-29.52367132	31.08634879
15	-29.52407393	31.08629062
16	-29.52466018	31.08603824

Map of the World Heritage Site



E373-11/2025

SECTION 67: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO. 56 OF 2003: TRANSFER: 2025/2026: POINT DISCOVERY CENTRE NPC

File Number:

Report By: SMIT M

Item Reference Number: 23606197

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of the Item is for Council to consider the request from the Point Discovery Centre NPC (hereafter "PDC") in respect of a Section 67 transfer for the 2025/2026 financial year to assist with their sustainability and upkeep of the building and premises.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

The PDC as per its attached application, Annexure A requests Council's consideration for a Section 67 transfer in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003 to an amount of R200 000.00 (Two Hundred Thousand Rand) to assist with their sustainability and upkeep of the building and premises.

In accordance with Council Resolution E90-04/2025 the application was duly submitted for a legal opinion for consideration to be measured against the principles contained in legislation and Circular 131.

The following external advice was received from counsel and is briefly summarized as follows:

- That the operation of a "*discovery and research*" facility in Mossel Bay is a unique activity, but this is however not the case with maintaining a building and premises that belong to the Municipality.

- That the upkeep and maintenance of the Municipality's assets can be procured.

- That in effect, the Municipality would provide funding to maintain its own property.

- That the scope of assistance provided by the Municipality should exclude maintenance of the buildings.

With due consideration of the aforementioned, it is therefore proposed that the PDC's application for a Section 67 donation to an amount of R200 000.00 not be approved as the Municipality cannot utilize Section 67 for the upkeep of the building and premises and an appropriate procurement process should be followed for the upkeep of the building and premises.

It is therefore proposed that the Application not be approved but the Applicant be informed that it may submit an alternative request for a Section 67 transfer in line with the principles contained in MFMA Circular 131.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

An amount of R100 000.00 was provided for in the 2025/2026 Operational Budget under Vote 9/326-132-16480

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Constitution.

The Local Government: Municipal Finance Management Act, No. 56 of 2003.

COMMENTS FROM FINANCIAL SERVICES

No further comments.

CONCLUSION / SAMEVATTING

That the application for a Section 67 transfer received from the PDC for the 2025/2026 financial year not be approved as the upkeep of the building and premises on which the Point Discovery Centre is situated is Municipal property but that an alternative request for a Section 67 transfer in line with the principles contained in Circular 131 may be considered.

RECOMMENDATION

1. That cognisance be taken of the application received from the Point Discovery Centre NPC (PDC) in respect of a Section 67 transfer for the 2025/2026 financial year as per Annexure A attached hereto for an amount of R200 000.00 to assist with their sustainability and upkeep of the building and premises.

2. That cognisance be taken that an external legal opinion was sought in relation to the application from the PDC to be measured against the principles contained in MFMA Circular 131.

3. That cognisance be taken that the legal opinion concluded that the upkeep of buildings and premises on which the Point Discovery Centre is situated is Municipal property and involves the supply of services.

4. That with due consideration of Item 3 above the application received from the PDC for a Section 67 transfer in relation to the 2025/2026 financial year not be approved.

5. That the applicant be informed of this Council Resolution and that it may submit an alternative request for a Section 67 transfer in line with the principles contained in Circular 131.

APPENDIX / BYLAAG

Yes

ANNEXURE A

POINT DISCOVERY CENTRE NPC
POINT ROAD, THE POINT, MOSSELBAY. Info@pointdiscoverycentre.com /
chairperson@pointdiscoverycentre.com
REGISTRATION NO 2015/211059/08

****

DATE : 22 OCTOBER 2025

For Attention:
The Municipal Manager
Mr. Colin Puren

Dear Mr. Puren
REFERENCE : DONATION OF R200 000,00

I trust that this letter will find you in good health.

Mr. Puren, The Point Discovery Centre NPC hereby requests financial assistance from our Municipality towards our sustainability and upkeep of the building and premises. Mrs. Gwynnefer Harding submitted a projected budget to your office a few months ago. Should you require it again then we will gladly re-submit.

We are requesting a donation to the amount of R200 000,00 to assist us until the end of this financial year. If Council have already agreed on a lesser amount, then we will be happy to hear from you in that regard.

Thank you for your assistance in advance and we hope to hear from you as soon as possible.

Kind regards
Gail Baatjies
Chairperson of the Board of directors.



DIRECTORS: LODEWYK COETZEE, GAIL BAATJIES, GWYNNEFER HARDING, HARRY HILL, ALLAN ROBERTS, CURTIS MAREAN, SHARON GABIE, & SOPHUMELA QOMA

E374-11/2025

DEVIATION: LEASE OF OFFICE SPACE FOR MUNICIPAL PURPOSES: PLAZA AQUADA CC

File Number:

Report By: CPUREN

Item Reference Number: 23606278

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of the Item is for Council to take cognisance of the deviation approved by the Municipal Manager to acquire leased office space for Municipal purposes for a period of three (3) years.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

An agreement was entered into on 18 June 2012 for the lease of office space at the Plaza Aquada Building on erf 12472, 55 Marsh Street, Mossel Bay following a tender process for a period of nine (9) years and eleven (11) months which terminated on 31 May 2022.

By virtue of the above Council Resolution E120-05/2022 Council extended the Lease Agreement for a further period of three (3) years terminating on 31 May 2025, following a Section 116 MFMA process. During this period the Municipality acquired Erf 4930, Montagu Place situated in Montagu Street, Mossel Bay from Sevenstone Investments with registration transpiring on the 09th of October 2024.

After registration the Municipality began the process of upgrading, refurbishing and occupying the Montagu Building which is currently in its final stages with the last upgrades on the lower ground floor currently underway.

There are currently two floors that will still be occupied by the Traffic Department in the Plaza Aquada Building for which an agreement must be concluded.

The remaining traffic services situated in the Plaza Aquada will be the licensing and registration departments providing an ongoing daily service to the community.

As the relocation of officials are still in process, the importance of an uninterrupted licencing and registration service being delivered to the community was of great importance.

As such the Municipal Manager entered into negotiations with the owners of Plaza Aquada building where the Municipality is currently leasing to enter into a new three (3) year lease agreement.

This continued lease will be exceptionally beneficial or have advantages to the Municipality rendering a competitive process impractical, due to the following reasons.

- The continued lease result in minimal disruptions to officials and service delivery.

- The offices have already been laid out in accordance with the Municipality's requirements which results in cost-saving.

- The Municipality will no longer be required to large rental amounts as the offices leased have significantly been reduced.

- The Mossel Bay community is already familiar with the location of the building and the Municipal offices contained therein and furthermore the building is centrally located in Mossel Bay.

- The building is in close proximity to the main Municipal building in Marsh Street.

- As it is an existing building there is also a time benefit compared to the time it would take to construct a new building and obtain occupation thereof.

- The lease contributes towards stimulating the economy of the CBD attracting residents having to visit the area when having to renew their licenses.

- The continued lease allows the Municipality sufficient time to investigate the placement of the registration and licensing departments specifically in relation to their stationed offices.

The negotiated rental amounts to R60pm^2, excluding VAT and is deemed acceptable with due regard to the Municipal Valuer's comments indicating that the rental range in the CBD is from R55pm^2 upwards to R65pm^2.

Consideration was also given that this R60pm^2 is lower than the R65pm^2 that the 2022 Lease Agreement began with.

An appropriate procurement process in terms of Supply Chain Management legislation will be followed in due course and the Lease Agreement with Plaza Aquada will be drafted to ensure that the agreement may be terminated earlier should a successful bidder be appointed and be able to implement the tender prior to the three (3) year lease term expiring.

Provision is also made that office space may be reduced during the term of the lease.

A lease area of approximately 1 197m2 being the Lower Ground Level and Basement Level occupied by Traffic Services will continue to be leased at approximately R71 820.00 (VAT excluding) per month.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIE

Initial monthly cost of R82 593.00 (VAT including) which will be subject to an annual escalation equal to the CPIX percentage of two months prior to date of escalation.

1st year rental = R991 116.00 (VAT including)
2nd year rental = R991 116.00 (VAT including) + CPIX percentage escalation
3rd year rental = R991 116.00 (VAT including) + CPIX percentage escalation

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Constitution.

The Local Government: Municipal Finance Management Act, No. 56 of 2003.

The Local Government: Municipal Supply Chain Management Regulations.

CONCLUSION / SAMEVATTING

That cognisance be taken that the Municipal Manager has entered into a new three (3) year Lease Agreement with Plaza Aquada CC in relation to office space for the Traffic Licensing and Registration Departments at a rental amount of R60pm2 (Excluding VAT) subject to an annual escalation equal to the CPIX of two months prior to date of escalation.

RECOMMENDATION

1. That cognisance be taken that the Municipal Manager has entered into a three (3) year Lease Agreement with Plaza Aquada CC for Municipal office space for the Traffic Licensing and Registration Departments by means of an appropriate procurement process, being a deviation in terms of Regulation 36 as it was deemed impractical to engage in a competitive bidding process for the reasons set out in Recommendation 3 hereunder.

2. That cognisance be taken that the continued lease of office space from Plaza Aquada CC totalling 1 197m2 to be occupied by the traffic services licensing and registration departments is at a market related rental cost of R60pm^2 for a period of three (3) years subject to an annual escalation of CPIX of two months prior to date of escalation.

3. That it was deemed to be impractical to engage in a competitive bidding process in this instance in respect of office space for Traffic Services due to the following reasons:

    3.1 The continued lease result in minimal disruptions to officials and service delivery.

    3.2 The offices have already been laid out in accordance with the Municipality's requirements which results in cost-saving.

    3.3 The Municipality will no longer be required to large rental amounts as the offices leased have significantly been reduced.

    3.4 The Mossel Bay community is already familiar with the location of the building and the Municipal offices contained therein and furthermore the building is centrally located in Mossel Bay.

    3.5 The building is in close proximity to the main Municipal building in Marsh Street.

    3.6 As it is an existing building there is also a time benefit compared to the time it would take to construct a new building and obtain occupation thereof.

3.7 The lease contributes towards stimulating the economy of the CBD attracting residents having to visit the area when having to renew their licenses.

3.8 The continued lease allows the Municipality sufficient time to investigate the placement of the registration and licensing departments specifically in relation to their stationed offices.

4. That cognisance be taken that sufficient funds are available in the Operational Budget for the envisaged three (3) years' lease.

5. That it be noted that the Municipal Manager will take the necessary steps in terms of legislation to administer and record the deviation and that an appropriate process in terms of supply chain legislation will be followed in due course to procure office space

E375-11/2025

PROPOSED ALIENATION OF A PORTION OF ERF 6393, MOSSEL BAY (±4 800M²), SITUATED IN MOQUINI: G COETZEE ON BEHALF OF SOUTH AFRICAN GLOBAL CONQUEROR TRUST: HIGH COURT CASE NO 16552/2024

File Number: 7/2/2/3

Report By: D Steyn

Item Reference Number: 23606443

PURPOSE AND BACKGROUND / DOEL EN AGTERGROND

The purpose of this Item is for Council to reconsider the application received from Mr G Coetzee on behalf of the South African Global Conqueror Trust, to purchase a portion of Erf 6393, Mossel Bay (±4 800m²), situated at Moquini, in terms of the High Court Judgement delivered on 15 September 2025.

DISCUSSION AND MOTIVATION / BESPREKING EN MOTIVERING

Council, during its meeting on 29 February 2024, resolved under Council Resolution E37-02/2024, as follows:

"1. That cognisance be taken that the prescribed Public Participation Process was followed and the Council Resolution referred to the Ward Councillor.

2. That cognisance be taken that thirty-three (33) comments and objections opposing the application, has been received and that the objections and comments have been addressed in the Item.

3. That thirty (30) objections and comments opposing the proposed alienation were received from the following individuals: Mr J Nezar, Mr G Lambrechts, Mr R Beattie, Mr R and Mrs W Hurt, Ms W Nilsson, Mr C Muller, Ms Z Clifford, Mr B Cayton, Ms T Woest, Mr D Swart, Mr P and Mrs K Claxton, Mr A and Mrs F Nunn, Mr M and Mrs V Spalding, Mr P van Heerden, Mr A Birch, Ms M van Heerden, Mr C Geldenhuys, Mr G van Heerden, Mr T Steyn, Mr J Du Preez, Ms A Buck, Ms B van de Venter, Mr J and Mrs E de Beer, Ms L Trollip, Mr R de Bruin, Mr L Meeusen, Werksmans Attorneys on behalf of Mr C and Mrs S Atkinson, Mr N and Mrs M Brauneis and Mr R Noorman, marked as Annexure C1-30, can be summarised as follows:

3.1. that the proposed selling price is far below the market related value;

3.2. that the tender process should have been followed;

3.3. that the proposed alienation, placement of the temporary structures and public access will create a fire risk to Fisherman's Village and Moquini Estate;

3.4. that there is no need for ablution and toilet facilities on the property;

3.5. that the Applicant can donate the temporary facilities without obtaining ownership of the property;

3.6. that the installation of the structures will harm the natural environment and sensitive dune structure;

3.7. that the deed of sale should include that living on the property and the development of any commercial activity is forbidden;

3.8. that the public access creates a security risk for the residents of Fisherman's Village and Moquini Estate;

3.9. that the proposed sale is to a trust of which the trustees might change without having the same philanthropic intentions;

3.10. that the property remains in its natural untouched state and that a Notarial ninety-nine (99) year Lease Agreement be entered into between the Municipality and the Home Owners Associations of Fisherman's Village and Moquini Estate to preserve the property for conservation purposes in order to protect the fauna and flora;

3.11. that there is a possibility that the Applicant may apply for upliftment of the restrictive title deed conditions.

4. That cognisance be taken that Mr FM Knoetze indicated that the Applicant is not the only interested party in the purchase of the property as he also showed interest in the property, marked as Annexure D.

5. That the Fisherman's Village Homeowners Association formally recorded their intention to purchase Erf 6393, Mossel Bay or lease the property on a Ninety-Nine year lease basis to be utilised for nature conservation purposes only. The Homeowners Association indicated that it will be willing to provide security, remove alien vegetation

and conserve the land under the guidance of Cape Nature, at its expense. The Homeowners Association objects to the construction of change room facilities and removable toilets, as it would harm the natural environment and the sensitive dune structure, marked as Annexure E.

6. *That Moquini Coastal Estate Homeowners Association objected to the alienation of the property on the grounds that Erf 6393, Mossel Bay is surrounded by the Moquini Coastal Estate Homeowners Association`s common property between the high water mark and located on dunes within a sensitive vegetation area. The proposed use will have a negative impact on the environment, as well as create safety and fire risks. It is also the habitat and breading area of the African Black Oystercatcher. It is also stated that the intended use has not been proven to be necessary or desirable, and that the Applicant indicated that an upgraded mobile condo will be occupied by the Applicant`s representative and his wife, which equates to permanent residence, marked as Annexure F.*

7. *That Mr D Acker, on behalf of the Freedom Front Plus, submitted an objection with an online petition containing 1339 objections and comments that was attached. The objection is based on the alienation of Erf 6393, Mossel Bay to a family member of a Councillor without following a tender process, and requests that a competitive tender process be followed. Some of the objections opposes the alienation and contains the same grounds for objection as listed under one (1) to eleven (11) above, marked as Annexure G.*

8. *That cognisance be taken of the enquiry received on behalf of the Applicant regarding a caretaker room ("opsieners vertrek"), marked as Annexure H and that he was informed that it will be submitted to Council after the Public Participation Process.*

9. *That cognisance be taken that one letter of support was received from Mr FS Palm stating that it is regarded as an essential public service to be provided at no cost to the Municipality, thereby easing the burden on the Municipality and the ratepayers but requesting that the purpose of conservation and coastal access should be expanded to include "amenities for the general public", marked as Annexure I.*

10. *That the comments and objections received be deemed to be substantive and that, due to the significant number of substantive objections and comments received, approval not be granted for the alienation of a portion of Erf 6393, Mossel Bay (±4 800m²), situated at Moquini, to the Applicant, the South African Global Conqueror Trust.*

11. *That the property remains in its undeveloped natural state, subject to reconsideration by Council in future."*

The Applicant being South African Global Conqueror Trust (Coetzee) instituted review proceedings in the High Court (Western Cape Division, Cape Town) under Case number 16552/2024.

The matter was brought to Court on the 18th of February 2025, and judgment was delivered on 15 September 2025.

The High Court granted the following order:

"*1. The decision of the Municipality of 29 February 2024 not to grant the Trust approval is reviewed and set aside.*

2. The decision is remitted to the Municipality for reconsideration.

3. The Municipality is to provide the Trust with the relevant objections by no later than 30 October 2025 and allow the Trust reasonable time for submission of the comments.

4. The Municipality is to reconsider the Trust's application with the comments within 90 days of this order.

5. The Municipality is directed to pay the applicant's costs, on a party and party scale such costs to include that of counsel on Scale C."

External legal advice was sought in relation to compliance with the Court Order and subsequent process to follow.

In terms of advice received Council is to reconsider the application with its comments on the objections and decide afresh on the application with due regard to the comments received from the Applicant.

In terms of the Court Order the Trust was provided with all the relevant objections on the 18th of September 2025 of which a copy of the correspondence is attached hereto, marked as Annexure A.

A copy of the Applicant's application is attached hereto, as referred to Council in terms of Item E317-11/2023 (Annexure B1) and Item E37-02/2024 (Annexure B2) for consideration.

The Applicant's comments to the objections were received from its attorneys, PPM Attorneys on 20 October 2025, marked as Annexure C.

The contents of the letter can be summarised as follows:

The first part of the letter deals with legal issues and the applicant's interpretation of the Court Order in High Court Case No 16552/2024, which constitutes legal arguments and will be dealt with accordingly by Council's legal representatives in due course.

The second part, which needs to be considered by Council deals with Applicant's submissions in respect of the objections received by the Municipality referred to by the Court in the Court Order and reads as follows:

11 FINDING THAT PROPOSED SELLING PRICE IS FAR BELOW MARKET RELATED VALUE

11.1 In submitting the application, the Municipality in own accord procured a sworn valuation setting the market related value of the property.

11.2 The allegation that the said valuation is too low, is accordingly misplaced,

unfounded and devoid of any merit. The Municipality was in its initial pre-mayoral meeting approval, willing to alienate the erf to our client for a sum of 1%. The subsequent internal appraisal/s raised by the Municipality, through sworn appraisers who have the professed and necessary skills available, appraised the immovable property at R980,000.00 (VAT Included) – which value our client accepted.

11.3 Of further note is the fact that the initial offer that was offered by the Municipality to our client was in respect of the entire immovable property and not just a portion thereof. The latter appraisal of R980,000.00, which offer our client also accepted, was for a mere portion of the initial property, thus entailing that our client would now have overpaid for only a portion of the initial property.

11.4 Accordingly, the objection that the property would be sold below market value is not substantive at all, nor was any other valuation submitted by any of the 33 objectors.

12.1 It is rather significant that only once our client attempted to procure the immovable property, it sparked interest by others, notably one Mr. Knoetze who also "showed interest" in the property, without providing any evidence of what the shown interest entailed.

12.2 Apparently more interest has been shown by other third parties in order to acquire the immoveable property, without any proof submitted to refute the Municipality's statement that before our client's interest, there had been no application to purchase the property.

12.3 The assertion that a tender process should have been followed is therefore opportunistic and ill-founded. Only when the two neighbouring residential developments of Moquini and Fisherman's became aware of the potential acquisition of the immoveable property by our client and that our client would be acting on behalf of the public to re-open public access to the beach, did this become an issue.

12.4 It must be noted that the Municipality via Mr. Douw Steyn communicated to our client telephonically on various occasions during July to October 2023 that it has a standing grievance against Moquini for not allowing public access through Moquini to the beach, notwithstanding the undertaking by

13. THE PROPOSED ALIENATION AND PLACEMENT OF TEMPORARY STRUCTURES AND PUBLIC ACCESS WILL CREATE A FIRE RISK TO MOQUINI AND FISHERMAN'S VILLAGE ESTATES

The proposed temporary structures are firstly made of aluminium, and secondly, they are "wet" in nature and require water in order to function properly i.e. a shower and toilets. Furthermore, the proposed structures are to be erected 254m from the nearest residential dwelling in Moquini estate. The area in question encompasses sand dunes and/or sparse natural dune flora scattered along the beach. The Municipality's findings in this regard are unsubstantiated and unfounded.

14. NO NEED FOR ABLUTION AND TOILET FACILITIES ON THE IMMOVABLE PROPERTY

It is with respect deplorable that the Municipality would contend that beachgoers and/or fishermen do not require access to ablution facilities. The nearest public toilet is located some 1,6km from the proposed facility, at Dana Beach 2. It is submitted that this objection is without any merit whatsoever.

15. OUR CLIENT CAN DONATE THE TEMPORARY FACILITIES WITHOUT OBTAINING OWNERSHIP OF THE IMMOVABLE PROPERTY

It is unclear how it can be asserted that a third party, such as our client, must assume the responsibility for erecting ablution facilities on a piece of land to which it does not have any rights. The proposed construction of course has financial implications. The basis for contending for such an objection furthermore falls flat if consideration is given to the Municipality's contention that at least one of the objectors has indicated an intention to acquire the immovable property from the Municipality, which there is no objection to.

16. THE INSTALLTION OF THE STRUCTURES WILL HARM THE NATURAL ENVIRONMENT AND SENSITIVE DUNE STRUCTURE

In furnishing the initial consent, the Municipality through its vast available resources surely considered the environmental impact of the proposed installation. As previously alluded to, the structure is non-permanent in nature and will not have a negative impact on the environment – unless the objectors are in good stance with a permanent structure. Of significance is the fact that the construction of residential dwellings has been approved in the same proximity of the immoveable property. Furthermore, the construction type and material to be used by our client has always been known to the Municipality. No application for the erection of any structures has been made to the Municipality. The objections in this regard is premature and unfounded in the circumstances. Furthermore, and in any event, the alienation of the immoveable property was initially approved on condition that no structures would be erected without the Municipality's approval, which included the Department of Environmental Affairs.

17. THE DEED OF SALE SHOULD INCLUDE THAT LIVING ON THE IMMOVABLE PROPERTY AND THE DEVELOPMENT OF ANY COMMERCIAL ACITIVITY IS FORBIDDEN

No deed of sale has been presented to our client and the objection cannot be considered a valid objection in the circumstances. In any event, if the Municipality wishes to include a provision of no commercial activity in a deed of sale they are of course free to do so.

18. THE PUBLIC ACCESS CREATES A SECURITY RISK FOR THE RESIDENTS OF FISHERMAN'S VILLAGE AND MOQUINI ESTATES

18.1 This objection stands to be rejected with the contempt that it deserves. It cannot, with the greatest of respect, be contended by the Municipality that the mere placing of public ablution facilities on a public open space and the usage of such a public area by the general public *mero motu* result in security risks to the surrounding areas as contended for by the objectors. In any event, the residential estates of Moquini and Fisherman's Village are already equipped with high standards of security. The objection, with respect, is nothing other than an attempt by the objectors to continue their monopoly of using public space as their own private sanctuary. This should not be countenanced by the Municipality.

18.2 The opposite should rather hold true. The property is currently a vacant erf, which holds no less security risks than the same erf in private hands. The change in ownership cannot change the number of people visiting this remote area, and even if it does, it does not alter the core existence of the erf in that same is a public open space. There are three existing proclaimed beaches in the surrounding area, being Dana Bay 1, 2, and 3. The objectors would be laughed off if they objected to the number of people visiting Dana Beach 1 and/or 2 – yet the Municipality took heed of the objection that (more) people could visit Dana Beach 3.

18.3 Our client's intention is merely to provide amenities to the few who frequent the beach and to provide practical access which has been denied to the public. Nothing more.

18.4 Again, this objection is unsubstantiated, unfounded and ill-advised.

19. THE PROPOSED SALE IS TO A TRUST OF WHICH THE TRUSTEES MIGHT CHANGE WITHOUT HAVING THE SAME PHILANTHROPIC INTENTIONS

Our client is utilised for the purpose of community upliftment. The changing intentions of follow-up trustees are completely irrelevant as our client's deed is the cornerstone of our client/the Trust. In any event, this concern can also be addressed in a restrictive condition in the title deed. Such concern is however not a rational reason for disapproving of the sale of the property to our client.

20. THE PROPERTY REMAINS IN ITS NATURAL UNTOUCHED STATE AND THAT A NOTARIAL 99-YEAR LEASE AGREEMENT BE ENTERED INTO BETWEEN THE MUNICIPALITY AND THE HOME OWNERS ASSOCIATIONS OF THE FISHERMAN'S VILLAGE AND MOQUINI ESTATES TO PRESERVE THE PROPERTY FOR CONSERVATION PURPOSES IN ORDER TO PROTECT THE FAUNA AND FLORA

20.1 I submit that the objections *in toto* can be summarised in the above passage. There can be little doubt that the said Home Owners Associations do not want to make available the beach areas to the public and forego the exclusivity that they at present exercise over it. Moquini and indirectly Fisherman's Village cut-off the public access road with their (private) conservation area – and justified their failure to comply with their undertaking to the Municipality by stating that the public could walk the 1,6km walk to the beach if they really wanted to visit it.

20.2 It must be emphasized that the Municipality is aware that the access road that previously granted access to the property and the adjacent beach is closed off by the (private) conservation area created by Moquini, yet the Municipality has failed to take any action against Moquini to restore the status quo that previously existed and gave public direct access. By acquiring the property our client can restore such access, which has always been our client's intention.

20.3 Only once our client attempted to procure ownership of the property did the Home Owners Associations indicate an interest in procuring / securing the property for conservation purposes. Their true intentions are however perfectly clear: to use the area as their private domain, with access to the beach which are denied the general public. Our client has at all times had conservation and preservation in mind, hence the application for acquisition at its own costs and sharing such sentiments from the initial engagements with the Municipality throughout the entire process.

20.4 Our client would in any event provide easily accessible ablution facilities to the public, which structures would be approved by the Municipality, and to which Moquini and others can object to before its installation. Our client will however maintain the integrity of the environment with environmental friendly and approved materials.

20.5 It was furthermore recorded in the application to the Municipality that our client will also at all times apply its conduct in line with any new and/or amended environmental conservation directives forthcoming from the Municipality.

21. THERE IS A POSSIBILITY THAT OUR CLIENT MAY APPLY FOR UPLIFTMENT OF THE RESTRICTIVE TITLE CONDITIONS

As in all instances where immovable property is concerned a possibility exists that an owner may apply for upliftment / variation of restrictive conditions. In such event a due process is of course followed, which encompasses various considerations and investigations by authorities and/or experts. Accordingly, mechanisms have already been put in place to deal with such possibility and accordingly this objection is devoid of any merit and ill-founded.

22. ALLEGED POLITICAL INFLUENCE

22.1 It is expressly denied that any nepotism or undue influence was exercised in the application process or initial approval.

22.2 If there was the possibility of political influence, or an act of nepotism, then, Gerrit Lodewikus Coetzee N.O. ("Coetzee") acting on behalf of the Trust, miserably failed in exercising his alleged influence. It is indeed so that a family member of Coetzee is a Ward Councillor in the Mossel Bay region. However, that being said, Coetzee has not once discussed the proposed acquisition with his family member, nor was he aware of the proposed application for the acquisition until it was presented to the Municipality.

22.3 The suggestions are false and attempt by a politician to gain political advantage and the Municipality's reliance on such unfounded allegations to deny the alienation of the property to our client is unfortunate and ill-founded.

23. SUBSTANTIAL OBJECTIONS RECEIVED

The mere fact that objections were received does not equate to such objections being valid, substantiated or rational. In the same breath, had our client been afforded the opportunity, it could have canvassed substantial support in support of the application. Our client could have rallied many of the Mossel Bay residents who would love to gain access to this part of Dana Beach 3, far more support than the 33 objections. Numbers are with respect irrelevant. What is required is that the objections have merit, and it should be substantial merit. And furthermore, that objections with merit cannot be safely navigated. It is respectfully contended, that this is not the case with any of the fabricated objections. None has substantial merit or which cannot be safely navigated.

24. The limited opportunity to make presentations in respect of the PPP does not comply with the procedural fairness requirements with which our client was required to comply in terms of Section 33 of the Constitution and Section 3 of PAJA.

25. Administrative actions were taken in our client's absence and without affording our client the opportunity to make any further representations.

Thirdly, the Applicant demands a formal written apology from the Municipal Legal Advisor who deposed to the answering affidavit on behalf of the Municipality in the proceedings, failing which it intends to institute a claim for defamation against the Municipality and the Legal Advisor in his personal capacity. Council's legal representative will in due course deal with this part of the letter.

It is submitted that in order for Council to comply with the Court Order Council has to apply its' mind in respect of the following material:

- This Item, its' contents and recommendations.
- Annexure A: Correspondence dated 18 September 2025 from the Municipality to the Applicant.
- Annexures B1 and B2: Application consisting of both Item E317-11/2023 and Item E37-02/2024 with their respective Annexures.
- Annexure C: Applicant's comments to the objections, letter dated 20 October 2025 from PPM Attorneys.
- Annexure D: Response to the comments of the Applicant on the objections.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

None.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

The Local Government: Municipal Finance Management Act, No 56 of 2003.

The Local Government: Municipal Finance Management Act, No 56 of 2003: Municipal Asset Transfer Regulations, 2008.

Municipal Asset Management Policy.

Promotion of Administrative Justice Act 3 of 2000 (PAJA).

CONCLUSION / SAMEVATTING

In terms of the Court Order all information has been submitted to Council in order to apply its mind, to reconsider the application, together with the comments received, and make a decision in this regard.

RECOMMENDATION

1. That cognisance be taken of the Court Order granted in the High Court of South Africa (Western Cape Division, Cape Town) under Case No 16552/2024, setting aside the decision of Council dated 29 February 2024 under Council Resolution E37-02/2024 and ordering the Municipality to reconsider the application after allowing the Applicant to comment on the objections received from the public during the Public Participation Process.

2. That cognisance be taken that in order to comply with the Court Order the Municipality provided the trustees of the South African Global Conqueror Trust (the Applicant) with all the comments and objections received during the Public Participation Process under cover of a letter dated 18 September 2025, attached hereto marked as Annexure A.

3. That cognisance be taken of the Applicant's application, which is resubmitted to Council for consideration, annexed as Annexures 'B1 and B2' consisting of both Item E317-11/2023 and Item E37-02/2024 with their respective Annexures.

4. That cognisance be taken of the letter received on 20 October 2025 from Applicant's attorneys, PPM Attorneys, containing Applicant's comments on the objections, received during the Public Participation Process, annexed as Annexure 'C'.

5. That note be taken of the response on the comments contained in the letter of 20 October 2025 from PPM Attorneys, attached marked as Annexure D and that it be accepted.

6. That note be taken that compliance with a Court Order relating to current Municipal asset management processes constitutes administrative action performed by Council denoting the importance of the matter.

7. That after reconsidering all information, including the additional comments from the Applicant as well as reconsidering the original application and the process followed, Council resolves as follows:

    7.1 That cognisance be taken that the prescribed Public Participation Process was followed and the Council Resolution referred to the Ward Councillor.

    7.2 That cognisance be taken that thirty-three (33) comments and objections opposing the application, has been received and that the objections and comments have been addressed.

7.3 That thirty (30) objections and comments opposing the proposed alienation were received from the following individuals: Mr J Nezar, Mr G Lambrechts, Mr R Beattie, Mr R and Mrs W Hurt, Ms W Nilsson, Mr C Muller, Ms Z Clifford, Mr B Cayton, Ms T Woest, Mr D Swart, Mr P and Mrs K Claxton, Mr A and Mrs F Nunn, Mr M and Mrs V Spalding, Mr P van Heerden, Mr A Birch, Ms M van Heerden, Mr C Geldenhuys, Mr G van Heerden, Mr T Steyn, Mr J Du Preez, Ms A Buck, Ms B van de Venter, Mr J and Mrs E de Beer, Ms L Trollip, Mr R de Bruin, Mr L Meeusen, Werksmans Attorneys on behalf of Mr C and Mrs S Atkinson, Mr N and Mrs M Brauneis and Mr R Noorman, marked as Annexure C1-30, can be summarised as follows:

7.3.1 that the proposed selling price is far below the market related value;

7.3.2 that the tender process should have been followed;

7.3.3 that the proposed alienation, placement of the temporary structures and public access will create a fire risk to Fisherman's Village and Moquini Estate;

7.3.4 that there is no need for ablution and toilet facilities on the property;

7.3.5 that the Applicant can donate the temporary facilities without obtaining ownership of the property;

7.3.6 that the installation of the structures will harm the natural environment and sensitive dune structure;

7.3.7 that the deed of sale should include that living on the property and the development of any commercial activity is forbidden;

7.3.8 that the public access creates a security risk for the residents of Fisherman's Village and Moquini Estate;

7.3.9 that the proposed sale is to a trust of which the trustees might change without having the same philanthropic intentions;

7.3.10 that the property remains in its natural untouched state and that a Notarial ninety-nine (99) year Lease Agreement be entered into between the Municipality and the Home Owners Associations of Fisherman's Village and Moquini Estate to preserve the property for conservation purposes in order to protect the fauna and flora;

7.3.11 that there is a possibility that the Applicant may apply for upliftment of the restrictive title deed conditions.

7.4 That cognisance be taken that Mr FM Knoetze indicated that the Applicant is not the only interested party in the purchase of the property as he also showed interest in the property.

7.5 That the Fisherman's Village Homeowners Association formally recorded their intention to purchase Erf 6393, Mossel Bay or lease the property on a Ninety-

Nine year lease basis to be utilised for nature conservation purposes only. The Homeowners Association indicated that it will be willing to provide security, remove alien vegetation and conserve the land under the guidance of Cape Nature, at its expense. The Homeowners Association objects to the construction of change room facilities and removable toilets, as it would harm the natural environment and the sensitive dune structure.

7.6 That Moquini Coastal Estate Homeowners Association objected to the alienation of the property on the grounds that Erf 6393, Mossel Bay is surrounded by the Moquini Coastal Estate Homeowners Association`s common property between the high water mark and located on dunes within a sensitive vegetation area. The proposed use will have a negative impact on the environment, as well as create safety and fire risks. It is also the habitat and breading area of the African Black Oystercatcher. It is also stated that the intended use has not been proven to be necessary or desirable, and that the Applicant indicated that an upgraded mobile condo will be occupied by the Applicant`s representative and his wife, which equates to permanent residence.

7.7 That Mr D Acker, on behalf of the Freedom Front Plus, submitted an objection with an online petition containing 1339 objections and comments that was attached. The objection is based on the alienation of Erf 6393, Mossel Bay to a family member of a Councillor without following a tender process, and requests that a competitive tender process be followed. Some of the objections opposes the alienation and contains the same grounds for objection as listed under one (1) to eleven (11) above.

7.8 That cognisance be taken of the enquiry received on behalf of the Applicant regarding a caretaker room ("opsieners vertrek"), and that he was informed that it will be submitted to Council after the Public Participation Process.

7.9 That cognisance be taken that one letter of support was received from Mr FS Palm stating that it is regarded as an essential public service to be provided at no cost to the Municipality, thereby easing the burden on the Municipality and the ratepayers but requesting that the purpose of conservation and coastal access should be expanded to include "amenities for the general public".

7.10 That the comments on the objections received from the Applicant dated 20 October 2025 (Annexure C) and as responded to in Annexure D were duly considered.

7.11 That the comments and objections received from the objectors be deemed to be substantive notwithstanding due consideration of the Applicant's comments on the objections and that, due to the significant number of substantive objections and comments received, approval not be granted for the alienation of a portion of Erf 6393, Mossel Bay (±4 800m²), situated at Moquini, to the Applicant, the South African Global Conqueror Trust.

7.12 That the property remains in its undeveloped natural state, subject to reconsideration by Council in future.

8. That the outcome of this Resolution be communicated to both the Applicant as well as all the individuals that submitted comments, objections and representations in this regard during the Public Participation Process.

9. That in the event that this decision be taken on review, all necessary legal action be taken to defend the process as well as Council's decision and that should any legal action be instituted against any official in this regard, it be defended accordingly.

ANNEXURES

Annexure D is attached to this Item.

The Full Annexures A to D is accessible via the link sent with the Agenda due to the size of the file.

ANNEXURE D 319

11 FINDING THAT PROPOSED SELLING PRICE IS FAR BELOW MARKET RELATED VALUE

11.1 In submitting the application, the Municipality in own accord procured a sworn valuation setting the market related value of the property.

11.2 The allegation that the said valuation is too low, is accordingly misplaced,

unfounded and devoid of any merit. The Municipality was in its initial pre-mayoral meeting approval, willing to alienate the erf to our client for a sum of 1%. The subsequent internal appraisal/s raised by the Municipality, through sworn appraisers who have the professed and necessary skills available, appraised the immovable property at R980,000.00 (VAT Included) – which value our client accepted.

11.3 Of further note is the fact that the initial offer that was offered by the Municipality to our client was in respect of the entire immovable property and not just a portion thereof. The latter appraisal of R980,000.00, which offer our client also accepted, was for a mere portion of the initial property, thus entailing that our client would now have overpaid for only a portion of the initial property.

11.4 Accordingly, the objection that the property would be sold below market value is not substantive at all, nor was any other valuation submitted by any of the 33 objectors.

Response: It is part of the normal process in submitting an item to Council for consideration to obtain a valuation as Council must in terms of the Asset Management Policy read with the Local Government: Municipal Finance Management Regulations (published in terms of Act No.56 of 2003) be informed of the valuation of the capital asset to be disposed of and the method of valuation used to determine the valuation.

The comment received form the objector that the valuation is too low, was not accepted by Council as a fact, but merely taken into account as one of the substantial number of objections received.

The statement made by the Applicant that the Municipality was in its initial “pre-mayoral meeting” approval willing to alienate the erf at 1% (one percent) is not correct. It is not clear to which meeting is referred to and no minutes of such a meeting exists, as far as it might be relevant, as only Council can approve the alienation of Municipal property, including the selling price.

No offer for the entire erf was made to the Applicant, the Council decision refers to a portion of Erf 6393 Mossel Bay (app 4 800 m2) throughout.

Council made no decision based on the objection that the selling price is far below market related value, the objection was merely taken into account as one of the substantial number of objections received.

12. THE TENDER PROCESS SHOULD HAVE BEEN FOLLOWED

12.1 It is rather significant that only once our client attempted to procure the immovable property, it sparked interest by others, notably one Mr. Knoetze who also "showed interest" in the property, without providing any evidence of what the shown interest entailed.

12.2 Apparently more interest has been shown by other third parties in order to acquire the immoveable property, without any proof submitted to refute the Municipality's statement that before our client's interest, there had been no application to purchase the property.

12.3 The assertion that a tender process should have been followed is therefore opportunistic and ill-founded. Only when the two neighbouring residential developments of Moquini and Fisherman's became aware of the potential acquisition of the immoveable property by our client and that our client would be acting on behalf of the public to re-open public access to the beach, did this become an issue.

12.4 It must be noted that the Municipality via Mr. Douw Steyn communicated to our client telephonically on various occasions during July to October 2023 that it has a standing grievance against Moquini for not allowing public access through Moquini to the beach, notwithstanding the undertaking by Moquini that they would do so when acquiring their land for development from the Municipality.

Response: It is not uncommon that other parties show interest in obtaining municipal property once they become aware of the possible alienation thereof during the prescribed public participation process.

The relevance of this comment is however not clear, as the Council did not take any decision to follow the tender process in this instance based on the objections received or at all.

The reference to telephone conversations on various occasions is denied in this context as far as it is relevant, save to confirm that it was admitted that the local fishermen has a grievance against the Fisherman's Village and Moquini Estates, which is public knowledge and was known to the Applicant in any case.

13. THE PROPOSED ALIENATION AND PLACEMENT OF TEMPORARY STRUCTURES AND PUBLIC ACCESS WILL CREATE A FIRE RISK TO MOQUINI AND FISHERMAN'S VILLAGE ESTATES

The proposed temporary structures are firstly made of aluminium, and secondly, they are "wet" in nature and require water in order to function properly i.e. a shower and toilets. Furthermore, the proposed structures are to be erected 254m from the nearest residential dwelling in Moquini estate. The area in question encompasses sand dunes and/or sparse natural dune flora scattered along the beach. The Municipality's findings in this regard are unsubstantiated and unfounded.

Response: Council never made any findings in this regard, it was only mentioned as part of the objection received from the Moquini Coastal Estate Homeowners Association.

14. NO NEED FOR ABLUTION AND TOILET FACILITIES ON THE IMMOVABLE PROPERTY

It is with respect deplorable that the Municipality would contend that beachgoers and/or fishermen do not require access to ablution facilities. The nearest public toilet is located some 1,6km from the proposed facility, at Dana Beach 2. It is submitted that this objection is without any merit whatsoever.

Response: Council never contended that beachgoers and/or fishermen do not require access to ablution facilities as stated by the Applicant. The decision of Council was not to alienate the portion of Erf 6393 Mossel Bay to the Applicant or at all, but that it remains in its undeveloped natural state.

15. OUR CLIENT CAN DONATE THE TEMPORARY FACILITIES WITHOUT OBTAINING OWNERSHIP OF THE IMMOVABLE PROPERTY

It is unclear how it can be asserted that a third party, such as our client, must assume the responsibility for erecting ablution facilities on a piece of land to which it does not have any rights. The proposed construction of course has financial implications. The basis for contending for such an objection furthermore falls flat if consideration is given to the Municipality's contention that at least one of the objectors has indicated an intention to acquire the immovable property from the Municipality, which there is no objection to.

Response: This comment is somewhat unclear and was merely one of the statements made by an objector which was brought under Council's attention in the item.

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16. THE INSTALLTION OF THE STRUCTURES WILL HARM THE NATURAL ENVIRONMENT AND SENSITIVE DUNE STRUCTURE

In furnishing the initial consent, the Municipality through its vast available resources surely considered the environmental impact of the proposed installation. As previously alluded to, the structure is non-permanent in nature and will not have a negative impact on the environment – unless the objectors are in good stance with a permanent structure. Of significance is the fact that the construction of residential dwellings has been approved in the same proximity of the immoveable property. Furthermore, the construction type and material to be used by our client has always been known to the Municipality. No application for the erection of any structures has been made to the Municipality. The objections in this regard is premature and unfounded in the circumstances. Furthermore, and in any event, the alienation of the immoveable property was initially approved on condition that no structures would be erected without the Municipality's approval, which included the Department of Environmental Affairs.

Response: This comment is duly noted. If the alienation is approved by Council this aspect can be dealt with in terms of appropriate conditions as to prior Environmental Impact Assessments and building plan approvals.

17. THE DEED OF SALE SHOULD INCLUDE THAT LIVING ON THE IMMOVABLE PROPERTY AND THE DEVELOPMENT OF ANY COMMERCIAL ACITIVITY IS FORBIDDEN

No deed of sale has been presented to our client and the objection cannot be considered a valid objection in the circumstances. In any event, if the Municipality wishes to include a provision of no commercial activity in a deed of sale they are of course free to do so.

Response: This comment is noted as being accepted by the Applicant as a possible condition if the alienation is to be approved.

18. THE PUBLIC ACCESS CREATES A SECURITY RISK FOR THE RESIDENTS OF FISHERMAN'S VILLAGE AND MOQUINI ESTATES

18.1 This objection stands to be rejected with the contempt that it deserves. It cannot, with the greatest of respect, be contended by the Municipality that the mere placing of public ablution facilities on a public open space and the usage of such a public area by the general public *mero motu* result in security risks to the surrounding areas as contended for by the objectors. In any event, the residential estates of Moquini and Fisherman's Village are already equipped with high standards of security. The objection, with respect, is nothing other than an attempt by the objectors to continue their monopoly of using public space as their own private sanctuary. This should not be countenanced by the Municipality.

18.2 The opposite should rather hold true. The property is currently a vacant erf, which holds no less security risks than the same erf in private hands. The change in ownership cannot change the number of people visiting this remote area, and even if it does, it does not alter the core existence of the erf in that same is a public open space. There are three existing proclaimed beaches in the surrounding area, being Dana Bay 1, 2, and 3. The objectors would be laughed off if they objected to the number of people visiting Dana Beach 1 and/or 2 – yet the Municipality took heed of the objection that (more) people could visit Dana Beach 3.

18.3 Our client's intention is merely to provide amenities to the few who frequent the beach and to provide practical access which has been denied to the public. Nothing more.

18.4 Again, this objection is unsubstantiated, unfounded and ill-advised.

Response: Council never contended that public access will result in a security risk as stated by the Applicant. The decision of Council was not to alienate the portion of Erf 6393 Mossel Bay to the Applicant or at all, but that it remains in its undeveloped natural state.

19. THE PROPOSED SALE IS TO A TRUST OF WHICH THE TRUSTEES MIGHT CHANGE WITHOUT HAVING THE SAME PHILANTHROPIC INTENTIONS

Our client is utilised for the purpose of community upliftment. The changing intentions of follow-up trustees are completely irrelevant as our client's deed is the cornerstone of our client/the Trust. In any event, this concern can also be addressed in a restrictive condition in the title deed. Such concern is however not a rational reason for disapproving of the sale of the property to our client.

Response: The Applicant's comment is noted, but it is again reiterated that Council's decision not to alienate the property was not based on this objection alone, but on the number of objections received from the public during the prescribed public participation process.

20. THE PROPERTY REMAINS IN ITS NATURAL UNTOUCHED STATE AND THAT A NOTARIAL 99-YEAR LEASE AGREEMENT BE ENTERED INTO BETWEEN THE MUNICIPALITY AND THE HOME OWNERS ASSOCIATIONS OF THE FISHERMAN'S VILLAGE AND MOQUINI ESTATES TO PRESERVE THE PROPERTY FOR CONSERVATION PURPOSES IN ORDER TO PROTECT THE FAUNA AND FLORA

20.1 I submit that the objections *in toto* can be summarised in the above passage. There can be little doubt that the said Home Owners Associations do not want to make available the beach areas to the public and forego the exclusivity that they at present exercise over it. Moquini and indirectly Fisherman's Village cut-off the public access road with their (private) conservation area – and justified their failure to comply with their undertaking to the Municipality by stating that the public could walk the 1,6km walk to the beach if they really wanted to visit it.

20.2 It must be emphasized that the Municipality is aware that the access road that previously granted access to the property and the adjacent beach is closed off by the (private) conservation area created by Moquini, yet the Municipality has failed to take any action against Moquini to restore the status quo that previously existed and gave public direct access. By acquiring the property our client can restore such access, which has always been our client's intention.

20.3 Only once our client attempted to procure ownership of the property did the Home Owners Associations indicate an interest in procuring / securing the property for conservation purposes. Their true intentions are however perfectly clear: to use the area as their private domain, with access to the beach which are denied the general public. Our client has at all times had conservation and preservation in mind, hence the application for acquisition at its own costs and sharing such sentiments from the initial engagements with the Municipality throughout the entire process.

20.4 Our client would in any event provide easily accessible ablution facilities to the public, which structures would be approved by the Municipality, and to which Moquini and others can object to before its installation. Our client will however maintain the integrity of the environment with environmental friendly and approved materials.

20.5 It was furthermore recorded in the application to the Municipality that our client will also at all times apply its conduct in line with any new and/or amended environmental conservation directives forthcoming from the Municipality.

20.6 The Municipality was at all relevant times satisfied that our client could comply with these requirements in the initial approval, yet, for undisclosed reasons, now upholds this ill-founded objection.

Response: This comment is based on speculation as to the Applicant's opinion of the true intentions of the respective Homeowners Associations and is currently not relevant as Council did not resolve to enter into such an agreement with the respective Homeowners Associations

21. THERE IS A POSSIBILITY THAT OUR CLIENT MAY APPLY FOR UPLIFTMENT OF THE RESTRICTIVE TITLE CONDITIONS

As in all instances where immovable property is concerned a possibility exists that an owner may apply for upliftment / variation of restrictive conditions. In such event a due process is of course followed, which encompasses various considerations and investigations by authorities and/or experts. Accordingly, mechanisms have already been put in place to deal with such possibility and accordingly this objection is devoid of any merit and ill-founded.

Response: This comment is noted, but it is again reiterated that Council's decision not to alienate the property was not based on this objection alone, but on the number of objections received from the public during the prescribed public participation process.

22. ALLEGED POLITICAL INFLUENCE

22.1 It is expressly denied that any nepotism or undue influence was exercised in the application process or initial approval.

22.2 If there was the possibility of political influence, or an act of nepotism, then, Gerrit Lodewikus Coetzee N.O. ("Coetzee") acting on behalf of the Trust, miserably failed in exercising his alleged influence. It is indeed so that a family member of Coetzee is a Ward Councillor in the Mossel Bay region. However, that being said, Coetzee has not once discussed the proposed acquisition with his family member, nor was he aware of the proposed application for the acquisition until it was presented to the Municipality.

22.3 The suggestions are false and attempt by a politician to gain political advantage and the Municipality's reliance on such unfounded allegations to deny the alienation of the property to our client is unfortunate and ill-founded.

Response: The comments are noted, the Municipality did not make averments relating to undue influence and the Councillor recused himself during the Council Meeting with discussion of this item.

23. SUBSTANTIAL OBJECTIONS RECEIVED

The mere fact that objections were received does not equate to such objections being valid, substantiated or rational. In the same breath, had our client been afforded the opportunity, it could have canvassed substantial support in support of the application. Our client could have rallied many of the Mossel Bay residents who would love to gain access to this part of Dana Beach 3, far more support than the 33 objections. Numbers are with respect irrelevant. What is required is that the objections have merit, and it should be substantial merit. And furthermore, that objections with merit cannot be safely navigated. It is respectfully contended, that this is not the case with any of the fabricated objections. None has substantial merit or which cannot be safely navigated.

24. The limited opportunity to make presentations in respect of the PPP does not comply with the procedural fairness requirements with which our client was required to comply in terms of Section 33 of the Constitution and Section 3 of PAJA.

25. Administrative actions were taken in our client's absence and without affording our client the opportunity to make any further representations.

Response: Duly noted.

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