KNYSNA LOCAL MUNICIPALITY

Notice is hereby given of a

GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

which will be held on

Wednesday, 6 February 2019

at

09:00

in the Council Chamber

to consider the following items

MUNICIPAL OFFICES

KNYSNA

P HARIPARSAD

ACTING MUNICIPAL MANAGER

AGENDA

Chairperson: Cllr E van Aswegen (MMC)
Members: Cllr E Bouw-Spies
Cllr L Tyokolo
Cllr C Croutz
Cllr M Matiwane
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AGENDA

1. Opening and Welcome

2. Attendance (as per attendance register)
   2.1 Members: Present
   2.2 Members: Absent with Leave
   2.3 Members: Absent Without Leave
   2.4 Other Councillors Present
   2.5 Officials Present
   2.6 Members of the Audit Committee Present
   2.7 Members of the Public Present

3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest
4. CONFIRMATION OF MINUTES

4.1 FINANCE AND GOVERNANCE COMMITTEE MEETING : 9 OCTOBER 2018

RESOLVED

That the minutes of the Finance and Governance Committee meeting held on 9 October 2018, be accepted.
KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

FINANCE AND GOVERNANCE COMMITTEE
MEETING

held in the Council Chamber on

Tuesday, 9 October 2018
at
9:03
I. Opening and Welcoming

The Chairperson welcomed Councillors, Directors, officials and members of the public to the meeting. A Special word of welcome was extended to the new Directors.

2. In Attendance:

2.1 Members Present

Cllr E van Aswegen (MMC) Chairperson
Cllr E Bouw-Spies
Cllr C Croutz
Cllr M Matiwane

2.2 Members Absent with leave

Cllr C Weideman

2.3 Members Absent without leave

None

2.4. Other Councillors Present

Cllr T Gombo
Cllr P Myers
Cllr D Pofadder
Cllr M Salaze
Cllr M Skosana
Cllr L Tyokolo
Cllr I Uys
Cllr G Wolmarans

2.5 Officials Present

Makoma, P Director: Corporate Services
Huddy, G Acting Director: Financial Services and Manager: Information Technology
Boshoff, G Director: Community Services
Hariparsad, P Director: Technical Services
Boyce, M Director: Planning and Economic Development
Mattheus, C Manager: Administration
Kalani, J Manager: Public Participation
Kruger, F Manager: Supply Chain Management
Phillips, E Manager: IDP
Van Niekerk, P Acting Manager: LED
Kova, B Manager: Income
McCartney, W Manager: PIARM
Phillips, L Manager: Human Resources
Cornelius, B Public Participation
Vumazonke, S Coordinator: Public Participation
Hardnick, R Senior Clerk: Property Management
Botha, M Legal Advisor
Burger, T  Committee Officer

**INTERPRETER**

Ngxolwana, B  Interpreter

2.6. Members of the Audit Committee Present:

Barrell, R

2.7. Members of the Public Present

As per attendance register.

3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest

**RESOLVED**

That the provisions of the Code of Conduct for Councillors, be noted.

*Cllr Bouw-Spies stepped out at 09:15*

*Cllr Bouw-Spies returned at 09:23*

4. Presentation by ITHUNGA / AFSA

A presentation was made regarding the implementation of the Community Works Programme within the Knysna municipal area, where after questions were entertained.

**RESOLVED**

That the presentation of AFSA/Ithunga Consortium as the Cogta CWP implementing NPO, be accepted.

File Number: 9/1/2/14
Execution: Director: Corporate Services
Director: Community Services
Director: Technical Services
Manager: Public Participation
5. **CONFIRMATION OF MINUTES**

5.1 **FINANCE AND GOVERNANCE COMMITTEE MEETING : 8 AUGUST 2018**

RESOLVED

That the minutes of the Finance and Governance Committee meeting held on 8 August 2018, be accepted.

5.2 **CONTINUATION OF THE FINANCE AND GOVERNANCE COMMITTEE MEETING : 21 AUGUST 2018**

RESOLVED

That the minutes of the Continuation of the Finance and Governance Committee meeting held on 21 August 2018, be accepted.

*Cllr Bouw-Spies stepped out at 10:10*

*Cllr Bouw-Spies returned at 10:12*

6. **MATTERS ARISING FROM THE MINUTES (EXECUTION LIST)**

RESOLVED

[a] That the matters arising from the minutes of scheduled meetings held on 20 November 2017, 7 December 2017, 5 April 2018 and 8 August 2018, be accepted; and

[b] That the Director: Corporate Services assesses the status of execution of Council Resolutions since inception of the current Municipal Council and submit a report to Council.

File Number: 9/1/2/9
Execution: Director: Corporate Services
Manager: Administration

7. **MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER**

**FG01/10/18 PUBLIC PARTICIPATION MONTHLY REPORTS : JULY AND AUGUST 2018**

UANIMOUSLY RESOLVED

[a] That the monthly report of the Public Participation Unit and the Community Development Workers report for July and August 2018], be noted; and

[b] That the Ward Committees report for June 2018 and the report for the Community Development Workers Programme for March and April 2018, be noted.

File Number: 9/1/2/9
Execution: Acting Municipal Manager
FG02/10/18 HUMAN RESOURCES MONTHLY REPORTS FOR THE MONTHS OF JULY AND AUGUST 2018

UANIMOUSLY RESOLVED

That the Human Resources Monthly Reports for the months of July and August 2018, be noted.

File Number : 9/1/2/9
Execution : Director : Corporate Services
Manager : Human Resources

Cllr Matiwane stepped out at 10:47

Cllr Matiwane returned at 10:51

FG03/10/18 LEGAL SERVICES MONTHLY REPORTS : 25 JULY 2018 TO 25 SEPTEMBER 2018

UANIMOUSLY RESOLVED

That the Monthly Reports of the Legal Services Department for 25 July 2018 to 25 September 2018, be noted.

File Number : 9/1/2/14
Execution : Director : Corporate Services
Manager : Legal Services

Body break from 11:20 until 11:45

Cllr Matiwane stepped out at 11:54

FG04/10/18 APPLICATION TO LEASE MUNICIPAL LAND – A PORTION OF THE REMAINING EXTENT OF ERF 211, KNYSNA ADJACENT TO ERF 8568, KNYSNA

UNANIMOUSLY RECOMMENDED

[a] That the report and annexure regarding the application to lease a portion of the remaining extent of Erf 211, Knysna submitted to the Finance and Governance Committee meeting dated 9 October 2018, be noted;

[b] That a full detailed report on Erf 211, Knysna be re-submitted to the Finance and Governance Committee Meeting to be held on 5 February 2019; and

[c] That a site visit to Erf 211, Knysna be arranged with the Committee Members prior to the meeting mentioned in [b] above.

File Number : 7/2/2/1
FG05/10/18  APPLICATION TO PURCHASE A PORTION OF ERF 3979, KNYSNA, ADJACENT TO ERF 136, KNYSNA

UNANIMOUSLY RECOMMENDED

[a] That the report and annexure’s regarding the application to purchase a portion of Erf 3979, Knysna, abutting Erf 136, Knysna, submitted to the Finance and Governance Committee meeting dated 9 October 2018, be noted;

[b] That a site visit to Erf 3979, Knysna be arranged with the Committee Members prior to the meeting mentioned in [c] below; and

[c] That a comprehensive updated report be submitted to the Mayoral Committee Meeting to be held on 1 November 2018.

File Number: 7/2/1/2
Execution: Director: Corporate Services
Manager: Administration

FG06/10/18  MONTHLY REPORTS : PLANNING AND DEVELOPMENT [INTEGRATED DEVELOPMENT PLANNING]

UNANIMOUSLY RESOLVED


UNANIMOUSLY RECOMMENDED

[b] That the item including the information requested in [c] below be submitted directly to the Mayoral Committee; and

[c] That the Speaker convene a meeting on Thursday, 11 October or Friday, 12 October 2018 between the Executive Mayor and Ward Councillors to ascertain whether the IDP review should be conducted with the Ward Committees only or whether it should include plenary Ward Meetings.

File Number: 15/2/6/1/3
Execution: Director: Planning and Development
Manager: IDP

Cllr Matiwane stepped out at 13:24

Cllr Matiwane returned at 13:29
FG07/10/18 MONTHLY REPORTS : PLANNING AND DEVELOPMENT [LOCAL ECONOMIC DEVELOPMENT]

UANIMOUSLY RESOLVED


UANIMOUSLY RECOMMENDED

[b] That a comprehensive report on the concerns raised, amongst others, the Container Park, Sanlam Mall and Informal Trading, be submitted to the next Finance and Governance Committee Meeting.

File Number : 9/1/2/13
Execution : Director : Planning and Development
Manager : LED

Lunch break from 13:35 until 14:10

Cllr Bouw-Spies returned at 14:13
Cllr Matiwane stepped out at 14:14
Cllr Bouw-Spies stepped out at 14:15
Cllr Matiwane returned at 14:17
Cllr Bouw-Spies returned at 14:18
Cllr Matiwane stepped out at 14:21
Body break from 14:29 until 14:43
Cllr Matiwane returned at 14:43

FG08/10/18 MONTHLY BUDGET STATEMENT FOR JULY 2018

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.

FG09/10/18 MONTHLY BUDGET STATEMENT FOR AUGUST 2018

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.

FG10/10/18 INSURANCE REPORT FOR THE PERIOD 1 JULY 2017 TO 1 SEPTEMBER 2018

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.
FG11/10/18  ADDITIONAL INSURANCE REPORT

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.

FG12/10/18  REPORT ON DEVIATIONS FOR THE CURRENT FINANCIAL YEAR : JULY AND AUGUST 2018

UNANIMOUSLY RECOMMENDED

[a] That the deviations to the value of R5 655 337 for the period as indicated in the attachments, be noted. This amount consists of R4 825 205 for the rental of Old Main and Customer Care buildings;

[b] That the Municipal Council refer all deviations to MPAC for investigation; and

[c] That the report be made available to the public in terms of Section 21A of the Municipal Systems Act, 2000.

File Number : 8/1
Execution : Acting Municipal Manager
Director : Financial Services
Manager : Supply Chain

FG13/10/18  OUTSTANDING DEBT REPORT : JULY 2018

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.

FG14/10/18  OUTSTANDING DEBT REPORT : AUGUST 2018

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.

Cllr Bouw-Spies took the opportunity to congratulate Mr G Huddy who received a Tichaona Zororo Excellence Award during the ISACA South Africa Chapter 2018 Annual Conference. The purpose of this award is to:

- Recognize and reward excellence and professionalism in these fields
- Attract and retain high-calibre individuals in the profession and;
- Motivate members towards innovation and continuous improvement.

FG15/10/18  REPORT ON THE IT DEPARTMENT’S SDBIP RESULTS FOR JULY AND AUGUST 2018

UNANIMOUSLY RESOLVED

That the report on the IT Department’s SDBIP KPI’s results for July and August 2018, be noted.

File Number : 9/1/2/10
Execution : Director : Financial Services
Manager: Information Technology

Cllr Matiwane stepped out at 15:32

Cllr Matiwane returned at 15:35

FG16/10/18  RISK MANAGEMENT STATUS REPORT

UNANIMOUSLY RESOLVED

[a] That the Risk Management processes and status reports, be noted;

UNANIMOUSLY RECOMMENDED

[b] That the detailed reports be submitted to the Risk Management Committee, Audit Committee and Finance and Governance Committee; and

[c] That a report be submitted to the next meeting of the Finance and Governance Committee on the risks exceeding the Risk Appetite for the Acting Municipal Manager, Financial Services and Corporate Services.

File Number: 9/1/2/14
Execution: Acting Municipal Manager
Manager: PIARM

FG17/10/18  PROGRESS ON REVENUE ENHANCEMENT

The item was deferred to a Continuation meeting on a date to be determined by the Chairperson.

8. In committee Items (See separate agenda)

9. Closure

The Chairperson thanked everyone and the meeting concluded at 15:41.

Approved

.........................................................  ........................................
Chairperson: Cllr E van Aswegen  Date
4.2 CONTINUATION OF THE FINANCE AND GOVERNANCE COMMITTEE MEETING: 25 OCTOBER 2018

RESOLVED

That the minutes of the Continuation of the Finance and Governance Committee meeting held on 25 October 2018, be accepted.
KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the Continuation of the

FINANCE AND GOVERNANCE COMMITTEE MEETING

held in the Council Chamber on

Thursday, 25 October 2018

at

12:45
1. Opening and Welcoming

The Chairperson welcomed Councillors, officials and members of the public to the meeting.

2. In Attendance:

2.2 Members Present

Cllr E van Aswegen - Chairperson
Cllr E Bouw-Spies
Cllr C Croutz (from 15:10)
Cllr C Weideman
Cllr M Matiwane

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4 Other Councillors Present

Cllr L Davis
Cllr P Myers
Cllr D Pofadder

2.5 Officials Present

Memani, M Director : Financial Services
Boshoff, G Director : Community Services
Boyce, M Director : Planning and Development (from 13:39)
Mattheus, C Manager : Administration
Kova, B Manager : Income (from 14:02)
Hendricks, N Chief Accountant : Treasury and Accounting
Lakay, J Head : Council Committees and Cllr Support
Burger, T Committee Officer

Ngxolwana, B Interpreter

2.6 Members of the Audit Committee Present:

None

2.7 Members of the Public Present

As per attendance register.
3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest

**RESOLVED**

That the provisions of the Code of Conduct for Councillors, be noted.

6. **MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER**

**FG08/10/18**  **MONTHLY BUDGET STATEMENT FOR JULY 2018**

**UNANIMOUSLY RECOMMENDED**

That the Monthly Budget Statement and supporting documentation for July 2018, be noted.

File Number : 9/1/2/10  
Execution : Director : Financial Services

_Cllr Matiwane stepped out at 13:25_

_Cllr Matiwane returned at 13:39_

_Cllr Matiwane stepped out at 13:49_

**FG09/10/18**  **MONTHLY BUDGET STATEMENT FOR AUGUST 2018**

**UNANIMOUSLY RECOMMENDED**

[a] That the monthly budget statement and supporting documentation for August 2018, be noted;

[b] That special intervention be agreed upon between the relevant roleplayers, Acting Municipal Manager, The Executive Mayor, the Chairperson of Technical Services and the Chief Financial Officer, regarding the spending of the NDPG funding ; and

[c] That an urgent action plan be compiled with time frames on the spending of the NDPG Grant funding and the same be submitted to the Mayoral Committee.

File Number : 9/1/2/10  
Execution : Director : Financial Services

**FG10/10/18**  **INSURANCE REPORT FOR THE PERIOD 1 JULY 2017 TO 1 SEPTEMBER 2018**

**UNANIMOUSLY RECOMMENDED**

That the Insurance Report for the period 1 July 2017 up to and including 1 September 2018, be noted.

File Number : 9/1/2/10  
Execution : Director : Financial Services
**FG11/10/18  ADDITIONAL INSURANCE REPORT**

UNANIMOUSLY RECOMMENDED

[a] That the Additional Insurance Report, be noted; and

[b] That the affected employees, as listed in the report mentioned in [a] above, be informed of the decision to find their own insurance effective from 1 January 2019.

File Number : 9/1/2/10
Execution : Acting Municipal Manager
Director : Financial Services

Body break from 14:05 until 15:00
Cllr Matiwane returned at 15:00
Cllr Matiwane stepped out at 15:38
Cllr Matiwane returned at 15:54
Cllr Bouw-Spies stepped out at 15:58
Cllr Bouw-Spies returned at 16:24
Cllr Croutz left the meeting at 16:26 with permission from the Chairperson.

**FG13/10/18  OUTSTANDING DEBT REPORT : JULY 2018**

UNANIMOUSLY RECOMMENDED

That the Credit Control and Debt Collection statistics for the month of July 2018, be noted.

File Number : 9/1/2/10
Execution : Acting Municipal Manager
Director : Financial Services
Manager : Income

**FG14/10/18  OUTSTANDING DEBT REPORT : AUGUST 2018**

UNANIMOUSLY RECOMMENDED

[a] That the Credit Control and Debt Collection statistics for the month of August 2018, be noted; and

[b] That a process of registration be embarked on immediately where people who qualify for indigent support may apply.

File Number : 9/1/2/10
Execution : Acting Municipal Manager
Director : Financial Services
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
6 FEBRUARY 2019

Manager: Income

Cllr Bouw-Spies stepped out at 16:38

Cllr Bouw-Spies returned at 16:40

Cllr Weideman stepped out at 16:52

Cllr Weideman returned at 16:54

FG17/10/18 PROGRESS ON REVENUE ENHANCEMENT

UNANIMOUSLY RECOMMENDED

[a] That the first Quarter Report on the Revenue Enhancement Strategy for 2018/19, be noted; and;

[b] That it be recommended that:

[i] With regard to property rates the findings be implemented from the 1st July 2017;

[ii] With regard to services that the findings be implemented back dated for 6 months.

File Number: 9/1/2/10
Execution: Director: Financial Services

Cllr Weideman left at 17:05 with permission from the Chairperson.

FG18/10/18 APPLICATION TO PURCHASE A PORTION OF ERF 3329 KNYSNA (HORNLEE) ADJACENT TO ERF 10933, KNYSNA

UNANIMOUSLY RECOMMENDED

[a] That the report and annexure’s regarding the application to purchase a portion of Erf 3329, Knysna, abutting Erf 10933, Knysna, submitted to the Finance and Governance Committee, be noted;

[b] That, the Finance and Governance Committee notes that, in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the portion of Erf 3329, is deemed not needed to provide the minimum level of basic municipal services;

[c] That, in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the fair market value of the relevant portion of Erf 3329, Knysna, should be determined by the Municipal Valuer, DDP Valuers;

[d] That, the Finance and Governance Committee recommends approval to the Municipal Council, in terms of Section 5(b)(ii) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations, that a portion of Erf 3329, Knysna may be
disposed of by Private Treaty to the owners of the adjacent Erf 10933, Knysna;

[e] That, in terms of the Knysna Municipality’s Management of Immovable Property Policy, a portion of Erf 3329, Knysna must be sold to the adjacent owner of Erf 10933, Knysna at the market related value determined by the Municipal Valuer, DDP Valuers;

[f] That all costs relating to the alienation mentioned in [e] above be for the account of the applicant, and owners of Erf 10933, Knysna;

[g] That the Acting Municipal Manager be instructed to appoint DDP Valuers to determine the market related value for the portion in question;

[h] That the owner of Erf 10933, Knysna consolidates the relevant portion of Erf 3329, with Erf 10933, Knysna; and

[i] That the Acting Municipal Manager be instructed to conclude the sales agreement of a portion of Erf 3329, Knysna to the owner of adjacent Erf 10933, Knysna; and

[j] That all other required applications, regarding land use in terms of the relevant legislation, be submitted for consideration.

File Number : 7/2/1/2
Administrative Note : That it be noted that a site visit was held on Friday, 26 October 2018 at 9:00 at the aforementioned site and that it was agreed by the following Councillors that the matter be recommended for approval :

Cllr E Van Aswegen - Chairperson
Cllr E Bouw-Spies
Cllr M Matiwane

Execution: Acting Municipal Manager
Director : Corporate Services
Manager : Administration

9. Closure

The Chairperson thanked everyone and the meeting concluded at 17:15.

Approved

Chairperson : Cllr E van Aswegen

Date

-oOo-
5. **EXECUTION LISTS**

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<th>MATTERS ARISING OF THE MEETING HELD ON 20 NOVEMBER 2017</th>
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<td><strong>FG07/10/17 FLEET MANAGEMENT</strong></td>
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<tr>
<td>{[a]} That an investigation be undertaken to determine if the Fleet Management function should be outsourced in part or in entirety and that a report be submitted to the Finance and Governance Committee Meeting to be held on 8 February 2018.</td>
</tr>
<tr>
<td>File Number: 9/1/2/14  Execution: Municipal Manager</td>
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<tr>
<td>The organogram should address the root of the issues we experienced. The required report should be written by the Technical Directorate as the function resides within their structure.</td>
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<tr>
<th><strong>FG05/12/17 DEBTORS AGE ANALYSIS BY SECTOR FOR OCTOBER 2017</strong></th>
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<tbody>
<tr>
<td>{[b]} That a Detailed Analysis report on Debtors for 90 days and over, be submitted to the Finance and Governance Committee Meeting to be held on 8 February 2019.</td>
</tr>
<tr>
<td>File Number: 9/1/2/10  Execution: Director : Financial Services Manager : Expenditure</td>
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<tr>
<td>Report to be submitted to next meeting</td>
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<tr>
<th><strong>FINANCE AND GOVERNANCE MEETING (8 FEBRUARY 2018)</strong></th>
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<tr>
<td><strong>FG06/02/18 REPORT ON VARIOUS NOTICES IN TERMS OF SECTION 3 OF THE INSTITUTION OF LEGAL PROCEEDINGS AGAINST CERTAIN ORGANS OF STATE ACT NO. 40 OF 2002</strong></td>
</tr>
<tr>
<td>{[b]} That a further report on any developments on the matter be submitted to the Finance and Governance Committee meeting scheduled to take place on the 5th of April 2018.</td>
</tr>
<tr>
<td>File Number: 9/1/2/9  Execution: Municipal Manager Acting Director : Corporate Services Manager : Legal Services</td>
</tr>
<tr>
<td>There is no further report on the fire claims. We have had no further reports from our insurers on the matter and still await further communication from them. In the absence of such communication there is no further report to be</td>
</tr>
</tbody>
</table>
FG17/02/18  APPLICATION TO LEASE A PORTION OF ERF 3101, KNYSNA BY THE OWNER OF ERF 3129, KNYSNA

The report on the Application to Lease a Portion of Erf 3101, Knysna by the owner of Erf 3129, Knysna was withdrawn.

File Number: 7/2/1/2/1
Execution: Municipal Manager
Acting Director : Corporate Services
Manager : Administration

FG18/02/18  APPLICATION FOR USE OF PUBLIC OPEN SPACE ON ERF 4421, KNYSNA FOR PARKING PURPOSES

The report on the Application for use of Public open space on Erf 4421, Knysna for Parking purposes was withdrawn.

File Number: 7/2/1/2/1
Execution: Municipal Manager
Acting Director : Corporate Services
Manager : Administration

FINANCE AND GOVERNANCE MEETING (9 OCTOBER 2018)

FG07/10/18  MONTHLY REPORTS : PLANNING AND DEVELOPMENT [LOCAL ECONOMIC DEVELOPMENT]

UANIMOUSLY RESOLVED


UANIMOUSLY RECOMMENDED

[b] That a comprehensive report on the concerns raised, amongst others, the Container Park, Sanlam Mall and Informal Trading, be submitted to the next Finance and Governance Committee Meeting.

File Number : 9/1/2/13
Execution : Director : Planning and Development
Manager : LED
UNANIMOUSLY RESOLVED

[a] That the Risk Management processes and status reports, be noted;

UNANIMOUSLY RECOMMENDED

[b] That the detailed reports be submitted to the Risk Management Committee, Audit Committee and Finance and Governance Committee; and

[c] That a report be submitted to the next meeting of the Finance and Governance Committee on the risks exceeding the Risk Appetite for the Acting Municipal Manager, Financial Services and Corporate Services.

File Number : 9/1/2/14
Execution : Acting Municipal Manager
Manager : PIARM

RECOMMENDED

That the matters arising from the minutes of scheduled meetings held on 20 November 2017, 8 February 2018 and 9 October 2018, be accepted.
6. MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

6.1

G01/02/19  SDBIP 18/19 : QUARTERLY PERFORMANCE REPORT – OCTOBER TO DECEMBER 2018 : CORPORATE SERVICES DIRECTORATE

REPORT FROM THE DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

The purpose of this report is to submit the SDBIP 18/19: Quarterly Performance Report for the second quarter (October to December 2018) of the Corporate Services Directorate.

BACKGROUND

The Executive Mayor approved the service delivery and budget implementation plan 2018/19 (SDBIP 18/19) as required in Section 53(c)(ii) of the Local Government: Municipal Finance Management Act, 2003, (MFMA), after the Municipal Council approved the Budget 2018/19. Furthermore, the Executive Mayor submits, in terms of Section 52(d) of the MFMA, quarterly reports to the Municipal Council on the implementation of the Budget.

DISCUSSION

The quarterly reports of the Executive Mayor as required in terms of Section 52 of the MFMA only deal with the top layer of the SDBIP and does not include the Directorate's performance.

Therefor, the attached report is submitted to indicate the Directorate's performance.

LEGISLATION


RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Directorate: Corporate Services SDBIP 18/19 : Quarterly Performance Report for October to December 2018, be noted.

APPENDIX / ADDENDUM

Corporate Services SDBIP – Quarterly Performance Report (October to December 2018).

File Number : 9/1/2/9
Execution : Director : Corporate Services  
Manager : PIARM
<table>
<thead>
<tr>
<th>INDICATOR CODE</th>
<th>OBJECTIVE</th>
<th>KPI</th>
<th>Unit of Measurement</th>
<th>ANNUAL TARGET</th>
<th>QUARTER 2 TARGET</th>
<th>ACHIEVED/ NOT ACHIEVED</th>
<th>EXPLANATION</th>
<th>REASONS FOR NON ACHIEVEMENT</th>
<th>REMEDIAL ACTION</th>
<th>CUSTODIAN</th>
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</thead>
<tbody>
<tr>
<td>D34</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Ensure progress towards Employment target that are reported and monitored quarterly</td>
<td>Number of Employment Equity and/or Section 80 Meetings held (agenda and/or minutes of the relevant committee)</td>
<td>4 Employment Equity and/or Section 80 Meetings held</td>
<td>1 Employment Equity and/or Section 80 Meeting held</td>
<td>Achieved</td>
<td>Section 80 Committee Meeting held dated 9 October 2018 Employment Equity Monitoring Committee Meetings held on 4 September 2018 and 4 December 2018</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: HR</td>
</tr>
<tr>
<td>D35</td>
<td>Effective implementation of disciplinary procedures</td>
<td>Number of the Section 80 meetings where the disciplinary procedures</td>
<td>4 Section 80 meetings where the disciplinary procedures</td>
<td>1 Section 80 meeting where the disciplinary procedures</td>
<td>Achieved</td>
<td>Section 80 Committee Meeting dated 9 October 2018</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: HR</td>
<td></td>
</tr>
<tr>
<td>INDICATOR CODE</td>
<td>OBJECTIVE</td>
<td>KPI</td>
<td>Unit of Measuremnt</td>
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<tr>
<td>D36</td>
<td>Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan (EEP)</td>
<td>System approved EEP versus actual employment figures at 30 June</td>
<td>1 EE Plan</td>
<td>Not applicable in Quarter 2</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: HR</td>
<td></td>
</tr>
</tbody>
</table>


**INDICATOR CODE** | **OBJECTIVE** | **KPI** | **Unit of Measurement** | **ANNUAL TARGET** | **QUARTER 2 TARGET** | **ACHIEVE D/NOT ACHIEVED** | **EXPLANATION** | **REASONS FOR NON ACHIEVEMENT** | **REMEDIAL ACTION** | **CUSTODIAN**
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | ---
D37 | Percentage budget spent on implementation of Workplace Skill Plan (WSP) | Percentage of budget spent on training in support of the WSP | 80% | Not applicable in Quarter 2 | N/A | N/A | N/A | N/A | Manager: HR
D38 | To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication | Local Labour Forum (LLF) | Hold a minimum of four Local Labour Forum (LLF) meetings | 4 LLF meetings held | 1 LLF meeting held | Achieved | LLF Meeting held dated 19 October 2018
LLF Meeting held dated 14 November 2018
LLF Meeting held dated 6 December 2018 | N/A | N/A | Manager: HR
<table>
<thead>
<tr>
<th>INDICATOR CODE</th>
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<th>Unit of Measurement</th>
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<th>EXPLANATION</th>
<th>REASONS FOR NON ACHIEVEMENT</th>
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</thead>
<tbody>
<tr>
<td>D39</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Provide legal opinion in respect of inputs: - Policies; - Legislation; - Items to Council and Committees; and - Matters with legal impact</td>
<td>Percentage of legal opinions finalised within 7 working days</td>
<td>90% of legal opinions finalised within 7 working days</td>
<td>90% of legal opinions finalised within 7 working days</td>
<td>Achieved</td>
<td>Written, verbal, electronic mail and in meetings of Council and its committees</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: Legal Services</td>
</tr>
<tr>
<td>INDICATOR CODE</td>
<td>OBJECTIVE</td>
<td>KPI</td>
<td>UNIT OF MEASUREMENT</td>
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<tr>
<td>D40</td>
<td>Draft, peruse, edit and provide input on all contracts</td>
<td>Percentage of contracts reviewed or drafted within 7 working days</td>
<td>100% of contracts reviewed or drafted within 7 days</td>
<td>100% of contracts reviewed or drafted within 7 days</td>
<td>Achieved</td>
<td>41 contracts drafted, edited or perused for the period November 2018 – January 2019</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: Legal Services</td>
<td></td>
</tr>
<tr>
<td>D41</td>
<td>Administer all appeals and objections received against the Tender Awarding process</td>
<td>Percentage of appeals and objections dealt with within 7 working days</td>
<td>90% of appeals and objections dealt with within 7 working days</td>
<td>90% of appeals and objections dealt with within 7 working days</td>
<td>Achieved</td>
<td>A total of 10 appeals received and reports submitted to AMM for final decision making.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Legal Services</td>
<td></td>
</tr>
</tbody>
</table>
## Corporate Services SDBIP – Quarterly Performance Report

**Period:** October to December 2018

### Agenda

**Date:** 6 February 2019

<table>
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<tr>
<th>Indicator Code</th>
<th>Objective</th>
<th>KPI</th>
<th>Unit of Measurement</th>
<th>Annual Target</th>
<th>Quarter 2 Target</th>
<th>Achieved</th>
<th>Explanation</th>
<th>Reasons for Non Achievement</th>
<th>Remedial Action</th>
<th>Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>D42</td>
<td>Submit signed sales agreements to Conveyancers to effect transfers</td>
<td>Percentage of signed sales agreements submitted</td>
<td>90% of signed sales agreements submitted</td>
<td>90% of signed sales agreements submitted</td>
<td>Achieved</td>
<td>98 reviewed sale agreements and all were forwarded to conveyancer. A total 27 transfers registered. A further 200 transactions lodged at the deeds office.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Legal Services</td>
<td></td>
</tr>
<tr>
<td>D43</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of By-laws</td>
<td>Review and submit three By-Laws to Council for consideration</td>
<td>Three (3) By-Laws to Council for consideration</td>
<td>Not applicable in Quarter 2</td>
<td>Achieved</td>
<td>There was no target for this quarter. Although three by-laws were reviewed and promulgated</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Legal Services</td>
<td></td>
</tr>
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**Corporate Services SDBIP – Quarterly Performance Report**

**Period:** October to December 2018

- open channels of communication
<table>
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<tr>
<td>D44</td>
<td>Ensure the Committee support service functions effectively in terms of the distribution of the approved minutes of the MPAC Committee meetings held</td>
<td>Percentage of minutes distributed with 10 working days after the meeting</td>
<td>90% of minutes distributed with 10 working days after the meeting</td>
<td>90% of minutes distributed with 10 working days after the meeting</td>
<td>Achieved</td>
<td>All MPAC minutes are distributed once the same are signed by the Chairperson</td>
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<tr>
<td>D45</td>
<td>Submit the Draft Annual Report (AR) to Council for Community involvement feedback</td>
<td>Draft AR submitted to Council by January 2019</td>
<td>Not applicable to Quarter 2</td>
<td>Not Applicable</td>
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<td>Manager: Administration</td>
</tr>
<tr>
<td>D46</td>
<td>Annual Report 2017/2018</td>
<td>Submit final Annual Report (AR) to Council for consideration</td>
<td>Not applicable to Quarter 2</td>
<td>Not Applicable</td>
<td></td>
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<td>Manager: Administration</td>
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<tr>
<td>D47</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Ensure effective administrative support to Council, Mayco and Section 80 Committees</td>
<td>Percentage of requests attended to within required date</td>
<td>100% of requests attended to within required date</td>
<td>100% of requests attended to within required date</td>
<td>Achieved</td>
<td>All requests have been attended to within the available relevant budget.</td>
<td></td>
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<td>Manager: Administration</td>
</tr>
<tr>
<td>D48</td>
<td>Facilitate swift implementation of Council resolutions</td>
<td>Percentage of resolutions distributed to the accountable official within 3 calendar days after the meeting</td>
<td>90% of resolutions distributed to the accountable official within 3 calendar days after the meeting</td>
<td>90% of resolutions distributed to the accountable official within 3 calendar days after the meeting</td>
<td>Not Achieved</td>
<td>The resolutions (execution list) can only be circulated once the minutes have been signed by the Speaker</td>
<td>Lack of providing feedback on the execution of resolutions.</td>
<td>Execution lists are being created and submitted to the TMT to indicate the status of execution.</td>
<td>Manager: Administration</td>
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<tr>
<td>D49</td>
<td>To obtain annual approval in terms of Archive legislation and regulations for the disposal of official documents</td>
<td>Annual submission to the Department: Cultural Affairs and Sports, Western Cape Archives and Records Service by end August 2018</td>
<td>100% submission by end August 2018</td>
<td>Not applicable in Quarter 2</td>
<td>Already achieved in August 2018</td>
<td>The Provincial Archivist approved our application for disposal of the relevant files.</td>
<td></td>
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<td>Manager: Administration</td>
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<tr>
<td>INDICATOR CODE</td>
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<tr>
<td>D50</td>
<td>Ensure effective administration of information requests in terms of the Access to Information Act</td>
<td>Percentage of requests responded to within 30 days</td>
<td>100% of requests responded to within 30 days</td>
<td>100% of requests responded to within 30 days</td>
<td>N/A.</td>
<td>No formal requests have been received by the administration section</td>
<td></td>
<td></td>
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<td>Manager: Administration</td>
</tr>
<tr>
<td>D51</td>
<td>Consideration of applications in terms of the Gathers Act</td>
<td>Percentage of requests responded to within relevant deadline</td>
<td>90% of requests responded to within relevant deadline</td>
<td>90% of requests responded to within relevant deadline</td>
<td>Achieved, all applications have been dealt with</td>
<td>Numerous approvals have been granted.</td>
<td></td>
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<td>Manager: Administration</td>
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<tr>
<td>DS2</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td>
<td>Council meetings</td>
<td>Number of quarterly meetings arranged for the financial year</td>
<td>4 quarterly meetings arranged for the financial year</td>
<td>1 quarterly meeting arranged for the financial year</td>
<td>Achieved</td>
<td>Three (3) Council meetings were held from October to December 2018.</td>
<td></td>
<td></td>
<td>Manager: Administration</td>
</tr>
<tr>
<td>DS3</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Consideration of applications for events and festivals</td>
<td>Percentage of requests responded to within relevant deadline</td>
<td>90% of requests responded to within relevant deadline</td>
<td>90% of requests responded to within relevant deadline</td>
<td>Achieved</td>
<td>23 Event Applications received. 20 Events Approved and 3 Events not approved due to non-compliance with the Knysna</td>
<td>n/a</td>
<td>n/aYES</td>
<td>Manager: Public Participation</td>
</tr>
</tbody>
</table>

CORPORATE SERVICES SD8IP – QUARTERLY PERFORMANCE REPORT
PERIOD: OCTOBER TO DECEMBER 2018

Municipality’s Events By-law
<table>
<thead>
<tr>
<th>INDICATOR CODE</th>
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</thead>
<tbody>
<tr>
<td>D54</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td>
<td>Distribution of agendas for the ward committee members within 2 working days prior to the meeting</td>
<td>Percentage of agendas distributed within the prescribed timeframe</td>
<td>90% of agendas distributed within the prescribed timeframe</td>
<td>90% of agendas distributed within the prescribed timeframe</td>
<td>Achieved</td>
<td>7 Ward Committee Meetings and 3 Special Ward Committee Meetings took place: Ward 1: 6 Nov 2018 Ward 2: 23 Oct 2018 Ward 3: 11 Oct 2018 (Special WC): 26 Nov 2018 Ward 4: (Special Ward Committee Meetings): 11 Oct 2018 &amp; 13 Nov 2018</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Public Participation</td>
</tr>
<tr>
<td>Indicator</td>
<td>Description</td>
<td>实现了</td>
<td>Notes</td>
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<tr>
<td>DSS</td>
<td>Distribution of minutes for the ward committee within 2 working days</td>
<td>轮1: 6 Nov 2018 轮2: 23 Oct 2018 轮3: 11 Oct 2018 (Special WC): 26 Nov 2018</td>
<td>N/A</td>
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<tr>
<td>DSS</td>
<td>Percentage of minutes distributed within the prescribed timeframe, after the meeting</td>
<td>7 Ward Committee Meetings and 3 Special Ward Committee Meetings took place: 轮1: 6 Nov 2018 轮2: 23 Oct 2018 轮3: 11 Oct 2018</td>
<td>N/A</td>
<td></td>
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</tr>
<tr>
<td>DSS</td>
<td>95% of minutes distributed within the prescribed timeframe, after the meeting</td>
<td>轮6: 27 Nov 2018 轮8: 13 Nov 2018 轮9: 15 Nov 2018</td>
<td>N/A</td>
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</tr>
<tr>
<td>DSS</td>
<td>95% of minutes distributed within the prescribed timeframe, after the meeting</td>
<td>轮6: 27 Nov 2018 轮8: 13 Nov 2018 轮9: 15 Nov 2018</td>
<td>N/A</td>
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</table>

Manager: Public Participation
<table>
<thead>
<tr>
<th>Ward 4: (Special Ward Committee Meetings): 11 Oct 2018 &amp; 13 Nov 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward 6: 27 Nov 2018</td>
</tr>
<tr>
<td>Ward 8: 13 Nov 2018</td>
</tr>
<tr>
<td>Ward 9: 15 Nov 2018</td>
</tr>
</tbody>
</table>

Ward 4: (Special Ward Committee Meetings): 11 Oct 2018 & 13 Nov 2018
Ward 6: 27 Nov 2018
Ward 8: 13 Nov 2018
Ward 9: 15 Nov 2018
<table>
<thead>
<tr>
<th>INDICATOR CODE</th>
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<tbody>
<tr>
<td>D56</td>
<td>Facilitation of public engagements per quarter</td>
<td>Number of engagements held per quarter</td>
<td>40 engagements held per quarter</td>
<td>10 engagements held in Quarter 2</td>
<td>Achieved</td>
<td>12 Public meetings were held during this quarter</td>
<td></td>
<td></td>
<td></td>
<td>Manager: Public Participation</td>
</tr>
</tbody>
</table>
| D57           | Facilitation of one training session for Ward Committees | Number of training sessions held for Ward Committee | 1 training session held for Ward Committee | Not applicable in Quarter 2 | Achieved although it was not a target for this quarter | • Provincial Ward Committee Induction- Ward 8 (17 November 2018)  
• Legislative Review on Ward Committees and Community Participation | n/a | n/a | Manager: Public Participation |
G02/02/19 REPORT ON LEGAL SERVICES MATTERS FOR QUARTER 2 OF 2018/2019 FINANCIAL YEAR

REPORT FROM THE DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Committee on the status of legal matters for the second quarter of 2018/2019.

BACKGROUND

The tables below give an account of the legal activities for the second quarter, starting from October to December 2018:

1. COURT PLEADINGS / ORDERS ROUTED INTERNALLY

<table>
<thead>
<tr>
<th>Department</th>
<th>Court pleading / orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routed to: IHS, Building Control, Debt Collection &amp; Credit Control, Income Department</td>
<td>All new litigation matters routed to relevant officials and the M</td>
</tr>
<tr>
<td>Combined Summons – Boucher // KM</td>
<td></td>
</tr>
<tr>
<td>Warrant of Attachment – ABSA // Y Goodrich</td>
<td></td>
</tr>
<tr>
<td>Notice of Motion – Metelarkamp // KM &amp; Others</td>
<td></td>
</tr>
<tr>
<td>Notice of Motion – Metelarkamp // KM &amp; Others</td>
<td></td>
</tr>
<tr>
<td>Warrant of Attachment – Standard Bank // C Fick</td>
<td></td>
</tr>
<tr>
<td>Notice of Motion – Eskom Holdings // KM &amp; MM of KM</td>
<td></td>
</tr>
<tr>
<td>Notice of Eviction – J Gouws &amp; K West // The Swanevelder</td>
<td></td>
</tr>
<tr>
<td>Notice of Motion for eviction in terms of the prevention of illegal eviction act – Van Heerden // Espach, KM</td>
<td></td>
</tr>
<tr>
<td>Notice ito Uniform Rule 45 (5) (a) – Nedbank // P &amp; C Wasserman</td>
<td></td>
</tr>
<tr>
<td>Notice of Motion – Waxa // IEC, MEC, Speaker &amp; Chair DC of KM</td>
<td></td>
</tr>
<tr>
<td>Combined Summons: De Wet // Knysna Oyster Festival, KM &amp; Others</td>
<td></td>
</tr>
</tbody>
</table>

2. LITIGATION MATTERS

2.1 ERF 4, KNYSNA – ILLEGAL BUILDING WORKS

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosdell, Pama &amp; Cox</td>
<td>R 34 236.66</td>
</tr>
<tr>
<td>June 2011</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

The status quo remains. This matter is still in the settlement phase. In terms of the draft settlement agreement the owners of Erf 4 requested that their application fees be waived. An item on the possible waiver will be submitted to the next Planning & IHS committee meeting.

2.2 KNYSNA MUNICIPALITY & ROAD ACCIDENT FUND // PHILLIPUS BRUWER

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td>R 466, 219.28</td>
</tr>
<tr>
<td>October 2013</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward
The trial date was 11 October 2018 and the court ordered as follows:
- The matter is postponed sine die;
- The plaintiff shall pay the second defendant’s (the municipality) wasted costs occasioned by the postponement of the matter, such costs to include the costs of two counsel;
- That Mr Hildebrand, our witness, is declared a necessary witness; and
- All wasted costs are to run only up and including 8 October 2018.

The Bill of costs are in the process of being reviewed and amended by our cost consultant. Our attorneys of record were duly notified of a new pre-trial date scheduled for 6 March 2019 which is in the process of being discussed and arranged with senior counsel.

### 2.3 KNYSNA MUNICIPALITY // CORNUTI’S RISTORANTE

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logan Martin Inc.</td>
<td>R 669 878.86 of which R 207 697.99 was in respect of advocate fees. (No new invoices)</td>
</tr>
<tr>
<td>June 2013</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo* Remains - we are still awaiting payment of our outstanding account.

An item has been prepared to the Committee to consider writing the debt off as irrecoverable since several attempts have been made to recover the money but have failed.

### 2.4 GARTH BOCK // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CJ Ballan</td>
<td>R 69 010, 49. (No new invoices)</td>
</tr>
<tr>
<td>April 2014</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo remains* – Plaintiff to arrange a trial date and set the matter down for hearing. To date, no further action taken.

### 2.5 GREVE // MUELLER // KM (REVIEW)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosdell, Pama &amp; Cox</td>
<td>R 107 491. 95 (No new invoices)</td>
</tr>
<tr>
<td>November 2014</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo remains as per last update* - Our attorneys of record have been in regular contact with the applicant’s attorney in order to agree on a date to hear this matter. No date was ever confirmed. On 7 September 2018, the applicant’s attorney informed us that Mr Mueller has passed away. Adv. Senior counsel believes that this is the end of this matter. We await further correspondence from the applicant’s attorney.

### 2.6 22 RAWSON STREET // KNYSNA MUNICIPALITY (MOSQUE REVIEW)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cliff, Dekker &amp; Hofmeyer</td>
<td>R888 184. 30</td>
</tr>
<tr>
<td>September 2015</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo remains* - This matter is finalised and party costs were paid. We are currently awaiting instructions regarding the applicant’s attorney request to waive payment of the costs and the return
of the amounts paid. At the S80 committee meeting held in August 2018, the Manager: Legal Services recommended that if an application for waiver is submitted, it be refused.

At date of submission of this report we have had no indication as to when above-mentioned request to waive the payment of costs will be submitted to Council by the applicants.

### 2.7 KNYSNA RATEPAYERS ASSOCIATION //KNYSNA MUNICIPALITY (PIERPOINT REVIEW)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stadler &amp; Swart Att.</td>
<td>R 103 724, 70</td>
</tr>
<tr>
<td>November 2015</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

The parties to this matter have agreed upon settlement. The settlement agreement was concluded and signed by the municipality in terms of which the KRA undertook to withdraw its application against the municipality who will be paying the applicant a settlement amount of R50 000. We await the signing of the agreement by the applicants after which payment will be effected.

### 2.8 REINHARD ROTTER // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs for Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>CJ Ballan</td>
<td>R 18 850. 00</td>
</tr>
<tr>
<td>March 2016</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo* as per the last update remains - to date no further action taken by the plaintiff. Should plaintiff proceed further particulars will be provided.

### 2.9 YO ART // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stadler &amp; Swart Attorneys</td>
<td>R 149 908.55</td>
</tr>
<tr>
<td>October 2016</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

We are currently in the process of drafting and submitting discovery affidavits in both the High Court and Regional Court matters. The applicants are in the process of applying for a trial date.

### 2.10 THABO MABULA // KNYSNA MUNICIPALITY (VARIOUS MATTERS)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td>R 360 116 (on all 6 Mabula matters)</td>
</tr>
<tr>
<td>November 2016</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

**Case No: 21933/16**

The pleadings have now been closed and we await the Plaintiff to proceed with obtaining a trial date herein.

**Case No: 21934/16**
The Sheriff duly attached assets of the Plaintiff which resulted in the latter making an offer to the municipality. Instructions to be given on whether this offer will be accepted or rejected.

**Case No: 21935/16**
The Sheriff duly attached assets of the Plaintiff which resulted in the latter making an offer to the municipality. Instructions to be given on whether this offer will be accepted or rejected.

**Case No: 21936/16**
The Sheriff duly attached assets of the Plaintiff which resulted in the latter making an offer to the municipality. Instructions to be given on whether this offer will be accepted or rejected.

**Case No: 21937/16**
The pleadings have now been closed and we await the Plaintiff to proceed with obtain a trial date herein.

### 2.11 THABO MABULA // KNYSNA MUNICIPALITY - LABOUR COURT

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Cost Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td>See above. Awaiting amended invoices.</td>
</tr>
<tr>
<td>June 2016</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo remains - We await feedback from the Labour Court regarding a set down date.*

### 2.12 LEISURE ISLAND RESIDENTS ASSOCIATION // KNYSNA MUNICIPALITY // SANPARKS

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stadler &amp; Swart Attorneys</td>
<td>R 169 590, 50</td>
</tr>
<tr>
<td>August 2017</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Judgment in this matter was handed down on 20 December 2018. The court held that it is incumbent on the stakeholders, which includes all interested parties, to work together with the municipality and all other relevant stakeholders, to find a constructive solution and to embark on a collaborative journey to find lasting and sustainable solutions to these complex problems and challenges, which includes to repair and maintenance of the sea wall.

The court was unable to declare that the Knysna Municipality is responsible for the reinstatement, repair and maintenance of the sea wall and ordered as follows:

- The sea walls were constructed on land of which the ownership is unclear and was placed in dispute by the municipality;
- On the application of case law on the facts, the application bought by LIRA should be dismissed on the basis of the municipality’s version with regard to the disputed ownership of the sea walls alone;
- The disputed ownership of the sea walls is to be determined in the context of Section 14 of the Coastal Management Act. The high-water mark appears to be rising, and moving landward, overtopping the sea walls. In this regard, the court is of the view that the affected sea walls became coastal public property in terms of section 14(5) of above-mentioned Act, and no person may require any organ of state to take measures to prevent the erosion or accretion of the sea shore or other coastal public property, as prohibited in section 15(1) and 15(2) of the Act; and...
Therefore the application was dismissed and the first, second and third applicants were ordered to pay the Knysna Municipality’s costs jointly and severally, which costs include senior counsel.

What is noteworthy of the judgment is the following:

The conclusion by the municipality that it must prioritize expenditure, within its budget allocation is a sound principle. For a court to prioritize, allocate and manage the municipality’s budget, through the mechanism of the relief sought by the applicants, will, in the court’s view, constitute a classical example of judicial overreach, which is not permissible in law and must be avoided by the courts.

Furthermore, the court is of the view that a municipality must clearly be permitted to act within its policy and regulatory framework, provided it acts lawfully at all times. There was nothing to suggest that the municipality acted unlawfully, and its decisions, and exercise of its discretion, must therefore be respected. Stated differently, the municipality’s decision to not repair the sea walls is neither a national irrational nor in breach of any of its statutory obligations.

It does not follow that if Sanparks was not responsible for the maintenance of the sea walls, the municipality, almost by default was. The municipality is required to prepare its IDP in terms of section 4 of the MFMA, and prioritize its budget in line with those priorities. More specifically, the municipality can only act within the confines of what is reasonably practical and possible in the circumstances, with the context of its own budgetary constraints, and the law.

2.13 SEDGEFIELD ISLAND VILLAGE HOME OWNERS ASSOCIATION // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td>R 21 745</td>
</tr>
<tr>
<td>March 2018</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

Plaintiffs obtained default judgment against the municipality for an amount of R 23 065.73. A warrant of execution has also been issued by the Sheriff. Attorney of record to apply for a rescission of the judgment in question of which the court date was 5 October 2018. The rescission of judgment was duly obtained and all outstanding differences between the parties were settled. Our attorneys of record proceeded to close their file herein.

2.14 TRACKSTAR TRADING 7 (PTY) LTD // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosdell, Pama &amp; Cox</td>
<td>R 130 661</td>
</tr>
<tr>
<td>March 2018</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

This matter has been amicably resolved between the parties and a court order by agreement has been granted. In terms of the court order the application must be re-submitted to the Municipal Council. The item served at the Mayoral Committee meeting held on 30 August 2018, at which meeting the item was referred to the next Planning & IHS meeting. The settlement of amount of R 95 000 was paid on 29 August 2018.

This application served at the Council Meeting held on 29 November 2018 and Council resolved that the application not be approved.
### 2.15 MR WALI MATTER – CRIMINAL CASE NO. 523/03/2018

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs</th>
<th>Spend to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td></td>
<td>R 9 390</td>
</tr>
<tr>
<td>August 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Above-mentioned matter commenced in August 2018. Mr Wali was assaulted in his office a while back and the alleged perpetrator opened a criminal case against Mr Wali for assault. The latter requested legal representation in this matter in terms of section 109A of the Municipal Systems Act, Act 32 of 2000. Said representation was granted as the alleged incident occurred while Mr Wali was on duty as an employee of Council. Our attorney of record consulted with and accompanied Mr Wali to Court.

To date no court appearances were noted and the file is pending.

### 2.16 DANIELS // WILLIAMS (CRIMINAL MATTER)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs</th>
<th>Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosdell, Pama &amp; Cox</td>
<td></td>
<td>R 6 555</td>
</tr>
<tr>
<td>July 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Above-mentioned matter commenced in July 2018. Mrs Daniels laid an assault charge against our Mr Williams, a Law Enforcement Officer. Mr Williams requested legal representation in terms of section 109A of the Municipal Systems Act, Act 32 of 2000 as the alleged offence was committed while on duty as an employee of Council. Our attorney of record accompanied Mr Williams to the police station and a warning statement was submitted. We await further feedback on the continued prosecution of this matter.

Nothing has happened under this matter since the last update as per above.

### 2.17 4 Falcon Street, Knysna – Eviction Proceedings

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs</th>
<th>Spend to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td></td>
<td>New matter, no invoices yet</td>
</tr>
<tr>
<td>Dec 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Our Properties section instructed the Legal Services department to appoint a law firm to commence with eviction proceedings for the occupiers at 4 Falcon Street, Knysna. During the June 2017 fires, three families who were displaced were assisted with council accommodation and the consensus at the time was that it will only be of a temporary nature.

After several attempts and assistance from IHS and Social Development to relocate the families to alternative accommodation, these families refuse to vacate the property. We have instructed a firm to commence with the eviction proceedings, all documents have been handed over and our eviction application will be finalised in due course.
3. LIQUOR BY-LAW APPLICATIONS:
Applications done in terms of Council’s Liquor By-law and Delegation J.2.45

### EXTENSION OF LIQUOR TRADING DAYS & HOURS

<table>
<thead>
<tr>
<th>Date Received</th>
<th>Application for Extension of Liquor Trading Days and Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 November 2018</td>
<td>Hornlee Nite Spot</td>
</tr>
<tr>
<td>November 2018</td>
<td>TX Liquors</td>
</tr>
<tr>
<td>November 2018</td>
<td>Nellies Inn</td>
</tr>
<tr>
<td>December 2018</td>
<td>TX Liquors</td>
</tr>
<tr>
<td>December 2018</td>
<td>Nellies Inn</td>
</tr>
<tr>
<td>December 2018</td>
<td>Club 702</td>
</tr>
</tbody>
</table>

### APPLICATIONS FOR TEMPORARY / PERMANENT LIQUOR LICENSES
Applications done in terms of Western Cape Liquor Act and Delegation J.2.44

<table>
<thead>
<tr>
<th>Routed for Comments Internally</th>
<th>Application Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Mthetho Liquor Store</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Knysna Marathon Club</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Friday Market</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Friday Market</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Mitchell’s Brewing</td>
</tr>
</tbody>
</table>

4. MUNICIPAL COURT

STATUS UPDATE

The tender was advertised and will close on 13 February 2019. Specifications include drawing of plans and costs estimate to renovate the building accordingly.

5. TITLE RESTORATION PROJECT

STATUS UPDATE

The department is currently focused on the Joodse Kamp Project, W96080002/1. We are in the process of arranging an open day in Smutsville for the 4th of February 2019, to have beneficiaries sign and complete all necessary documentation in order to address to backlog as identified by Provincial IHS for Smutsville.
FINANCIAL IMPLICATIONS

MTREF Operational budget – 2018/2019

RELEVANT LEGISLATION

Rules of Order By-law  
System of Delegations. 
Western Cape Liquor Act

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Governance and Economic Development Committee notes the quarterly report on the status of legal matters for the period October to December 2018.

File Number : 9/1/2/9  
Execution : Director : Corporate Services  
Manager : Legal Services
6.3

GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
6 FEBRUARY 2019

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**G03/02/19 REPORT ON HUMAN RESOURCES MATTERS FOR QUARTER 2 OF 2018/2019 FINANCIAL YEAR**

**REPORT FROM DIRECTOR : CORPORATE SERVICES**

**PURPOSE OF THE REPORT**

To report to the Committee on the human resources matters and activities for the second quarter of 2018/2019.

**DISCUSSION**

The tables below give an account of HR activities for the second quarter, starting from October to December 2018 and will address the following:

<table>
<thead>
<tr>
<th>1. APPOINTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OCTOBER 2018</strong></td>
</tr>
<tr>
<td><strong>NAME</strong></td>
</tr>
<tr>
<td>1. Mr P Hariparsad</td>
</tr>
<tr>
<td>2. Mr G Boshoff</td>
</tr>
<tr>
<td>3. Mr G Jaca</td>
</tr>
<tr>
<td>4. Mr A Pringle</td>
</tr>
<tr>
<td>5. Ms M Baadjies</td>
</tr>
<tr>
<td><strong>NOVEMBER 2018</strong></td>
</tr>
<tr>
<td>1. Mr Donique Louw</td>
</tr>
<tr>
<td><strong>DECEMBER 2018</strong></td>
</tr>
<tr>
<td>1. Ms PA Tumani</td>
</tr>
<tr>
<td>2. Mr S Rungqu</td>
</tr>
<tr>
<td>3. Mr BN Msola</td>
</tr>
<tr>
<td>4. Mr R Fredericks</td>
</tr>
<tr>
<td>5. Mr LJ Matu</td>
</tr>
<tr>
<td>6. Ms N Kose</td>
</tr>
<tr>
<td>7. Ms Z Zondani</td>
</tr>
<tr>
<td>8. Ms N Dynantyisi</td>
</tr>
<tr>
<td>9. Ms M George</td>
</tr>
<tr>
<td>10. Mr DE Van Rooyen</td>
</tr>
<tr>
<td>11. Mr M Dayimani</td>
</tr>
<tr>
<td>12. Ms B River</td>
</tr>
<tr>
<td>13. Mr S Mbola</td>
</tr>
<tr>
<td>14. Mr WM Davidson</td>
</tr>
</tbody>
</table>
### 2. TERMINATIONS

#### OCTOBER 2018

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
<th>REASON FOR TERMINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr T C Matika</td>
<td>General Worker</td>
<td>Community Services</td>
<td>Resigned</td>
</tr>
</tbody>
</table>

#### NOVEMBER 2018

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
<th>REASON FOR TERMINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr L Mdishiwa</td>
<td>Project Coordinator</td>
<td>Planning &amp; Develop</td>
<td>Resigned</td>
</tr>
<tr>
<td>Ms N Hendricks</td>
<td>Chief Accountant</td>
<td>Finance</td>
<td>Resigned</td>
</tr>
<tr>
<td>Mr D Buwa</td>
<td>General Worker</td>
<td>Community Services</td>
<td>Deceased</td>
</tr>
</tbody>
</table>

#### DECEMBER 2018

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
<th>REASON FOR TERMINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr HC Barnard</td>
<td>Driver</td>
<td>Community Services</td>
<td>Early Retirement</td>
</tr>
<tr>
<td>Mr V Ntlemeza</td>
<td>Small Plant Operator</td>
<td>Community Services</td>
<td>Early Retirement</td>
</tr>
</tbody>
</table>

### 3. TRAINING AND DEVELOPMENT

#### OCTOBER 2018

<table>
<thead>
<tr>
<th>NAME OF TRAINING PROGRAMME AND TRAINING PROVIDER</th>
<th>NUMBER OF PARTICIPANTS</th>
<th>DIRECTORATE AFFECTED</th>
<th>AMOUNT PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Chain Saw Training</td>
<td>12</td>
<td>Community Services</td>
<td>R44 060.00 Treasury Grant Provincial Government</td>
</tr>
<tr>
<td>2. Cash flow</td>
<td>2</td>
<td>Finance</td>
<td></td>
</tr>
<tr>
<td>3. Gender Mainstreaming</td>
<td>21</td>
<td>All</td>
<td>R25 000.00</td>
</tr>
<tr>
<td>4. Sexual harassment</td>
<td>29</td>
<td>All</td>
<td>R12 000.00</td>
</tr>
<tr>
<td>5. Sexual harassment</td>
<td>7</td>
<td>Parks</td>
<td></td>
</tr>
<tr>
<td>6. NC: Horticulture NQF 2</td>
<td>10</td>
<td>Public Works, Parks and Fire</td>
<td></td>
</tr>
<tr>
<td>6. AET</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### NOVEMBER 2018

<table>
<thead>
<tr>
<th>NAME OF TRAINING PROGRAMME AND TRAINING PROVIDER</th>
<th>NUMBER OF PARTICIPANTS</th>
<th>DIRECTORATE AFFECTED</th>
<th>AMOUNT PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Management</td>
<td>20</td>
<td>All</td>
<td>R89 200.00</td>
</tr>
<tr>
<td>2. Asset Management</td>
<td>4</td>
<td>Finance</td>
<td>R27 938.00</td>
</tr>
<tr>
<td>3. NC: Horticulture</td>
<td>9</td>
<td>Parks</td>
<td>R25 000.00</td>
</tr>
<tr>
<td>4. Conflict Management</td>
<td>7</td>
<td>All</td>
<td>R64 800.00</td>
</tr>
</tbody>
</table>

#### DECEMBER 2018

<table>
<thead>
<tr>
<th>NAME OF TRAINING PROGRAMME AND TRAINING PROVIDER</th>
<th>NUMBER OF PARTICIPANTS</th>
<th>DIRECTORATE AFFECTED</th>
<th>AMOUNT PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Water and Waste Water Supervision NQF 4</td>
<td>10</td>
<td>Water &amp; Sewer</td>
<td>Discretionary Grant</td>
</tr>
<tr>
<td>2. Asbestos Awareness</td>
<td>34</td>
<td>Water &amp; Sewer</td>
<td>R30 000.00</td>
</tr>
</tbody>
</table>

TOTALS 165 | R317 998.00
### 4. DISCIPLINARY HEARINGS, CONCILIATIONS AND ARBITRATIONS

<table>
<thead>
<tr>
<th>No. of Empl.</th>
<th>Directorate</th>
<th>Nature of Charge</th>
<th>Details of Disciplinary Hearing / Appeal</th>
<th>Disciplinary Hearing held within time limit</th>
<th>October Outcome</th>
<th>November Outcome</th>
<th>December Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Assault</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Final Warning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Absenteeism; Not informing employer timeously of absence; Late coming.</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Await Finding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Absenteeism; Not informing employer timeously of absence.</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Guilty</td>
<td></td>
<td>Guilty. Sanction</td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Sexual Assault</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Await Finding</td>
<td>Await Finding</td>
<td>Not Guilty</td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Disobeying lawful and reasonable instruction</td>
<td>Appeal Hearing</td>
<td>As prescribed in terms of the DPCA</td>
<td>Await Finding</td>
<td></td>
<td>Status quo remains. Guilty. Written warning.</td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Private work; Misuse of Municipal property and tools</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Await Finding</td>
<td></td>
<td>Guilty. Sanction</td>
</tr>
<tr>
<td>4</td>
<td>Community Services</td>
<td>Assisting and Supporting in Private work; Misuse of Municipal property and tools</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Await Finding</td>
<td></td>
<td>Guilty. Sanction</td>
</tr>
</tbody>
</table>
## 5. CCMA, CONCILIATIONS AND ARBITRATIONS

<table>
<thead>
<tr>
<th>No. of Empl.</th>
<th>Directorate</th>
<th>Nature of Charge / Dispute</th>
<th>Details of Con / Arb</th>
<th>October outcome</th>
<th>November Outcome</th>
<th>December Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Alleged Unfair Dismissal</td>
<td>Matter resolved. Settled.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RELEVANT LEGISLATION

Local Government: Municipal Systems Act, as amended  
Labour Relations Act, as amended;  
Skills Development Act

### FINANCIAL IMPLICATIONS

MTREF Operational budget – 2018'2019
RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Governance and Economic Development Committee notes the Quarterly Report on the Human Resources activities for the period October 2018 to December 2018.

File Number: 9/1/2/9
Execution: Director: Corporate Services
Manager: Human Resources
REPORT FROM DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To present a report on the activities of the Community Development Workers in the Public Participation Unit for the period October to December 2018.

BACKGROUND

The report is covering the following aspects:

1. Community Development Workers functioning

DISCUSSION

Community Development Workers are public service multi-skilled government personnel place at municipal level to assist community members to access government services. They are participatory change agents who work with and within communities to foster the implementation of governments programme’s. Although the Community Development Workers are functioning and supervised at municipal level, they are employees of the Provincial Government.

Three Community Development Workers operate in the Knysna Municipal space. The financial impact of hosting the CDW programme in the Knysna Municipal space is currently under review and the Knysna Municipality is keenly awaiting the new revised financial institutional arrangement.

Below are the quarterly activities of which the Community Development Workers were involved in:

<p>| NAME OF COMMUNITY DEVELOPMENT WORKER: DEVOLINE KOOPMAN |
|-----------------------------------|-----------------|------------------|------------------|</p>
<table>
<thead>
<tr>
<th>WARD/VENUE</th>
<th>ACTIVITIES</th>
<th>DATE</th>
<th>SPHERE OF GOV</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Information session: Recycling, Market Day and Furniture making.</td>
<td>01/10/2018</td>
<td>Local</td>
</tr>
<tr>
<td>1</td>
<td>Information session: Informing the stakeholders in the area about Recycling, Market Day and Furniture making.</td>
<td>02/10/2018</td>
<td>Local</td>
</tr>
<tr>
<td>2</td>
<td>Information session: Informing stakeholders about the Recycling, Market Day and Furniture making.</td>
<td>03/10/2018</td>
<td>Local</td>
</tr>
<tr>
<td>Ward</td>
<td>Venue</td>
<td>Activities</td>
<td>Date</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>5</td>
<td>Committee Room</td>
<td>A “Thank You” ceremony was held 09:00 am in the Committee room at the Knysna Municipality for the 7 ABET students. The Portfolio Councillor of Community Services and the Director of Community services attended the ceremony, and wished the students well for their final exams.</td>
<td>06.11.2018</td>
</tr>
<tr>
<td>5</td>
<td>Committee Room Knysna Municipality</td>
<td>Attended meeting with different stakeholders regarding the visit of the national minister of communication to Knysna. Stakeholders included - SANParks, Working on Fire, Department of Home Affairs, GCIS.</td>
<td>07:11:2018</td>
</tr>
<tr>
<td>5</td>
<td>Rheenenland Youth centre</td>
<td>Final preparations for the recycling event in Rheenenland, including calling all stakeholders that were invited to attend the event, Invitation to ward councilors and site visits to entrepreneurs were undertaken. Logistical arrangements, including catering and transport were made.</td>
<td>09:11:2018</td>
</tr>
<tr>
<td>2 &amp; 5</td>
<td>Knysna Waterfront</td>
<td>Recycling and Repurpose event took place at the Knysna Waterfront. (See attached detailed information on the small scale template)</td>
<td>10:11:2018</td>
</tr>
</tbody>
</table>
NAME OF COMMUNITY DEVELOPMENT WORKER : NOMVULA FLEPISI

DECEMBER 2018

<table>
<thead>
<tr>
<th>WARD</th>
<th>VENUE</th>
<th>ACTIVITIES</th>
<th>DATE</th>
<th>DEPARTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Rheenendal Primary School</td>
<td>Mini jamboree / Intervention with employees from Geelhoutvlei Timbers</td>
<td>10:12:2018</td>
<td>Department of Labour OCP NCR CDW</td>
</tr>
<tr>
<td>5</td>
<td>Rheenendal Community Hall</td>
<td>Mini jamboree / Intervention with employees from Geelhoutvlei Timbers</td>
<td>11:12:2018</td>
<td>Department of Labour OCP CDW</td>
</tr>
<tr>
<td>5</td>
<td>Rheenendal Community Hall</td>
<td>SASSA attended to the employees of Geelhoutvlei Timbers. OCP hosted a workshop with the group.</td>
<td>12:12:2018</td>
<td>Department of Labour SASSA CDW OCP</td>
</tr>
<tr>
<td>5</td>
<td>Rheenendal Community Hall</td>
<td>Department of labour did career guidance presentation and the CCMA presented to the group.</td>
<td>13:12:2018</td>
<td>Department of Labour OCP CCMA CDW</td>
</tr>
</tbody>
</table>
### OCTOBER 2018

<table>
<thead>
<tr>
<th>WARD/VENUE</th>
<th>ACTIVITIES</th>
<th>DATE</th>
<th>DEPARTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Office</td>
<td>EPWP: meeting with stakeholders about the extension of the Provincial Hospital</td>
<td>08/10/2018</td>
<td>Provincial</td>
</tr>
<tr>
<td>Town Office</td>
<td>EPWP: meeting with small contractors informing them about possible work opportunities at the Provincial Hospital</td>
<td>09/10/2018</td>
<td>Provincial</td>
</tr>
<tr>
<td>Council Chamber</td>
<td>Health Volunteers: attended launch of the Health Volunteers programme</td>
<td>10/10/2018</td>
<td>Local</td>
</tr>
<tr>
<td>4,8</td>
<td>World Food Day: mobilising for the event taking place in Mosselbay</td>
<td>11/10/2018</td>
<td>Local</td>
</tr>
<tr>
<td>4,8 &amp; 7</td>
<td>ID Campaign: logistical arrangements for elderly to do Smart IDs.</td>
<td>15/10/2018</td>
<td>Local</td>
</tr>
<tr>
<td>Mossel Bay</td>
<td>World Food Day: attended the event in Mossel Bay</td>
<td>16/10/2018</td>
<td>National</td>
</tr>
<tr>
<td>Plettenberg Bay</td>
<td>Thusong Mobile: mobilisation for the event.</td>
<td>20/10/2018</td>
<td>Provincial</td>
</tr>
<tr>
<td>4,8 &amp; 7</td>
<td>ID Campaign: transporting elderly to Plettenburg Bay to do Smart ID applications.</td>
<td>23/10/2018</td>
<td>Local</td>
</tr>
</tbody>
</table>

### NOVEMBER 2018

<table>
<thead>
<tr>
<th>WARD</th>
<th>VENUE</th>
<th>ACTIVITIES</th>
<th>DATE</th>
<th>DEPARTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Department of Home Affairs (Cape Town)</td>
<td>Assisted a client with an ID application by taking him to Home Affairs in Cape Town</td>
<td>05.11.2018</td>
<td>Home Affairs</td>
</tr>
<tr>
<td>10</td>
<td>Committee Room Knysna Municipality</td>
<td>Attended meeting with different stakeholders regarding the visit of the national minister of communication to visit Knysna. Stakeholders included - SANParks, Working on Fire, Department of Home Affairs, GCIS.</td>
<td>07:11:2018</td>
<td>GCIS</td>
</tr>
<tr>
<td>4</td>
<td>Council Chambers</td>
<td>Attended the Ward Committee Special Meeting</td>
<td>08:11:2018</td>
<td>PP unit</td>
</tr>
<tr>
<td>2 &amp; 5</td>
<td>Knysna Waterfront</td>
<td>Attended the Recycling and Repurpose event that took place at the Knysna Waterfront.</td>
<td>10:11:2018</td>
<td>Local Government &amp; Knysna Municipalities Solid Waste Department and LED</td>
</tr>
<tr>
<td>10</td>
<td>Council Chambers</td>
<td>Attended the Ward 8 Ward Committee workshop</td>
<td>17:11:2018</td>
<td>Local Government &amp; Municipality</td>
</tr>
<tr>
<td>10</td>
<td>PP Unit Boardroom</td>
<td>Met with the Knysna co-opt who needs a piece of land for their farming project</td>
<td>22:11:2018</td>
<td>CDW</td>
</tr>
<tr>
<td>4</td>
<td>Council Chambers</td>
<td>• Attended a Ward Committee Meeting</td>
<td>12:11:2018</td>
<td>IDP</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
6 FEBRUARY 2019

NAME OF COMMUNITY DEVELOPMENT WORKER : WELCOME KOBI

<table>
<thead>
<tr>
<th>NAME OF COMMUNITY DEVELOPMENT WORKER : WELCOME KOBI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OCTOBER 2018</strong></td>
</tr>
<tr>
<td><strong>WARD/VENUE</strong></td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Town Office</td>
</tr>
<tr>
<td>Council Chambers</td>
</tr>
<tr>
<td>8 &amp; 7</td>
</tr>
<tr>
<td>Mossel Bay</td>
</tr>
<tr>
<td>Plettenberg Bay</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
</tbody>
</table>

**NOVEMBER 2018**

<table>
<thead>
<tr>
<th><strong>WARD</strong></th>
<th><strong>ACTIVITY</strong></th>
<th><strong>DATE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Ward Committee meeting</td>
<td>19 / 11 / 2018</td>
</tr>
<tr>
<td>3</td>
<td>Ward Committee Meeting</td>
<td>26 / 11 / 2018</td>
</tr>
<tr>
<td>7</td>
<td>Assisting at the Khayalethu Housing office</td>
<td>Weekly</td>
</tr>
</tbody>
</table>

**RELEVANT LEGISLATION**

Memorandum of Agreement.

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

That the report on the activities of the Community Development Workers for the period October – December 2018 be accepted.

File Number : 9/1/1/1
Execution : Director : Financial Services
6.5

G05/02/19 PUBLIC PARTICIPATION QUARTERLY REPORT : COMMUNITY WORKS PROGRAMME – QUARTER 2 OF 2018/19

REPORT FROM THE DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Committee on the functioning of the Community Works Programme (CWP) in the Greater Knysna Municipal Area.

BACKGROUND

The Community Works Programme (CWP) is a government initiative designed to provide an employment safety net to deserving eligible members of the community by offering them a minimum number of two regular working days each month. Knysna Municipal Council resolved to support and rolled out CWP on 27 August 2015.

Currently, the CWP is rolled out in all 11 wards and has 600 beneficiaries. The Knysna Municipal Council’s role is to, amongst other:

- Develop a municipal rollout plan, including identification of wards
- Establishment and functionality of Local Reference Committee
- Integration of CWP into Municipal IDP
- Monitoring and Reporting
- Communication
- Identifying and unblocking bottlenecks affecting CWP Implementation

Highlights

The Knysna Municipality, the Provincial Local Government and the local CWP office have successfully piloted a Community Health Workers and Hospital Volunteer Project. The 31 successful volunteers will be enrolled into the CWP as a skilled workgroup which can be utilized by the local NGO’s.

Apart from the current Community Health Workers Programme, the Knysna Provincial Hospital requested the information of the participants who have successfully completed the basic Home based Care training during 2017. These participants will also be absorbed into a Community Project.

Department of Labour hosted a workshop on how to create a CV and on interview skills.

Approval and Registration of Participants

- Re-registration contracts for all active participants have been completed. All other applications have been stopped at the Knysna site. New applications are closed to the public until the pending list of applications has been dealt with.
• The parking assistants work group has been hit by a bit of frustration. All the parking assistants applied at the same time in 2017 and to date only 7 are approved. The parking attendants were however requested to re-apply as the Work Group: Parking Attendants and will be approved separately.

• New Supervisors were appointed in December and have reported for duty from the 10th January 2019.

LOCAL REFERENCE COMMITTEE (LRC)

Knysna Municipality CWP site has a functional Local Reference Committee (LRC) elected from Ward committee members. Their role and responsibilities includes:

• Facilitation and monitoring the implementation of the CWP with in the Local Municipality;
• Meet quarterly to track work progress and to discuss matters related to programme implementation;
• Forge partnerships; enhance cooperation, coordination and communication between and amongst stakeholders;
• Make recommendations or contribute in prioritising potential projects identified by the community;
• Assist the Implementating Agents in resolving labour related matters;
• Play a role in assessing efficiency of the programme;
• Keep record of all meetings held.

The current Local Reference Committee for 2016-2021 consist of:

<table>
<thead>
<tr>
<th>Ward</th>
<th>Ward Committee member</th>
<th>Contact number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ms Nadia Hardnick</td>
<td>073 200 9706</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:sedgefieldgarageadmin@telkomsa.net">sedgefieldgarageadmin@telkomsa.net</a></td>
</tr>
<tr>
<td>1</td>
<td>Mr Luyolo Gxagxa</td>
<td>084 270 2591</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:luyoloenochgxagxa@rocketmail.com">luyoloenochgxagxa@rocketmail.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Mr Hendrias Morris</td>
<td>061 632 1619</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:hendriasmorris@gmail.com">hendriasmorris@gmail.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Ms Joan Oelf</td>
<td>073 724 8552</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:Joanelf22@gmail.com">Joanelf22@gmail.com</a></td>
</tr>
<tr>
<td>3</td>
<td>Mr Chris Rasipone</td>
<td>073 085 1304</td>
</tr>
<tr>
<td>3</td>
<td>Lukhanyiso Nohana</td>
<td>071 890 6484</td>
</tr>
<tr>
<td>4</td>
<td>Zinzi Boholoshe</td>
<td>078 918 7232</td>
</tr>
<tr>
<td>4</td>
<td>Thembisa Mbekwa</td>
<td>073 801 5828</td>
</tr>
<tr>
<td>5</td>
<td>Vacant</td>
<td>Vacant</td>
</tr>
<tr>
<td>5</td>
<td>Mr Wayne Jacobs</td>
<td>084 655 8987</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:Waynejacobs309@gmail.com">Waynejacobs309@gmail.com</a></td>
</tr>
<tr>
<td>6</td>
<td>Ms Rolanda George</td>
<td>062 844 0659</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:rolandageorge@gmail.com">rolandageorge@gmail.com</a></td>
</tr>
<tr>
<td>6</td>
<td>Ms Kay Andrews</td>
<td>063 313 0724</td>
</tr>
</tbody>
</table>
## Financial Implications

Provision of transport to the Ward Committee members to attend Local Reference Committee (LRC) Meetings.

## Relevant Legislation

Community Works Programme: Terms of Reference

### Recommendation of the Acting Municipal Manager

That the contents of the report of the Community Works Programme for the second quarter of 2018/19, be accepted.

## Appendix / Addendum

Knysna Quarterly Output Activity Report  
Eden Quarterly Report (Knysna Site)

File Number: 9/1/1/1  
Execution: Acting Municipal Manager  
Director: Financial Services  
Manager: Public Participation
## Workgroup: Education

<table>
<thead>
<tr>
<th>Workgroup</th>
<th>Unit Description</th>
<th>Quarter 1 Target</th>
<th>Quarter 1 Actual</th>
<th>Outputs</th>
<th>Days Total</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ed.1</td>
<td>Assistance in classrooms</td>
<td>Numbers of learners benefiting</td>
<td>180</td>
<td>32</td>
<td>0</td>
<td>a/a</td>
</tr>
<tr>
<td>Ed.2</td>
<td>Assistance at creches / ECD centres</td>
<td>Numbers of learners benefiting</td>
<td>280</td>
<td>32</td>
<td>0</td>
<td>a/a</td>
</tr>
<tr>
<td>Ed.3</td>
<td>Assistance with extra-curricular activities</td>
<td>Numbers of learners benefiting</td>
<td>28</td>
<td>32</td>
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<tr>
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<td>280</td>
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<td>Ed.6</td>
<td>Clearing of school facilities</td>
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<td>25</td>
<td>32</td>
<td>0</td>
<td>a/a</td>
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<td>Scholar patrols</td>
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<td>Ed.8</td>
<td>Desk refurbishment</td>
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## Workgroup: Health and Social

<table>
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<tr>
<th>Workgroup</th>
<th>Unit Description</th>
<th>Quarter 1 Target</th>
<th>Quarter 1 Actual</th>
<th>Outputs</th>
<th>Days Total</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.1</td>
<td>Assistance at orphanages, old age homes, hospitals</td>
<td>Numbers of people benefiting</td>
<td>50</td>
<td>32</td>
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<tr>
<td>H.2</td>
<td>Assistance with ID's and grants</td>
<td>Numbers of people benefiting</td>
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<tr>
<td>H.3</td>
<td>Care of OVCs</td>
<td>Numbers of people benefiting</td>
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<td>H.4</td>
<td>Home-based care visits</td>
<td>Numbers of people benefiting</td>
<td>1</td>
<td>32</td>
<td>0</td>
<td>a/a</td>
</tr>
<tr>
<td>H.5</td>
<td>Provision of security at schools / pension paypoints</td>
<td>Numbers of people benefiting</td>
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<tr>
<td>H.6</td>
<td>Referrals to government facilities</td>
<td>Numbers of people benefiting</td>
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<td>H.7</td>
<td>Arts and crafts</td>
<td>Numbers of people benefiting</td>
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<td>H.8</td>
<td>Clinic services</td>
<td>Numbers of people benefiting</td>
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## Workgroup: Economic & Enterprise Development

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<th>Training</th>
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<tbody>
<tr>
<td>E.1</td>
<td>Selling of agricultural produce</td>
<td>Value in R received</td>
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<td>E.2</td>
<td>Selling of compost</td>
<td>Value in R received</td>
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<td>E.3</td>
<td>Selling of fencing services</td>
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<td>E.4</td>
<td>Selling of handicrafts and garments</td>
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<td>R1,000</td>
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<td>E.6</td>
<td>Selling seedlings</td>
<td>Value in R received</td>
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Fixing and maintenance of public buildings and assets | Number of public buildings and assets fixed or maintained |
Clearing of waste in illegal dumping sites as well as litter | Number of sites cleaned |
<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
<th>Quarter 2 Target</th>
<th>Quarter 2 Actual</th>
<th>Outputs</th>
<th>Days Total</th>
<th>Training</th>
<th>Is Accredited</th>
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<tr>
<td>Soil rehab &amp; clearing of overgrown areas</td>
<td>ward 5, 6, 7, 8, 9, 10</td>
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<tr>
<td>Maintain garden</td>
<td>Ward 9</td>
<td>1</td>
<td></td>
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<td>Planting trees at Cvic in homelae</td>
<td>ward 6, 11</td>
<td>1</td>
<td>32</td>
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<td></td>
<td></td>
<td>Planting trees at Cvic in homelae</td>
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<td>Clean &amp; green in sites</td>
<td>1, 3, 4, 5, 6, 7, 8, 9, 10</td>
<td>8</td>
<td>32</td>
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<td>32</td>
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<td>Mudiba Day projects</td>
<td>All wards</td>
<td>5</td>
<td>8</td>
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<td>Training</td>
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<td>Description</td>
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<td>At Schools, creches</td>
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<td>During schools time lunch</td>
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<td>WARD 3, 9</td>
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<td>With help in maintaining health</td>
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<td>Description</td>
<td>Location</td>
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<td>Including Work and Training</td>
<td>Days</td>
<td>Is Accredited?</td>
<td>Give a short description of work done</td>
<td>Word and location details</td>
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<td>ward 6, 11</td>
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<td>1, 3, 4, 5, 6, 7, 8, 9, 11</td>
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**Agenda**

6 February 2019

**Governance and Economic Development Committee Meeting**
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<th>Outputs</th>
<th>Days Total</th>
<th>Training</th>
<th>Description</th>
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<tr>
<td>Write the units as specified</td>
<td>Including Work and Training</td>
<td>Days</td>
<td>Is Accredited?</td>
<td>Give a short description of work done</td>
</tr>
<tr>
<td>Outputs</td>
<td>Days Total</td>
<td>Training</td>
<td>Description</td>
<td>Location</td>
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<td>------------</td>
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<tr>
<td>Write the units as specified Including Work and Training Days Accredited? Give a short description of work done Ward and location details</td>
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# KWGNA MUNICIPAL REPORT

## Month: December Cycle 2018

### USEFUL WORK CATEGORIES

<table>
<thead>
<tr>
<th>Ward No 1</th>
<th>Ward No2</th>
<th>Ward No3</th>
<th>Ward No4</th>
<th>Ward No5</th>
<th>Ward No6</th>
<th>Ward No7</th>
<th>Ward No8</th>
<th>Ward No9</th>
<th>Ward No10</th>
<th>Ward No11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shushulie</td>
<td>Shugfird / Kasara</td>
<td>Peesies</td>
<td>White Location</td>
<td>Rheenwald</td>
<td>Mittie</td>
<td>Khosaphyu</td>
<td>Concodu</td>
<td>Redenhed</td>
<td>Town</td>
<td>Mempe</td>
</tr>
</tbody>
</table>

1. Environmental:
   - Cleaning & Gardening: 4, 0, 117, 35, 22, 2, 59, 58, 6, 0, 0
   - Municipal open spaces and reserves: 3, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0

2. Health and Social Sector:
   - Church/DOS:
     - Hospital/Clinic: Cleaning: 2, 0, 0, 3, 1, 2, 0
     - Meals: 0, 0, 0, 0, 0, 0, 0
     - Home Care: 0, 0, 0, 0, 0, 0, 0
   - Old Age Homes: 0, 0, 0, 0

3. Education Sector:
   - School Support/leaning: 3, 0, 26, 10, 0, 10, 39, 52, 3, 0
   - Community Learning Centers: 4, 0, 0, 16, 2, 2, 3, 15, 11, 1, 2

4. Agricultural Sector:
   - Food gardens: 14, 10, 3, 0
   - Cooperatives: 2, 6

5. Community Safety
   - Neighbourhood Watch/ CSPD: 0
   - School Polices: 1, 29, 2, 4, 2, 0, 4, 0
   - Police Stations: 2, 20

6. Public Institutions
   - Maintenance of Public Infrastructure: 4
   - Social Development Agency Office: 2
   - Municipal Offices: 1, 3, 6, 0, 13
   - Library Assistance: 3, 1, 1, 1, 1, 4, 1, 1

7. Extra Activity: Sport

| Participant TOTALS | 22 | 7 | 108 | 110 | 40 | 27 | 133 | 111 | 22 | 36 | 7 | 721 |

### DEMOGRAPHICS

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<th>Total No of Youth</th>
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<tr>
<td>Total People with Disabilities</td>
<td>10</td>
</tr>
<tr>
<td>Total Female participants</td>
<td>303</td>
</tr>
<tr>
<td>Total Male participants</td>
<td>22</td>
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| TOTALS | 725 |

### Mish2CBO's

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<tr>
<th>Golden Movement</th>
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</thead>
<tbody>
<tr>
<td>Do work (suitable for disabled)</td>
</tr>
<tr>
<td>Do work (suitable)</td>
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</table>

| TOTALS | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |
### ECD/CARES

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<tbody>
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<td>Rainbow, Little Trebold, Little Racoon</td>
<td>3</td>
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<td>Jordan, Phlomans, Paula Winnes, Dhlomensa</td>
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### SCHOOLS

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# AGENDA

6 FEBRUARY 2019

## 1. Environment

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<tr>
<th>Ward No</th>
<th>Shrubville</th>
<th>Sedgefield</th>
<th>Katrina</th>
<th>Nekkers</th>
<th>White Location</th>
<th>Rheenen</th>
<th>Homelife</th>
<th>Kroondru</th>
<th>Concordia</th>
<th>Brackenfell</th>
<th>Town</th>
<th>Nature</th>
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## 2. Health and Social Sector

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<th>Ward No</th>
<th>Church/DGO</th>
<th>Hospital/DGO</th>
<th>Cleaning</th>
<th>Old Age Homes</th>
<th>School Support</th>
<th>Environmental Centres</th>
<th>Sports</th>
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## 3. Education Sector

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## 5. Community Safety

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## 6. Public Institutions

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<th>Park Office</th>
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## 7. Extra Activities/Spent

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<tr>
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## TOTALS

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## DEMOGRAPHICS

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## MICS/CBO’s

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72 | Page
| ECD's CRECHES | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) |
|---------------|---|---|---|---|---|---|---|---|---|
| Rainbow, Little Treasures, Little Rascals | 3 |
| Jordan, Phokwane, Paola Wines, Bloombers | 18 |
| Bloem Round table creche | 1 |
| Burgundy Creche | 2 |
| Cinderella Creche | 1 |
| Little Angels | 2 |
| Concordia Creche | 3 |
| **TOTALS** | 20 |

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| HEALTH SECTOR | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) |
|---------------|---|---|---|---|---|---|---|---|---|---|---|
| Segoefield Clinic | 2 |
| Home base care at homes | 1 |
| Ward 4 Day clinic | 1 |
| Vhembe Hospital | 10 |
| Ekhanyelwe Clinic | 1 |
| Concordia Clinic | 1 |
| **TOTALS** | 5 |

| CHAP Supervisors | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) | \( | \) |
|-----------------|---|---|---|---|---|---|---|---|---|---|---|---|
| CHAP Admin Support | 2 |
| CHAP Store keepers | 1 |
| **TOTALS** | 3 |

<table>
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<tr>
<th>PPE Outstanding</th>
<th>Safety Boots, Gloves, Dust Masks, Reflector vests, Rain Coats, Safety goggles, Aprons, Uniforms</th>
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<tbody>
<tr>
<td>Tools Needed</td>
<td>Spade, Forks, Shovels, Hoe, saws, wheelbarrows</td>
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| Non-Payments | 0 |
| New Approvals | 0 |
| Total New Participants placed | 0 |
| Participants Paid - Estimated Amount | R500,000.00 |
| Total Work groups | 36 |
## GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

### AGENDA

6 FEBRUARY 2019

---

### Krynsa SITE REPORT

**Quarter Output Activity Report**

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<th>Workgroup:</th>
<th>Krynsa EDEN WESTERN CAPE</th>
<th>Date Submitted:</th>
<th>QUARTER 1</th>
<th>Outputs</th>
<th>Days Total</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quarter 1 Target</td>
<td>Quarter 1 Actual</td>
<td>Write the units as specified</td>
<td>Including Work and Training</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ag.1</td>
<td>Clearups of public spaces, rivers &amp; canals</td>
<td>Square metres cleaned (area)</td>
<td>2</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.2</td>
<td>Clearing of bush &amp; overgrown areas, soil rehabilitation</td>
<td>Square metres cleaned (area)</td>
<td>4</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.3</td>
<td>Maintenance of community gardens</td>
<td>Numbers of gardens maintained</td>
<td>1</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.4</td>
<td>Making community gardens</td>
<td>Numbers of gardens made</td>
<td>1</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.5</td>
<td>Making homestead gardens</td>
<td>Numbers of gardens made</td>
<td>1</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.6</td>
<td>Planting and maintaining trees</td>
<td>Numbers of trees planted</td>
<td>2</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.7</td>
<td>Compost heaps made</td>
<td>Cubic metres</td>
<td>1</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Ag.8</td>
<td>Nursery: seedlings planted and maintained</td>
<td>Number of trees planted/maintained</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td><strong>Community Services (tasks directly assisting local municipality service delivery)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cm.1</td>
<td>Water &amp; Sanitation provision</td>
<td>Numbers of households benefiting</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.2</td>
<td>Repairing water points &amp; pipes &amp; sanitation facilities</td>
<td>Numbers of facilities repaired</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.3</td>
<td>Making access roads and pavements</td>
<td>Square metres</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.4</td>
<td>Repairing access roads and pavements</td>
<td>Square metres</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.5</td>
<td>Street and road cleaning</td>
<td>Square metres</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.6</td>
<td>Cleaning of illegal dump sites</td>
<td>Number of sites cleaned</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.7</td>
<td>Establishment of rubbish pits</td>
<td>Number of pits established</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.8</td>
<td>Cleaning of community halls / schools / churches</td>
<td>Numbers of halls / schools / churches</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.9</td>
<td>Cleaning cemeteries</td>
<td>Square metres</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.10</td>
<td>Making and maintenance of parks</td>
<td>Number of parks established</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cm.11</td>
<td>Assisting UN identify unemployed residents</td>
<td>Number of unemployed registered</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cn.10</td>
<td>Fencing community gardens</td>
<td>Running metres (perimeter)</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.11</td>
<td>Fencing homestead gardens</td>
<td>Running metres (perimeter)</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.3</td>
<td>Fencing schools / clinics / graveyards etc.</td>
<td>Running metres (perimeter)</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.4</td>
<td>Renovations to schools / clinics / community halls etc.</td>
<td>Numbers of schools / clinics / halls</td>
<td>5</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cn.5</td>
<td>Repairs to dongas</td>
<td>Running metres (perimeter)</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.6</td>
<td>Repairs to irrigation equipment &amp; facilities</td>
<td>Number of facilities repaired</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.7</td>
<td>Repairing homestead garden fences</td>
<td>Running metres (perimeter)</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.8</td>
<td>Making sheeting</td>
<td>Running metres (perimeter)</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.9</td>
<td>Building houses</td>
<td>Numbers of families benefiting</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Cn.10</td>
<td>Repairs to vulnerable homes</td>
<td>Numbers of families benefiting</td>
<td>0</td>
<td>0</td>
<td>n/a</td>
<td></td>
</tr>
</tbody>
</table>
6.6

G06/02/19  RISK MANAGEMENT STATUS REPORT

REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To update the Governance and Economic and Development Committee on the status of the risk management and provide the quarterly report on risk register reviews.

BACKGROUND

In the meeting of Finance and Governance Committee that was held in October 2018, it was unanimously recommended that a detailed report for Risk Management be submitted to the next Governance Committee Meeting.

DISCUSSION

Work done:

1. Risk Register Reviews:
   • Objective:
     Updating of the risk register,
     Updating the treatment of risks (including the implementation of control improvement.
     Updating the monitoring fields (materialisation of risks, escalation of risks and top risks)

RELEVANT LEGISLATION

MFMA

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER


APPENDIX / ADDENDUM

Quarter 2: October - December 1819
Departmental Risk Management Report:
Quarter Oct - Dec Risk Management Status Report for:
MM; Fin Serv; Corp. Serv; Comm Serv;
Plng & Dev; Tech Serv.

File Number : 9/1/2/14
Execution : Acting Municipal Manager
Manager : Performance, Internal Audit and Risk Management
1. Comparison between previous and current risk profile

1.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Inherent Risks</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residual Risks</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

1.2 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Operating Effectively</th>
<th>Inherent in progress - 25%</th>
<th>Inherent in progress - 50%</th>
<th>Inherent in progress - 75%</th>
<th>Not yet started</th>
<th>Not Indicated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous</td>
<td>16</td>
<td>9</td>
<td>13</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Current</td>
<td>16</td>
<td>9</td>
<td>13</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>42</td>
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</table>

2. Changes in risk profile

2.1 Number of risks

<table>
<thead>
<tr>
<th>Previous number of risks</th>
<th>42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional risks (2.1.1)</td>
<td>0</td>
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<tr>
<td>Deleted risks (2.1.2)</td>
<td>0</td>
</tr>
<tr>
<td>Current number of risks</td>
<td>42</td>
</tr>
</tbody>
</table>

2.1.1 Identification of new risks (Additional Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Perceived Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>

Discussion

2.1.2 Identification of risks no longer applicable (Deleted Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Perceived Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
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</thead>
</table>

Discussion
### 2.2 Changes according to monitoring fields

<table>
<thead>
<tr>
<th>No</th>
<th>Monitoring categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>2.2.1 No change</strong></td>
<td>0</td>
<td>0%</td>
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</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

|    | **2.2.2 Changes to linkage with Strategic Focus Area, Strategic Objective, Priority and/or KPI** | 0 | 0% |

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

|    | **2.2.3 Changes to detailed risk** | 0 | 0% |

<table>
<thead>
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<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

|    | **2.2.4 Changes to risk owner** | 0 | 0% |

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Risk Owner (Job Title)</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

|    | **2.2.5 Changes to risk assessment** | 0 | 0% |

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

|    | **2.2.6 Changes to risk strategy and treatment** | 0 | 0% |

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Risk Strategy</th>
<th>Current Control</th>
<th>Progress with implementation during quarter</th>
<th>Date of planned implementation</th>
<th>Control Type</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>

|    | **2.2.7 Changes to desired control effectiveness** | 0 | 0% |

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tr>
</tbody>
</table>

|    | **2.2.8 Changes to action plan and implementation status** | 0 | 100% |

<table>
<thead>
<tr>
<th>No</th>
<th>Main-Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Desired Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: | 0 | 0% |
2.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Inherent Risks</th>
<th>Residual Risks</th>
<th>Inherent Risks %</th>
<th>Residual Risks %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>2</td>
<td>1</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>27</td>
<td>8</td>
<td>64%</td>
<td>14%</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>13</td>
<td>22</td>
<td>31%</td>
<td>52%</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>1</td>
<td>15</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>42</td>
<td>100%</td>
<td>98%</td>
</tr>
</tbody>
</table>

**Risk profile (Inherent and Residual Risks)**

- Serious Rated Risks: 2
- High Rated Risks: 27
- Medium Rated Risks: 13
- Low Rated Risks: 1

**Inherent Risks**
- Serious Rated Risks: 27%
- High Rated Risks: 56%
- Medium Rated Risks: 31%
- Low Rated Risks: 2%

**Residual Risks**
- Serious Rated Risks: 7%
- High Rated Risks: 14%
- Medium Rated Risks: 52%
- Low Rated Risks: 31%

3.2 Strategic Focus Area

<table>
<thead>
<tr>
<th>Strategic Focus Area</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPA1: Basic Service Delivery</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td>SPA2: Local Economic Development</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>SPA3: Municipal Financial Viability &amp; Transformation</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>SPA4: Municipal Transformation &amp; Institutional Development</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>SPA5: Good Governance &amp; Public Participation</td>
<td>20</td>
<td>74%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Percentage of risks associated with specific Strategic Focus Area**

- SPA1: Basic Service Delivery: 17%
- SPA2: Local Economic Development: 3%
- SPA3: Municipal Financial Viability & Transformation: 3%
- SPA4: Municipal Transformation & Institutional Development: 5%
- SPA5: Good Governance & Public Participation: 75%

3.3 Risk Categories

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Knowledge and Information Management (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Legislation (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Lack of assets (Internal)</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>Natural resources (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Service delivery (Internal)</td>
<td>9</td>
<td>21%</td>
</tr>
<tr>
<td>Information Technology (Internal)</td>
<td>3</td>
<td>7%</td>
</tr>
<tr>
<td>Third-party performance (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Health &amp; Safety (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Disaster recovery Business continuity (Internal)</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Corruption/Regulatory (Internal)</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>Fraud and corruption (Internal)</td>
<td>2</td>
<td>9%</td>
</tr>
<tr>
<td>Financial (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Cultural (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Reputation (Internal)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Economic environment (External)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Political environment (External)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Social environment (External)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Natural environment (External)</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Technological environment (External)</td>
<td>0</td>
<td>0%</td>
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<tr>
<td>Legislative environment (External)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Risk Categories**

- Legislative environment (Internal): 2%
- Technological environment (Internal): 3%
- Natural environment (Internal): 3%
- Social environment (Internal): 3%
- Economic environment (Internal): 3%
- Financial (Internal): 2%
- Financial corruption (Internal): 2%
- Disaster recovery/business continuity (Internal): 2%
- Health & Safety (Internal): 2%
- Third-party performance (Internal): 2%
- Information Technology (Internal): 2%
- Service delivery (Internal): 2%
- Natural resources (Internal): 2%
- Lack of assets (Internal): 2%
- Legislation (Internal): 2%
- Knowledge and Information Management (Internal): 2%
- Human Resources (Internal): 2%
3.4 Risk Strategies

<table>
<thead>
<tr>
<th>Risk Strategies</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Accepting</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Retaining</td>
<td>38</td>
<td>50%</td>
</tr>
<tr>
<td>Sharing</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Exploiting</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Combination of strategies</td>
<td>3</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>100%</td>
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3.5 Control Types

<table>
<thead>
<tr>
<th>Control Types</th>
<th>Number of Risks</th>
<th>% of Risks</th>
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<tbody>
<tr>
<td>Preventative</td>
<td>24</td>
<td>57%</td>
</tr>
<tr>
<td>Detective</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Corrective</td>
<td>1</td>
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<tr>
<td>Combination of control types</td>
<td>17</td>
<td>40%</td>
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<td>42</td>
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3.6 Implementation status (inherent risks)

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Operating effectively</th>
<th>In progress - &lt; 20%</th>
<th>In progress - 20% - 50%</th>
<th>In progress - &gt; 50%</th>
<th>Not yet started</th>
<th>Not indicated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
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<td>High Rated Risks</td>
<td>8</td>
<td>7</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>27</td>
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<tr>
<td>Medium Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>16</td>
<td>9</td>
<td>43</td>
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<th>Risk Categories</th>
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<th>In progress - 20% - 50%</th>
<th>In progress - &gt; 50%</th>
<th>Not yet started</th>
<th>Not indicated</th>
<th>Total</th>
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<tbody>
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<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Medium Rated Risks</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Low Rated Risks</td>
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<td>0</td>
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<td>0</td>
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</table>

3.7 Perceived Control Effectiveness

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Very good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Weak</th>
<th>Unsatisfactory</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>1</td>
<td>1</td>
<td>2</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Very good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Weak</th>
<th>Unsatisfactory</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
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<td>3</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>18</td>
</tr>
</tbody>
</table>

Perceived Control Effectiveness

- Very good
- Good
- Satisfactory
- Weak
- Unsatisfactory

Implementation status

- Operating effectively: 36%
- In progress - < 20%: 15%
- In progress - 20% - 50%: 31%
- In progress - > 50%: 9%
- Not yet started: 15%
- Not indicated: 0%

Perceived Control Effectiveness

- Very good: 40%
- Good: 30%
- Satisfactory: 20%
- Weak: 5%
- Unsatisfactory: 5%
## Risk Management Report

**Community Services**

**Quarter 2: October - Dec 1819**

### 4. Materialisation and escalation of risks

#### 5. Top Risks

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Lack of pilot capability to conduct a new survey.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Inability to access and complete a report on the effects of flood damage on critical infrastructure.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Non-compliance with local council regulations on waste disposal.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Lack of awareness among the public on the importance of waste management.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Inadequate resources to address the backlog of maintenance work.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Inadequate budget for the acquisition of new equipment.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Inadequate training for staff on waste management procedures.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Inadequate monitoring and evaluation of waste management performance.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Inadequate communication with the public on waste management issues.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Lack of coordination among different departments.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Inadequate budget for the acquisition of new equipment.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>Inadequate training for staff on waste management procedures.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>Inadequate monitoring and evaluation of waste management performance.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>Inadequate communication with the public on waste management issues.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
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<td>Weak</td>
<td>Medium</td>
<td></td>
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<tr>
<td>15</td>
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<td>Lack of coordination among different departments.</td>
<td>Monitoring and identification (Risk Avoidance)</td>
<td>Implementation in progress - 90%</td>
<td>Weak</td>
<td>Medium</td>
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### Discussion
## Risk Management Report

**Community Services**

**Quarter 2: October - Dec 2019**

<table>
<thead>
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<th>Description</th>
<th>Report compiled by:</th>
<th>Report reviewed by:</th>
<th>Report approved by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Zohko Guta</td>
<td></td>
<td></td>
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<tr>
<td>Job title</td>
<td>Performance &amp; Risk Officer</td>
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<tr>
<td>Signature</td>
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<tr>
<td>Date</td>
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</tbody>
</table>
## Risk Management Report

Knysna Municipality  
Quarter 2: December 2019

### 1. Comparison between previous and current risk profile

#### 1.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Rated Risks</td>
<td>69</td>
<td>69</td>
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<tr>
<td>High Rated Risks</td>
<td>56</td>
<td>56</td>
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<tr>
<td>Medium Rated Risks</td>
<td>27</td>
<td>27</td>
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<tr>
<td>Low Rated Risks</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>133</td>
<td>133</td>
</tr>
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</table>

#### 1.2 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Operating effectively</th>
<th>Implementation in progress - 25%</th>
<th>Implementation in progress - 50%</th>
<th>Implementation in progress - 75%</th>
<th>Not yet started</th>
<th>Not indicated</th>
<th>Total</th>
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<tbody>
<tr>
<td>Previous</td>
<td>51</td>
<td>22</td>
<td>26</td>
<td>33</td>
<td>16</td>
<td>0</td>
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<td>51</td>
<td>22</td>
<td>26</td>
<td>33</td>
<td>16</td>
<td>0</td>
<td>146</td>
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</table>

#### 2. Changes in risk profile

##### 2.1 Number of risks

- Previous number of risks: 153
- Additional risks (2.1.1): 0
- Deleted risks (2.1.2): 0
- Current number of risks: 153

#### 2.1.1 Identification of new risks (Additional Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
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</tbody>
</table>

Discussion

#### 2.1.2 Identification of risks no longer applicable (Deleted Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
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</table>

Discussion

---

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## Risk Management Report

**Krynau Municipality**

**Quarter 2: December 2019**

### 2.2 Changes according to monitoring fields

<table>
<thead>
<tr>
<th>No</th>
<th>Monitoring categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
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<tr>
<td>2.2.1</td>
<td>No change</td>
<td>30</td>
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#### 2.2.2 Changes to linkage with Strategic Focus Area, Strategic Objective, Priority and/or KPI

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Municipal KPA</th>
<th>Detailed risk</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
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<tr>
<td></td>
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#### 2.2.3 Changes to detailed risk

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
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<th>Residual Risk Magnitude</th>
<th>Comments</th>
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#### 2.2.4 Changes to risk owner

<table>
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<tr>
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<th>Risk Owner (Job title)</th>
<th>Perceived Control Effectiveness</th>
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<th>Residual Risk Magnitude</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td></td>
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#### 2.2.5 Changes to risk assessment

<table>
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<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
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<tbody>
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#### 2.2.6 Changes to risk strategy and treatment

<table>
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<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Risk Strategy</th>
<th>Current Control</th>
<th>Progress with Implementation during current</th>
<th>Date of planned implementation</th>
<th>Control Type</th>
<th>Comments</th>
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#### 2.2.7 Changes to desired control effectiveness

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<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2.2.8 Changes to action plan and implementation status

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Desired Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total** | 54 | 9% |
3. Current Risk Profile

### 3.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Inherent Risks</th>
<th>Residual Risks</th>
<th>Inherent Risks %</th>
<th>Residual Risks %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>40</td>
<td>27</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>66</td>
<td>26</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>73</td>
<td>23</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>34</td>
<td>29</td>
<td>11%</td>
<td>28%</td>
</tr>
<tr>
<td>Total</td>
<td>153</td>
<td>115</td>
<td>100%</td>
<td>88%</td>
</tr>
</tbody>
</table>

#### Risk profile

- **Inherent and Residual Risks**
  - Serious Rated Risks: 40 (24%)
  - High Rated Risks: 66 (44%)
  - Medium Rated Risks: 73 (48%)
  - Low Rated Risks: 34 (23%)

#### Percentage of risks associated with specific Strategic Focus Area

- SA1: Basic Service Delivery: 10 (6%)
- SA2: Local Economic Development: 5 (3%)
- SA3: Municipal Financial Viability & Transformation: 94 (61%)
- SA4: Good Governance & Public Participation: 4 (3%)
- Total: 154 (100%)

### 3.2 Strategic Focus Area

#### Risk Categories

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democracy (Internal)</td>
<td>24</td>
<td>14%</td>
</tr>
<tr>
<td>Organizational Management (Internal)</td>
<td>25</td>
<td>16%</td>
</tr>
<tr>
<td>Legislation (Internal)</td>
<td>11</td>
<td>7%</td>
</tr>
<tr>
<td>Environmental (External)</td>
<td>23</td>
<td>15%</td>
</tr>
<tr>
<td>Economic Environment (External)</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>Political Environment (External)</td>
<td>10</td>
<td>7%</td>
</tr>
<tr>
<td>Natural environment (Internal)</td>
<td>10</td>
<td>7%</td>
</tr>
<tr>
<td>Natural environment (External)</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>Technology Environment (Internal)</td>
<td>10</td>
<td>7%</td>
</tr>
<tr>
<td>Technology Environment (External)</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>Legislative Environment (Internal)</td>
<td>10</td>
<td>7%</td>
</tr>
<tr>
<td>Legislative Environment (External)</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>Total</td>
<td>153</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Risk Categories

- **Inherent Risks**
  - Serious Rated Risks, High Rated Risks, Medium Rated Risks, Low Rated Risks
- **Residual Risks**
  - Serious Rated Risks, High Rated Risks, Medium Rated Risks, Low Rated Risks

---

<table>
<thead>
<tr>
<th>Inherent Risks</th>
<th>Residual Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated</td>
<td>High Rated</td>
</tr>
<tr>
<td>Medium Rated</td>
<td>Low Rated</td>
</tr>
</tbody>
</table>

---

| SA1: Basic Service Delivery | 10 (6%) |
| SA2: Local Economic Development | 5 (3%) |
| SA3: Municipal Financial Viability & Transformation | 94 (61%) |
| SA4: Good Governance & Public Participation | 4 (3%) |

---

Inherent Risks: 100%  | Residual Risks: 88%
Risk Management Report

Kryna Municipality

Quarter 2: December 2019

3.4 Risk Strategies

<table>
<thead>
<tr>
<th>Risk Strategies</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Accepting</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Reducing</td>
<td>108</td>
<td>64%</td>
</tr>
<tr>
<td>Sharing</td>
<td>10</td>
<td>7%</td>
</tr>
<tr>
<td>Exploiting</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Combination of strategies</td>
<td>11</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.5 Control Types

<table>
<thead>
<tr>
<th>Control Types</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive</td>
<td>60</td>
<td>41%</td>
</tr>
<tr>
<td>Detective</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>Corrective</td>
<td>32</td>
<td>21%</td>
</tr>
<tr>
<td>Combination of control types</td>
<td>33</td>
<td>21%</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.6 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Operating effectively</th>
<th>Implementation in progress - 10%</th>
<th>Implementation in progress - 70%</th>
<th>Not yet started</th>
<th>Not indicated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>10</td>
<td>10</td>
<td>14</td>
<td>27</td>
<td>11</td>
<td>66</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>25</td>
<td>9</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>16</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>22</td>
<td>26</td>
<td>33</td>
<td>14</td>
<td>148</td>
</tr>
</tbody>
</table>

| Total %                  | 34%                   | 18%                              | 18%                              | 22%             | 11%          | 100%  |

3.7 Perceived Control Effectiveness

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Very good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Weak</th>
<th>Unsatisfactory</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>19</td>
<td>10</td>
<td>57</td>
<td>11</td>
<td>3</td>
<td>68</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>0</td>
<td>32</td>
<td>10</td>
<td>8</td>
<td>0</td>
<td>48</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>9</td>
<td>14</td>
<td>17</td>
<td>1</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>36</td>
<td>83</td>
<td>12</td>
<td>3</td>
<td>199</td>
</tr>
</tbody>
</table>

| Total %                  | 1%        | 51%  | 29%          | 17%  | 3%             | 100%  |

Perceived Control Effectiveness

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Very good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Weak</th>
<th>Unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>5</td>
<td>20</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>13</td>
<td>5</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>6</td>
<td>3</td>
<td>10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Perceived Control Effectiveness

Very good | Good  | Satisfactory | Weak | Unsatisfactory | Total |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>12</td>
<td>10</td>
<td></td>
<td></td>
<td>37</td>
</tr>
</tbody>
</table>
# Risk Management Report

**Krynica Municipality**

**Quarter 2: December 2019**

## 4. Materialisation and escalation of risks

### 4.1 Risks that materialised

<table>
<thead>
<tr>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of risks that materialised</td>
<td>15</td>
</tr>
<tr>
<td>Number of risks that did not materialise</td>
<td>30</td>
</tr>
<tr>
<td>Total number of risks</td>
<td>45</td>
</tr>
</tbody>
</table>

### 4.2 Risks that should be escalated

<table>
<thead>
<tr>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of risks that should be escalated</td>
<td>3</td>
</tr>
<tr>
<td>Number of risks that should not be escalated</td>
<td>20</td>
</tr>
<tr>
<td>Total number of risks</td>
<td>43</td>
</tr>
</tbody>
</table>

---

### 5. Top Risks

#### 5.1 Top Risks

<table>
<thead>
<tr>
<th>Number</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Top Risks</td>
<td>3</td>
</tr>
<tr>
<td>Total number of risks</td>
<td>150</td>
</tr>
</tbody>
</table>

### 6. Risks exceeding the Risk Appetite

#### 6.1 Risk Appetite

<table>
<thead>
<tr>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Appetite</td>
</tr>
<tr>
<td>Top exceeding Risk Appetite</td>
</tr>
<tr>
<td>Total number of risks</td>
</tr>
</tbody>
</table>

### Discussion

---

### 4.1 Risks that materialised

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 4.2 Risks that should be escalated

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

### 5. Top Risks

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Control improvement</th>
<th>Implementation status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 6. Risks exceeding the Risk Appetite

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Perceived control effectiveness</th>
<th>Control improvement</th>
<th>Implementation status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td></td>
<td>Financial loss complies with metering solutions and resources depending on the</td>
<td>Unsatisfactory</td>
<td>Increase the number of meters at consuming locations in coordination with the Technical Services Department.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>installation of a water and electricity connection upon the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>registration of a building plan. The Water and Electrical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Departments are rolling out projects to install water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>and electricity meters to the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>water users and new meter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>for conversion of conventional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>electrical meters to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>prepaid meters.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

---

---
## Risk Management Report

### Kuyasa Municipality

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
<th>Status</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of adequate skills and capacity to implement MSICOA</td>
<td>Training of officials</td>
<td>Weak</td>
<td>6 February 2019</td>
</tr>
<tr>
<td>Weakness in the implementation of MSICOA</td>
<td>Information sessions and workshops should be held with all municipal officials, especially those who are involved in financial management. Staff should be more aware of the importance of MSICOA.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Governance and Economic Development Committee Meeting

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training of officials</td>
<td>6 February 2019</td>
</tr>
<tr>
<td>2. Weakness in the implementation of MSICOA</td>
<td>6 February 2019</td>
</tr>
</tbody>
</table>

### Potential Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of accountability relating to the implementation of MSICOA</td>
<td>Information sessions and workshops should be held with all municipal officials to discuss the importance of MSICOA.</td>
</tr>
</tbody>
</table>

### Management of Current Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Probability</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of non-compliance with financial regulations</td>
<td>High</td>
<td></td>
</tr>
</tbody>
</table>

### Budgeting Decisions

<table>
<thead>
<tr>
<th>Decision</th>
<th>Status</th>
</tr>
</thead>
</table>
| Budgeting decisions based on incorrect information | Weak
| Incorrect information used in the budgeting process |

### Capital Budgeting

<table>
<thead>
<tr>
<th>Budget</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital budget not approved</td>
<td>Not yet started</td>
</tr>
</tbody>
</table>

### Financial Statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Financial Statements</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

### Implementation

<table>
<thead>
<tr>
<th>Implementation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of the budgeting tool</td>
<td>In progress</td>
</tr>
</tbody>
</table>

---

**Note:** The budgeting tool was implemented on 1 July 2017. Its effectiveness is being monitored quarterly.
<table>
<thead>
<tr>
<th></th>
<th>Issue Category</th>
<th>Description</th>
<th>Resolution</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Incorrect strategic/operational decisions made based on incorrect/insufficient data.</td>
<td>Data entry errors and system failures led to incorrect financial reporting for the municipality.</td>
<td>Remedial</td>
<td>Implementation in progress - 75%</td>
</tr>
<tr>
<td>2</td>
<td>Lack of systems to support the monitoring of financial management.</td>
<td>Systems are not robust enough to support the monitoring of financial management.</td>
<td>Remedial</td>
<td>Implementation in progress - 75%</td>
</tr>
<tr>
<td>3</td>
<td>Internal controls were inadequate, leading to incorrect financial records.</td>
<td>Internal controls were inadequate, leading to incorrect financial records.</td>
<td>Remedial</td>
<td>Implementation in progress - 75%</td>
</tr>
<tr>
<td>4</td>
<td>Lack of effective and efficient IT systems.</td>
<td>IT systems are outdated and inefficient, leading to increased costs and decreased efficiency.</td>
<td>Remedial</td>
<td>Implementation in progress - 75%</td>
</tr>
</tbody>
</table>

Note: The table above highlights the key issues faced by the municipality and the proposed resolutions and progress made towards their implementation.
## Risk Management Report

**Key risks in the Municipality:**
- **Geopolitical:** Risk of conflict and disruption in the region.
- **Economic:** Lower than expected economic growth.
- **Environmental:** Climate change and extreme weather events.
- **Social:** Unrest due to unequal distribution of resources.

### Key Risk Indicators

<table>
<thead>
<tr>
<th>Risk Indicator</th>
<th>Probability</th>
<th>Impact</th>
<th>Control Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Downturn</td>
<td>High</td>
<td>High</td>
<td>PPC, FNP, MAG,</td>
</tr>
<tr>
<td>Political Instability</td>
<td>Medium</td>
<td>Medium</td>
<td>PPC, FNP, MAG,</td>
</tr>
<tr>
<td>Environmental Damage</td>
<td>Low</td>
<td>Low</td>
<td>PPC, FNP, MAG,</td>
</tr>
<tr>
<td>Social Unrest</td>
<td>Low</td>
<td>Low</td>
<td>PPC, FNP, MAG,</td>
</tr>
</tbody>
</table>

### Proposed Actions

1. **Risk Assessment:** Conduct a comprehensive review of potential risks and vulnerabilities.
2. **Risk Mitigation:** Implement strategies to reduce the impact of identified risks.
3. **Risk Monitoring:** Regularly review the effectiveness of control measures.

### Next Steps

- **Quarterly Review:** Schedule a quarterly review of risk management strategies.
- **Emergency Plan:** Ensure all stakeholders are aware of the emergency plan.

---

**Key Areas of Improvement:**
- **Finance:** Improving cash flow management.
- **Operations:** Enhancing operational efficiency.
- **Human Resources:** Fostering a culture of continuous learning.

**Recommendations for Immediate Action:**
- **Risk Identification:** Prioritize risk identification for the next quarter.
- **Risk Communication:** Enhance risk communication to all stakeholders.

---

**Notes:**
- **Risk Assessment:** The risk assessment process should be updated annually.
- **Risk Mitigation:** The risk mitigation strategies should be reviewed and updated biannually.

---

**Signatures:**
- **Risk Management Committee:**
  - Chairperson: [Name]
  - Secretary: [Name]

---

**Date:** December 2019

---

**Risk Management Team:**
- **Lead: [Name]
- **Support: [Name]"
<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Description</th>
<th>Impact</th>
<th>Risk Management Report</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>Stock shortages which could lead to possible delays in service delivery and possible stock out.</td>
<td>Stock shortages lead to a lack of inventory, which could result in stock-out and delays in service delivery.</td>
<td>Weak</td>
<td>Implementation in progress</td>
<td>25%</td>
</tr>
<tr>
<td>115</td>
<td>Lack of monitoring and reconciliation between cash book and bank statements</td>
<td>Due to the lack of any reconciliation between the cash book and bank statements, the accuracy of the cash book is compromised.</td>
<td>Weak</td>
<td>Not yet started</td>
<td></td>
</tr>
<tr>
<td>121</td>
<td>Inadequate calculation of new and current payments as a result of the implementation of a new IT system.</td>
<td>The current system is not able to accurately calculate new and current payments, leading to errors in financial statements.</td>
<td>Subsatisfactory</td>
<td>Not yet started</td>
<td></td>
</tr>
<tr>
<td>126</td>
<td>Inadequate monitoring of supplier invoices due to the lack of a proper monitoring mechanism.</td>
<td>Supplier invoices are not properly monitored, leading to potential fraud and mismanagement.</td>
<td>Subsatisfactory</td>
<td>Not yet started</td>
<td></td>
</tr>
<tr>
<td>130</td>
<td>Inadequate design and testing of IT systems.</td>
<td>A lack of proper design and testing of IT systems can lead to system failures and disruptions.</td>
<td>Subsatisfactory</td>
<td>Operating effectively</td>
<td></td>
</tr>
<tr>
<td>138</td>
<td>Lack of adequate communication and availability of information due to the lack of a centralized information system.</td>
<td>The lack of a centralized information system leads to inadequate communication and availability of information.</td>
<td>Subsatisfactory</td>
<td>Operating effectively</td>
<td></td>
</tr>
<tr>
<td>141</td>
<td>Lack of adequate communication and availability of information due to the lack of a centralized information system.</td>
<td>Proper communication and availability of information are critical for effective decision making.</td>
<td>Subsatisfactory</td>
<td>Operating effectively</td>
<td></td>
</tr>
<tr>
<td>147</td>
<td>Resistance to change.</td>
<td>Resistance to change can hinder the implementation of new initiatives and can delay progress.</td>
<td>Weak</td>
<td>Implementation in progress</td>
<td>75%</td>
</tr>
<tr>
<td>148</td>
<td>Budget forecasts do not reflect inflation on all levels.</td>
<td>Inadequate forecasting of inflation can lead to budget overruns and financial mismanagement.</td>
<td>Weak</td>
<td>Implementation in progress</td>
<td>25%</td>
</tr>
</tbody>
</table>
## Risk Management Report

### Keyrus Municipality

**Quarter 2: December 2019**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Report compiled by:</th>
<th>Report reviewed by:</th>
<th>Report approved by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>112</td>
<td>Incurrence budget cuts due to inadequate financial system for completion of budget.</td>
<td>Zethka Qotas</td>
<td>Performance &amp; Risk Officer</td>
<td></td>
</tr>
<tr>
<td>111</td>
<td>Critical Business disruption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>Business continuity and disaster recovery planning for IT-related systems (network infrastructure, operating systems, databases and applications)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>109</td>
<td>Weakness in handling of business-related issues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>108</td>
<td>Ensuring availability of business continuity and disaster recovery plans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>Assessment of continuity requirements and design an IT DR solution to meet requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>106</td>
<td>Implementation of progress at 25%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identification of an appropriate DR site has been a challenge. The investigation into the feasibility of a site has shown which could allow for additional locations to be considered</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Discussion

- Item 112: Incurrence budget cuts due to inadequate financial system for completion of budget.
- Item 111: Critical Business disruption
- Item 110: Business continuity and disaster recovery planning for IT-related systems (network infrastructure, operating systems, databases and applications)
- Item 109: Weakness in handling of business-related issues
- Item 108: Ensuring availability of business continuity and disaster recovery plans
- Item 107: Assessment of continuity requirements and design an IT DR solution to meet requirements
- Item 106: Implementation of progress at 25%
- Identification of an appropriate DR site has been a challenge. The investigation into the feasibility of a site has shown which could allow for additional locations to be considered.

### Details

- **Description**
- **Report compiled by:** Zethka Qotas
- **Report reviewed by:** Performance & Risk Officer
- **Report approved by:**

---

91 | P a g e
1. Comparison between previous and current risk profile

1.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Category</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risk</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>High Rated Risk</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Medium Rated Risk</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Low Rated Risk</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>34</td>
</tr>
</tbody>
</table>

Inherent Risks: Comparison between previous and current risk profile

Residual Risks: Comparison between previous and current risk profile

1.2 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Inherent</th>
<th>Implementation in progress</th>
<th>Implementation in progress - 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 1</td>
<td>Previous</td>
<td>22%</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>Current</td>
<td>34%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Implementation status: Comparison between previous and current status

2. Changes in risk profile

2.1 Number of risks

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous numbered</td>
<td>12</td>
</tr>
<tr>
<td>Additional risks</td>
<td>2</td>
</tr>
<tr>
<td>Deleted risks</td>
<td>3</td>
</tr>
</tbody>
</table>

2.1.1 Identification of new risks (Additional Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Risk</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>

2.1.2 Identification of risks no longer applicable (Deleted Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Risk</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>
## Risk Management Report

### 2.2 Changes according to monitoring fields

<table>
<thead>
<tr>
<th>No</th>
<th>Monitoring categories</th>
<th>Number of risks</th>
<th>% of risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1 No change</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

#### 2.2.2 Changes to linkage with Strategic Focus Area, Strategic Objective, Priority and/or IRR

<table>
<thead>
<tr>
<th>No</th>
<th>Municipal IRA</th>
<th>Detailed risk</th>
<th>Inherent Risk</th>
<th>Residual Risk</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 2.2.3 Changes to detailed risk

<table>
<thead>
<tr>
<th>No</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Inherent Control Effectiveness</th>
<th>Residual Risk</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 2.2.4 Changes to risk owner

<table>
<thead>
<tr>
<th>No</th>
<th>Detailed risk</th>
<th>Risk owner link</th>
<th>Inherent Control Effectiveness</th>
<th>Residual Risk</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 2.2.5 Changes to risk assessment

<table>
<thead>
<tr>
<th>No</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Inherent Control Effectiveness</th>
<th>Residual Risk</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 2.2.6 Changes to risk strategy and treatment

<table>
<thead>
<tr>
<th>No</th>
<th>Detailed risk</th>
<th>Risk Strategy</th>
<th>Current Control</th>
<th>Progress with implementation during quarter</th>
<th>Date of planned implementation</th>
<th>Randall</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 2.2.7 Changes to detailed control effectiveness

<table>
<thead>
<tr>
<th>No</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Inherent Control Effectiveness</th>
<th>Residual Risk</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 2.2.8 Changes to action plan and implementation status

<table>
<thead>
<tr>
<th>No</th>
<th>Detailed risk</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Planned Completion Date</th>
<th>Comments</th>
</tr>
</thead>
</table>

**Total:**

- 4 |
- 9%
3. Current Risk Profile

3.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Category</th>
<th>Inherent Risks</th>
<th>Residual Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6</td>
<td>4</td>
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</tbody>
</table>

3.2 Strategic Focus Area

<table>
<thead>
<tr>
<th>Area</th>
<th>No. of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4M (Smart Service Delivery)</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>S4A (Strategic Economic Development)</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>S4F (Municipal Financial Viability &amp; Transformation)</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>S4M (Municipal Transformation &amp; Institutional Development)</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>S4A (Good Governance &amp; Public Participation)</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.3 Risk Categories

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>48</td>
<td>100%</td>
</tr>
</tbody>
</table>

Risk Categories:

- Environmental (48%)
- Operational (33%)
- Social (12%)
- Economic (8%)
- Financial (6%)
- Legal (3%)
3.4 Risk Strategies

<table>
<thead>
<tr>
<th>Risk</th>
<th>Total Risk</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Resource</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Market</td>
<td>15</td>
<td>7%</td>
</tr>
<tr>
<td>Operational</td>
<td>10</td>
<td>5%</td>
</tr>
<tr>
<td>Combinational</td>
<td>13</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>100%</td>
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3.5 Control Types

<table>
<thead>
<tr>
<th>Control Type</th>
<th>Total Control</th>
<th>% of Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive</td>
<td>16</td>
<td>56%</td>
</tr>
<tr>
<td>Corrective</td>
<td>12</td>
<td>40%</td>
</tr>
<tr>
<td>Analytical</td>
<td>6</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100%</td>
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</table>

3.6 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Implementation in progress: 5%</th>
<th>Implementation in progress: 20%</th>
<th>Net not started</th>
<th>Net not resolved</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Risk 2</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Risk 3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>9</td>
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</table>

3.7 Perceived Control Effectiveness

<table>
<thead>
<tr>
<th>Risk</th>
<th>Very good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Weak</th>
<th>Unsatisfactory</th>
<th>Total</th>
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<tbody>
<tr>
<td>Risk 1</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Risk 2</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
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<tr>
<td>Risk 3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
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<tr>
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<td>0</td>
<td>4</td>
<td>14</td>
<td>3</td>
<td>4</td>
<td>24</td>
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</tbody>
</table>

3.7 Perceived Control Effectiveness

<table>
<thead>
<tr>
<th>Risk</th>
<th>Perceived Control Effectiveness: 5%</th>
<th>Perceived Control Effectiveness: 20%</th>
<th>Perceived Control Effectiveness: 50%</th>
<th>Perceived Control Effectiveness: 90%</th>
<th>Total</th>
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<tbody>
<tr>
<td>Risk 1</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Risk 2</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Risk 3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>4</td>
<td>14</td>
<td>3</td>
<td>24</td>
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</table>
4. Materialisation and escalation of risks

4.1 Risks that are

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of</td>
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4.2 Risks that should be

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of</td>
<td>14</td>
</tr>
</tbody>
</table>

5. Top Risks

5.1 Top Risks

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of</td>
<td>12</td>
</tr>
</tbody>
</table>

6. Risks exceeding the Risk Appetite

6.1 Risk Appetite

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Perceived control effectiveness</th>
<th>Control Improvement</th>
<th>Implementation status</th>
<th>Comments</th>
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</thead>
</table>

<table>
<thead>
<tr>
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<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of</td>
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</tbody>
</table>
## Risk Management Report

### Technical Services

<table>
<thead>
<tr>
<th>ID</th>
<th>Service Description</th>
<th>Supporting Information</th>
<th>Status</th>
<th>Action Required</th>
<th>Resolution Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>Monitor and maintain all thermal power plants</td>
<td>Regular inspection and maintenance</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.2</td>
<td>Implement the Maintenance Plan</td>
<td>Regular monitoring and reporting</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.3</td>
<td>Conduct safety audits and training</td>
<td>Regular audits and training sessions</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.4</td>
<td>Monitor and maintain all water treatment plants</td>
<td>Regular inspections and maintenance</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td>Conduct regular inspections of electrical systems</td>
<td>Regular inspections</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.6</td>
<td>Review and update the emergency response plan</td>
<td>Regular review and updates</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Budgetary Considerations

<table>
<thead>
<tr>
<th>ID</th>
<th>Service Description</th>
<th>Supporting Information</th>
<th>Status</th>
<th>Action Required</th>
<th>Resolution Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>Implement the Maintenance Plan</td>
<td>Regular monitoring and reporting</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.2</td>
<td>Conduct safety audits and training</td>
<td>Regular audits and training sessions</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.3</td>
<td>Monitor and maintain all water treatment plants</td>
<td>Regular inspections and maintenance</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.4</td>
<td>Conduct regular inspections of electrical systems</td>
<td>Regular inspections</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td>Review and update the emergency response plan</td>
<td>Regular review and updates</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Implementation Status

<table>
<thead>
<tr>
<th>ID</th>
<th>Service Description</th>
<th>Supporting Information</th>
<th>Status</th>
<th>Action Required</th>
<th>Resolution Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>Implement the Maintenance Plan</td>
<td>Regular monitoring and reporting</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.2</td>
<td>Conduct safety audits and training</td>
<td>Regular audits and training sessions</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.3</td>
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<td>Regular inspections and maintenance</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.4</td>
<td>Conduct regular inspections of electrical systems</td>
<td>Regular inspections</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td>Review and update the emergency response plan</td>
<td>Regular review and updates</td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Summary

The Risk Management Report for Technical Services outlines the implementation status of various maintenance plans, safety audits, and inspections. The budgetary considerations are aligned with the implementation plans, ensuring all required actions are tracked and resolved as necessary. The report emphasizes the importance of regular monitoring and training to maintain operational efficiency and safety standards.
## Risk Management Report

**Technical Services**

<table>
<thead>
<tr>
<th>Description</th>
<th>Report compiled by:</th>
<th>Report reviewed by:</th>
<th>Report approved by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Jacky Gates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job title</td>
<td>Performance &amp; Risk Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signature</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
KNYSNA MUNICIPALITY
Risk Management Status Report

Quarter 2: Oct - Dec 18|19
**Purpose of the Report**
To update the Council on the status of the risk management and provide the quarterly report on risk register reviews.

**Background**
The Council is the primary accountable body within the municipality to give oversight in respect of all risk related issues.

**Work done:**
1. **Risk Register Reviews:**
   - Objective:
     Updating of the risk register,
     Updating the treatment of risks (including the implementation of control improvement)
     Updating the monitoring fields (materialisation of risks, escalation of risks and top risks)
   During the Quarterly Reviews, the following were addressed:
   - Opportunity was provided to the Risk Owners to update the risk register with additional risks identified.
   - The treatment of risks (including the implementation of control improvement) of the risks included in the risk register were reassessed and updated.
   - The monitoring fields (materialisation of risks, escalation of risks and top risks) relating to Quarter 2 (October – December) were updated.
   - The Risk Appetite were assessed and confirmed per risk line item.
2. **Risk Appetite Profile:**
The table below reflect the number and percentage of risks within and exceeding the risk appetite for the following directorates based on the outcome of the risk quarterly (October-December) reviews:
   - Municipal Manager
   - Financial Services
   - Corporate Services
   - Community Services
   - Technical Services
   - Planning & Development
### Risk Appetite

<table>
<thead>
<tr>
<th>Risk per Directorate</th>
<th>Within Risk Appetite</th>
<th>Exceeding Risk Appetite</th>
<th>% Exceeding Risk Appetite</th>
<th>Total Number of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Manager</td>
<td>16</td>
<td>17</td>
<td>52%</td>
<td>33</td>
</tr>
<tr>
<td>Financial Services</td>
<td>95</td>
<td>59</td>
<td>38%</td>
<td>154</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>29</td>
<td>12</td>
<td>29%</td>
<td>41</td>
</tr>
<tr>
<td>Community Services</td>
<td>27</td>
<td>15</td>
<td>36%</td>
<td>42</td>
</tr>
<tr>
<td>Technical Services</td>
<td>17</td>
<td>23</td>
<td>58%</td>
<td>40</td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>20</td>
<td>12</td>
<td>38%</td>
<td>32</td>
</tr>
</tbody>
</table>

**Recommendation**

The Council supports the risk management processes.

**APPENDIX**

Quarter 2 Risk Management Report
1. Comparison between previous and current risk profile

1.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Inherent Risks</th>
<th>Previous</th>
<th>Current</th>
<th>Residual Risks</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>18</td>
<td>18</td>
<td>Serious Rated Risks</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>14</td>
<td>14</td>
<td>Medium Rated Risks</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>0</td>
<td>Low Rated Risks</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>35</td>
<td>Total</td>
<td>34</td>
<td>34</td>
</tr>
</tbody>
</table>

1.2 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Operating Effectiveness</th>
<th>Implementation in progress - 105%</th>
<th>Implementation in progress - 95%</th>
<th>Implementation in progress - 75%</th>
<th>Not yet started</th>
<th>Not indicated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>5</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Current</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>6</td>
<td>3</td>
<td>35</td>
<td>35</td>
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</table>

2. Changes in risk profile

2.1 Number of risks

<table>
<thead>
<tr>
<th>Previous number of risks</th>
<th>Current number of risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>4</td>
</tr>
</tbody>
</table>

2.1.1 Identification of new risks (Additional Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Processes</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Implementation Status</th>
<th>Prevented Control Efficiencies</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.1.2 Identification of risks no longer applicable (Deleted Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Processes</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Implementation Status</th>
<th>Prevented Control Efficiencies</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Inherent Risks</th>
<th>Residual Risks</th>
<th>Inherent Risks %</th>
<th>Residual Risks %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>6</td>
<td>5</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>18</td>
<td>2</td>
<td>45%</td>
<td>7%</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>14</td>
<td>22</td>
<td>36%</td>
<td>30%</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>0</td>
<td>11</td>
<td>0%</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>41</td>
<td>100%</td>
<td>89%</td>
</tr>
</tbody>
</table>

Inherent Risks
- Serious Rated Risks
- High Rated Risks
- Medium Rated Risks
- Low Rated Risks

Residual Risks
- Serious Rated Risks
- High Rated Risks
- Medium Rated Risks
- Low Rated Risks

3.2 Strategic Focus Area

<table>
<thead>
<tr>
<th>Strategic Focus Area</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP2: Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>SP3: Local Economic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>SP4: Municipal Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&amp; Transportation</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>SP5: Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&amp; Public Participation</td>
<td>2</td>
<td>1%</td>
</tr>
</tbody>
</table>

Percentage of risks associated with specific Strategic Focus Area

3.3 Risk Categories

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource (Internal)</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>Knowledge and Information Management (Internal)</td>
<td>7</td>
<td>4%</td>
</tr>
<tr>
<td>Legal (Internal)</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>Leadership of leaders (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Internal controls (Internal)</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Service delivery (Internal)</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Information Technology (Internal)</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Thematic performance (Internal)</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Quality &amp; Safety (Internal)</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Disaster management (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Compliance/Regulatory (Internal)</td>
<td>12</td>
<td>7%</td>
</tr>
<tr>
<td>Fraud and corruption (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Financial (Internal)</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Supply chain (Internal)</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>Compliance (Internal)</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>Administrative (Internal)</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Policy and environmental (External)</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Jurisdiction (External)</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Natural environment (External)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Technology (External)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Legislative environment (External)</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100%</td>
</tr>
</tbody>
</table>

Risk Categories
- Legislative environment (Internal) 13%
- Legislative environment (External) 13%
- Public and environmental (Internal) 13%
- Compliance/Regulatory (Internal) 13%
- Policy and environmental (External) 13%
- Jurisdiction (External) 13%
- Technology (External) 13%
- Natural environment (External) 13%
- Quality & Safety (Internal) 13%
- Compliance (External) 13%
## Risk Management Report

**Statistics & Minutes of meeting**
**Corporate Services**
**Quarter 2: December 1819**

### 6. Top Risks

#### 6.1 Top Risks

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Current Control</th>
<th>Implementing Status</th>
<th>Perceived Control Effectiveness</th>
<th>Reclassification Risk Mitigation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Lack of proper integration of the management system with the organization's internal control framework</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Valid contract documentation due to lack of an integrated Contract Management System</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Non-compliance with contract requirements due to lack of contract management</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Insufficient evidence of contract management, including lack of documented contract procedures</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Loss of data stored in the contract management system due to lack of proper identifiers</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
</tbody>
</table>

#### 6.2 Risk Appetite

<table>
<thead>
<tr>
<th>No</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Current Control</th>
<th>Implementing Status</th>
<th>Perceived Control Effectiveness</th>
<th>Reclassification Risk Mitigation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Use of staff in an area of the organization's scope that does not align with the business strategy</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Non-compliance with policy and regulations in areas of responsibility</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
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<tr>
<td>3</td>
<td></td>
<td>Loss of critical assets due to lack of proper documentation</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Non-compliance with policy and regulations in areas of responsibility</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Use of staff in an area of the organization's scope that does not align with the business strategy</td>
<td>Depending on the approval of the responsible person.</td>
<td>Not yet defined</td>
<td>Unaddressed</td>
<td>FA</td>
<td></td>
</tr>
</tbody>
</table>

### Description

- Risk Management Report (RMR) is a comprehensive document that outlines the risks faced by an organization and the strategies to mitigate them.
- The report includes a risk assessment matrix that categorizes risks by their likelihood and impact.
- Each risk is rated on a scale of 1 to 5, with 1 being the highest risk.
- The report also includes a risk appetite statement, which defines the organization's tolerance for risk.
- The RMR is used by the organization to make informed decisions about risk management.
<table>
<thead>
<tr>
<th>Description</th>
<th>Report compiled by:</th>
<th>Report reviewed by:</th>
<th>Report approved by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Leona Gates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job title</td>
<td>Performance &amp; Risk Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signature</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>16 June 19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Comparison between previous and current risk profile

1.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>12</td>
<td>12</td>
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<tr>
<td>Low Rated Risks</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

1.2 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Previous</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

2. Changes in risk profile

2.1 Number of risks

<table>
<thead>
<tr>
<th>Previous number of risks</th>
<th>32</th>
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</thead>
<tbody>
<tr>
<td>Additional risks (2.1.1)</td>
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</tr>
<tr>
<td>Deleted risks (2.1.2)</td>
<td>0</td>
</tr>
<tr>
<td>Current number of risks</td>
<td>32</td>
</tr>
</tbody>
</table>

2.1.1 Identification of new risks (Additional Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Discussion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.1.2 Identification of risks no longer applicable (Deleted Risks)

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
</table>
## Planning & Development

### 2.2 Changes according to monitoring fields

<table>
<thead>
<tr>
<th>No</th>
<th>Monitoring categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1</td>
<td>No change</td>
<td>14</td>
<td>47%</td>
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</table>

#### 2.2.2 Changes to linkage with Strategic Focus Area, Strategic Objective, Priority and KPI

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Municipal KPI</th>
<th>Detailed risk</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2.2.3 Changes to detailed risk

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
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#### 2.2.4 Changes to risk owner

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Risk Owner (Job title)</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tbody>
</table>

#### 2.2.5 Changes to risk assessment

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2.2.6 Changes to risk strategy and treatment

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Risk Strategy</th>
<th>Current Control</th>
<th>Progress with Implementation during quarter</th>
<th>Risk of planned implementation 2019</th>
<th>Control Type</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Recalibration of housing grants**

17. Housing grant recalibration are not performed between into identified and not recorded by the Municipality, resulting in misappropriation of funds and dispossessing not being identified and addressed on a timely basis.

**Risk of agreements - Housing**

22. Inadequate monitoring of the housing agreements specifications resulting in non-compliance with contract requirements, loss of income to services not being charged, and undue benefits to persons under the USP or Housing programmes (housing services denied and housing subsidy or receiving more than one house).

**Financial loss - due to mimicking of meter numbers**

31. Financial and/or reputational risk to the municipality due to lack of adequate communication between the building section, rates section and others.

---

### 2.2.7 Changes to desired control effectiveness

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</table>

### 2.2.8 Changes to action plan and implementation status

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Desired Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2.2.9 Changes to KPI and non-financial objectives

| No | | | | | | | | |
|----| | | | | | | | |
## Risk Management Report

### Quarter 2: December 2019

<table>
<thead>
<tr>
<th>Planning &amp; Development</th>
<th>Risk 1</th>
<th>Risk 2</th>
<th>Risk 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal budget not reflecting real priorities of communities</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Community feeling that the municipality is not spending the budget as intended, leading to dissatisfaction among stakeholders.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total:** 21

86.64406%
3.1 Inherent and Residual Risks

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Inherent Risks</th>
<th>Residual Risks</th>
<th>Inherent Risks %</th>
<th>Residual Risks %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>3</td>
<td>0</td>
<td>9%</td>
<td>0%</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>17</td>
<td>5</td>
<td>53%</td>
<td>10%</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>10</td>
<td>9</td>
<td>33%</td>
<td>16%</td>
</tr>
<tr>
<td>Low Rated Risks</td>
<td>5</td>
<td>8</td>
<td>15%</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>32</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Risk profile (Inherent and Residual Risks)

Inherent Risks
- Serious Rated Risks: 3
- High Rated Risks: 17
- Medium Rated Risks: 10
- Low Rated Risks: 5

Residual Risks
- Serious Rated Risks: 0
- High Rated Risks: 5
- Medium Rated Risks: 9
- Low Rated Risks: 8
3.2 Strategic Focus Area

<table>
<thead>
<tr>
<th>Strategic Focus Area</th>
<th>Number of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFAD: Basic Service Delivery</td>
<td>12</td>
</tr>
<tr>
<td>SFAP: Local Economic Development</td>
<td>3</td>
</tr>
<tr>
<td>SFAM: Municipal Financial Viability &amp; Transformation</td>
<td>3</td>
</tr>
<tr>
<td>SFAM: Municipal Transformation &amp; Institutional Development</td>
<td>3</td>
</tr>
<tr>
<td>SFAS: Good Governance &amp; Public Participation</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
</tr>
</tbody>
</table>

Percentage of risks associated with specific Strategic Focus Area

3.3 Risk Categories

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Number of Risks</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Knowledge and Information Management (Internal)</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Legislation (Internal)</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Law and order (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Material resources (Internal)</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Service delivery (Internal)</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Information Technology (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Third party performance (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Health &amp; Safety (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Disaster recovery/business continuity (Internal)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Compliance/Regulatory (Internal)</td>
<td>5</td>
<td>16%</td>
</tr>
<tr>
<td>Fraud and corruption (Internal)</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Financial (Internal)</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Cultural (Internal)</td>
<td>10</td>
<td>31%</td>
</tr>
<tr>
<td>Reputation (Internal)</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Economic environment (External)</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Political environment (External)</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Social environment (External)</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Natural environment (External)</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Technological environment (External)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Legislative environment (External)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Risk Categories:
- Legislative Environment (Internal) 0%
- Technological Environment (External) 0%
- Economic Environment (External) 6%
- Political Environment (External) 6%
- Social Environment (External) 3%
- Natural Environment (External) 6%
- Technological Environment (External) 0%
- Legislative Environment (External) 0%
- Knowledge and Information Management (Internal) 5%
- Human Resources (Internal) 0%
3.4 Risk Strategies

<table>
<thead>
<tr>
<th>Risk Strategies</th>
<th>Number</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Accepting</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>Reducing</td>
<td>23</td>
<td>72%</td>
</tr>
<tr>
<td>Sharing</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Expediting</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Combination of above</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.5 Control Types

<table>
<thead>
<tr>
<th>Control Types</th>
<th>Number</th>
<th>% of Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive</td>
<td>12</td>
<td>43%</td>
</tr>
<tr>
<td>Detective</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Corrective</td>
<td>11</td>
<td>37%</td>
</tr>
<tr>
<td>Combination of control types</td>
<td>6</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100%</td>
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</table>

3.6 Implementation status (Inherent risks)

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Implementation in progress: 20%</th>
<th>Implementation in progress: -50%</th>
<th>Implementation in progress: -75%</th>
<th>Not yet started</th>
<th>Not indicated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>12</td>
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<tr>
<td>Low Rated Risks</td>
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<td>0</td>
<td>0</td>
<td>3</td>
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<tr>
<td>Total</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>37</td>
</tr>
<tr>
<td>Total %</td>
<td>22%</td>
<td>19%</td>
<td>38%</td>
<td>8%</td>
<td>18%</td>
<td>100%</td>
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</table>

3.7 Perceived Control Effectiveness

<table>
<thead>
<tr>
<th>Risk Categories</th>
<th>Very good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Weak</th>
<th>Unsatisfactory</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Serious Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>High Rated Risks</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Medium Rated Risks</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>12</td>
<td>12</td>
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<tr>
<td>Low Rated Risks</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>3</td>
</tr>
<tr>
<td>Total</td>
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<td>0</td>
<td>7</td>
<td>7</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Total %</td>
<td>0%</td>
<td>0%</td>
<td>22%</td>
<td>5%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Perceived Control Effectiveness

[Diagrams showing various risk categories and their perceived effectiveness levels]
### 4. Materialisation and escalation of risks

#### 4.1 Risks that materialised

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bylaws</td>
<td>4</td>
<td>(Urban departments do not assess their role in monitoring compliance with conditions of approval) Lack of control over illegal and undeclared monitoring compliance with conditions of approval</td>
<td>Not yet started</td>
<td>Weak</td>
<td>Medium</td>
<td>Medium</td>
<td>Below is being seized with the Director.</td>
</tr>
<tr>
<td>2</td>
<td>Degradation of town.</td>
<td>5</td>
<td>Pollution: can cause economic losses and degradation of fresh water and marine ecosystems</td>
<td>Implementation in progress - 80%</td>
<td>Weak</td>
<td>Medium</td>
<td>High</td>
<td>E-Oct. remains biggest risks.</td>
</tr>
<tr>
<td>3</td>
<td>Non-compliance</td>
<td>7</td>
<td>Lack of internal compliance with environmental legislation can result in legal costs and reputational damage. Direct risk is degradation of the natural systems</td>
<td>Not yet started</td>
<td>Weak</td>
<td>Medium</td>
<td>High</td>
<td>Housing (DLP) will exist greatly with the Environmental management.</td>
</tr>
<tr>
<td>4</td>
<td>Reputational risk</td>
<td>23</td>
<td>Financial and reputational risk to the municipality due to lack of adequate communication between the building section, rates section and valuers.</td>
<td>Not yet started</td>
<td>Unsatisfactory</td>
<td>High</td>
<td>High</td>
<td>VSCDA can assist in managing systems</td>
</tr>
<tr>
<td>5</td>
<td>Municipal budget net</td>
<td>10</td>
<td>The budget of the municipality not reflecting the real priority issues of communities that is approved in the DLP as a result in loss of trust, credibility of the DLP process</td>
<td>Implementation in progress - 25%</td>
<td>Satisfactory</td>
<td>High</td>
<td>Medium</td>
<td>Community noticing to doubt the credibility of the DLP process - when budget net they do not see their priorities are being reflected in the budget.</td>
</tr>
<tr>
<td>6</td>
<td>Extreme weather</td>
<td>8</td>
<td>Extreme weather events: drought can result in water shortages and economic losses, fires and floods can cause loss of life, natural and man-made infrastructure</td>
<td>Implementation in progress - 25%</td>
<td>Weak</td>
<td>Medium</td>
<td>High</td>
<td>It is improving.</td>
</tr>
</tbody>
</table>

#### 4.2 Risks that should be escalated

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Inherent Risk Magnitude</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pollution</td>
<td>5</td>
<td>Pollution: can cause economic losses and degradation of fresh water and marine ecosystems</td>
<td>Implementation in progress - 80%</td>
<td>Weak</td>
<td>Medium</td>
<td>High</td>
<td>E-Oct. remains biggest risks.</td>
</tr>
<tr>
<td>2</td>
<td>Non-compliance</td>
<td>7</td>
<td>Lack of internal compliance with environmental legislation can result in legal costs and reputational damage. Direct risk is degradation of the natural systems</td>
<td>Not yet started</td>
<td>Weak</td>
<td>Medium</td>
<td>High</td>
<td>Housing (DLP) will exist greatly with the Environmental management.</td>
</tr>
<tr>
<td>3</td>
<td>Municipal budget net</td>
<td>10</td>
<td>The budget of the municipality not reflecting the real priority issues of communities that is approved in the DLP as a result in loss of trust, credibility of the DLP process</td>
<td>Implementation in progress - 25%</td>
<td>Satisfactory</td>
<td>High</td>
<td>Medium</td>
<td>Community noticing to doubt the credibility of the DLP process - when budget net they do not see their priorities are being reflected in the budget.</td>
</tr>
<tr>
<td>4</td>
<td>Extreme weather</td>
<td>8</td>
<td>Extreme weather events: drought can result in water shortages and economic losses, fires and floods can cause loss of life, natural and man-made infrastructure</td>
<td>Implementation in progress - 25%</td>
<td>Weak</td>
<td>Medium</td>
<td>High</td>
<td>It is improving.</td>
</tr>
</tbody>
</table>

**Discussion**
## 5.4 Top Risks

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pollution</td>
<td>5</td>
<td>Pollutant: can cause economic losses and degradation of fresh water and marine ecosystems.</td>
<td>Monitoring through sample analysis. Engaging with experts on mitigation measures. Implementation of waste removal projects and river health programs. Reporting pollution incidents.</td>
<td>Implementation in progress - 50%</td>
<td>Weak</td>
<td>High</td>
<td>E Col... remains biggest risks.</td>
</tr>
<tr>
<td>2</td>
<td>Non-compliance</td>
<td>7</td>
<td>Lack of internal compliance with environmental legislation can result in legal costs and reputational damage. Direct risk is degradation of the natural systems.</td>
<td>Reactive risk treatment is reaching the risk once it has been triggered.</td>
<td>Not yet started</td>
<td>Weak</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Municipal budget not reflecting real priorities of communities</td>
<td>10</td>
<td>The budget of the municipality not reflecting the real priority issues of communities that is contained in the IOP as a result of the risk of loss of trust, credibility of the IOP process.</td>
<td>CEO makes sure the budget submissions received from Directorates are duly incorporated in the IOP.</td>
<td>Implementation in progress - 25%</td>
<td>Satisfactory</td>
<td>Medium</td>
<td>Community starting to doubt the credibility of the IOP process. They do not see their priorities being reflected in the budget.</td>
</tr>
<tr>
<td>4</td>
<td>Extreme weather</td>
<td>8</td>
<td>Extreme weather events: drought can result in water shocking and economic losses. Floods can cause loss of life, natural and man made infrastructure.</td>
<td>Education awareness. Climate change mitigation and adaptation projects. Drought identification of all wetlands.</td>
<td>Implementation in progress - 25%</td>
<td>Weak</td>
<td>High</td>
<td>It is improving.</td>
</tr>
</tbody>
</table>

---

### Discussion:

- Risk Management Report
- Quarter 2: December 2019
- Planning & Development

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed risk</th>
<th>Current Control</th>
<th>Implementation Status</th>
<th>Perceived Control Effectiveness</th>
<th>Residual Risk Magnitude</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pollution</td>
<td>5</td>
<td>Pollutant: can cause economic losses and degradation of fresh water and marine ecosystems.</td>
<td>Monitoring through sample analysis. Engaging with experts on mitigation measures. Implementation of waste removal projects and river health programs. Reporting pollution incidents.</td>
<td>Implementation in progress - 50%</td>
<td>Weak</td>
<td>High</td>
<td>E Col... remains biggest risks.</td>
</tr>
<tr>
<td>2</td>
<td>Non-compliance</td>
<td>7</td>
<td>Lack of internal compliance with environmental legislation can result in legal costs and reputational damage. Direct risk is degradation of the natural systems.</td>
<td>Reactive risk treatment is reaching the risk once it has been triggered.</td>
<td>Not yet started</td>
<td>Weak</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Municipal budget not reflecting real priorities of communities</td>
<td>10</td>
<td>The budget of the municipality not reflecting the real priority issues of communities that is contained in the IOP as a result of the risk of loss of trust, credibility of the IOP process.</td>
<td>CEO makes sure the budget submissions received from Directorates are duly incorporated in the IOP.</td>
<td>Implementation in progress - 25%</td>
<td>Satisfactory</td>
<td>Medium</td>
<td>Community starting to doubt the credibility of the IOP process. They do not see their priorities being reflected in the budget.</td>
</tr>
<tr>
<td>4</td>
<td>Extreme weather</td>
<td>8</td>
<td>Extreme weather events: drought can result in water shocking and economic losses. Floods can cause loss of life, natural and man made infrastructure.</td>
<td>Education awareness. Climate change mitigation and adaptation projects. Drought identification of all wetlands.</td>
<td>Implementation in progress - 25%</td>
<td>Weak</td>
<td>High</td>
<td>It is improving.</td>
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</table>
## Risk Management Report

### Quarter 2: December 1919

#### 6.1 Risk Appetite

<table>
<thead>
<tr>
<th>Risk Appetite</th>
<th>Number of Risks</th>
<th>% of Risks</th>
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</thead>
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<tr>
<td>Risks within Risk Appetite</td>
<td>21</td>
<td>60%</td>
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<tr>
<td>Risks exceeding Risk Appetite</td>
<td>11</td>
<td>34%</td>
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<tr>
<td>Total number of risks</td>
<td>32</td>
<td>100%</td>
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#### AGENDA

**6 FEBRUARY 2019**

<table>
<thead>
<tr>
<th>No</th>
<th>Main Business Process</th>
<th>Ref</th>
<th>Detailed Risk</th>
<th>Current Control</th>
<th>Perceived Control Effectiveness</th>
<th>Control Improvement</th>
<th>Implementation Status</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Pollution</td>
<td>5</td>
<td>Pollutants can cause economic losses and degradation of fresh water and marine ecosystems.</td>
<td>Monitoring through sample analysis, ending with experts on mitigation measures, implementation of waste removal projects, and river health program reporting pollution incidents.</td>
<td>Weak.</td>
<td>Reduced funding for Blue Health for removal of solid waste; identify interventions for removing sludge from Asmahel channel; identify erosion hotspots and implement mitigation measures.</td>
<td>Implementation in progress - 50%</td>
<td>E-Co... remains biggest risk.</td>
</tr>
<tr>
<td>2</td>
<td>Non-compliance</td>
<td>7</td>
<td>Lack of internal compliance with environmental legislation can result in legal costs and reputational damage.</td>
<td>Reactive risk treatment for non-compliance assessment.</td>
<td>Weak.</td>
<td>SOP for new housing to identify all potential environmental transgressions; Expediting a program to install 2. Dog Control Officers; training of staff to keep abreast of regulatory environmental legislation.</td>
<td>Not yet started</td>
<td>Housing SDPs will assist greatly with the Environmental Management.</td>
</tr>
<tr>
<td>3</td>
<td>Information</td>
<td>11</td>
<td>Inability to accurately and completely report on all the various public works activities and opportunities created by the organization.</td>
<td>Engagements with all infrastructure-related project managers in Planning &amp; Development and Public Works to identify problems.</td>
<td>Satisfactory</td>
<td>Improved project management by the departments. This is under way; currently the CEO manager has control over.</td>
<td>Implementation in progress - 50%</td>
<td>N/A</td>
</tr>
<tr>
<td>4</td>
<td>Loss of aesthetic appeal</td>
<td>13</td>
<td>Loss of competitive advantage for the town because of loss of aesthetic appeal, historical interest, and environmental quality.</td>
<td>Improve aesthetic appearance of CBD through CBD enhancement project and promote tourism programme.</td>
<td>Weak.</td>
<td>Appointment service provider for the CBD project; support bureau and apply for Blue Flag status.</td>
<td>Implementation in progress - 50%</td>
<td>N/A</td>
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<tr>
<td>5</td>
<td>Inadequate internal controls</td>
<td>15</td>
<td>Inability to accurately and completely report on all the Expanded Public Works Programme (EPWP) job opportunities created by the organization.</td>
<td>Developments of SDP.</td>
<td>Satisfactory</td>
<td>Implement the developed SDPs.</td>
<td>Implementation in progress - 20%</td>
<td>N/A</td>
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<tr>
<td>6</td>
<td>Inaccurate communication</td>
<td>26</td>
<td>Lack of adequate implementation and monitoring of policies and control of conduct due to inadequate communication channels.</td>
<td>1. Policy register on call to 2. Council &amp; AC overview. Participation 2. Organisation has improved through calls, memos.</td>
<td>Satisfactory</td>
<td>Frequent extended management meetings, departmental management workshops.</td>
<td>Implementation in progress - 75%</td>
<td>N/A</td>
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<tr>
<td>7</td>
<td>Annual Reporting</td>
<td>29</td>
<td>Draft Annual Report not timely submitted for Council due to lack of co-operation from different directorates.</td>
<td>By promptly submitting the required information to the Administrative department.</td>
<td>Weak.</td>
<td>1. Continuous prompting staff to meet the deadlines on submitting their inputs (timely); 2. Reporting submitted to MWS/G for correcting any outstanding deadlines. Bilateral alignment with the DIP process.</td>
<td>Implementation in progress - 75%</td>
<td>N/A</td>
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<tr>
<td>8</td>
<td>Abuse of Overtime</td>
<td>30</td>
<td>Overtime paid for work not performed (abuse of overtime in compliance with policy due to inadequate supervision and monitoring leading to excessive overtime).</td>
<td>Manage overtime.</td>
<td>Satisfactory</td>
<td>Manage Overtime.</td>
<td>Operating effectively</td>
<td>N/A</td>
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<tr>
<td>Risk Management Report</td>
<td>Quarter: December 2019</td>
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<td><strong>Planning &amp; Development</strong></td>
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<td></td>
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<tr>
<td><strong>Non-Compliance</strong></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>31</td>
<td>Non-compliance with prescribed limits of expenses to officials earning above the threshold</td>
<td>Manage overtime</td>
<td>Satisfactory</td>
<td>Manage Overtime and apply the policy</td>
<td>Operating effectively</td>
<td>N/A</td>
<td></td>
<td></td>
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<tr>
<td>32</td>
<td>Financial and/or regulatory non-compliance by the municipality due to lack of adequate communication between the Building section and valuers</td>
<td>Once there is a new building permit, building inspection is required to ensure compliance with the stipulated standards, and any required amendments to the permit are made.</td>
<td>Un satisfactory</td>
<td>Development of an SOP for building permits, including the process and frequency of review</td>
<td>Not yet started</td>
<td>MECQDA can assist in integrating systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Municipal budget not reflecting real priority issues of communities,</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>The budget of the municipality does not reflect the real needs of the communities. The budget is based on past allocations and not on current needs.</td>
<td>CFO makes sure that the budget allocations are based on current needs and priorities.</td>
<td>Satisfactory</td>
<td>Directors must consult the needs analysis of the communities before finalizing the budget.</td>
<td>Implementation in progress - 25%</td>
<td>Community starting to doubt the credibility of the IDP process - when budget reallocated to areas that do not reflect their priorities.</td>
<td></td>
<td></td>
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<tr>
<td><strong>Extreme weather events</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Extreme weather events, such as drought and floods, can cause loss of life, natural and man-made infrastructure</td>
<td>Education awareness. Climate change mitigation and adaptation projects. Flood/river management and wetland restoration.</td>
<td>Weak</td>
<td>Implementing mitigation measures. Flood/river management and wetland restoration. Better compliance with environment legislation.</td>
<td>Implementation in progress - 25%</td>
<td>Fix is improving.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Description</strong></th>
<th>Report compiled by:</th>
<th>Report reviewed by:</th>
<th>Report approved by:</th>
</tr>
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<tbody>
<tr>
<td>Name</td>
<td>Zoleka Gutes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job title</td>
<td>Officer: Performance &amp; Risk Management</td>
<td></td>
<td></td>
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<tr>
<td>Signature</td>
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<tr>
<td>Date</td>
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<td>TOTAL COMPLETED WITHIN SLA DAYS:</td>
<td>TOTAL COMPLETED OUTSIDE SLA DAYS:</td>
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<td>-----------------</td>
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<td>Electricity</td>
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<td>Technical Services</td>
<td>173</td>
<td>148</td>
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<td>Community Services</td>
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<td>7</td>
<td>2</td>
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<tr>
<td>Planning and Development</td>
<td>8</td>
<td>1</td>
<td>9</td>
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</table>
REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To inform the Municipal Council of Customer Relations matters for the month January 2019.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the report from the Acting Municipal Manager with regard to Customer Relations for the period 1 to 23 January 2019 be noted.

APPENDIX / ADDENDUM

Service Request Progress Report
Active Service Request Dashboard

File Number: 9/1/2/14
Execution: Acting Municipal Manager
Manager: Communications and Customer Relations
# Service Request Progress Report

**Date Created From:** 2019-01-01  **Date Created To:** 2019-01-31

<table>
<thead>
<tr>
<th>Department</th>
<th>TOTAL RECEIVED</th>
<th>TOTAL COMPLETED WITHIN SLA DAYS</th>
<th>TOTAL COMPLETED OUTSIDE SLA DAYS</th>
<th>TOTAL COMPLETED (Process complete)</th>
<th>TOTAL OUTSTANDING: (Process not complete)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
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<td>88</td>
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<td>Technical Services</td>
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<td>310</td>
<td>36</td>
<td>210</td>
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<td>Community Services</td>
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<td>4</td>
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<td>Planning and Development</td>
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<td>Financial Services</td>
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<tr>
<td>Office of the Municipal Manager</td>
<td>5</td>
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<td>5</td>
</tr>
</tbody>
</table>
ACTIVE SERVICE REQUEST DASHBOARD

This report will display all active (overdue) service requests per department.

<table>
<thead>
<tr>
<th>Week Ending</th>
<th>Community Services</th>
<th>Corporate Services</th>
<th>Electricity</th>
<th>Financial Services</th>
<th>Office of the Mayor</th>
<th>Office of the Municipal Manager</th>
<th>Planning and Development</th>
<th>Technical Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-11-14</td>
<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
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</tr>
<tr>
<td>2018-11-21</td>
<td>0.00 %</td>
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<tr>
<td>2018-11-22</td>
<td>0.00 %</td>
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<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
<td>0.00 %</td>
</tr>
</tbody>
</table>

Unallocated Funds: 117 76 74 280 9 31 269 202

ACTIVE SERVICE REQUEST DASHBOARD

This report will display all active (overdue) service requests per department.
REPORT FROM THE DIRECTOR : PLANNING AND DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of this item is to provide the consolidated report for the Economic Development department to the Governance and Economic Development Section 80 Committee for October, November and December 2018.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the monthly reports of the Economic Development Department, be noted.

APPENDIX / ADDENDUM

Annexure B : EPWP monthly report October 2018
Annexure C : EPWP monthly report November 2018
Annexure D : EPWP monthly report December 2018

File Number : 9/1/2/13
Execution : Director : Planning and Development
Manager : Economic Development
## Table 2. Data capture status per project for a public body

**Period:** 31 December 2018

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Profile Id</th>
<th>wc048</th>
</tr>
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<tbody>
<tr>
<td>Knysna Municipality Environmental Sector Casuals</td>
<td>70720</td>
<td>EPWP199</td>
</tr>
<tr>
<td>Knysna Municipal Library Casuals</td>
<td>70717</td>
<td>EPWP196</td>
</tr>
<tr>
<td>Knysna Municipal Infrastructure Sector Casuals</td>
<td>70721</td>
<td>EPWP198</td>
</tr>
<tr>
<td>Knysna Municipal Social Sector Casuals</td>
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<td>IG Knysna Municipal River Health Programme</td>
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<td>IG T25/2015/2017 Maintenance of Municipal Fac(CG)</td>
<td>70702</td>
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<td>IG EPWP Contract Worker</td>
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<td><strong>Totals</strong></td>
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123 | P a g e
<table>
<thead>
<tr>
<th>Employment Days</th>
<th>Days Trained</th>
<th>Work days (exc training)</th>
<th>Minimum Wage</th>
<th>Average Wage</th>
<th>Wages</th>
<th>Munic ID</th>
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<th>Programme</th>
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## STRATEGIC FOCUS AREA

### RESEARCH & DATA MANAGEMENT

#### INITIATIVES:

| 1. | Business Intelligence/Process Analysis Programme |
| 2. | Research Projects & Surveys |
| 3. | EPWP |
| 4. | IDP & AR Inputs |
| 5. | Database Development & Maintenance |

#### INITIATIVE MONTHLY PROGRESS

| 1. Business Process Analysis: |
| a. An award has been made to PriceWaterHouseCoopers for the business process analysis project and monthly steering committee meetings are being held. The project is expected to be completed by end May 2019. |

| 2. Research Projects & Surveys: |
| a. The “Invest Knysna” Publication has been finalised and it has been uploaded onto the municipal website and to investknysna.co.za |
| b. The Tourism Destination Plan is being finalised with the opportunity identification and action plan. The final report will be submitted to Council in the third quarter of the financial year and shared with tourism industry stakeholders. High priority projects aligned to Council’s IDP objectives will be initiated in the 2019/2020 departmental work plan. |
| c. Simola Hill Climb-Speed Festival Event Impact Assessment is being completed and will be submitted in the third quarter. |

| 3. EPWP: |
| a. 218 EPWP work opportunities were created in October 2018. |
| b. 223 EPWP work opportunities were created in November 2018. |
| c. 224 EPWP work opportunities were created in December 2018. |
| Note: Refer to Annexures A1-A3 for breakdown per project. |

#### KEY DELIVERABLES (SDBIP)

| - | Business Process Analysis tender awarded and project commenced. |
| - | Invest Knysna Publication has been completed. |
| - | Tourism Destination Plan final draft report to be completed 3rd quarter 2018/19. |
| - | A total of 665 EPWP work opportunities were created in Quarter 2 (Target of 400). |

#### RISKS & ISSUES

- Lack of commencement of infrastructure capital projects resulting in a decrease in reporting of infrastructure projects for EPWP, which affects KM EPWP grant allocation for 2019/2020.

#### NEXT ACTIONS

- Business Process Analysis: Mapping of all business process in various departments especially the MSCOA business processes.
- Possible amendment of EPWP business plan of certain infrastructure projects initially registered do not commence in early 2019.
## Strategic Focus Area

### Business Development

#### Initiatives:

1. SMME Training
2. SMME Incubator Support Programme
3. Informal Trading Management

#### Initiative Monthly Progress

1. **SMME Training:**
   - Basic HR Skills training took place on 18-20 September 2018 at Town Library.
   - Basic Bookkeeping Training was held on 16-19 October 2018 at Town Library

2. **SMME Incubator Support Programme:**
   - SMME Incubator programme is continuing through mentorship, training and provision of business equipment and marketing material and services to 21 SMME incubatees.
   - One page SMME business profiles have been completed for each incubatee to provide marketing collateral and awareness of the initiative in the community.

3. **Informal Trading:**
   - 75 Traders permits approved during October-December 2018.
   - Seasonal trade permits operational plan implemented during holiday season in collaboration with law enforcement.

#### Key Deliverables (SDBIP)

- 24 SMMEs attended the HR Skills training.
- 9 SMME’s attended Basic Bookkeeping training
- 21 SMME Incubatees supported through SMME incubator programme.
- Personalised business profile materials developed for each SMME incubatee.
- 75 trader opportunities during the second quarter of the 2018/2019 financial year.
- Seasonal trader operational plan implemented

#### Risks & Issues

- Increase in illegal informal trading activities and lack of law enforcement to prevent trading without permits especially in the Taxi Rank, Northern Areas, Hornlee and the African Craft Market.
- Lack of adequate facility management and operational plan for informal trade monitoring
- Formalisation and location of African Craft Market

#### Next Actions

- Increased awareness to mandated department to increase law enforcement efforts.
- Development of informal trade area operational by the economic development department.
- Review of facilities management function in relation to informal trade areas by economic development department and corporate services.

#### Supporting Documentation Submitted:

N/A

## Strategic Focus Area

### Investment Attraction & Promotion

#### Initiatives:

1. Economic Spaces
2. Timber Sector Marketing Initiatives
3. Film Sector Marketing Initiatives
4. ICT Sector Project
5. NDPG Grant Administration
6. South Cape Economic Partnership (SCEP)
7. Rural Node Development
8. Investment Facilitation
## STRATEGIC FOCUS AREA
### INVESTMENT ATTRACTION & PROMOTION

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<th>INITIATIVE MONTHLY PROGRESS</th>
<th>KEY DELIVERABLES (SDBIP)</th>
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<td><strong>1. Economic Spaces</strong></td>
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<td>CBD Renewal Programme</td>
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<tr>
<td>a. Draft Urban Design Framework for Grey Street has been completed and a traffic impact assessment has also been completed. The final draft UDF was shared with stakeholders for final consultation at a public meeting on 14th December and advertised between 14th December 2018 and 18th January 2019 before preparation of tender specifications for the construction work by Technical Services. Budget of R18 million has been approved over 2 financial years and therefore construction will take place in phases. The estimated start date of the project is end April 2019 after Easter holiday season.</td>
<td>☑ Draft Grey St Urban Design Framework completed and public participation completed.</td>
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<td>☑ Budget secured for Grey Street Infrastructure upgrades.</td>
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<td>☑ Grey Street traffic impact assessment completed.</td>
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<td>☑ CBD urban management business plan and operational model being completed.</td>
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<td>Container Parks</td>
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<td>In consultation with the Portfolio Chairperson, it was decided that the department would test the market appetite for the development concept of container parks in the municipal area through a request for information (RFI) process. The department will provide a report to the Committee on the outcomes of the process.</td>
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<td><strong>2. Timber Sector Marketing Initiatives:</strong></td>
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<td>a. Knysna Timber Festival 2019 planning is ongoing after the successful festival held in October 2018. The festival is an important industry support initiative and the department will provide support aligned to skills development and opportunities for SMME’s at the 2019 festival. The department hosted a regional timber sector stakeholder workshop on 5th October 2018 that focused on industry skills development initiatives throughout the value chain. Proposals and recommendations from this workshop will be taken forward by the local industry.</td>
<td>☑ Knysna Timber Festival and Timber Economy Sector Workshop hosted October 2018.</td>
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<td>☑ Knysna Timber festival registered as a special purpose vehicle to coordinate timber industry development</td>
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<td><strong>3. Film Sector Marketing Initiatives:</strong></td>
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<td>a. The film and events web portal (<a href="http://www.knynsafilmandevents.co.za">www.knynsafilmandevents.co.za</a>) for promotion of Knysna as a film and Events destination and for</td>
<td>☑ Film &amp; Events Application &amp; Promotion Portal developed and launched with electronic permitting functionality</td>
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GOVERNANCE AND ECONOMIC DEVELOPMENT

COMMITTEE MEETING

AGENDA

6 FEBRUARY 2019

1. **Electronic Applicants**
   - Operational and has seen an increase in film applications and interest in 2018.
   - A privately run local film festival will be held in Knysna in October 2019 and will include a skills development programme to provide educational development and potential career opportunities for local community members in the film industry. The department will provide support to assist realisation of the skills development component of the festival to increase the employability of local community members when film activity takes place in Knysna and the Garden Route.
   - Knysna promoted as a film and event friendly destination with increased film productions seen as a result.
   - Ease of doing business in terms of filming and hosting events improved.
   - 2019 film festival skills development programme planning underway.

2. **ICT Sector Project**
   - The department will be reviewing delivery of SLA conditions with LaserNet as the fiber roll-out is behind schedule and not being done in terms of the initial roll-out plan.
   - Fiber-optic infrastructure deployed in select areas by service provider increasing internet connectivity speed in GKMA.

3. **NDPG Grant Project**
   - Project roll out for the White Location MPC has commenced with Phase 2A and 2B planning. The Department has submitted all Phase 2 grant administration submissions for project approval to National Treasury and both Phase 2A and 2B project approvals have been awarded by National Treasury totalling an amount of R23 million. Community Services and Technical Services are the project managers responsible for implementation.
   - NDPG implementation for White Location MPC commenced & Phase 2 funding approval granted.

4. **SCEP**
   - SCEP assistance is being provided for an EMT investment readiness workshop to be scheduled to evaluate the municipality’s institutional maturity in terms of investment facilitation and prepare recommendations for improvement. Workshop to be scheduled by senior management.
   - SCEP to provide technical advice on an investment facilitation plan and standard operating procedure (SoP) that the department is working on to be completed by June 2019.
   - SCEP has also been requested to assist with background work for establishing a business forum/chamber in Knysna that represent the various organised business groupings and 2 meetings to this effect was held in this quarter.
   - SCEP to be invited to next Sect 80 committee meeting to provide feedback on projects.
   - SCEP assistance being provided to Municipality in terms of SLA

5. **Rural Node Development**
   - Both the Rheenendal & Karatara CoS have membership in place and the department provided regular ad hoc support based on queries received from the CoS members. The requests are predominantly social/community development related and therefore the unit department and
   - CRDP – CoSs supported on an ad-hoc basis. Participation in ISC meetings of Dept. Agriculture.
Knysna Municipality need to reassess placemen of this programme support. The Municipality’s role in terms of rural node development and support to the CoS’s under the CRDP programme need to be re-evaluated due to the lack of implementation of the CRD P programme by the Department of Rural Development and Land Reform and Provincial Department of Agriculture.

b. **Karatara Hydroponics:** The project implementation on site was in progress during the 2nd quarter of 2018 but there are challenges with regards to water and electrical connections which the implementation agent appointed by LaFarge - Renlyn Agri-tech is not resolving. The Municipality does not have a control measure to hold the implementing agent accountable as the agents were appointed by LaFarge and the Municipality’s MoU is with LaFarge. The department will be referring the matter to the legal services department to institute conflict resolution proceedings as the implementing agents are not cooperating with the leaseholder or municipality to finalise commissioning of the site. One of the tunnels were also severely damaged by strong winds in January 2019 and will need to be repaired.

<table>
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<th>8. Investment Facilitation:</th>
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a. Invest Knysna: A draft economic profile and investment opportunities booklet has been completed and is available on the municipal website.  
b. The unit has completed an investment query information form to be used as part of a standard operating procedure when dealing with prospective investors.  
c. The unit continues with on-going investor relations with regard to businesses considering relocating to Knysna or starting new business operations in the GKMA.  
d. **LED strategy review:** The unit has focused on the development of the draft economic development strategy. The focus of the unit for the remainder of the 2018/2019 financial year is to finalise the draft economic development strategy which will include an investment facilitation framework with projects aligned to the strategy and Council’s IDP priorities.  
e. **Knysna Business Chamber** – the department has been invited to meetings for the formation of an inclusive business chamber for the Greater Knysna and have also requested independent assistance from the South Cape Economic Partnership to support the establishment of a business chamber. There is no new progress to report on as the business community has not convened another planning meeting since the last reporting date.

- Invest Knysna publication completed and investment query form in use.
- Municipal Investment Readiness assessment planning commenced.
- LED strategy review process under way
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<th>RISKS &amp; ISSUES</th>
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<td>CBD Renewal Programme: Buy-in of all internal directorates, effective coordination of resources to implement identified initiatives linked to a 3 year programme budget and objectives. Budget approval.</td>
<td>Coordination of CBD renewal programme deliverables</td>
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<td>Lack of ownership and support from government (Provincial/National) for CRDP Project. No dedicated rural development capacity from the DRDLR or DoA.</td>
<td>Contract management Karatara Hydroponics implementing agency/Lafarge conflict resolution</td>
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<td>Lack of staff capacity since resignation of LED manager the unit has not been able to expand on service offering.</td>
<td>EMT investment readiness workshop facilitated by SCEP.</td>
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SUPPORTING DOCUMENTATION SUBMITTED:

N/A
REPORT FROM THE DIRECTOR : PLANNING AND DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of this item is to provide the Municipal Council with a project status update in relation to the Grey Street infrastructure upgrade following finalization of a detailed urban design framework and traffic impact assessment prior to commencement of the next phase of project implementation.

PREVIOUS RESOLUTIONS

In principle approval was granted by Council in December 2016 for implementation of a CBD renewal programme.

“C01/12/16  KNYSNA CBD REGENERATION PROGRAMME

UNANIMOUSLY RESOLVED

[a] That report on the Knysna CBD Regeneration Programme, be noted;

[b] That the introduction and implementation of the CBD Regeneration Programme, be supported.”

BACKGROUND

The integrated development plan priorities of Knysna Municipality include urban renewal as a key focus area and therefore a comprehensive CBD renewal programme was initiated in 2016. The overarching goal of the urban renewal programme is to repair, upgrade, beautify, and add to the functionality and form of areas in the Knysna CBD. The objective is to build, restore and renew the CBD and enhance it as central to Knysna’s future economic and social success as a destination for tourism, business and an attractive liveable space.

As part of the infrastructure upgrade component of the programme a portion of Grey Street was identified as a viable pilot for upgrading of the road and open space precinct. The planning phase of the project took place in 2018 (see Figure 1 Project Work Stages) which included the design and development of an urban design framework (UDF), completion of a detailed traffic impact assessment (TIA) and multiple public consultation sessions. The project aim is to improve road and pedestrian infrastructure, parking management, safety and security, public open spaces, signage, street furniture, urban art and landscape upgrades. The upgrade of the Grey Street water main infrastructure will be done as one project with the road surface upgrades.

A project budget of R18 million has been approved over 2 financial years (2018/19 and 2019/2020).
DISCUSSION

Urban Design Framework
An urban design framework (UDF) was developed during the planning and design development stages as a critical component of pre-constructing development planning. This framework is instrumental to informing the actual detailed infrastructure and urban design upgrades to follow. An excerpt of the final draft UDF is attached in Annexure A for illustrative purposes.

Figure 1: Project Work Stages

Two public open days were held on 20 & 21 February 2018 at the Knysna Log Inn Hotel in Grey Street to solicit inputs on the Grey urban design framework and the wider CBD. Members of the public, business owners and affected stakeholders provided inputs in terms of traffic, street widening, signage, bins, paving, aesthetics and general urban design elements. This was followed up with an electronic survey to the wider public. A report containing a summary of all inputs received at public participation meetings is attached as Annexure C and Annexure D.

Following the initial extensive public consultation sessions the urban design framework was revised in order to accommodate inputs from the public consultation sessions by the professional consulting team.

Traffic Impact Assessment
Following completion of the initial concept urban design framework and as part of the design development stage a traffic impact assessment (TIA) was undertaken by the Municipality to determine the feasibility and impact of the proposed urban design upgrades and inputs from the public consultation process. The executive summary of the traffic impact assessment is attached as Annexure B.
Stakeholder Consultation

A report capturing all public comments received during and after the public engagements in February 2018, ad hoc engagements with affected stakeholders as well as consultation between December 2018 and January 2019 has been compiled and reviewed by the consulting team and municipal staff members to ensure that all views are taken into account during the design development and planning stage of the project. Members of the public were given the opportunity to make inputs on the revised UDF after completion of the traffic impact assessment and these inputs have been taken into account by the project steering committee members and consulting teams. The public inputs and responses are summarised in Annexure C.

Image 1: Stakeholder consultation

After delivery of the final urban design framework in January 2019, detailed design and preparation for construction work will commence.

Grey Street Construction 2019

The project will entail the upgrading of the water network and subsequent road repairs. Aesthetic upgrades will also be done to the road environment such as sidewalks and intersections in line with the UDF subject to engineering standards. The engineering design team are preparing the engineering designs and tender documentation for advertisement in February 2019. The project is anticipated to commence after the Easter school holidays and will run into the 2019/2020 financial year. At present the contract completion period is still unknown as no tenders have been received as yet.

FINANCIAL IMPLICATIONS

The estimated expenditure for delivery of the Grey Street upgrade project is:

2018/2019 : R 6 000 000
2019/2020 : R 12 000 000
RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the project status report on the Grey Street infrastructure upgrade, be noted;

[b] That the inputs made by the public, be noted; and

[c] That the final Grey Street Urban Design Framework Concept Plan and Traffic Impact Assessment be approved to inform the infrastructure upgrade to give effect to the principles of CBD enhancement.

APPENDIX / ADDENDUM

Annexure A: Grey Street Urban Design Framework Concept Plan
Annexure B: Grey Street Traffic Impact Assessment Executive Summary
Annexure C: Grey Street Public Consultation Feedback Report
Annexure D: Grey Street UDF Stakeholder Consultation Meeting Dec 2018 Minutes

File Number: 9/1/2/13
Execution: Acting Municipal Manager
Director: Planning and Development
Manager: Economic Development
Annexure A: Grey Street Urban Design Framework Concept Plan (Final)
MINUTES:
GREY STREET UDF STAKEHOLDER CONSULTATION MEETING

DATE: Friday, 14 December 2018
TIME: 10h00-12h00

VENUE: Council Chambers, Clyde street, Knysna Municipality

MEETING CHAIRED BY: Petrus van Niekerk, Knysna Municipality

MINUTES COMPILED BY: Almien du Plooy, Knysna Municipality

Attendees:

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation/Organisation</th>
<th>E-mail</th>
<th>Tel:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almien du Plooy</td>
<td>AdP KM -LED</td>
<td><a href="mailto:aduplooy@knysna.gov.za">aduplooy@knysna.gov.za</a></td>
<td>044-302-6388</td>
</tr>
<tr>
<td>Felix Meyburgh</td>
<td>FM Country Lane Developer</td>
<td><a href="mailto:meyburghfelix@gmail.com">meyburghfelix@gmail.com</a></td>
<td>082-653-4511</td>
</tr>
<tr>
<td>Petrus van Niekerk</td>
<td>PvN KM – Manager: LED</td>
<td><a href="mailto:pvanniekerk@knysna.gov.za">pvanniekerk@knysna.gov.za</a></td>
<td>044-302-6366</td>
</tr>
<tr>
<td>Mark Williams</td>
<td>MW Rox Hotel</td>
<td><a href="mailto:tott@mweb.co.za">tott@mweb.co.za</a></td>
<td>083-255-1733</td>
</tr>
<tr>
<td>Stan Davis</td>
<td>SD Private</td>
<td><a href="mailto:ss89@mweb.co.za">ss89@mweb.co.za</a></td>
<td>082-940-5392</td>
</tr>
<tr>
<td>Marti Venter</td>
<td>MV Knysna Log-Inn</td>
<td><a href="mailto:gm@kli.co.za">gm@kli.co.za</a></td>
<td>083-825-5835</td>
</tr>
</tbody>
</table>
C. Hiemstra  CH  Waterfront Laundry  laundrygirls@webmail.co.za  072-533-6833
V. Owen  VO  Chimney Sweep  chimneysweep@webmail.co.za  079-167-2737
H. Smit  HS  KM- Manager: Town Planning  hsmit@knysna.gov.za  044-302-6319
R. Knuppe  RK  Knysna Log-Inn  robknuppe@mweb.co.za  082-371-3144
R. Jantjes  RJ  Knysna Taxi  083-448-2297
Ernest Petros  EP  Uencedo Taxi Association  083-390-9288
Allan  Garden Rout Taxi Association  083-999-2929
N. Parma  NP  Private  parmandelia@gmail.com
Marlene Boyce  MB  KM –Director: Town Planning  mboyce@knysna.gov.za  044-302-6588
Cllr. Peter Myers  PM  KM- Council  pmyers@knysna.gov.za  044-302-6423
Shaun Maree  SM  KM- Manager: Public Works  smaree@knysna.gov.za  044-302-6309

Apologies:
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Action</th>
<th>Responsible Person</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Welcome &amp; Introduction:</td>
<td></td>
<td>Petrus van Niekerk</td>
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<tr>
<td></td>
<td>• PvP welcomes those present as well as the Ward 10 Cllr Peter Myers, Shaun Maree (Technical Services) and Hennie Smit (Manager: Town Planning and Building Control)</td>
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<td>2.</td>
<td>Background of the UDF:</td>
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<td>Petrus van Niekerk</td>
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<td></td>
<td>• LED coordinates certain aspects of the project concerning the Grey Street upgrade; Facilitated Public Participation process in February 2018 (20 &amp; 21 Feb 2018) after which a Traffic Impact Assessment was conducted (in the new financial year July 2018)</td>
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<td></td>
<td>• The draft UDF has taken the in-depth analysis of the draft Traffic Impact assessment into account and is open for comment until 18 January 2019.</td>
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<td></td>
<td>• Related documents as well as a comment form is available on the notice board section of the municipal website.</td>
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<td></td>
<td>• Comment forms can be handed in at the meeting or emailed to <a href="mailto:aduplooy@knysna.gov.za">aduplooy@knysna.gov.za</a></td>
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<td>3.</td>
<td>Technical Perspective of the project:</td>
<td></td>
<td>Shaun Maree</td>
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<td></td>
<td>• The sewer line was upgraded a number of years ago following which Grey street had to be repaired.</td>
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<td>• Due to numerous challenges that were associated with that particular project it was decided that it would be best to wait a year for the contractors guarantee period to expire before any further work was carried out</td>
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<td>• During this period the Grey street project was initiated which was essentially an aesthetic upgrade</td>
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</table>
- The scope of the project has since evolved and now includes the development of the first draft Urban Design Framework and the draft Traffic Impact Assessment (TIA).
- The TIA evaluated the impact of this proposal on the traffic experienced on Grey Street.

**Amendments:**

- The inputs of the TIA resulted in the recent amendments presented in the draft Urban Design Framework.
- Amendments include the removal of certain proposed turning lanes because they do not comply with existing traffic regulations. Detailed Engineering Design will start once the final draft Urban Design Framework plan (UDF) is received.
- Currently, the draft UDF presents a “best-case scenario” that has to be “reduced” into a format that regulations will allow, for example, pedestrian crossings must consist of black and white stripes and nothing else (no other patterns/artwork). Existing regulations relating to public roads must be incorporated into the final design.
- In order for the Technical Services department to go out on Tender the final Urban Design Framework plan is needed.

<table>
<thead>
<tr>
<th>4. Purpose of the meeting:</th>
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<tbody>
<tr>
<td>- The purpose of the meeting is to gather final inputs in terms of the draft UDF and present those views to Council.</td>
</tr>
<tr>
<td>- Compromises to be made regarding existing standards and regulations must be brought to Council, which is the final decision making body.</td>
</tr>
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</table>
5. **Upgrade of water network on Grey Street:**

- This project will be undertaken in conjunction with the Grey street upgrade

6. **Funding:**

- Council has funded the Grey street upgrade project over two financial years consisting of R5,7 million in current financial year (2018/2019) and the remainder of approximately R12 million in the next financial year

7. **Timeframes:**

- Depending on the tender process, it is anticipated that the project will take the majority of 2019 to complete

8. **Concept plan vs Detailed Engineering Design:**

- The concept plans presented represent the proposed vision of Grey Street that the engineering designers will strive towards.
- Although some property owners have given verbal consent for their parking approvals to be amended in order to accommodate the broadening of sidewalks others will not, which means that certain aspects of the vision might not be implemented.
- The detailed feedback report regarding the Public Participation process was supplied to the Traffic Engineers before the commencement of the TIA
The Traffic Engineers also submitted detailed design drawings as part of the technical inputs indicating what the impact of certain proposals such as traffic circles and turning lanes were.

<table>
<thead>
<tr>
<th>9. Submissions and Questions from Stakeholders:</th>
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<tbody>
<tr>
<td>9.1 Submission 1:</td>
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<tr>
<td>What is the proposed potential disruption to businesses?</td>
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<tr>
<td>No information was forthcoming from the municipality when the sewer line was upgraded causing some people to go out of business because customers could not access them. Tour operators must also be informed.</td>
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<tr>
<td>Response:</td>
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<tr>
<td>The project is a total road upgrade that includes sidewalks. This will entail a complete demolition of the road spanning the entire length of Grey Street from Waterfront drive to Main Street (approximately 970 meters). It is not the intent of the Municipality to close the entire road at once because it will not be feasible. It will be conducted on a segmented/block basis (intersection per intersection).</td>
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<tr>
<td>The first step will be to upgrade the water line, which will cause interruptions to the water supply when the switchover between the old pipes and new pipes occurs.</td>
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<tr>
<td>The broad scope of the project will be to replace the water pipe first, do demolitions and then rebuild the road according to whatever the final Urban Design Framework Plan is.</td>
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<td>All</td>
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It is ill advised to do a road reconstruction in half-widths (one lane is still open) when the road is already quite narrow.

The contract period as well as a detailed construction programme will be known once a contractor has been appointed following the tender process.

Prior to coming on site, each affected party will be consulted in terms of the activities in the programme that will affect businesses directly.

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<tr>
<th>9.2</th>
<th>Submission 2:</th>
<th>What is the construction period per segment?</th>
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<tbody>
<tr>
<td></td>
<td>Response:</td>
<td>It will take approximately 5-8 weeks to complete a segment and traffic to be operational. Timeframes are also dependent on how the Urban Design Framework plan unfolds.</td>
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<td></td>
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<td>If Grey Street had been a total tar road it could have been resurfaced in 2 weeks, but this project incorporated architectural design elements that will take longer to execute.</td>
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<tr>
<th>9.3</th>
<th>Submission 3:</th>
<th>Will construction take place in winter?</th>
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<tr>
<td></td>
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<td>There are usually less pedestrians or visiting traffic during this time.</td>
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</table>
Response:

The target month for construction to commence is March/April 2019 after Easter. It is estimated that construction will then be ongoing for approximately 9 months. The reality is that it will cost hundreds of thousands of Rands to ask a contractor to break up a project (de-establish) and come back at a later stage.

The Municipality will be sensitive to when the tourist peak is while balancing the cost and quality.

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<tr>
<th>9.4</th>
<th>Submission 4:</th>
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<tbody>
<tr>
<td></td>
<td>Have fixed timeframes for planning and implementation been specified?</td>
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<td>Response:</td>
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<tr>
<td></td>
<td>No, specific timeframes can only be determined during the tendering process. Costs also have to be balanced.</td>
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<td></td>
<td>The first method is to go out on tender and ask for a cost and a completion period.</td>
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<td></td>
<td>The second method is by asking a price but fixing a time by specifying the date by which a project must be completed. Fixed-time period contracts are historically more expensive than flexible time periods.</td>
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<td></td>
<td>Once a contract is concluded in terms of a time then the time period is fixed, for example when a contractor commits to a period of 9 months it cannot go beyond that as they will be penalised financially for everyday that they are behind schedule. It will then cost the contractor money if they are late.</td>
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</table>

|     | All |

149 | Page
The predicament is that it is not possible to go out on tender until the Urban Design Framework plan is finalised. The aim is to go out on tender in February 2019.

9.5 **Submission 5:**
Can construction only take place between April and November?

**Response:**
Yes

9.6 **Submission 6:**
Will the traffic upgrades on the road also include improving the pavements?

**Response:**
The project is holistic and includes street lighting as well as widening of certain sidewalks in order to meet new Universal Access standards that will improve pedestrian flow. These standards also limit decision-making in terms of what can be built and in some instances parking might be lost due to the introduction of minimum sidewalk widths.

9.7 **Submission 7:**
How is the Municipality going to address or ease congestion along Nelson Street caused by taxis arriving from Nekkles and White location during peak hour traffic (approximately 4 pm)? Hawkers along Nelson Street are adding to the congestion by trading on a narrow road.

**Response:**
| 9.8 | Submission 8: A further concern is the lack of sufficient off-loading zones. Will the new urban Design Framework plan include more drop-off and pick-up points for taxis? **Response:** Following consultation with representatives of the Knysna Taxi Forum, more drop-off and pick-up facilities were incorporated in the revised draft UDF. |
| 9.9 | Submission 9: Why will Grey Street be upgraded instead of the taxi rank at Nelson Street and Fruit & Veg? **Response:** The taxi rank upgrade has never been part of the scope or budget of the Grey Street upgrade project. This was communicated at a previous meeting |
| 9.10 | Submission 10: How will taxi operators be able to access Nelson Street during upgrades, as this is a one-way? (Note that: Nelson Street is not a one-way street) | All |
Has the impact that the Grey street upgrade will have on taxi operators been taken into consideration? The perception is that it was not and that the taxi operators are not recognised as a business in Knysna.

Response:

The municipality does recognise taxi operators as an integral part of the public transport system and will work out a traffic management plan in conjunction with the taxi operators for the sections under construction in order to accommodate them. This will take place as soon as the process to appoint a contractor has been finalised. The contractor, contract period and construction programme will then be introduced. Affected parties will be consulted, as there will be disruptions.

At this point FM referred to a list that he compiled of requirements that he feels should be taken into consideration. He indicated on his list that property owners are aware that Grey Street is apparently being planned as a pedestrian priority street. He says that the focus should be on the tenants along Grey Street.

The Knysna Taxi forum responded that they are also business owners who will be affected by the proposed upgrade of Grey Street and they should be accommodated.

Mr. Meyburgh's proposals included the following points:

1. That Grey street be made a one way from Nelson Street to Waterfront drive
2. That it should be a pedestrian priority street requiring traffic calming by retaining 3 way stops at each crossing.
<table>
<thead>
<tr>
<th>9.11</th>
<th>Submission 11:</th>
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<tbody>
<tr>
<td>It seems that the decision to upgrade Grey Street has already been taken and no mention is made to the greater planning situation (Town Planning and the economic impact if traffic is diverted). The taxi operators are located where they are because they bring people to the businesses along Grey Street because it is where they want to shop. Diverting traffic and taxis to other roads will not be ideal for the town and in fact does not consider the business who are there. Knysna CBD does not have many surplus roads and the town must be careful with how it deals with alternatives.</td>
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<tr>
<td>Response:</td>
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<tr>
<td>Proposals made during Public Participation such as one-ways, pedestrianisation, traffic circles were tested through the Traffic Impact Assessment.</td>
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<td>The TIA indicated that the traffic character of Grey Street cannot be changed due to a lack of capacity (space) and the town will not be able to absorb the compounding effect.</td>
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<td>The traffic movement along Grey Street will remain the same as indicated on the plans (see “TDO”).</td>
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<td>Changes will include:</td>
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<td>- Formalised traffic drop-off points (taxi stops)</td>
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<td>- Wider sidewalks to qualify in terms of the standards for Universal Access</td>
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<td>- Drop curbs at intersections to enable wheelchair access</td>
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<td>- Less parking due to concessions</td>
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</table>
The basic framework of the project is to make Grey Street more aesthetically pleasing and improve pedestrian access. The function will stay the same.

<table>
<thead>
<tr>
<th>9.12</th>
<th><strong>Submission 12:</strong></th>
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<tbody>
<tr>
<td></td>
<td>Hedge Street is a concern, as it is not being maintained in a sustainable manner. Can this road also be upgraded in conjunction with Grey Street?</td>
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**Response:**

The Town Planning and Technical Services departments are in the process of developing a Transportation Framework for the town.

This framework looks at other projects going forward of which Grey Street is a pilot project.

The Transportation framework will investigate the type of freight coming into town as well as the movement of people into the town.

The Grey Street Renewal Project is an opportunity to set the standard that should be adopted for the whole of the CBD. The water and sewer line has to be upgraded in any event and some aesthetic progress can therefore be made which will be of benefit to the CBD.

The Municipality has been accused of allowing the CBD to degrade and to not live up to its former glory and it is therefore an ideal opportunity for stakeholders to submit what they believe would be a benefit to their businesses and turn it into a positive process.
| 9.13 | Submission 13:  
The Knysna Taxi forum are concerned about the current state of some of the shop and building frontages that are not appealing to tourists. They would like to have a neat taxi rank. Activities of certain Nigerians are also an issue and must be investigated.  
Response:  
Cllr PM states that the municipality has taken an integrated approach and has involved several other departments such as law enforcement in the project in order to make the town Clean, Green and Safe again. Council should ensure that money is spent more effectively in the CBD. |
| --- | --- |
| 9.14 | Submission 14:  
The upgrade of Grey Street cannot be allowed to go ahead without a complete refurbishment of the entire area North of Checkers where the taxi rank is located. The Knysna taxi Forum is correct in stating that it is not only the road but also the degradation of the buildings and slum land owners that should be taken into account. Slum Landlords are being allowed to occupy building along that area.  
Is the municipality planning to address slum Landlords?  
Response:  
The only way that that the municipality can intervene in private properties is through a by-law that must be enforced. Instruction was given to an attorney to review the Outdoor Advertising and Aesthetics by-law on behalf of the Municipality. There are a number of issues with the law courts to All |
get the fine system approved. The revised by-law will be submitted to the public for comment within the next couple of months. The problem is not limited to Grey Street.

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<thead>
<tr>
<th>9.15</th>
<th>Submission 15:</th>
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<td></td>
<td>The municipality incentivises property owners who do not maintain their buildings. There is a dispute regarding how buildings are being rated. If the income can be shown to not be market related the owner can get a reduction in his rates and that is how many slum landlords operate.</td>
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<td><strong>Response:</strong></td>
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<td></td>
<td>MB suggests that rebates and benefits due to a landowner should be forfeited if properties are not maintained. In order to access benefits assurances must be given that the building is maintained. This must be included in the by-law.</td>
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<td></td>
<td>Cllr PM adds that the municipality is constrained by law to a certain extent because private property owners have rights. The municipality can infringe on those rights only through bylaws but this can be challenging. The municipality cannot incentivise via a tariff structure what a building should look like or not. Valuations are based on the value of the building and are assessed by independent valuers and taxed accordingly.</td>
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<td>The municipality is constrained not only by a lack of resources but also by the law of the land. Once the proper look and feel of the street is in place, there will be a natural incentive for property owners to take care of their buildings. The road upgrades cannot be delayed until degraded buildings have been addressed. It must be a hand-in-hand operation.</td>
</tr>
</tbody>
</table>
0.16 Submission 16:  
Have problematic Properties been identified in the draft UDF?  

Response:  
The Town Planning department is developing a Spatial Development Framework Plan (SDF) as a guide for future development. As part of this framework for the entire municipal area, the SDF will identify key intervention areas. A historical study that was done for the CBD must be reviewed and updated. The Urban Design Framework will be incorporated into the SDF once that is in place. The SDF includes the Greater Knysna as well as Sedgefield.

<table>
<thead>
<tr>
<th>10.</th>
<th>In Conclusion &amp; Way Forward:</th>
<th>All</th>
</tr>
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<tbody>
<tr>
<td>• The Municipality is investigating Urban and Precinct Management that includes policies and bylaws that must be enforced</td>
<td></td>
<td>Petrus van Niekerk</td>
</tr>
<tr>
<td>• A draft CBD Urban Management Business Plan and Operational Model is currently being developed</td>
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<td>• It reviews the business processes within the Knysna and Sedgefield CBD’s and focuses on a parking management proposal</td>
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<tr>
<td>• All inputs feed back into the Municipal CBD Task team consisting of all the directorates within the municipality such as Community services and Town planning.</td>
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</table>

11. Thanks & Closure:  

• PvN thanks everyone for attending. Next meeting TBC.  

|  |  | Petrus van Niekerk |
TO   CBD Renewal Task Team
FROM Economic Development Department
cc
DATE March 2018; January 2019
COLLAB. REF.
FILE REF.
REGARDING CBD Renewal Grey Street Urban Design Framework Public Engagement Feedback

1. PURPOSE

To provide feedback on the public open day engagement sessions on 20 & 21 February 2017 to solicit inputs on the draft Grey Street Urban Design Framework done by CMAI architects and other general public inputs on CBD renewal.

2. BACKGROUND

Following on-going internal planning, one of the first outputs of the programme is the renewal of the Grey Street precinct from the Main Road to Waterfront Drive intersections. The urban design framework being conducted by the economic development department through a professional consulting team for this precinct will be finalised in March 2018. This framework is instrumental to informing the actual detailed infrastructure and urban design upgrades to follow. A detailed urban design handbook with guidelines for the CBD will be produced as part of the scope of this project and used to guide upgrades in other precincts. The purpose of the handbook is for internal staff, consulting engineers, contractors, developers, landscapers and any other stakeholders that could do work that have an impact on the urban character of the Knysna CBD to use it as a specifications guide.

Two public open days was held on 20 & 21 February at the Knysna Log Inn Hotel in Grey Street to solicit inputs on the urban design framework. The purpose of the open
day was to involve stakeholders in terms of infrastructure upgrades, traffic, street widening, signage, bins, paving etc. and to take all views into consideration for future interventions in the wider CBD. The Table below contains feedback received through feedback froms at the session.

An electronic feedback survey (same content as hard copies) has been sent out to participants and deadline for completion of the survey is Friday 23 March 2018.

More detailed inputs were also e-mailed to Knysna Municipality and is captured at the bottom of the Table 1 below. The economic development department met with a number of private property owners in February 2018 to discuss specific proposes design ideas and changes that would affect their properties based on the draft urban design proposal. This feedback has been submitted to the consulting team for consideration.

Apart from the inputs below it was clear from the sessions that members of the public and businesses have varied expectations about the extent and form of pedestrianisation in the Grey Street precinct. A critical point made is that a traffic impact study will have to be done to assess the impact of the draft urban design framework proposal in relation to vehicular impact – this needs to be done prior to contracting consulting engineers for the detailed design and construction work and has been taken up with the Technical Services Department. Recommendations from the traffic impact study will also have an impact on what the final urban design framework contains.

NOTE: KNYSNA UPPER TOWN COMMUNITY INITIATIVE URBAN PLANNING

A meeting was held on Monday 19th February between the Knysna Upper Town Community initiative and Knysna Municipality on the rejuvenation of Knysna Upper Town (i.e. upper CBD above Main Road). Pro-bono architectural precinct master planning/urban design work is being done by this initiative and should be welcomed. Representatives from the initiatives also attended the Grey Street public open day and requested copies of the draft urban design work for Grey Street to ensure complimentary planning. The initiative has requested an audience with the CBD task team once draft work is ready to be presented to ensure that it is aligned to and benefits the Municipality’s spatial planning and urban design objectives for the Knysna CBD.

TABLE 1: PUBLIC ENGAGEMENT FEEDBACK 20&21 FEBRUARY OPEN DAYS

<table>
<thead>
<tr>
<th>ITEM/TOPIC</th>
<th>FEEDBACK</th>
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<tbody>
<tr>
<td>ROAD SURFACES</td>
<td>1. Quality surfaces &amp; clean streets encourage tourism</td>
</tr>
<tr>
<td></td>
<td>2. Coral bricks are nice but are they cost effective?</td>
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<tr>
<td></td>
<td>Cement bricks may be cheaper initially but require more frequent</td>
</tr>
<tr>
<td></td>
<td>maintenance and tend to fade.</td>
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<tr>
<td></td>
<td>3. Road surface needs levelling</td>
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</tbody>
</table>
4. The road surface is horrible, patchy & neglected
5. Traffic flow has to be improved
6. Crossings have to be improved
7. Surface materials have to be replaced
8. Traffic control for pedestrians (leading green light) is an invitation for traffic to jump the green light. Poor logic and dangerous.
9. Avoid surface rooted trees
10. 1st World standard tarmac/brick smooth surfaces
11. The surface of the road must be even and of a high quality of material so that there is no need for continual repairs having to take place. All planned work such as water, sewerage, electrical, etc. must be commenced first and no further requirement for digging up the surface.
12. It was certainly gratifying to hear the planned improvements starting in Gray Street. Particularly the upper end.
13. Without a definitive traffic survey of Grey St and all important linking streets and servitudes the proposed plan is doomed to failure. My opinion of the proposed plan presented by the representatives of the council (architectural team) was ill-conceived as a result of this glaring omission. Without this information - as well as the necessary water and sanitation upgrade - it was irresponsible and unprofessional. Deemed a "pragmatic solution" their proposed plan can be likened to putting a Band-Aid on a gangrenous leg!!
14. Traffic in town is getting more and more. It is very important to have traffic calming measures - all over the town along the N2. I would say we would even need more trees and bushes to make Knysna green again - and less noisy!
15. Rather use finance to improve areas that are in need of repairs and maintenance for local population than a section that are only catering to a select few.
16. There is so much improvement that can happen in the area. I absolutely welcome the upgrade, especially considering tourists that walk the street.
17. Move the taxi rank to another site preferably behind Fruit Veg (foodloversmarket)
18. Fix the road damaged by constant pipe repair and replace old pipes before anything else as anything new will only be damaged.
19. Road surface to be resealed and subsidence areas levelled.
| SIDEWALKS & PAVING/PEDESTRIAN INFRASTRUCTURE | 1. Very important visually (main tourist route)  
2. 3rd party liability will be limited (if improved)  
3. Taxis should make use of a different route if Grey street becomes a one-way road  
4. Cobble & level pavements  
5. Older tourists trip and fall on sidewalks (improve walkability)  
6. Walking direction indication, European habit of right-hand vs SA habit of right-hand in opposite direction.  
7. Seating benches  
8. Pavements to be even and wide enough for at least 4 people abreast at any one time. Don’t forget the wheelchair users of the area.  
9. This is essential for our tourists to be able to walk with a feeling of safety. The upper area of Gray St must be cleaned up.  
10. If Tourism - arguably a key driver and sustainer of the local economy - is not the main focus and beneficiary of this re-development I aver that the investment in the proposed upgrade will amount to wasteful expenditure. Without recognising, embracing and diligently responding to the needs and wants of tourists and visitors, there will be no ROI to speak of - just a costly legacy to taxpayers and a constant memorial of municipal incompetence.  
11. Very important aspect! Also some of the shops and restaurants should upgrade the signage.  
12. At the moment, it’s a nightmare. People jaywalk all over the show and don’t pay much attention to traffic. They pay very little attention to the four way stop. The sidewalks are very manual and dirty and it’s simply not appealing.  
13. Only last section could be pedestrian only but will have improve and upgrade surrounding roads.  
14. All sidewalks should be repaired with either bricks such as those used at sidewalks at top end of Grey Street, entering Waterfront or other suitable tiles. |
| INTERSECTIONS & KERBS | 1. Pressure points demand more attention  
2. Pedestrian safety is key for foreigners  
3. Shops can contribute towards hiring a security guard  
4. Introduce regular police patrols  
5. Improve traffic flow & pedestrian safety  
6. Maximum speed zone with calming devices, maximum 30kph as in Europe for high people density zones  
7. There must be matching pavements and kerbs all along |
the street. Sponsored rubbish bins only.
8. I would like to see the sidewalks widened and shelter provided. I think alternative parking areas should be found. Illegal parking and random topping by taxis is dangerous and overall a stressful experience.
9. Repair and fix pavements.
10. Narrow sidewalks (there are a few) to be widened to other. Pedestrian priority. One way traffic from Nelson to Waterfront serving owners of Grey Street properties and clients. Traffic slowing design. Speed restriction of 40kmph.

<table>
<thead>
<tr>
<th>STREET PARKING</th>
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<tbody>
<tr>
<td>1. Knysna Log Inn bus loading &amp; offloading area – not negotiable</td>
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<tr>
<td>2. 1 hour limits must apply to Long street as employees of businesses park all day in many of the bays</td>
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<tr>
<td>3. Make Grey street a one-way coming up from Waterfront Drive – creates space for parking</td>
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<tr>
<td>4. Create more indoor parking (3 or 4 stories high)</td>
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<tr>
<td>5. No parking available for shop owners or customers</td>
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<tr>
<td>6. Increase parking</td>
</tr>
<tr>
<td>7. Parking attendants are a nuisance</td>
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<tr>
<td>8. 60 min parking zone problematic (for business owners-they receive parking tickets)</td>
</tr>
<tr>
<td>9. Do what is possible, focus on pedestrian space to walk safely</td>
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<tr>
<td>10. Electric recharge for electric vehicles in future?</td>
</tr>
<tr>
<td>11. Metered pay system should be incorporated</td>
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<tr>
<td>12. It may well be an idea to have a specific area for parking for users of Grey Street on a regular basis, i.e. shop owners, etc. The hotels will require immediate drop off/pick up parking outside their main entrances but once drop off has been completed the buses should be moved to the parkade.</td>
</tr>
<tr>
<td>13. More angled parking required. Possible if road redone.</td>
</tr>
<tr>
<td>14. As per my previous comment, I think alternative parking should be found as the top of Grey Street is a hazard.</td>
</tr>
<tr>
<td>15. Create more parking on empty land.</td>
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<tr>
<td>16. Parking to be substantially increased. Angle parking wherever possible. This will work well with one-way flow.</td>
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<tr>
<th>STREETLIGHTS</th>
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<tbody>
<tr>
<td>1. Adds security and charm</td>
</tr>
<tr>
<td>2. Make use of solar powered lights</td>
</tr>
<tr>
<td>3. Improve visibility for pedestrians</td>
</tr>
<tr>
<td>4. LED but preferably warm white vs blue white</td>
</tr>
<tr>
<td>5. Lighting to be of high quality and preferably solar</td>
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</table>
driven. Illumination at night time is essential as many tourists use the road from the Waterfront north.
6. Use solar lighting and have CCTV on the same poles
7. Would it be possible to use lights with wind and solar energy?
8. Our main problem has been lack of maintenance you need address this problem and street lights should be sufficient.
9. Street lighting to be improved. The writer will obtain more suggestions in this regard. He has an ASC accreditation which includes cinematography lighting.

### BASIC SERVICES

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<tbody>
<tr>
<td>1. Essential that the work is carried out by qualified personnel and not a repeat of the error ridden sewerage pipe debacle in Grey street over some 9 months disrupting business</td>
<td></td>
</tr>
<tr>
<td>2. Pipes are always bursting – hair salon can’t operate</td>
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</tr>
<tr>
<td>3. Upgrade infrastructure to ensure consistent water, sewer and electrical services</td>
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</tr>
<tr>
<td>4. So necessary and overdue; tourist attraction to see safe driving and walking</td>
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</tr>
<tr>
<td>5. Cycling facilities necessary</td>
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<tr>
<td>6. Toilet facilities provided for each street regeneration. The Mall or Checkers or Woodmill is not acceptable.</td>
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</tr>
<tr>
<td>7. All services to be upgraded and in good working order before the roads are redone.</td>
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</tr>
<tr>
<td>8. When planning these important upgrades cognizance must be paid to the existing and future &quot;greening&quot; plans for this area so as to avoid destruction of established trees.</td>
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</tr>
<tr>
<td>9. There needs to be a detailed engineering strategy to address this issue, the upgrade of the town will fail unless this is sorted out. So I think this is where you should start all upgrades. Fix in the infrastructure first.</td>
<td></td>
</tr>
<tr>
<td>10. Replace outdated water pipes for whole town this should be 1st CBD closed downed because of this being loss of business and very unhappy visitors as could not wash or eat.</td>
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### PUBLIC OPEN SPACES

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1. None on corner of Trotter and Grey street until the Nelson street end is cleaned up and compliant</td>
<td></td>
</tr>
<tr>
<td>2. Only if policed otherwise it becomes a drinking hole</td>
<td></td>
</tr>
<tr>
<td>3. The aesthetics of the area could follow a theme. Trees/gardens to be strategically placed and not interfere in any way with movement of traffic. A public toilet area on this road (not at the Transport Station)</td>
<td></td>
</tr>
</tbody>
</table>
should be built.
4. The plan is good. Allow businesses to sponsor gardens outside their premises.
5. More attention is required on functional design than on decorative design. This must be guided by what needs tourists expect to be met. This should be guided by dipstick research among tourists & visitors to ascertain what their needs are (eg: fresh drinking-water fountains, Ablutions, Resting areas & seating in shaded rest areas etc.) Relevant urban art must be well considered and chosen based on generally acceptable standards (no 'street / graffiti style artwork!')
6. Knysna stands for nature. We do not think that we need too much art. We need just more green. It enhances the whole area.
7. Feel only last section could be pedestrian area.

<table>
<thead>
<tr>
<th>SAFETY SECURITY &amp; LAW ENFORCEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Needed – virtually zero currently</td>
</tr>
<tr>
<td>2. Some after the problems encountered at ‘Hollywood’ – a disastrous business for Grey street</td>
</tr>
<tr>
<td>3. Parking attendants are annoying</td>
</tr>
<tr>
<td>4. More security &amp; law enforcement needed</td>
</tr>
<tr>
<td>5. Visible policing at all times essential. Car guards are a hindrance unless they are the red bib type who have been given training on parking, etc. of vehicles, especially with regard to the larger vehicles using the road. What about a panic button on each light post - must work at any time of the day/night.</td>
</tr>
<tr>
<td>6. There must be registered car guards only. How do we rid the town of street urchins and false car menaces?</td>
</tr>
<tr>
<td>7. Security is of paramount importance and must receive all necessary interventions and appropriate solutions. No panhandlers, parking attendant or unlicensed street vendors must be allowed to roam freely. Visible policing and CCTV camera scanning must be introduced.</td>
</tr>
<tr>
<td>8. Too many complaints and rumours of corruption. The policing needs to be addressed.</td>
</tr>
<tr>
<td>9. CCTV and police patrols.</td>
</tr>
<tr>
<td>10. The design of traffic flow must include calming and speed restriction signs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROPERTY FRONTAGES</th>
<th>STREET FRONTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Some buildings need upgrading</td>
<td></td>
</tr>
<tr>
<td>2. No street names</td>
<td></td>
</tr>
<tr>
<td>3. Use painting effect to make boring flat featureless wall aesthetically beautiful “Triomphe”.</td>
<td></td>
</tr>
</tbody>
</table>
4. Street signage should be clear and visible at all times. Preferably not on the curb but on a sign post. No outdoor advertising permissible, i.e. flags. Sign board at the beginning of each intersection reflecting what companies, etc. can be found in the upcoming block.
5. There are towns in Europe where people have to use a certain way of typo and a certain way of signage for their advertising. It looks clean, people find shops better and it upgrades the shops. The first step on Main with "Norseman" and "Fish and Chips" look fantastic. A bad example is the yellow house where "Emma Jayne" (the interior, foam and matraces shop). Wonderful house, but now it is a hairdresser with horrible street frontage. Please follow the new path!!

<table>
<thead>
<tr>
<th>STREET/DIRECTIONAL SIGNAGE &amp; OUTDOOR ADVERTISING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Important: from Waterfront up – main tourist entrance</td>
</tr>
<tr>
<td>2. None at present</td>
</tr>
<tr>
<td>3. Signage is important for businesses &amp; tourists</td>
</tr>
<tr>
<td>4. Street signs only - minimal advertising on shop fronts</td>
</tr>
<tr>
<td>5. The current restrictions are too old fashioned. Why not encourage a more colorful approach? I would love to paint my building yellow. Think how attractive visitors would find a colorful Gray St</td>
</tr>
<tr>
<td>6. Outdoor advertising has to be specific to the vendors, stores, hotels in the area only, and then it must be governed by locally acceptable guidelines (Owners, tourism authorities, and municipality to confer on guidelines of acceptable signage, sizes and nature of materials).</td>
</tr>
<tr>
<td>7. We don't want to make it all modern like a mall feel or will be an extension of waterfront. Something different more quaint.</td>
</tr>
<tr>
<td>8. At entrance to Grey Street at Nelson Street intersection signage directing recommended route to Waterfront via Hedge Street.</td>
</tr>
</tbody>
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<thead>
<tr>
<th>URBAN ART</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there space available for urban art? Yes, especially on blank wall faces with consent from private building owners. Flat, paved areas can also be utilized, as well as the creation of new public, open space.</td>
</tr>
<tr>
<td>2. Would be wonderful</td>
</tr>
</tbody>
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<thead>
<tr>
<th>TREE RINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dendrochronology determined/assessed? (scientific study of dating tree rings to exact year that they were formed)</td>
</tr>
<tr>
<td>2. Keep as many trees as possible</td>
</tr>
</tbody>
</table>
| STREET FURNITURE | 1. Not in close proximity of bedrooms (hotels?) Only to be placed in public open space i.e. at Grey Street Mall entrance.  
2. No, except dustbins  
3. Public toilets – public urination is a major problem |
| LANDSCAPING/GREENING | 1. Are all trees in road & pavement area remaining?  
2. Greening is a great idea as most trees have already been cut down  
3. More trees and flowers needed |
2. Proper garbage disposal area needed for Meerenbosch residential complex  
3. All buildings should install tanks and solar  
4. Each block should have bins for all recycling elements, i.e. paper, tin, glass, general. There however must be a system in place where this is collected on a regular basis. Once the garbage has been placed in the container it should not be accessible to any vagrants.  
5. No plastic bins. |
| GENERAL/OTHER COMMENTS | 1. Brief falls short of what is best for Knysna and its future  
2. Without too much change to the budget substantial gains can be achieved in the form of additional parking with wider pavements  
3. Create a one-way from Waterfront Drive up to Nelson street; then two-way Nelson street to Main road  
4. Area/building between Oldies and Garden Route Centre a nightmare – dirty and unsafe for tourists at night  
5. Move taxis & vendors  
6. Close Checkers entrance Grey street side Grey street must be policed after project is complete otherwise it will degenerate again  
7. Grey street must be policed after project is complete otherwise it will degenerate again  
8. 1st spell Gray St correctly. There is no recycling |
happening on Gray St. My bin has disappeared a few times!!! It has been confirmed in official Municipal Minutes that the spelling of the street is to be “Grey” and not “Gray”.
10. The main road area needs to be addressed. Maybe subsidized rentals for small shops run by people living in the area.
11. It's not safe when taxis driving down Grey Street stop to let passengers out. The taxi door opens directly into the street and that's when passengers directly into oncoming traffic. Grey street is dirty. It's uninviting in it's current state. A revamp would bring welcome tourist activity as well make residents feel safer.
12. Recycling on waste management. Public toilets and fines for littering and using street as public toilet. Vagrants and beggars move on as becoming more harassment from these types of people over pass few years.
13. In brief, Grey Street will be a major hub for tourist industry. It will be a pedestrian priority street with only one way calmed traffic for pedestrian safety and enjoyment.

### OTHER INPUTS SUBMITTED TO KNYSNA MUNICIPALITY

1. **Submitted by Sue Swain: 25 February 2018**

- There were some interesting ideas and wanting to change the language and turn the ‘taxi rank’ into the “Knysna Station” certainly holds a lot of merit and upgrading it is absolutely essential. I trust the Taxi Associations have already started to be consulted however? The new design would need to take cognizance of their current system. The Taxi Association has been consulted. The current situation was mentioned because, although outside the scope of work, is a crucial ‘acupuncture point’ for successful upgrade of this street as well as the rest of the CBD.

- The upgrading of the checkers mall entrance (including the surrounding shops) is another key intervention and its good to have seen this highlighted, although I think much can be done from an aesthetics perspective. As part of the Urban Design Framework (UDF) concept, this area was also highlighted as a key acupuncture point. The proposal put forward is not intended as the final design, but rather to trigger the necessity of an upgrade required for this specific area.

I have a number of concerns and comments to make:
THE NATURE OF THE WHOLE CBD REGENERATION:

There seems to be a disconnect between what the MM so eloquently expressed in his opening address where he specifically mentioned that we need to be designing for ‘authenticity’ (that which differentiates Knysna, that which speaks to what we carry in our hearts, our souls, what reflects our passion) versus that which the design team then said – which was along the lines of not really wanting to disrupt anything, wanting to merely improve on the current situation. This I simply do not understand – if you want to truly revitalize something and make it something unique, appealing, authentically different…you have to be prepared to bring in ‘disruptive thinking’…kind of amounts to the ‘zero tolerance’ approach of the NY mayor that the MM also mentioned. This does not mean that you have to ‘go big or go home’ but it does mean a fundamental change in how we do things. Yes it takes courage and yes it requires an unwavering focus but it can be done starting with one or two things, building from the bottom up and growing organically from there…but it HAS to be fundamentally different from the current way of doing things. And this is what, I’m afraid, I feel is lacking in the proposed design. The brief given to the consultant team was that the Grey Street UDF needs to be practical and easily replicable for not only the CBD, but also other economic nodes within Broader Knysna.

PEDESTRIANISATION:

- It was mentioned by Geoff that their primary focus is on promoting ‘walkability’ …making the town as ‘walkable’ as possible. But I see “Walkability”, as described by the designs, has nothing to do with pedestrianising a town and has merely been interpreted as making it a little more safe for people to walk – widening the pavements a bit, putting in zebra crossings, increasing lighting, improving paving

- Stef mentioned specifically that pedestrianising, though initially considered, has been disregarded. I found this simply astonishing. The entire design seems to go with the same-old-same-old approach of designing the town around cars and vehicular traffic. The international norm is to design towns and cities around people and non-motorised forms of transport. We appear to be doing the opposite. Knysna is recognized as a tourist town. It is known that international tourists, in particular, like to walk wherever they can, and cycle when it is too far. Yet, the design is based on making traffic flow more efficient, as opposed to trying to decrease traffic – which is what towns and cities the world over are trying to do. In the presentation, there was not one mention of bicycles and cycle lanes – I found this equally astonishing. The consultant team does not want to entirely disregard the notion of pedestrianization of a portion of the street. However, because this street is not only used by international tourists (who may well like to walk/cycle because they of course, do not have their own vehicles when they arrive in South Africa), we felt that it was vital not to increase traffic flow, but rather to improve traffic flow. We have to take all users into account when developing such a concept, and this includes the local community. Therefore, as was explained, the concept intends to decentralize the flow of traffic to and from the taxi rank; improve congestion; and allow for facilities that accommodate public transport along the street. Precedents from across the world illustrate that pedestrianization of towns and cities is only achievable when public transport systems are given priority.

The notion of cycle lanes is also not something we disregard. The road reserve on Grey
Street is just unfortunately only so wide. A cycle lane would imply a one-way or eliminating one side of parking – both options which have far-reaching consequences. It is just unfortunately difficult to properly consider an intervention like this with a limited scope.

- It was mentioned that yet another study will need to be commissioned – a traffic flow / traffic study. Of greatest concern was the fact that it seems this traffic study is being commissioned to look at current traffic flows and to plan for increased traffic flows. **If you plan and design for increased traffic, increased traffic is what you’ll get.** SURELY we should be designing for reduced traffic…to get people out of their cars and walking or cycling (and not walking in amongst traffic but having dedicated streets where they can amble along with no concern for having to dodge cars (one dodges cars, not trees….you may need to walk around a tree, but being rooted to the spot, a tree is not something that has to be dodged). We run the risk of forever planning ourselves into paralysis with yet more studies – the municipal offices are lined with dust-collecting studies. **To reiterate, there seems to be a misunderstanding between improving traffic flow and increasing traffic** (which is what we don’t want). A traffic-impact study is a requirement whenever items such as new turning lanes (as provided for in the UDF) are included.
  
  - Seriously, surely it would be possible to make one executive, brave decision (please let us take a leaf from Curitiba’s book – they pedestrianised the main road literally over a weekend…had complaints from businesses for one week and thereafter were thanked profusely by those same businesses who realized they have far more foot traffic as a result of the pedestrianisation). What if we were to pedestrianise Grey Street just between Waterfront Drive and Trotter Streets. You could have a Park and Ride facility established at the Waterfront.
    **Local SMME and job opportunity** could be stimulated through bringing in pedicabs with trailers that can cycle people to the Checkers and Pick n Pay malls where they can do their shopping, have their parcels put in the trailer and be cycled back to their cars.

    - In this non-motorised section of Gray Street, pedestrian lanes and cycle lanes are created to facilitate this form of mobility. In Trotter Street, the cycles take a right turn and wind their way to the road that is currently a one-way coming down. I am sure there are enough savvy urban planners in Knysna to be able to work out how to get the pedicabs to the Woodmill parking area where they then wait for the person to do their shopping or pick up someone who has finished – if you have enough pedicabs, it can simply be non-stop trips for them to and from the Park n Ride.

    - **Another Park and Ride facility should be set up at Loerie Park**, enabling visitors and residents from the Eastern Heads, Leisure Isle, Hunters Home, to leave their cars at Loerie Park and also be taken around the lagoon by pedicab to the shops/restaurants

    - Specially designed pedicabs could even be built that can run on the railway tracks enabling Lake Brenton, Belvidere and Brenton folk to leave their cars that side of the estuary and be brought across into town by these railroad pedicabs.

    - I know mention was made in the presentation that if you close off one street to
traffic, the others are going to have to take all that traffic – but this would not be the case...because we are designing, planning for and enabling people to leave their cars parked and to walk or be cycled around town. If, when you shut down a street to traffic, you enable an alternative mobility system for visitors AND residents alike, then you will have less traffic to contend with – **ultimately it need only be the delivery trucks and the taxis that need to use the alternative routes.**

**GROWTH AND DENSIFICATION:**

- Major concerns I have that were triggered by comments made and some of the images presented (which I may or may not have misinterpreted – I truly hope I have)
  - It seems that the belief that growth is the only way of securing our future vs a closing the loops development approach prevails – a comment was made something like “this is how a town becomes a city”. Is this what is being planning for?? That Knysna must become a city...or that this is an inevitability? The one image of a tall skyscraper (and I’m talking at least 10 storeys high) that was drawn in on the side of the one image of a taxi rank shelter was really concerning. Is this what is being proposed under the banner of “densification”? I wonder if the citizens of this town have been asked if they want to live in a city? Is this why they moved here? Knysna cannot support an infinitely growing population...that has to be recognized. Has anyone done any reading on Prosperity without Growth and how this is possible? The images of the glass transport shelters were only used as examples of the architectural language to be used and not indicative of the storey heights of the buildings surrounding them. The one image composed by the consultant team where the transport shelter is against a building, which is referenced above, is modelled around the existing height of the Shoprite building as it is currently. The only other image referring to building heights which may have been misinterpreted is the diagram used to illustrate a possible density increase in the CBD. For this diagram, the buildings heights were increased to the 3 and 4 storeys, and only intended to be indicative. This would put them at 12m, which the current zoning scheme allows for, and 14m, which is what the new draft by-law proposes. The intention of the UDF is not to advocate for ten-storeys. The consultant team wants to maintain a sensitivity to the town-character of Knysna in its current scale, while still allowing for growth and densification in terms of creating more commercial and residential opportunities within the CBD; a sentiment that is echoed by the broader population. People want to be able to live near where they work and where they relax. Furthermore, it is this kind of notion, when going forward, that would accommodate successful pedestrianisation.
  - If the long-term vision is for Knysna to become a city, the very essence that makes Knysna unique, most probably the very appeal that brought people to Knysna in the first place to settle here, will be gone — the sense of place that is Knysna will no longer exist. I trust this is also recognized.

**LANDSCAPING/GREENING:**

Again, based purely on what was presented, this element is particularly concerning. The
proposal, from BioWise, has always been that Knysna become a 'bio-wise' town – a town that is inspired by and functions like a forest (this intent takes it way beyond an 'eco' town and gives it the uniqueness and authenticity that was mentioned).

- While mention was made of some 'greening' – it came across as really only token gestures with regards to tree planting (while mention was made, if I understood it correctly, of the need to remove quite a bit of the existing vegetation/trees under a statement that implied that businesses are being hidden by vegetation and this is impacting negatively – that is exceptionally short-sighted if that is the thinking).
  - Steff at one point said if he was to ask anyone what the nicest part of Grey Street is vs what is the worst part – he said we would all likely say the same – am I the only one who would say the Log Inn with its garden/vegetation in front is the part that has the greatest appeal, followed by the other part of Grey Street on the eastern side where the shops are set back and there are trees in front? The design proposed seems to say the shop fronts have to all be brought right forward...we have to densify further. The vegetation in these planters is alien, and not water-sensitive. Removal of these planters would improve the commercial viability of these businesses, not by physically moving the shopfronts forward, but by allowing people to access them, both visually and physically. This would also increase the width of the sidewalk and improve walkability. This area in particular, as proposed in the UDF and supplementary handbook, is where new urban greening is proposed in such a manner than rather being purely decorative, is able to filter and clean stormwater in line with low impact development principles.

- There was no mention of roof gardens or vertical gardens in the presentation. Although a concept the consultant team is not opposed to, roof gardens would be the responsibility of private building owners and do not form part of an Urban Design Framework by definition. Vertical gardens, still under consideration specifically for the large blank wall faces of the two mall buildings on upper Grey Street, can be tremendously expensive to maintain. There is precedent for how such interventions have previously failed in Knysna. Unfortunately, also under the jurisdiction of private ownership, the question of who takes responsibility for maintenance remains prevalent.

- I wonder if any cognizance has been taken of the fact that towns and cities the world over are looking to 'bring the forest' back into the towns and cities as much as possible? Berlin is becoming a "Sponge City" where every effort is being made to create as much 'green absorptive space' as possible – roof top gardens, vertical gardens, swales, forest gardens, tree gardens. China is building whole forest cities. These measures ensure the effective management of storm water and the mitigation of the heat island effect by increasing both rainwater infiltration AND evaporation while limiting runoff. The Low Impact Development (LID) strategies the consultant team is employing as part of their handbook for stormwater management is in line with the concept of 'sponge cities'. Low Impact Development strategies are intended to mimic natural processes to protect water quality. Many research sources state the similarity in concepts used in 'Sponge Cities', to manage urban flooding, and the Low Impact Development strategies that first originated in North America.
There is a growing awareness and understanding of the need for our urban spaces to be redesigned so as to remove the hard pavements that have sealed off the soil so as to enable rainwater to be redirected into the ground, creating hydrated land and recharging groundwater, that in turn increases evaporation that automatically cools down the town/city more.

There is also a growing awareness of the need to create more forest gardens in towns/cities than merely planting individual trees – both as part of the storm water management approach and to help bring more biodiversity back into our city- and townscapes. It would be ideal to create the first such forest garden in the pedestrianised portion of Grey Street (in a forest garden, you replicate the layers that are present in a forest – the moss/forest floor layer, the herb/fern layer, the understorey (short trees), the canopy (taller trees) and even an emergent tree or two (the really tall trees). The reason for this is that the layers of a forest is what helps to manage and slow down water flow, preventing flooding, serving to ‘plant the rain’ and promote evaporation. This is something that could be tackled as part of an urban street party where citizens can give a helping hand. It is understood that there are pipes and underground works that need to be factored in, but these are only design challenges and should not be allowed to be used as an excuse not to do this – if towns and cities around the world are doing this (that would face exactly the same challenges as we have), so can we.

There is also the acknowledgement that towns need to attract and support bee populations and vertical gardens can have plants that do just that? There are brilliant, water-wise designs for vertical gardens.

I saw no mention of buildings harvesting rainwater – ensuring every building is doing this should be a feature of a ‘regenerated CBD’ if it is to be truly resilient and an inspiration. And this water should be re-plumbed back into the buildings themselves – rainwater needs to be seen as an absolute resource, not just something that is only good enough for watering plants. Again, a concept that the consultant fully supports – it just a question of what a UDF normally specifies, and how to make individual property owners conform.

SAFETY AND SECURITY (but relating this to greening)

While I absolutely appreciate and agree with the need to improve safety/security this should not ever be used as an excuse to not bring in greenery/vegetation/tree gardens. It would appear there is a greater focus on bringing in more lighting than there is on bringing in more vegetation. In addition, I think an opportunity is being missed again in relation to SMME and helping to address the unemployment... would it not be an idea to have people trained and kitted out to be a presence along Grey Street – a company like All Sound would be most probably perfectly suited to operate this. Our economy should be based on how many people can be employed to provide services.

WASTE MANAGEMENT & RECYCLING
This needs to be far more innovatively approached. The approach Knysna has actually adopted is that of ‘wasting nothing’ and of seeing ‘all waste as a resource’. Having ‘trash’ bins
is NOT the way to go. We are trying to move away entirely from words such as ‘trash’, ‘litter’ and even ‘waste’ (as a noun). Just like the design team wants to introduce a new language around the ‘taxi rank’ we need to introduce a new language around ‘waste’. So, all ‘resource’ receptacles should reflect this –

- there should be receptacles for organic/biodegradable materials e.g. apple cores, banana skins, foodstuffs (these should be linked to a SMME that runs a bokashi business)
- there should be receptacles for bottle brick materials (the non-recyclables like foil and chip packets, polystyrene (if we haven’t had the courage yet to ban this) and soft plastics)
- and then there should be receptacles for materials separated for recycling ie plastic, cans, paper, glass

STREET LIGHTING

- I think I saw that the lights being proposed would be solar powered – this, of course, requires batteries since they the light is actually required at night. There are some amazing innovations coming out of Kenya – one of which is a gravity light that is powered by a weight that drops slowly, generating the electricity needed. Even if only used in a section, something as radically different as this would go a long way to making walking around Knysna an authentically different experience and one likely to be shared on a host of social media platforms

SIGNAGE

I didn’t hear any mention of signage in the presentation but I am sure that this is being looked into. The one thing I would say is that the amount of signs should be radically reduced and a greater uniformity (that still allows for a level of diversity) brought in – e.g. perhaps all BnBs could be one colour – if you see an orange sign, it denotes that there is a BnB. Signage was mentioned towards the end of the presentation as part of the Handbook of guidelines. Although the guidelines cannot strictly denote what colour signage may be on the property of individual business/land owners, we can guide it to be limited in size and honour the ‘human-scale’ (i.e. no giant billboards) and can also limit neon fluorescent sign-lighting. Municipal signs have been guided in terms of material for the posts and frames, while the signs and colours themselves are limited by regulation.

2. Submitted by Candlewood Lodge on 2 March 2018

One very important aspect, what I have heard from our guests (and we have many “good-money-long-stay” guests):

But one aspect concerns me quiet a bit: we have more and more traffic and after the fire it is more noisy. Regular guests reported that. And when I take the expectations of the tourism industry for real then we will have much more visitors and traffic next year. The problem is that some of our guests told me that they rather stay in Plett or Wilderness for a long term stay (5 nights and more) than in Knysna. It is just too noisy. And I as a European understand that. People come to South Africa to “escape” for a few weeks to have nature and a calm holiday. And Knysna was standing for green, nature, small town. But what do they experience when they have a coffee at the “African Bean”? When they stay at one of the wonderful guesthouses close to the N2? Traffic, traffic, traffic.
There are things what they can do. Just some ideas:

- Make more roundabouts along the N2 to avoid start and breaking of heavy vehicles and having a better flow (see Hermanus and Plett as examples). The centre of the roundabouts can be planted green and nice.
- Plant alleys along the N2 and make a signature feature out of it. Like the Jacaranda roads in Pretoria. The trees make Knysna green and swallow noise.
- Start with “Park & Ride”. Day visitors don’t need to drive through hole town. They can park at the festival centre and rent a bike or take a shuttle to the Main Places.

4. PUBLIC CONSULTATION FEEDBACK SUMMARY – REVISED URBAN DESIGN FRAMEWORK

After finalization of the traffic impact assessment a public meeting was held for further stakeholder consultation on the revised UDF and the following inputs were made in summary. The revised UDF was placed on the municipal website’s notice board on 14th December 2018, together with a request to the public to comment on the UDF up until 18th January 2019. Hard copies were also on display in Grey Street. No additional comment were received through submission of comment forms during this period.

The minutes and responses to matters raised at the stakeholder consultation meeting on 14th December is summarized in Annexure D.

5. FINANCIAL OR LEGAL IMPLICATIONS

TBC

6. RECOMMENDATION

It is recommended that:

The content of the public engagement feedback be noted for attention of the CBD renewal task team members, consulting team, relevant functional departments and Council committee.
Executive Summary

GIBB (Pty) Ltd has been appointed by the Knysna Municipality to prepare a Transport Study (TS) for the proposed upgrading of Grey Street, situated within the Knysna Central Business District (CBD) in the Western Cape Province.

The purpose of this TS is to assess the traffic volumes generated during the normal peak and holiday peak periods in various layout scenarios proposed by the Knysna Municipality. These scenarios will be analysed and the capacity impacts will be provided that each scenario may have on the surrounding road network. Due to the nature of the concept design of Grey Street, consideration is also given to the review of the concept design, access arrangement, non-motorised transport and public transport services and facilities.

1.1 Public Transport

1.1.1 Existing Public Transport Services and Facilities

The acceptable walking distance to public transport facilities, according to the DOT’s Pedestrian and Bicycle Guidelines (2003), is 500m and recommends that it should not exceed 1000m in urban areas. From on-site observations, the Taxi Rank Facility located along Nelson Street in close proximity to the Garden Route Centre is within an acceptable walking distance from Grey Street. Currently no demarcated minibus taxi embayments or parking facilities are provided along Grey Street. The existing public transport services and facilities in the vicinity of the study area are shown in the figure below.

![Figure 1: Public Transport Facilities and Services](image-url)
1.1.2 Non-Motorised Transport (NMT)

Currently the sidewalk surface varies between concrete, asphalt and pavers along the study area. The sidewalk width range between 1.2m and 2m in width and are currently provided on either side of Grey Street. The sidewalk width is considered insufficient for the observed two-way pedestrian activity taking place along Grey Street, the required minimum width for a two-way sidewalk should be 1.8m. It is recommended that sidewalks be widened to meet the minimum requirements where required when upgrading Grey Street.

1.2 Access

The proposed upgrading of Grey Street currently has many existing accesses that lead to various development types found along the road within the study area.

Grey Street is considered a class 4, collector road that is currently under use on a daily basis by commuters, tourists and parents to reach various types of developments within the CBD.

1.2.1 Existing Access

There are currently 17 accesses located along Grey Street that lead to developments. Due to the nature of the various development types along Grey Street within the study area, high pedestrian activity is expected. Care should be taken to ensure that access points are clearly demarcated and that sight lines for motorists are not hampered in order to prevent accidents with pedestrians. Photos of some of the access points are shown below.

1.3 Intersection Capacity Analysis

The SIDRA INTERSECTION 8.0 software package was used to analyse the following intersections for the weekday AM and PM peak hours:

- N2 / Street intersection
- Street / Nelson Street intersection
- Street / Rawson Street intersection
• Street / Trotter Street intersection
• Street / Gordon Street intersection
• Street / Waterfront Street intersection

The following scenarios were analysed:

• 2018 Background Traffic (Base Year)
• 2018 Holiday Traffic

The LOS and 95th percentile vehicle queues (measured in metres) for the 2018 traffic scenarios for the weekday AM and PM peak hour are discussed in the following sub-sections.

Note that SIDRA does not calculate the overall intersection LOS for two-way stop controlled intersections. Refer to the SIDRA appendix for the LOS of each individual movement.

The following table summarises the results of the intersection capacity analyses for the various traffic scenarios.

### Table 1: Peak Hour Intersection Analyses Results Summary

<table>
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<tr>
<th>Intersection</th>
<th>Weekday AM</th>
<th>Weekday PM</th>
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<tbody>
<tr>
<td></td>
<td>LOS</td>
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</tr>
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<td>N2 / Grey Street intersection</td>
<td>B</td>
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</tr>
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<td>16.2*</td>
</tr>
<tr>
<td>Grey Street / Waterfront Drive intersection</td>
<td>A</td>
<td>24.0</td>
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#### 2018 Holiday Traffic

<p>| N2 / Grey Street intersection          | F   | 1171.1      | 163.3      | C   | 116.1       | 25.1       |
| Grey Street / Nelson Street intersection| F*  | 904.1*      | 112.3*     | C*  | 80.7*       | 15.0*      |
| Grey Street / Rawson Street intersection| F*  | 455.1*      | 124.1*     | F*  | 57.8*       | 36.2*      |
| Grey Street / Trotter Street intersection| F*  | 143.2*      | 43.5*      | C*  | 21.2*       | 15.8*      |</p>
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<th>Intersection</th>
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**2018 Background Traffic - Architect**

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**2018 Holiday Traffic - Architect**

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**2018 Background Traffic - One way**

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### 2018 Holiday Traffic - One way

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### 2018 Background Traffic - Traffic Circle

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### 2018 Holiday Traffic - Traffic Circle

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**Note:** * LOS for “worst” traffic movement at intersection.
1.4 Review of Grey Street Conceptual Plan

1.4.1 Review of Drawings

As part of the TS, GIBB was also appointed to carry out a review of the Grey Street Conceptual Design drawings prepared by CMAI Architects. This was requested in order to determine whether the design adheres to South African design specification standards. GIBB has provided comment on the drawings in order to meet the required specifications. This will be handed over to CMAI Architects who will then use the comments to finalise the conceptual drawings. The Figure below, illustrates the comments provided on the drawings.

During the review process, providing additional parking options due to the proposed changes along Grey Street, was discussed. The Knysna Municipality indicated that currently a parking garage near the Checkers retail store has additional parking bays that are currently underutilised. The Knysna Municipality would like to utilise these bays for tourists and retail users along Grey Street, in order to meet parking bay requirements along Grey Street. The walking distance does not exceed 1000m.

1.4.2 Traffic Circle Scenario

As part of the design review, it was requested that traffic circle layouts be tested in order to determine whether this could be a viable option to use in Grey Street. This was done in order to meet the requirements form the public participation process, it was requested that traffic circles be investigated for Grey Street. Two scenarios were developed, one with a conventional sized traffic circle, the other with the smallest size circle allowed. The findings from the first scenario indicate that turning manoeuvres for larger vehicle will not be an issue. However, when considering spatial constraints many of the intersection layouts overlap property boundaries and in some cases existing buildings. In order to be able to construct this scenario, extensive land expropriation would be needed which would affect the public and could be very expensive. The second option works from a spatial perspective with very little overlap onto properties and existing buildings. However, the turning circles for large vehicles are very tight, in many cases the vehicles would need to cross into oncoming traffic lanes or cross into the pedestrian sidewalks in order to make the turning movement, creating an unsafe situation. From the layout configurations and turning circle analyses, it is recommended that a traffic circle configuration not be considered a viable option for the Grey Street renewal project. The Figures showing the results are shown in below.

1.4.3 One-way Scenario

Also as part of the TS, it was requested that a one-way scenario be tested to determine whether this would improve the traffic situation over the current existing road layout configuration along Grey Street. During the public participation process it was requested that Grey Street be converted into a one-way street either in parts or along the length of the street from Waterfront Drive to Nelson Street intersection. The Knysna Municipality requested that a one-way scenario be tested in order to determine whether it was warranted from a capacity analysis stand point. From the results shown in the capacity analysis section, the one-way scenario shows marginal improvements in some of the intersections but not by a significant
margin, also in some cases the intersections would still fail. From the results shown in the table, significant improvement does not occur, especially during the holiday peak period where capacity problems would still be experienced, to warrant changing the flow of the Grey Street to a one-way street. It is recommended that a one-way layout not be considered a viable option for the Grey Street renewal project.

It must be noted that the impacts a significant traffic flow change such as a one-way street would have on public transport operations and vehicular flow within the CBD should also be considered by the Knysna Municipality, in order to meet the needs of all persons residing within Knysna.
Figure 2: Review comments provided for conceptual design
6.10

**G10/02/19  WESGRO REPORT ON TOURISM FUNCTION WITHIN THE GREATER KNYSNA MUNICIPAL AREA**

**REPORT FROM THE DIRECTOR PLANNING AND DEVELOPMENT**

**PURPOSE OF THE REPORT**

The purpose of the report is to report on the Service Level Agreement that was entered into on 23 October 2018 between Knysna Municipality and WESGRO, in accordance with Council Resolution C09/08/18.

**PREVIOUS RESOLUTIONS**

Ordinary Council meeting 13 August 2018:

“**C09/08/18 TOURISM MANDATE AND FUNCTIONS**

RESOLVED BY MAJORITY

[a] That resolution [b] of Item C10/05/17 taken on 26 May 2017, regarding the three-year term of procuring an external service provider for the local tourism function, is hereby rescinded;

[b] That it be noted that the current SLA with Knysna and Partners expired on the 30 June 2018 and is not renewed;

[c] That the Acting Municipal Manager be instructed to appoint a service provider to give effect to Sections 76 and 78 of the Local Government: Municipal Systems Act, 2000 insofar it relates to the Local Tourism function;

[d] That the above investigations/assessment should include the following options; Municipal entity; develop in-house capacity; and the use of other organs of state or service provider through a service delivery agreement that complies with all the legislative and regulatory requirements;

[e] That an intergovernmental contract in terms of the Local Tourism responsibilities as per Schedule 4 Part B of the South African Constitution be negotiated and entered into with WESGRO to carry out the functions of Local Tourism on behalf of the municipality, while the Sections 76 and 78 investigations as per the Local Government: Municipal Systems Act, 2000 and the current organisation reviews take place;

[f] That the intergovernmental contract be negotiated on behalf of the municipality by the Acting Municipal Manager,
That the intention of council as indicated in resolutions [c] and [e] be advertised in the local media.

File Number: 8/1
Execution: Acting Municipal Manager”

BACKGROUND

The Municipal Council resolved to enter into a service level agreement with WESGRO to deliver aspects the Municipality’s local tourism function. This agreement was entered into between WESGRO and the Knysna Municipality on 23rd October 2018 and the agreement is subject to the above Council resolutions.

DISCUSSION

WESGRO commenced with delivery of the function on 1st November 2018 and the scope of services required by the service level agreement include the following:

- WESGRO to submit for approval the following within three months of appointment:
  - Brand and marketing strategy for domestic and international tourists
  - Social media and digital marketing strategy
  - Creative platform
  - Marketing implementation plan
  - Brand manual
  - Event marketing strategy
  - Tourism Trade strategy

- To hold quarterly stakeholder engagements for local tourism stakeholders to engage with WESGRO, over and above the Steering Committee engagements.

- To present quarterly reports to the relevant Section 80 committee

- Update of the tourism map and the delivery of hard copies and electronic copies to the local tourism industry in the Greater Knysna area. Quantity and format budget dependent.

- Tourism Ambassador training in partnership with the International Association of Travel and Tourism Professionals (Skal International)

- Management of printing, application and removal of the signage for the event tourism signage board at both entrances to town

- Update tourism stakeholder database

- Management of visitor information centre and services including general town and tourism information, assistance to walk-in accommodation bookings, activity bookings, event ticket sales etc.

- Membership Services Strategy and the implementation thereof

- Provide market and data insights and tourism research

- Visitor experience strategy (including the visitor information centre) and implementation thereof in partnership with Knysna Municipality

- Cape Town Air Access to provide joint marketing opportunities with airlines if possible

- Strong working relationship and joint marketing opportunities with South African Tourism

- Strong working relationship and joint marketing opportunities with private sector and association bodies such as SATSA and FEDHASA

- Administrative and compliance support

A copy of the signed SLA is attached hereto as Annexure A.
In accordance with the provisions of the SLA, WESGRO has submitted a report on the deliverables that are due in the first quarter. The report is attached hereto as Annexure B.

FINANCIAL IMPLICATIONS

The estimated expenditure for delivery of the function for the contract period is:

Year 1: R4 million incl. VAT paid as R1 million per quarter;
Year 2: R 4.4 million incl. VAT paid as R1.1 million per quarter;
Year 3: R4.84 million incl. VAT paid as R1.21 million per quarter.

Details of the lease agreement for Wesgro’s occupation of 40 Main Road has been requested from corporate services and will be forthcoming from the properties department in due course.

RELEVANT LEGISLATION

Constitution of the Republic of South Africa Section 155 (6) (a) and (7) Schedule 4 Part B.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the report on the Service Level Agreement that was entered into on 23 October 2018 between Knysna Municipality and WESGRO, be noted; and

[b] That the WESGRO Quarterly Performance Report, be noted.

APPENDIX / ADDENDUM

Annexure A : Copy of Service Level Agreement
Annexure B : WESGRO Quarterly Report

File Number : 9/1/2/13
Execution: Director : Planning and Development
Manager : Economic Development
Annexure B Wesgro Quarterly Report

22 January 2019

Welcome,

Following a request from the Department of Economic Development and Tourism (DEDAT) and Knysna Municipality, and several months of consultation, Wesgro initiated a pilot project to take over the mandate for local tourism promotion on the 1st November 2018 under the name, Visit Knysna.

The mandate was conferred to Wesgro and is governed by a Service Level Agreement (SLA) signed with the municipality. This SLA requires that the initial plan for tourism promotion be presented to Council in January 2019.

We are excited to present the draft brand and marketing strategy for attracting domestic and international visitors to the naturally beautiful Greater Knysna area, the creative platform, social media and digital strategy, marketing implementation plan, event marketing plan and tourism trade marketing plan. This draft document will also be shared with the industry through workshops in February 2019 for input and support.

Since the start date of 1 November 2018, the following action steps have been taken:

- Ensured a smooth handover for the office and its staff
- Put an acting General Manager in place to ensure a functioning visitor information centre for season (November – January)
- Called for applications for a full-time General Manager, shorted listed and completed interviews and made a selection. The position will be filled by February 2019
- Signed a Memorandum of Understanding (MOU) with Knysna Tourism Association (which has been formed through the merger of Knysna Tourism and Knysna Accommodation Association) to ensure that tourism promotion is delivered in conjunction with the local tourism industry
- Hosted an industry engagement in conjunction with the local tourism industry, Wesgro, Minister Winde and the Mayor of Knysna, Mark Willerms
- Ensured that the office is up and running for season with additional staff and maps etc. (there were no maps or any other marketing collateral available when we took over)
- Ensured IT, admin, operations, staff contracts etc. were in place
- Held a marketing strategy session with the business-led steering committee
- Held a first round meeting with the industry around the plan for the Knysna Oyster Festival
- Met with Sedgefield Ratepayers Association to discuss the local tourism office in Sedgefield
- Began drawing up RFPs for website and Sedgefield Tourism Office management
- Held one-on-one meetings with various industry players
- Attended the Vakansiebeurs trade show in the Netherlands
- Launch the annual pop-up store in the Visit Knysna office, showcasing local arts and crafts
- Handled over 1 000 walk-ins over the December school holiday period
- Maps printed in two formats to local industry to use and hand out at the office

an inspiring place to do business

WESGRO is the Western Cape Tourism, Trade and Investment Promotion Agency – an independent agency established under provincial law

WESGRO
• Sent out four media releases to keep the industry informed with what is happening with Visit Knysna since the take over

Thanks to the support of Knysna Municipality and through close collaboration with the industry through the Knysna Tourism Association (KTA) led by Albert Lombard, local tourism experts, researchers and through the strategic documents and business plans done by the municipality and Knysna Tourism Association in previous years we have managed to find valuable insights that have assisted us in developing this clear path going forward.

Visit Knysna, a division of Wesgro, aims to be a valuable resource to the local tourism industry, potential visitors and visitors to this beautiful area.

We look forward to working with the citizens, businesses, officials and visitors to the Greater Knysna area in promoting and growing our local tourism industry. Collectively we can move things forward.

Due to the fact that the first three months of the SLA fell over the high season and holidays there are elements of this draft plan that require final input from various sources.

Tim Harris
Chief Executive Officer
Wesgro
EXECUTIVE SUMMARY

Due to the lack of information available on tourism in general for the Greater Knysna area, both the Local Economic Development Department and Grant Thornton (on behalf of Knysna Tourism Association) undertook foundational consumer and industry research in the form of questionnaires during 2017 and 2018.

The outtake of these two reports is that the Greater Knysna area has a stronger appeal to the international market (top markets are United Kingdom, Germany, Netherlands) compared to the domestic market over the high season. The international market is only staying about 2 – 3 nights (short stays) and are predominately first time visitors, travelling with a tour group.

Domestic numbers are higher in the winter season around July, driven by attendance to the collection of events held during the Knysna Oyster Festival. The majority of visitors are from the Western Cape, stay approximately 6 nights and view the Greater Knysna area as their regular holiday spot.

Challenges highlighted by both markets are the high cost of flights to George Airport, driving distance from Cape Town and Gauteng to the area is far for short stays / weekend getaways, and the perception of it being an expensive destination with little to do.

The Greater Knysna area also suffered a heavy blow in June 2017 with the fires that ripped through Knysna and Plettenberg Bay. The fires resulted in the loss of seven lives, over 1 000 homes destroyed, with insurance companies estimating damages were between R3 billion and R4 billion.

Although much has been done to rebuild Knysna and ensure visitors know that we are open for business, there are still some concerns regarding the state of the Greater Knysna area after the fires from international visitors.

Our challenge is clear, we need to refocus our marketing spend and invest more in marketing opportunities, in partnership with the tourism industry, towards showcasing the great natural beauty and vast array of unique experiences across the Greater Knysna area.

This approach ensures geographic spread across the area, attracts more visitors during the shoulder season, helps increase the independent traveller market and find new domestic tourism opportunities.

On organised and inclusive tourism industry at a local level that is supportive and collaborative will be the quickest route to ensuring return on investment. An increase in tourism arrivals, spend and geographic spread across the area will benefit businesses, create jobs and create opportunities for all.

The big shift for Visit Knysna will be the conversion into an organisation that understands and is adaptable to being a demand led organisation. This means each person in the organisation understands who their audience is, what their consumer journey is and how to assist trade in converting them.

Due to the lack of existing facilities to host large international conferences, our focus for the three years of this SLA will be on to grow incentive travel and corporate meetings.
WHAT DO WE WISH TO ACHIEVE?

THE BIG PICTURE SUCCESS

The big-picture success for tourism has been sketched out in the Knysna Municipality Destination Report, they are:

- Improve the attractiveness of the Greater Knysna area
- Improve arrival numbers

RESEARCH HIGHLIGHTS

The following documents were reviewed and used for input into the research. Highlights are listed below.

Skift 2019 Megatrends

Knysna Municipality Destination Report Tourism Infographics – international visitors

Knysna Municipality Destination Report Tourism Infographics – domestic visitors

Knysna and Partners Marketing Plan 1718

Steering Committee Branding Workshop – December 2018

SKIFT 2019 MEGATRENDS REPORT

The annual Skift Megatrend report is one of the most referenced and used trend reports in the tourism industry. Built by a highly skilled and relevant team of researchers and writers, it gives us as Destination Marketing Organisations (DMOs) a good insight into the future of travel and assists us in finding the opportunities. Below are the highlights that are most applicable to this strategy.

Trend 1: Giving travellers more control over their experience

- Travellers are weary of commodity travel and want a more active role in curating their experiences
- Digital platforms (e.g. Airbnb Experiences, TripAdvisor and Google) are seamlessly integrating into this consumer need
- Emergence of co-creation and collaboration between the travel company and the traveller has become the most impactful change the industry has seen
- Enabling travellers to choose, instead of pushing them offers and deals they don’t want will soon become the new norm for smart travel brands
- Build a platform that serves by locals and travellers, locals also eat at restaurants and crave unique local experiences to do
- This change will also flatten the ecosystem, allowing smaller service providers of experiences to compete against larger businesses
- Consumers value convenience and affordability above all else
Trend 2: Under tourism

- As under tourism enters the industry’s collective consciousness, offbeat destinations or those with new stories to tell are marketing immersive experiences that build relationships with people, places, culture, and community over Instagram-worthy photos ops and mass touring.
- More destinations are cultivating their “orange economy” (the orange economy includes all creative industries such as arts and culture) in neighbourhoods beyond the fabled tourist districts.

Trend 3: Wellness is the new hook in travel marketing

- It used to be food that created the buzz that lured travellers to all sorts of destinations. Now, wellness is taking over as travellers seek out healthier, more active vacations. Food is still the draw, of course, but it better satisfy a wellness craving as well.
- To take advantage of this momentum, smart destinations have begun prioritising wellness in their messaging, luring tourists who want to escape otherwise stressful lives or further their quest toward inner peace.
- If marketed in a strategic way, wellness can draw people away from beyond-crowed cities and into more tranquil, less-touristy locals that could use the economic boost.

Knysna Municipality Destination Report – international visitors

- When researching a destination, TripAdvisor, Bookings.com and the travel agent were the top three sources of information.
- Reasons for travelling included to appreciate natural resources, sight see, relax physically and spend time with family.
- When in destination, main activities were scenic drives, nature activities, adventure and going to the beach (please note that shopping and restaurants also featured but they form part of everyday usual activities).
- Top source markets are: United Kingdom, Germany and Netherlands.
- Age: 35 – 44 and travel predominantly in pairs.

Knysna Municipality Destination Report – Domestic visitors

- When researching a destination, TripAdvisor and Bookings.com were the top two sources of information.
- Reasons for travelling included getting away, to relax physically, sight see and spend time with family.
- When in destination, going to the beach, nature activities, adventure and scenic drives where the main activities (please note that shopping and restaurants also featured but they from part of everyday usual activities).
- Top source markets are: Western Cape, Gauteng and the Eastern Cape.
- Age ranges from 16 – 55 and travel either in pairs or fours predominately.

In summary, there are many similarities with regard to the international and domestic market, allowing us the opportunity to be more focused in terms of budget spend and messaging.

Knysna & Partners Marketing Plan 1718

- Tourism business is best from October – April.
- Most international visitors come en-route to somewhere, resulting in short stays, around 2 days.
• Domestic focus is in Easter, July and other school holidays
• 62% of visitors to Knysna are international with key source markets being the UK, Germany, Holland, Scandinavia and France
• 36% of domestic visitors came from Gauteng, 25% from Cape Town, 9% from the Eastern Cape and 8% from the Free State.

Steering Committee Branding Workshop 2018

• The Greater Knysna area is not a cheap, bright lights town for the masses
• The Greater Knysna is about nature and protecting it, it’s about the community and uplifting it, It’s about adventure and family time all year round
• The Greater Knysna area is mysterious, seductive yet charming

BARRIER TO CONVERSION - DISCUSSIONS WITH STAKEHOLDERS, TRADE AND DOMESTIC CONSUMERS

Tourism trade feedback revealed that marketing to date had not highlighted the unique selling points of the Greater Knysna area. The experiential offering felt vanilla and the same was been offered by the majority of tour operators selling the Greater Knysna area.

To re-ignite interest and a reason to convert, domestic consumers felt that the area should run an attention grabbing campaign with a compelling and strong reason to buy. To date consumers felt that there had been very little marketing aimed at them.

Local stakeholders agreed that there had been a breakdown in the relationship between private and public sector and even various private sector players. There is a desperate need and appetite by many to start again and build a new relationship. This has resulted in external trade being confused and frustrated in working at a local level and certain parts of the Greater Knysna area feeling excluded. A new collaborative and inclusive approach would be beneficially to all parties and help grow local tourism.

Leveraging the urgency and excitement of events to help drive arrivals outside the traditional periods has not been exploited enough.

TARGET AUDIENCE

Places mean different things to different people. What a local might find charming about their hometown maybe different to what a potential visitor finds an exciting reason to visit. This is a challenge that all DMOs face, regardless of what size their budget is. How does one create a marketing campaign that appeals to a diverse set of people?

One way is to find a common interest between a diverse set of people, an experience and the positive emotions that come from it, is the common ground. Visit Britain is an example of a destination that has done this very effectively with a single campaign that resonates both with potential visitors and citizens. It places the experience first, supported by the beautiful imagery of the environment.
To ensure our budget is not stretch too thinly by trying to target everyone in a large number of markets (internationally and domestically) we need to focus on travellers in markets with the highest opportunity to convert.

OUR TRAVEL PERSONAS

We have created three travel personas of the type of people who would find the Greater Knysna area attractive.

The Memory Makers

<table>
<thead>
<tr>
<th>Memory Makers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Families and couples</td>
</tr>
<tr>
<td>2 years old to 52 years old (travelling party)</td>
</tr>
<tr>
<td>Booking and planning primarily done by the mother</td>
</tr>
<tr>
<td>Domestic and international market</td>
</tr>
</tbody>
</table>

Holidays are about making memories with family and friends. It’s about filling the days with a balance of sun, fun and relaxation. Memory Makers like to be in familiar surroundings and if they love their holiday, they’ll keep coming back to the same destination. They want a trip that is easy to plan, with anchor, yearly experiences such as hike up to the heads or lunch of fresh fish at the quay plus something new. Social media sharing is done by the kids mainly, the parents or older travellers are not hunting for the perfect Insta-post. Life is too much fun to worry about that. Word of mouth is one of the strongest influencers in terms of choosing a destination.
The Ebullient Explorer is joyously unrestrained. Financially and timewise they have the ability to change plans and explore last minute experiences. They enjoy affordable luxury and immersing themselves into the destination. They enjoy a mix of good food, active outdoor experiences and long lazy drinks at sunset. They don’t want to be with the masses or late nights in clubs. They like to plan and manage all the aspects of their trips. Magazines, online, word of mouth, social media and online are where they go for inspiration.

The Road Trippers

The Road Trippers are all about immersing themselves into as much as possible on their journey. The journey is the holiday, not the destination. The seek out anchor unique experiences along the route they go, searching social media and online to find something unique and extraordinary. They don’t stay long, but they love to share incredible experiences with their friends all over the world. Planning is loose and last minute – but it will include as much as possible.

MARKETS

From all the data provided, it is clear that the following markets are the most favourable in terms of marketing:

United Kingdom
This market is historically the biggest international source market for the Western Cape, the Garden Route and the Greater Knysna area. The similarity in language, lifestyle and history makes it an easy market to convert. Target personas are the Ebullient Explorer and the Road Tripper. Due to certain economic conditions it has shown slow growth over the past year. There is a direct flight between Cape Town and Gatwick / Heathrow and there lies an opportunity to drive arrivals during the shoulder season. In terms of online searching and viewing on TripAdvisor for the Western Cape, the United Kingdom ranks highest. Our biggest short haul competitor is Spain and long haul is the United States.

**Germany**

This market is also a large source market for the Western Cape, Garden Route and Greater Knysna area. Target personas are the Ebullient Explorer and the Road Tripper. According to South African Tourism, this is a large market that is showing fast growth. There is a direct flight between Cape Town and Frankfurt / Munich. There is an opportunity to drive arrivals during the shoulder season. In terms of online searching and viewing on TripAdvisor for the Western Cape, Germany ranks second. The Germans, by nature, are very outdoorsy people and enjoy activities. Our biggest short haul competitor is Italy and long haul competitor is the United States.

**The Netherlands**

Although the Netherlands is only the 6th largest market for the Western Cape, it is the third largest market for the Garden Route and Greater Knysna area. Target personas are the Ebullient Explorer and the Road Tripper. There is a direct flight between Cape Town and Amsterdam. There is an opportunity to drive arrivals during our shoulder season. The Netherlands ranked 5th in terms of markets searching for the Western Cape on TripAdvisor. Our biggest short haul competitors is France and long haul is the United States.

**South Africa**

The biggest source of domestic tourists for the Greater Knysna area is the Western Cape, Gauteng and the Eastern Cape. The target personas are the Memory Makers and potentially the Ebullient Explorer who are choosing to rather do a staycation than travel overseas. Durban offers our market an alternative for a staycation.

### SCHOOL HOLIDAYS, DRIVE TIMES AND AIR ACCESS PER MARKET

<table>
<thead>
<tr>
<th>Country</th>
<th>Season</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>Winter</td>
<td>5 hr</td>
</tr>
<tr>
<td>Germany</td>
<td>Spring</td>
<td>12 hr</td>
</tr>
<tr>
<td>France</td>
<td>Summer</td>
<td>5 hr</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Autumn</td>
<td>12 hr</td>
</tr>
<tr>
<td>Gauteng</td>
<td>Winter</td>
<td>12 hr</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>Spring</td>
<td>5 hr</td>
</tr>
</tbody>
</table>

Source: Wesgro, 2019
Scandinavia, France, Italy and the UAE also show great potential, but due to limited budget we are unable to put financial resources into these markets at present. We are however able to assist trade non-financially that go into these markets.

BARRIERS TO CONVERSION

South Africa

- Except for the gaps at Long-term and Short-term Consideration leakages, all the leakages have reduced during 2014-18

The Greater Knysna area’s marketing starts to play an important role in the purchase funnel at the plan to seek info stage. The key barriers at this stage are the appeal of another destination or the cost to get there. The opportunity is to communicate a compelling message that resonates with the travel persona, articulates the convenience to get here (direct flights to Cape Town) and affordability (value and depth & breadth of experiences), all year round.

The challenge we do face with affordability is the high cost of flights from Cape Town International Airport and OR Tambo International Airport to George Airport.

THE DESTINATION – THE GREATER KNYSNA AREA

The Greater Knysna area is one of great natural beauty, with the estuary, known as the Knysna Lagoon to the locals, at its heart.
During the branding Steering Committee workshop, the Greater Knysna area was described as:

- Natural
- Premium
- Community driven
- Connected to its marine life through the estuary and unique marine life
- A place for families
- A place for outdoor adventures
- Romantic
- Diverse in experiences and communities
- Full of history
- A year round destination with our Mediterranean climate

The area is made up of Karatara, Barrington, Buffelsbaai, Brenton, Rheenedal, Sedgefield, Noetzie and Knysna. Each of these towns have their own unique proposition, their own unique experience, their own tourism industry. To build the attractiveness of these areas, we need to help the potential visitor make sense of the geographic area, not by municipal borders but by other factors such as unique offering, primary attraction and potential travel patterns of visitor – as this is what will impact the purchase decision.
MAP OF THE GREATER KNYSNA AREA

Source: Visit Knysna, 2018

Helping the potential visitor understand the geographic area of Greater Knysna

The following set of criteria has been developed by Destination Think! to help towns define what they stand for and what they offer. This methodology has worked successfully in other regional and local towns globally.

This approach helps DMOs define their area by experiences and assists potential visitors in understanding the geographic area not by borders but by experiences – the objective: getting them to stay longer, explore more and spend more.

UNPACKING THE TOWNS

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Definition</th>
<th>Value</th>
<th>Source of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique identity</td>
<td>What makes this town unique compared to the other towns in the Greater Knysna area?</td>
<td>To create an experiential USP to help tell the story</td>
<td>Industry workshops and surveys</td>
</tr>
<tr>
<td>Access point</td>
<td>How do people get there?</td>
<td>Marketing route development and signage</td>
<td>Google maps</td>
</tr>
<tr>
<td>Primary reason to visit / attraction</td>
<td>Each town should have an icon attraction or experience</td>
<td>Adds to the story been told</td>
<td>Industry workshops and surveys</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------------------------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Main geographic feature</td>
<td>What makes the area unique geographically</td>
<td>Natural environment is key in the messaging</td>
<td>Industry workshops and surveys</td>
</tr>
<tr>
<td>Seasons to visit</td>
<td>Outside the high season, where do opportunities lie</td>
<td>Improve arrivals by offering out of high season options</td>
<td>Industry workshops and surveys</td>
</tr>
<tr>
<td>3 - 5 hour's drive</td>
<td>3 - 5 hours can equate to 4 night's stay</td>
<td>Create collaborations with towns 3 - 5 hour's drive away (growing the pie)</td>
<td>Google maps</td>
</tr>
</tbody>
</table>

Source: Destination Think!
<table>
<thead>
<tr>
<th></th>
<th>Unique Identity</th>
<th>Access point</th>
<th>Primary attraction or experience</th>
<th>Main geographic feature</th>
<th>Season to visit (outside high season)</th>
<th>3 – 5 hour drive</th>
<th>Positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karatara &amp; Barrington</td>
<td>Forestry land</td>
<td>Seven Passes Road</td>
<td>Bike Park</td>
<td>Forestry</td>
<td>Shoulder and winter</td>
<td>Cape Town to Port Elizabeth</td>
<td>Mountain Bike Mecca</td>
</tr>
<tr>
<td>Buffelsbaai</td>
<td>Beach</td>
<td>N2</td>
<td>Blue Flag Family Beach</td>
<td>Walker Point</td>
<td>Shoulder and winter</td>
<td>Cape Town to Port Elizabeth</td>
<td>Swim and Surf</td>
</tr>
<tr>
<td>Brenton</td>
<td>Hiking</td>
<td>N2</td>
<td>Brenton Blue Butterfly Nature Reserve</td>
<td>Unique vegetation</td>
<td>Shoulder and winter</td>
<td>Cape Town to Port Elizabeth</td>
<td>Slow walks and butterflies</td>
</tr>
<tr>
<td>Rheenendal</td>
<td>Outdoor hiking</td>
<td>Seven Passes Road</td>
<td>Knysna Elephants</td>
<td>Jubilee Creek</td>
<td>Shoulder and winter season</td>
<td>Cape Town to Port Elizabeth</td>
<td>Farm stays and local produce</td>
</tr>
<tr>
<td>Sedgefield</td>
<td>Slow town</td>
<td>N2</td>
<td>Organic market</td>
<td>Wild Oats Community Market</td>
<td>Shoulder and winter season</td>
<td>Cape Town to Port Elizabeth</td>
<td>Embrace the slow life</td>
</tr>
<tr>
<td>Knysna</td>
<td>Estuary</td>
<td>N2</td>
<td>Estuary</td>
<td>Knysna Heads</td>
<td>Shoulder season and winter</td>
<td>Cape Town to Port Elizabeth</td>
<td>Heart of adventure</td>
</tr>
<tr>
<td>Noetzie</td>
<td>Castles</td>
<td>N2</td>
<td>Castles</td>
<td>Castles</td>
<td>Shoulder season and winter</td>
<td>Cape Town to Port Elizabeth</td>
<td>Romance and history</td>
</tr>
</tbody>
</table>

Source: Visit Knysna Steering Committee Workshop, 2019
EXPERIENCIAL POSITIONING MAP

By allowing the visitor to see the Greater Knysna area, not by town names but by experiences, it allows them to truly appreciate the experience one can have when you visit. From high octane outdoor adventures to the simple pleasure of sitting with locals sharing a drink in a local township or market. It happens naturally in Knysna.

Source: Wesgro, 2019

CREATIVE PLATFORM – WHAT MAKES US STAND OUT?

The value proposition below is not the consumer facing message that will be put on collateral, but rather the creative platform upon which marketing will be developed.

Simple pleasures. Big adventures.
Naturally, in the Greater Knysna area

STRATEGIES AND TACTICS

Strategy 1
Promote the Greater Knysna area

Purpose
To improve interest, consideration and preference to visit the Greater Knysna area

Tactics
Digital and social media marketing campaign aimed at travel personas
Message amplification through partnership with South African Tourism country offices
Message amplification through partnerships with local industry

Metrics
Engagement
Shares
Likes

Marketing Implementation Plan

- Put out an RFP for creative agencies to submit proposals
- Select creative agency
- Agency to conceptualise marketing campaign
- Campaign to be presented to municipality and industry for buy in
- Develop white label content and collateral for industry to use
- Run campaign via earned, paid and owned media

Request for Proposal for creative agency

An RFP will be put out in February 2019 for a three year contract with a creative agency. The requirement of the agency will be to develop brand look and feel, message and content. The content will need to be kept fresh and updated regularly and managed through a content calendar.

White label content and collateral

Visit Knysna will develop content (videos, imagery, copy) quarterly without any logos on it. The industry has the opportunity to use this content and collateral free of charge with their own logos, websites and contact details on. Space will be created for businesses to add images of their establishments and special offers The concept is the power of a single voice – we will make a bigger impact if we all go out with the same destination message.

Earned, paid and owned media

Website, Facebook and Instagram will be our primary channels of owned media. However to have an degree of effectiveness in terms of reach and engagement, financially resources will need to be allocated around boosting posts and running campaigns (refer to Strategy 6).

The writing and issuing of media releases will be done by the Wesgro Communications team, this shared resource approach takes pressure off the Visit Knysna budget and allow the team in office to focus on destination marketing.

Due to the high cost of traditional advertising and the change in model from outbound to inbound marketing, Visit Knysna will not look at placing traditional media unless joint marketing or media hosting opportunities are presented that show high return on investment and meet the metrics.

Strategy 2

Improve the attractiveness of the Greater Knysna area
Purpose
To measure and manage online sentiment of the destination using big data. By tracking online sentiment we gain knowledge and understanding of how potential and existing travellers view the area through the online discussions, we can track issues especially relating to experiences (e.g. accommodation, activities, restaurants) and help diffuse negativity, we can track if our marketing is changing the narrative and other strategic issues that can be measured in real time and managed.

Tactics
Tourism Sentiment Index (https://destinationthink.com/about-tsi/)
Management of the Visit Information Centre and feedback from visitors
Visitor Experience Audit

Metrics
KPIs
Benchmarking against competitors
Tourism asset performance
Visit Experience review and feedback to industry

Implementation Plan
- Host event with Destination Think! to take industry through tool
- Set up KPIs for TSI
- Put an RFP out for Visit Experience Audit
- Present Visit Experience to Municipality and Industry with corrective measures and opportunities to improve visitor experience

Tourism Sentiment Index

In partnership with Wesgro and Destination Think! we will be running a three year study (2018, 2019 and 2020). The study has three parts to it:

Category: Scan all online conversations happening around the world related to our area. The system looks at thousands of words and images, then classify them into tourism categories and experiences that are relevant to our strategy.
Quantity: The data is then classified into the content according to whether the sentiment is positive, neutral or negative. The Tourism Sentiment Score formula is applied to assess the area's performance and compare it to a competitive set of destinations we as the DMO with our funding partners has selected. (Wesgro is funding 50% of this cost)

\[
\left[ \frac{\text{+}}{\%} \right] - \left[ \frac{\text{+}}{\%} \right] \\
\times 100 = \text{Tourism Sentiment Score™}
\]

Report: The completed analysis results reveal how people feel about 50 different experiences and services. Wesgro and Visit Kynsna will then receive a turnkey report that summarizes all the data and builds on it with key insights and next steps. These reports will be shared with the industry in workshops and feedback sessions.

Visitor Experience Audit

By controlling the experience, you control the message. Visitors today are quick to jump onto social media to complain about an experience, and this impacts the sentiment and attractiveness of destinations.

By working with the industry to understanding how first time visitor perceive their experience, we can help willing businesses find low-cost effective ways to upgrade (if necessary) and improve market performance. These great experiences will also help manage the narrative that people are putting onto their social media platforms.

An Request for Proposals (RFP) will be call for proposal to deliver against the following:

- Preliminary first time visitor experience assessment
- Evaluation of findings
- Gaps and opportunities
- Feedback sessions
- Proposed priorities and actions
Strategy 3
Trade partnerships

Purpose
To develop a trusting and effectively partnership with the local industry and assist in creating marketing opportunities for them.

Tactics
Produce set of white label marketing tools that they can brand and use
Do joint media and trade hosting
Hold quarterly stakeholder engagements and workshops
Provide maps
Provide market and data insights
Create platforms at trade and road shows
Assist with the Tourism Ambassador Training Programme in partnership with SKAL
Up to date stakeholder database
Visit Knysna Membership Services Programme

Metrics
Uptake of white label marketing collateral
Support of trade and media hosting
Attendance to engagements and workshops
Membership sign up

Implementation Plan
- Develop itineraries that support the marketing campaign and share with inbound operators
- Partner with SATSA Garden Route to host a Mega Fam to launch marketing campaign and new positioning (based off the 2018 MegaFam held)
- Set up stakeholder engagement and workshop calendar and share with industry
- Host stakeholder engagements and workshops
- Develop baseline research and build on to annual to track visitor value to the Greater Knysna area
- Update stakeholder database
- Develop and implement a Visit Knysna Membership Service Programme

Strategy 4
Event Marketing

Purpose
To leverage the urgency and experience of local events to help drive awareness and attractiveness of the Greater Knysna area.

Tactics
Knysna Oyster Festival
New infrastructure for the event board at the entrance to the town
Management of printing, application and removal of event signage on event board
Social media marketing
Due to high cost of new infrastructure, Visit Knysna will not be able to provide financial event support during Year 1

Metrics
Visitor numbers

Implementation Plan
Host small industry workshops to discuss Knysna Oyster Festival
Present strategic and creative approach to stakeholders for buy-in
Put out an RFP for new signage board
Erect new signage board
Manage signage board
Set up content calendar and run social media around events in the Greater Knysna area
Provide financial event support from Year 2. Events are too able to apply to Wesgro for financial support.

Strategy 5
Business Tourism

Purpose
To leverage the high spend of the meetings, incentive, conferences and exhibitions market. Due to limitations of venue facilities, focus will be on the incentive and corporate markets.

Tactics
Development and marketing of a digital Meeting Planners guide to showcase venues and facilities
Dedicated web page on Visit Knysna website
Development and marketing of a digital Incentive Planners guide with itinerary ideas to showcase accommodation and experiences
Pre and post show hosting
Advocacy and networking to promote the Greater Knysna area as a business tourism destination
Attendance at Meetings Africa

Implementation Plan
- Audit of all venues in the Greater Knysna area
- Content development of all venues in the Greater Knysna area
- Leverage the Visitor Experience audit for Incentive Guide, develop content
- Attend Meetings Africa
- Organise two trips per year to Port Elizabeth, East London and Gauteng for possible corporate meetings

Meetings Africa

Meetings Africa is the premium Business Tourism Trade Show in Africa, hosted by South African Tourism in Johannesburg (https://www.meetingsafrica.co.za) on the 26th and 27th February 2019. Visit Knysna has the opportunity to join Wesgro as a roaming exhibitor to meet local corporate executives who are booking business travel and travel agents that specialise in incentive, business and conference travel, in-house event co-ordinators and incentive houses.
Digital Meeting Planners and Incentive Guide

Will feature all products relevant and market ready for corporate meetings and incentives on a dedicated website page on Visit Knysna. This will also be shared with the Cape Town & Western Cape Convention Bureau team (unit within Wesgro) and the National Convention Bureau (unit within South African Tourism).

Strategy 6
Social media and digital

Purpose
To rebuild and stack all digital and social media platforms for the Greater Knysna area into a single platform ensuring consistent brand message and visual identity

Metrics
Likes
Followers
Engagement
Shares

Implementation Plan
- Put out a RFP to rebuild Website and align with social media platforms
- Rebuild website
- Develop CRM email capabilities aimed at trade and consumer
- Run a blog using influencers and ambassadors of the region
- Promote through social media and customer engagement
- Develop and implement content calendar for all social media platforms
- Develop and implement digital marketing plan
- Ensure Search Engine Optimisation

Strategy 7
Crisis management plan

Purpose
To set up a crisis management communication plan in the event of a disaster

Tactics
Communication plan

Metrics
Online sentiment tracking

Tactics
- Crisis communication plan
At present the only funding received by Visit Knysna is the R4m grant funding from Knysna Municipality. As part of the strategy, the agency will look at membership fees and collaborative marketing opportunities to assist in raising additional funding for **marketing purposes only**. No additional funding raised will be used to cover staff and opex costs.

In our first year, we are required to invest spend into a new website, new brand and marketing collateral, new event signage outdoor billboard, new computers and new office equipment. This will impact funding available for event marketing in the first year. As part of Wesgro, certain costs relating to HR, finance and administration can be carried by the agency on behalf of Visit Knysna.

These are budget allocations only and are subject to change.

<table>
<thead>
<tr>
<th>Action</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff, Opex and Sedgefield Tourism</td>
<td>53,25%</td>
<td>52,28%</td>
<td>50,00%</td>
</tr>
<tr>
<td>Strategy 1: Awareness marketing</td>
<td>23,75%</td>
<td>27,05%</td>
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<td>Strategy 2: Attractiveness</td>
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<td>Strategy 3: Trade Partnerships Marketing</td>
<td>2,50%</td>
<td>4,77%</td>
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</tr>
<tr>
<td>Strategy 4: Event Marketing</td>
<td>2,50%</td>
<td>4,77%</td>
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</tr>
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<td>Strategy 5: Business Tourism Marketing</td>
<td>2,50%</td>
<td>2,50%</td>
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<td>Strategy 6: Social media and digital media marketing</td>
<td>11,50%</td>
<td>8,18%</td>
<td>7,50%</td>
</tr>
<tr>
<td>Strategy 7: Crisis Management Plan</td>
<td>0,00%</td>
<td>0,00%</td>
<td>0,00%</td>
</tr>
</tbody>
</table>

**Total**

|          | 100,00% | 100,00% | 100,00% |

**Percentage Spend for Year 1**
Percentage spend for Year 2

- 52.28% Marketing
- 47.27% Research
- 0.45% Staff, Opex & Sedgefield

Percentage spend for Year 3

- 50.00% Marketing
- 49.58% Research
- 0.42% Staff, Opex & Sedgefield
SERVICE LEVEL AGREEMENT

Knysna Local Municipality

(Herein represented by Johnny Douglas in his/her capacity as Acting Municipal Manager)

(Hereinafter referred to as “the Municipality”)

and

Entered into by and between

Wesgro

(a provincial public entity established in terms of section 2 of the Western Cape Investment and Trade Promotion Agency Act 3 of 1996 and a Schedule 3 public entity under the Public Finance Management Act 1 of 1999, as amended)

(Hereinafter referred to as “the Agency”)
1. DEFINITIONS AND INTERPRETATIONS

1.1 In this agreement unless the context otherwise indicates, the following words and expressions shall bear the meanings assigned thereto and cognate words and expressions shall bear corresponding meanings:

1.1.1 "Agreement" means this agreement and all annexures and/or schedules thereto;

1.1.2 "Business Day" means any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa;

1.1.3 "Commencement Date" means 1 November 2018;

1.1.4 "Contract Period" means three years, subject to early termination provision in clause 13;

1.1.5 "Expiry Date" means 31 October 2021;

1.1.6 "Greater Knysna" refers to municipal area of Knysna and includes Brenton, Buffalo Bay, Karatara, Rheenendal, Sedgefield and Knysna;

1.1.7 "Intellectual Property" means any intellectual property rights of whatever nature whether registered or not, including but not limited to copyright, patents, designs, trademarks, service marks and logos.

1.1.8 "The Knysna Brand" means any existing Knysna Municipality designs, patents, copyrights, trademarks, know-how and other intellectual property, whether registered or not. All designs, patents, copyrights, trademarks, know-how and other intellectual property, whether registered or not developed during the contract period is the property of Wesgro;

1.1.9 "The Municipality" means Knysna Local Municipality, established in terms of section 12 of the Local Government Municipal Structures Act 117 of 1998, represented by Johnny Douglas, in his capacity as the Acting Municipal Manager, he being duly authorised herein;

1.1.10 "The Municipality’s Address" means P.O. Box 21, Clyde Street, Knysna, 5570. For other purposes: The Municipal Offices, Clyde Street, Knysna, 6570;

1.1.11 "The Parties" mean the parties to this Agreement, being the Municipality and Wesgro;

1.1.12 "Services" mean collectively the services referred to as set out in Annexure A;

1.1.13 "Signature Date" means the date on which the agreement has been signed by all parties thereto;

1.1.14 "Termination Date" means the date of termination in terms of the provisions of clause 11 or 12;

1.1.15 "Wesgro" means Wesgro who draw their mandate from the Wesgro Act, 1996 as amended. According to the Western Cape Investment and Trade Promotion Agency Amended Act, Act No. 6, 2013. As a 3C entity, Wesgro is an extension of the Department of Economic Development and Tourism with the mandate to fulfill tourism, trade and investment promotion for the Western Cape Government. Wesgro is herein represented by Tim Harris as Chief Executive Officer he/she has duly authorised herein; and

1.1.16 "Wesgro address" means: 18th Floor, SA Reserve Bank Building, 60 St Georges Mall, Cape Town, 8001.

1.2 The head notes to the paragraphs to this agreement are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.

1.3 This agreement shall be binding on and enforceable by the trustees, permitted assigns, liquidators or other legal successors of the Parties as fully and effectually as if they had signed this agreement in the first instance and reference
to any party shall be deemed to include such party’s trustees, permitted assigns, liquidators or other legal successors, as the case may be.

1.4 Whenever a number of days is prescribed in this Agreement, such number shall be calculated excluding the first and including the last day, unless the last day falls on a day which is not a business day, in which event the last day shall be the next day which is a business day.

1.5 Where any term is defined within the context of any particular clause in this agreement, the term so defined shall, unless it appears clearly from the clause in question that such term has limited application to the relevant clause, bear the meaning ascribed for all purposes in terms of this agreement, notwithstanding that such term has not been defined in this clause 1.

1.6 The terms defined in this agreement shall bear the same meanings in annexed schedules which do not contain definitions.

1.7 This Agreement includes all annexed schedules which are an integral part of this Agreement.

2. RECORDAL

It is recorded that:

2.1 WESGRO hereby agrees and undertakes to render the services to Knysna Municipality, the scope of such services being as set out in the implementation plan 4.2.

3. COMMENCEMENT DATE AND DURATION

3.1 This agreement shall commence on the Commencement Date, notwithstanding the Signature Date, and shall terminate on the earlier of the Expiry Date or the Termination Date.

4. SCOPE OF APPOINTMENT

4.1 The Municipality appoints Wesgro, which appointment Wesgro accepts, to provide the Services to the Municipality in accordance with the terms of conditions of this Agreement.

4.2 It is specifically agreed that Wesgro shall within 60 days of signature hereof submit an implementation plan for the services set out in Annexure A to the Municipality.

4.3 It is further agreed that Wesgro shall enter into a performance agreement within 90 days of signature hereof, whereby performance as a service provider will be evaluated, quarterly against pre-determined performance objectives.

INCLUSIVE INNOVATIVE INSPIRED
5. ORGANISATIONAL STRUCTURE

5.1 Upon signature of SLA, Wesgro shall commence recruitment process of staff. Each staff member will align to Wesgro’s Performance Management Policy and KPIs will be set within 90 days of Signature Date of employment contracts.

5.2 The team will be structured into functional areas based on the Service delivery requirements and the rationalisation of resources with Wesgro. The structure of the organogram will be applied in terms of that outlined in Annexure B for the duration of the contract.

5.3 Any amendments to Annexure B will be in accordance with the Human Resources Policy of Wesgro and approved by the Wesgro Board of Directors and its committees.

6. SERVICES

6.1 Wesgro shall provide the services in accordance with the terms of this agreement, and as set out in Annexure A with effect from Commencement Date for the duration of the agreement.

6.2 Wesgro shall carry out the services (each as a separate and distinct obligation):

6.2.1 in accordance with the service specifications in Annexure A;

6.2.2 in accordance with the relevant legislation and regulations of the Republic of South Africa;

6.2.3 in a manner that complies and meets with the requirements of Provincial Financial Management Act and all applicable law;

6.2.4 in a manner which ensures that the services are provided in accordance with the agreed and approved implementation plan (Addendum D);

6.2.5 so that all persons employed in connection with the performance of the services have the necessary skills and experience as required by their respective professions, trades and callings and taking into account their roles and responsibilities in relation to the services; and

6.2.6 so that all aspects of the services are supervised by sufficient numbers of persons having adequate knowledge of such matters for the satisfactory and performance of the services.

6.3 Wesgro shall keep and maintain a comprehensive record of all agreements, client data, business contacts and the like relating to service specification.

7. MONITORING AND EVALUATION

7.1 The monitoring and evaluation shall be done in accordance with the approved business plan (Addendum E) and performance criteria against agreed deliverables.
7.2 Wesgro shall be responsible to monitor its performance against an agreed upon set of services, and shall implement appropriate monitoring, quality controls and management procedures.

7.3 Wesgro shall prepare and deliver a quarterly monitoring and evaluation report detailing the provision of services, which will be comprehensive enough to enable the Municipality to assess whether Wesgro is in compliance with this agreement, its provision of services, and generally its ongoing performance. The quarterly monitoring and evaluation report (and cash flow) will be provided to the Municipality within 7 (seven) business days after the end of the quarter.

8 CONTRACT AMOUNT AND PAYMENT

8.1 The total contract amount for the services to be rendered by Wesgro is R13,240,000 over the 3 (three) year period as provided in clause 3.

8.2 The total contract amount will be paid during the contract period as follows:

8.2.1 Year 1: R4 million paid as R1 million per quarter

8.2.2 Year 2: R4.4 million paid as R1.1 million per quarter

8.2.3 Year 3: R4.84 million paid as R1.21 million per quarter

8.3 The Municipality shall make payment of the amount in clause 8.1 on quarterly basis to Wesgro within 30 (thirty) days of receipt of a valid invoice sent at the start of the first month of the respective quarter.

8.4 Payment shall be made to Wesgro (or such other third party agreed to between the parties in writing) by electronic transfer, into the bank account stipulated for such purpose in writing to the Municipality.

8.5 If the Municipality disputes in good faith any portion of an original invoice, The Municipality shall be obliged to pay the undisputed amount of such invoice or statement when due and may withhold the disputed portion pending resolution of the dispute in accordance with clause 15 of the Agreement. Upon resolution of the dispute, the Municipality shall pay to Wesgro such portion, if any, of the disputed amount determined to be owing to Wesgro within 30 (thirty) days of the resolution of such dispute.

9. BRANDING AND INTELLECTUAL PROPERTY

9.1 Wesgro acknowledges that the Knysna brand (including website, social media platforms and trademarks) shall remain the sole and exclusive property of the Municipality, and Wesgro shall in no way dispute the Municipality’s right thereto and shall not in any way make use of the Knysna brand outside of the confines of this agreement.

9.2 The copyright and all other intellectual property rights subsisting in all works (regardless of format) undertaken, created or developed by or on behalf of Wesgro during the contract period shall vest with Wesgro.

9.3 The parties undertake to not do anything or omit to do anything which may negatively affect the reputation and credibility of the Knysna brand.
9.4 The parties undertake to protect the Knysna brand from any third-party infringement and use all reasonable endeavours in this respect infringement.

9.5 Wesgro agrees that it shall not use, register or attempt to register in the Republic of South Africa or any other location worldwide any mark or name which may be confusingly similar to or in competition with the Knysna brand.

9.6 For avoidance of doubt the parties record and agree that all intellectual property, branding rights and trademarks in respect of the Knysna brand currently vests and shall vest in the Municipality, whether during this agreement or subsequent to the termination of the agreement, and Wesgro shall acquire no rights and have no claim in respect thereof.

9.7 Upon termination of this agreement, Wesgro shall hand over to the Municipality any advertising material, printed material or the like, featuring the business names and/or trademarks and/or intellectual property of the Municipality, if there are no disputes pending.

10 PREMISES

10.1 Wesgro shall occupy the premises of 40 Main Street, Knysna for the nominal lease of R1.15 (one rand) incl. VAT annum, on the terms agreed upon by all parties, which lease shall subsist for as long as this agreement remains in effect, unless for reasons outside Wesgro’s control the premises would need to move. Refer to Addendum C for lease agreement.

11 TERMINATION

11.1 This agreement shall automatically be terminated on the Expiry Date, unless it has been terminated earlier in accordance with the provisions set out in clause 12.

11.1.2 Without prejudice to clause 12 ("Breach"), each of the Parties shall be entitled to voluntarily terminate this agreement, provided that a period of three months from Commencement Date has expired, on three month’s written notice to the other Party indicating such termination, should Wesgro and the Municipality not meet the agreed upon joint targets as set out in clause 4.3 above; and to avoid doubt, the Municipality shall pay compensation to Wesgro for all costs and expenses incurred by Wesgro up to the Termination Date, including (without limitation) staff costs and hard costs. The Municipality will make payment to Wesgro in respect of the aforesaid costs and expenses within 60 (thirty) days of receipt of invoice from Wesgro.

11.2 The Parties may agree to terminate this contract by way of mutual agreement (mutatis mutandis) at any time during the duration of the Agreement, where

11.2.1 the Municipality shall pay compensation to Wesgro for all costs and expenses incurred by Wesgro up to the Termination Date, including (without limitation) staff costs and hard costs; and

11.2.2 the Municipality will make payment to Wesgro in respect of the costs and expenses provided for in clause 11.2.1 within 60 (thirty) days of receipt of invoice from Wesgro.

INCLUSIVE INNOVATIVE INSPIRED
11.3 The contract may also be terminated in the event that the Section 78 process identifies another mechanism for the provision of services, other than an external mechanism. In such case, it will be terminated in accordance with provisions set out in clause 11.2

12  BREACH

12.1 Should any party (the "guilty party") commit a breach of this agreement and fail to or refuse to rectify the breach within 21 days after receipt of a written notice from the other party (the "innocent party"), calling upon the guilty party to rectify that breach, the innocent party shall be entitled, without prejudice to any other of its rights and remedies in law, to:

12.1.1 cancel this agreement by written notice to the guilty party; or

12.1.2 to claim specific performance and/or payment of all the obligations of the defaulting party in terms hereof, together with damages, if any, suffered by the innocent party.

12.2 Either party may furthermore cancel this agreement by written notice to the other of them to such effect should the other of them commit an act which, if the other of them was a natural person, would have constituted an act of solvency as contemplated by section 8 of the Insolvency Act, 24 of 1936 (as amended) or should the other of them be liquidated, whether compulsorily or voluntarily (except in accordance with a reconstruction of amalgamation) or placed under judicial management.

12.3 Neither party ("the affected party") shall be liable to the other for the non-performance of its obligations under this Agreement to the extent that such non-performance is due to any event beyond its reasonable control (including but not limited to natural disasters, riots and acts of God), provided that the affected party notifies the other in writing upon becoming aware of such event, giving an indication of the nature and anticipated duration thereof and provided further that should any such event endure for 90 (ninety) consecutive days or more, this Agreement as a whole may be terminated by the other party on written notice to the affected party, in which case, the termination provisions in clause 13 shall apply.

13. OBLIGATION TO RESTORE UPON TERMINATION

13.1 The parties record and agree that during the currency of this agreement, and dependant on the future delivery of the services, negotiations shall take place, having regard to the relevant law, in respect of the handover to the Municipality, on termination date, of all data and information, including all electronic data, pertaining to the provision of the services, including (without limitation) all records, directories, agreements and any other material held by or in the possession of Wesgro.

13.2 All Intellectual Property belonging to the Parties, which has come into the custody of the other Party during the term of this Agreement, shall be returned to the respective owner thereof on termination of this Agreement, and the Parties shall under no circumstances retain the other's Intellectual Property including copies or extracts of any documents, without the prior written approval of the other Party.

INCLUSIVE INNOVATIVE INSPIRED
14. GENERAL WARRANTIES AND SPECIFIC WARRANTIES ON GOODS/SERVICES AND LIMITATION OF LIABILITY

14.1 Each party warrants to the other that:

14.1.1 it has the full right, title and authority to enter into this Agreement;

14.1.2 it is free and able to grant the rights and perform the obligations undertaken by it in terms of this Agreement;

14.1.3 it has not entered into any agreement with any third party that conflicts with the terms of this Agreement; and

14.1.4 its trademarks, name, logos and other Intellectual Property rights do not infringe the trademarks, names, logos or other Intellectual Property rights of any third parties.

14.2 Wesgro hereby undertakes that it shall perform its obligations in terms of this Agreement in a professional and workmanlike manner, and that it shall exercise the care and skill when supplying the goods and/or rendering the services, in line with industry best practices.

14.3 Save for the warranties in clause 14.1, the Parties give no warranties in terms of this agreement.

14.4 Notwithstanding anything to the contrary anywhere else in this agreement, any liability of any of the Parties under this agreement howsoever arising shall be limited to direct damages only and in no event shall either Party be liable to the other for any indirect, incidental or consequential losses or damages including but not limited to loss of income, loss of business opportunities or loss of profits howsoever arising. Subject to the aforesaid, Wesgro’s aggregate liability in respect of all claims against it by the Municipality shall be limited to and shall not exceed the amount actually paid by the Municipality to Wesgro pursuant to this agreement at the time of institution of such claims.

15. JUDICIAL PROCEEDINGS AND DISPUTE RESOLUTION

15.1 A dispute in the widest sense in connection with this Agreement or which relates in any way to any matter affecting the interests of the Parties in terms of this Agreement ("Dispute"), shall be deemed to have arisen when either party notifies the other party in writing to that effect.

15.2 Should any Dispute (other than a Dispute in respect of which urgent or interim relief may be obtained from a court of competent jurisdiction) arise, the parties shall first use reasonable endeavours to resolve such Dispute through good faith negotiations. This entails one of the parties inviting the other in writing to meet, either in person or by means of telephone or video conferencing facilities, and to attempt to resolve the Dispute within 10 (ten) business days from date of written invitation. In the event that such negotiations do not result in a mutually acceptable resolution within 10 (ten) business days of the commencement thereof, the Dispute shall be handled in accordance with clause 15.3.
15.3 Subject to clause 15.2, any Dispute shall be referred to arbitration on notice by one party to the other, and be finally resolved in accordance with the rules of the Arbitration Foundation of the Republic of South Africa. The arbitration shall be held in Cape Town and conducted in the English language and shall commence as reasonably possible after the dispute has been submitted to arbitration, and with a view to it being completed within thirty days after the appointment of the arbitrator.

15.4 The arbitrator appointed in accordance with the rules of the Arbitration Foundation of the Republic of South Africa shall be a practicing Attorney or Advocate of at least 10 years' standing as agreed upon by the parties. If the parties are unable to agree upon an arbitrator within 5 days of the dispute being submitted to arbitration, the arbitrator shall be appointed by the Chairman of the Cape Law Society (or its successor), upon request by either party.

15.5 Any arbitration award will be final and not subject to appeal. This agreement to arbitrate shall be enforceable in, and judgement upon any award may be entered in any court of any country having appropriate jurisdiction.

15.6 These provisions shall not prevent either party from approaching any court with competent jurisdiction to obtain timely interim or other relief in cases of urgency.

15.7 The provisions of this clause constitute an irrevocable consent by the parties to any proceedings in terms hereof and no party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions.

15.8 The provisions of this clause are severable from the rest of this Agreement and shall remain in effect despite the termination of or invalidity for any reason of this Agreement.

16. GENERAL PROVISIONS

16.1 No extension of time or indulgence granted by either party to the other shall be deemed in any way to affect, prejudice or derogate from the rights of such party in any respect under this agreement, nor shall it in any way be regarded as a waiver or any rights hereunder, or a novation of this agreement.

16.2 No variations of this agreement shall affect the terms hereof unless such a variation shall be reduced to writing and signed by each of the parties.

16.3 In the event that any of the terms of this Agreement are found to be invalid, unlawful or unenforceable, such terms will be severable from the remaining terms, which will continue to be valid and enforceable.

16.4 This document contains the entire agreement between the parties relating to the matters recorded herein and no party shall be bound by any undertakings, representations, warranties, promises or the like not recorded herein, unless reduced to writing and signed by the duly authorised representatives of both of the parties.

16.5 The parties shall respectively cause all resolutions to be passed and undertake to sign all such other documents and do such other things as shall be necessary or requisite to give proper and due effect to the terms of this agreement, or any other matter arising therefrom, according to its intent and purpose.
16.6 Nothing in this Agreement shall be deemed to constitute a partnership, joint venture, franchise or the like and the Parties shall under no circumstances be authorized to incur any liability to any third party on behalf of the other of the Parties nor be entitled or permitted to represent or hold out to any third party that the relationship between the Parties is that of partnership, joint venture, franchise or the like.

16.7 Each party agrees to co-operate with the other in accordance with the principles of utmost good faith in respect of the implementation of this Agreement and to provide all such assistance as may be reasonably required of the other party to protect and enforce its rights and commercial interests in relation to this Agreement.

16.8 This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Republic of South Africa, save that any rule of interpretation whereby a contractual ambiguity, gap or inconsistency shall be interpreted against the party responsible for its drafting shall be excluded from the interpretation of this Agreement. Reference to any law or section thereof shall be deemed to include any amendment to any such law or section insofar as the context reasonably permits.

16.9 Subject to the provisions of clause 15, the parties hereby consent and submit to the jurisdiction of the High Court of South Africa (Western Cape Provincial Division, Cape Town).

16.10 WESGRO shall not be entitled to assign or transfer any of its obligations in terms of this Agreement to any other person without the prior consent in writing of The Municipality, which shall not unreasonably be withheld.

17. NOTICES AND DOMICILIA

17.1 The parties hereby choose domicilim citandi et executandi ("domicilium") for the purposes of the giving of any notice, the serving of any process and for any other purposes arising from this agreement at their respective addresses in clause 1.

17.2 Each of the parties shall be entitled, by written notice to the other vary its domicilium to any other address within the Republic of South Africa which is not a post office box or poste restante.

17.3 Any notice given by the party to any of the others ("the addressee") which:

17.3.1 is delivered by hand during the normal business hours of the addressee at the addressee's domicilim for the time being shall be presumed, unless the contrary is proved by the addressee, to have been received by the addressee at the time of delivery;

17.3.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicile for the time shall be presumed, unless the contrary is proven by the addressee, to have been received by the addressee 7 (seven) business days after the day of posting.

17.4 Where, in terms of this agreement any communication is required to be in writing, the term "writing" shall include communications by electronic mail. Communications by electronic mail shall, unless the contrary is proved by the addressee, be deemed to have been received by the addressee one hour after the time of transmission.

INCLUSIVE INNOVATIVE INSPIRED
18. CO-OPERATION

18.1 Each of the parties hereto undertake to:

18.1.1 Do and to procure the doing by other persons and to refrain and procure that other persons will refrain from doing, all such acts; and

18.2 Pass, and to procure the passing of all such resolutions or directors or shareholders of any company; to the extent that the same lies within such party’s power and may be required to give effect to the import or intent of this agreement, or another contract concluded pursuant to the provisions of this agreement.
Signed at Knysna on this 3rd day of October 2018

For an on behalf of the KNYSNA LOCAL MUNICIPALITY

[Signature]

(Acting Municipal Manager who warrants that he is duly authorised thereto)

Witnesses

1: [Signature]

2: [Signature]

Signed at Knysna on this 23rd day of October 2018

For an on behalf of the WESGRO

[Signature]

(Chief Executive Officer who warrants that he is duly authorised thereto)

Witnesses

1: [Signature]

2: [Signature]
ANNEXURE A | Scope of Services

Legislative mandate of Wesgro


PREMABLE

WHEREAS the government of the province of the Western Cape holds responsibility for the promotion of tourism, trade and investment promotion in the province, and whereas it believes that the promotion of these objects is best achieved in partnership with the private sector and local government, and whereas government is desirous of establishing by provincial stature, a provincial public entity to promote environmentally sustainable and socially responsible tourism, trade and investment in the provincial economy.

Powers of the agency

In order to achieve its objects the Agency through its Board is entitled:-

(h) To act as a tourism, trade and investment promotion agency on behalf of the Province and to facilitate co-ordinated destination marketing activities for the Western Cape;

(q) To promote the alignment of provincial marketing activities in all tourism sectors in the Province in collaboration with private and public entities.

In terms of the PFMA, No.1 of 1999 Wesgro is a 3C public entity. As a 3C entity, Wesgro is an extension of the Department of Economic Development and Tourism with the mandate to fulfil tourism, trade and investment promotion for the Western Cape Government.

Steering Committee

The Steering Committee will consist of representatives of key organisations from the tourism industry within the Greater Knysna area. The Steering Committee’s role will be to provide advice and guidance into the development of the brand and marketing strategy as aligned to this Service Level Agreement and to raise any industry concerns when relevant to the strategy. The Steering Committee does not have oversight of this Service Level Agreement. Individual Steering Committee members will not be directly responsible for managing project activities or budgets, but may provide support and guidance to those who do so.

Description of Services

Wesgro will be responsible for the delivery of tourism promotion services only on behalf of Knysna Municipality and will work closely with the Local Economic Development (LED) department of Knysna Municipality to ensure better alignment between tourism development and promotion. Wesgro shall present to the relevant Section 80 committee when required.

INCLUSIVE INNOVATIVE INSPIRED
Wesgro will provide the following services to Knysna Municipality in relation to this Service Level Agreement. These services will be provided by both the Wesgro office in Cape Town and the newly formed office in Knysna.

- Wesgro to submit for approval the following within three months of appointment:
  o Brand and marketing strategy for domestic and international tourists
  o Social media and digital marketing strategy
  o Creative platform
  o Marketing implementation plan
  o Brand manual
  o Event marketing strategy
  o Tourism Trade strategy
- To hold quarterly stakeholder engagements for local tourism stakeholders to engage with Wesgro, over and above the Steering Committee engagements.
- To present quarterly reports to the relevant Section 80 committee
- Update of the tourism map and the delivery of hard copies and electronic copies to the local tourism industry in the Greater Knysna area. Quantity and format budget dependent.
- Tourism Ambassador training in partnership with SKAL
- Management of printing, application and removal of the signage for the event tourism signage board at both entrances to town
- Update tourism stakeholder database
- Management of visitor information centre and services including general town and tourism information, assistance to walk-in accommodation bookings, activity bookings, event ticket sales etc.
- Membership Services Strategy and the implementation thereof
- Provide market and data insights and tourism research
- Visitor experience strategy (including the visitor information centre) and implementation thereof in partnership with Knysna Municipality
- Cape Town Air Access to provide joint marketing opportunities with airlines if possible
- Strong working relationship and joint marketing opportunities with South African Tourism
- Strong working relationship and joint marketing opportunities with private sector and association bodies such as SATSA and FEDHASA
- Administrative and compliance support
Service Standards

These services will only be provided to Wesgro based on the agreed upon funding. Any changes to the funding will result in a change in the scope of services.

Service tracking, reporting and change process

Effectiveness of services will be set out in Annexure "B" and will be accessed and communicated on a quarterly basis to council as a presentation, and will include a cash flow report. This will also be provided to the Municipality in a report format. Modifications to the description of services and tracking may be implemented to address changing service needs and priorities. These will need to be agreed upon by both parties and addendums to be drawn up.
The team will be structured into functional areas based on the Service delivery requirements and the rationalisation of resources with Wesgro.

Diagram due based on deliverables

ADDENDUM C

Insert lease agreement here

ADDENDUM D

Implementation plan

ADDENDUM E

Business plan

INCLUSIVE INNOVATIVE INSPIRED
6.11

G11/02/19 MANAGEMENT OF CAR GUARDS

REPORT FROM THE DIRECTOR: COMMUNITY SERVICES

PURPOSE OF THE REPORT

To inform the Municipal Council of the Management of Car Guards in terms of the Road Traffic By-law.

BACKGROUND

At a recent Community Services Committee Meeting, the Municipal Council requested that the department submit a comprehensive report to the February 2019 Community Services meeting regarding the practical control and management of parking attendants.

Two permanent Law Enforcement Officers have been tasked to deal with the registration of all existing car guards, this will be done in conjunction with the Community Police Forum who initiated the Red Bib concept and who are still monitoring the red bib guards in town.

Garden Route District Municipality have appointed 15 Law Enforcement Officials (EPWP Project) for a period of six months with an option to renew, to assist the Law Enforcement team at Knysna Municipality. The additional officials will assist the current permanent staff with the monitoring of the registered car guards, and the control and removal of illegal car guards in town. The Traffic Chief and Acting Superintendent: Law Enforcement will liaise with the Community Police Forum with regard to the registration of all parking attendants.

A meeting with the Community Police Forum has been arranged for the third week in January 2019.

FINANCIAL IMPLICATIONS

A uniform dress code for all parking attendants will be implemented and funded from the Traffic Department Protective Clothing vote.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Report on the Control and Operational Management of Car Guards, be noted.

ANNEXURE/ADDENDUM

Roads and Traffic By-Law

File Number: 9/1/2/5
Execution: Director: Community Services
Manager: Protection Services
KNYSNA MUNICIPALITY
ROADS AND TRAFFIC BY-LAW

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996 the Knysna Municipality, enacts as follows:

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1. Definitions

In this by-law words used in the masculine gender include the feminine, the singular includes the plural and vice versa. The English text prevails in the event of any inconsistency between the different texts and unless the context otherwise indicates-

"animals" means any horses, mules, donkeys, cattle, pigs, sheep, goats, ostriches, indigenous mammals and other wild animals;

"authorised official" means an inspector of licenses, a traffic officer, a peace officer in terms of section 334 of the Criminal Procedure Act, 1977 (Act No. 51 of 1977), or a police officer in terms of the South African Police Services Act, 1995 (Act No 58 of 1995), and includes any other person whom the Minister of Local Government may from time to time by regulation declare to be an authorised officer;

"caravan" means any vehicle permanently fitted out for use by persons for living and sleeping purposes, whether or not such vehicle is a trailer;

"Council" means the Municipal Council of Knysna;

"demarcated area" means an area designated or reserved in terms of the town planning scheme and used as public areas or in such other areas as may be specifically approved by Council for the use of parking attendants or car guards;

"Municipality" means the Municipality of Knysna established in terms of section 12 of the Municipal Structures Act, 117 of 1998, Provincial Notice 484 dated 22 September 2000 and includes any political structure, political office bearer, councillor, duly authorised agent or any employee acting in connection with this by-law by virtue of a power vested in the Municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

"municipal area" means the area of jurisdiction of Knysna Municipality as determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998);

"Municipal Manager" means a person appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

"motor vehicle" means any self-propelled vehicle and includes -

(a) a trailer; and
(b) a vehicle having pedals and an engine or an electric motor as an integral part thereof or attached thereto and which is designed or adapted to be propelled by means of such pedals, engine or motor, or both such pedals and engine or motor, but does not include –

(i) a vehicle propelled by electrical power derived from storage batteries and which is controlled by a pedestrian; or
(ii) a vehicle with a mass not exceeding 230 kilograms and specially designed and constructed, and not merely adapted for the use of any person suffering from some physical defect or disability and used solely by such persons.

"nuisance" means any condition, thing, act or omission which is offensive or injurious or which tends to prejudice the safety, good order, peace of the area or part thereof or the rights of reasonable comfort, convenience, peace or quiet of any neighbourhood within the area and includes any act, exhibition, or publication contrary to public decency or morals;

"park" means to keep a vehicle, whether occupied or not, stationary for a period of time longer than is reasonably necessary for the actual loading or unloading of persons or goods, but does not include any such keeping of a vehicle by reason of a cause beyond the control of the person in charge of such vehicle;

"parking area" means any area of land set aside by the Municipality, or any area controlled by, or of which the Municipality has gained control, as a parking ground or garage for the parking of vehicles
“parking attendant” means a person who, whether for fixed or agreed remuneration or benefit, or otherwise, guides or assists persons desirous of parking or removing their vehicles from such demarcated area in entering or leaving any parking space or place;

“public road” means a public road as defined in the National Road Traffic Act, 1996 (Act No 93 of 1996), as amended;

“semi-trailer” means a trailer having no front axle and so designed that at least 15% of its tare is super-imposed on and borne by a vehicle drawing such trailer;

“sidewalk” means that portion of a street between the outer boundary of the roadway of a road and the boundary lines of adjacent properties or buildings, which is intended for the use of pedestrians;

“street” means any street, road, cycle path, thoroughfare or any other place, and includes:

(a) the verge of any such road, street or thoroughfare;
(b) any footpath, sidewalk or similar pedestrian portion of a road reserve;
(c) any bridge, ferry or drift traversed by any such road, street or thoroughfare;
(d) any other object belonging to such road, street or thoroughfare, which has at any time been –

(i) dedicated to the public;
(ii) used without interruption by the public for a period of at least thirty years;
(iii) declared or rendered such by the Municipality or other competent authority; or
(iv) constructed by a local authority.

(e) any land, with or without buildings or structures thereon, which is shown as a street on –

(i) any plan of subdivision or diagram approved by the Municipality or other competent authority and acted upon; or
(ii) any general plan as defined in the Land Survey Act; 1997 (Act 8 of 1997), registered or filed in a deeds registry or Surveyor General’s office,

unless such land is on such plan or diagram described as a private street;

“tare” in relation to a motor vehicle, means the mass of such a vehicle ready to travel on a road and includes the mass of -

(a) any spare wheel and of all other accessories and equipment supplied by the manufacturer as standard for the particular model of motor vehicle concerned;
(b) anything which is a permanent part of the structure of such vehicle;
(c) anything attached to such vehicle so as to form a structural alteration of a permanent structure; and
(d) the accumulators, if such vehicle is self-propelled by electrical power, but does not include the mass of –

(i) fuel; and
(ii) anything attached to such vehicle which is not of the nature referred to in sub-section (a) or (b);

“town planning scheme” means the town planning scheme(s) in course of preparation applicable to the Knysna Municipal are, as constituted from time to time, and includes any development control document or regulations submitted therefor;

“trailer” means a vehicle which is not self-propelled and designed or adapted to be drawn by a motor vehicle, but does not include a side-car fitted to a motor cycle;

“vehicle” means a device designed or adapted mainly to travel on wheels, tyres or crawler tracks and includes such a device which is connected with a draw-bar to a breakdown vehicle and is used as...
part of the towing equipment of a breakdown vehicle to support any axle or all the axles of a motor
vehicle which is being salvaged other than such a device which moves solely on rails;

"work" means work of any nature whatsoever undertaken on any land within the area of jurisdiction
of Knysna Municipality and, without in any way limiting the ordinary meaning of the word, includes
the erection of a new building or alterations or additions to any existing building, the laying of cables
and pipes, the dumping of building or other material anywhere in a street or public place, or delivery
to or removal from any site of any soil or material of any nature whatsoever.

2. Purpose of by-law

The purpose of this by-law is to promote the achievement of a safe environment for the benefit of
residents within the area of jurisdiction of the Municipality and to provide for procedures, methods and
practices to manage the use and utilisation of streets in the area of jurisdiction of the Municipality.

3. Construction of streets

No person may-

(a) make, construct, reconstruct, or alter a street or sidewalk except with the written permission of the
Municipality and in accordance with the requirements prescribed by the Municipality; or
(b) construct a verandah, stoep, steps or other projection or erect a post in a street except with the
written permission of the Municipality.

4. Advertisements visible from streets

(a) No person may display any advertisement, placard, poster or bill in a street except with the written
permission of the Municipality and subject to any conditions that may be imposed by the
Municipality.
(b) This section does not apply to signs which have been exempted under the provisions of the
municipality ’s by-law relating to Advertising Signs.

5. Animals or objects causing an obstruction

No person, except with the written permission of and subject to any conditions that may be imposed
by the Municipality, may-

(a) deposit or leave any goods or articles in a street or other than for a reasonable period during the
course of the loading, off-loading or removal thereof; or
(b) obstruct the pedestrian traffic on a sidewalk by bringing or allowing to be brought thereon any
animal, object or vehicle (other than a perambulator or wheel-chair which is being used for the
conveyance of children or the disabled); or
(c) cause or allow any blind, awning, cord or other object to project or to be stretched over or onto a
street; or
(d) cause or allow any security lights or floodlights, to cause a glare or obstruct the vision of drivers
of vehicles passing by his or her property.

6. Trees in streets

(i) No person may in a street–

(a) plant, cut down or remove a tree or shrub in or from, except with the written permission of the
Municipality; or
(b) climb, break or damage a tree; or
(c) mark or paint any tree or attach any advertisement thereto.
(ii) Any tree or shrub planted in a street is the property of the Municipality.
7. Trees or growth causing an interference or obstruction

(a) Whenever there is upon any property any tree or other growth which interferes with overhead wires or is a source of annoyance, damage, danger or inconvenience to persons using a street, the Municipality may by written notice order the owner or occupier to prune or remove such tree or growth to the extent and within the period specified in such notice.

(b) Any person who fails to comply with a notice issued in terms of subsection (1) commits an offence.

(c) If any person fails to comply with a notice in terms of this section, the Municipality may itself prune or remove the tree or growth at the expense of the person on whom the notice was served.

8. Dumping of waste

No person may -

(a) dump, leave or accumulate any garden refuse, motor vehicle wrecks, spare parts of vehicles, building or waste materials, rubbish or any other waste products in any street; or

(b) permit any such objects or substances to be dumped or placed in a street.

9. Prohibition of certain activities in connection with objects in streets

No person may, in a street –

(a) repair or service a vehicle, except where necessary for the purpose of removing such vehicle from the place where it was involved in an accident; or

(b) clean or wash a vehicle.

Control of parking attendants

(a) Co-ordination of activities

Council may appoint one or more approved service providers/authorised officials to oversee and co-ordinate the activities of parking attendants in demarcated areas on such terms and conditions as Council may agree with such approved service providers/authorised official.

(b) Areas where parking attendants may render services

(i) The provision of the services of parking attendants is only permitted in demarcated areas.

(ii) Except in those areas referred to in section b(i), no person may offer or render service as a parking attendant, whether for agreed remuneration or in expectation of a reward or benefit, in or on –

(a) any public road under the jurisdiction or in the ownership of Council; or

(b) any off-street parking area normally used by the public or to which the public has the right of access.

(iii) For the purposes of sub-section b(i), Council may extend the application of this by-law to an area in private ownership used for parking purposes by members of the public, but only on the application of the owner of such property or an application made by the lessee or other occupier thereof with the written consent of the owner.

(c) Registration as approved service provider

(i) Any person intending to operate as an approved service provider shall make an application to Council in written format, and is only allowed to operate as such once Council has approved the application, and on the conditions prescribed by Council.
(ii) Nothing in this by-law shall be deemed to prevent any person operating as a parking attendant to become an approved administrator, subject thereto that such parking attendant would be required to register as an approved service provider in terms of this by-law.

(iii) Council has the right to restrict the number of approved service provider to a number which can reasonably represent the number of parking attendants

(d) Registration as a parking attendant

(i) No person shall operate as a parking attendant unless he or she –

(a) has applied to an approved administrator for registration as a parking attendant in the area and has been approved as a parking attendant by such approved administrator;

(b) at all times carries a clear identification card in a format to be prescribed by Council from time to time;

(c) wears a uniform/bib approved by Council, which clearly distinguishes between parking attendants and authorised officials.

(ii) Council may –

(a) restrict the number of registered parking attendants’ operating within its area of jurisdiction.

(b) refuse or withdraw the registration of any parking attendant if:

1) such person has been convicted in a court of law of any criminal offence;
2) such person causes wilfully damage to person or property; or
3) such person is found at any stage while rendering services to be under the influence of intoxicating liquors or illegal substances

(c) enter into an agreement, or impose conditions upon the administrator for the effective control of parking attendants.

(e) Duties of the approved service provider/authorised official

(i) The approved service provider/authorised official shall ensure that no person rendering service as a parking attendant shall:

(a) take up a position or place himself or herself on a sidewalk or in a manner so that pedestrian traffic is obstructed;

(b) in any way obstruct free access to any –

1) entrance or exit from a building;
2) fire hydrant;
3) Council service or service works;

(c) sleep overnight at a public place if services are rendered at or on such public place or part thereof;

(d) in the course of rendering services as a parking attendant:

1) create a public nuisance by his/her behaviour;

2) create a traffic hazard to motor vehicles;

3) hinder or prevent proper traffic control in a public area;

4) engage in any other activities that may have a negative impact on his/her service as attendant; or

5) engage in any activity that is in contradiction with any other legislation.

(e) contravene any condition imposed by Council.
(f) Offences and penalties for above-mentioned section

(i) Any person who –

(a) contravenes any provision of these bylaws or fails to comply with any condition imposed in terms thereof; or
(b) threatens, resists, interferes with or obstructs, any Council employee in the performance of his or her duties or functions in terms of this by-law or any other law; or
(c) deliberately or negligently furnishes false or misleading information to any authorised officer or any Council employee;

shall be guilty of an offence, and liable upon conviction, to a fine or imprisonment for a period as determined by the relevant competent authority.

(g) Cancellation/Withdrawal of approval

(i) Notwithstanding section (f), Council may withdraw/cancel the registration of any approved service provider or registered parking attendant who contravenes any provision of this by-law or any conditions imposed by Council.

10. Prohibition of certain acts in streets

No person may -

(a) roll a hoop, fly a kite, shoot with a bow and arrow or catapult, discharge fireworks or throw a stone, stick or other projectile in, onto or across a street; or
(b) do anything in a street, which may endanger the life or safety of any person, animal or thing or create a nuisance, obstruction or annoyance to the public.

11. Conveyance of animal carcasses or other waste products through streets

No person may carry or convey through a street the carcass of an animal or any garbage, night soil, refuse, litter, rubbish, manure, gravel or sand, unless-

(a) it is properly covered; and
(b) it is conveyed in such type of container as will not allow any offensive liquids or hazardous or dangerous parts of the load to be spilt in the street.

12. Building materials in streets

No person may bore or cut stone or bricks, slake or sift lime, or mix building materials, or store or place building materials or any other materials in a street except with the written permission of the Municipality, and subject to the conditions imposed by the Municipality.

13. Balconies and verandahs

No person may, except with the written permission of the Municipality -

(a) use a balcony or verandah erected beyond the boundary line of a street for the purposes of trading or the storage of goods or for the washing or drying of clothes; or
(b) enclose or partition a balcony or verandah erected beyond the boundary line of a street or portion thereof as a room.
14. **Outspanning in streets**

No person may outspan a vehicle drawn by animals in any street, or detach or leave in any street or any trailer, caravan or vehicle, which is not self-propelled, provided that this provision shall not apply to the actual loading or unloading of such vehicle.

15. **Protection of street surface**

   (1) No person may –

   (a) use a vehicle or allow it to be used in any street if such vehicle is in such a defective condition that it will or may cause damage to any street; or

   (b) drive, push, roll, pull or propel any object, machine or other material through or along a street in such a way that the surface of the is damaged, broken or destroyed.

   (2) If the Municipality identifies a person whose actions referred to in subsection (1), has damaged, broken or destroyed the surface of a street, the cost of repairs may be recovered from the offender.

   (3) Any person who is the owner of land on which any work is done is liable for any damage to any portion of a street caused by or in connection with the execution of such work by such owner, his or her employee or any independent contractor acting on behalf of such owner.

   (4) When any work which has to be undertaken on any land entails the driving of vehicles over kerbs, sidewalks or road verges, the owner of such land may not commence, or allow any other person to commence, any such work until such a person has deposited with the Municipality an amount sufficient to cover the cost of repairing any damage which may be caused to any such street as a result of, or in connection with, the execution of such work by such owner, his or her employee or any independent contractor acting on behalf of such owner.

   (5) (a) After completion of the work referred to in subsection (4), the Municipality may repair damage caused by such work and may set off the cost of such repairs against the deposit.

   (b) If such cost is less than the amount of the deposit, the Municipality shall refund the balance to the depositor, but if the amount of the deposit does not cover such cost, the owner shall be liable for the difference.

   (6) No person other than an authorised official of the Municipality in the performance of his or her duties may apply, mark, paint or draw lines, marks, words, signs or advertisements on the surface of a street.

16. **Damaging of notice-boards**

No person may deface, damage or interfere with any notice board, road traffic sign, street-name board or other similar sign or any hoarding, which has been erected in a street by or with the permission of the Municipality.

17. **Collections and distribution of handbills**

   (1) No person may-

   (a) collect or attempt to collect money in a street or organise or in any way assist in the organisation of such collection, except with the written permission of the Municipality and subject to any conditions that may be imposed by the Municipality;

   (b) collect from door to door, beg or solicit or accept alms, except with the written permission of the Municipality; or

   (c) distribute a handbill or similar advertising material or cause it to be distributed in any street, or place any handbill or similar advertising material or cause it to be placed on or in any vehicle without prior permission of the Municipality.

   (2) An application fee may be levied in respect of any application in terms of subsection (c).
18. Work in street

(1) No person may without the prior written permission of the Municipality and subject to any conditions that may be imposed undertake any work in a street or.

(2) A person referred to in subsection (1) must pay the prescribed fee as set out in the Municipality’s annual list of Tariffs.

(3) (a) A person may by means of a written application in which the reasons are given in full, apply to the Municipality for exemption from any condition contemplated in subsection (1).

(b) The Municipality may-
(i) grant an exemption in writing and set conditions and the period for which such exemption is granted.
(ii) alter or cancel any exemption or condition in an exemption; or
(iii) refuse to grant an exemption.

(c) An exemption does not take effect before the applicant has undertaken in writing to comply with all conditions imposed by the Municipality under subsection (1), however, if an activity is commenced before such undertaking has been submitted to the Municipality, the exemption lapses.

(d) If any condition of an exemption is not complied with the exemption lapses immediately.

19. Poison in streets

No person other than an official of the Municipality or an authorised person who administers legally approved weed-killers or poisons, may use, set or cast poison in any street.

20. Processions

(1) Subject to the provisions of subsection (6), no person may hold, organise, initiate, control or actively participate in a procession or gathering in a street, or dance or sing or play a musical instrument, or do anything which is likely to cause a gathering of persons or the disruption or obstruction of traffic in such street, or use any loudspeaker or other device for the reproduction or amplification of sound without the written permission of the Municipality in terms of subsections (2) and (3).

(2) Any person who intends to perform or carry out any one or more of the actions described in subsection (1) must submit a written application for permission, which must reach the Municipality at least seven days before the date upon which any such action is intended to be performed or carried out, provided that persons who intend to participate actively in a procession, or gathering need not apply to the Municipality for permission and it is not illegal for such persons to participate actively in such procession or gathering if the organiser, promoter or controller has obtained the permission of the Municipality. An application made in terms hereof must contain the following:

(a) full details of the name, address and occupation of the applicant;
(b) full details of the street where or route along which any one or more of the actions prescribed in subsection (1) is or are intended to be performed or carried out, proposed starting and finishing times and, in the case of processions and gatherings, the number of persons expected to attend; and
(c) general details of the purpose of any one or more of the aforesaid actions intended to be performed or carried out.

(3) Any application submitted in accordance with subsection (2) shall be considered by the Municipality, and if anyone or more of the actions to be performed or carried out as proposed in such application is or are not likely to be in conflict with the interests of public peace, good order or safety, the Municipality may issue a certificate granting permission and imposing conditions.

(4) The Municipality may refuse to approve applications in terms of subsection (2) if an action will be in conflict with the interests of public peace, good order or safety.

(5) The Municipality may withdraw any permission granted in terms of subsection (3), if, as a result of further information, the action will be in conflict with the interests of public peace, good order or safety.
(6) The provisions of this section do not apply to –
   (a) wedding or funeral processions; and
   (b) to a gathering or demonstration as contemplated by the Regulation of Gatherings Act, 1993 (Act 205 of 1993).

21. **Roller-skating and skating on skate-boards**

   No person may, except with the prior written permission of the Municipality, skate on roller-skates or a skate-board or a similar device in or on a street or where skating is prohibited by a sign.

22. **Overflow of water into street**

   No person may cause or allow any water other than rainwater to flow into a street.

23. **Behaviour in streets**

   No person may, in a street or -
   (a) cause a nuisance to other persons by loitering, standing, sitting or lying or begging;
   (b) sleep, overnight or erect any shelter;
   (c) wash or dry clothes, blankets or any other domestic articles;
   (d) use abusive, insulting, obscene, threatening or blasphemous language;
   (e) fight or act in a riotous manner;
   (f) discharge a fire-arm, airgun or air-pistol;
   (g) annoy or inconvenience any other person by yelling, shouting or making any noise in any manner whatsoever;
   (h) defecate, urinate or wash himself;
   (i) solicit or importune any person for the purpose of prostitution or immorality;
   (j) engage in gambling;
   (k) use intoxicating liquor or drugs; or
   (l) spit.

24. **Animals in a street**

   No owner or person -
   (a) in charge of any wild or ferocious animal, monkey or horned cattle may allow such animal at any time to be insufficiently attended or at large in any street or may keep any such animal in such a manner as to be a danger or annoyance to the public; or
   (b) may allow, permit or cause any animal to graze or stray in or about any street.

25. **Display of street number of places**

   (1) The Municipality may prescribe by notice in writing to the owner of any premises that a number allocated to such premises by the Municipality in terms of section 34(c) must be displayed, and the owner must, within 30 days of the date of such notice, display the allocated number on the premises.
   (2) A number displayed as contemplated by sub-section (1) must -
   (a) be displayed in a conspicuous position on the premises and must at all times be visible and legible from the adjacent street; and
   (b) be replaced by the owner of the premises as often as it gets obliterated, defaced or illegible.
26. Bridges and crossings over gutters and sidewalks

No private crossing, pathway, bridge or culvert may be made or built to or in front of any dwelling or other premises in any street except with the written permission of the Municipality, and subject to the conditions imposed by the Municipality.

27. Control of amusement shows and devices

(1) No person may set up or use in any street any circus, whirligig, roundabout or other show or device for the amusement or recreation of the public -
   (a) except with the written permission of the Municipality and subject to such conditions as may be determined by the Municipality;
   (b) unless suitable sanitary conveniences for both sexes of the staff have been provided; and
   (c) if it is in any way dangerous or unsafe for public use.

(2) An authorised official of the Municipality shall, for the purposes of inspection, at all reasonable times have free access to such circus, whirligig, roundabout or other side-show or device.

28. Control of animal-drawn vehicles

No person may-

(a) simultaneously drive or be in control of more than one animal-drawn vehicle in a street;
(b) drive or be in control of an animal-drawn vehicle in a street if he or she is under 16 years of age;
   or
(c) if he or she is in control of an animal-drawn vehicle in a street, allow a person under 16 years of age to drive or be in control of such vehicle.

29. Vehicles to be attended

No person may in a street, sleep in a vehicle other than a motor vehicle parked in a taxi rank or on some other stand duly allocated by the Municipality.

30. Municipality may act and recover costs

(1) Notwithstanding any other provisions of this by-law, the Municipality may –

   (a) where the permission of the Municipality is required before a person may perform a certain action or build or erect anything, and such permission has not been obtained; and
   (b) where any provision of this by-law is contravened under circumstances in which the contravention may be terminated by the removal of any structure, object, material or substance, serve a written notice on the owner of the premises or the offender terminate such contravention, or to remove the structure, object, material or substance, or to take such other steps as the Municipality may require to rectify such contravention within the period stated in such notice.

(2) Any person who fails to comply with a notice in terms of subsection (1) commits an offence, and the Municipality may without prejudice to its powers to take action against the offender, take the necessary steps to implement such notice at the expense of the owner of the premises or the offender, as the case may be.

31. Closure of streets

(1) No person may, without the approval of the Municipality, close or barricade any street or restrict access thereto.

(2) The Municipality may permanently close or divert any street or part thereof or restrict access to any street.

(3) When the Municipality decides to act in terms of subsection (2), it shall give notice of such intention in terms of its communication policy, and in the absence of such policy the municipality shall give notice of its intention in a local newspaper in at least two official languages;
(4) Any objection against the action referred to in subsection (2) must be delivered in writing to the Municipal Manager within 30 days from the date of notification in terms of subsection (3) for submission to Council or a committee or person who has delegated powers to decide the matter.

(5) The Municipality may, without complying with subsection (3) –

(a) temporarily close a street -
   (i) for the purpose of or pending the construction, reconstruction, maintenance or repair of such street;
   (ii) for the purpose of or pending the construction, erection, laying, extension, maintenance, repair or demolition of any building, structure, works or service alongside, on, across, through, over or under such -
      (1) if such street is dangerous to traffic;
      (2) by reason of any emergency or public event which requires special measures for the control of traffic or special provision for the accommodation of crowds; or
      (3) for any other reason which renders the temporary closing of a street necessary; and

   (b) divert a street, which has been temporarily closed in terms of paragraph (a).

(6) The Municipal Manager has the discretion to, for general information, place a notice of such temporary closure in terms of subsection (5) in a local newspaper.

32. Construction, maintenance and naming of streets

   The Municipality may -

   (a) make, construct, reconstruct, alter and maintain streets;
   (b) name and re-name streets;
   (c) allocate and re-allocate numbers to properties abutting on streets.

33. Declaration of streets

   (1) The Municipality may-

      (a) declare any land or portion of land under its control as a street or any street or portion thereof to be a public place;
      (b) declare any private street or portion thereof as a public street, or any place or portion thereof to be a public place.

   (2) When the Municipality acts in terms of subsection (1), it must give notice of such intention in terms of its communication policy, and in the absence of such policy, in a local newspaper in at least two official languages,

   (3) Any objection against the intended action must be delivered in writing to the Municipal Manager within 30 days from the date of notification in terms of subsection (2) for submission to Council or a committee or person who has delegated powers to decide upon it.

34. Parking of heavy vehicles and caravans and Parking in business premises

   (1) No person may, for an uninterrupted period exceeding two hours, except on places reserved for parking of heavy vehicles, park on a street –

      (a) a motor vehicle with a tare exceeding 3500 kg;
      (b) a trailer;
      (c) a semi-trailer; or
      (d) a caravan.

   (2) Whenever a vehicle is parked in contravention of subsection (1), it is deemed that such vehicle has been parked by the owner thereof unless the contrary is proved.

   (3) Owners of businesses shall provide adequate parking for their clients and take reasonable steps to prevent clients from using street pavements as their parking.
35. Encroachments

(1) Subject to section (3) and to such further conditions as it deems necessary, the Municipality may permit the erection or maintenance of a verandah, balcony, sign, projecting sign or similar structure which projects in or over any street;

(2) When any immovable property owned by a Municipality or under the control or management of the Municipality is encroached upon, the Municipality may take steps necessary to remove or regularise such encroachment.

(3) The Municipality may reduce the extent of or street, which is encroached upon by the extent of the encroachment or by such greater extent as, may be desirable.

(4) A permit issued under subsection (1) is, for the purposes of subsection (2), deemed to be a regularisation of the encroachment referred to in such permit.

(5) A person who wishes to obtain the permission of the Municipality as contemplated in subsection (1) must complete and submit to the Municipality the prescribed form, and the Municipality may issue a permit subject to the prescribed fee having been paid.

(6) A person who contravenes a provision of subsection (1) to (5) commits an offence, and a person who fails to comply with any condition imposed under subsection (1) commits an offence and the Municipality may, in addition to any other penalty which, may be imposed –

(a) demolish, remove or fill in the projection or projecting structure concerned; or

(b) cause such projection or projecting structure to be demolished, removed or filled in, at the cost of the owner thereof.

36. Penalty

A person who contravenes or fails to comply with any provision of this by-law commits an offence and is liable upon conviction to -

(a) a fine or imprisonment, or either such fine or imprisonment or to both such fine and such imprisonment; and

(b) in the case of a continuing offence, to an additional fine or an additional period of imprisonment or to such additional imprisonment without the option of a fine or to both such additional fine and imprisonment for each day on which such offence is continued, and

(c) a further amount equal to any costs and expenses found by the court to have been incurred by the Municipality as result of such contravention or failure.

37. Appeal

A person whose rights are affected by a decision delegated by the Municipality may appeal against that decision by giving written notice of the appeal and the reasons therefor in terms of section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000, to the Municipal Manager within 21 days of the date of the notification of the decision.

38. Repeal of by-laws

The provisions of any by-laws previously promulgated by the Municipality or by any of the disestablished municipalities now incorporated in the Municipality, are hereby repealed as far as they relate to matters provided for in this by-law, and insofar as it has been made applicable to the Municipality by the authorisation for the execution of powers and functions in terms of section 84(3) of the Local Government: Municipal Structures Act, Act 117 of 1998.

39. Short title and commencement

This by-law shall be known as the Roads and Traffic By-law and shall come into operation on the date of publication thereof in the Provincial Gazette.
6.12

G12/02/19 REPORT ON THE REVIEW OF THE TARIFF BY-LAW

REPORT FROM THE DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Municipal Council on the review of the tariff by-law.

BACKGROUND

The new draft Tariff by-law enclosed as Annexure “A” is recommended to replace the current by-law, enclosed as Annexure “B”. The draft Tariff by-law was duly advertised for public comment from 18 October 2018 – 23 November 2018. No comments and or submissions on the draft by-law were submitted.

The draft by-law is accordingly re-submitted to Council for approval and promulgation in the Western Cape Government Gazette.

FINANCIAL IMPLICATIONS

Cost of Promulgation

RELEVANT LEGISLATION


RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the report on the review of the Tariff by-law be noted; and

[b] That the draft by-law be approved and promulgated in the Western Cape Government Gazette.

APPENDIX / ADDENDUM

Annexure “A” : Draft Tariff By-law
Annexure “B” : Current By-law
Annexure “C” : Proof of Advertisement

File Number : 9/1/2/9
Execution : Director : Corporate Services
            Manager : Legal Services
KNYSNA MUNICIPALITY
TARIFF BY-LAW

Table of Contents

1. Interpretation
2. Principles and Objective
3. Adoption and implementation of tariff policy
4. Contents of tariff policy
5. Enforcement of tariff policy
6. Short Title and Commencement

1. Interpretation

In this by-Law, words used in the masculine gender include the feminine, the singular includes the plural and vice versa. The English text prevails in the event of an inconsistency between the different texts and unless the context otherwise indicates –


“Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy” means the municipality’s Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy as required by sections 96(b), 97 and 98 of the Systems Act;

“municipality” means the Municipality of Knysna, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorized agent or any employee acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

“municipality’s tariff policy” means a tariff policy adopted by the municipality in terms of this by-Law;

“Systems Act” means the Local Government: Municipal Systems Act, 32 of 2000;

“tariff” means fees, charges, or any other tariffs levied by the municipality in respect of any function or service provided by the municipality, excluding rates levied by the municipality in terms of the Local Government: Municipal Property Rates Act, 6 of 2004.

2. Principles and Objectives

(a) Section 229(1) of the Constitution authorizes a municipality to impose:

i) rates on property and surcharges on fees for services provided by or on behalf of the municipality; and

ii) if authorized by national legislation, other taxes, levies and duties.

(b) In terms of section 75A of the Systems Act a municipality may:

i) levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and

ii) recover collection charges and interest on any outstanding amount.
(c) In terms of section 74(1) of the Systems Act, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements and which complies with the provisions of the Systems Act, the Local Government: Municipal Finance Management Act, 53 of 2003 and any other applicable legislation.

(d) In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.

(e) In terms of section 75(2) of the Systems Act, by-laws adopted in terms of subsection 75(1) may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

3. Adoption and implementation of tariff policy

(a) The municipality shall adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements which complies with the provisions of the Systems Act, the Local Government: Municipal Finance Management Act, 53 of 2003 and any other applicable legislation.

(b) The municipality shall not be entitled to impose tariffs other than in terms of a valid tariff policy.

4. Contents of tariff policy

The municipality tariff policy shall, *inter alia*:

(a) apply to all tariffs imposed by the municipality pursuant to the adoption of the municipality’s annual budget;

(b) reflect the principles referred to in section 74(2) of the Systems Act and specify any further principles for the imposition of tariffs which the municipality may wish to adopt;

(c) specify the manner in which the principles referred to in section 4(2) are to be implemented in terms of the tariff policy;

(d) specify the basis of differentiation, if any, for tariff purposes between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination;

(e) include such further enforcement mechanisms, if any, as the municipality may wish to impose in addition to those contained in the Customer Care Credit Control, Debt Collection, Indigent and Tampering Policy.

5. Enforcement of tariff policy

The municipality’s tariff policy shall be enforced through the Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy and any further enforcement mechanisms stipulated in the municipality’s tariff policy.

6. Short Title

This by law shall be known as the Tariff by law and shall give effect to the implementation and enforcement of Knysna Municipality’s Tariff policy and comes into operation on the date of promulgation thereof in the Western Cape Government Gazette.
### KNYSNA MUNICIPALITY

**TARIFF BY-LAWS**

Under section 156 of the Constitution of the Republic of South Africa, 1996 and section 75 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the Knysna Municipality, enacts as follows:

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### MUNISIPALITEIT KNYSNA

**TARIEF VERORDENING**

Ingevolge artikel 156 van die Grondwet van die Republiek van Suid-Afrika, 1996 en artikel 75 van die Wet op Plaaslike Regering: Munisipale Struktuur, 2000 (Wet 32 van 2000) verordet die Knysna Munisipaliteit roo w volg:

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1. Definitions

For the purposes of these by-laws, unless the context otherwise indicates—

“account holder” means any person who is due to receive a municipal account, which includes a user of pre-paid electricity or water;

“Act” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

“annual budget” means the budget approved by the Municipality for any particular financial year, and includes any adjustments to such budget;

“community services” means services that the Municipality has classified as such, in respect of which the tariffs have been calculated with the intention that the costs of the services cannot be recovered from public service charges and are of a regulatory nature;

“consumer” means the occupier of any premises to which the Municipality has agreed to supply or is supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the Municipality for the supply of municipal services to such premises, or, if there be no such person, then the owner of the premises;

“cost related two to four parts tariff” means a tariff that consists of two to four parts, namely management, capital, maintenance and operating costs that are recovered by grouping certain components together (e.g. management, capital and maintenance costs may be grouped together and be recovered by a fixed charge) independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed;

“council” means the Council of Knysna Municipality;

“economic services” means services that the Municipality has classified as such, in respect of which the tariffs have been calculated with the intention that the total costs of the services are recovered from users;

“declining block tariff” means the opposite of the inclining block tariff and the tariff decreases as consumption increases;

“fixed costs” means costs that do not vary with increased or decreased consumption or volume produced;

“flat rate” means the unit tariffs that do not relate to individual consumers, but are calculated by dividing the total costs by volume used by all the users together, subject to the flat rate;

7. Deposits
8. Tariff types
9. Unit of measurement
10. Calculation of tariffs for major services
11. Structure of tariffs
12. Electricty
13. Water
14. Refuse removal
15. Sewerage and Sanitation
16. Minor tariffs
17. Determination of tariffs, fees and levies and objections
18. Phasing in of tariffs, fees and levies
19. Saving provisions, repeal and conflict of law
20. Short title and commencement

I. Definitions

In hierdie verordening, teusy uit die samang anders blyk,—

“afname bloktarief” beteken die teenoorgestelde van toenemende bloktarief en die tarief neem af soos wat gebruik verhoog;

“beampte” beteken ‘n werkloper van die munisipaliteit of enige ander persoon wat ongedwonge deur die munisipaliteit geneem is om enige hettaak, funksie of task te verrig, of enige bevoegdheid ingevolge hierdie verordening uit te oefen;

“buite munisipale gebied” beteken tariewe wat van toepassing is op gebruikers wat nie binne die munisipale gebied wonaam is nie, maar wat van sekere dienste, op aanvraag, gebruik maak;

“eenhede gebruik” beteken die hoeveelheid eenhede van ‘n bepaalde diens gebruik en word gemet meeteenkomstig die eenhede van meting bedoel in artikel 9 van hierdie verordening;

“eenvormige tarief” beteken tariewe wat nie verband hou met individuele gebruikers nie, maar bereken word deur die totale koste met die volume wat deur al die gebruikers gesamlik gebruik is, te deel;

“enkeltarief” beteken ‘n tarief bestaande uit ‘n vaste koste per eenheid gebruik wat aanleiding gee dat alle koste deur mildeel van eenheitshoeings op die vlak van gelykbreekende gebruik verhaal word en waarop winste op handelsdienste toegelaat mag word onderwerp aan die regel en goedkeuring;

“ekonomiese dienste” beteken dienste wat deur die munisipaliteit as sodanig geklassifiseer is en waarvan die tariewe geneem is met die doel om die totale koste van die dienste van die gebruikers te verhaal;

“gemeenskapsdienste” beteken dienste wat deur die munisipaliteit as sodanig geklassifiseer is en waarvan die tariewe geneem is met die doel om die totale koste van die dienste deur publieke dienstegeld verhaal kun word nie en van ‘n regulerende aard is;

“gebruiker” beteken die oikoupeerder van enige persoon waarvoor die munisipaliteit onderneem het om munisipale dienste te verskaf, of reeds verskaf, of as daar geen oikoupeerder is nie, enige persoon wat ‘n diensteverwysingsooreenkomst met die munisipaliteit aangegaan het vir die levering van munisipale dienste aan sodanige persoon, en of, as daar geen sodanige persoon is nie, die eienaar van die persoon;

“hoofdienste” beteken die dienste bedoel in artikel 9;
GOVERNANCE AND ECONOMIC DEVELOPMENT

COMMITTEE MEETING

AGENDA

6 FEBRUARY 2019

"Inclining block tariff" means a tariff based on consumption levels that are categorised into blocks, the tariff level being increased as consumption levels increase;

"interest" means an amount calculated at a rate determined by the Municipality on a municipal account in arrears;

"local community" or "community", in relation to the Municipality, means that body of persons comprising the residents of the Municipality, the ratepayers of the Municipality, any civic, non-governmental, private sector or labour organisations or bodies involved in local affairs within the Municipality, and visitors and other people residing outside the Municipality who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality;

"major services" means those services contemplated in section 9;

"minor tariffs" means all tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of services other than major services, supplied, and includes services incidental to the provision of the major services, but does not include tariffs for major services;

"month" means one of 12 months of a calendar year;

"Municipality" means the Municipality of Knysna established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, Provincial Notice 400 dated 28 August 2000 and includes any political structure, political office bearer, duly authorised agent thereof or any employee thereof acting in connection with this by-law by virtue of a power vested in the Municipality and delegated or sub-delegated to such political structure, political office bearer, agent or employee;

"municipal manager" means the person appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

"municipal services" means all municipal services and charges for which payment is required by the Municipality;

"municipal tariff" means a tariff for services which the Municipality sets for the provision of a service to the local community, such as a tariff set for major services or a minor tariff, and includes a surcharge on such service;

"occupier" means any person who occupies any premises or part thereof without regard to the title under which the person occupies, and includes—

(a) any person in actual occupation of those premises;

(b) any person legally entitled to occupy those premises;

(c) in the case of those premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on the person's own account or as agent for any person entitled thereto or interested therein;

(d) any person having the charge or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his or her whereabouts are unknown; and

(e) the owner of those premises;

"officer" means an employee of the Municipality or any other person who is specifically authorised thereto by the Municipality to perform any act, function or duty in terms of, or exercise any power under these by-laws;

"organ of state" means an organ of state as defined in section 239 of the Constitution;

"outside municipal area" means tariffs that apply to consumers who are not residing within the municipal boundaries, but who are making use, on application, of certain services;

"jaarlikske begroting" beteken die begroting goedgekeur deur die munisipaliteit vir enige spesifieke fiscale jaar, en sluit in enige aanpassings tot sodanige begroting;

"koste verbandhoudend twee tot vier dele tarief" beteken 'n tarief bestaande uit twee tot vier dele, naamlik bestuur, kapitaal, onderhoud en bedryfskoste wat verhaal word deur sekere komponente te groepeer (byvoorbeeld bestuur, kapitaal en onderhoudskoste mag saam gegroepeer en verhaal word by wyse van 'n vaste heffing) onafhanklik van gebruik vir alle klasse gebruikers, terwyl die veranderlike koste verhaal mag word by wyse van 'n eenheidsheffing per eenheid gebruik;

"maand" beteken een van 12 maande van 'n kalenderjaar;

"munisipaliteit" beteken die Munisipaliteit Knysna, gestig ingevoelige artikel 12 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998 (Wet No 117 van 1998) Provinsiale Kennisgewing 409 van 28 Augustus 2000, en sluit in enige politieke struktuur, politieke amptelike, behoorlik gemagtigde agent daarvan of enige werkzaam daarvan wat ingevoelige hierdie verordening optree uit hoofde van 'n bevoegdheid wat by die munisipaliteit behoort en aan sodanige politieke struktuur, politieke amptelike, agent of werknemer geneigde of geskik slegs is;

"munisipale dienste" beteken alle munisipale dienste en heffings waarvoor betaling deur die munisipaliteit vereis word;

"munisipale tarief" beteken 'n tarief vir dienste wat deur die munisipaliteit gestel word vir die levering van dienste aan die plaaslike gemeenskap, soos 'n tarief vir hoofdienste of ondergeskikte dienste, en sluit in 'n belasting op sodanige dienste;

"munisipale bestuurders" beteken die persoon aangestel ingevoelige artikel 82 van die Wet;

"okkuperder" beteken enige persoon wat enige perseel of gedeelte daarvan okkuper geordes van ongemenging van die titel waaroor die persoon okkuper, en sluit in—

(a) enige persoon in werklike okkupasie van daardie perseel;

(b) enige persoon wetlik gereg om daardie perseel te okkuper;

(c) in die geval waar daardie perseel onderverdeel en aan bewoners of verskeie huurders verhuur word, die persoon wat die huur wat deur sodanige bewoners of huurders betaal word ontvang, ongeag vir die persoon se nie rekening te maak van of agent vir enige persoon gereg volgens of wat 'n belang daarin het;

(d) enige perseel in beheer of bestuur van daardie perseel, en sluit in die agent van enige sodanige persoon wanneer die persoon nie in die Republiek van Suid-Afrika is nie of sy van haar verblyfplek onthoud is; en

(e) die eiers van daardie perseel.

"ondergeskikte tariewe" beteken alle tariwe, heffings, gelde, huur of boetes wat deur die munisipaliteit gehef of opgeleë word ten opsigte van dienste gelever, ander as hoofdienste, en sluit in dienste bykomstig tot die voorsoening van hoofdienste, maar sluit nie tariwe vir hoofdienste in nie;

"persoon" beteken enige erf, onroerende eiendom of eiendom wat in staat is om munisipale dienste te ontvang, of dit sodanige dienste ontvang al dan en of bewoon of nabewoon is;

"persoon" sluit 'n regtspersoon en staatsorgaan in;

"plaaslike gemeenskap" of "gemeenskap" in verhouding tot die munisipaliteit, beteken daardie liggende van persone bestaande uit die inwoners van die munisipaliteit, die belanghebbendes van die munisipaliteit, enige burgerlike, nie-regering, private sektor of arbeidsorganisasies of liggaam betrokke deur plaaslike aangehorige van die munisipaliteit, en betrokke en ander persone woonagtig buiten die munisipaliteit lie, so lang die feenswoordigheid in die munisipaliteit, gebruik maak van dienste of faciliteite voordeur deur die munisipaliteit;

"raad" beteken die Raad van die Knysna Munisipaliteit;

"rekeninghouer" beteken enige persoon wat 'n munisipale rekening staan te ontvang, ingesluit 'n gebruiker van voorafbetaalde elektrisiteit of water;
"person" includes a legal person and an organ of state;

"premises" means any erf, immovable property or property which is capable of receiving municipal services whether it is receiving such services or not and whether occupied or not;

"recoverable work" means tariffs that apply to consumers who, on application, make use of recoverable services and which are calculated at actual cost plus a surcharge as determined with the actual tariffs;

"single tariff" means a tariff consisting of a fixed cost per unit consumed resulting in the recovery of all costs through unit charges at the level of break-even consumption and on which profits on trading services may be allowed subject to Council approval;

"stepped tariff" means a tariff based on consumption levels being categorised in blocks with subsequent steps calculated to yield profits and to discourage excessive use of the commodity;

"target" means realistic targets which may be set by the Municipality from time to time;

"tariffs for major services" means tariffs set for the supply and consumption or usage of major services;

"total cost" means the sum-total of all fixed and variable costs related to a service;

"units consumed" means the number of units of a particular service consumed and are measured in terms of the units of measurement contemplated in section 9 of this by-law; and

"variable costs" means costs that vary with increased or decreased consumption or volume produced.

2. Purpose of these By-laws

The purpose of these By-laws is—

(a) to comply with the provisions of Section 75 of the Act;

(b) to prescribe the procedure for calculating tariffs where the Municipality wishes to appoint service providers in terms of Section 76(b) of the Act; and

(c) to serve as guidance for the designated councillor regarding tariff proposals that must be submitted to Council annually during the budget process.

3. Tariff Principles

(1) The Municipality adopts a two-part tariff structure consisting of a fixed availability charge coupled with a charge based on consumption.

(2) The tariff principles set out in Section 74(2) of the Act must apply.

(3) In setting its annual tariffs the Municipality must at all times take due cognisance of the—

(a) tariffs applicable elsewhere in the economic region; and

(b) impact which its own tariffs may have on local economic development.

(4) With the exception of the influenza relief measures approved by the Municipality, service tariffs imposed by the Municipality should be viewed as user charges and not as taxes, and the ability of the relevant consumer or user of the services to which such tariffs relate, to pay for such services, should not be considered as a relevant criterion.

(5) The Municipality must ensure that its tariffs are uniformly and fairly applied throughout the municipal area.

"rente" betekent 'n bedrag deur die munisipaliteit bereken teen 'n koeer bepaal deur die raad op 'n agterlangs munisipale rekning;

"staatsorgaan" betekent 'n staatsorgaan soos omskryf in artikel 239 van die Grondwet;

"teiken" beteken realistiese teikens wat deur die munisipaliteit van tyd tot tyd gestel mag word;

"toenemende blootstaring" beteken 'n tarief gebaseer op gebruiksvlakke wat in blokke gekategoriseer is, waar die gebruiksvlak verhoog word en dan name gebruiksvlakke verhoog;

"traptarief" beteken 'n tarief gebaseer op gebruiksvlakke wat in blokke gekategoriseer is met opvolgende trappe berekend om waiste te toon en om oormeting gebruik van die kommissiestelte ontmoedig;

"tarieue vir hoofdienste" beteken tariewe gestel vir die voorziening en verbruik of gebruik van hoofdienste;

"totale koste" beteken die somsomaal van alle vaste en veranderlike koste verbond aan 'n dienst;

"vaste koste" betekent koste wat nie varieer met toenemende of afneemende verbruik of volume geproduseer nie;

"veranderlike koste" beteken kosten wat varieer met toenemende of afneemende verbruik of volume geproduseer;

"verhuisbare werk" beteken tariewe wat van toepassing is op verbruikers wat, op aanvraag, gebruik maak van verhuisbare dienste en wat bereken word op werlike koste plus 'n beloning soos vasgestel met die werlike tariewe;

"Wet" beteken die Wet op Paaileke Regering: Munisipale Strukture, 2000 (Wet No 32 van 2000).

2. Doel van hierdie verordening

Die doel van hierdie verordening is—

(a) om aan die bepalingen van artikel 75 van die Wet gevolg te gee;

(b) om die procedures vir die berekening van tariewe voor te skryf waar die munisipaliteit dit wenslik ag om diensverskaffers ingeval artikel 76(b) van die Wet aan te stel; en

(c) om te dien as riglyne vir die aangewese raadslied in verband met tariefvoorskrifte wat jaarliks tydens die begrotingsproses aan die raad voorgaai moet word.

3. Tarief beginnels

(1) Die munisipaliteit aanvaar 'n tweeledige tariefsstruktue en bestaande uit 'n vaste beskikbaarheidsstoelop gekoppel aan 'n toonso tarief gebaseer op gebruik.

(2) Die tarief beginsels soos uiteengesit in artikel 74(2) van die Wet is van toepassing.

(3) By die vaststelling van tariewe moet die munisipaliteit te alle tye kennis neem van die—

(a) tariewe elders van toepassing in die ekonomiese strek; en

(b) impak wat sy eie tariewe op plaaslike ekonomiese ontwikkeling mag hê.

(4) Met die uiteenwerping van deurstemmingstangsmetsels gevorderde deur die munisipaliteit, moet diens aan tariewe deur die munisipaliteit voorgestel word en die vermoë van die betrokke verbruikers of gebruikers van die dienste waarop sodanige tariewe betrekking het om vir sodanige dienste te betaal, mag nie as relevante kriteria oorweg word nie.

(5) Die munisipaliteit moet verseker dat sy tariewe eenvormig en blíik regdeur die munisipale gebied toegesaan word.
6. Tariffs for the following services rendered by the Municipality, must as far as possible recover the expenses associated with the rendering of each service concerned, and, where feasible, generate a modest surplus as determined in each annual budget:
(a) Supply of electricity;
(b) supply of water;
(c) sanitation services, including sewerage and waste water disposal services; and
(d) refuse (solid waste) removal services.

7. The Municipality's tariff policy must be transparent.
(a) The extent to which there is cross-subsidisation between categories of consumers or users must be evident to all consumers or users of the service in question.

8. The Municipality undertakes to—
(a) ensure that its tariffs are explained to and understood by all consumers and users affected by these By-laws;
(b) render its services cost effectively in order to ensure the best possible cost of service delivery.

9. In the case of the directly measurable services, namely electricity and water, the consumption of such services must be properly metered by the Municipality, and meters must be read, wherever circumstances reasonably permit, on a monthly basis, and the charges levied on consumers must be proportionate to the quantity of the service which they consume.

10. The Municipality may differentiate between types of property in order to determine availability charges, which availability charges will be contained in the tariffs, as approved by the Municipality in each annual budget.

11. In considering the costing of its water, electricity and sewerage services, the Municipality must take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services.

12. (a) The Municipality's tariffs for electricity services are determined to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the Municipality of the associated demand charges from Eskom, have to bear the costs associated with these charges.
(b) For the purposes of paragraph (a), the Municipality must install demand meters to measure the maximum demand of such consumers during certain periods.
(c) Such consumers must pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.

4. Differentiation between customers and granting of exemption

1. In accordance with the principles embodied in the Constitution and the provisions of sections 74(5) and 75 of the Local Government: Municipal Systems Act, 2000, the Municipality may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas, however, such differentiation must at all times be reasonable, and must be fully disclosed in each annual budget.

2. The Municipality may, in writing exempt an account holder, category of account holders, or other persons from complying with a provision of these By-laws, subject to any necessary measures.
5. Categories of consumers

(1) The tariff structure of the Knysna Municipality may make provision for the following categories of consumers:

(a) domestic;
(b) commercial;
(c) industrial;
(d) agricultural;
(e) institutional;
(f) rural;
(g) municipal; and
(h) consumers not falling in any of the abovementioned categories and with whom special agreements have been entered into.

(2) Where there is a substantial difference between the standard of services provided to a specified category of consumers, the Municipality may, after the presentation of an engineers report, determine differentiated tariffs within the specified category.

6. Cost centres and cost elements

(1) To determine the total cost of services the Director: Financial Services must create cost centres, based on the service and expenditure classification prescribed by the National Treasury and Executive Mayor of the Municipality from time to time.

(2) The following cost elements may be used to calculate the tariffs of the different services:

(a) Fixed costs, which consists of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation, whichever are applicable on the service and any other costs of a permanent nature as determined by the Council from time to time.

(b) Variable costs, which includes all other variable costs that have reference to the service.

(c) Total cost that is equal to the fixed cost plus the variable cost.
7. Deposits

(1) On approval of an application and before a service is made available, the Municipality may require the applicant—

(a) to deposit for municipal services with the Municipality a sum of money;

(b) to provide any other form of security; or

(c) to agree to special conditions regarding payment of the municipal account, and monies so deposited with the Municipality serve as security and working capital.

(2) The Municipality reserves the right to review from time to time the sum of money deposited or the amount for which additional security is required.

(3) The Municipality may, upon the receipt of a written request, consider relaxation of the conditions pertaining to deposits as set out in subsections (1) and (2).

(4) On termination of the supply of services, the amount of such deposit, plus interest, as determined by the Municipality from time to time, less any payments due to the Municipality, must be refunded to an account holder.

8. Tariff types

(1) In setting tariffs the Municipality must strive to:

(a) accurately reflect costs to achieve economic efficiency;

(b) ensure equity and fairness between different types of consumers;

(c) utilise appropriate metering and supporting technology; and

(d) be transparent.

(2) In determining the type of tariff applicable to the type of service the Municipality may use the following options or any combination thereof:

(a) single tariff;

(b) inclining block tariff;

(c) declining block tariff, provided that this tariff will only be implemented where agreements are entered into;

(d) stepped tariff, provided that this tariff will be used to yield profits and to discourage excessive use of the commodity;

(e) availability charges, provided that once the Municipality has provided a connection, normal tariffs as payable for the respective services provided will payable;

(f) outside municipal area; and

(g) recoverable work.

9. Unit of measurement

The following unit of measurement must, where possible, be used to determine tariffs:

(1) Water

Subject to section 3(9), water meters will be read and/or levied on a monthly basis unless the service is rendered through a pre-payment device.
GOVERNANCE AND ECONOMIC DEVELOPMENT

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(2) Electricity

Subject to section 3(9), electricity meters will be read and/or levied on a monthly basis unless the service is rendered through a pre-payment device:

(a) Maximum demand plus fixed costs plus kilowatt-hours consumed; or
(b) fixed costs plus kilowatt-hours consumed; or
(c) kilowatt-hours consumed; or
(d) gigawatt.

(3) Refuse removal

The amount payable is levied annually and payable with the September account. On written request the amount may be levied monthly. The unit of measurement is:

(a) Plastic bags per week or day (volume); or
(b) Containers per week (volume).

(4) Severage

The amount payable is levied annually and payable with the September account. On written request the amount may be levied monthly. The unit of measurement is:

(a) Percentage of water consumption; or
(b) percentage of water consumption plus costs for strength of disposal; or
(c) basic charge:
   (i) based on the area of the property and fixed costs of the services; or
   (ii) based on the number of properties within those categories of customers and variable costs of the service; or
(d) additional charge:
   (i) based on the area of the property and variable costs of the services; or
   (ii) based on the number of properties within those categories of customers and variable costs of the service;
(e) When the area of the property or the number of properties is not available, a flat rate, based on the average consumption per categories of consumers will apply.

(5) Assessment rate

(a) The assessment rate is calculated taking into account the total net expenditure from the other services less the revenue envisaged based on the total rateable valuations.
(b) The assessment rate must be calculated in such a manner that the total provision of municipal services realise a net surplus.
(c) Assessment rates are calculated according to the valuation of property.

(a) Kost per eenheid (kiloliters gebruik); of
(b) Basiese koste plus koste per eenheid (kiloliters gebruik); of
(c) ‘n Eenvormige tarief sal geheflo word wanneer gebruik nie gemoteel word nie.

(2) Elektrisiteit

Beheo des artikel 3(9), sal elektrisiteitsmeters gelee en/of geheflo word op ‘n maandelikse basis teny die diens deur middel van ‘n voorafbetalingsstelsel geleeer word:

(a) Maximums aanvraag plus vaste koste plus kilowatt-ure gebruik; of
(b) vaste koste plus kilowatt-ure gebruik; of
(c) kilowatt-ure gebruik; of
(d) gigawatt.

(3) Valisverwydering

Die bedrag betaalbaar word jaarliks geheflo met die September rekening. Die bedrag betaalbaar kan op skriftelike verskui maandelikse geheflo word. Die metingseenheid is:

(a) Plastiesbakke per week of dag (volume); of
(b) heures per week (volume).

(4) Riol

Die bedrag betaalbaar word jaarliks geheflo met die September rekening. Die bedrag betaalbaar kan op skriftelike verskui maandelikse geheflo word. Die metingseenheid is:

(a) Persentasie van water gebruik; of
(b) persentasie van water gebruik plus koste vir sterkte van weglooming; of
(c) basiese heffing:
   (i) gebaseer op die oppervlakte van die eiendom plus vaste koste van die diens; of
   (ii) gebaseer op die gat eiendomme binne daardie kategorie van gebruikers en veranderlike koste van die diens.
(d) addisionele heffing:
   (i) gebaseer op die oppervlakte van die eiendom plus veranderlike koste van die diens; of
   (ii) gebaseer op die gat eiendomme binne daardie kategorie van gebruikers en veranderlike koste van die diens.
(e) Wanneer die oppervlakte van die eiendom of die gat eiendomme nie beskikbaar is nie, sal ‘n eenvormige tarief gebaseer op die gemiddelde gebruik per kategorie gebruikers van toepassing wees.

(5) Aanslagkoers

(a) Die aanslagkoers word bereken met inagaheming van die totale netto uitgawes van die ander dienste min die verwagte inkomste gebaseer op die totale belastbare waardesies.
(b) Die aanslagkoers moet op so ‘n wyse bereken word dat die totale voorsiening van munisipale diens “n netto surplus oplewer.
(c) Aanslagkoers word bereken ooreenkomstig eiendomswaardesies.
10. Calculation of tariffs for major services

In order to calculate the tariffs that must be charged for the supply of the services contemplated in section 3(6), the Municipality may identify all the costs of operation of the undertakings concerned, including specifically the following:

(a) Cost of bulk purchases in the case of water and electricity;
(b) distribution costs;
(c) distribution losses in the case of electricity and water;
(d) depreciation expenses;
(e) maintenance of infrastructure and other fixed assets;
(f) administration and service costs, including—
   (i) service charges levied by other departments such as finance, human resources and legal services;
   (ii) reasonable general overheads, such as the costs associated with the office of the municipal manager;
   (iii) adequate contributions to the provisions for bad debts and obsolescence of stock; and
   (iv) all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area;

(g) the intended surplus to be generated for the financial year, such surplus to be applied—
   (i) as an appropriation to capital reserves;
   (ii) generally in relief of rates and general services; or
   (iii) as an appropriation to capital reserves and generally in relief of rates and general services; and

(b) the cost of indigence relief measures.

11. Structure of tariffs

The Municipality may provide free electricity and water as set out in its annual tariff schedule.

12. Electricity

(1) The various categories of electricity consumers, as set out in the annual tariffs, are charged at the applicable tariffs, and subject to the applicable conditions, as approved by the Municipality in each annual budget.

(2) The Municipality may levy an availability charge on vacant erven, which tariff is charged per annum, irrespective of the erf’s permitted or intended use.

(3) Tariff adjustments are effective from 1 July each year or as soon as possible thereafter.

10. Berekening van tariewe vir hoofdienste

Ten einde die tariewe te bereken wat gehef moet word vir die levering van die dienste bedoel in artikel 3(6), mag die munisipaliteit alle bedryfskoste van die betrokke ondernemings identifiseer, met spesifieke insluiting van die volgende:

(a) Koste van grootmaat aankope in die geval van water en elektrisiteit;
(b) verspreidingskoste;
(c) verspreidingsverliese in die geval van water en elektrisiteit;
(d) waardevermindering uitgawes;
(e) onderhoud van infrastruktuur en ander vaste bates;
(f) administrasie en dienstkoste, insluitend—
   (i) diensgedeelde gehef deur ander departemente soos finansies, menslike hulpbronne en reëkgewese;
   (ii) billike algemene oorhoofse koste, soos die koste verbonde aan die kantoors van die munisipale bestuurder;
   (iii) voldoende bydraes vir die voorsiening van slegte skulde en voorraad in ontbloot;
   (iv) alle ander normale bedryf uitgawes verbonde aan die betrokke diens, ingesluit in die geval van die elektrisiteitsvoorsiening, die koste vir die voorsiening van straatbepliging in die munisipale gebied;

(g) Die beoogde surplus wat vir die boekjaar gegeneer word, moet toegepas word—
   (i) as ‘n toewyding tot kapitale reserver;
   (ii) in die algemene ter verligting van belasting en algemene dienste; of
   (iii) as ‘n toewyding tot kapitale reserver en in die algemene ter verligting van belasting en algemene dienste; en

(b) die koste vir behoefte verligtingsmaatreëls.

11. Tariefindrukking

Die munisipaliteit mag gratis elektrisiteit en water voorsien soos uiteengesit in sy jaarlikse tariefindruk.
13. Water

(1) The various categories of water consumers, as set out in the annual tariffs, are charged at the applicable tariffs, and subject to the applicable conditions, as approved by the Municipality in each annual budget.

(2) The Municipality may levy different tariffs for raw and potable water as approved by the Municipality in each annual budget.

(3) The Municipality may levy an availability charge on vacant erven, which tariff is charged per annum, irrespective of the erf's permitted or intended use.

(4) Tariff adjustments are effective from 1 July each year.

14. Refuse removal

(1) The various categories of refuse removal users, as set out in the annual tariffs, are charged at the applicable tariffs, and subject to the applicable conditions, as approved by the Municipality in each annual budget.

(2) Tariff adjustments are effective from 1 July each year.

(3) The Municipality may levy a separate fixed monthly refuse removal charge and apply it to different categories of consumers, as set out in the applicable tariffs, as approved by the Municipality in each annual budget.

(4) Consumers may apply for a social rebate on domestic refuse removal and the Municipality may grant such social rebates to different categories of users subject to the conditions as set out in the tariffs approved by the Municipality in each annual budget.

15. Sewerage and Sanitation

(1) The various categories of sewerage and sanitation users, as set out in the annual tariffs, are charged per month at the applicable tariffs, and subject to the applicable conditions, as approved by the Municipality in each annual budget.

(2) The Municipality may levy an availability charge on vacant erven, which tariff is charged per annum, irrespective of the erf's permitted or intended use.

(3) Tariff adjustments are effective from 1 July each year.

16. Minor tariffs

All minor tariffs are standardised within the municipal region and charged as set out in the annual tariff schedule.

17. Determination of tariffs, fees and levies

The Council may by resolution supported by a majority of the members of the council, determine and recover levies, fees, taxes and tariffs, in respect of any function or service of the municipality as part of its municipal budget.

18. Phasing in of tariffs, fees and levies

(1) Council must annually consider the methods by which tariffs, fees and levies will be calculated and by resolution amend its tariff policy.

(2) Where the newly calculated tariffs fees and levies differ substantially from the current tariffs, fees and levies council may resolve to phase in the differences over a period of time.

19. repeal of by-laws

The provisions of any By-laws adopted by the Knsna Municipality or its legal predecessors disestablished in terms of section 3(1) of Provincial Notice 409 of 2000 dated 28 August 2000, and in force immediately before the commencement of these By-laws are hereby repealed as far as they relate to matters provided for in these By-laws, including By-laws promulgated by any of the administra-
20. Short title and commencement

These By-laws may be cited as the Knysna Municipality Tariff By-laws and come into operation upon publication in the Provincial Gazette.

11 April 2008

20. Kort titel en inwerkingtreding

Hierdie verordening staan bekend as die Knysna Munisipaliteit Tarief Verordening en tree in werking op die datum van publikasie in die Provinciale Koerant.

11 April 2008
**Tender No.: 1/2/2019/19**

**CULTURAL COHESION, 8 DECEMBER 2018 AND YOUTH DAY, 16 JUNE 2019 EVENTS - EVENT PLANNING, MARKETING, COORDINATION AND IMPLEMENTATION**

The Krynya Municipality hereby invites tenders for the event planning and management of the cultural cohesion event of 8 December 2018 and the youth day event of 16 June 2019. The events will be held at the Krynya Cultural Centre. The successful tenderer shall be responsible for the full management of the events, including but not limited to:

- **Event Planning:** Developing a comprehensive event plan, including timelines, budgets, and marketing strategies.
- **Event Management:** Conducting the events smoothly, managing all logistics, and ensuring the safety and comfort of all participants.
- **Marketing:** Developing marketing materials and strategies to promote the events to target audiences.

**Tender Documents:**

- TENDER DOCUMENTS ARE AVAILABLE FROM THE KRYNYA MUNICIPALITY OFFICE, KRYNYA CULTURAL CENTRE OR AVAILABLE ON THE KRYNYA MUNICIPALITY WEBSITE.
- **Tender Documents Fee:** Rs. 500.00 (non-refundable).
- **Tender Closing Date:** 25th March 2019.
- **Notice of tender:** Issued on 13th December 2018.
- **Award of Tender:** Expected within 15 working days after the closing date.

**Bidding Requirements:**

- **Tenders must be submitted in a sealed envelope, addressed to the Krynya Municipal Council, Krynya Cultural Centre, Krynya, India.**
- **Tender documents must be submitted within the specified tender closing date.**
- **Tenders shall be submitted in triplicate.**

**Submission of Tenders:**

- Tenders must be submitted by 25th March 2019 at 3:00 PM at the Krynya Cultural Centre.

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**Tender Notice:**

- **Tender Title:** Cultural Cohesion and Youth Day Events.
- **Tender Documents Fee:** Rs. 500.00 (non-refundable).
- **Tender Closing Date:** 25th March 2019.
- **Notice of tender:** Issued on 13th December 2018.
- **Award of Tender:** Expected within 15 working days after the closing date.

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**Tender Documents:**

- Tender documents are available from the Krynya Municipal Council, Krynya Cultural Centre, Krynya, India.
- **Tender Documents Fee:** Rs. 500.00 (non-refundable).
- **Tender Closing Date:** 25th March 2019.
- **Notice of tender:** Issued on 13th December 2018.
- **Award of Tender:** Expected within 15 working days after the closing date.

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**Submission of Tenders:**

- Tenders must be submitted in a sealed envelope, addressed to the Krynya Municipal Council, Krynya Cultural Centre, Krynya, India.
- **Tender documents must be submitted within the specified tender closing date.**
- **Tenders shall be submitted in triplicate.**

**Evaluation of Tenders:**

- Tenders will be evaluated based on the following criteria:
  - Technical and Professional Qualifications
  - Experience in similar projects
  - Financial Proposal

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**Invoices:**

- All invoices must be accompanied by a copy of the tender document.
- Payment will be made upon receipt of the final invoice and submission of the completed work.

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**Contact Information:**

- **Krynya Municipal Council:**
  - Address: Krynya Cultural Centre, Krynya, India
  - Contact: (0123) 456-7890

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**Important Notice:**

- All tenders must be submitted in triplicate to ensure a fair and transparent evaluation process.
INVITATION TO MAKE WRITTEN SUBMISSIONS

In terms of Section 12(3) (b) of the Local Government: Municipal Systems Act, No. 32 of 2000, notice is hereby given that the Knysna Municipal Council considers adoption of amendments to the following by-law:

a) Tariffs by-law.

The by-law is open for inspection during normal office hours at the following municipal precincts:

- Clyde Street, Knysna
- Old Church Street Building, Knysna
- Flamingo Street, Sedgefield

The document is also available on the municipal website www.knysna.gov.za

Any comments in respect of the proposed amendments to the by-law must be submitted in writing to the Acting Municipal Manager, Johnny Douglas, before or on 23 November 2018. Submissions may be posted to PO Box 21, Knysna 6570 or emailed to knysna@knysna.gov.za. For further information contact Ms Melony Paulsen at tel. 044 302 6492 or e-mail mpausen@knysna.gov.za

J B DOUGLAS
ACTING MUNICIPAL MANAGER
CLYDE STREET
KNYSNA
6570

UITNODIGING OM SKRIFTELIKE KOMMENTAAR TE LEWER

Ingevoleg Artikel 12(3) (b) van die Wet op Plaaslike Bestuur: Munisipale Steiels, Nr 32 van 2000, word hiermee kennis gegee dat die Knysna Munisipale Raad tans wysigings aan die volgende verordening oorweeg:

a) Verordening insake Tariewe.

Afskrite van die voorgestelde verordening is gedurende normale kantoorure by die volgende munisipale kantore ter insue beskikbaar:

- Clydestraat, Knysna
- Ou Kerkstraat gebou, Knysna
- Flamingostraat, Sedgefield

Die dokument is ook op die munisipale webtjiste by www.knysna.gov.za beskikbaar.

Skriflike kommentaar ten opsigte van die veranderinge aan die verordening moet die kantoor van die Waarnemende Munisipale Bestuurder, Johnny Douglas, voor of op 23 November 2018 bereik. Insette kan gepos word na Posbus 21, Knysna 6570 of per e-pos gestuur word aan knysna@knysna.gov.za. Vir enige navrae kontak me Melony Paulsen by tel. 044 302 6492 of e-pos mpausen@knysna.gov.za

J DOUGLAS
WAARNEMENDE MUNISIPALE BESTUURDER
Clydestraat
KNYSNA
6570
REPORT FROM THE DIRECTOR : COMMUNITY SERVICES

PURPOSE OF THE REPORT
To report on the current status of the Love Life Y Centre.

BACKGROUND
In 2007, Love Life partnered with BMW and the Knysna Municipality in addressing the HIV epidemic, focusing on Love Life’s care programme offering, which includes prevention and behaviour change strategies. Love life’s target group is youth in the age group 12 to 19 years old as research has indicated that this is the group most vulnerable as a result of different social, structural, individual and environmental factors and represents the area where interventions are most needed.

BMW was instrumentally in funding the building of the Knysna Love Life Y Centre and Knysna Municipality partnered with the initiative in providing the land for the establishment. Over the past six years, the Y Centre has become a hub for the youth and the Community at large, implementing a wide range of programmes linked to its games (sport) family programmes, Love Life style (dialogue, debate and motivation), community arts, Centre activities (Cultha factory) cyber Ys (IT training) life skills training and youth development, thus operating as a fully-fledged Y Centre.

Together with the Knysna Municipality, Love Life is looking to enter into a 49 year – years cost neutral lease agreement past the expiration of the current lease in 2016.

The investment is a commitment to ensuring that Love Life Holistic Youth Leadership Development Programme is sustained and expanded into surrounding communities within the municipal area. The programme will raise a generation of active citizens, role models and healthy families.

The Organizations existing infrastructure has cost saving implications as the management and service delivery frameworks are already in place. The approval of this proposal will undoubtedly establish a more definite degree of sustainability in youth leadership development in the Knysna Municipality through its Love Life Y Centre. Love Life currently hosts 22 Y Centres across South Africa.

The Y Centre’s aim is to offer a safe place where young people can move after school and develop their sport and performing arts stalls as well as other avenues for personal development.

At the heart of Love Life’s programming are its ground BREAKERS – a National Corps of full time peer motivators and community mobilisers – who volunteer for a period of one year to become leaders of HIV prevention within their communities.

Recent monitoring data has shown that on average, the Knysna Love Life Y Centre reaches:

- 146 young people through learns per month
• 382 young people through site events per month
• 1997 in youth festivals during the year and
• 58 in dialogues during the year.

It is further envisaged that all Love Life Y Centres will be refurnished and upgraded to meet
the specifications of the new delivery mechanism.

Before Love Life invest in the infrastructural upgrades to Y Centres, it is critical that ownership
or long term leases are sought from land owners in order to sustain the investment.

See attached existing MOA (Memorandum of Agreement) between Knysna Municipality and
the Love Life Trust.

**FINANCIAL IMPLICATIONS**

Love Life will be responsible for the cost to infrastructural upgrades to the Y Centres and
maintenance.

Knysna Municipality will assume responsibilities for the payment of electricity and water.

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

[a] That the report from the Director : Community Services, be noted; and

[b] That Council consider the proposal by Love Life for a 49 year – cost neutral lease
agreement past the expiration of the current lease as stipulated in the memorandum
of agreement in 2006.

**APPENDIX / ADDENDUM**

Love Life Lease Agreement

File Number : 9/1/2/5
Execution : Director : Community Services
Manager : Legal Services
1. The Knysna Municipality and loveLife have jointly agreed to establish a loveLife Y-
Centre in Knysna. The purpose of the loveLife Y-Centre is to provide a multi-
purpose youth centre providing entertainment, education and training, and sexual
health services and counselling.

2. Funding for the Y-Centre will be provided by BMW to loveLife, which will appoint
an architect and builder. Building plans of which will be submitted to the Knysna
Municipality for approval. The building and land will be the property of the Knysna
Municipality, but will be used exclusively for loveLife Y-Centre activities from
January 2007 to December 2016. In the event of any proposed changes to the above,
the consent of both parties will be required.

3. loveLife will manage the loveLife Y-Centre i.e. to provide sexual and reproductive
health services, computer infrastructure and training, and a programme of sports,
entertainment and motivation.

4. The Knysna Municipality will assume responsibilities for the payment of electricity
and water, and costs associated with linking the centre to municipal services. In
addition, the Municipality will link the premises to its alarm and security system.
loveLife will assume responsibility for maintaining the structure of the building for
the duration of its involvement.

5. The Knysna Municipality will work with the Y-Centre staff to facilitate outreach
programmes and partnerships with government departments, including health,
education and welfare as well as the Umsobomvu Youth Fund. It is expressly
understood that the Y-Centre programme will supplement and add value to existing
services, and is not a substitute for such services.

6. The express goal of the loveLife Y-Centre is to reduce the prevalence of HIV/AIDS,
sexually transmitted diseases and teenage pregnancy among 12-17 year olds, using
popular youth culture as the means of achieving this goal. To this end, loveLife and
the Knysna Municipality will jointly ensure that all Y-Centre activities are consistent
with the positive lifestyle promoted by loveLife. Alcohol, drugs and cigarettes are
prohibited on the Y-Centre property.

7. This is a mutual agreement driven by our common goal for the youth of Knysna. Any
problems or difficulties that arise will be dealt with promptly in a spirit of cooperation
and commitment to that common goal.

Signed:

[Signature]
Municipal Manager, Knysna

[Signature]
Dr. David Harrison
Chief Executive Officer, loveLife

Date: 30 November 2006
6.14

G14/02/19  STATUS OF LEASES ON MUNICIPAL PROPERTIES

REPORT FROM DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To submit a report on the status quo of all leases of Municipal properties in the Knysna Municipal Area and to submit proposals regarding the process to follow to enter into new leases in the instances where leases have expired.

BACKGROUND

Knysna Municipality is leasing various immovable assets to the Public, Sporting bodies and other Organs of State. A number of these leases have expired and are currently on a month-to-month basis. A number of attempts have been made to conclude formal approved leases with some of these properties but not all were successful.

There are also various Municipal Council Resolutions taken with regards to the leasing of some of the Municipal Owned immovable assets.

Council, at its meeting held on 28 March 2013 requested that “further direction” be provided regarding the leasing of Sporting Facilities in the Knysna Municipal area. All expired leases, will in the meantime, continue on a month-to-month basis until new leases can be put in place. The Municipal Council requested the Municipal Manager to develop a Policy on the rental of immovable property. This Policy was approved by Council on 28 November 2013 (see Annexure “A”).

A further report was then submitted to the Municipal Council giving direction with specific reference to the leasing of Sporting Facilities in the Knysna Municipal Area.

The Municipal Council on 10 December 2015 resolved the following:

a] That the report and annexures regarding the expired Sporting leases be noted;

b] That in terms of sub-regulation 34(1)(a) of the Asset Transfer Regulations, 2008, the Municipal Manager advertise the intention and request proposal to enter into long term lease agreements of 9 years and 11 months for the following properties, which the lease agreements have expired;

i] A portion of erf 255 next to Loerie Park for Sea Scout Headquarters (previous lease agreement with Boy Scouts of South Africa);

ii] A portion of erf 215, Buffalo Bay for parking bays at the Buffalo Bay ski-boat club (previous lease agreement with Buffalo Bay Ski-boat Club);

iii] A portion of farm 215 Walkers Point, Buffalo Bay for a hiking trail (previous lease agreement with Provincial Administration – Western Cape);

iv] Portions of erf 2058, Sedgefield, for Bowling club, Tennis club and the Reg Basson Hall with Kitchen (previous leased to Sedgefield Bowling and Sedgefield Tennis Club respectively); and

c] That in terms of sub-regulation 34(3)(b) of the Asset Transfer Regulations, 2008, the following must be noted:

i] The reason for applying for requests for long term leases is that sport clubs need to recapitalize on any improvements intended and needed to perform their duties to the best of their ability;

ii] The expected benefits to the municipality is that Council’s assets would be maintained, improved and be made available to members of the public at an affordable price and that sport would be developed in the Knysna Municipal area;

iii] The expected proceeds to be received by the municipality, is the payment of monthly services and rates charges and also the annual rental fees;

iv] There is no expected loss that will be incurred by the municipality arising from the long term leasing of the properties mentioned above.

d] That the standard lease agreement attached as Annexure A be approved for 9 years and 11 months;

e] That the Municipal Manager be hereby authorised to negotiate the leasing of the Hiking Trail at Buffalo Bay, situated on a portion of the farm Walker Point 215, with the Western Cape Provincial Government;

f] That the Municipal Manager be hereby authorised to inform the Knysna Lions Club, Knysna Sea Scouts (Boy Scout of South Africa), South African Sea Cadets (Naval Cadet Corp) that no rentals will be levied but said clubs are responsible for all service charges;

g] That the Municipal Manager be authorised to negotiate the leasing of the Driving Range situated on a Portion of Erf 1390 Knysna with the current lease holders;

h] That the Director Community Services compile a financial feasibility study plan for the management of Loerie Park to be submitted to the Community Services Section 80 Committee on the 26th of April 2016;

i] That the Municipal Manager be authorised to enter into negotiations, subject to (j) below, with the following existing tenants:

   i] Knysna Golf Club – lease expiring on 1 June 2038,
   ii] Knysna Bowling Club – lease expiring on 20 June 2026,
   iii] Leisure Isle Boat Club – lease expiring on 31 January 2042,
   iv] Leisure Isle Country Club – lease expiring on 31 December 2043,
   v] Knysna Marathon Club – lease expiring on 30 September 2017,
   vi] Knysna Primary Schoo – Sport fields - lease expiring in 2020,
   vii] Sedgefield Lions Club – lease expiring on 30 September 2016,
   viii] Cearn Memorial Hall – lease expiring on 31 December 2043

j] That the consultations as in “i]” above include the following;

   i] The possible increase of rental fees;
   ii] Provision to be made to subsidize members who are not exposed to a specific sport code but are interested in participating in that particular sport code;
   iii] Facilities should be open for all members of the public who are interested in practicing sport;
iv] The entities must provide the Council with a transformation and development plan/strategy;

v] The promotion of sport for all people must be prioritized.

k] That a report on the outcome of the consultation process as mentioned in [j] above, be submitted to a following Council Meeting in 2016;

l] That a portion of Erf 1316, Knysna, be leased to the Naval Cadet Corps, on a month-to-month basis, on condition that all service charges be paid and that no rental be charged.

The advertisement in terms of resolution “[b]” above of the Municipal Council Resolution dated 10 December 2015 was placed in the local newspapers on 9 and 10 March 2016 (see Annexure “B”). The advertisement didn’t attract any comments or objections.

Attempts were then made to enter into long term lease agreements of 9 years and 11 months, as per the approved standard lease agreement mentioned in resolution “[d]” of the Municipal Council Resolution dated 10 December 2015 with the following sporting bodies:

a) Sea Scouts of South Africa;
b) Sedgefield Bowling Club; and
c) Knysna Lions Club.

Only the Sedgefield Bowling Club concluded a lease agreement with Knysna Municipality (see Annexure “C”). The Sea Scouts and Knysna Lions Club did not accept/sign the standard lease agreements as approved (see Annexure “D”). They are however still occupying the Municipal property.

The legislation with regards to the Management of the slipway at Buffalo Bay also changed since the last approval that was granted by the Western Cape Nature Conservation Board trading as CapeNature to the Buffalo Bay Ski-boat Club lapsed. Although no comments or objections was received for the proposed leasing of a portion of Erf, Walkers Point, Buffalo Bay, being the parking area at the Buffalo Bay / Goukamma Slipway, a short term lease was granted to the Buffalo Bay Ski-boat, Knysna Municipality, in terms of the Management of Public Launch Sites in the Coastal Zone Regulations, 2014, as proclaimed by the provincial Gazette, 7410 dated Friday, 26 June 2015, is the management Body of the Buffalo Slipway, the only Public Launch Site in the Knysna Municipal Area (see Annexure “E”). In terms of this legislation, this slipway can’t be closed for access to the sea. To operate the slipway, dedicated parking space, close to the slipway, should be available. The responsibility to provide the required safe access to the slipway is vested in the Knysna Municipality.

The negotiations between the Municipal Manager and the current lease holders of the Knysna Driving Range on portions of Erf 2790 and 1390, Knysna, for the leasing of the portion of Erf 1390, Knysna did not take place because of the dispute with the then EDEN District Municipality (now Garden Route District Municipality) regarding the ownership of Erf 2790, Knysna. Finality should be received before negotiations should take place.

The Directorate Community Services should provide a feasibility study for the Knysna Municipality to manage the whole Loerie Park. A decision should then be taken on the management of the following facilities at Loerie Park:

a] The Knysna Marathon Club;
b] The Knysna Tennis Club; and
c) The Round Table.

It could not be determined whether negotiations with the following existing tenants were concluded:

1. Knysna Golf Club;
2. Knysna Bowling Club;
3. Leisure Isle Boat Club;
4. Leisure Isle Country Club;
5. Knysna Marathon Club;
6. Knysna Primary School;
7. Cearn Memorial Hall; and

The Sedgefield Lions Club signed a new 9 years and 11 months’ lease agreements (see Annexure “F”).

The Knysna Municipal Council’s intention to put the Buffalo Bay Caravan Park, situated on Erf 209, Buffalo Bay, out on tender for a five-year period, was not done because the impact of coastal environmental legislation could not be determined, as approved by the Municipal Council 29 November 2012 (see Annexure “G”). The current operators, Stephen De Beer & Richard Stanley Cooper are on a month-to-month basis lease with a yearly 10% escalation.

The following lease agreements also expired:

1. The leasing of a portion of Erf 4695, Knysna, in favour of Knysna Municipality, from the owners of Erf 4695, Knysna, for the purpose of accessing and maintaining and/or improving the kiosk on the leased portion and/or the communications equipment thereon and/or the communication mast thereon, which expired on 30 April 2011 (see Annexure “H”);

2. The leasing of a portion of Erf 2714, Knysna, adjoining the remainder of Erf 2641, Knysna, in favour of the owner of Erf 2641, Knysna, which expired on 31 March 2001 but is now continuing at the lessor’s pleasure (see Annexure “I”);

3. The leasing of land situated on a portion of Erf 1390, Knysna being used by the Knysna Animal Welfare Society, for the purpose of acting as agents to confiscate and impound stray animals within the Knysna Municipal Area on a portion of Erf 1390, Knysna, which expired on 30 June 2016 (see Annexure “J”). It however, should be noted that this “AGREEMENT” between Knysna Municipality and Knysna Animal Welfare Society also included a financial assistance towards KAWS in the form of a grant-in-aid of R10 000.00 (ten thousand rand) per month. KAWS did attempt to negotiate the terms of this lease agreement; and

4. The leasing of a portion of the Hill Street Road Reserve (being a portion of Erf 210, Knysna) abutting Erf 810, for the purposes of gardening, which expired on 31 July 1991 but is now continuing at the lessor’s pleasure (see Annexure “K”).

DISCUSSION

Section 34 of the Asset Transfer Regulations 2008, deals with Granting of rights to use, control or manage municipal capital assets and reads as follows:
“Granting of rights to use, control or manage municipal capital assets

34. (1) A municipality may grant a right to use, control or manage a capital asset only after—

(a) the accounting officer has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and

(b) The municipal council has approved in principle that the right may be granted.

(2) Subregulation (1) (a) must be complied with only if—

(a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and

(b) a long term right is proposed to be granted in respect of the capital asset.

(3) (a) Only the Municipal council may authorise the public participation process referred to in subregulation (1)(a).

(b) 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;

(ii) any expected benefits to the municipality that may result from the granting of the right;

(iii) any expected proceeds to be received by the municipality from the granting of the right; and

(iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.”

The Valuation in terms of the Knysna Local Municipal Valuation Roll for the period 2017 to 2022 for the affected properties are as follow:

1) Erf 255, Knysna, with a portion being used by the 1st Knysna Sea Scout Group is valued at R 900 000.00;

2) Erf 211, Knysna, with a portion being used by the Knysna Lions Club is valued at R 10 000.00;

3) Erf 215, Buffalo, Walker Street, with a portion to be used for the Buffalo Bay / Goukamma Slipway parking is valued at R 70 000.00;

4) Erf 1390, Knysna, with a portion being used as a portion of the Knysna Driving Range is valued at R 4 000 000.00;

5) Erf 2725, Knysna, with a portion being used as The Knysna Marathon Club is valued at R 13 400 000.00;

6) Erf 2725, Knysna, with a portion being used as The Knysna Tennis Club is valued at R 13 400 000.00;

7) Erf 2725, Knysna, with a portion being used as The Round Table is valued at R 13 400 000.00;

8) Erven 2232 & 2233, Knysna being used as the Knysna Golf Club is valued at R 1 900 000.00 & R 10 000.00 respectively;

9) Erf 211, Knysna, with a portion being used by the Knysna Bowling Club is valued at R 10 000.00;
10) Erf 2060 and Erf 2813, Knysna, with Erf 2060 & a portion of Erf 2813, Knysna being used by the Leisure Isle Boat Club as Boat Club and Small Boat Harbour is valued at R 2 000 000.00 and R 17 900 000.00 respectively;

11) Erf 2813, Knysna, with a portion of Erf 2813, Knysna being used by the Leisure Isle Country Club as bowling and Tennis Club facilities is valued at R 17 900 000.00;

12) Erf 1390, Knysna, with a portion of Erf 1390 being used by Knysna Primary School as a sports field and other sport activities is valued at R 4 000 000.00;

13) Erf 1907, Knysna, with a portion of Erf 1907, known as the Cearn Memorial Hall being used by the Leisure Isle Country Club for meeting activities is valued at R10 000.00;

14) Erf 209, Buffalo Bay, being used by Messrs. Stephen De Beer & Richard Stanley Cooper as the Buffalo Bay Caravan Park is valued at R 4 200 0000.00;

15) Erf 4695, Knysna (privately owned), with a portion of Erf 4695, Knysna being used by Knysna Municipality for the purpose of accessing and maintaining and/or improving the kiosk on the leased portion and/or the communications equipment thereon and/or the communication mast thereon and is valued at R 4 000 000.00;

16) Erf 2714, Knysna, with a portion of Erf 2714, adjoining Erf 2641, Knysna being used by the owner of Erf 2641 does not have any value on the valuation roll;

17) Erf 1390, Knysna, with a portion of Erf 1390, Knysna being used by Knysna Animal Welfare Society for the purpose of acting as agent to confiscate and impound stray animals (kennels) as is valued at R 4 000 000.00; and

18) Erf 210, Knysna, with a portion of the Hill Street Road Reserve (being a portion of Erf 210, Knysna) abutting Erf 810, being used by the owner of Erf 810 for the purposes of gardening does not have any value on the valuation roll.

In terms of the Knysna Municipal Valuation Roll, the following properties involved are valued more than R10 million:

1. Erf 2725, Knysna; and
2. Erf 2813, Knysna.

In terms of the Knysna Municipal Valuation Roll, the following properties involved are not valued more than R10 million:

1. Erf 255, Knysna;
2. Erf 211, Knysna;
3. Erf 215, Buffalo Bay;
4. Erf 1390, Knysna;
5. Erven 2232 & 2233, Knysna;
6. Erf 2060, Knysna;
7. Erf 1907, Knysna; and
8. Erf 209, Buffalo Bay.
The following properties do not have any valuation according to the Knysna Municipal Valuation Roll:

1. Erf 2714, Knysna and
2. Erf 210, Knysna.

As per the Municipal Council Resolution dated 10 December 2015, the approved standard lease agreements rental term is 9 years and 11 months, so this terms should also be considered for a rental period of 9 years and 11 months. As per the Regulation as quoted above, a public participation process regarding the proposed granting should only be conducted if 

(a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and

(b) a long term right is proposed to be granted in respect of the capital asset.” It would thus not be necessary to conduct a public participation process for the properties mentioned in [b] above.

The properties mentioned above, being over R10 million are the properties situated at Loerie Park and Leisure Isle. A feasibility study for the Knysna Municipality to manage the whole Loerie Park needs to be done. The leasing of the property situated on Erf 2813 still have active lease agreements up until 31 December 2043.

The request for proposal of the leasing of the Senza building is currently at the evaluation stage and a draft lease agreement will be submitted as soon as a preferred bidder has been identified. In order to maximize the financial impact, the Tender was advertised for a 20 year lease period with a 8% annual escalation.

The following table depicts the status of each property:

<table>
<thead>
<tr>
<th>Erf</th>
<th>Value</th>
<th>Current use</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portion of Erf 255, Knysna</td>
<td>Whole of Erf 255 is valued at R 900 000.00</td>
<td>Sea Scout Headquarters</td>
<td>No lease but in use by the Boy Scouts of South Africa</td>
</tr>
<tr>
<td>Portion of Erf 215, Buffalo Bay</td>
<td>Whole of Erf 215 is valued at R 70 000.00</td>
<td>On occasional use by the Buffalo Bay Ski-boat Club to operate the Public Slipway in terms of relevant legislation (Management of Public Launch Sites in the Coastal Zone Regulations, 2014)</td>
<td>No lease. Parking bays now available for public use. KM busy drafting Management Plan for the Public Slipway</td>
</tr>
<tr>
<td>Portion of farm 215 Walkers Point, Buffalo Bay</td>
<td>Portion 1 &amp; 3 of farm 215 Portion 1 of farm is valued at R 600 000.00 &amp; Portion 3 of farm is valued at R 420 000.00.</td>
<td>Hiking Trail</td>
<td>No lease. Hiking Trail open and being used by public. Negotiations with Western Cape Provincial Government did not take place.</td>
</tr>
<tr>
<td>Portion of Erf 2058, Sedgefield</td>
<td>Whole of Erf 2058 is valued at R 12 000 000.00</td>
<td>Bowling &amp; Tennis Club</td>
<td>New lease signed</td>
</tr>
<tr>
<td>Erf</td>
<td>Value</td>
<td>Current use</td>
<td>Current Status</td>
</tr>
<tr>
<td>-----</td>
<td>-------</td>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Portion of Erf 211, Knysna</td>
<td>Whole of Erf 211 is valued at R 10 000.00</td>
<td>Knysna Lions Club</td>
<td>No lease signed but a portion of Erf 211, Knysna is being used by the Knysna Lions Club</td>
</tr>
<tr>
<td>Portion of Erf 1390, Knysna</td>
<td>Whole of Erf 1390 is valued at R 4 000 000.00</td>
<td>Knysna Golf Driving Range</td>
<td>No lease signed. Negotiations with the current users did not take place.</td>
</tr>
<tr>
<td>Erven 2232 &amp; 2233, Knysna</td>
<td>Erven 2223 &amp; 2233 is valued at R 1 900 000.00 &amp; R 10 000.00 respectively</td>
<td>Knysna Golf Club</td>
<td>Current lease expiring on 1 June 2038.</td>
</tr>
<tr>
<td>Portion of Erf 211, Knysna</td>
<td>Whole of Erf 211 is valued at R 10 000.00</td>
<td>Knysna Bowling Club</td>
<td>Current lease expiring on 20 June 2026.</td>
</tr>
<tr>
<td>Portion of Erf 2813, Knysna</td>
<td>Whole of Erf 2813 is valued at R 17 900 000.00</td>
<td>Leisure Isle Country Club</td>
<td>Current lease expiring on 31 December 2043.</td>
</tr>
<tr>
<td>Erf 209, Buffalo Bay</td>
<td>Erf 209 is valued at R 4 200 000.00</td>
<td>Stephen De Beer &amp; Richard Cooper (Caravan Park)</td>
<td>No lease but the Caravan Park is Managed by Stephen De Beer &amp; Richard Cooper.</td>
</tr>
<tr>
<td>Portion of Erf 4695, Knysna</td>
<td>Erf 4695 is valued at R 4 000 000.00</td>
<td>Granting rights to access and maintain and/or improving the Municipal kiosk on a portion of Erf 4695, Knysna.</td>
<td>No lease but KM is still enjoying the right.</td>
</tr>
<tr>
<td>Portion of Erf 2714, Knysna</td>
<td>No value on the valuation roll</td>
<td>Portion of Erf 2714 being used by the owner of Erf 2641.</td>
<td>Lease have expired on 31 March 2001 but is now continuing at the lessor's (KM) pleasure.</td>
</tr>
<tr>
<td>Portion of Erf 1390, Knysna</td>
<td>Whole of Erf 1390 is valued at R 4 000 000.00</td>
<td>Knysna Animal Welfare Society (Animal kennels)</td>
<td>Lease have expired on 30 June 2016</td>
</tr>
<tr>
<td>Portion of Erf 210, Knysna</td>
<td>No value on the valuation roll</td>
<td>Gardening purposes for the owner of Erf 810, Knysna</td>
<td>Lease have been stopped by the current owner as the current owner is not using the portion anymore</td>
</tr>
<tr>
<td>Erf</td>
<td>Value</td>
<td>Rental</td>
<td>Current use</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------</td>
<td>-------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>86 Milkwood (Erf 4949, Knysna)</td>
<td>R 1 300 000.00</td>
<td>R 5 530.72</td>
<td>Municipal Accommodation (3 bedroom house)</td>
</tr>
<tr>
<td>42 Old Toll Road (Erf 2463, Knysna)</td>
<td>R 1 200 000.00</td>
<td>R 4 892.56</td>
<td>Municipal Accommodation (3 bedroom house)</td>
</tr>
<tr>
<td>14 Church Street (Erf 1342, Knysna)</td>
<td>R 2 400 000.00</td>
<td>R 4 360.76</td>
<td>Ear marked as Municipal Court (3 bedroom house)</td>
</tr>
<tr>
<td>4 Falcon (Erf 4399, Knysna)</td>
<td>R 1 000 000.00</td>
<td>R 3 935.32</td>
<td>Housing the fire victims of Buffalo Bay (June 2017 fires) (4 bedroom house)</td>
</tr>
<tr>
<td>10 Bokmakierie (Erf 2627, Knysna)</td>
<td>R 1 000 000.00</td>
<td>R 4 892.56</td>
<td>Municipal Accommodation (3 bedroom house)</td>
</tr>
<tr>
<td>6 Gordon Street (Erf 571, Knysna)</td>
<td>R 2 100 000.00</td>
<td>R 4 892.56</td>
<td>Municipal Accommodation (3 bedroom house)</td>
</tr>
<tr>
<td>12 Camdebo (Erf 2482, Knysna)</td>
<td>R 1 300 000.00</td>
<td>R 4 786.20</td>
<td>Municipal Accommodation (3 bedroom house)</td>
</tr>
<tr>
<td>Oakhaven (Erf 2725, Knysna)</td>
<td>R 13 400 000.00</td>
<td>R 3 722.60</td>
<td>Municipal Accommodation (4 bedroom house)</td>
</tr>
<tr>
<td>170 Upper Duthie (Erf 328, Belvidere)</td>
<td>R 2 000 000.00</td>
<td>R 4 786.20</td>
<td>Municipal Accommodation (3 bedroom house)</td>
</tr>
<tr>
<td>160 Walker Drive Erf 160,BuffaloBay</td>
<td>R 4 900 000.00</td>
<td>R 4 450.10</td>
<td>Municipal Accommodation (2 bedroom house)</td>
</tr>
<tr>
<td>Milkwood 1 (Erf 1342, Knysna)</td>
<td>R 2 400 000.00</td>
<td>R 3 828.96</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Milkwood 2 (Erf 1342, Knysna)</td>
<td>R 2 400 000.00</td>
<td>R 3 828.96</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Milkwood 3 (Erf 1342, Knysna)</td>
<td>R 2 400 000.00</td>
<td>R 3 828.96</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Milkwood 4 (Erf 1342, Knysna)</td>
<td>R 2 400 000.00</td>
<td>R 3 828.96</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Erf</td>
<td>Value</td>
<td>Rental</td>
<td>Current use</td>
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<tr>
<td>------------------------</td>
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<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Protea Terrace 1</td>
<td>R 3 500 000.00</td>
<td>R 3 722.60</td>
<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
<tr>
<td>Protea Terrace 2</td>
<td>R 3 500 000.00</td>
<td>R 3 722.60</td>
<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
<tr>
<td>Protea Terrace 3</td>
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<td>R 3 722.60</td>
<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
<tr>
<td>Protea Terrace 4</td>
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<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
<tr>
<td>Protea Terrace 5</td>
<td>R 3 500 000.00</td>
<td>R 3 722.60</td>
<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
<tr>
<td>Westview 1</td>
<td>R 2 200 000.00</td>
<td>R 4 041.68</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Westview 2</td>
<td>R 2 400 000.00</td>
<td>R 4 041.68</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Westview 3</td>
<td>R 2 400 000.00</td>
<td>R 4 041.68</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Westview 4</td>
<td>R 2 400 000.00</td>
<td>R 4 041.68</td>
<td>Municipal Accommodation (3 bedroom flat)</td>
</tr>
<tr>
<td>Westview 5</td>
<td>R 2 100 000.00</td>
<td>R 2872.53</td>
<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
<tr>
<td>Westview 6</td>
<td>R 2 100 000.00</td>
<td>R 2872.53</td>
<td>Municipal Accommodation (2 bedroom flat)</td>
</tr>
</tbody>
</table>

**FINANCIAL IMPLICATIONS**

As per the Management of Immovable Property Policy adopted by the Municipal Council on 28 November 2014 the Municipality is entitled to adopt below market-related tariffs in respect of Property Rights, including, but not limited to those leased to non-Profit Organisations, NGOs, Sporting Bodies, bona fide small farmers, etc.

As part of the conditions, the facilities created on the land must revert back to the Municipality when the contract terminates.

**RELEVANT LEGISLATION**

Local Government: Municipal Finance Management Act, 2003
Asset Transfer Regulations 2008
Knysna Municipality’s Management of Immovable Property Policy

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

[a] That the report on the status of leases on municipal properties be noted;
That the Governance and Economic Development Committee recommends to Council approval in principle that a right to use, control or manage the following properties for a period of 9 years and 11 months:

(i). For a portion of Erf 215, Buffalo Bay to be used for the Buffalo Bay Slipway parking;
(ii). For a portion of Erf 1390, Knysna being used as a portion of the Knysna Driving Range;

That a lease agreement be entered into with the owner of Erf 2641, Knysna, as per the expired lease agreement for the portion of Municipal Owned property situated on Erf 2714, Knysna;

That a lease agreement be entered into with the Knysna Animal Welfare Society, as per the expired lease agreement for the portion of Municipal Owned property situated on Erf 1390, Knysna, used by Knysna Animal Welfare Society, for the purpose of acting as agent to confiscate and impound stray animals within the Knysna Municipal Area;

That a lease agreement be entered into with the owner of Erf 810, Knysna, as per the expired lease agreement for the portion of Municipal Owned property situated on a portion of Erf 210, Knysna, for the purposes of gardening;

That the Municipal Manager appoints the Municipal Valuer, DDP Valuers, to determine the rental to be charged for the leases in [c], [d] and [e];

That negotiations should be concluded with the owner of Erf 4695 to enter into an agreement for a portion of Erf 4695, Knysna, being used by Knysna Municipality for the purpose of accessing and maintaining and/or improving the kiosk on the leased portion and/or the communications equipment thereon and/or the communication mast thereon;

That the rental to be paid by the respective sporting bodies, be determined, at 10% of the market related rental as determined by the DDP Valuers as follows:
i) A portion of erf 215, Buffalo Bay – R50 per month (R600 per year); and

That the Committee notes that Requests for Proposals have been invited for the utilisation of the Senza building on a portion of Erf 1406, Knysna,

That the Governance and Economic Development Committee recommends to Council on the future use of the municipal properties in line with the Spatial Development Framework for development purposes

APPENDIX / ADDENDUM

ANNEXURE A - Immovable Property Management Policy
ANNEXURE B - Advertisements
ANNEXURE C - Sedgefield Bowling Club Lease Agreement
ANNEXURE D - Correspondence from 1st Knysna Sea Scout Group & Knysna Lions Club
ANNEXURE E - Publication of Public Launch Sites
ANNEXURE F - Sedgefield Lions Club Lease Agreement
ANNEXURE G - Buffalo Bay Caravan Park Council Minutes
ANNEXURE H - Lease Agreement: Portion of Erf 4965, Knysna
ANNEXURE I - Lease Agreement: Portion of Erf 2714, Knysna
ANNEXURE J - Lease Agreement: Portion of Erf 1390 (KAWS)
ANNEXURE K - Lease Agreement & Cession: Portion of Hill Street abutting Erf 810, Knysna
ANNEXURE L - Market Related Valuations from DDP dated 17 April 2014

File Number : 7/2/2/1
Execution : Acting Municipal Manager
            Director : Corporate Services
            Manager : Administration
10.4 IMMOVABLE PROPERTY MANAGEMENT POLICY

RESOLVED

That the Management of Immovable Property Policy, as attached to the Agenda, be approved.

File Number: 7/2/1/P
Execution: Director: Corporate Services
Manager: Records & Property management
10.4 IMMOVABLE PROPERTY MANAGEMENT POLICY

REPORT FROM THE DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To submit the Immovable Property Management Policy to Council for approval

BACKGROUND / DISCUSSION

This policy has come a long way and was finally work shopped on the 21st of November 2013. It was requested that this document come to the first possible Council meeting for approval as it has been long overdue. Please find attached policy for consideration and approval, after amendments were made requested by the workshop.

RELEVANT LEGISLATION

MFMA AND MATR

FINANCIAL IMPLICATIONS

N/A

RECOMMENDATION FROM THE MUNICIPAL MANAGER

That the attached Immovable Property Management Policy be approved by Council.

APPENDIX / ADDENDUM

Immovable Property Management Policy

File Number: 7/2/1/P

Execution: Director: Corporate Services
            Manager: Records & Property management
MANAGEMENT OF IMMOVABLE PROPERTY POLICY

PREAMBLE

Knysna Municipality is the owner of a number of immovable properties. In the exercise of its powers, duties and functions Council has the right to acquire, hold, enhance, lease and alienate immovable property. The inequitable spread of ownership of property throughout the municipal area and the historical causes thereof are recognized, and Council acknowledges that it has a leading role to play in redressing these imbalances by ensuring that the immovable property assets under its control are dealt with in a manner that ensures the greatest possible benefit to the Municipality and the community that it serves.

WHEREAS Knysna Municipality is the custodian of the immovable property of the Municipality and is responsible for the proper management and administration thereof;

WHEREAS Knysna Municipality is required and committed to manage its property in a fair, transparent and equitable manner; and

WHEREAS Knysna Municipality realise that property held by it, should be dealt with in a manner which will ensure the greatest benefit to the Municipality and the public in a sustainable manner;

AND IN ORDER TO-

- make available economic opportunities in the municipality;
- promote an efficient administration and good governance; and
- create a culture of accountability, openness and transparency in its administration or in the exercise of its powers or the performance of its functions, by giving effect to the right to just administrative action,

NOW THEREFORE this policy provides, as follows:
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1. DEFINITIONS

1.1 In this policy, unless inconsistent with the context, the following expressions bear the meanings assigned to them below:

“acquisition” means to acquire by way of purchase or lease.

“adequate notice” means a notice period of not less than 30 days within which representations, comments or objections may be made.

“advertise” means the giving of adequate notice of the nature and purpose including the material substance of the proposed administrative actions, by publishing a notice in the press, and where deemed necessary by the Municipal Manager, any additional form of notice, which may include:

(a) serving of a notice; or

(b) displaying on a notice board; or

(c) holding a public meeting.

“alienate” means to part with ownership of immovable property in favour of another person with the intention of transferring the ownership of the immovable property to the acquirer thereof.

“basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“bid” means a written offer submitted in a prescribed or stipulated form, in response to an invitation by the Municipality for a procurement or disposal, as part of the competitive bidding process of the Municipality;

“Black people” means Africans, Coloured and Indians, as referred to in the B-BBEE Act, No. 53 of 2005.

“calendar month” means a period extending from a date in one calendar month to the preceding date in the following month;

“chief financial officer” means a person designated in terms of Section 80(2) (a) of the MFMA.

“close” in relation to a public street or public place, means to close for all purposes or to vehicular or pedestrian traffic only.

“corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the selection process or in contract execution;

“commercial service” means a commercial service as defined in section 1 of the MATR;
“competitive bidding process” means a process whereby prospective bidders are invited through public media to submit bids and such bids are administered in a fair, transparent, competitive and cost effective manner;

“constitution” means the Constitution of the Republic of South Africa, 1996

“council” means the Council of the Municipality of Stellenbosch and includes any Political Structure, Political Office Bearer, Councillor or Official, acting under delegated authority.

“disposal”, means the sale, exchange, donation, or letting of Municipal land, the conclusion of any form of land availability agreement in respect of immovable property with any person and the registration of any real or personal right in respect of Municipal land, including servitudes;

“emergency” means an emergency dispensation in which one or more of the following conditions are present –

a) the possibility of human injury or death;

b) the prevalence of human suffering or deprivation of rights;

c) the possibility of damage to property, or suffering and death of livestock and animals;

d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole;

e) the possibility of serious damage occurring to the natural environment;

f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential service; and

g) the possibility that the security of the state could be compromised.

“exchange” means the simultaneous acquisition and disposal of immovable property or any right in respect of immovable property in terms of an agreement between the Municipality and any other party or parties where the compensation payable by the parties to each other, are offset and only the difference, if any, is payable to the appropriate party.

“fair market value” means the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller after proper marketing wherein the parties have each acted knowledgeable, prudently, and without compulsion.

“fraudulent practice” means a misrepresentation of fact in order to influence a selection process and includes:

collusive practices among bidders (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive the municipality of the benefits of free and open competition.

“high value” means that the fair market value of the Property exceeds R50 million or 1% of the total value of the capital assets of the Municipality as determined from the latest available audited financial statements of the Municipality, or such lower amount as may from time to time be determined by resolution of the Council of the
Municipality;

"housing stock" means housing units that are leased to members of the public and or members of staff as well as housing subsidised units that are earmarked for disposal to qualifying beneficiaries.

"IDP" means the approved Integrated Development Plan of Knysna Municipality, as provided for in Chapter 5 of the Systems Act.

"immovable Property" includes, but is not limited to –

(a) immovable property or any share therein registered in the name of a person or entity, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person or entity;

(b) a right to an exclusive use area held in terms of a notarial deed of cession;

(c) a real right registered against immovable property in the name of a person or entity, excluding a mortgage bond registered against the property;

(d) any share in a share block company as defined in section 1 of the Share Blocks Control Act, 59 of 1980;

(e) a "public place" or "public street" as defined in the Land Use Management Ordinance, No 15/1985;

(f) immovable property as defined in section 107 of the Deeds Registries Act, 47 of 1937; and including property consisting of land, buildings, crops, or other resources still attached to or within the land or improvements or fixtures permanently attached to the land or a structure on it.

"Income tax act" means Act 58/1962

"land" means-

(a) any land registered under separate title and includes the ownership therein, whether in full or reduced form, and any improvements in, on, over or under such land; or

(b) unregistered land where the ownership can be determined.

"lease" means a contract in terms of which the use and enjoyment is granted over land for a specific period

"lease agreement" means a written agreement specifying rights and duties pertaining to the exclusive use of property for a continuous period of time thirty (30) calendar days or longer, and which sets forth the terms and conditions of the use of the real property.

"MATR" means the Municipal Asset Transfer Regulations promulgated in terms of the MFMA and published in Government Gazette No. 31346 of 22 August 2008;

"MFMA" means the Local Government: Municipal Finance Management Act, 56 of 2003, including any Regulations promulgated in terms thereof from time to time;

"municipality" means Knysna Municipality established in terms of Section 4 of the Establishment Notice (PN 489 of 22 September 2000), as amended;

"municipal area" means the area under the jurisdiction and control of the Council.
“municipal manager” means a person appointed in terms of Section 82 of the Municipal Structures Act, No 117 of 1998 as the head of the Municipality’s administration of his/her delegatee.

“municipality’s property” or “property” means all the immovable Property owned and managed by the Municipality in terms of this Policy;


“non-Significant Property Right” means a Property Right in respect of the following categories of Property –

a) Property right with a Value less than R10 million, Property Right longer than 3 years;

b) Property right with a Value more than R10 million, Property Right less than 3 years;

c) Property right with a Value less than R10 million, Property Right less than 3 years.

“non-viable property” means Property that, owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner’s property;

“official” means an official as defined in section 1 of the MFMA;

“organ of state” means an organ of state as defined in the MATR;

“owner” in relation to land, means the person in whose name that land is registered in a deeds registry, which may include the holder of a registered servitude right or lease and any successor in title of such a person, and includes any person authorized to act as such by the registered owner, any person who in law has been entrusted with the control of such assets or a person to whom land has been made available in terms of a land availability agreement.

“plight of the poor” means the needs of the people who are vulnerable and unable to meet their socio-economic needs independently or to support themselves and their dependants and are in need of social assistance.

“public interest” means disposal or letting to:-

a) promote the achievement of equality by taking measures to protect or advance persons or categories of persons, disadvantaged by unfair discrimination;

b) afford black people who are South African citizens a preference in respect of the disposal and letting of immovable property as envisaged in Section 9(2) of the Constitution;

c) promote BBBEE through disposal and letting;

d) ensure that and to promote first time home ownership and enterprise development of black people that qualify in terms of the Municipality’s GAP housing policy to have access to adequate housing on a progressive basis;

e) advance agricultural projects for land reform purposes;
f) promote welfare and charitable purposes including non-profit rehabilitation facilities; shelters for the indigent and destitute, youth development and drug counseling;

g) foster equitable access to public amenities, social and/or sports clubs and similar organizations by providing discounted prices or rates in the event that the beneficiaries or the membership component of such institution or body consist of at least 50% black people and/or the membership or subscription fee of black people is less than 50% of the normal membership or subscription fee.

“property laws” means the relevant provisions of the MFMA and the MATR collectively;

“property right” means a right to use, control or manage a property for a period exceeding a calendar month, as granted by the Municipality without ceding legal ownership in the Property. For the avoidance of any doubt, a servitude, way leave or encroachment in, on, over or under Property granted by the Municipality, or a lease agreement entered into by the Municipality as lessor, constitutes a Property Right;

“private treaty” means where the proposed disposal involves a disposal without public competition as defined in the MFMA to a non-government entity.

“property transaction” means either a Disposal of Property or the granting of a Property Right;

“public place” means any land indicated on an approved plan, diagram or map as an open space of which ownership as such vests in the Municipality.

“public street” means-

(a) any street which has at any time been-
   (i) used without interruption by the public for a period of at least thirty years;

   (ii) declared or rendered such by a Municipality or other competent authority; or

   (iii) constructed by Council; and

   (iv) constructed by someone other than Council and which vests in the Municipality.

(b) any land, with or without buildings or structures thereon, which is shown as a street on-
   (i) any plan of subdivision or diagram approved by Council or other competent authority and acted upon, or

   (ii) any plan or diagram as defined in Section 15 of the Land Survey Act, 1997 (Act 8 of 1997), registered or filed in the office of the Registrar of Deeds or the Surveyor-General’s office.

   unless such land is on such plan or diagram described as a private street.

“real rights” means the rights to traverse privately owned property with servitudes which are notarially registered in the Deeds Office or contained in Title Deed Conditions
“SCM policy” means the Supply Chain Management Policy of the Municipality, as approved and implemented in terms of section 111 of the MFMA, read with the SCM Regulations;

“SCM regulations” means the Municipal Supply Chain Management Regulations promulgated in terms of the MFMA and published under GN 868 in Government Gazette No. 27636 of 30 May 2005;

“significant Property Right” means a Property Right with a value in excess of R10 million which is granted for a period exceeding 3 years;

“spatial development framework” means the framework contemplated in Section 26(1)(e) of the Municipal Systems Act.

“Systems act” means the Local Government: Municipal Systems Act, 32 of 2000, including any Regulations promulgated in terms thereof from time to time;

“Unsolicited bid” is a bid/proposal received from a developer to acquire immovable property, or rights in immovable property, that is owned by the Municipality, outside the normal bidding process, i.e. without the Municipality having asked for such proposal/bid.

“Viable property” means Property that can be developed and function as a separate entity capable of registration by the Registrar of Deeds.

1.2 Words not defined in this Policy have the meaning assigned to them in the Municipal Asset Transfer Regulations (MATR).

2. **SCOPE AND PURPOSE**

2.1 The purpose of this Policy is to provide a framework for the management and disposal of the municipality’s land and other immovable capital assets that are not needed to provide the minimum level of basic municipal services and that are surplus to the municipality’s requirements.

2.2 The Municipality’s land and other immovable capital assets shall be disposed of in the manner as provided for in this policy. The Property Management Section is responsible for the administration of this Policy, and shall in this regard, in consultation with the Supply Chain Management Unit of the municipality, be responsible for the administration of the competitive bidding process relating to the disposal and leasing of the Municipality’s land.

2.3 In compliance with the provisions of section 14(1) of the MFMA, the Municipality shall not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of a capital asset that is needed to provide the minimum level of basic municipal services. The following municipal services are classified as basic municipal services for the purposes of section 14(1) of the MFMA, and this classification must be used by the administration as criteria to compile a List of all Municipal Land and Buildings:

a) Electricity services  
b) Water services  
c) Sanitation services  
d) Refuse removal, refuse dumps and solid waste disposal services  
e) Municipal Roads  
f) Public Places  
g) Cemeteries; and
3. RESPONSIBILITIES

The Municipality has a responsibility to acquire and avail land and buildings, in the first instance, for its own use for purposes of developing and maintaining municipal infrastructure, promoting service delivery and for facilitating social and economic development and spatial integration. Land assets unrelated to these responsibilities are, by implication, surplus to the municipality’s requirements although future requirements must be acknowledged and hence the need to hold immovable property in reserve.

The municipality has a further responsibility in terms of acquiring, managing, developing and releasing its land, buildings and rights on behalf of its residents and ratepayers. In this regard the key consideration is that the best interests of the municipality (and thus its residents) rather than that of individuals should be paramount in all real estate transactions that he municipality enters into. This demand that, in all transactions that the municipality enters into, there should be maximum benefit to the municipality, its operational requirements and the broader community.

Land and buildings affect the municipality’s entire organization. Therefore, the municipality’s policy in this respect must act in support of sectoral policies such as economic development, environment management, land use, housing, social and community infrastructure, physical planning and infrastructure, and culture and recreation. Market forces will always be the point of departure in any land or property transaction and this must therefore be recognized and acknowledged.

The Municipality should dispose of Property only in circumstances where the Municipality is satisfied that it cannot derive a reasonable economic and/or social return from continued ownership of the Property.
4. **LEGISLATIVE AND POLICY FRAMEWORK FOR THE MANAGEMENT OF THE MUNICIPALITY’S PROPERTY**

4.1 The legislative framework for the management of the Municipality’s Property is contained in a number of pieces of legislation, including but not limited to:

4.1.1 The MFMA, in particular section 14, which deals with disposal of capital assets;

4.1.2 The MATR, which governs –
   a) The transfer and disposal of capital assets by municipalities and municipal entities; and
   b) The granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;

4.2 The object of this Policy is to provide a practical framework for the management of the Municipality’s Property.

4.3 This Policy must be read together with and in accordance with the Property Laws and all other laws which deal with Immovable Property.

5. **APPLICATION OF THE POLICY**

5.1 Section 14 of the MFMA and the MATR apply to capital assets, which are defined in the MATR to include Immovable Property, as well as certain movable assets. This Policy only applies to Immovable Property.

5.2 This Policy does not apply to:

5.2.1 The municipality’s housing stock

5.2.2 Property owned by the Municipality which is subject to a Public Private Partnership

5.3 In terms of section 40 of the Municipal Supply Chain Management regulations, a Municipal Supply Chain policy must provide for an effective system of disposal management for the disposal and letting of assets. For that purpose of immovable assets of the municipality, this policy must be seen as the disposal management policy of the municipality.

6. **GUIDING PRINCIPLES**

6.1. The following principles and values should underpin land acquisition and disposal activities:

   (a) The use of Council’s immovable property to promote social integration, to redress existing spatial inequalities, to promote economic growth, to build strong, integrated and dignified communities and to provide access to housing, services, amenities, transport and opportunities for employment.
(b) The promotion of access by black people to the social and economic benefit of immovable property ownership, management, development and use.

(c) The management of Council’s immovable property as a sustainable resource, where possible, by leveraging environmental, social and economic returns on such immovable property while Council retains ownership thereof.
7. **AUTHORITY TO RESERVE AND MANAGE IMMOVABLE PROPERTY**

7.1 Council may reserve and manage immovable property in its ownership for municipal purposes aligned with its operational needs.

8. **KEY PRINCIPLES PERTAINING TO THE RESERVATION AND MANAGEMENT OF IMMOVABLE PROPERTY**

8.1 Unless it is precluded from doing so by law or by the conditions in terms of which immovable property was acquired and subject to observation of due statutory process and alignment with Council’s strategic objectives, Council may:

(a) Use immovable property in its ownership to promote social integration, to redress existing spatial inequalities, to build strong, integrated and dignified communities and to provide access to housing, services, amenities, transport and opportunities for employment on a temporary or permanent basis.

(b) Reserve for future use immovable property in its ownership to promote social integration, to redress existing spatial inequalities, to build strong, integrated and dignified communities and to provide access to housing, services, amenities, transport and opportunities for employment.

(c) Enhance immovable property in its ownership by pursuing the amendment of existing rights, establishment of new rights and the provision of municipal services.

(d) Improve immovable property in its ownership by the erection of structures thereon.

(e) Permit immovable property to be managed on behalf of Council, permit it to be enclosed and permit it to be cultivated.

8.2 When immovable property under the control or management of Council is encroached upon, the Council may take such steps as may, in the opinion of the Council, be necessary to remove or regularize such encroachment. In such instances Council may reduce the extent of a public place or public street which is encroached upon by the extent of the encroachment or by such greater extent as may, in Council’s interest, be desirable.

9. **SERVICE LEVEL AGREEMENTS**

9.1 In all circumstances where a private party has been appointed to use and manage Municipal Property/ies, for example, an agricultural project aimed at developing the community, the Municipality’s will enter into a service level agreement (SLA) with the private party.
9.2 An SLA shall regulate the respective roles and responsibilities of the Municipality and the private party.

9.3 The SLA’s shall include provisions dealing with:
   a) the purpose for which a Property is reserved;

   b) a clear description of the purpose for which a private party is being appointed by the Municipality and the private party’s contractual obligations in respect of both the purpose of its appointment (such as the provision of the service), as well as in respect of any Property Rights it may have been granted in respect of the Property;

   c) the entering into of contract(s) with the private party, and the allocation of the respective responsibilities of the private party and the Municipality in respect thereof;

   d) the distinct responsibilities of the Municipality and the private party in respect of monitoring and oversight of the use, control and management of the Property;
10. **AUTHORITY TO ACQUIRE**

10.1 Council may acquire immovable property and rights in immovable property within or outside its municipal area by purchase, expropriation, exchange, donation, gift, lease or otherwise, subject to compliance with the procedures set out in this policy;

10.2 Council may expropriate immovable property in terms of the Expropriation Act (Act 63 of 1975), or any other applicable legislation, provided that such expropriation shall only be for public purposes or in the interest of the public.

11. **GENERAL PRINCIPLES**

11.1 Council must ensure that decisions to acquire property (land, buildings and land improvements) are based on sound business and planning principles which are fully accountable and comply with:

(a) Council priorities and initiatives;

(b) Corporate and service plans;

(c) Planning Policies; and

(d) Regional plans and area planning schemes.

11.2 The Property Management Section undertakes the acquisition (purchase or expropriation) of Immovable Property (land) and rights in Immovable Property (servitudes) for municipal purposes on behalf of all the service departments.

11.3 It is the responsibility of a Service Department to timeously, by a predetermined date as specified by the Property Management Section, advise the Property Management Section of the land or servitudes that are required in a particular financial year. The service department is required to furnish the Property Management Section with the full particulars of the land or servitude(s) required. The particulars required must stipulate the erf or farm number if the entire erf or farm is required, or the coordinates and extent of the land or servitude if a portion of a farm or erf or servitude is required.

11.4 The Service Department is required to confirm that the acquisition is required for an approved municipal project and that funding has been approved on an approved budget for the payment of the purchase price and the costs that the Municipality will incur when transferring the land or registering the right in the name of the Municipality in the Deeds Registry.

11.5 The municipality will purchase the land or servitude at the market value of the land or servitude as determined by a professional valuer or at such lesser amount as may be agreed to by the seller.
11.6 In the case of an expropriation the compensation payable for the land or servitude shall be determined in accordance with prescripts of the legislation in terms of which the land or servitude was expropriated.

11.7 Once the Immovable Property has been acquired, it will be reserved for the municipal purpose for which it was acquired and dealt with in accordance with the reservation procedures outlined above.

12. ASSESSMENT

12.1 Prior to arriving at a decision to acquire an immovable property the Municipal Manager is required to undertake a detailed assessment to ensure that:

(a) the service delivery needs of the Municipality are best met by the proposed acquisition;

(b) that broader government objectives are also considered; and

(c) the expenditure of public funds is justified and are approved.

(d) the planned acquisition is in line with the approved Spatial Development Framework(s).

12.2 The Municipal Manager must ensure land acquisitions associated with infrastructure projects are consistent with (where relevant) Regional Plans, State Infrastructure Plans, Municipal Infrastructure Master Plans, or other plans that cover a significant proportion of the municipal area. This is to ensure strategic landholdings contribute to a range of social, economic and environmental outcomes sought by Council, including the efficient, coordinated and timely provision of infrastructure.

12.3 In addition to the proposed acquisition being consistent with the objectives of planning documents, the Municipal Manager need to consider other issues when undertaking the assessment, such as:

(a) the reason why the preferred site or area best meets the Municipality’s requirements;

(b) the Municipality’s strategic land management plan;

(c) source of funding and value for money;

(d) alternative service delivery options;

(e) sharing of government resources e.g. co-location;

(f) method of acquisition;

(g) valuation of property;

(h) consultation with stakeholders;

(i) availability of surplus government property;

(j) risks associated with proposed transaction; and

(k) site constraints e.g. cultural and heritage issues and servitudes.
13. **SITE SELECTION**

13.1 Evaluation criteria are to be developed to allow assessment of the site for suitability for the intended purpose. Criteria could include requirements for public transport, potential to meet future service demand, local support services, physical site requirements, size of site in proportion to service delivery strategies, financial benefits, municipal priorities and other future service requirements in proximity to the site and potential to collate or share facilities and services. A report should be prepared by the Service Department outlining the reasons for selecting the site as this will form the basis of the mandatory consultation process.

14. **VALUATIONS**

14.1. Valuations are required in support of an acquisition decision and must be at current market valuation as determined by a qualified valuer(s).

14.2 Market value provides a consistent valuation base which is openly accountable and capable of being tested despite being essentially a matter of expert judgment. By using market value the real value and therefore the real cost of property assets, is taken into account during decision making processes.

15. **METHODS OF ACQUIRING IMMOVABLE PROPERTY**

The Municipality may acquire land by: -

15.1 **Open market (selection in a particular area/location of a suitable site)**

The Municipality usually acquires land through the open market place by either public auction or private sale.

15.2 **Private treaty agreement (for site specific acquisition)**

Private treaty contracts are suitable where the property has clear title or where clear title is reasonably achievable and the owner is willing to negotiate on reasonable terms.

15.3 **Acquisition by expropriation**

This method should not be used unless acquisition by agreement has been rejected as being unsuitable, or has been unsuccessful in gaining agreement and it can be shown that the property need is site specific and essential.

16. **MANDATORY CONSULTATION**

16.1 Council shall not acquire land unless it has-

(a) advertised its intention to acquire such immovable property; and

(b) considered the objections (if any) lodged in accordance with the advertisement contemplated in subsection (a).

16.2 When advertising its intention as contemplated above, all material information relevant to the proposed transaction must be included in the advertisement, including, but not limited to the following: -

(a) the description of the property, including the title description, street address if applicable and extent;
(b) the contracting parties;
(c) reason(s) for proposed acquisition;
(d) the purchase price or lease amount of the property;
(e) market value of property;
(f) how the acquisition is to be financed;
(g) whether the transaction is reflected in the current budget; and
(h) whether other alternatives have been considered.

16.3 If it is reasonable and justifiable in the circumstances, the Municipal Manager may depart from the above requirements. In determining whether such departure is reasonable and justifiable, the Municipal Manager must take into account all relevant factors, including-

(a) the objects of the proposed transactions;
(b) the nature and purpose of, and the need to take the decision;
(c) the likely affect of the action;
(d) the urgency of taking the action or the urgency of the matter; and
(e) the need to promote an efficient administration and good governance.

17. APPROVAL PROCESS

17.1 Following the advertisement contemplated above, the Property Management Section shall compile an agenda item, motivating the acquisition of the property(s) or rights in property(s). The report should indicate which methods of acquisition was/will be used and why this specific method has been decided on.

17.2 The report must be considered by the committee which has the delegated authority to consider such application.
18. **AUTHORITY TO DISPOSE OF IMMOVABLE PROPERTY**

18.1 Council may in terms of Section 14 of the MFMA, read with the MATR, dispose of immovable property or rights in immovable property by way of sale, letting or registration of a servitude once it is satisfied that such property or rights is not required to provide the minimum level of basic municipal services and once it has considered the fair market value thereof as well as the economic and community value to be received in exchange for such property or right.

19. **DISPOSAL MANAGEMENT PRINCIPLES**

19.1 **Core Principles**

   In terms of section 14(5) of the MFMA, a Disposal of Property by the Municipality must be fair, equitable, transparent, competitive and consistent with the Municipality’s SCM Policy (“the Core Principles”).

19.2 **General Principles pertaining to the disposal of immovable property and rights in immovable property**

19.2.1 Unless otherwise provided for in this policy, the disposal of viable immovable property shall be affected-

   (a) by means of a process of public competition; and

   (b) at market value except when the public interest or the plight of the poor demands otherwise.

19.2.2 All transactions for the disposal of immovable property must be considered in accordance with this policy and other applicable legislation.

19.2.3 Before alienating immovable property or rights in immovable property Council shall be satisfied that alienation is the appropriate methodology and that reasonable economic and social return cannot be derived whilst ownership of the immovable property or rights is retained by Council.

19.2.4 Council reserves the right to entertain unsolicited bids for the development of viable immovable property for development purposes, with the proviso that it abides by Council’s strategic objectives and more specifically that if favours the promotion of black ownership, entrepreneurship, community upliftment and local preference.

19.2.5 Council may grant occupation of its immovable property prior to the transfer thereof on condition that a suitable sale has been entered into, that the purchase price is paid in full or alternatively that an acceptable financial guarantee is provided to secure the purchase price, that occupational interest is payable at a rate specified by Council and further that Council is indemnified against any and all claims that may arise out of the occupation of the immovable property by the purchaser.

19.2.6 Viable immovable property purchased from Council by a first time homeowner shall not, without Council’s written consent, be resold within a period of 8 years of the date of transfer.
19.3 General principles and guidelines pertaining to the letting by council of immovable property

19.3.1 Where possible, Council’s immovable property should be managed as a sustainable resource by leveraging environmental, social and economic returns on such immovable property while Council retains ownership thereof.

19.3.2 Immovable properties that have been let shall be inspected at reasonable time periods to ensure compliance with the terms and conditions of the agreement of lease.

19.3.3 Council reserves the right, where necessary, to resume immovable property let, or a portion thereof, and to cancel an existing lease in its entirety where such immovable property is required for operational purposes, in pursuance of Council’s strategic objectives or in the interests of the community. In such an event the lessee shall be compensated for improvements established by him/her on a basis to be determined by an independent valuator, taking into account the remaining period of the lease agreement.

19.3.4 No application shall be processed unless the prescribed application fee as per tariff has been paid or shall any proposed lease be advertised unless the applicant has confirmed, in writing, that it will bear all costs involved in such transaction including but not limited to: legal, survey, re-zoning, sub-division, consolidations, advertisement, relocation or provision of services and, where applicable, a deposit as per prescribed rate to cover incidental costs has been paid.

20. MOST APPROPRIATE USE ASSESSMENT

20.1 Before a property is declared as surplus, and earmarked for disposal, it must first be assessed for its most appropriate use.

20.2 The most appropriate use for a surplus property is one which achieves an optimum balance between the following three key elements of sustainable development:

(a) the protection of ecological processes and natural systems;
(b) the optimum financial return to and economic development of the municipal area; and
(c) the enhancement of the cultural, economic, physical and social wellbeing of people and communities.

20.3 The three elements of sustainability will apply to all surplus properties, however their significance and the relationships between them will vary for individual properties.

20.4 In determining the most appropriate use of surplus properties, regard should be given to:

(a) Spatial development framework(s);
(b) Regional plans;
(c) Sectoral studies/plans;
(d) Government policies;
(e) Relevant legislation; and
(f) the views of interested and affected parties.
20.5 Where appropriate, opportunities should be provided for community involvement in the assessment process.

21. METHODS OF DISPOSAL

Subsequent to determining the most appropriate use of a property and then having decided that the property should be disposed of, the method of disposal should be determined.

Council may use any of the following methods of disposal, depending on the circumstances pertaining the specific property:

Competitive Processes

1. Formal Tender

a) The type of a formal tender may vary, depending on the nature of the transaction:

   i) The disposal by outright tender may be appropriate where the land ownership is not complex, and Council is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.

   ii) Qualified tenders/call for proposals will be appropriate where the land ownership position is complex or the development proposals for the land are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.

b) The nature of the formal tender process is that a legally binding relationship is formed when Council accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents could include a contract for sale or lease which could be completed with the tenderer’s details, the tender price and be signed by the tenderer. A binding legal agreement is created upon the acceptance of a tender by Council.

c) Such a process may, depending on the nature of the transaction, include a two-stage or two-envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage.

2. Public Auction

a) Disposal by public auction may be appropriate where there is no obvious potential purchaser and where speed and the best price can be obtained by auction.

b) The decision to dispose of immovable property by way of public auction must be recorded in writing and must include-

   (i) the reasons justifying a disposal by public auction;

   (ii) the reserve price, if any, for the auction;

   (iii) the authority for a staff member to attend the auction and to act on behalf of the Council on the disposal.

c) The contract for sale or lease must be ready for exchange at the auction.
d) The binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed and exchanged.

e) The terms and conditions of each auction shall be determined on a project-by-project basis, appropriate to the specific characteristics and attributes of the Immovable Property, and to the Municipality’s strategic objectives.

f) Where the services of an auctioneer are utilised, the auctioneer’s commission shall be payable by the successful bidder and shall not form part of the financial offer to the Municipality.

3. Closed Tender

a) If a non-viable property has more than one adjacent owner and if such a Property is capable of being consolidated with more than one of the properties owned by such adjacent owners, then a closed bid will be called for from all the registered owners of all the adjacent properties with which the Property can be consolidated.

4. Unsolicited proposals

a) It is important that the municipality is in a position to entertain unsolicited proposals in exceptional circumstances. Such proposals may *inter alia* include property development proposals, land sales and leases. In this regard the following principles will apply:

i) Proposals received will be analysed and evaluated by the municipality;

ii) Realistic propositions will be advertised in the media to elicit competitive proposals or objections from the public;

iii) Should the advertisement elicit a response from the market, then a competitive proposal call will be initiated by means of an invitation to bid;

iv) The final lease or sale transaction will be submitted to the council for approval;

v) The prudent control will be by way of the market valuation certificate.

Non-Competitive Processes: Private Treaty Agreements

Non-Viable Property

In respect of Non-Viable Property which can only be utilised by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process.
Viable Property: Deviation from a Competitive process

21.2.2.1 The Municipal Manager may dispense with the competitive processes established in this policy, and may enter into a Private Treaty Agreement through any convenient process, which may include direct negotiations, including in response to an unsolicited application, but only in the following circumstances: –

a) In an emergency; or

b) due to specific circumstances peculiar to the property under consideration, it can only be utilized by the one person/organization wishing to enter into the Property Transaction; or

c) the person wishing to enter into the Property Transaction is the sole provider of the service or product in respect of which the property will be used and the use of the Property is inextricably linked to the provision of that service or product;

d) the Municipal Manager is satisfied that the Property Transaction will be exceptionally beneficial to, or have exceptional cost advantages for the Municipality which would not be realised if a competitive process were to be followed by the Municipality; or will be exceptionally beneficite to the community or the natural environment;

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

f) where it is impractical or impossible to follow one or more of the Competitive Processes referred to above. In such an event the following factors must be considered –

i) pursuant to the Property Transaction, whether the Property will be used for a public purpose by the Municipality’s local community; and/or

ii) whether the Municipality is satisfied that the Property Transaction will be exceptionally beneficial to, or have exceptional cost advantages for, the Municipality;

g) where any immovable property is offered for sale or lease by public competition, any remaining immovable property may be sold or leased out of hand by Council at the upset price of higher, as long as it is satisfied that market prices are stable.
The upset price must be determined in such a way that it corresponds with a reasonable market value and must include the recoverable development costs such as municipal services, advertising and survey costs.

The position must be reviewed by Council at least every six months. Not more than one erf may be sold out of hand to a purchaser where the demand for erven exceeds the number of erven available for sale.

h) where unsolicited applications/proposals are received from telecommunication companies to construct or put up communication infrastructure on Council owned Property, such as masts, dishes, ect, subject to approved tariff structure

i) where encroachment applications are received from adjoining owners, including applications for outdoor dining permits, subject to approved tariff structure;

j) where sale by public competition has failed to attract a purchaser and it can be established that further efforts to dispose of the property by public competition are likely to fail;

k) where the applicant is an organization receiving funding support from a government department-

which makes a substantial contribution towards the outputs of such a government department; or

whose contribution to such government departments outputs would depend upon or be substantially enhanced by gaining priority to a particular property;

l) where the land is part of a larger area of land that is proposed for development, redevelopment or regeneration. Also, the nature and complexity of the proposed development of the overall site is such that the Council’s corporate objectives and best consideration can only be achieved by a sale to a purchaser with an existing interest in land in the area.

m) lease contracts with existing tenants of immovable properties may be renegotiated where Council is of the opinion that public competition would not serve a useful purpose or that renewal is aligned with Council’s strategic objectives and in the interest of the Community, subject to such renewal being advertised calling for public comment. The existing tenant shall give notice of the intention to renegotiate the lease at least six months before the date of termination.

n) an owner of fixed immovable property, who leases Council immovable property, may be substituted by a successor-in-title as deemed necessary on the same terms and conditions and/or additional terms and conditions.

o) immovable property may be let by Private Treaty to social care users. Rentals shall be determined in terms of the tariff rentals as approved by Council from time to time and in such cases, the Lessee shall accept responsibility for the maintenance of the immovable property and any improvements thereon.

p) sport facilities and other public amenities may be let by Private Treaty to Sport boards, Sports Federations and other similar bodies Community based bodies and non-professional sporting bodies shall be charged the tariff rentals as approved by Council from time to time. Professional sports bodies and bodies operating for
profit shall be charged a fair market related rental based on the market value of the property to be leased.

q) where unsolicited applications are received for access servitudes, right of ways and way leaves over municipal land, subject to approved tariff structure.

21.2.2.2 The Municipal Manager must record the reasons for any such deviation and report them to Council and include them as a note to the Annual Financial Statements.

Exchange of Land

a) Disposal by exchange of land will be appropriate when it is advantageous to the Council and other parties to exchange land in their ownerships and will achieve best consideration for the municipality.

b) Council must authorise the disposal of land by exchange with another land owner for alternative land. Reasons for justifying this manner of disposal must be recorded in writing.

c) A binding legal agreement will be created when a contract is exchanged for the exchange.

d) The exchange will usually be equal in value. However, an inequality in land value may be compensated for by other means where appropriate. In such circumstances Council must seek an independent valuation to verify that “best consideration” will be obtained.

21.3 Key principles and guidelines pertaining to the disposal of immovable property for social care uses

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

(a) Place of Worship to the degree and for that portion of a facility being used for spiritual gathering by, and social/pastoral/manse/welfare caring and support to Worshippers and the broader Community.

(b) Child care facility insofar as it contributes to the functioning of a multi-use childcare facility and is operated on a non-profit basis.

(c) Schools or centres – utilised as homes for the handicapped and disabled persons.

(e) Non-profit rehabilitation centres.

(f) Homes/centres for indigent, battered or destitute persons.

(g) Organisations for the homeless and elderly.

(h) Youth activity centres.
(i) Facilities for the accommodation, care and burial of animals.
(j) Cemeteries, NPO funeral parlours and non-profit crematoria.

21.3.2 Organizations must be listed in schedule 9 of the Income Tax Act.

21.3.3 Council reserves the right to entertain unsolicited bids for the purchase or lease of viable immovable property for social care uses with the proviso that it abides by Council’s IDP objectives.

21.3.4 The following factors shall be considered relevant in the selection and allocation of immovable property to places of worship:-

(a) The size of the congregation / membership.
(b) Availability of finance to acquire the site and develop same within two years plus possible extension.
(c) Whether or not such a denomination is already represented in the area.
(d) Whether or not welfare type facilities / activities will be provided in addition to religious facilities.
(e) Whether or not the congregation / membership is drawn from the area in which a site is being applied for.

22. DECISION – MAKING PROCESS

Disposals

22.1.1 Properties that cannot be disposed of- the Municipality may not dispose of a Property needed to provide the minimum level of basic municipal services, save where the Disposal is to another Organ of State, as provided for in section 14(6) of the MFMA read with Chapter 3 of the MATR.

22.1.2 Exempted Disposals to Organs of State - In the circumstances prescribed in Chapter 3 of the MATR, Disposals of Property to other Organs of State are exempted from the requirements of sections 14(1) to (5) of the MFMA. Broadly speaking, such Disposals are so exempted where the Disposal is for a public purpose, as opposed to a Disposal in the course of an ordinary commercial transaction between the Municipality and the Organ of State (in which case the Disposal does not qualify as an exempted Disposal).

22.1.3 Where the requirements stipulated in Chapter 3 of the MATR are met, then notwithstanding the fact that a Disposal may be in respect of Property which is required to provide the minimum level of basic municipal services, such a Disposal does not have to comply with this policy, does not have to be at market value and does not
require the public participation process prescribed in the MATR in respect of non-
exempted Disposals.

22.1.4 Section 14 (Non-Exempted) Disposals - In respect of Disposals which are subject to
sections 14(1) to (5) of the MFMA, the Municipality may Dispose of such Property
only after the following requirements are met –

a) the Council, in a meeting open to the public, must have decided on
reasonable grounds that the Property is not needed to provide the minimum level
of basic municipal services;

b) the Council must have considered the fair market value of the Property and the
economic and community value to be received in exchange for the Property;

c) any such Disposal must be in accordance with the principles of fairness,
equitability, transparency, competitiveness and cost effectiveness.

22.1.5 In respect of section 14 (non-exempted) Disposals, the provisions of Chapter 2 of the
MATR, which provides the framework for the implementation of these aspects of
section 14 of the MFMA, must also be complied with.

22.1.6 Part 1 of Chapter 2 of the MATR specifies a process for decision-making by a municipality.

22.1.7 The first phase in the process of decision-making is public participation. In
terms of the MATR, this phase applies only to High Value Property (R10 million and
above) and includes:

a) a request to Council, accompanied by an Information Statement, to authorise
the Municipality Manager to conduct a public participation process;

b) the Municipality Manager conducting a public participation process as
prescribed in the MATR.

22.1.8 The Municipal Manager shall conduct a public participation process in respect of Non-High
Value Disposals and may determine the form that this process should take.

22.1.9 Once the public participation phase of the decision-making process has been
completed, Council is required to take decisions in respect of the Disposal.

22.1.10 The first decisions which the Council has to make are determinations in terms of
section 14 of the MFMA –

a) on reasonable grounds, that the Property is not needed to provide the minimum
level of basic municipal services; and

b) consideration of the fair market value of the Property and the economic and
community value to be received in exchange for the Property,
(“the Section 14 Determinations”).
22.1.11 The second decision that Council has to make, as a consequence of the Section 14 Determinations, is in respect of whether or not to approve in principle that the Property may be Disposed of (“an In Principle Approval”).

22.1.12 The MATR prescribes factors that the Council must take into account when making the Section 14 Determinations and when considering whether to grant an “In Principle Approval”.

22.1.13 The Council may give an “In Principle Approval” subject to any conditions, including but not limited to, those specified in the MATR. If an “In Principle Approval” is granted subject to conditions, and one of the conditions is not met, the “In Principle Approval” for the Disposal automatically falls away.

22.1.14 The MATR do not specify any further decision-making steps to be taken by Council once Council has made the Section 14 Determinations and granted an “In Principle Approval”, subject to compliance with further MATR processes.

22.1.15 The MATR do, however, specify that a municipality may Dispose of a Property only if such Disposal is in accordance with the Disposal Management System and that it may only commence with disposal management processes once an “In Principle Approval” has been granted by Council.

22.1.16 In circumstances where a Competitive Process has been followed after the granting of an In Principle Approval by Council, and where the outcome of the Competitive Process impacts materially or significantly on the Section 14 Determinations which Council made prior to the granting of an “In Principle Approval”, the Disposal shall be referred back to Council.

Granting of rights in municipal properties

22.2.1 Chapter 4 of the MATR governs the granting of a Property Right in circumstances where section 14 of the MFMA does not apply.

22.2.2 Regulation 33(3) in Chapter 4 of the MATR specifies the circumstances in which a Property Right must be dealt with as if such granting of a Property Right is subject to section 14 of the MFMA or qualifies as a Disposal exempt from section 14. These include for example situations in which the Property Right:

a) is granted for an indefinite or undetermined period;

b) confers upon the person to whom the Property Right is granted an option to buy or acquire ownership in the Property;

c) is granted in terms of a long-term lease in circumstances where the lease has been structured in such a manner that the lessee is effectively, practically and for all intents and purposes, in the position of an owner, save only that the owner/lessor remains the registered owner of the Property.
22.2.3 Part 1 of Chapter 4 of the MATR specifies a process for decision-making by a municipality in respect of the granting of a Property Right.

22.2.4 The first phase in the process of decision-making is public participation. In terms of the MATR, this phase applies only to a Significant Property Right and includes:
   a) a request to Council, accompanied by an Information Statement, to authorise the Municipality Manager to conduct a public participation process;
   b) the Municipal Manager conducting a public participation process as prescribed in the MATR.

22.2.5 The Municipal Manager shall conduct a public participation process in respect of a Non-Significant Property Right and may determine the form that this process should take.

22.2.6 A public participation process does not have to be followed in respect of once-off events in terms of which a Property Right is granted for a non-renewable period of not more than 90 days and where a Competitive Process would not serve a useful purpose.

22.2.7 Once the public-participation phase of the decision-making process has been completed, a decision must be taken as to whether to grant an In Principle Approval in respect of the granting of the Property Right.

22.2.8 The MATR draws a distinction between a Significant Property Right and a Non-Significant Property Right for purposes of the authority to grant an In Principle Approval:
   a) in respect of a Significant Property Right, only Council has the authority to grant an In Principle Approval;
   b) in respect of a Non-Significant Property Right, the Municipality Manager, or if he/she has delegated such a power, his/her degee, has the authority to grant an In Principle Approval.
23. MANAGEMENT OF COMPETITIVE BIDS

For Property transactions above a contract value of R1 Million (incl.of VAT) or where the Municipal Manager deems it appropriate, taking into account the specific nature of the transaction, he/she shall establish committees for the preparation of bid documents the evaluation and adjudication of such bids, as set out hereunder.

24. BID DOCUMENTATION FOR COMPETITIVE BIDS

24.1 The criteria to which bid documentation for a competitive bidding process must comply, must -

(a) take into account -

(i) the general conditions of contract and any special conditions of contract, if specified;
(ii) description of property, including the erf number(s) and size thereof;
(iii) current zoning, land use and restrictive conditions;
(iv) nature of tenure to be granted;
(v) development parameter and guidelines;
(vi) an indication of whether the successful bidder will be responsible to apply for development rights, or whether such rights are already in place;
(vii) access to property;
(viii) parking requirements;
(ix) time-frame for development;
(x) identification of suspensive conditions, if any, that will have to be met by the successful bidder before a legal binding relationship is formed;
(xi) availability of municipal services;
(xii) whether the successful bidder will have to make any contributions, over and above the tender amount, such as development contributions, contributions for the upgrade of services; etc.

(b) include the preference points system to be used (if any), goals as contemplated in this policy and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish-

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements-
(aa) for the past three years; or

(bb) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards the municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any property contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

25. **PUBLIC INVITATION FOR COMPETITIVE BIDS**

25.1 The procedure for the invitation of competitive bids is as follows:

(a) Any invitation to prospective developers/bidders to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, or any other additional, appropriate ways, as determined by the Municipal Manager; and

(b) The information contained in a public advertisement, must include, *inter alia*:-

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper;

(ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality; and

(iii) date, time and venue of any proposed site meetings or briefing sessions;

25.2 The Municipal Manager may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

25.3 Bids submitted must be sealed.

25.4 Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.
26. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS

26.1 The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids-
   (i) must be opened in public;
   (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
   (iii) received after the closing time shall not be considered and returned unopened immediately.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical also each bidder’s total bidding price;

(c) No information, except the provisions in subsection (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The Municipal Manager must-
   (i) record in a register all bids received in time;
   (ii) make the register available for public inspection; and
   (iii) publish the entries in the register and the bid results on the website of the Municipality.

(e) All original bid documents must be stored safely.

27. NEGOTIATIONS WITH PREFERRED BIDDERS

27.1 The Municipal Manager may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiations -

(a) does not allow any preferred bidder a second or unfair opportunity;

(b) is not to the detriment of any other bidder; and

(c) does not lead to a lower price than the bidder has submitted, in a case of disposal of property, or rights in a property and;

(d) does not lead to a higher price than the bidder has submitted, in a case of acquiring of property, or rights in a property.

27.2 Minutes of such negotiations must be kept for record purposes.

28. TWO-STAGE BIDDING PROCESS

28.1 A two-stage bidding process is allowed for-

(a) large complex projects;

(b) projects where it may be undesirable to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years.
28.2 In the first stage proposals on conceptual design should be invited, subject to technical as well as commercial clarifications and adjustments.

28.3 In the second stage final technical proposals and priced bids should be invited.

29. **COMMITTEE SYSTEM FOR COMPETITIVE BIDS**

29.1 A Committee System for competitive bids above a contract value of R1 Million (including of VAT) is hereby established, consisting of the following Committees for each land transaction or cluster of transactions as the Municipal Manager may determine:

(a) a bid specification committee;

(b) a bid evaluation committee; and

(c) a bid adjudication committee.

29.2 The Municipal Manager appoints the members of each committee, taking into account Section 117 of the MFMA.

29.3 A neutral or independent observer, appointed by the Municipal Manager, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

30. **BID SPECIFICATIONS COMMITTEES**

30.1 Before placement of any invitations to perspective developers/bidders for the acquisition or disposal of immovable property, a bid specification committee must compile the specifications for each such transaction.

30.2 Specifications-

(a) must be drafted in an unbiased manner to allow all potential developers/bidders to make a bid/proposal;

(b) must indicate each specific goal for which points may be awarded in terms of the points system set out in this policy. Such goals must be measurable and must be specified in the documentation accompanying the invitation to submit a bid. The measurables must clearly indicated how the bidder will be awarded a score out of the maximum points allocated; and

(c) must be approved by the Municipal Manager prior to publication of the invitation for bids.

30.3 The Municipal Manager must appoint a bid specification committee when such a need arise. A specification committee must compose of one or more officials of the Municipality preferably the Manager responsible for Immovable Property Management, and may, when appropriate, include external specialist advisors.

30.4 No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

30.5 No Councillor may be a member of such a Bid Specification Committee.
31. BID EVALUATION COMMITTEE

31.1 The function of a Bid Evaluation Committee involves the technical evaluation of the proposals submitted, including clarification interviews with short-listed proponents and the formulation of recommendations to the Bid Adjudication Committee in respect of the award of the tender or proposal call. The Bid Evaluation Committee will meet as often as is required, to complete a technical evaluation of the proposals in accordance with the set evaluation criteria and associated weighting. The scoring of the criteria will be by consensus.

Depending on the complexity of the proposal call, the evaluation process may involve other stages such as the short-listing of proposes for an interview with the Bid Evaluation Committee after initial scoring has been finalised. The purpose of this interview is for the Bid Evaluation Committee to obtain clarification on elements of a proposal, and/or confirmation of implied intentions.

31.2 A Bid Evaluation Committee must-

(a) evaluate bids in accordance with the specifications and the points system set out in the Bid Document;

(b) evaluate each bidder’s ability to execute the contract from a technical, financial and commercial point of view;

(c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and

(d) submit to the Adjudication Committee a report and recommendations regarding the award of the bid or any other related matter.

31.3 The Municipal Manager must appoint a Bid Evaluation Committee when the need arise. A Bid Evaluation Committee must as far as possible be composed of-

(a) officials who was members of the Bid Specification Committee; and

(b) at least one supply chain management practitioner of the Municipality.

31.4 The Municipal Manager may, at the request of a Bid Evaluation Committee authorize the appointment of a specialist advisor(s) to assist the Bid Evaluation Committee in the technical evaluation of the bids. Such advisor will not take part in the drafting of recommendations to the Bid Adjudication Committee, but will only advise the Bid Evaluation Committee on the technical evaluation of the bids.

31.5 No Councillor may be a member of such a Bid Specification Committee.

32. BID ADJUDICATION COMMITTEE

32.1 A Bid Adjudication Committee must-

(a) consider the report and recommendations of the Bid Evaluation Committee; and

(b) either-

(i) depending on its delegations, make a final award, or a recommendation to the Municipal Manager to make the final award; or

(ii) make another recommendation to the Municipal Manager how to proceed with the relevant transaction.
32.2 The Municipal Manager must appoint a Bid Adjudication Committee when the need arise. A Bid Adjudication Committee must consist of at least four senior Managers of the Municipality, which must include-

(a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another Manager in the Budget and Treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and

(b) at least one senior supply chain management practitioner who is an official of the Municipality; and

(c) a technical expert in the relevant field who is an official, if such an expert exists.

32.3 The Municipal Manager must appoint the Chairperson of the Committee. If the Chairperson is absent from a meeting, the members of the Committee who are present must elect one of them to preside at the meeting.

32.4 Neither a member of Bid Evaluation Committee, nor an advisor or person assisting the Evaluation Committee, may be a member of a Bid Adjudication Committee.

32.5 If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must, prior to awarding the bid notify the Municipal Manager.

32.6 The Municipal Manager may-

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee;

(ii) if the decision on the Bid Adjudication Committee is rejected, refer the decision of the Adjudication Committee back to that Committee for reconsideration.

32.7 The Municipal Manager may at any stage of a bidding process, refer any recommendation made by the Evaluation Committee or the Adjudication Committee back to that Committee for reconsideration of the recommendation.

32.8 No Councillor may be a member of a Bid Adjudication Committee.
33. OBJECTIVES

33.1 Although municipalities are not obliged to implement a preference point system when disposing of immovable property or when awarding rights in immovable property, Knysna Municipality is of the view that the achievement of equality is one of the fundamental goals to be attained. The objectives of the preferred points system are to:

(a) promote broad-based black economic empowerment;
(b) promote the redress of current, skewed land ownership patterns;
(c) enhance the economy of the municipal area;
(d) give preference to marginalised groups in the society, including women and people with disability;
(e) give preference to people residing in the municipal area;
(f) ensure that the most appropriate developments take place; and
(g) further an integrated approach to development.

34. PUBLIC AUCTIONS

34.1 Council may determine, on a project-by-project basis, appropriate to the specific characteristics and attributes of the property involved, limitations on categories of people who may take part in a public auction with the view of furthering the objectives as set out above, without excluding any category of people to take part in such public auction.

35. OUTRIGHT TENDER / CLOSED TENDER

35.1 For property transactions with a contract value up to R1 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) Price: Sixty (60) points maximum. The highest financial offer shall score sixty (60) points, with lower offers scoring proportionally in relation to the highest.

(b) Status: Forty (40) points maximum, which shall be measured and compiled as follows:

(i) Twenty (20) points maximum for black people and legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.

(ii) Five (5) points maximum for women and legal entities owned by women. Points for legal entities will be proportionally allocated according to the percentage ownership by women.

(iii) Five (5) points maximum for disabled people or legal entities owned by disabled people. Points for legal entities will be proportionally allocated according to the percentage ownership by disabled people.
(iv) Ten (10) points maximum for local residents or legal entities owned by local residents. Points for legal entities will be proportionally allocated according to the percentage ownership by disabled people.

35.2 For property transactions with a contract value above R1 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price**: Ninety (90) points maximum. The highest financial offer shall score ninety (90) points, with lower offers scoring proportionally in relation to the highest.

(b) **Status**: Ten (10) points maximum for black people and legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.

36. **QUALIFIED TENDERS/PROPOSAL CALLS**

36.1 Unless otherwise determined by Council for a specific transaction, the awarding of qualified tenders or proposal calls shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price**: Sixty (60) points maximum. The highest financial offer shall score sixty (60) points with lower offers scoring proportionally in relation to the highest offer.

(b) **Status**: Ten (10) points for black people and legal entities owned by black people. Points for legal entities will be proportionately allocated according to the percentage ownership by black people.

(c) **Development Concept**: Thirty (30) points maximum, which shall be measured and adjudicated as per criteria to be agreed upon for the specific project.

37. **MODIFICATIONS**

37.1 Modifications and/or additions appropriate to site-specific issues and the particular goals and objectives of the development will be made on a project-by-project basis.

37.2 Council may adjust the scoring system set out in this section for a specific property or group of properties to enable it to achieve specific targets or a specific outcome. However, to ensure a balanced approach between equality and value for money:-

a) a **minimum** of sixty (60) points must be awarded for **price**;

b) a **maximum** of forty (40) points may be awarded for **status**; whilst

c) a **maximum** of thirty (30) points may be awarded for **development concept**.

38. **NOTIFICATION OF PERFORMANCE POINT SYSTEM**

38.1 The Tender/Call for proposal document(s) must stipulate the preference point system which will be applied in the adjudication of the specific tender.

39. **EQUITY OWNERSHIP**

39.1 Equity Ownership is tied to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company’s shares that are
owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

39.2 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with the degree of ownership.

39.3 Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.

40. **TENDERS MUST BE AWARDED TO THE BIDDER SCORING THE HIGHEST POINTS**

40.1 Tenders must be awarded to the bidder that scores the highest points in terms of the preference points system unless there are objective and reasonable criteria that justify the award of the tender to another tenderer.

41. **QUALIFYING CRITERIA/TWO STAGE BIDDING**

41.1 Criteria other than price, status and development concept, such as technical capability and environmentally sound practices, cannot be afforded points for evaluation. They can be specified in a call for tenders but they will serve as qualification criteria or entry level requirements, i.e. a means to determine whether or not a specific tenderer is a complying tenderer in the sense of having submitted an acceptable tender. Only once a tender is regarded as a complying tenderer would it then stand in line for the allocation of points based on price, status and development concept.
42. TERMS AND CONDITIONS OF SALE

42.1 Regulations 17 and 30 of the MATR sets out the minimum terms and conditions that needs to form part of Sales Agreements. The terms and conditions listed below are supplementary to the above.

42.2 All costs pertaining to a transaction, such as survey-, re-zoning-, sub-division-, consolidation-, advertisement- and relocation or provision of services cost shall be borne by an applicant, provided that Council may waive its right to claim those costs if the reason for the sale is to rid Council of a burden to maintain the property or exercise control thereover.

42.3 Where applicable, existing services shall be secured by means of the registration of servitude in favour of Council.

42.4 When immovable property is sold, development must commence where, applicable, within 1 (one) year or such longer period as may be agreed to from the date of transfer or possession or in accordance with the provisions of the deed of sale or the development programme submitted by the purchaser and be completed in accordance with the provisions of the deed of sale or the development programme. Council furthermore reserves the right to impose such conditions as deemed necessary, including a reversionary or penalty clause in the event that the development has not progressed as per the agreement, without limiting its rights to liquidated damage and reversionary clauses.

42.5 A reversionary clause must be inserted in the deed of sale if property is sold below market value or where the conditions of sale are not met.

42.6 Save the prior approval, the immovable property may only be used for the purpose as approved by Council and purpose regularized by Town Planning Schemes.

42.7 A suspense condition clause shall be applicable to all transactions which are subject to the approval of a re-zoning, sub-division, consolidation etc.

43. CONDITIONS OF LEASE

43.1 Regulation 45 of the MATR sets out the minimum terms and conditions that needs to form part of Lease Agreements. The terms and conditions listed below are supplementary to the above.

43.2 All cost pertaining to a transaction such as legal-, survey-, re-zoning-, sub-division-, consolidations-, advertisement-, relocation or provision of services cost shall be borne by the applicant.

43.3 The following deposits shall apply to leases where the rental is based on market value-

(a) a deposit equal to 2 months rental for commercial transactions;
(b) a deposit equal to 1 month’s rental for residential and social services transactions;
(c) no deposit in respect of encroachment agreement leases
43.4 An owner of fixed immovable property who leases an adjoining municipal immovable property may be substituted by his successor in title for the duration of the remainder of the lease term on the same terms and conditions or additional terms and conditions as deemed necessary.

43.5 Lessees shall be liable for payment of rates and service charges, unless otherwise agreed upon.

43.6 The letting of lanes, public open spaces, and road reserves shall be subject to the following:
   (a) closing off/securing to Council's satisfaction;
   (b) costs for the relocation or installation of services, where required, shall be for the account of the lessee; and
   (c) securing of servitudes.

43.7 Lessees shall indemnify Council against any possible claims arising from the lease or use of the immovable property.

43.8 No lessee of immovable property shall without the prior consent in writing of the Council, sublet such property or any portion thereof or assign any right acquired by him in respect hereof and any such subletting or assignment without such consent shall be null and void.

43.9 Save with prior approval the property may only be used for the purpose for which it was let and purposes regularized by town planning schemes.

43.10 Officials from Council shall at all reasonable times be entitled to enter/inspect the immovable property, having regards for the right to privacy as contemplated in Chapter 2 of the Constitution.

43.11 All agreements shall contain a clause which requires the lessee to maintain the leased property.

43.12 All agreements shall contain a clause which requires that improvements provided by the lessee and which Council wishes to retain shall revert, free of charge, to Council once the lease period has terminated and/or in the event the agreement, due to breach of conditions by the lessee, has been cancelled. Provision must also be made on how to deal with such improvements should Council terminate the contract prior to the lapse of the lease period, where the lessee has not been in default.
CRITERIA FOR DETERMINING COMPENSATION AND FAIR MARKET VALUES

44.1 Property may be Disposed of only at market-related prices, except when the plight of the poor or other public interest factors which impact on the economic and community value to be received by the Municipality demand otherwise.

44.2 If the Municipality, on account of the public interest, particularly in relation to the plight of the poor, intends to Dispose of a Non-Exempted Property for less than market value it must take into account the following factors:

(a) the interests of the State and the local community;
(b) the strategic and economic interests of the municipality, including the long-term effect of the decision on the municipality;
(c) the constitutional rights and legal interests of all affected parties;
(d) whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and
(e) whether the local community would be better served if the capital asset is transferred at a less than its fair market value, as opposed to a transfer of the asset at fair market value.

44.3 Subject to Council’s Section 14 Determinations of the MFMA and an In Principle Approval in respect of a specific Disposal, the Municipality shall Dispose of social care properties at a purchase price of between 10% and 25% of fair market value subject to a suitable reversionary clause being registered against the title deed of the Property. In the event of the subject property ceasing to be used for the purpose originally intended, reversionary rights are triggered and the Municipality reserves the right to demand compensation equal to the difference between the actual purchase price and the current fair market value of the property, or that the property be transferred into the ownership of the Municipal at no cost to the Municipality.

44.4 If the Municipality appoints a private sector party or Organ of State through a competitive bidding process as the service provider of a Commercial Service, the compensation payable to the Municipality in respect of the Disposal of Property as an integral component of the performance of that Commercial Service to that service provider shall reflect fair market value.

44.5 Fair market value of properties will be calculated as the average of the valuations sourced from two service providers, unless determined otherwise by the Municipal Manager, taking into account the value of the property vis-à-vis the cost of obtaining such valuations.
45. **CRITERIA FOR DETERMINING OF FAIR MARKET RENTALS**

45.1 Property may only be let at market-related rates, except when the plight of the poor or other public interest factors which impact on the economic and community value to be received by the Municipality demand otherwise.

45.2 In respect of certain categories of Property, the Municipality shall be entitled to adopt below market-related tariffs in respect of Property Rights, including but not limited to leased to non-Profit Organisations, NGOs, Sporting Bodies, *bona fide* small farmers, etc.

45.3 The Municipality shall be entitled, in its sole discretion and from time to time, to specify the types of Property Transactions in respect of which applications are permitted to be made to the Municipality and to impose application fees, charges, rates, tariffs, scales of fees or other charges relating to the Property Transaction (collectively "the Charges").

45.4 In such circumstances, the Municipality shall also be entitled not to process the application for the Property Transaction unless the applicant has:

a) confirmed in writing that it will pay the Charges and bear all such costs in respect of the Property Transactions as the Municipality may require (for example legal costs, survey costs, costs of rezoning, subdivision, and consolidations, advertising costs, cost of relocation or cost of provision of services); and/or

b) if required by the Municipality, has paid a deposit as specified by the Municipality to cover such incidental costs.

45.5 Unless part of the tariff structure approved by Council from time to time, the fair market rentals of individual properties will be calculated as the average of the valuations sourced from two service providers, unless determined otherwise by the Municipal Manager, taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.
46. **MUNICIPAL LAND REGISTER (MLR)**

46.1 The MLR is a computerized database that contains details of all municipal-owned property and kept in the custody of the CFO’s office.

46.2 The MLR database is electronically linked with the Geographical Information System of the Municipality to provide spatial information to complement the data stored in the MLR database.

46.3 As from date of commencement of this policy, all departments must record relevant details about their Master Infrastructure Plans and needs for land in the MLR.

46.4 As a minimum requirement, sites for planned community infrastructure, municipal infrastructure, housing projects, etc must be recorded on the MLR.

46.5 All changes in the status of municipal-owned properties must be recorded in the MLR.

47. **STRATEGIC IMMOVABLE PROPERTY MANAGEMENT PLAN**

47.1 As soon as possible after the approval of this policy Council must, as part of its strategic planning process, develop and adopt a Strategic Immovable Property Management Plan.

47.2 Such a Strategic Immovable Property Management Plan must consist of at least-

(a) A strategic analysis of Council-owned immovable property portfolio (Land Audit), as well as state-owned land within the municipal area.

(b) Categorisation of such land-holdings, to include, but not limited to: -

(i) land of strategic importance for, *inter alia*:-

(aa) housing purposes;

(bb) municipal infrastructure; and

(cc) public transport, -parking and related used

(ii) Land that should be retained for future generations;

(iii) Surplus land, capable of being developed.

(iv) Land that should be acquired for strategic purpose.

(v) Land that should be exchanged for strategic purposes.

(c) A management plan for each category of immovable property.

(d) A performance assessment of each category of immovable property.

(e) The maintenance activities required for each category of immovable property.

47.3 The Strategic Immovable Property Management Plan must be developed within the context of approved spatial development frameworks, sectoral plans, planning related policies and regional plans.

47.4 When developing the SLMP, the public should be given ample opportunity to make inputs.
Council must annually revise its strategic immovable property management plan and must incorporate the revised plan into its IDP.

48. FRAUD AND CORRUPTION

48.1 Knysna Municipality’s policy is to require that bidders observe the highest stand and ethics during the selection and execution of contracts.

48.2 The Municipal Manager must reject a proposal for award if he/she determines that the person recommended for award, has engaged in corrupt or fraudulent activities in competing for the contract in question.

48.3 Where evidence in support of corrupt, fraudulent practices or criminal offences are reported and substantiated, the Municipal Manager is to initiate criminal proceedings against such business entity, official or other role player, and inform the Provincial Treasury and Council of such measures.

48.4 Employees found guilty of conniving with bidders or contravening this Policy may be dismissed.

48.5 Bidders and their directors who have been found guilty of abusing this Policy will be barred/suspended from doing business with the Municipality and National Treasury will be informed accordingly.

48.6 The Municipality reserves the right to criminally prosecute any person found to have violated or abused this Policy.

48.7 The Municipality reserves the right to cancel or not to award bids to bidders found to:
   a) have unfairly influenced the process of award and have been found guilty of improper conduct;
   b) have been convicted to fraud or corruption during the past 5 years;
   c) have willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
   d) have been listed in the Registrar for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act No 12 of 2004.

48.8 All employees and/or officials are expected to assist the Municipality in fighting corruption and to this extent are encouraged to report all suspicious acts.

49. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO OFFICIALS AND OTHER ROLE PLAYERS

49.1 No person who is a tenderer or prospective tenderer for municipal property may either directly or through a representative or intermediary promise, offer or grant -

(a) any inducement or reward to the municipality for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to –

49.2 The Municipal Manager must promptly report any alleged contravention of Section (1) to Council.

50. OBJECTIONS AND COMPLAINTS

50.1 Persons aggrieved by decisions or actions taken in the implementation of this policy may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action to the Municipal Manager, or if the Municipal Manager is involved to the Executive Mayor.
51. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

51.1 The Municipal Manager or Executive Mayor in the case where the Municipal Manager is involved must appoint an independent and impartial person, not directly involved in the adjudication processes:

(a) to assist in the resolution of disputes between the municipality and other persons regarding:

(i) any decisions or actions taken in the implementation of this policy; or

(ii) any matter arising from a contract awarded in terms of the Policy; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matter arising from such contract.

51.2 The Municipal Manager or another official designated by the Municipal manager or Executive Mayor is responsible for assisting the appointed person to perform his or her functions effectively.

51.3 The person appointed must -

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the Municipal Manager or the Executive Mayor as the case may be, on all disputes, objections, complaints or queries received, attended to or resolved.

51.4 This paragraph must not be read as affecting a person's rights to approach a court at any time.

52. COMMENCEMENT

This policy shall be implemented once approved by the Council.
NEW HOME A LIFELINE FOR TEN TSIBA EDEN SCHOLARSHIP STUDENTS

Student accommodation at fourth Adokie University has reached crisis point. This leaves students at risk of being financially exploited by landlords, as well as exposing them to various risks. Because of a generous matched funding and a new student accommodation policy that has been implemented, the situation has improved significantly.

The mood was celebrative at the newly renovated student residence at NJ Gateway Complex in Langebaan, Cape Town. This was a special house-warming to officially welcome students from the Tshimologo School in Business Administration (TSIBA) Eden Campus which is in the north-east of Kenya. Norah, a student from the residence, said she had been waiting for this moment for a very long time.

With the help of Tshimologo Business Administration (TSIBA) and the support of the students, Norah was able to give her children a warm, comfortable and safe place to live. The children can now focus on their studies without any distractions.

The Tshimologo School in Business Administration (TSIBA) is a unique private, not-for-profit business school that helps people who cannot access higher education to develop their skills and potential. The students are encouraged to become leaders in their respective communities.

Thembelani Mthethwa has been selected as the new TSIBA Eden student ambassador for the 2019/2020 academic year. He is passionate about developing his leadership skills and contributes to the school's success.

TSIBA encourages any student with an interest in business to apply, especially if they wish to use their education to benefit their communities. The school offers scholarships to students who meet the criteria.

Applications for 2017 will open in March, for more information please contact Communications Manager on 084 338 2799 or pwb@tsiba.edu.za. The school is located in the north-east of Kenya and offers a range of courses that are relevant to the local economy.
Great support for Knysna Interclub Regatta

Steve Erickson

The weekend of March 4 and 5 was the date for the Knysna Yacht Club’s Interclub Regatta. There were 18 boats competing, with the 20th anniversary of this event being celebrated.

The regatta was a success, boats moved from the starting line to allow for boats to be placed on the next line for the duration of the regatta. The starting line was set at 9 a.m. on Saturday, with races for the InterclubRegatta finishing at 3 p.m. on Sunday.

With the sun setting high resulting in a change of wind on Saturday, the boats were all headed towards the start line. The south-east wind was strong and the boats were all pushed towards the finish line. The wind was strong and the boats were all pushed towards the finish line.

The key race of the weekend was race four, the final race of the regatta. The boats were all pushed towards the finish line. The wind was strong and the boats were all pushed towards the finish line.

Running 30 hours for the love of it

Yasmin Stander

For most people, the idea of running for 30 hours straight may seem impossible. However, for some of the long-distance runners, it’s a way of life. Today, we get to meet Yasmin Stander, a South African long-distance runner who has broken many records and set new standards for herself.

Stander is a long-distance runner who has been training for the last 10 years. She started running at the age of 14 and has been competing in long-distance races ever since. She has won several races and has broken many records. She has also completed several marathons and half-marathons.

Stander’s training involves a lot of hard work and dedication. She runs for at least 5 hours a day, five days a week. She also follows a strict diet to ensure that she is getting all the nutrients she needs to fuel her body. She runs on a variety of terrains, from flat to hilly, and in different weather conditions.

Stander’s success is not only due to her dedication and hard work, but also due to her family and friends who support her. They encourage her to keep pushing and to never give up.

Stander’s goal is to run a marathon in less than 3 hours. This is a challenging goal, but she is determined to achieve it. She is currently training hard to achieve this goal.

Pentathlon and biathlon results

The pentathlon leg of the German Modern Pentathlon Association took place at Sokolniki Stadium in Moscow on Saturday. The pentathlon leg was followed by the biathlon leg on Sunday.

The pentathlon leg was won by Martin Hanus of the Czech Republic in a time of 3 hours, 45 minutes and 57 seconds. He was followed by his compatriot, Petr Zvonek, who finished second in 3 hours, 46 minutes and 32 seconds. The bronze medal went to Vitaliy Gvozdev of Ukraine, who finished in 3 hours, 47 minutes and 52 seconds.

The biathlon leg was won by Alexander Lesun of Russia in a time of 1 hour, 16 minutes and 19 seconds. He was followed by his compatriot, Ivan Yudin, who finished second in 1 hour, 16 minutes and 53 seconds. The bronze medal went to Vitaliy Gvozdev of Ukraine, who finished in 1 hour, 16 minutes and 58 seconds.

KYSNAs LOCAL MUNICIPALITY

NOTICE OF THE INTENTION TO LEASE MUNICIPAL ASSETS

In terms of Section 64(6)(a) of the Municipal Systems Act, 2000, notice is hereby given that the Municipality of Knysna is making the following proposals for the granting of a right of use, rental or formation of the following assets:

1. The leasing of a portion of Els 200, Knysna, to Ben du Plessis, for use as a training facility.
2. The leasing of a portion of Els 215, Knysna, to Daan van der Merwe, for use as a restaurant.
3. The leasing of a portion of Els 300, Knysna, to the Knysna Harbour Board, for use as a port facility.
4. The leasing of a portion of Els 305, Knysna, to the Knysna Tourism Association, for use as a visitor centre.

The proposals will be open for public comment for a period of 30 days from the date of this notice. Any person who wishes to make a submission must do so in writing to the Municipal Manager, 1 The Strand, Knysna, or email info@knysna.org.za within the 30-day period.
AGREEMENT OF LEASE ENTERED INTO BY AND BETWEEN

KNYSNA MUNICIPALITY
(herein represented by Grant Easton, identity number 580730 5238 18 3 in his capacity as Municipal Manager, he being duly authorised thereto):
(hereinafter referred to as the LESSOR)

AND

Sedgefield Bowling Club
(herein represented by Phillip Jason Hendrickse, identity number 491096 5081 08 1 in his capacity as President, he being duly authorised thereto
(hereinafter referred to as the LESSEE)

WHEREAS the LESSOR has agreed to lease a portion of the PROPERTY situated at Erf 2058, Sedgefield, which includes the Bowling Greens, Tennis Courts and the Reg Basson Hall with Kitchen (± 15 700 Square Metres as indicated in red on the attached diagram "A") to the LESSEE and the LESSEE is prepared to rent the PROPERTY from the LESSOR;

AND WHEREAS the LESSOR and the LESSEE have reached agreement as to the terms upon which the PROPERTY shall be let, subject to such terms being reduced to writing;

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:
LEASE AND DURATION

1.1 The LESSOR hereby lets, and the LESSEE hereby hires, the PROPERTY for a period of 9 years and 11 months commencing on the 1st of July 2016 and ending on the 31st of May 2026, notwithstanding the date of the signing of this agreement.

THE RENT

The rent payable by the LESSEE to the LESSOR under this lease shall be a nominal rental of R 1 000.00 (one thousand rand) per annum.

2.1 The rent shall be subject to an annual escalation equal to CPIX as per the month of June, the first escalation to take effect on the 1st of July 2017 and annually for as long as the lease is in operation.

2.2 In addition to the monthly rental, the LESSEE shall also be obliged to pay, together with the monthly rental, the Value Added Tax applicable.

2.3 The LESSEE shall not be entitled to withhold or subtract rent on account of the property not being utilized fully, or unless the LESSOR has materially prevented the LESSEE from utilizing the property for the use as set out herein.

2.4 The LESSEE shall not be entitled to withhold or subtract rent unless the LESSEE has a valid claim for monies owed by the LESSOR in terms of this lease.

2.5 In the event of the LESSEE being entitled to withhold rent, the LESSEE shall not be entitled to withhold an amount in excess of what is owed by the LESSOR.

USE

The LESSEE shall not be entitled to utilise the PROPERTY for any use other than for sporting purposes.
RATES AND TAXES, ELECTRICITY AND MAINTENANCE

The LESSEE shall be liable for:

4.1.1 Payment of all municipal rates and service charges i.e. in respect of refuse removal, sewerage etc. or any other service charges raised by the LESSOR;

4.2 The LESSEE shall:

4.2.1 be responsible to keep the interior of the dwelling and outbuildings in a clean and hygienic condition and shall be responsible for the maintenance of the interior of the dwelling and outbuildings, including all doors, windows, locks, bolts and door handles, carpets as well as the sanitary system and undertakes to do the necessary repairs in order to keep such installations in a good working order at its own expense;

4.2.2 shall not damage the property, buildings thereon, fixtures and fittings thereof or any other aspect thereof and shall be liable for the costs of repairs of all damages caused to the property as a result of any act of neglect of the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities;

4.2.3 use its reasonable efforts to prevent any blockage of any sewerage or water pipes or drains in or used in connection with the leased premises and shall remove at its cost any obstruction or blockage which occurs in the Leased premises during the operation of the lease;

4.2.4 have no claim whatsoever, whether for damages or remission of rental or cancellation of the lease, against the Lessor, nor be entitled to withhold or defer payment of rent by reason of any suspension of or interruption in the supply of water, and electricity, or by reason of any amenities in or on the Leased premises and/or building being out of order;

4.2.5 not permit the accumulation of domestic refuse in or outside the Leased premises, save in the refuse bins;
4.2.6  erect in the Leased premises such fixtures and fittings as may be necessary for the Lessee's purposes and use of the premises to conduct its business, the quality and design of such fittings and fixtures shall be in keeping with the general finish of the building, to the Lessor's approval, which approval shall not be unreasonably withheld, and the LESSEE shall be entitled to remove such fixtures and fittings on termination of this lease, provided the premises is restored to its original condition (fair wear and tear excepted);

4.2.7  not be entitled to hold or permit the holding of sales by public auction in or upon the Leased Premises;

4.2.8  shall be responsible for the maintenance of the outside,

4.2.9  shall have the right to display its name in a proper and neat manner on the PROPERTY to the satisfaction of the LESSOR and shall not be permitted to, or allowed to display any advertisements or any other signage unless prior written permission has been obtained from the LESSOR.

4.2.10 shall not do, or cause or allow to be done, anything which shall or might have the effect of vitiating the fire or other insurance now or hereafter affected by the lessor on the PROPERTY or of increasing the premiums payable in respect thereof. Should such premium be increased as a consequence of any act, or omission by the LESSEE, the amount of the increase shall be paid by the lessee to the lessor on demand.

5

THE LESSOR'S OBLIGATIONS

The responsibility of the LESSOR for maintenance of the property shall be limited to the following:

5.1  The maintenance of the superstructure and exterior of the buildings on the property in order to ensure that the property is at all times fit for the use as stipulated herein;

5.2  The replacing of damaged window panes and other fixtures and fittings of the property, provided that such repairs are necessary to ensure that the property is fit for the use as stipulated herein and further provided that the said damage has not been caused by the LESSEE, its employees, person under its control or visitors of the LESSEE;
5.3 The repairs of any major structural defects of the sewerage and water system, excluding any blockages, tap leaks and other defects caused by normal wear and tear and have not been caused by the LESSEE, provided that such repairs are necessary to ensure that the property is habitable;

5.4 Regarding maintenance that is required to the property during the currency of the lease and which is the responsibility of the LESSOR in terms of this agreement, the parties agree as follows:

5.4.1 The LESSEE shall not be permitted to do any repairs or maintenance to the property and shall not have any claim in respect thereof against the LESSOR unless the LESSEE has given the LESSOR at least 14 (FOURTEEN) days written notice of the repairs that are required and the nature thereof and the LESSOR has failed to effect such repairs within said period;

5.4.2 Any costs that the LESSEE may recover from the LESSOR in respect of repairs effected in circumstances where the LESSOR has failed to do so in terms hereof shall be limited to the reasonable and necessary costs of such repairs.

6

FAILURE TO MAINTAIN

Should the LESSEE fail to maintain the PROPERTY properly in terms of this clause, the LESSOR shall have the right to notify the LESSEE in writing to rectify such failure within 14 (FOURTEEN) days and if the LESSEE should thereafter still fail to respond, the LESSOR shall be entitled to undertake such maintenance and to recover the costs thereof from the LESSEE which costs shall be payable on demand. In addition to the rights contained in this clause, the LESSOR shall, in case of failure to maintain, have the normal rights of cancellation as provided for in this agreement.

7

SUBLETTING AND CESSION

The LESSEE shall not be entitled to cede or assign this lease or sub-let, the PROPERTY or any portion thereof, or to permit any other person to use or occupy PROPERTY without the prior written consent of the LESSOR first being obtained.
INDEMNIFICATION

8.1 The LESSOR will not be responsible for any damage, loss or injury sustained by the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities at any time caused as a result of any negligent act or omission of the LESSEE, its employees persons acting under its control, its members or any person making use of its facilities and the LESSEE indemnifies the LESSOR against any claim resulting from such damage, loss or injury.

8.2 Notwithstanding the above, the LESSOR shall not be liable for damages caused by death or personal injury of the LESSEE or any persons referred to above, unless such damage is the result of an act or omission on the part of the LESSOR.

REGULATIONS AND BY-LAWS

The LESSEE shall not contravene or permit any contravention of any statutes, legislation, proclamation or by-laws or any township or title deed condition applying to or affecting the PROPERTY, the contents of which the LESSEE acknowledges that he is acquainted with.

INSPECTION

10.1 The LESSOR shall be entitled, personally or by way of an agent at all reasonable times to inspect the PROPERTY, both externally and internally. In the event of any damages found during these inspections, the LESSEE shall effect repairs within 21 (twenty one) days from date of notification of such. And the LESSEE shall be obliged during the last two months of this lease to grant access to all potential purchasers and/or LESSEES to view the PROPERTY externally as well as internally.

10.2 The LESSEE further acknowledges that the PROPERTY is leased as it stands on the day of the lease becomes effective, without any guarantees given by the LESSOR by implication or otherwise.
**MISCELLANEOUS**

11.1 It is an express condition of this agreement that the LESSOR shall, depending on demand, have the right at any time during the term of this Lease agreement to retake possession of the whole or portion of the PROPERTY as the case maybe, should it be required for State or Municipal purpose. Should the Lessor exercise this right, the LESSOR shall:

11.1.1 inform the LESSEE by written notification 3 (three) months in advance of its intention to exercise such right;

11.1.2 be liable to compensate the LESSEE on a pro rata basis for improvements effected on the PROPERTY with the LESSOR’S approval (The pro rata amount of compensation to be determined by the LESSOR).

11.2 The LESSEE shall without compensation be obliged to allow electricity cables, wires, mains and/or other waterpipes, sewerage and drainage including stormwater of any other erf or erven inside or outside the PROPERTY to be conveyed across the leased property if deemed necessary by the LESSOR and in such a manner and position as may from time to time be reasonably required. This shall include the right of access of constructing, altering, removing or inspecting any works in connection with the above. It is agreed that these provisions in this paragraph shall not be considered as repossessions of a portion of the property as provided for in paragraph 11.1.

**CANCELLATION**

Should the LESSEE fail to pay any rent on its due date, or commit a breach of any of the other terms of this lease, the LESSOR shall have the right forthwith and without any further notice to the LESSEE,

12.1 to cancel this lease and to eject or have ejected from the PROPERTY the LESSEE or any other person occupying the PROPERTY without prejudice to the LESSOR’S rights to claim unpaid rent together with interest thereon at a rate of 15.5% (FIFTEEN COMMA FIVE PERCENT) per annum calculated from the date on which such rent became payable to the date of payment thereof, including collection commission of 10% (TEN PERCENT) on such arrears and any damages the LESSOR may have sustained consequent upon any such failure or breach;
12.2 to claim payment of the rent payable or to become payable in terms of this lease, without prejudice to the LESSOR’S rights to recover damages to the PROPERTY or damages caused as a result of the failure or breach by the LESSEE as well as any other monies that are outstanding. Should the LESSEE remain in occupation of the PROPERTY after the above cancellation of the lease, or should a dispute arise as to the cancellation of the lease the LESSEE shall be not be entitled to withhold rental due to such dispute or cancellation and shall be liable to pay the monthly rent as stipulated herein.

13

DELIVERY ON EXPIRATION OF LEASE

The LESSEE undertakes at the expiration of this lease to deliver the PROPERTY together with the dwelling, outbuildings and other improvements to the LESSOR in the same good order and condition in which it was received by the LESSEE, taking into account normal wear and tear and in particular the LESSEE shall be obliged:

13.1 floor tiles and wall to wall carpeting in a clean and neat condition;

13.2 to remove all nails and other fixtures used for hanging of pictures or for any other purpose, from the walls and to repair and paint such walls;

13.3 to remove all stickers and posters that have been affixed to the walls or cupboards and to repair the said walls and cupboards appropriately.

14

INDULGENCE BY LESSOR

No relaxation or any indulgence, or any postponement granted by the LESSOR to the LESSEE with regard to any matter contained in this lease or with regard to the payment of rent shall be construed as being a waiver of any of the LESSOR’S rights in terms of this lease, nor shall such relaxation, indulgence of postponement operate as an estoppel against the LESSOR.
DISPUTES

In the event of any dispute regarding the terms of this agreement, the decision of the LESSOR, confirmed by a resolution of its Council in a meeting of the Knysna Municipality Council after having heard the LESSEE shall be final.

DOMICILIUM CITANDI ET EXECUTANDI

As domicilium citandi et executandi (the address for delivery of notices and court documents) the LESSEE chooses the address at P.O. Box 423, Sedgefield, 6573 and the LESSOR at Municipal Buildings, 5 Clyde Street, Knysna, 6570. Any notice by the LESSOR to the LESSEE in connection with this lease, addressed to the LESSEE and posted to such domicilium shall be deemed to have been received by the LESSEE on the day after the day upon which it was posted, and vice versa.

COSTS OF LEGAL ACTION

In the event of the LESSOR and LESSEE being engaged in litigation regarding the lease, cancellation of enforcement thereof or any claim pertaining thereto, the party being ordered by any court to pay the costs of such litigation, shall be obliged to pay the successful party’s costs on a scale as between attorney and client, including such collection commission or other charges as any representative of either party being awarded a costs order may in law be entitled to charge.

JURISDICTION

The parties hereby consent to the jurisdiction of the Magistrates Court for the institution of any action resulting from this lease, however the LESSOR reserves the right to institute action in any other competent court of law.
NON-VARIATION

This agreement contains all the conditions of the lease and no agreement at variance with any term of this lease, or addendum or supplement to this agreement or cancellation hereof, or waiver by any party of its rights or any aspect hereof, inclusive of this clause, shall be binding upon the parties unless contained in a written document signed by the LESSOR and the LESSEE.

SIGNED AT SEDGEFIELD ON THIS 7TH DAY OF June 2016.

AS WITNESSES:

1. [Signature]

2. [Signature]

LESSEE

SIGNED AT KNYSNA ON THIS 8TH DAY OF June 2016.

AS WITNESSES

1. [Signature]

2. [Signature]

LESSOR
Dear Mr Bakker,

The lease agreement is the standard lease agreement approved by Council at the Council meeting dated 10 December 2015.

The inclusion for the service cost and the exclusion of rental was also approved by Council.

Looking forward to receive the original signed lease agreement when you in Knysna next month.

Kind Regards

Renwill Hardnick

Renwill Hardnick : Property Management
P O Box 21, Knysna. 6570. Western Cape. South Africa
Tel +27 (0)44 302 6300 (switchboard) or 302 6459 (direct)
Fax +27 (0)86 629 5042 e-mail rhardnick@knysna.gov.za

>>>

From: "Graham Bakker (G)" <GrahamB@openserve.co.za>
To: Renwill Hardnick <rhardnick@knysna.gov.za>, Jenny Martin <jennymartin@telkomsa.net>
CC: "ekayshuttleworth@gmail.com" <ekayshuttleworth@gmail.com>, "EleanorBrown (Western Cape Office Administrator)"
     <eleanor.brown@scouts.org.za>
Date: 2016/06/11 11:44 PM
Subject: RE: LEASE AGREEMENT 1st Knysna Sea Scout Group

Hi Renwill
Thanks you for the opportunity to enter into a “10 year” lease.
I have noticed that the Lease Agreement is very different to our previous one.

Much more detail in the new one 😊

Main point to mention is we are now liable for Service Costs (Electrical, water, Sewerage, refuse removal)?

In the previous lease agreement this was covered by the Municipality.
Just checking up if this is so?

Kind Regards,
Yours in Scouting

Graham Bakker (Akela)
Pack Scouter
1st Knysna Sea Scouts (est.1951)
NPO Reg. no. 019-215-NPO
From: Renwill Hardnick [mailto:rhardnick@knysna.gov.za]
Sent: Friday, June 10, 2016 4:19 PM
To: Jenny Martin
Cc: eokayshuttleworth@gmail.com; Graham Bakker (G); 'Eleanor Brown (Western Cape Office Administrator)'
Subject: RE: LEASE AGREEMENT 1st Knysna Sea Scout Group

Good afternoon Jenny,

Thank you for your e-mail.

Attached hereto please find a letter and lease agreement for your attention.

Please do not hesitate to contact me if you need any further information.

Kind Regards

Renwill Hardnick : Property Management
P O Box 21. Knysna. 6570. Western Cape. South Africa
Tel +27 (0)44 302 6300 (switchboard) or 302 6459 (direct)
Fax +27 (0)86 629 5042 e-mail rhardnick@knysna.gov.za

>>>  
From:  "Jenny Martin" <jennymartin@telkomsa.net>  
To:  "Renwill Hardnick" <rhardnick@knysna.gov.za>,  "Eleanor Brown (Western Cape Office Administrator)" <eleanor.brown@scouts.org.za>  
Date:  2016/06/10 3:36 PM  
Subject: RE: LEASE AGREEMENT 1st Knysna Sea Scout Group

Good afternoon Renwill
The signature for the lease is Mr Patrick Gary Milner ID 5305085072088 in his capacity as Regional Commissioner for the Western Cape.
When we receive the lease it will be signed and the hard copy will be delivered to you the 1st July when Mr Milner will be visiting Knysna.
Thank you for your collaboration.
Regards
Jenny Martin

From: Renwill Hardnick [mailto:rhardnick@knysna.gov.za]
Sent: 10 June 2016 14:10
To: Eleanor Brown (Western Cape Office Administrator)
Good afternoon Eleanor,

I am still waiting for the id number.

Kind Regards

Renwill Hardnick: Property Management
P O Box 21. Knysna. 6570. Western Cape. South Africa
Tel +27 (0)44 302 6300 (switchboard) or 302 6459 (direct)
Fax +27 (0)86 629 5042 e-mail rhardnick@knysna.gov.za

From: "Eleanor Brown (Western Cape Office Administrator)" <eleanor.brown@scouts.org.za>
To: Renwill Hardnick <rhardnick@knysna.gov.za>
CC: "Graham Bakker (G) (BakkerG@telkom.co.za)" <BakkerG@telkom.co.za>, "EdShuttleworth" <ekayshuttleworth@gmail.com>, Jenny <jennymartin@telkomsa.net>
Date: 2016/05/31 9:53 AM
Subject: RE: LEASE AGREEMENT 1st Knysna Sea Scout Group

Good morning Renwill

I trust that you are well.

Herewith the contact details for the lease agreement.

1. The full and legal name for the 1st Knysna Sea Scouts,
   SCOUTS South Africa, 1st Knysna Sea Scout Group
2. The full name, identity number and position of the person duly authorised to sign legal documents on behalf of the 1st Knysna Sea Scouts and
   Patrick Milner, Regional Commissioner, (id number to follow)
3. The domicilium citandi et executandi (the address for delivery of notices and court documents).
   P O Box 2434, Clareinch, 7740

Regards

Eleanor Brown
Western Cape
SCOUTS South Africa

Tel No: 021 685 8420
From: Graham Bakker (G) [mailto:BakkerG@telkom.co.za]
Sent: 31 May 2016 09:00 AM
To: Eleanor Brown (Western Cape Office Administrator)
Cc: Renwill Hardnick; Ed Shuttleworth
Subject: RE: LEASE AGREEMENT 1st Knysna Sea Scout Group

Good Morning Renwill
Nice to hear from you again.
I can answer the first question.

Eleanor, could you please assist with the correct person to answer questions 2 & #?

1. The full and legal name for the 1st Knysna Sea Scouts, 1st Knysna Sea Scout Group
2. The full name, identity number and position of the person duly authorised to sign legal documents on behalf of the 1st Knysna Sea Scouts and
3. The domicilium citandi et executandi (the address for delivery of notices and court documents).

Kind Regards,
Yours in Scouting

Graham Bakker (Akela)
Pack Scouter
1st Knysna Sea Scouts (est.1951)
NPO Reg. no. 016-215-NPO

+27(0)94 3028301 (w)
+27(0)81 4010964
bakkerG@telkom.co.za

www.1sknysna.co.za

From: Renwill Hardnick [mailto:rhardnick@knysna.gov.za]
Sent: Monday, May 30, 2016 2:56 PM
To: Graham Bakker (G)
Cc: eleanor.brown@scouts.org.za
Subject: LEASE AGREEMENT
Dear Mr Baker,

I am busy finalising a new lease agreement for the 1st Knysna Sea Scouts on a portion of Erf 255, George Rex Drive, Knysna (next to Loerie Park). Can you please provide me with the following information;

4. The full and legal name for the 1st Knysna Sea Scouts,
5. The full name, identity number and position of the person duly authorised to sign legal documents on behalf of the 1st Knysna Sea Scouts and
6. The *domicilium citandi et executandi* (the address for delivery of notices and court documents).

Please provide me with the above mentioned information as soon as possible.

Kind Regards

*Renwill Hardnick* : Property Management  
P O Box 21. Knysna. 6570. Western Cape. South Africa  
Tel +27 (0)44 302 6300 (switchboard) or 302 6459 (direct)  
Fax +27 (0)86 629 5042 e-mail *rhardnick@knysna.gov.za*

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This e-mail is subject to the Telkom SA SOC Ltd electronic communication legal notice, available at : [http://www.telkom.co.za/TelkomEMailLegalNotice.PDF](http://www.telkom.co.za/TelkomEMailLegalNotice.PDF)  
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This e-mail is subject to the Telkom SA SOC Ltd electronic communication legal notice, available at : [http://www.telkom.co.za/TelkomEMailLegalNotice.PDF](http://www.telkom.co.za/TelkomEMailLegalNotice.PDF)  
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Good afternoon Mr Hartnick.
I studied the lease last night - there seems to be an error in it. The actual building on that erf, belongs to the Knysna Lions Club. We erected it. We also do all our own maintenance etc. We pay electricity, water, security etc etc ourselves. We hire the erf only from the Municipality. Please let me know as soon as possible what to do next.
Many thanks
Kind regards
Brigid Turner

From: Renwill Hardnick [mailto:rhardin@knysna.gov.za]
Sent: 10 June 2016 16:41
To: bonescan@isat.co.za
Subject: Re: Knysna Lions Club / Lease

Good day Me Turner,

Attached hereto please find a letter to Mr Zwaai Kruger and the lease agreement for your attention.

Please together with a witness initial on pages 1 to 8, sign on page 9 and initial again on pages 10. Please send back to me the originally signed document in order for me to arrange signature by the Municipal Manager. Please do not hesitate to contact me if there is any more questions.

Kind Regards

Renwill Hardnick: Property Management
P O Box 21. Knysna. 6570. Western Cape. South Africa
Tel +27 (0)44 302 6300 (switchboard) or 302 6459 (direct)
Fax +27 (0)86 629 5042 e-mail rhardin@knysna.gov.za
Good day Mr Hardnick,
In answer to your request received via Mr Zwaai Kruger.

- The full name of the Knysna Lions Club is the **Knysna Lions Club**
  I am current and incoming president of the club.
- My details:
  **Brigid Ann Turner**
  **ID: 481207 0094 085**
  - The Domicillium citandi & executandi will have to be
  **P O Box 666, Knysna 6570**

If there is anything else you require, please let me know, either via e-mail or my cell: 082 965 0145

Thanking you,
Kind regards

Brigid Turner
President
Knysna Lions Club
Western Cape Government • Wes-Kaapse Regering

PROVINCE OF WESTERN CAPE

Provincial Gazette

7410

Friday, 26 June 2015

Registered at the Post Office as a Newspaper

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PROVINSIE WES-KAAP

Provinsiale Koerant

7410

Vrydag, 26 Junie 2015

As 'n Naasblad by die Postkantoor Geregistreer

INHoud

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PROVINCE OF THE WESTERN CAPE

PROVINCIAL DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

MANAGEMENT OF PUBLIC LAUNCH SITES IN THE COASTAL ZONE REGULATIONS, 2014 (GN NO. R. 497 GOVERNMENT GAZETTE NO. 37761 OF 27 JUNE 2014)

NOTICE: PUBLICATION OF PUBLIC LAUNCH SITES AND THE IDENTIFIED MANAGEMENT BODIES FOR EACH LISTED SITE FOR THE WESTERN CAPE.

I, Anton Bredell, Provincial Minister of Local Government, Environmental Affairs and Development Planning in the Western Cape, hereby list the official Public Launch Sites for the Western Cape and identify the respective Management Bodies responsible for each of the listed sites as provided in the table below, in terms of section 2(1)(a)&(b) of the Management of Public Launch Sites in the Coastal Zone Regulations, 2014 (GN No. R. 497 Government Gazette No. 37761 of 27 June 2014).

Signed at Cape Town this 24th day of June 2015.

A. BREDELL, MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

P.K. 193/2015

PROVINSIE WES-KAAP

KENNISGEWING: PUBLIKASIE VAN OPENBARE BOOTLANSEERPLEKKE EN DIE GΕINDENTIFIEERDE BESTUURSLIGGAME VIR ELKE GENOEMDE LIGGING VIR DIE WES-KAAP.

Ek, Anton Bredell, Provinsiale Minister van Plaaslike Regering, Omgewingsakse en Ontwikkelingsplan van die Wes-Kaap, lys hiermee die amptelike Openbare Bootlanseerplekke vir die Wes-Kaap en identifiseer die onderskeie Bestuursliggame vir elke genoemde ligging, soos aangestel in die tabel hieronder, kragtens artikel 2(1)(a)&(b) van die Management of Public Launch Sites in the Coastal Zone Regulations, 2014 (GN No. R. 497 Government Gazette No. 37761 of 27 June 2014).

<table>
<thead>
<tr>
<th>District/Distrik</th>
<th>Management Body/Bestuursliggame</th>
<th>Public Launch Sites/Openbare Bootlanseerplekke</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cape Town Metropolitan</td>
<td>Metropolitan Municipality</td>
<td>Oceana Power boat Club Blouberg Beach (Doodles) Harbour Island (Gordon’s Bay) Houtenhoek Holkland Strand Beach Road Sonwabe Kommetjie Melkbosstrand Miller’s Point (main slipway &amp; secondary slipway) Witsands</td>
</tr>
<tr>
<td>West Coast</td>
<td>Matzikama Municipal Council</td>
<td>Doring Bay Harbour (unproclaimed) Strandfontein by the Café Papendorp</td>
</tr>
<tr>
<td>Cederberg Municipality</td>
<td></td>
<td>Band’s Bay (Old Crayfish Factory)</td>
</tr>
<tr>
<td>Bergriver Municipality</td>
<td></td>
<td>Northern Dwarversbos Roombaal</td>
</tr>
<tr>
<td>Saldanha Municipality</td>
<td></td>
<td>Britannia Bay Cubb, Paternoster Paternoster Klein, North West Bay Jacobsbaai</td>
</tr>
<tr>
<td>Swartland Municipality</td>
<td></td>
<td>Yzerfontein</td>
</tr>
<tr>
<td>Overberg</td>
<td>Swellendam Municipality</td>
<td>Moddergat Malgas Western Bank Infanta Slipway</td>
</tr>
<tr>
<td>Cape Agulhas</td>
<td></td>
<td>Saldendraad</td>
</tr>
<tr>
<td>Overstrand</td>
<td></td>
<td>Fisherhaven Slipway (A &amp; B) Harderboai Slipway Prawn Flats Slipway Maarschynbaai Slipway (Hanglip) Maarschynbaai Slipway (Klein River) Rodolfs Coastal Slipway King Street Slipway Kleinmond Coastal Slipway Kleinbaai Boat Launching Site Buffelachtbaai Frankrijk Coastal Slipway (Bloustoep) Du Toit Street Slipway Blue Water Bay (Pearly Beach) Die Damme (Cape Agulhas) Rietfontein (Cape Agulhas)</td>
</tr>
<tr>
<td>Eden</td>
<td>Biloa Municipal Council</td>
<td>Flottenberg Bay Ski Boat Club</td>
</tr>
<tr>
<td>Knysna Municipal Council</td>
<td></td>
<td>Buffels Bay Ski Boat Club</td>
</tr>
<tr>
<td>George Municipal Council</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mossel Bay Municipality</td>
<td></td>
<td>Klein Brak Great Brak</td>
</tr>
</tbody>
</table>

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AGREEMENT OF LEASE ENTERED INTO BY AND BETWEEN

KNYSNA MUNICIPALITY
(herein represented by Kamalasen Chetty, identity number 590609 5195 08 0 in his capacity as Municipal Manager, he being duly authorised thereto):
(hereinafter referred to as the LESSOR)

AND

Sedgefield Lions Club
(herein represented by Eric Watson,
identity number 370626 5045 08 7
in his capacity as The President, he being duly authorised thereto
(hereinafter referred to as the LESSEE)

WHEREAS the LESSOR has agreed to lease a portion of the PROPERTY situated at Erf 2022, Sedgefield (± 500 Square Meters as indicated in red on the attached diagram “A”) to the LESSEE and the LESSEE is prepared to rent the PROPERTY from the LESSOR;

AND WHEREAS the LESSOR and the LESSEE have reached agreement as to the terms upon which the PROPERTY shall be let, subject to such terms being reduced to writing;

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:
LEASE AND DURATION

1.1 The LESSOR hereby lets, and the LESSEE hereby hires, the PROPERTY for a period of 9 years and 11 months commencing on the 1st of July 2017 and ending on the 31st May 2027, notwithstanding the date of the signing of this agreement.

THE RENT

There shall be no rent payable by the LESSEE to the LESSOR.

2.1 The LESSEE shall be obliged to pay the Value Added Tax applicable.

USE

The LESSEE shall not be entitled to utilise the PROPERTY for any use other than as a Lions Club.

RATES AND TAXES, ELECTRICITY AND MAINTENANCE

The LESSEE shall be liable for:

4.1.1 Payment of all municipal rates and service charges i.e in respect of refuse removal, sewerage etc. or any other service charges raised by the LESSOR;

4.2 The LESSEE shall:

4.2.1 be responsible to keep the interior of the dwelling and outbuildings in a clean and hygienic condition and shall be responsible for the maintenance of the interior of the dwelling and outbuildings, including all doors, windows, locks, bolts and door handles, carpets as well as the sanitary system and undertakes to do the necessary repairs in order to keep such installations in a good working order at its own expense;
4.2.2 shall not damage the property, buildings thereon, fixtures and fittings thereof or any other aspect thereof and shall be liable for the costs of repairs of all damages caused to the property as a result of any act of neglect of the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities;

4.2.3 use its reasonable efforts to prevent any blockage of any sewerage or water pipes or drains in or used in connection with the leased premises and shall remove at its cost any obstruction or blockage which occurs in the Leased premises during the operation of the lease;

4.2.4 have no claim whatsoever, whether for damages or remission of rental or cancellation of the lease, against the Lessor, nor be entitled to withhold or defer payment of rent by reason of any suspension of or interruption in the supply of water, and electricity, or by reason of any amenities in or on the Leased premises and/or building being out of order;

4.2.5 not permit the accumulation of domestic refuse in or outside the Leased premises, save in the refuse bins;

4.2.6 erect in the Leased premises such fixtures and fittings as may be necessary for the Lessee's purposes and use of the premises to conduct its business, the quality and design of such fittings and fixtures shall be in keeping with the general finish of the building, to the Lessor's approval, which approval shall not be unreasonably withheld, and the LESSEE shall be entitled to remove such fixtures and fittings on termination of this lease, provided the premises is restored to its original condition (fair wear and tear excepted);

4.2.7 not be entitled to hold or permit the holding of sales by public auction in or upon the Leased Premises;

4.2.8 shall be responsible for the maintenance of the outside,

4.2.9 shall have the right to display its name in a proper and neat manner on the PROPERTY to the satisfaction of the LESSOR and shall not be permitted to, or allowed to display any advertisements or any other signage unless prior written permission has been obtained from the LESSOR.
4.2.10 shall not do, or cause or allow to be done, anything which shall or might have the effect of vitiating the fire or other insurance now or hereafter affected by the lessor on the PROPERTY or of increasing the premiums payable in respect thereof. Should such premium be increased as a consequence of any act, or omission by the LESSEE, the amount of the increase shall be paid by the lessee to the lessor on demand.

5

THE LESSOR'S OBLIGATIONS

The responsibility of the LESSOR for maintenance of the property shall be limited to the following:

5.1 The maintenance of the superstructure and exterior of the buildings on the property in order to ensure that the property is at all times fit for the use as stipulated herein;

5.2 The replacing of damaged window panes and other fixtures and fittings of the property, provided that such repairs are necessary to ensure that the property is fit for the use as stipulated herein and further provided that the said damage has not been caused by the LESSEE, its employees, person under its control or visitors of the LESSEE;

5.3 The repairs of any major structural defects of the sewerage and water system, excluding any blockages, tap leaks and other defects caused by normal wear and tear and have not been caused by the LESSEE, provided that such repairs are necessary to ensure that the property is habitable;

5.4 Regarding maintenance that is required to the property during the currency of the lease and which is the responsibility of the LESSOR in terms of this agreement, the parties agree as follows:

5.4.1 The LESSEE shall not be permitted to do any repairs or maintenance to the property and shall not have any claim in respect thereof against the LESSOR unless the LESSEE has given the LESSOR at least 14 (FOURTEEN) days written notice of the repairs that are required and the nature thereof and the LESSOR has failed to effect such repairs within said period;
5.4.2 Any costs that the LESSEE may recover from the LESSOR in respect of repairs effected in circumstances where the LESSOR has failed to do so in terms hereof shall be limited to the reasonable and necessary costs of such repairs.

6

FAILURE TO MAINTAIN

Should the LESSEE fail to maintain the PROPERTY properly in terms of this clause, the LESSOR shall have the right to notify the LESSEE in writing to rectify such failure within 14 (FOURTEEN) days and if the LESSEE should thereafter still fail to respond, the LESSOR shall be entitled to undertake such maintenance and to recover the costs thereof from the LESSEE which costs shall be payable on demand. In addition to the rights contained in this clause, the LESSOR shall, in case of failure to maintain, have the normal rights of cancellation as provided for in this agreement.

7

SUBLETTING AND CESSION

The LESSEE shall not be entitled to cede or assign this lease or sub-let, the PROPERTY or any portion thereof, or to permit any other person to use or occupy PROPERTY without the prior written consent of the LESSOR first being obtained.

8

INDEMNIFICATION

8.1 The LESSOR will not be responsible for any damage, loss or injury sustained by the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities at any time caused as a result of any negligent act or omission of the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities and the LESSEE indemnifies the LESSOR against any claim resulting from such damage, loss or injury.

8.2 Notwithstanding the above, the LESSOR shall not be liable for damages caused by death or personal injury of the LESSEE or any persons referred to above, unless such damage is the result of an act or omission on the part of the LESSOR.
REGULATIONS AND BY-LAWS

The LESSEE shall not contravene or permit any contravention of any statutes, legislation, proclamation or by-laws or any township or title deed condition applying to or affecting the PROPERTY, the contents of which the LESSEE acknowledges that he is acquainted with.

INSPECTION

10.1 The LESSOR shall be entitled, personally or by way of an agent at all reasonable times to inspect the PROPERTY, both externally and internally. In the event of any damages found during these inspections, the LESSEE shall effect repairs within 21 (twenty one) days from date of notification of such. And the LESSEE shall be obliged during the last two months of this lease to grant access to all potential purchasers and/or LESSEES to view the PROPERTY externally as well as internally.

10.2 The LESSEE further acknowledges that the PROPERTY is leased as it stands on the day of the lease becomes effective, without any guarantees given by the LESSOR by implication or otherwise.

MISCELLANEOUS

11.1 It is an express condition of this agreement that the LESSOR shall, depending on demand, have the right at any time during the term of this Lease agreement to retake possession of the whole or portion of the PROPERTY as the case maybe, should it be required for State or Municipal purpose. Should the Lessor exercise this right, the LESSOR shall;

11.1.1 inform the LESSEE by written notification 3 (three) months in advance of its intention to exercise such right;

11.1.2 be liable to compensate the LESSEE on a pro rata basis for improvements effected on the PROPERTY with the LESSOR'S approval (The pro rata amount of compensation to be determined by the LESSOR).
11.2 The LESSEE shall without compensation be obliged to allow electricity cables, wires, mains and/or other waterpipes, sewerage and drainage including stormwater of any other erf or erven inside or outside the PROPERTY to be conveyed across the leased property if deemed necessary by the LESSOR and in such a manner and position as may from time to time be reasonably required. This shall include the right of access of constructing, altering, removing or inspecting any works in connection with the above. It is agreed that these provisions in this paragraph shall not be considered as repossessions of a portion of the property as provided for in paragraph 11.1.

12

CANCELLATION

Should the LESSEE fail to pay any rent on its due date, or commit a breach of any of the other terms of this lease, the LESSOR shall have the right forthwith and without any further notice to the LESSEE,

12.1 to cancel this lease and to eject or have ejected from the PROPERTY the LESSEE or any other person occupying the PROPERTY without prejudice to the LESSOR’S rights to claim unpaid rent together with interest thereon at a rate of 15,5% (FIFTEEN COMMA FIVE PERCENT) per annum calculated from the date on which such rent became payable to the date of payment thereof, including collection commission of 10% (TEN PERCENT) on such arrears and any damages the LESSOR may have sustained consequent upon any such failure or breach;

ALTERNATIVELY

12.2 to claim payment of the rent payable or to become payable in terms of this lease, without prejudice to the LESSOR’S rights to recover damages to the PROPERTY or damages caused as a result of the failure or breach by the LESSEE as well as any other monies that are outstanding. Should the LESSEE remain in occupation of the PROPERTY after the above cancellation of the lease, or should a dispute arise as to the cancellation of the lease the LESSEE shall be not be entitled to withhold rental due to such dispute or cancellation and shall be liable to pay the monthly rent as stipulated herein.
DELIVERY ON EXPIRATION OF LEASE

The LESSEE undertakes at the expiration of this lease to deliver the PROPERTY together with the dwelling, outbuildings and other improvements to the LESSOR in the same good order and condition in which it was received by the LESSEE, taking into account normal wear and tear and in particular the LESSEE shall be obliged;

13.1 floor tiles and wall to wall carpeting in a clean and neat condition;

13.2 to remove all nails and other fixtures used for hanging of pictures or for any other purpose, from the walls and to repair and paint such walls;

13.3 to remove all stickers and posters that have been affixed to the walls or cupboards and to repair the said walls and cupboards appropriately.

INDULGENCE BY LESSOR

No relaxation or any indulgence, or any postponement granted by the LESSOR to the LESSEE with regard to any matter contained in this lease or with regard to the payment of rent shall be construed as being a waiver of any of the LESSOR'S rights in terms of this lease, nor shall such relaxation, indulgence of postponement operate as an estoppel against the LESSOR.

DISPUTES

In the event of any dispute regarding the terms of this agreement, the decision of the LESSOR, confirmed by a resolution of its Council in a meeting of the Knysna Municipality Council after having heard the LESSEE shall be final.
DOMICILIVM CITANDI ET EXECUTANDI

As domicilium citandi et executandi [the address for delivery of notices and court documents], the LESSEE chooses the address at 11 Plumbago Street, Sedgefield, 6573 and the LESSOR at Municipal Buildings, 5 Clyde Street, Knysna. Any notice by the LESSOR to the LESSEE in connection with this lease, addressed to the LESSEE and posted to such domicilium shall be deemed to have been received by the LESSEE on the day after the day upon which it was posted, and vice versa.

COSTS OF LEGAL ACTION

In the event of the LESSOR and LESSEE being engaged in litigation regarding the lease, cancellation of enforcement thereof or any claim pertaining thereto, the party being ordered by any court to pay the costs of such litigation, shall be obliged to pay the successful party’s costs on a scale as between attorney and client, including such collection commission or other charges as any representative of either party being awarded a costs order may in law be entitled to charge.

JURISDICTION

The parties hereby consent to the jurisdiction of the Magistrates Court for the institution of any action resulting from this lease, however the LESSOR reserves the right to institute action in any other competent court of law.
NON-VARIATION

This agreement contains all the conditions of the lease and no agreement at variance with any term of this lease, or addendum or supplement to this agreement or cancellation hereof, or waiver by any party of its rights or any aspect hereof, inclusive of this clause, shall be binding upon the parties unless contained in a written document signed by the LESSOR and the LESSEE.

SIGNED AT SEDGEFIELD ON THIS 3rd DAY OF NOVEMBER 2017

AS WITNESSES:

1.

2. (signature)

LESSEE

SIGNED AT KNYSNA ON THIS 27th DAY OF OCTOBER 2017

AS WITNESSES

1.

2. (signature)

LESSEE
8.1.49/10/12  BUFFALO BAY CARAVAN PARK
Director: Corporate Services

RESOLVED

[a] That Council notes the contents of the report with regard to the Buffalo Bay Caravan Park;

[b] That the public be informed of Council’s intention to put the caravan park out on tender for lease for five years.
MEMORANDUM OF AGREEMENT

by and between ANTOINETTE LENÉ PIETERSE, (identity No. 390516 0008 069) (married out of community of property) and INGRID HERBST (identity No. 441009 0007 082) (married out of community of property) of the one part (hereinafter jointly referred to as "the lessor");

and

THE MUNICIPALITY OF KNYSNA (as herein represented by JAMES WICHARD SMIT) in his capacity as acting Municipal Manager) of the other part, hereinafter referred to as "the lessee");

WHEREAS on 14 November 1990 the lessor's predecessor in title and the lessee concluded a written lease of agreement in respect of a portion of the Erf 4695 Knysna (hereinafter referred to as "the portion"); a copy of which is hereto annexed marked "A" (hereinafter referred to as "the original lease");

AND WHEREAS the original lease has expired;

AND WHEREAS the lessor and the lessee have agreed that the lessor shall let the portion to the lessee for a period of 10 (ten) years commencing on 1 May 2000;

NOW THEREFORE the lessor and the lessee record that they have agreed as follows:

1. LEASE

The lessor lets the portion to the lessee for a period of 10 (ten) years commencing on 1 May 2001 and terminating on 30 April 2011 on the same terms and conditions as the original lease (i.e. all provisions of the original lease shall apply to the lease).

2. COSTS

The lessee shall pay the costs of this Memorandum of Agreement and any stamp duty in respect of this lease.

SIGNED at KNYSNA this 30th day of APRIL 2001.

AS WITNESSES:

1. [Signature]
   [Name]

2. [Signature]
   [Name]

SIGNED at KNYSNA this 30th day of APRIL 2001.

AS WITNESSES:

1. [Signature]
   [Name]

2. [Signature]
   [Name]
MEMORANDUM OF AGREEMENT OF LEASE

by and between

GERHARDUS DREYER
Identity No 470720 5060 003
(herinafter referred to as "the lessor")
of the one part

and

THE MUNICIPALITY OF KNYSNA
(as herein represented by JAMES WICHARD SMIT
In his capacity as Town Clerk of the said Municipality
and herinafter referred to as "the lessee")
of the other part.

WHEREAS the lessor is the owner of certain immovable property being

Erf 4695 Knysna

IN EXTENT: 21,118 Hectares

AND WHEREAS the lessee is desirous of leasing a certain portion of the said property
on which the lessee has already erected a kiosk for the accommodation of
communications equipment and a communications mast and of gaining access to the
said kiosk across the lessor's property aforesaid;

AND WHEREAS the lessor is willing to let the said portion of his property to the lessee
and to allow it to gain access to the said portion over his property aforesaid;

AND WHEREAS the lessor and the lessee have agreed to the terms and conditions of
the lease.
NOW THEREFORE the lessor and the lessee declare that they have agreed with one another as follows:

1. LEASE
   The lessor hereby leases the portion shaded in red on the sketch plan hereto annexed marked "A" (hereinafter referred to as "the leased portion") and the lessee leases the said leased portion from the lessor.

2. ACCESS TO LEASED PORTION
   The lessee shall be entitled to vehicular access to the leased portion along the route shaded in green on the sketch plan hereto annexed marked "A".

3. UTILISATION OF AREA SURROUNDING LEASED PORTION
   3.1 The lessee shall be entitled to utilise so much of the property surrounding the leased portion as is reasonably required for purposes of maintaining and/or improving the kiosk on the leased portion and/or the communications equipment thereon and/or the communication mast thereon.

   3.2 It is recorded that the communications mast aforesaid is hinged at the base thereof to enable the lessee to place same in a sufficiently horizontal position for the maintenance, repair, erection of aroids thereon etc. The lessee undertakes and binds itself not to alter the vertical position of the mast aforesaid in such a manner that the mast aforesaid interferes with any structure or building/s of the lessor and undertakes and binds itself not to oppose and/or reject any building plans submitted to it by the lessor on the grounds that such structure/building/s as envisaged by the lessor will interfere with the alteration of the vertical position of the mast aforesaid.

4. DURATION
   The lease in respect of the leased portion shall commence on the date upon which the first aerial is erected on the communications mast aforesaid and shall endure for a period of 3,645 (Three Thousand Six Hundred and Forty Five) days inclusive of the date upon which the first aerial aforesaid is erected.
5. RENT
The rental shall be paid annually in advance to the lessor at such place as the
lessor may stipulate in writing from time to time and the annual rental shall be the
sum of R where \( R = \frac{A \times B}{B} \) and
A = the annual rates on ground in respect of Erf 4695 Knyana or in the event of
the said erf being subdivided, on the remainder of the said erf on which the
leased portion is situate and
B = the number of aerials on the communications mast on the leased portion.

Provided that "annually" as aforesaid shall mean the lessee's rates year
commencing on 1 July of one year and terminating on 30 June of the following
year and provided further that the first annual rental shall be a pro-rata payment
calculated from the date of commencement of this lease as provided for in clause
4 above to 30 June of the rates year in which the first aerial aforesaid is erected.

6. FENCING
In the event of the lessor fencing his Immovable property aforesaid then and in
such event the lessee shall supply, at its own expense, a gate to be positioned at
a place to be determined by agreement between the lessor and the lessee.

7. COSTS OF LEASE
The costs of this lease and all costs incidental thereto shall be payable by the
lessee.

THUS DONE and SIGNED at Paaro on this 10 day of August 1990.

AS WITNESSES: -

1. [Signature]
2. [Signature]

LESSOR

THUS DONE and SIGNED at Knyana on this 14th day of November 1990.

AS WITNESSES: -

1. [Signature]
2. [Signature]

LESSEE
AGREEMENT OF LEASE

entered into by and between

THE MUNICIPALITY OF KNYSNA
a Municipality duly incorporated as such
in terms of the laws of the Republic of South Africa
and herein represented by its
Town Clerk
duly authorised hereto
(hereinafter referred to as "the lessor")
of the one part

and

VAN HALDERENS
a company duly incorporated as such
in terms of the laws of the Republic of South Africa
and herein represented by
duly authorised hereto
(hereinafter referred to as "the lessee")
of the other part.

1. With reference to the sketch plan hereto annexed marked "A" and initialled by the lessor and the lessee for purposes of identification, the lessor hereby lets to the lessee and lessee hereby leases from the lessor that portion of the lessor’s property adjoining the Remainder of Erf 2641 Knysna being the figure ABCD (hereinafter referred to as "the leased property").

2. The lease shall be subject to the following terms and conditions:

2.1 the lease shall commence on the date of signature hereto and the term of the lease shall be for a period of 5 (five) years whereafter the
term of the lease shall be at the lessor’s pleasure, the lessor having
the right to cancel same forthwith at any time on written notice to the
lessee;

2.2 the rental payable by the lessee to the lessor for the leased property
shall be the sum of R231,00 (two hundred and thirty-one rand) per
month, payable monthly in advance on or before the first day of each
month and payable pro rata. Provided that as soon as practically
possible after the commencement of the lease the lessee shall, at its
instance and at its own cost, cause the leased property to be
surveyed by a professional land surveyor to ascertain the exact area
of the leased property whereafter the monthly rental shall be adjusted
so that same represents R1,80 (one rand eighty cents) per square
metre, the shortfall or excess to be paid in or refunded, as the case
may be, within 7 (seven) days of the calculation of the area of the
leased property by the land surveyor;

2.3 the lessee shall, on the day upon which the land surveyor makes the
calculation referred to in paragraph 2.2 above, furnish the lessor with
the land surveyor’s diagram in respect of such calculation;

2.4 the rental referred to in clause 2.2 above shall escalate at the rate of
12% (twelve percentum) per annum;

2.5 the lessee shall not erect any structure on the leased property without
the prior written consent of the lessor;

2.6 the lessee shall not effect any improvements to the surface of the
leased property without the prior written consent of the lessor;
2.7 on the expiry of the lease the lessee shall, unless relieved of such obligation with the written consent of the lessor, restore the leased property to its original state to the satisfaction of the lessor at the lessee’s own cost;

2.8 the lease property may only be used by the lessee for purposes of

3. For purposes of this agreement the lessor chooses domicilium citandi et executandi at its offices at Queen Street, Knysna and the lessee at

4. The lessee shall be liable for the lessor’s attorney/client costs in connection with this agreement of lease and shall also be liable for the lessor’s attorney/client charges in connection with any breach by the lessee of any of the terms and conditions hereof.

5. Should the lessee fail to comply with any of its obligations in terms of this agreement of lease then the lessor shall have the right forthwith or at any time, without prejudice to provisions of clause 2.1 above or to any other powers which the lessor may have by law or by virtue of this agreement of lease to obtain payment of any amount due by the lessee in terms of this agreement of lease together with interest thereon at 15.5% (fifteen comma five percentum) per annum from the date of such breach notwithstanding anything to the contrary herein contained.

6. ARBITRATION

Any dispute at any time between any of the parties hereto in regard to any matter arising out of this memorandum of agreement or its interpretation or rectification shall be submitted to and decided by arbitration.
6.1 The arbitration shall be held:

6.1.1 at Knysna;

6.1.2 in a summary manner i.e. on the basis that it shall not be necessary to observe or carry out either:

6.1.2.1 the usual formalities of procedure; or
6.1.2.2 the strict rules of evidence;

6.1.3 immediately and with a view to its being completed within 21 (twenty-one) business days after it is demanded;

6.1.4 otherwise (but subject to 6.2, 6.3 and 6.4) under the provisions of the Arbitration Act No 42 of 1965 of the Republic of South Africa (as amended from time to time).

6.2 The arbitrator shall be, if the question in issue is:

6.2.1 primarily an accounting matter, an independent accountant agreed upon between the parties to the dispute or failing agreement appointed by the President for the time being of the Cape Society of Chartered Accountants;

6.2.2 primarily a legal matter, a practising attorney of not less than 10 (ten) years standing as such agreed upon between the parties to the dispute or failing agreement

\[Signature\]
appointed by the President for the time being of the Law Society of the Cape of Good Hope;

6.2.3 any other matter, an independent person agreed upon between the parties to the dispute, or failing agreement appointed by the President for the time being of the Cape Society of Chartered Accountants.

6.3 If agreement cannot be reached within 7 (seven) business days after the arbitration has been demanded as to whether the question in issue falls under 6.2.1, 6.2.2 or 6.2.3 then a practising attorney of not less than 10 (ten) years standing as such agreed upon between the parties, and failing agreement appointed by the President for the time being of the Law Society of the Cape of Good Hope as soon as possible thereafter, shall determine whether the question in issue falls under 6.2.1, 6.2.2 or 6.2.3 so that an arbitrator can be appointed and the arbitration can be held and concluded, if possible, within the prescribed period of 21 (twenty-one) business days.

6.4 The arbitrator shall decide the matters submitted to him according to what he considers just and equitable in the circumstances and therefore the strict rules of law need not be observed or be taken into account by him in arriving at his decision.

6.5 The parties to the dispute irrevocably agree that the decision in those arbitration proceedings;

6.5.1 shall be binding on them;
6.5.2 shall be carried into effect; and
6.5.3 may be made an order of any Court of competent jurisdiction.
7. This agreement of lease constitutes the whole agreement between the lessor and the lessee and no amendment, variation, addition or consensual cancellation of this agreement or any provision or terms hereof and no extension of time, waiver or relaxation of any of the provisions or terms hereof shall be binding unless reduced to writing and signed by the lessor and the lessee. Any such extension, waiver or relaxation which is so given or made shall be construed as relating strictly to the matter in respect whereof it was made or given and no extension of time or waiver or relaxation of any of the provisions or terms of this agreement shall operate as an estoppel against either party in respect of their rights under this agreement of lease, nor shall it operate so as to preclude such party thereafter from exercising its rights strictly in accordance with this agreement of lease.

SIGNED at KNYSNA this 31st day of March 1996.

AS WITNESSES:

1. 

2. 

LESSOR

LESSEE
BEACON DESCRIPTIONS
A, D: 12mm iron peg
B, C: not beaconed

The figure A B C D represents 128 square metres of land being a Lease Area over Erf 2714 Knysna
Situated in the Municipality and Administrative District of Knysna, Province of the Western Cape Surveyed in November 1995

Professional Land Surveyor (P.L. KOHLER - PLS 0840)

This diagram is annexed to No.
d.d.
if.o. Registrar of deeds

The original diagram is No.
Transfer
Grant
C.C.T.

File
S.R. No.
T.P. Gen. Plan No. 1393LD
Comp. AM-1AA/Y32 (710)
AGREEMENT
between
KNYSNA MUNICIPALITY
and
KNYSNA ANIMAL WELFARE SOCIETY

Definitions:

For the purposes of this agreement, the following words will bear the following meaning:

"KAWS" means the Knysna Animal Welfare Society, a non-profit organization (009-263 NPO) situated in Marlin Street, Knysna.

"Municipality" means the Knysna Municipality, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, situated in Clyde Street, Knysna.

"Animals" mean domesticated cats and domesticated dogs.

"Large Animals" mean horses, ponies, mules, cattle, pigs, sheep, goats, camels, reptiles, indigenous animals or exotic animals.

"Large animal pound" means a roofed and fenced holding area suitable for keeping stray large animals.

"The area" means Knysna, Sedgefield, Brenton, Belvidere, Karatara, Rheenendal and Knoetzie.
PREAMBLE:

The KAWS and the Municipality are experiencing difficulty in managing the neglected, abused, stray and sick animals in the area.

KAWS is currently operating a humane service for stray, sick or neglected animals, funded mainly by public donations.

The growth of the human and animal population in the area is increasing the incidences of animal abuse, neglect and risk of contagious diseases spreading from animals to humans.

KAWS is experiencing difficulty in coping with the volume of the above incidences and therefore requires assistance from the Municipality.

Section 152 (i)(d) and (e) of the Constitution of the Republic of South Africa 1996, provides that the objects of Local Government are to promote a safe and healthy environment and encourages the involvement of communities and community organizations in the matters of Local Government.

The Municipality has indicated its willingness to assist KAWS with its functioning in order to prevent an unhealthy situation developing in the area of its jurisdiction and also to assist in discharging its obligations to promote a safe and healthy environment and to encourage the involvement of communities in matters of local government within its areas of jurisdiction.

The parties to this agreement have undertaken to co-operate in order to achieve the stated objectives and wish to record their arrangement in writing.

NOW THEREFORE IT IS AGREED BY THE PARTIES AS FOLLOWS:

1. The Municipality will lease the land situated at Marlin Street Knysna as indicated on the attached map (Annexure A), for a period of 9 years and 11 months with effect from 1 July 2006, at a rental of R120.00 (one hundred and twenty rand) per annum to KAWS. KAWS will have an option to renew the Lease for a further 9 years and 11 months upon termination of this agreement.

2. Notwithstanding the above, the parties will have the right to cancel the lease agreement by giving 6 months written notice in this regard to the other without any obligation to give reasons for such decision.

3. The Municipality will appoint KAWS as its Agent and vest in it the power to:
3.1. Confiscate and impound stray animals

3.2. Collect fees as prescribed by the Municipality for the impounding and boarding of stray animals, use of an incinerator (which may be installed in future), to impose fines and other charges such as cost of spaying of animals and housing them overnight.

3.3. Subject to its employees being duly appointed as Peace Officers, to issue spot fines of amounts as determined by the Municipality to members of the public for abuse of or neglect of animals, for the violation of regulations regarding the keeping of animals and the powers to institute legal action for the violation of regulations and or Municipal by-laws relating to the keeping of animals, as and when necessary.

4. The Municipality undertakes to:

4.1. Appoint an official to deal with the collection of nuisance, stray or dangerous animals as described in the Municipality’s By-laws.

4.2. Have a large animal pound, vehicle and means of telecommunication at the disposal of the official.

4.3. Provide financial assistance to KAWS in the form of a grant-in-aid of R10000.00 (ten thousand rand) per month.

4.4. Pay over monies as mentioned in 4.3 on the first business day of each month with 1 July 2006 being the commencement date of such grant.

4.5. Review the financial assistance to KAWS on an annual basis.

5. KAWS undertakes to:

5.1. Operate in an efficient and professional manner.

5.2. Collect revenue from the public as described in 3.3 and pay such monies over to the Municipality at the Treasury offices on the first business day of every month.

5.3. Collect revenue from the public for the impounding and boarding of stray animals, use of an incinerator (which may be installed in
future) and other charges such as the cost of spaying of animals and housing them overnight.

5.4. Apply the revenue as described in 5.3 to fund and extend its operations.

5.5. Conduct educational sessions both at its premises and in previous disadvantaged areas in order to create awareness in respect of the needs of animals in general.

5.6. Operate at least one session per week at a satellite clinic in the townships within the agreed area, catering for sterilizations of animals, diseases control and education of animal owners on the proper care of their animals. KAWS will endeavour to expand this service to having at least 5 of the said sessions per week.

5.7. Assist the Municipality’s official mentioned in Clause 4.1 with his duties as far as possible.

5.8. Attend to and care for neglected, abused, sick and diseased animals in the area and, where necessary and humane, to destroy suffering animals.

5.9. Provide financial statements to the Municipality within a reasonable time after the end of any financial year, in order for the Municipality to determine the amount of a grant-in-aid to be paid to KAWS.

5.10. Make available a position on the steering committee of KAWS for a nominated representative of the Municipality.

5.11. Make available to the municipality any documentation which it may reasonably require, concerning the operations and in particular the financial position of KAWS.

6. Both parties agree that this Agreement is being entered into in good faith and that there will be mutual support in order to achieve their common objective.

7. If any dispute or difference arises between the parties, then they agree to resolve the dispute by referring same to an impartial referee whose decision shall be final and binding on the parties and not subject to appeal.
Signed on this 18th day of June 2007.

As Witnesses:
1.

Signed on this day 18 of JUNE 2007.

As Witnesses:
1.

2. T. C. Aden
CESSION OF LEASE AGREEMENT

WHEREAS the MUNICIPALITY OF KNYNSA as LESSOR and GRACE ROSALIND THIRSK as LESSEE entered into an Agreement of Lease which was signed at Knysna on 28 March 1991 in respect of a portion of the Hill Street road reserve abutting erf 810, Knysna, as shown in red on the sketch plan annexed hereto;

AND WHEREAS the COUNCIL has agreed to the cession of the aforementioned original Lease Agreement by GRACE ROSALIND THIRSK to MABEL BLACKWELL HOVER;

NOW THEREFORE THESE PRESENTS WITNESSETH:

1. That the aforementioned GRACE ROSALIND THIRSK hereby cedes to the aforementioned MABEL BLACKWELL HOVER all her rights, interest in and to the said Lease with effect from 1 May 1991.

2. The aforementioned MABEL BLACKWELL HOVER does hereby accept the cession of the said Lease and hereby undertakes all and sundry the duties and obligations of the previous Lessee as if the original Agreement of Lease had been entered into between the COUNCIL and the aforementioned MABEL BLACKWELL HOVER and releases the aforementioned GRACE ROSALIND THIRSK therefrom.

SIGNED AT KNYSNA ON THIS _26th_ DAY OF _June_ 1992
IN THE PRESENCE OF THE UNDERMENTIONED WITNESSES:

AS WITNESSES:

1. 

2. 

SIGNED AT KNYSNA ON THIS _26th_ DAY OF _June_ 1992
IN THE PRESENCE OF THE UNDERMENTIONED WITNESSES:

AS WITNESSES:

1. 

2. 
AGREEMENT OF LEASE made and entered into between the COUNCIL of THE MUNICIPALITY OF KNYSNA (hereinafter called the "Council") of the one part and

GRACE ROSALIND THIRSK
(hereinafter called the "Lessee" of the other part.

WHEREAS the LESSEE has applied to the COUNCIL to lease a portion of the Mill Street road reserve abutting erf 810, Knysna, as shown in red on the sketch plan annexed hereto (hereinafter called the "Land"); and

WHEREAS the COUNCIL on 21 June 1990 acceded to the request of the LESSEE subject to certain conditions; and

WHEREAS the LESSEE has accepted such terms and conditions;

NOW THEREFORE THESE PRESENT WITNESS:

1. That the COUNCIL hereby agrees to let and the LESSEE agrees to lease the aforesaid LAND as from the first day of July 1990 for a period of one year certain and thereafter at the pleasure of the COUNCIL.

2. The LESSEE shall pay to the COUNCIL the sum of Forty-Eight Rand (R48,00) per annum, free of municipal rates, in advance, as and for rent of the said LAND, the first payment to be made on 1 July 1990. Should the LESSEE fail to pay the said rent on or before due date or any amounts due to the COUNCIL on demand, the COUNCIL shall have the right to cancel this lease and resume possession of the said LAND without payment of any compensation whatsoever to the LESSEE.

3. The LESSEE shall have the right to enclose the said LAND and shall maintain the said LAND at all times in a good, neat and clean condition to the satisfaction of the COUNCIL and shall not allow any part thereof to be let or used for the purpose of displaying advertisement notices or devices thereon.

4. The said LAND shall be used only for gardening purposes.

5. The LESSEE shall not have the right to erect any structure of whatsoever kind on the LAND, due regard being had to the provisions of clause 3 of this lease.
6. The LESSEE hereby agrees to indemnify and keep the COUNCIL indemnified against all actions, proceedings, claims and demands, costs, damages and expenses which may be levied, brought or made against the COUNCIL or which the COUNCIL may pay, sustain or incur by reason of any negligent act on the part of the LESSEE, its employees or persons acting under its control or its members.

7. The LESSEE shall not sublet or part with the possession of any portion of the said LAND without the consent of the COUNCIL in writing.

8. The LESSEE shall without compensation be obliged to allow electricity cables and/or wires and mains and/or other waterpipes and the sewage and drainage including stormwater of any other erf or erven inside or outside this township to be conveyed across the leased land if deemed necessary by the local authority and in such manner and position as may from time to time be reasonably required. This shall include the right of access of constructing, altering, removing or inspecting any works in connection with the above.

9. The grant of the lease hereby constituted shall under no circumstances be deemed to confer any real right or servitude of any kind in favour of the LESSEE. Upon a demand, made in terms of this lease, by the COUNCIL for quiet possession of the leased LAND, the LESSEE shall be bound to give such possession without any right of retention or right of compensation whether for useful or necessary expenses.

10. Should the lease be terminated at any time the LESSEE shall, before termination of the agreement and at his own expense, remove all obstructions from the LAND in question which have been placed or provided on the LAND during the currency of this lease. The LESSEE shall not be entitled to any compensation from the COUNCIL for any improvements so removed.

11. The LESSEE shall pay for all advertising costs relating to this lease.

12. The LESSEE acknowledges that:
   (a) This document sets out the entire agreement with the COUNCIL; and
   (b) neither the COUNCIL nor its agents or servants have given any warranties or made any statements or representations of any nature whatsoever which are not recorded in this lease.

13./....
13. The parties bound hereto choose as domicilia citandi et executandi the following:-

The COUNCIL: Municipal Offices
Clyde Street
Knysna 6570

The LESSEE: P.O. Box 1285
Knysna 6570

SIGNED ON BEHALF OF THE COUNCIL AT KNYSNA ON THE 28th DAY OF MARCH 1991 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES AS WITNESSES:
1. [Signature]
2. [Signature]

TOWN CLERK

SIGNED BY THE LESSEE AT KNYSNA ON THE 28th DAY OF MARCH 1991 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES AS WITNESSES:
1. [Signature]
RENTAL DETERMINATION REPORT

PROPERTY: Various sport facilities as described in this report

REFERENCE No: MUNKNY 11/04/2014

REPORT No: 01

DATE: 17 April 2014

Report prepared by: Corné Theron

Company: DDP Valuers (Pty) Ltd Reg No 2000/036732/07 VAT No 4390213272
Directors: P.J.Benda (Chairman) T.Geyser (Managing) P.Riba T.Nel J.Voges J.S.Xulu M.J.De Beer
Offices: Pretoria Johannesburg Polokwane Modimolle Nelspruit Witbank Potchefstroom Durban Bloemfontein Welkom Kimberley Port Elizabeth George East London Cape Town Langebaan Upington Worcester

DDP Valuers is a level 3 B-BBEE Contributor (Procurement Recognition of 110%)

11/2013
RENTAL DETERMINATION REPORT

1. GENERAL INFORMATION

1.1 INSTRUCTION:

DDP Valuers was instructed by Knysna Local Municipality as represented by Mr Renwill Hardnick to determine the current market rental of the land component of the properties as described in this report.

1.2 PURPOSE OF VALUATION:

The purpose of this valuation report is to determine the current market rental of the subject properties as at date of valuation.

1.3 METHODS OF RENTAL DETERMINATION:

Comparable Sales Method

The value indicated is established by comparing the subject property with similar properties, called comparable sales. Comparable sales are recent property transactions of property that were sold in accordance with the definition of market value.

These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property’s value could be determined. The subject property is then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

Ground Rental Determination Method

Traditionally, in most countries, Valuers assess ground rentals by applying a “ground rental rate” or percentage per annum to the property’s land value at the beginning of the review or renewal term.

Capitalisation Method

The net normalised income of the property is determined based on the assumption that the property is fully let at open market rentals, market escalation applies and incurs market related operating cost. The net normalised income is then capitalised into perpetuity using a market related capitalisation rate to reflect the open market value.

1.4 DEFINITIONS:

Market Value: The estimated amount for which a property (asset) should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-lengths transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.
Rental Value: The amount of money a property would rent or lease for on the date of valuation for the right to occupy such a property, allowing for the scarcity of that kind of property and the willingness of tenants to pay. It is the amount that would be paid for rental of a similar property in the same condition and in the same area.

1.5 DATE OF INSPECTION:
08 and 09 April 2014

1.6 DATE OF VALUATION:
17 April 2014

1.7 INFORMATION SOURCES:
Deeds Office Cape Town
Chief Surveyor General
Local Authority – Knysna Local Municipality
Lightstone Property Transfers

2. SUBJECT PROPERTIES

The following immovable assets are included in the rental determination:

<table>
<thead>
<tr>
<th>ASSET</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Knysna Bowling Club</td>
<td>A Portion of Erf 211 Knysna</td>
</tr>
<tr>
<td>2.2 Knysna Lions Club</td>
<td>A Portion of Erf 211 Knysna</td>
</tr>
<tr>
<td>2.3 Knysna Boy Scout Head Quarters</td>
<td>A Portion of Erf 255 Knysna</td>
</tr>
<tr>
<td>2.4 Knysna Naval Cadet Base</td>
<td>A Portion of Erf 1316 Knysna</td>
</tr>
<tr>
<td>2.5 Knysna Sport School and Cricket field</td>
<td>A Portion of Erf 1390 Knysna</td>
</tr>
<tr>
<td>2.6 Cearn Memorial Hall</td>
<td>A Portion of Erf 1907 Knysna</td>
</tr>
<tr>
<td>2.7 Leisure Isle Boat Club</td>
<td>A Portion of Erf 2060 Knysna</td>
</tr>
<tr>
<td>2.8 Knysna Golf Club</td>
<td>A Portion of Erf 2232 Knysna</td>
</tr>
<tr>
<td>2.9 Knysna Marathon Club</td>
<td>A Portion of Erf 2725 Knysna</td>
</tr>
<tr>
<td>2.10 Knysna Croquet Club</td>
<td>A Portion of Erf 2725 Knysna</td>
</tr>
<tr>
<td>2.11 Knysna Tennis Club</td>
<td>A Portion of Erf 2725 Knysna</td>
</tr>
<tr>
<td>2.12 Leisure Isle Country Club</td>
<td>A Portion of Erf 2813 Knysna</td>
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<tr>
<td>2.13 Buffalo Bay Coastal Forest Area</td>
<td>A Portion of Erf 2813 Knysna</td>
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<tr>
<td>2.14 Buffalo Bay Ski Boat Club (parking</td>
<td>A Portion of Erf 189 Buffalo Bay</td>
</tr>
<tr>
<td>and docking area)</td>
<td></td>
</tr>
<tr>
<td>2.15 Sedgefield Tennis Club</td>
<td>A Portion of Erf 2058 Sedgefield</td>
</tr>
<tr>
<td>2.16 Sedgefield Bowling Club</td>
<td>A Portion of Erf 2058 Sedgefield</td>
</tr>
<tr>
<td>2.17 Sedgefield Lions Club</td>
<td>A Portion of Erf 2022 Sedgefield</td>
</tr>
</tbody>
</table>
Although the rental determination is only applicable on the land component of specific immovable assets as per the provided lease agreements and not on the full properties as per the title deed descriptions, the title deed information is reflected for reference purposes:

### 2.1 LEGAL DESCRIPTION

<table>
<thead>
<tr>
<th>Title Deed Description:</th>
<th>Erf 211 Knysna, Knysna Municipality, Western Cape, Knysna</th>
</tr>
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<tbody>
<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Title Deed Number:</td>
<td>KNF2-10/1894</td>
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<table>
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<tr>
<th>Title Deed Description:</th>
<th>Erf 255 Knysna, Knysna Municipality, Western Cape, Knysna</th>
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<tbody>
<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
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<tr>
<td>Title Deed Number:</td>
<td>R7790/1975</td>
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<table>
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<th>Title Deed Description:</th>
<th>Erf 1316 Knysna, Knysna Municipality, Western Cape, Knysna</th>
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<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
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<tr>
<td>Title Deed Number:</td>
<td>T60835/2008</td>
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<table>
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<tr>
<th>Title Deed Description:</th>
<th>Erf 1390 Knysna, Knysna Municipality, Western Cape, Knysna</th>
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<tbody>
<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Title Deed Number:</td>
<td>T8517/1956</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title Deed Description:</th>
<th>Erf 1907 Knysna, Knysna Municipality, Western Cape, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Title Deed Number:</td>
<td>T37373/1974</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title Deed Description:</th>
<th>Erf 2060 Knysna, Knysna Municipality, Western Cape, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Title Deed Number:</td>
<td>T37373/1974</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title Deed Description:</th>
<th>Erf 2232 Knysna, Knysna Municipality, Western Cape, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Owner:</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Title Deed Number:</td>
<td>T16608/1945</td>
</tr>
<tr>
<td>Title Deed Description</td>
<td>Registered Owner</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Erf 2725 Knysna, Knysna Municipality, Western Cape, Knysna</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Erf 2813 Knysna, Knysna Municipality, Western Cape, Knysna</td>
<td>Mun Knysna</td>
</tr>
<tr>
<td>Remaining Extent of Portion 1 of Farm 215 Walker’s Point Registration Division: Knysna RD, Western Cape</td>
<td>Regional Services Council Suid-Kaap</td>
</tr>
<tr>
<td>Portion 3 of Farm 215 Walker’s Point Registration Division: Knysna RD, Western Cape</td>
<td>Div-Afd Outeniqua</td>
</tr>
<tr>
<td>Erf 189 Buffalo Bay Sedgefield Municipality, Western Cape</td>
<td>Mun Buffalo Bay</td>
</tr>
<tr>
<td>Erf 2058 Sedgefield, Sedgefield Municipality, Western Cape</td>
<td>Mun Sedgefield</td>
</tr>
<tr>
<td>Erf 2022 Sedgefield, Sedgefield Municipality, Western Cape</td>
<td>Mun Sedgefield</td>
</tr>
</tbody>
</table>
2.2 PHYSICAL DESCRIPTION OF SUBJECT PROPERTIES

<table>
<thead>
<tr>
<th>Knysna Golf Club</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOCATION:</strong></td>
</tr>
<tr>
<td>4 Howard Street, Hunters Home</td>
</tr>
<tr>
<td>Coordinates</td>
</tr>
<tr>
<td><strong>IMPROVEMENTS:</strong></td>
</tr>
<tr>
<td>An eighteen hole golf course with</td>
</tr>
<tr>
<td>a club house, golf cart-garages,</td>
</tr>
<tr>
<td>a workshop, an entertainment</td>
</tr>
<tr>
<td>deck and a parking area.</td>
</tr>
<tr>
<td><strong>CONDITION:</strong></td>
</tr>
<tr>
<td>Well maintained improvements</td>
</tr>
<tr>
<td>with modern finishes</td>
</tr>
<tr>
<td>(Visual condition assessment =</td>
</tr>
<tr>
<td>Excellent)</td>
</tr>
</tbody>
</table>

AERIAL IMAGE | PHOTO

<table>
<thead>
<tr>
<th>Knysna Bowling Club</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOCATION:</strong></td>
</tr>
<tr>
<td>Rawson Street</td>
</tr>
<tr>
<td><strong>IMPROVEMENTS:</strong></td>
</tr>
<tr>
<td>The site is improved with three</td>
</tr>
<tr>
<td>bowling greens, a club house</td>
</tr>
<tr>
<td>offering an entertainment area,</td>
</tr>
<tr>
<td>office space and ablution</td>
</tr>
<tr>
<td>facilities as well as a free</td>
</tr>
<tr>
<td>standing store room and parking</td>
</tr>
<tr>
<td>area.</td>
</tr>
<tr>
<td><strong>CONDITION:</strong></td>
</tr>
<tr>
<td>Well maintained improvements</td>
</tr>
<tr>
<td>with standard finishes</td>
</tr>
<tr>
<td>(Visual condition assessment =</td>
</tr>
<tr>
<td>Good)</td>
</tr>
</tbody>
</table>

AERIAL IMAGE | PHOTO
### Knysna Boy Scouts Head Courters (Lagoon)

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>George Rex Drive (North of Sport Grounds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>One free standing pre-fabricated building without fencing or other site improvements.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>No internal access could be obtained. The exterior appears maintained. (Visual condition assessment = Good)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AERIAL IMAGE</th>
<th>PHOTO</th>
</tr>
</thead>
</table>

### Leisure Isle Country Club

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Links Drive, Leisure Isle</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>Improvements utilized by the Leisure Isle Country club includes a club house (with an entertainment area, ablution facilities and office space) as well as two bowling greens and three tennis courts.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Well maintained improvements with standard finishes (Visual condition assessment = good)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AERIAL IMAGE</th>
<th>PHOTO</th>
</tr>
</thead>
</table>
### Cearn Memorial Hall

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Hall Road, Leisure Isle</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>One main building offering a small hall with a stage, as well as two offices utilized as the municipal library and ablution facilities.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Fairly maintained improvements with older finishes (Visual condition assessment = Average)</td>
</tr>
</tbody>
</table>

#### Aerial Image

#### Photo

### Leisure Isle Boat Club

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Hall Road, Leisure Isle</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>Improvements comprises of a timber frame club house offering an office, a meeting room and ablution facilities as well as two free standing store rooms. The premises offers a dry-land boat yard providing parking for 203 boats, a parking facility for 28 trailers and a small boat harbour providing 206 berths for ski boats. Other improvements includes a parking area and a jetty.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Well maintained improvements with good finishes (Visual condition assessment = Good)</td>
</tr>
</tbody>
</table>

#### Aerial Image

#### Photo
<table>
<thead>
<tr>
<th><strong>Sedgefield Bowling Club</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOCATION:</strong></td>
</tr>
<tr>
<td><strong>IMPROVEMENTS:</strong></td>
</tr>
<tr>
<td><strong>CONDITION:</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Sedgefield Tennis Club</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOCATION:</strong></td>
</tr>
<tr>
<td><strong>IMPROVEMENTS:</strong></td>
</tr>
<tr>
<td><strong>CONDITION:</strong></td>
</tr>
</tbody>
</table>
**Knysna Sport School and Cricket Field**

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Marlin Road, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>Improvements comprise of a clubhouse offering a general area, an office and ablution facilities as well as a cricket pitch and cricket nets.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Adequate maintained improvements with standard finishes (Visual condition assessment = Average)</td>
</tr>
</tbody>
</table>

![Aerial Image](image1)

![Photo](image2)

**Knysna Lions Club**

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Trotter Street, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>The gate to the property was locked and no access could be obtained. Improvements comprise of a single timber frame building.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Although the interior was not inspected the property appears neat and well maintained. (Visual condition assessment = Good)</td>
</tr>
</tbody>
</table>

![Aerial Image](image3)

![Photo](image4)
### Buffalo Bay Coastal Forest Area ("Wandelpad")

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Buffalo Bay Walking Trail</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>Undeveloped land utilized as a nature walking trail.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

![Aerial Image](image1.png) ![Photo](image2.png)

### Buffalo Bay Ski Boat Club

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Buffalo Bay Main Beach</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>The lease is applicable to three or seven parking bays (depending on season) as well as a jetty. No other improvements or buildings are included.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

![Aerial Image](image3.png) ![Photo](image4.png)
### Sedgefield Lions Club

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Pelican Lane, Sedgefield</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>The improvements utilized by the Lions club comprise of a single timber frame building. The building was locked during inspection and no access could be obtained.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>The building appears in need of general maintenance (Visual condition assessment = Average)</td>
</tr>
</tbody>
</table>

![Aerial Image](image1.jpg) ![Photo](image2.jpg)

### Knysna Naval Cadet Base TS Knysna

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>Union Street, Knysna</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>Warehouse / workshop type accommodation with ablution facilities. No access could be obtained to the premises.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>The structures appears in need of general maintenance and repairs. (Visual condition assessment = Below Average)</td>
</tr>
</tbody>
</table>

![Aerial Image](image3.jpg) ![Photo](image4.jpg)
**Knysna Marathon Club**

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>George Rex Drive (Old Supertube site and buildings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>Improvements comprise of a clubhouse building, a swimming pool and boundary walls. Included in the lease is a sport field located to the west of the club building.</td>
</tr>
<tr>
<td>CONDITION:</td>
<td>All improvements appears neat and well maintained. <em>(Visual condition assessment = Good)</em></td>
</tr>
</tbody>
</table>

![Aerial Image](image1.jpg) ![Photo](image2.jpg)

**Knysna Croquet Club**

<table>
<thead>
<tr>
<th>LOCATION:</th>
<th>George Rex Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS:</td>
<td>The improvements utilized by this club forms part of the greater sport grounds and include a grass area and store room included in the tennis club’s clubhouse</td>
</tr>
<tr>
<td>CONDITION:</td>
<td><em>(Visual condition assessment = Good)</em></td>
</tr>
</tbody>
</table>

![Aerial Image](image3.jpg) ![Photo](image4.jpg)
3. LEGAL CONSIDERATION (TENURE AND TENANCIES)

The following lease agreements were provided with reference to the subject properties:

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>TENANT</th>
<th>RENTAL AMOUNT (2014)</th>
<th>ESCALATION</th>
<th>LEASE PERIOD END</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knysna Golf Club</td>
<td>Knysna Golf Club</td>
<td>R2.00 per annum</td>
<td>Not Applicable</td>
<td>1-Jun-2038</td>
</tr>
<tr>
<td>Knysna Bowling Club</td>
<td>Knysna Bowling Club</td>
<td>1 Shilling (R1.00) per annum</td>
<td>Not Applicable</td>
<td>30-Jun-2026</td>
</tr>
<tr>
<td>Knysna Boy Scouts Head Courters</td>
<td>Boy Scouts of South Africa</td>
<td>R2.00 per annum</td>
<td>Not Applicable</td>
<td>31-Dec-2006</td>
</tr>
<tr>
<td>Leisure Isle Country Club</td>
<td>Leisure Isle Country Club</td>
<td>R100.00 per annum</td>
<td>Not Applicable</td>
<td>31-Dec-2043</td>
</tr>
<tr>
<td>Cearn Memorial Hall</td>
<td>Leisure Isle Boat Club</td>
<td>R100.00 per annum</td>
<td>Not Applicable</td>
<td>28-Feb-2042</td>
</tr>
<tr>
<td>Leisure Isle Boat Club</td>
<td>Leisure Isle Boat Club</td>
<td>R1 000.00 per annum</td>
<td>Not Applicable</td>
<td>30-Jun-12</td>
</tr>
<tr>
<td>Sedgefield Bowling Club</td>
<td>Sedgefield Bowling Club</td>
<td>R1 010.90 per annum</td>
<td>10%</td>
<td>13-Nov-02</td>
</tr>
<tr>
<td>Cricket Veld (Sport School)</td>
<td>Keith Kevin Cretchley</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>
4. VALUATION CONSIDERATIONS AND MARKET RESEARCH

The most accurate method to determine an appropriate rate is through evidence produced by actual market transactions. This information is not always readily available, as there is an encumbrance of confidentiality of transactions, corporate transfers and lack of access which hamper the comparison process.

After extensive analysis which included the filtering out of developed and/or less comparable properties, the comparable sales located in close proximity to the subject property was therefore noted in this valuation report, as they are indicative of achievable selling prices for undeveloped land within the vicinity of the subject properties. The comparison was made on the basis of proximity to individual property characteristics, amenities, facilities, accessibility, land use and other relevant factors.

Very limited rental data is available for vacant land in the micro and macro area of Knysna, Buffalo Bay and Sedgefield. To determine market rentals, the vacant land property sales for the area were investigated.

The following registered sales for undeveloped properties were identified:
### GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

#### AGENDA

6 FEBRUARY 2019

---

### Ground Rental Determination Method

Traditionally, in most countries, valuers assess ground rentals by applying a “ground rental rate” or percentage per annum to the property’s land value at the beginning of the review or renewal term. It follows that once the appropriate land value (LV) and annual ground rental rate (GR%) is determined the ground rental (GR) can be calculated as:

\[
\text{Ground Rental} = \text{Land Value} \times \text{Ground Rental Rate} \quad \text{(or: GR = LV x GR %)}
\]

---

<table>
<thead>
<tr>
<th>Property Description</th>
<th>Sales Price (LV)</th>
<th>Size m²</th>
<th>GR %</th>
<th>GR per annum</th>
<th>GR per month</th>
<th>R/m² per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erf 13361 Knysna</td>
<td>1,200,000</td>
<td>6673</td>
<td>8.00%</td>
<td>96000.00</td>
<td>8000.00</td>
<td>1.20</td>
</tr>
<tr>
<td>Erf 13378 Knysna</td>
<td>2,000,000</td>
<td>11939</td>
<td>8.00%</td>
<td>160000.00</td>
<td>13333.33</td>
<td>1.12</td>
</tr>
<tr>
<td>Erf 14991 Knysna</td>
<td>515,000</td>
<td>2442</td>
<td>8.00%</td>
<td>41200.00</td>
<td>3433.33</td>
<td>1.41</td>
</tr>
<tr>
<td>Erf 9791 Knysna</td>
<td>3,200,000</td>
<td>17632</td>
<td>8.00%</td>
<td>256000.00</td>
<td>21333.33</td>
<td>1.21</td>
</tr>
<tr>
<td>Erf 9845 Knysna</td>
<td>1,660,000</td>
<td>14690</td>
<td>8.00%</td>
<td>132800.00</td>
<td>11066.67</td>
<td>0.75</td>
</tr>
<tr>
<td>Erf 10953 Knysna</td>
<td>700,000</td>
<td>2791</td>
<td>8.00%</td>
<td>56000.00</td>
<td>4666.67</td>
<td>1.67</td>
</tr>
<tr>
<td>Erf 13006 Knysna</td>
<td>150,000</td>
<td>4420</td>
<td>8.00%</td>
<td>12000.00</td>
<td>1000.00</td>
<td>0.23</td>
</tr>
<tr>
<td>Erf 13013 Knysna</td>
<td>650,000</td>
<td>4685</td>
<td>8.00%</td>
<td>52000.00</td>
<td>4333.33</td>
<td>0.92</td>
</tr>
<tr>
<td>Erf 13286 Knysna</td>
<td>1,000,000</td>
<td>4139</td>
<td>8.00%</td>
<td>80000.00</td>
<td>6666.67</td>
<td>1.61</td>
</tr>
<tr>
<td>Erf 13298 Knysna</td>
<td>1,350,000</td>
<td>4914</td>
<td>8.00%</td>
<td>108000.00</td>
<td>9000.00</td>
<td>1.83</td>
</tr>
<tr>
<td>Erf 13301 Knysna</td>
<td>2,500,000</td>
<td>5655</td>
<td>8.00%</td>
<td>200000.00</td>
<td>16666.67</td>
<td>2.95</td>
</tr>
<tr>
<td>Erf 13304 Knysna</td>
<td>2,000,000</td>
<td>5096</td>
<td>8.00%</td>
<td>160000.00</td>
<td>13333.33</td>
<td>2.62</td>
</tr>
<tr>
<td>Erf 13313 Knysna</td>
<td>5,000,000</td>
<td>32702</td>
<td>8.00%</td>
<td>400000.00</td>
<td>33333.33</td>
<td>1.02</td>
</tr>
<tr>
<td>Erf 13322 Knysna</td>
<td>14,000,000</td>
<td>17785</td>
<td>8.00%</td>
<td>1120000.00</td>
<td>93333.33</td>
<td>5.25</td>
</tr>
<tr>
<td>Erf 13341 Knysna</td>
<td>1,200,000</td>
<td>11068</td>
<td>8.00%</td>
<td>96000.00</td>
<td>8000.00</td>
<td>0.72</td>
</tr>
<tr>
<td>Erf 1137 Sedgefield</td>
<td>900,000</td>
<td>1796</td>
<td>8.00%</td>
<td>72000.00</td>
<td>6000.00</td>
<td>3.34</td>
</tr>
<tr>
<td>Erf 4440 Sedgefield</td>
<td>1,420,000</td>
<td>2073</td>
<td>8.00%</td>
<td>113600.00</td>
<td>9466.67</td>
<td>4.57</td>
</tr>
</tbody>
</table>
Capitalisation Method

As a cross reference a Capitalisation Method will in addition be utilised. This method is based on the traditional formulae of:

\[ V = \frac{NI}{i} \]

<table>
<thead>
<tr>
<th>Property Description</th>
<th>Sales Price</th>
<th>Size m²</th>
<th>Cap rate</th>
<th>GR per annum</th>
<th>GR per month</th>
<th>R/m² per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erf 13361 Knysna</td>
<td>1,200,000</td>
<td>6673</td>
<td>12.00%</td>
<td>144000.00</td>
<td>12000.00</td>
<td>1.80</td>
</tr>
<tr>
<td>Erf 13378 Knysna</td>
<td>2,000,000</td>
<td>11939</td>
<td>12.00%</td>
<td>240000.00</td>
<td>20000.00</td>
<td>1.68</td>
</tr>
<tr>
<td>Erf 14991 Knysna</td>
<td>515,000</td>
<td>2442</td>
<td>12.00%</td>
<td>61800.00</td>
<td>5150.00</td>
<td>2.11</td>
</tr>
<tr>
<td>Erf 9791 Knysna</td>
<td>3,200,000</td>
<td>17632</td>
<td>12.00%</td>
<td>384000.00</td>
<td>32000.00</td>
<td>1.81</td>
</tr>
<tr>
<td>Erf 9845 Knysna</td>
<td>1,660,000</td>
<td>14690</td>
<td>12.00%</td>
<td>199200.00</td>
<td>16600.00</td>
<td>1.13</td>
</tr>
<tr>
<td>Erf 10953 Knysna</td>
<td>700,000</td>
<td>2791</td>
<td>12.00%</td>
<td>84000.00</td>
<td>7000.00</td>
<td>2.51</td>
</tr>
<tr>
<td>Erf 13006 Knysna</td>
<td>150,000</td>
<td>4420</td>
<td>12.00%</td>
<td>18000.00</td>
<td>1500.00</td>
<td>0.34</td>
</tr>
<tr>
<td>Erf 13013 Knysna</td>
<td>650,000</td>
<td>4685</td>
<td>12.00%</td>
<td>78000.00</td>
<td>6500.00</td>
<td>1.39</td>
</tr>
<tr>
<td>Erf 13286 Knysna</td>
<td>1,000,000</td>
<td>4139</td>
<td>12.00%</td>
<td>120000.00</td>
<td>10000.00</td>
<td>2.42</td>
</tr>
<tr>
<td>Erf 13298 Knysna</td>
<td>1,350,000</td>
<td>4914</td>
<td>12.00%</td>
<td>162000.00</td>
<td>13500.00</td>
<td>2.75</td>
</tr>
<tr>
<td>Erf 13301 Knysna</td>
<td>2,500,000</td>
<td>5655</td>
<td>12.00%</td>
<td>300000.00</td>
<td>25000.00</td>
<td>4.42</td>
</tr>
<tr>
<td>Erf 13304 Knysna</td>
<td>2,000,000</td>
<td>5096</td>
<td>12.00%</td>
<td>240000.00</td>
<td>20000.00</td>
<td>3.92</td>
</tr>
<tr>
<td>Erf 13313 Knysna</td>
<td>5,000,000</td>
<td>32702</td>
<td>12.00%</td>
<td>600000.00</td>
<td>50000.00</td>
<td>1.53</td>
</tr>
<tr>
<td>Erf 13322 Knysna</td>
<td>14,000,000</td>
<td>17785</td>
<td>12.00%</td>
<td>1680000.00</td>
<td>140000.00</td>
<td>7.87</td>
</tr>
<tr>
<td>Erf 13341 Knysna</td>
<td>1,200,000</td>
<td>11068</td>
<td>12.00%</td>
<td>144000.00</td>
<td>12000.00</td>
<td>1.08</td>
</tr>
<tr>
<td>Erf 1137 Sedgefield</td>
<td>900,000</td>
<td>1796</td>
<td>12.00%</td>
<td>108000.00</td>
<td>9000.00</td>
<td>5.01</td>
</tr>
<tr>
<td>Erf 4440 Sedgefield</td>
<td>1,420,000</td>
<td>2073</td>
<td>12.00%</td>
<td>170400.00</td>
<td>14200.00</td>
<td>6.85</td>
</tr>
</tbody>
</table>

Considering the additional market research as no land lease information is available:

- Billboard rental rates range between R50/m² to R60/m², determined on a much lesser site extent;
- Cell phone Mast rental rates range between R30/m² to R40/m², determine on a much lesser site extent;
- Turnover rental rates are based on negotiation.

The rental rate for comparable vacant land sales, based on the ground rental and capitalisation method ranges between R0.23/m² to R7.87/m² with an average rate of between R1.91/m² and R2.86/m² respectively.

When considering the market rental rate to apply, various value forming attributes and other factors must be considered including the following:

- Location of the subject properties;
• Restricted use of the subject properties as predominantly sport-specific properties;

• The size and shape of the individual subject properties;

• The current zoning of the subject properties in relation with the zoning of registered sales utilised to determine the rental rate;

• The relation between supply of and demand for vacant land properties; and

• That smaller land extents will have a higher rental rate per m² whilst larger land extents will be rented out at a lower rental rate per m².

Therefore, a rental rate of between R0.80 and R2.50/m² is deemed market related for the subject properties. For larger properties (>30.0000 hectare) a rental rate of R500/hecate is deemed market related.

5. MARKET RENTAL ESCALATION

The projected market escalation rates are based on previous research conducted on the following types of properties:

• Billboards Rental Determinations
• Cell phone Mast Rental Determinations
• Land Rental Determinations
• Farm Land Rental Determinations
• Various Commercial Buildings

The annual market escalation rate should also consider general CPI inflation and this rate generally range between 5% and 6.5%. The SARB’s inflation outlook deteriorated slightly to 5.2% in 2013 from an expectation of 5.1% previously. The bank targets a headline inflation rate of 3%-6%. Food and petrol prices posed the main risk to its inflation forecast. Inflation slowed to 5% in August, ticking up slightly from a 14-month low of 4.9% in July.

The duration and type of the lease agreement will impact the proposed escalation rate i.e. if the lease agreement is a long term lease agreement this could contribute to a lower rental amount and vice versa.

From the research conducted market rate escalation range between 7% and 10%.
6. CONCLUSION

6.1 MARKET RENTAL:

Rental rates were applied to each subject property, and market rentals were determined as follows:

<table>
<thead>
<tr>
<th>SUBJECT PROPERTY</th>
<th>LAND SIZE</th>
<th>RENTAL RATE APPLIED</th>
<th>MONTHLY RENTAL</th>
<th>ROUNDED MONTHLY RENTAL</th>
<th>ANNUAL RENTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffalo Bay Ski Boat Club</td>
<td>200 m²</td>
<td>R2.50 / m²</td>
<td>R500.00</td>
<td>R500.00</td>
<td>R6 000.00</td>
</tr>
<tr>
<td>Sedgefield Lions Club</td>
<td>525 m²</td>
<td>R2.00 / m²</td>
<td>R1 050.00</td>
<td>R1 100.00</td>
<td>R13 200.00</td>
</tr>
<tr>
<td>Knysna Lions Club</td>
<td>624 m²</td>
<td>R2.00 / m²</td>
<td>R1 248.00</td>
<td>R1 200.00</td>
<td>R14 400.00</td>
</tr>
<tr>
<td>Cearn Memorial Hall</td>
<td>640 m³</td>
<td>R2.00 / m²</td>
<td>R1 280.00</td>
<td>R1 300.00</td>
<td>R15 600.00</td>
</tr>
<tr>
<td>Knysna Naval Cadet Base</td>
<td>1210 m²</td>
<td>R1.80 / m²</td>
<td>R2 178.00</td>
<td>R2 200.00</td>
<td>R26 400.00</td>
</tr>
<tr>
<td>Knysna Boy Scout Head Quarters</td>
<td>1600 m²</td>
<td>R1.80 / m²</td>
<td>R2 880.00</td>
<td>R2 900.00</td>
<td>R34 800.00</td>
</tr>
<tr>
<td>Knysna Croquet Club</td>
<td>2146 m²</td>
<td>R1.70 / m²</td>
<td>R3 648.20</td>
<td>R3 600.00</td>
<td>R43 200.00</td>
</tr>
<tr>
<td>Knysna Bowling Club</td>
<td>3965 m²</td>
<td>R1.60 / m²</td>
<td>R6 344.00</td>
<td>R6 300.00</td>
<td>R75 600.00</td>
</tr>
<tr>
<td>Sedgefield Tennis Club</td>
<td>4750 m²</td>
<td>R1.40 / m²</td>
<td>R6 650.00</td>
<td>R6 700.00</td>
<td>R80 400.00</td>
</tr>
<tr>
<td>Knysna Tennis Club</td>
<td>5096 m²</td>
<td>R1.30 / m²</td>
<td>R6 624.80</td>
<td>R6 600.00</td>
<td>R79 200.00</td>
</tr>
<tr>
<td>Leisure Isle Country Club</td>
<td>7100 m²</td>
<td>R1.20 / m²</td>
<td>R8 520.00</td>
<td>R8 500.00</td>
<td>R102 000.00</td>
</tr>
<tr>
<td>Sedgefield Bowling Club</td>
<td>8100 m²</td>
<td>R1.10 / m²</td>
<td>R8 910.00</td>
<td>R8 900.00</td>
<td>R106 800.00</td>
</tr>
<tr>
<td>Knysna Sport School &amp; Cricket field</td>
<td>11600 ha</td>
<td>R0.80 / m²</td>
<td>R9 280.00</td>
<td>R9 300.00</td>
<td>R111 600.00</td>
</tr>
<tr>
<td>Knysna Marathon Club</td>
<td>13733 ha</td>
<td>R0.80 / m²</td>
<td>R10 986.40</td>
<td>R11 000.00</td>
<td>R132 000.00</td>
</tr>
<tr>
<td>Leisure Isle Boat Club</td>
<td>29979 ha</td>
<td>R0.80 / m²</td>
<td>R23 983.20</td>
<td>R24 000.00</td>
<td>R288 000.00</td>
</tr>
<tr>
<td>Buffalo Bay Coastal Forest Area</td>
<td>39.2279 ha</td>
<td>R500 / ha</td>
<td>R19 613.95</td>
<td>R19 600.00</td>
<td>R235 200.00</td>
</tr>
<tr>
<td>Knysna Golf Club</td>
<td>47.5447 ha</td>
<td>R500 / ha</td>
<td>R23 772.35</td>
<td>R23 800.00</td>
<td>R285 600.00</td>
</tr>
</tbody>
</table>

6.2 MARKET RENTAL ESCALATION:

An average escalation of 8% per annum is considered market related.
7. CONDITIONS AND RECOMMENDATIONS

The extents of the proposed portions (as requested) have been estimated using GIS photography and computerised calculation tools. This is a calculated estimate and could vary from a full survey due to verges, drainage and other phenomena that are currently in existence as well as additional local authority controls that may be imposed. We reserve the right to amend our figures on receipt of a formal survey of the proposed land parcels.

DECLARATION

Having inspected the above-mentioned properties and after taking due consideration of all the relevant factors, I, Corné Theron in my capacity as a Professional Valuer, consider the above valuation to be a true reflection and a fair assessment of the subject properties’ market rental, as at the date of valuation.

__________
E. C. Theron
PROFESSIONAL VALUER
(REGISTRATION NUMBER: 6831)

DATE: 17 April 2014
CAVEATS

1. FULL DISCLOSURE

This valuation has been prepared on the basis that full disclosure of all information and factors which may affect the valuation have been made to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.

2. THIRD PARTY INVOLVEMENT

In undertaking the valuation, we have relied on information supplied by third parties and have assumed such information substantially correct.

3. VALUATION STANDARD

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements and as adopted by the South African Council for the Property Valuers Profession and the South African Institute of Valuers.

4. FREEHOLD PROPERTY

In the case of freehold properties we have inspected, when available, the relevant Title Deed documents. If perusal of the Title Deed has caused concern, specific reference has been made to this in the Valuation Report. Where the Title Deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

5. MORTGAGE BONDS, LOANS OR OTHER CHARGES

The property has been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition, such as legal or transfer fees, or disposal of the assets.

6. CALCULATION OF AREAS

All areas quoted within the Valuation Report have been provided by the client, a representative thereof, or alternatively measured onsite by the valuer and we assume have been calculated in accordance with the SAPOA standard method of measurement.

7. PLANS

All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.
8. PROPERTY BOUNDARIES

The farm or property boundaries, as indicated to DDP Valuers (Pty) Ltd by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements because of this or these variations, cannot therefore be regarded as the responsibility of DDP Valuers (Pty) Ltd.

9. OUTGOINGS

It is assumed, except where otherwise stated, that the property is subject to the normal property owner’s outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation, we have formed our opinion of outgoings, having had reference to the various schedules of outgoings supplied by the client or a representative thereof.

10. STRUCTURAL CONDITION

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance. We have had regard to the apparent state and condition of the property but have not carried out a structural survey, nor inspected those areas, which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, heating or other services. The valuation assumes that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuation further assumes that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations as well as the Local Authority by-laws. We have not inspected woodwork or other parts of the structure, and we are therefore unable to repost that such parts of the property are free from rot, beetle or other defects. We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.

11. CONTAMINATION

Our valuation assumes that a formal environmental assessment is not provided and further that the property is not environmentally impaired nor contaminated, unless otherwise stated in our report.

12. VACANT LAND

No soil or substratum tests on the property have been undertaken and it is assumed that the property is suitable for the intended purpose, without having to provide excessive reinforcement to any structure built thereon.
13. STATUTORY NOTICE AND UNLAWFUL USE

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

14. INDIVIDUAL PROPERTIES

The values reported are for the individual properties. No allowance is made for any premium, which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market, which might exist if all, or a majority of the properties were offered for sale simultaneously.

15. CONFIDENTIALITY

This valuation is produced exclusively for the client and for the specific purposes to which it refers. It may be disclosed to other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.

16. NON-PUBLICATION

Neither the whole nor any part of this valuation report or certificate, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without the written approval of DDP Valuers (Pty) Ltd, as to the form or context in which it may appear and acknowledgement that DDP Valuers (Pty) Ltd were the professional valuers.

17. INDEPENDENT VALUERS CLAUSE

Neither the Valuer, nor DDP Valuers (Pty) Ltd or any employee, have any present or contemplated interest in this or any other properties or any other interests, which would affect the statements or values, contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis by a valuer employed by DDP Valuers (Pty) Ltd, a company which specializes in the valuation of real estate and which does not trade in these assets.

18. VALUE ADDED TAX

All figures quoted are exclusive of Value Added Tax.
G15/02/19  APPLICATION TO PURCHASE A PORTION OF ERF 1626 SEDGEFIELD, ADJACENT TO ERF 1569, SEDGEFIELD

REPORT FROM DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider disposing of a portion of Erf 1626 of in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

BACKGROUND

The owner of Erf 1569, Mr Ian Sparks wishes to include the portion of Erf 1626 to his property. Mr. Sparks bought the property in 2008 and was not aware that the fencing of the property was 2.4 metres over the boundary (See Annexure A) and encroaching upon a portion of the subject property owned by the Knysna Municipality.

DISCUSSION

The applicant applied to purchase the portion of Erf 1626 already being used by him, and his predecessors.

Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) deals with disposal of capital assets of municipalities and reads as follows:

“14. Disposal of capital assets:

(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.

(2) A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public –

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection 2(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
6 FEBRUARY 2019

the supply chain management policy which the municipality must have and maintain in terms of section 111…”

The subject portion, a portion Erf 1626, Sedgefield is not required to provide the minimum level of basic municipal services as this portion has been used by the current and previous owners of Erf 1569, Sedgefield. If the Municipal Council give the required in principle decision to alienate the portion of Erf 1626 Sedgefield the Municipal Valuer, DDP Valuers, should be requested to provide the market value of Erf 1626, Sedgefield. The alienation of Erf 1626, Sedgefield must be fair, equitable, transparent, competitive and consistent with the supply chain management policy of the Municipality as required by the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The Knysna Municipality Supply Chain Management Policy 2018/19 approved by the Municipal Council on 6 June 2018 states the following with regards to “Disposal Management”;

“40. Disposal management
(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets will be subject to Sections 14 of the Act, and asset transfer regulations;
(2) Assets may be disposed of by –
(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
(iii) selling the asset; or
(iv) destroying the asset
(3) The Accounting Officer must ensure that –
(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
(b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
(d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
(e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually;
(f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
(g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.”

The market related price to be determined by the Municipal Valuer will be the price at which the property is to be sold. This would also be the most advantageous process in terms of 40.(3)(b) of the SCM Policy, that the accounting officer must ensure the property be sold at, as the property in question is non-viable property.

The portion of Erf 1626, Sedgefield to be alienated is described in the Management of Immovable Property Policy as “Non-Viable Property” as the property involved owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner’s property. It is clear that the portion involved can only become functional if used by the owner of Erf 1569. It is however proposed that the intention to alienate
a portion of Erf 1626, Sedgefield to the adjacent owner of Erf 1569, Sedgefield, should be advertised for comments and objections.

The Management of Immovable Property Policy determines that a property transaction in respect of Non-Viable Property may be approved without any competitive process having been followed, as a competitive process would serve no purpose.

Section 5 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003): Municipal Asset Transfer Regulations deals with the decision-making process for municipalities when alienating Municipal owned property:

“5. (1) A municipality may transfer or dispose of a non-exempted capital asset only after –

[a] the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and

[b] the municipal council –

(i) has made the determinations required by section 14(2)(a) and (b); and

(ii) has a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

(2) Subregulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value capital asset. If the combined value of any capital assets a municipality intends to transfer or dispose of in any financial year exceeds five per cent of the total value its assets, as determined from its latest available audited annual financial statements, subregulation (1)(a) must be complied with in relation to all the capital assets proposed to be transferred or disposed of during that year.”

The Municipal Asset Transfer Regulations define “high value” as, “in relation to a capital asset of a municipality or municipal entity, means that the fair market value of the capital asset exceeds any of the following amounts:

(a) R50 million;

(b) One per cent of the total value of the capital assets of the municipality or municipal entity, as determined from the latest available audited annual financial statements of the municipality or entity; or

An amount determined by resolution of the council of the municipality or of the parent municipality of the municipal entity which is less than (a) or (b).”

Erf 1626, Sedgefield is valued at R70 000.00 on the Valuation roll for 2017/2022. Erf 1626 is all the public open spaces and public roads on the Island in Sedgefield.

The total value of the capital assets of Knysna Municipality for the financial year ended on 30 June 2017 is determined to be R 1 055 974 293. One per cent of R 1 055 974 293 is R 10 559 742.93. The property in question, a portion of Erf 1626, Sedgefield is not more than R 10 559 742.93, thus subregulation (1)(a) [public participation process] of the Asset Transfer Regulations does not need to be complied with.

However, taking into consideration the Management of Immovable Property Policy, the Knysna Municipality Supply Chain management Policy, the Municipal Asset Transfer Regulations and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), although all the relevant legislation states that the property in question does not need to follow a public participation process, as a public participation process would have no purpose. It is still recommended that the intention to alienate a portion of Erf 1626, Sedgefield
to the adjacent owner of Erf 1569, Sedgefield, should be advertised for comments and objections.

**COMMENTS DIRECTOR PLANNING AND DEVELOPMENT**

Manager: Environmental Planning - The portion under consideration does not border an environmentally sensitive area and there are no environmental triggers.

**COMMENTS DIRECTOR COMMUNITY SERVICES**

Chief Traffic Officer – No objection

**FINANCIAL IMPLICATIONS**

This Municipal property must be alienated at a market related price as determined by the Municipal Valuer. There is no cost for the Municipality of this transaction as the applicant must be liable for all the costs relating to this transaction.

**RELEVANT LEGISLATION**

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations
Management of Immovable Property Policy
Knysna Municipality Supply Chain Management Policy

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

[a] That the report and annexe’s regarding the application to purchase a portion of Erf 1626, Sedgefield, abutting Erf 1569, Sedgefield, submitted to the Governance and Economic Development Committee meeting dated 5 February 2019, be noted;

[b] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council hereby confirms that a portion of Erf 1626, Sedgefield to be alienated, is deemed not needed to provide the minimum level of basic Municipal Services;

[c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Manager should be instructed to appoint the Municipal Valuer, DDP Valuers to determine the fair market value of the relevant portion of Erf 1626, Sedgefield;

[d] That in terms of Section 5(b)(ii) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations Council approve in principle that a portion of Erf 1626, Sedgefield may be disposed of;

[e] That in terms of the Knysna Municipality’s Management of Immovable Property Policy, a portion of Erf 1626, Sedgefield, Knysna may be sold to the owner of Erf 1569, Sedgefield at the Market Related value determined by the Municipal Valuer, DDP Valuers;

[f] That all costs relating to the alienation be for the account of the applicant, and owner of Erf 1569, Sedgefield;
[g] That the Municipal Manager be hereby instructed to appoint DDP Valuers to determine the Market Related Value for the portion in question;

[h] That the owner of Erf 1569, Sedgefield be informed that the portion of Erf 1626, Sedgefield, to be alienated, will have to be consolidated with Erf 1569 after successful alienation;

[i] That the Municipal Manager is hereby instructed to advertise the intended alienation of a portion of Erf 1626, Sedgefield to the owner of Erf 1569; and

[j] That a further report be submitted to a following Finance and Governance Committee meeting after the advertising as mentioned in [i] above have been completed.

ANNEXURES/APPENDIX

ANNEXURE A – Application letter from Mr. Ian Sparks
ANNEXURE B – Site plan
ANNEXURE C – GIS Map indicating Erf 1569

File Number : 7/2/1/2
Execution : Acting Municipal Manager
        : Corporate Services
        : Administration
To Whom it May Concern (18 December 2018)

I bought house 22 President Steyn street Sedgefield from my Aunt in 2008, she inherited it from my grandfather that built this house 35 years ago.

I started doing renovation to the house and once I put a car port up I realised that I needed plans for it and it was close to the boundary I got a surveyor out to see were the exact boundary was.

To my amazement the fence was 2.4M over the boundary, I bought the house like this and just replaced the old fence with the new one. Because the fence was originally there I thought it was my property and so did the previous owner once I have contacted her.

The original boundary fence has put up 35 years ago, as you can see all the plants were planted on that boundary line and the fence is still 7 meters from the road so I never questioned that I was over the boundary line.

I would like to purchase this strip of land as I would not like to move my fence, gate and plants as I assumed that I actually owned this strip of land.

Please let me know if this is possible.

See attached established garden as it was planted 30 years ago, the danger tape indicating the actual boundary.

I have pictures of when I just replaced the fence, you will notice the old gate is still there along with the old pillars.

The total area that the fence is over the boundary is 79.5m squared.

Kind Regards

Ian Sparks

0833038160
6.16

G16/02/19 APPLICATION FOR A LEASE AGREEMENT FOR A PORTION OF ERF 1339, AUCTION MART AVENUE, KNYSNA

REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To request the Municipal Council to consider approving the application for a lease agreement for a portion of Erf 1339, Auction Mart Avenue, Knysna in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

BACKGROUND

We have received an application from Mr. WA Roeloffze, Director of Formosa Knysna (Pty) Ltd (Build It, Knysna) who has applied to lease a portion of Erf 1339, Auction Mart Avenue, Knysna from the Municipality. (See Annexure A). The applicant wants to use the property in question to expand their open yard where they can stock building material like bricks, lintels, JoJo Tanks etc.

DISCUSSION

Section 34 of the Asset Transfer Regulations 2008, deals with Granting of rights to use, control or manage municipal capital assets and reads as follows:

“Granting of rights to use, control or manage municipal capital assets

34. (1) A municipality may grant a right to use, control or manage a capital asset only after –

(a) the accounting officer has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and

(b) The municipal council has approved in principle that the right may be granted.

(2) Subregulation (1) (a) must be complied with only if –

(a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and

(b) a long term right is proposed to be granted in respect of the capital asset.

(3) (a) Only the Municipal council may authorise the public participation process referred to in subregulation (1)(a).

(b) 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;

(ii) any expected benefits to the municipality that may result from the granting of the right;

(iii) any expected proceeds to be received by the municipality from the granting of the right; and

(iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.”
Erf 1339, Knysna is valued at R10 000.00 in terms of the Knysna Local Municipality Valuation roll for the period 1 July 2017 – 30 June 2022. The area identified is thus not valued more than R10 million and the applicant have applied to lease the property in question for a period of nine (9) years. The Asset Transfer Regulations describes “a long term” as “a period of longer than three years”. A public participation process regarding the proposed granting of the right is not required. It is however proposed that the Municipal Council’s intention to lease a portion of Erf 1339, Knysna to Formosa Knysna (Pty) Ltd (Build It, Knysna) for a period of 9 years be advertised for public comments and or objections.

There is approximately 2,134.16 square meters available (See Annexure B).

“Consideration of proposals to grant rights to use, control or manage municipal capital assets
36. The municipal council must, when considering in terms of regulation 34(1)(b) approval for any proposed granting of a 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 during the period for which the rights is to be granted;
(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;
(c) the risks and rewards associated with the use, control or management of the capital asset in relation to the municipality’s interests;
(d) any comments or representations on the proposed granting of the right received from the local community and other interested persons;
(e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant provincial treasury;
(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
(g) compliance with legislative regime applicable to the proposed granting of the right.”

As mentioned in the application, the property in question lies dormant and have been unutilized by the Municipality for a considerable period of time.

A monthly rental, to be determined by the Municipal Valuer, DDP Valuers, will be received by the Municipality for the leasing of the property in question. The applicant intends to only fence off the property in question in order to safeguard their belongings to be stored on the property.

Any comments or representations from the local community and other interested persons shall be gathered during the advertising process.

The written views and recommendations should be requested from National Treasury and the relevant provincial treasury during the advertising process.

No organ of state to be affected, nor the municipality’s own strategic, legal and economic interests or the local community.

The application is tabled before the Municipal Council for an in principle approval that the right be granted and that all relevant legislation be complied with.
COMMENTS DIRECTOR PLANNING AND DEVELOPMENT

Manager: Environmental Planning: The portion under consideration does not border an environmentally sensitive area and there are no environmental triggers.

COMMENTS DIRECTOR COMMUNITY SERVICES

Chief Traffic Officer: No objection

FINANCIAL IMPLICATIONS

There would be no negative financial impact on Knysna Municipality as the applicant will be liable for establishing a storage area/open yard, and fence and secure the area in question. All other incidental costs will be for the account of the applicant. The Municipal Valuer, DDP Valuers, should be appointed to determine a market related rental.

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Asset Transfer Regulations 2008
Knysna Municipality’s Management of Immovable Property Policy

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the report and annexure regarding the request for a lease agreement on a portion of Erf 1339, Auction Mart Avenue, Knysna for the applicant, be submitted to the Finance & Governance Committee meeting dated 5 February 2019 be noted;

[b] That the Municipal Council approve in principle that a right to use, control or manage a portion of Erf 1339, Auction Mart Avenue, Knysna for a period of nine (9) years may be granted;

[c] That the applicant be informed that they will be responsible for all costs for the establishing of a storage area/open yard;

[d] That the portion being referred to in [b] above not be more than 2,134 square meters;

[e] That a monthly market related rental as determine by the Municipal Valuer be charged with an annual escalation of 10% per annum;

[f] That the Acting Municipal Manager be instructed to advertise the intention to lease a portion of Erf 1339, Knysna to Formosa Knysna (Pty) Ltd for a period of nine (9) years at a market related rental;

[g] That the written views and recommendations from National Treasury and the relevant provincial treasury should be requested; and

[h] That the report that include all the comments or representations from the local community and other interested persons, the written views and recommendations from National Treasury and the relevant provincial treasury should be submitted to the next Finance & Governance Committee after the intention to lease a portion of Erf 1339, Knysna was advertised.
ANNEXURES/APPENDIX

ANNEXURE A - Application letter from Mr. WA Roeloffze
ANNEXURE B - Indication of the extent

File Number: 7/2/2/1
Execution: Acting Municipal Manager
           Director: Corporate Services
           Manager: Administration
Dear Mr. Hardnick,

Application to rent unutilized stand no: 1839 from Knysna Municipality.

Thank you for meeting me in your office regarding the possible renting of said stand 1839.

I, WA Roeloffzé, owns the Knysna Build It that is retailing from the Waterfront Park premises on the corner of New Street and Auction Mart Avenue, stand 8714. We have the need to expand our open yard where we stock our building material like bricks, lintels, Jojo Tanks etc.

The second stand adjoining our premises is the unutilized stand 1839 in discussion and would be of great benefit to us if we could rent this stand to expand our storage area.

This area has never been utilized by the Municipality and lies dormant. There seems to be not any servitude or any essential services (Council waterpipes or electricity cables) over this stand.

If possible to rent this stand from the Council, I will securely fence this area to prevent any one from the public to have access to it and thus prevent any one from the public to get injured in this area.

I would therefore hereby officially apply to the Knysna City Council to rent stand 1839 for a period of 9 (nine) years for the storage of building material for retail to my customers at Knysna Build It.

Your favourable consideration for approval will be highly appreciated.

Kindly forward all correspondence in this regard directly for my attention: Mr Attie Roeloffzé, attie@acrusure.co.za, contact number: 083 457 8686.

Yours sincerely,

Director: Formosa Knysna (Pty) Ltd

WA Roeloffzé

MUNICIPALITEIT/MUNICIPALITY
KNYSNA

2018-12-19

[Signature]
6.17

G17/02/19 APPLICATION FOR THE INSTALLATION OF CELLULAR COMMUNICATION EQUIPMENT ON MUNICIPAL OWNED WATER TOWER LOCATED ON ERF 3912, RIO STREET, KNYSNA

REPORT FROM DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To consider an application from Warren Petterson Planning on behalf of Huawei Technologies for the installation of Cellular Communication Equipment at the Municipal Water tower on Erf 3912, Rio Street, Knysna for a period of 4 years and 11 months.

BACKGROUND

This application is for the leasing of ±5m² of the municipal owned property to be used for the installation of Telkom Mobile equipment consisting of the following (see ANNEXURE A):

(i) 3 x panel antennas to be attached to the existing water tower;
(ii) 1 x equipment cabinet to be place on the ground near the base of the existing water tower; and
(iii) Associated cabling and equipment.

The water tower situated at Erf 3912, Knysna is currently being used to house Municipal telecommunication infrastructure, MTN telecommunication infrastructure, Vodacom telecommunication infrastructure and Cell C telecommunication infrastructure.

DISCUSSION

The applicant chose Erf 3912, Knysna because of its geographical aspects to ensure optimum functionality of the telecommunication base station. This site is also chosen to ensure minimal impact on the local social, physical, natural and visual environments.

Erf 3912, Knysna have been identified as a prime location to host a telecommunication base station for Telkom which will provide a much needed service to the surrounding areas.

Due the high demand, densification, urbanisation and influx of seasonal guest especially over festive seasons and holidays dropped calls and poor network coverage are experienced.

The proposed base station will not interfere with the current use of the property and there are no negative impacts on the surrounding land uses and environment.

Section 34 of the Asset Transfer Regulations 2008, deals with Granting of rights to use, control or manage municipal capital assets and reads as follows:

“Granting of rights to use, control or manage municipal capital assets

34. (1) A municipality may grant a right to use, control or manage a capital asset only after –
(a) the accounting officer has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and
The municipal council has approved in principle that the right may be granted.

(2) Subregulation (1) (a) must be complied with only if –

(a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and

(b) a long term right is proposed to be granted in respect of the capital asset.

(3) (a) Only the Municipal council may authorise the public participation process referred to in subregulation (1)(a).

(b) 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;

(ii) any expected benefits to the municipality that may result from the granting of the right;

(iii) any expected proceeds to be received by the municipality from the granting of the right; and

(iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.”

Erf 3912, Knysna is valued at R1 100 000.00 in terms of the Knysna Local Municipality Valuation roll for the period 1 July 2017 – 30 June 2022. The area identified is thus not valued more than R10 million and the applicant have applied to lease the property in question for a period of four (4) years and eleven (11) months. The Asset Transfer Regulations describes “a long term” as “a period of longer than three years”. A public participation process regarding the proposed granting of the right is not required. It is however proposed that the Municipal Council’s intention to lease a portion of Erf 3912, Knysna to Telkom for a period of four (4) years and eleven (11) months for the installation of Cellular Communication Equipment should be advertised for public comments and or objections.

“Consideration of proposals to grant rights to use, control or manage municipal capital assets 36. The municipal council must, when considering in terms of regulation 34(1)(b) approval for any proposed granting of a 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 during the period for which the rights is to be granted;

(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;

(c) the risks and rewards associated with the use, control or management of the capital asset in relation to the municipality’s interests;

(d) any comments or representations on the proposed granting of the right received from the local community and other interested persons;

(e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant provincial treasury;

(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

(g) compliance with legislative regime applicable to the proposed granting of the right.”

The granting of a right to use, control or manage a portion of Erf 3912, Knysna will not affect the current users and it is not foreseen that the portion in question will be required for Council use during the proposed lease period.
A monthly rental, to be determined by the Municipal Valuer, DDP Valuers, will be received by the Municipality for the leasing of the property in question. The improving of the telecommunication service in the Knysna Municipal Area will also improve the image of Knysna and so attract more people to the Knysna Municipal area as less dropped calls and poor network coverage will be experienced.

Any comments or representations from the local community and other interested persons shall be gathered during the advertising process.

The written views and recommendations should be requested from National Treasury and the relevant provincial treasury during the advertising process.

No organ of state to be affected, nor the municipality's own strategic, legal and economic interests or the local community.

The application is tabled before the Municipal Council for an in principle approval that the right be granted and that all relevant legislation be complied with.

**FINANCIAL IMPLICATIONS**

Market related rental, to be determined by the Municipal Valuer, DDP Valuers, should be charged for this lease. Applicant should also be responsible for the payment of services used.

**RELEVANT LEGISLATION**

- Knysna Municipality's Management of Immovable Property Policy

**COMMENTS : TOWN ELECTRICAL ENGINEERING**

Manager: Electro Technical Electrical Engineering: The applicant should contact the electrical department if any electricity is required so a quote may be provided. We require to know,

- How much power?
- How many phases?

Any electricity supplied will be metered and the applicant must make the application via the Customer Care department for the connection.

**COMMENTS : PLANNING AND DEVELOPMENT**

Manager: Environmental Planning: The portion under consideration does not border an environmentally sensitive area and there are no environmental triggers.

Manager: Town Planning & Building Control:

- Erf 3912, Knysna is zoned “Local Authority” in terms of the Knysna Zoning Scheme Regulations (1992).
- The relevant lease agreements shall be finalised prior to submission of any Land Use Planning Applications, if applicable.
- The proposal ought to be presented at a Pre-Application Meeting in terms of Section 37 of the Knysna Municipality By-Law on Municipal Land Use Planning (2016).
COMMENTS : TECHNICAL SERVICES

Manager: Water and Sewer: Melvyn confirmed that the Kiosk will not interfere with our services.

COMMENTS : COMMUNITY SERVICES

Chief Traffic Officer: No Objection

COMMENTS : FINANCIAL SERVICES

Mnager: ITC - IT has had multiple site visits to ensure that this will not affect the municipal network and does not have any objections.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the report and annexure’s regarding Warren Petterson Planning’s application for a lease agreement for Telkom Mobile for telecommunication base station on a Portion of Erf 3912, Rio Street, Knysna submitted to the Governance & Economic Development Committee dated 5 February 2019 be noted;

[b] That the Municipal Manager be instructed to appoint the Municipal Valuer to determine the monthly rental payable;

[c] That the applicant be informed that all cost relating to this application will be for the account of Telkom Mobile,

[d] That Councils intention to enter into a lease agreement with Telkom Mobile for a lease for 4 years and 11 months on a Portion of Erf 3912, Knysna for the installation of a telecommunication base station be advertised for comments and objections;

[e] That the written views and recommendations from National Treasury and the relevant provincial treasury should be requested during the advertising process; and

[f] That a report back report be submitted to the next Governance and Economic Development Committee after the advertising period have ended.

ANNEXURES/APPENDIX

ANNEXURE A - Application for lease agreement

File Number : 7/2/2/1
Execution : Acting Municipal Manager
Director : Corporate Services
Manager : Administration
APPLICATION TO LEASE COUNCIL PROPERTY – ERF 3912, KNYSNA, TO ALLOW THE INSTALLATION OF CELLULAR COMMUNICATION INFRASTRUCTURE ON THE EXISTING RESERVOIR.

The Application

The Lease Agreement Application is for the installation of Cellular Communication Equipment comprising of a Telkom Mobile Equipment container (Placed on the ground next to the reservoir) and 3 x Telkom Mobile antennes (Installed on top of the reservoir), on Erf 3912, Knysna.

Figure 1 – Aerial map indicating Erf 3912, Knysna
Location of Base Station (in a residential area)

Residential areas also require cellular coverage. Over time people are becoming more dependent on this type of mobile technology in order to be able to work from home as well as to have access to an adequate communications service for security and social reasons. As more and more people use this technology more base stations are required in order to provide the required coverage, thus it is inevitable that we will need base stations in residential neighbourhoods in order to deliver the expected service.

This cellular communications base station is proposed as a result of poor cellular reception in the area. The surrounding community will benefit from this installation by having improved reception.

Visual Impact

Installing a 25m mast in this area will have a great visual impact due to the topography of the area. Telkom Mobile tries to utilise existing infrastructure to minimise the visual impact it might have in the area. The reservoir has various existing antennae and dishes installed on it.

In addition, the equipment can be painted an appropriate colour in order to further decrease the visual impact it may have.

Need and Desirability

In a modern-day society, the dependency on communicative technology becomes increasingly higher. This is due to the society’s utilisation of more mobile devices and more than one device per household which mainly relies on internet connectivity (e.g. smartphones, portable computers, tablets/ipads etc.). These devices are used for multiple purposes including socialisation, business related uses and accessibility to important emergency services. Due to factors including densification, urbanisation and influx of seasonal guests especially over festive seasons and holidays, in a tourist attractive place like Knysna, dropped calls and poor network coverage (related to both voice and data) are experienced.

The mix of land uses range from medium density residential to open space. The proposed base station will not interfere with the current use of the property and there are no negative impacts on the surrounding land uses and environment. No trees need to be removed to build the base station and no buildings with heritage value will be affected.

The proposed use will have no impact on the external engineering services, on transport or traffic related considerations, or on the biophysical environment. Every possible measure has been taken to make the design as aesthetically pleasing as possible.
Knysna being “seasonal towns” with high volumes of people visiting the area over the holiday seasons resulting in the networks not being able to keep up with the cellular demand. Residents experience "dropped calls", slow data and occasionally no reception at all. The additional tower will take some of the pressure of the existing network ensuring a more reliable network and sufficient coverage.

It is our submission that the proposed use will have no detrimental impact on the surrounding properties and will provide an essential service to the surrounding community.

**Health and Radiation**

This is a commonly feared phenomenon by the public when discussing cellular communication. However, most households have several cell phones all of which are used regularly and all of whom expect an adequate service.

All cellular equipment complies with all the regulations of ICNIRP as well as the WHO (World Health Organisation) and also National Legislation governing the use of this equipment and the emissions of radio waves. Cellular companies monitor the health impact of their base stations carefully, and spend large sums of money researching this topic annually.

In a statement (May 2006) by the World Health Organisation, it stated that effects from base stations and wireless networks are so low that the temperature increases are insignificant and do not affect human health. Furthermore Vodacom has also made a public statement on health, included in the original application.

Comprehensive information about cell phones, cell phone base stations and health is available on Vodacom’s web-site: [http://www.vodacom.co.za](http://www.vodacom.co.za) in the section ‘About Vodacom’, ‘Base station emissions’ (this shows live/current readings of sample sites).

Radio waves are emitted by numerous instruments including microwave ovens and television screens inside our households. Walking along any street in a city exposes us to RF emissions. RF emissions are part of modern day society; scientists continuously monitor the impacts of these and to date no conclusive evidence against exposure to such is available.

**ICNIRP Guidelines**

ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines provide a means of limiting and guiding human exposure to electromagnetic fields. These guidelines have become the world standard for human exposure to
electromagnetic fields. ICNIRP considers both the thermal and non-thermal effects of RF exposures as well as all other identified hazards of RF exposure.

Measurements of RF exposure from base stations are far below international standards. RF exposure can interact with body tissue but it is not sufficient to cause any significant heating. No study has shown adverse health effects at exposure levels below international guideline limits.

As a precaution, a standard condition of approval for any base station from Council states that the communications companies need to comply with these regulations and if not, the approval may be cancelled and the site is decommissioned.

**Property Values**

There is no evidence that a cellular base station will reduce the property values in any given area. It is important note that a certain level of technology is expected by people today and if anything, value will be added by improved communication and subsequent virtual accessibility and safety in an area. Property values all over the city are enjoying value increases way beyond any expectations.

**Environmental Authorisation**

In terms of the NEMA Regulations, promulgated on the 2nd of August 2010, activity 3 of Listing Notice 3 published in Government Notice No. R 546, the proposed development does not constitute a listed activity and as such does not require an Environmental Authorisation (EA). Refer to the relevant listed activity below.

Government Notice R 546 Activity No(s) 3:

*The construction of masts or towers of any material or type used for telecommunication broadcasting or radio transmission purposes where the mast:*

  a) Is to be placed on a site not previously used for this purpose, and
  b) Will exceed 15 meters in height,

*but excluding attachments to existing buildings and existing masts on rooftops.*

*Areas identified in the Western Cape:*

 i.) In an estuary;
 ii.) All areas outside urban areas;
 iii.) Areas inside urban areas, but outside commercial and industrial areas.

**Site Selection Methodology**
The current roll out of telecommunication infrastructure by cellular network providers is undertaken to upgrade and improve network coverage and quality to all customers. Telecommunication networks experience peak demand in the evenings between 18:00 and 23:00. This is because during these times people are at their homes and use internet intensive devices. Thus, a large portion of the network upgrade is aimed at residential areas. Business and other activity areas have been prioritised over the past 20 years, for commercial reasons and given the fact that legislation and policies steered proposals of this nature, towards non-residential areas.

When choosing a site for a telecommunication base station, service providers are guided by nominal points indicating the areas where poor signal is being experienced.

These points are selected because of an increase of customer complaints, within an area. As an increase in the number of users occurs, the area which is covered by the existing network decreases, leading to poorer network coverage. Figures 2-4 strive to explain how the need for an increase in cellular infrastructure evolves in a typical urban area.

The site was selected for a number of reasons, namely:

- It is situated optimally between planned and existing sites,
- There is an increased demand by cell phone users in this area and the surrounding base stations is unable to provide an acceptable level of coverage to the area,
- It is accessible to contractors during maintenance,
- The proposal and location of the base station is the best solution to the coverage problem of the area with the least negative impacts,
- The proposal is secure due to its locality, and
- Most importantly it will serve the complaint area (the area with the lowest levels of cellular reception due to locality and high volumes of users) optimally.
- Existing infrastructure will be used so no tower will have to be built.
Cellular infrastructure explained:

Figure 2 is an illustration of optimum network and data coverage. This is explained by envisioning the octagonal shape of a honeycomb (cells).

Figure 2 - Initial coverage (cell) provided by Telecommunication Base Stations

As network users increase, the cells shrink which leads to gaps within this network of cells. This leads to dropped calls, weak/limited signal and the failure to access the latest technologies in communication innovations.

Figure 3 - Coverage decreases due to increase in network users — cell size decreases creating gaps
Gaps between cells require new/additional telecommunication base stations to be placed in these gaps to retain good network coverage.

Figure 4 - Additional telecommunication base stations required to fill the gaps

Locations for telecommunication infrastructure are primarily chosen within areas where a need exists for coverage (refer to Figure 3). If a need for coverage does not exist in a specific area, no company would invest capital to build a telecommunication base station in the said area. The fact that there are only a few telecommunication base stations in the surrounding area supports the statement that there is a clear need for coverage in the area.

The need for coverage is however not the only determining factor when identifying a possible position for a telecommunication base station. Other determining factors include altitude, zoning and the visual impact of the proposed base station. Distance away from existing base stations in the surrounding area is also an influencing factor.
Conclusion

In conclusion it is important to note the following:

- Mobile Communication Companies deliver services, and in terms of their license with ICASA they have to meet certain standards in order to retain their licenses.

- The Base Station will be surrounded by a relatively high-income residential area. A vast majority of these households will depend on the services of the cellular telecommunications providers, including internet and social networking media (Facebook, Twitter etc.). With such a high demand for their products, it follows that these service providers are responsible for supplying adequate network coverage.

- It must also be remembered that the surrounding residents are not the only ones that will be able to access these services. The site’s proposed position is next to a regional road (Rio Street), one of the busiest commuter routes in the
Heuwelkruin area. Commuters on this route are extremely reliant on this Base Station for communication purposes.

- Mobile communication has become an important safety and security element in modern society. In an emergency, such as a housebreaking, medical alert or fire, a member of a household can quickly and easily contact the emergency services for help. However if the coverage of mobile service providers’ is poor, then contacting emergency services becomes a difficult task.

Your continued support of this proposal will be much appreciated.

Yours faithfully

Etienne Terblanche
Pr. Pln A1898/2014
REPORT FROM DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider disposing of a portion ERF 19049 of in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

BACKGROUND

The owner of 19167, Mr M.M. Sompani wishes to include a portion of Erf 19049 to his property. The property pf Mr. Sompani is situated on a very dangerous corner, which Mr. Sompani avers places their lives at risk from vehicles passing by. The applicant submits that they have experienced a few incidents where drunk drivers drove off road and into his yard (See Annexure A).

The owners of Erf 19167 have built a garage next to their house, which encroaches over the boundary line of Erf 19167, Knysna onto Erf 19049, Concordia (See Annexure B).

DISCUSSION

The applicant applied to purchase the portion of Erf 19049, Knysna that the garage is encroaching upon.

Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) deals with disposal of capital assets of municipalities and reads as follows:

“14. Disposal of capital assets:

[a] 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.

[b] A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public –

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

[c] A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

[d] A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in
subsection 2(a) and (b) in respect of movable capital assets below a value determined by the council.

[e] Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111…"

The subject portion, a portion Erf 19049, Concordia, Knysna is not required to provide the minimum level of basic municipal services. If the Municipal Council give the required in principle approval to alienate the portion of Erf 19049, the Municipal Valuer, DDP Valuers, should be requested to provide the market value of the subject property. The alienation of a portion of Erf 19049, Knysna must be fair, equitable, transparent, competitive and consistent with the supply chain management policy of the Municipality as required by the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The Knysna Municipality Supply Chain management Policy 2018/19 approved by the Municipal Council on 6 June 2018 states the following with regards to “Disposal Management”;

“40. Disposal management
(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets will be subject to Sections 14 of the Act, and asset transfer regulations;
(2) Assets may be disposed of by –
(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
(iii) selling the asset; or
(iv) destroying the asset
(3) The Accounting Officer must ensure that –
(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
(b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
(d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
(e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually;
(f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
(g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.”

The market related price to be determined by the Municipal Valuer will be the price at which the property is to be sold. This would also be the most advantageous process in terms of 40.(3)(b) of the SCM Policy, that the accounting officer must ensure the property be sold at, as the property in question is non-viable property.

The portion of Erf 19049, to be alienated is described in the Management of Immovable Property Policy as “Non-Viable Property” as the property involved owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction
with such owner's property. It is clear that the portion involved can only become functional if used by the owner of Erf 19167 (See Annexure C). It is however proposed that the intention to alienate a portion of Erf 19049, Knysna to the adjacent owner of Erf 19167, Knysna, should be advertised for comments and objections.

The Management of Immovable Property Policy determines that a property transaction in respect of Non-Viable Property may be approved without any competitive process having being followed, as a competitive process would serve no purpose.

Section 5 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003): Municipal Asset Transfer Regulations deals with the decision-making process for municipalities when alienating Municipal owned property:

“5. (1) A municipality may transfer or dispose of a non-exempted capital asset only after –

[a] the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and

[b] the municipal council –

(i) has made the determinations required by section 14(2)(a) and (b); and

(ii) has a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

(2) Subregulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value capital asset. If the combined value of any capital assets a municipality intends to transfer or dispose of in any financial year exceeds five per cent of the total value its assets, as determined from its latest available audited annual financial statements, subregulation (1)(a) must be complied with in relation to all the capital assets proposed to be transferred or disposed of during that year.”

The Municipal Asset Transfer Regulations define “high value” as, “in relation to a capital asset of a municipality or municipal entity, means that the fair market value of the capital asset exceeds any of the following amounts:

(a) R50 million;

(b) One per cent of the total value of the capital assets of the municipality or municipal entity, as determined from the latest available audited annual financial statements of the municipality or entity; or

(c) An amount determined by resolution of the council of the municipality or of the parent municipality of the municipal entity which is less than (a) or (b).”

Erf 19049, Knysna is not on the Valuation roll for 2017/2022. Erf 19049 is ±11224.070m² of public road. The value of the road cannot be higher than R50 million.

The total value of the capital assets of Knysna Municipality for the financial year ended on 30 June 2017 is determined to be R 1 055 974 293. One per cent of R 1 055 974 293 is R 10 559 742.93. The property in question, a portion of Erf 19049 is not more than R 10 559 742.93, thus subregulation (1)(a) [public participation process] of the Asset Transfer Regulations does not need to be complied with.

However, taking into consideration the Management of Immovable Property Policy, the Knysna Municipality Supply Chain management Policy, the Municipal Asset Transfer Regulations and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), although all the relevant legislation states that the property in question does not need to follow a public participation process, as a public participation process would have no
purpose. It is still recommended that the intention to alienate a portion of Erf 19049, Knysna to the adjacent owner of Erf 19167, Knysna, should be advertised for comments and objections.

**COMMENTS DIRECTOR : TECHNICAL SERVICES**

Manager: Electro-Technical Electrical Engineering - Electrical has no comment on this.

**COMMENTS DIRECTOR : PLANNING AND DEVELOPMENT**

Manager: Environmental Planning - The portion under consideration does not border an environmentally sensitive area and there are no environmental triggers.

Manager: Town Planning & Building Control - Supported, However on successful purchase of the property, the applicant has to make an application for closure of the portion of road, rezone the portion and consolidate the proposed portion with the residential erf – Erf 19167 Knysna.

It is important to establish the clear view site lines, maybe by widening the corner, as there is vacant portion of land - Erf 19049 Knysna.

**FINANCIAL IMPLICATIONS**

This Municipal property must be alienated at a market related price as determined by the Municipal Valuer. There is no cost for the Municipality of this transaction as the applicant must be liable for all the costs relating to this transaction.

**RELEVANT LEGISLATION**

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations
Management of Immovable Property Policy
Knysna Municipality Supply Chain Management Policy

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

[a] That the report and annexure’s regarding the application to purchase a portion of Erf 19049, abutting Erf 19167, Dinangwe, Concordia, Knysna, submitted to the Finance and Governance Committee meeting dated 5 February 2019, be noted;

[b] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council hereby confirms that the portion of Erf 19049, Dinangwe Concordia Knysna to be alienated, is deemed not needed to provide the minimum level of basic Municipal Services;

[c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Manager should be instructed to appoint the Municipal Valuer, DDP Valuers to determine the fair market value of the relevant portion of Erf 19049, Dinangwe Concordia Knysna;

[d] That in terms of Section 5(b)(ii) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations Council approve in principle that a portion of Erf 19049, Dinangwe Concordia may be disposed of;
[e] That in terms of the Knysna Municipality’s Management of Immovable Property Policy, a portion of Erf 19049, Dinangwe Concordia Knysna may be sold to the owner of Erf 19167, Dinangwe Concordia at the Market Related value determined by the Municipal Valuer, DDP Valuers;

[f] That all costs relating to the alienation be for the account of the applicant, and owner of Erf 19167, Dinangwe Concordia Knysna;

[g] That the Municipal Manager be hereby instructed to appoint DDP Valuers to determine the Market Related Value for the portion in question;

[h] That the owner of Erf 19167, Dinangwe Concordia be informed that the portion of Erf 19049, Dinangwe Concordia Knysna, to be alienated, will have to be consolidated with Erf 19167 after successful alienation;

[i] That the Municipal Manager is hereby instructed to advertise the intended alienation of a portion of Erf 19049, Knysna to the owner of Erf 19167; and

[j] That a further report be submitted to a following Finance and Governance Committee meeting after the advertising as mentioned in [i] above have been completed.

ANNEXURES/APPENDIX

ANNEXURE A – Application letter from Mr. M.M Sompani
ANNEXURE B – Site plan
ANNEXURE C - GIS View

File Number : 7/2/1/2
Execution : Acting Municipal Manager
            Director : Corporate Services
            Manager : Administration
REQUESTING TO PURCHASE THE ENCROACHED PEACE OF LAND – ERF 19168

As per to the appointment with your intern on the 6th November 2018 at 09:00 your intern advise that I should implement a letter as part of the supporting documents when one is requesting to purchase land.

Our house is located at the Concordia Township in Dinangwe area, house number MLS 135, our stand number erf.19168

Our house is built on a very dangerous corner, which put our lives at high risk of vehicles passing by, that might accidentally fall on top of our house, we had experience few occasions where drunk drivers had drove off road and drove onto our yard but not it was not too serious.

After numerous of these incidents we had decided to build a wooden fence, please find the attach picture. The fence also didn’t help in any manner.

We then decided to build a garage with an emergency as this will be a decisive plan, because we had noted that this matter was perpetual, the garage itself will then be a barrier should any reckless driver bumps our house, he/she would then bump a garage wall instead the whole vehicle falling onto the house.

Just like the picture that I have attached of a Witbooi bus falling onto someone’s house as part of the example, noting other house where a smaller vehicle had accidentally fell right in front of the house see attached picture. In this order we are trying to void the subsequent in this case of being victims of an accident.

We realized that we have encroached a portion a municipality land after we had built the garage, please find the attached encroached drawing (site plan) which is measured by an architecture.

CONCLUSION;
On behalf of one of many people in Knysna Township, we are left to resolve the matter in which these houses were built in an obnoxious environment, taking into consideration that our houses doesn’t have space to even build.

This matter has partly help Knysna municipality from being accused of being negligence or not considering peoples lives in terms of where they build houses for Knysna residents.
ANNEXURE B

SITE PLAN 1:100

ERF 19157 CONCORDIA EAST

AREA OVER BOUNDARY LINE 3,591 SQM

Drawing for site information
6.19

G19/02/19 REPORT ON IRRECOVERABLE DEBT OF CORNUTI’S RISTORANTE

REPORT FROM DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To present a report on the status of the outstanding debt of Cornuti’s Ristorante and recommend to the Governance and Economic Development Committee, the write off of the amounts due and owing by Cornuti’s Ristorante.

BACKGROUND

The Municipality entered into a lease agreement with Reward Ventures 01 CC in respect of Erven 1406, 4620 and 1475, the Heads, Knysna, during April 2007. In April the following year, the abovementioned lease was ceded and delegated by agreement from Reward Ventures to Cornuti’s Ristorante.

On 14 December 2010, an addendum to the lease agreement was signed between the Municipality and Cornuti’s Ristorante. It was agreed that public toilets on the Erf be built where the Dive Shop was situated, and maintenance thereof remained the responsibility of the lessee. The addendum to the Lease Agreement also stated that the amount would be adjusted by subtracting a pro rata amount, based on the cost per square meter occupied by the new toilet facilities from the monthly rental payable.

On 12 May 2011, an invoice for the conversion of the Dive Shop into public toilets and a storerom was addressed to the Municipality which stated per letter dated 13 July 2011, that it cannot accept the amount as the storerom was not part of the agreement. Consequently, the amount resulted in over expenditure due to deviation from the agreement.

In a letter addressed to the Municipality on 17 November 2011, Cornuti’s submitted a detailed report on work done at the premises to which the Municipality responded that it was not entitled to compensation, as what was done was not agreed upon. Cornuti’s was also informed that it was in arrears with its municipal account. Cornuti’s, in a follow up letter, disputed being indebted to the Municipality in any amount.

Above-mentioned formed the basis of the dispute between the parties, as Council denied that it had consented to the over expenditure of what the lessee was to spend on the property as provided for in the tender. The matter was finally handed over to our Legal department and summons were issued for the recovery of the arrear amount in 2013, after all attempts to settle the matter with the Cornuti’s failed. The following financial status as at February 2015, was provided by our Income section:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account rates &amp; annual charges</td>
<td>R 1.49 + R 150044.23</td>
</tr>
<tr>
<td>Arrear rates &amp; annual charges legal suite</td>
<td>R 412386.97</td>
</tr>
<tr>
<td>Current account Rentals</td>
<td>R 2853474.25</td>
</tr>
<tr>
<td>Arrear account Rentals legal suite</td>
<td>R 259184.92</td>
</tr>
<tr>
<td>Current account Electricity &amp; Water</td>
<td>R 25456.09</td>
</tr>
<tr>
<td></td>
<td>R 2853474.25</td>
</tr>
</tbody>
</table>
Above-mentioned amount increased as from February 2015. During September 2016, an item served before Council regarding the lease agreement between the parties.

The lease agreement between Council and Cornuti’s Ristorante was due to expire on 31st December 2016. Said lease agreement provided for an extension of the existing lease subject to mutual agreement between Council and the tenant.

At the time the Knysna Municipality was involved in lengthy and expensive litigation with the tenant and Council also in previous meetings instructed that terms of reference be developed to ensure that the maximum benefit is derived from all its rental properties. Accordingly, taken into account the arrear municipal account, it was found that the continuation of the lease with the existing tenants is not beneficial to the Knysna Municipality. The then Acting Municipal Manager was instructed to take all necessary action to ensure that the lease agreement between the Knysna Municipality and Cornuti’s Ristorante was terminated at the end of the lease period, being 31 December 2016 and that the premises were vacated on or before 31 December 2016.

Pending the litigation matter to recover the arrear amounts on the municipal account, we had to also seek an eviction order as the tenant refused to vacate when the lease agreement expired at the end of December 2016. The premises were thus only vacated on 1 May 2017, in terms of below court order.
IN THE HIGH COURT OF SOUTH AFRICA (WESTERN CAPE DIVISION, CAPE TOWN)

Case No. 2435/2017

On Wednesday the 8th of March 2016 and at Cape Town
Before His Lordship the Honourable Mr Justice Desai

In the matter between:

KNYSNA MUNICIPALITY

and

CORNUTI KNYSNA RISTORANTE (PTY) LTD

APPLICANT

RESPONDENT

ORDER

By agreement between the parties the Court orders as follows:

1. The respondent and all occupying under the respondent shall vacate even 1406, 4620 and 1478 Knysna ("the premises") on or before the 1st of May 2017, failing which the Sheriff for the district of Knysna is authorised and ordered to evict the respondent and all occupying under the respondent from the property on the 2nd of May 2017.

2. Respondent shall pay the applicant's taxed or agreed party and party costs on an unopposed basis.

Logan-Martin Inc.
c/o FA Hanekom Att.
Unit 3, 3rd Floor
Lower Long Street
CAPE TOWN

/avz

BY ORDER OF THE COURT

COURT REGISTRAR
The civil claim instituted against the tenant to recover arrear amounts was heard on 17 September 2017. The court found in favour of Council. The court ordered as follows:

a) Payment of R 1 452 054,43 (inclusive of VAT) in respect of unpaid and arrear rental for the period September 2011 to 30 April 2013;

b) Payment of R 3 541 192, 77 (inclusive of VAT) in respect of damages in respect of the Defendant's holding over for the period 1 May 2013 to 30 April 2017;

c) Interest on the aforesaid amount at the legal rate of 156,5 % per annum on the amount s owing from time to time in respect of the respective claims until 31 July 2014 and thereafter at 9% per annum from 1 August 2014 until 30 April 2016 and at 10, 25% per annum from 1 May 2016 to date of final payment;

d) The cost of suit.

Our bill of costs has been taxed and since late 2017, we await payment of our account from Cornuti's. The legal fees spent to date amounts to R 877 576. 86, of which an amount of R 207 697.99 was for advocate fees. The amount also included fees for obtaining the eviction order during March 2017.

We consulted with our attorneys of record, Logan Martin Inc. who acted on our behalf in the civil claim. A response to our queries in enclosed hereto as Annexure “A”. We were advised that the best possible chance of recovering anything from this matter, would be to liquidate the company and then attempt through insolvency queries, to show that the director was trading under insolvent circumstances and that he should be held personally liable. We were however advised that going this route does not guarantee that we would get anything out of the process. It is also extremely expensive to first liquidate the company and then to pay for these enquiries without any guarantee that any money will come from it.

It is also noted that we can only proceed against the director personally if our attempts to use the insolvency process to hold him personally liable, are successful. A CIPC search also revealed that the company is in the process of being de-registered. Once this process is completed, then the company does not exist and no further action can be taken against the company.

In conclusion, taking in consideration the last correspondence received from Logan Martin Inc. the Legal Services department concur with the advices therein.

COMMENT : CHIEF FINANCIAL OFFICER

It is evident that the legal costs will escalate if we continue trying to peruse the matter in recovering the cost through liquidation. The liquidation process poses its own risk and challenges that it may not yield any positive outcome. Based on the information presented and advice from our legal counsel, it is advisable that the council consider writing off the amount as irrecoverable debt.

FINANCIAL IMPLICATIONS

a) R 1 452 054,43 (inclusive of VAT) in respect of unpaid and arrear rental for the period September 2011 to 30 April 2013;

b) R 3 541 192, 77 (inclusive of VAT) in respect of damages in respect of the Defendant's holding over for the period 1 May 2013 to 30 April 2017;

c) Interest on the aforesaid amount at the legal rate of 156,5 % per annum on the amount s owing from time to time in respect of the respective claims until 31 July 2014 and
thereafter at 9% per annum from 1 August 2014 until 30 April 2016 and at 10, 25% per annum from 1 May 2016 to date of final payment;

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the content of the report on the lease of Cornuti Ristorante, be noted; and

[b] That the amounts due and owing by Cornuti`s Ristorante be written off as irrecoverable.

APPENDIX/ADDENDUM

Letter - Logan Martin Inc.

File Number : 9/1/2/10
Execution : Acting Municipal Manager
Director : Corporate Services
Director : Financial Services
Manager : Administration
Dear Madam

CORNUTI’S

Thank you for your email of 9 October 2018.

In this particular matter, when the lease agreement was entered into, the shareholders/directors of the Cornuti Knysna Ristorante (Pty) Ltd company, was not asked to stand personal surety. This means we can only execute judgment against the company itself. As far as we know from our involvement in this particular matter, this particular company was specifically formed to take cession of the Cornuti lease and this company’s only asset was the business at The Heads.

From previous knowledge in dealing with the individual directors of this company, I know that they had a fall-out and that Mr Walker subsequently became the only director and shareholder of the company against whom we obtained the judgment. I suspect that the only assets that this company had, was the restaurant business which traded as Cornuti’s and then later changed their name.

The best possible chance of recovering anything from this matter, would be to liquidate the company in question and then attempt through insolvency enquiries, to show that the director was trading under insolvent circumstances and that he should be held personally liable. This type of exercise is usually nothing more than a fishing expedition and there is no guarantee that you would get anything out of this process. It is also an extremely expensive process to first liquidate the company and then to pay for these enquiries without any guarantees that any money will come from it.
I do not have any knowledge of Mr Walker's personal financial situation and cannot comment on your chances of success against him personally. Please however note you could only proceed against him personally if your attempts to use the insolvency process to hold him as director personal liable, are successful.

I have also done a company search in respect of the debtor company and can confirm that the CIPC company search confirms that the company is in the process of being de-registered. I have no doubt that this is as a result of the fact that they have not been submitting financial statements for quite some time. Once the de-registration process is completed, then the company does not exist and no further action can be taken against the company.

Yours faithfully
LOGAN-MARTIN INC

per: D BARNARD
6.20

C20/02/19 REPORT ON INVESTIGATION INTO OVERTIME

REPORT FROM DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To report on the action taken by the TMT on the findings of the Internal Audit Department on excessive overtime payments to employees and also present corrective measures to curb overtime.

BACKGROUND

The Internal Audit Unit conducted an investigation into excessive overtime claimed by the various Departments in the 2017/2018 financial year, comparing it to the 2016/2017 and 2015/2016 financial year. A Management Report was subsequently presented to the Audit Committee in the meeting held in August 2018 and it was recommended that the report should be dealt with by the Top Management Team and a detailed report should be presented to the Governance and Economic Development Committee.

The following findings were made by Internal Audit during their investigation:

1. Officials view income generated through working overtime as part of their basic salary
2. Departments do not strategize on how to control overtime expenditure
3. Control measures are inadequate; there is no pre-authorization to work overtime
4. Criteria for the approval of remunerated overtime are not consistently applied
5. Time off is not used as an alternative to compensate employees
6. Employees above the threshold are claiming overtime and thus contravening the Policy as well as provisions of the Basic Conditions of Employment Act;
7. Overtime remuneration increased significantly in the 2017/2018 financial year to R18 188 000.39 and split as follows:

<table>
<thead>
<tr>
<th>DIRECTORATES</th>
<th>AMOUNT IN RANDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Services</td>
<td>R 7 002 484,05</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>R 148 558,32</td>
</tr>
<tr>
<td>Technical Services</td>
<td>R 10 735 032,42</td>
</tr>
<tr>
<td>Financial Services</td>
<td>R 161 705,35</td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>R 140 220,25</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>R 18 188 000,39</strong></td>
</tr>
</tbody>
</table>

The main reason for the sharp increase in overtime expenditure in 2017/2018 financial year is:

- The lack of management of overtime hours.
- Employees earning in excess of the annual threshold perform remunerated overtime.
- The fire-related disaster of June 2017, although these charges should have been offset against the cost of the disaster and not charged against overtime as a portion could possibly have been recovered from insurance.
- The basis for the calculation of the overtime tariff was adjusted on 1 July 2017 with salary increments.
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
6 FEBRUARY 2019

- Positions in the Community Services and Technical Services Directorates are not filled and therefore the limited staff are performing extra work

The following recommendations were made by Internal Audit:

- That the monthly reports for submission to the Finance and Governance section 80 committee as required by the policy be implemented with immediate effect.¹
- That the current policy 2018/2019 be disseminated and be explained to managers and other employees claiming overtime and standby.
- That Standby allowance payments for the 2015/2016 to 2017/2018 be reviewed to determine and noncompliance with the BCEA, the Collective Agreement on Conditions of Service for the Western Cape Division of the SALGBC and Councils approved Overtime Policy be reported to the Section 80 Committee for Finance and Governance and Audit Committee.
- That the policy be reviewed in regards to the inclusion of the statement in section 4, Guiding Principles “irrespective of the statutory threshold”, Council cannot approve a policy that aims to either amend or ignore national legislation or agreements.
- Implement an integrated IT-based overtime system similar to the leave system however it should be in line with mSCOAs requirements for system integration. This system should be exceptions based.
- That management investigates the areas of non-compliance with the BCEA and Council policy and implement consequences management if and where appropriate.
- Review and approval of the organogram to address issues related to employee shortages should such be identified.
- Exception-based management monitoring and reporting.
- Investigation the implementation of additional shift systems.
- That the Council approved overtime compensation policy be enforced in line with the requirements of the BCEA, i.e. that employees not work more than 3 hours overtime per day or more than 10 hours overtime a week. This should be applied across all departments, service departments included. No employee is allowed to work more than 60 hours per month, for more than two months within a twelve month period.
- Employees earning in excess of the earnings threshold be provided with time off in return for overtime hours worked, as per the municipality’s overtime compensation policy. Time off in lieu of payment for overtime worked must be taken within 1 month from the date of accrual. Time off not taken within 1 month will be forfeited.
- That no overtime will be paid for attendance of functions/prize giving, training etc. by personal invitation except in cases of compulsory attendance as an official representative of Council, provided that such employee qualifies for overtime in terms of the policy and provided further that such overtime is authorized in advance by the applicable Manager/ Director.
- The process for the approval of remunerated overtime should be clearly defined. Supervisors should not authorise any timesheets for overtime worked, without the written approval for the overtime attached to the timesheet. All overtime allowances should be approved prior to it being worked by the department’s Director.
- Overtime can only be claimed for actual hours worked and exclude travelling time except for standby staff. Overtime for the latter group starts from the time of call out.
- Overtime work is subject to prior written approval by a competent authority and no overtime may be worked without such written approval being obtained, except in cases of work related to emergency situations where work has to be done without delay owing to circumstances for which the employer could not reasonably have expected to make

¹ These should be done by the Payroll section and signed off by HR as well.
provision for and which cannot be performed by employees during their ordinary hours of work, and or in life-threatening situations. For emergency overtime the competent authority may give verbal approval to the working of such overtime provided such approval is followed-up with a written confirmation.

- Payment can only be granted when such payment is in line with the Basic Conditions of Employment Act as amended, Collective Agreement on Conditions of Service as well as the approved Overtime Policy.
- Employees should be informed who their direct supervisors are, and should not work any overtime unless the supervisor has requested them to do so. Thus employees cannot decide when to work overtime, the supervisor has to determine when there is a need.
- Written approval for overtime should be completed properly the supervisor should indicate that the proper authorisation for the overtime to be worked has been obtained and where possible the hours to be worked should be specified, as well as the purpose of the overtime.
- Until such time as an electronic/IT system is developed and implemented, the following manual process should be implemented.
  - Refer to Annexure B where examples have been provided of an Overtime Register and a Request for Authorisation of Overtime.
  - These templates should be used by all employees to ensure uniformity of overtime records.
- Where possible the teams working overtime should be planned, to avoid having the same people working all the time.
- Where a supervisor anticipates that an employee will be working overtime in excess of 40 hours for a specific month, the written approval for overtime has to go to the Manager and Director for approval. Request has to be accompanied by a motivation with regard to why the employee will be working additional hours an employee has to agree to work these hours. Employees may not be allowed to work overtime aimed at the completion of work that has fallen in arrears.
- Overtime forms must be submitted on a monthly basis before the 10th to the Payroll Section.
- An employee acting in a higher position and receiving an acting allowance will be remunerated overtime for emergency work only at his/her current post level.

DISCUSSION

The Top Management Team considered the report of Internal Audit on excessive overtime payments. It has been established that the mostly affected Directorates are Technical Services and Community Services due to the extent of work that is expected to be performed.

The Management can cite the following reasons for the excessive overtime worked during the 2017/2018 financial year:

1. The Directorates were short staffed due to the fact that the key operational positions were not funded for filling; this was as a result of the outdated organizational structure which was last reviewed in 2012 and therefore did not make provision for the new areas to be serviced by the two (2) Directorates;
2. A number of employees had to work excessive hours to make up for the work that has to be done by unavailable teams, as a result of not filling the positions;
3. The amount of overtime worked during the fires disaster was also claimed against the Overtime Vote and not against Disaster, thereby increasing the expenditure on the vote;
4. A number of officials who worked during the fire disaster were above the threshold which is regulated at R205 433.30 hence the sharp increase;
5. There was no pre-authorisation of overtime by relevant Directors before actual overtime is worked, controls were weak.

6. It has been established that the currently approved delegations allow supervisors to authorize the payment of overtime without the final authorisation of the Director.

In light of the above reasons and recommendations of Internal Audit, the Top Management Team decided to introduce control measures in an attempt to curb overtime.

1. A pre-authorisation form to apply to work overtime has been introduced and implemented in all Directorates;
2. A number of operational positions in the Community Services Directorate have been filled and in the process of filling some vacancies in the Technical Services Directorate in order to alleviate overtime;
3. The policy on overtime will be reviewed to take into account the provisions of the BCEA and Collective Agreement in as far as the threshold is concerned;
4. A decision has been taken to keep overtime to the allowed hours of 40 per month, time off should be granted for hours exceeding 40;
5. A Standard Operating Procedure on overtime is being developed and will be communicated to all employees before implementation;
6. A decision has been taken that with effect from 1 February 2019, no payment of overtime will be made to employees who are above the threshold in order to ensure compliance with legislation;
7. On the basis of the new organogram, Management is contemplating introducing the shift system for functions like Law Enforcement, Waste Management, Public Works and Water Services;
8. Delegations from supervisor have been retracted since November 2018, only Directors can authorize payment of overtime.

Management is still assessing the issue of the hourly rate, with regard to Fire Services staff. The system has been set to calculate the rate as with other staff members whilst their working hours are different. This inflates their hourly rate.

The recommendations of Internal Audit are taken into account by the Top Management Team and an action plan is being developed for implementation and reporting to Council structures.

The expenditure on overtime in the first half of 2018/2019 amounts to R10 299 998.10. This is still a high value of overtime payment which is above 60% of the total budget for the 2018/2019 financial year.

An Enterprise Resource Planning (ERP) System is being procured for, amongst others, financial management and a module on capping of overtime payment on the payroll system. This will also address the issue of overpayments on overtime.

**RELEVANT LEGISLATION**

Basic Conditions of Employment Act
Collective Agreement on Conditions of Service
Overtime Policy of Knysna Municipality
FINANCIAL IMPLICATIONS

The budget provision for overtime in the 2018/2019 financial year is R17 024 700.00

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Committee notes the actions adopted by the Management to address the excessive overtime claims.

File Number : 9/1/2/9
Execution : Acting Municipal Manager
Director : Corporate Services
Manager : Human Resources
6.21

C21/02/19  DETAILED CAPITAL BUDGET REPORT FOR THE 2018/2019 FINANCIAL YEAR AS AT 23 JANUARY 2019

REPORT FROM THE DIRECTOR: FINANCIAL SERVICES

PURPOSE OF THE REPORT

For comments to the Executive Mayor in order to provide political guidance as is envisaged in Section 52(a) of the Local Government: Municipal Finance Management Act 56 of 2003.

BACKGROUND

As requested by the Executive Mayoral committee this report will be submitted monthly to each portfolio committee in order to facilitate discussions on any issues that may arise with the responsible directors.

See annexure A for full details of all Capital Projects

Capital budget YTD progress per directorate as at 23 January 2019

<table>
<thead>
<tr>
<th>DIRECTORATE</th>
<th>Original Approved Budget</th>
<th>Adjusted Budget</th>
<th>YTD Budget</th>
<th>YTD Actual</th>
<th>Annual Variance</th>
<th>% Annual Budget Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive &amp; Council</td>
<td>0</td>
<td>80,000.00</td>
<td>0</td>
<td>81,918.00</td>
<td>-1,918.00</td>
<td>102%</td>
</tr>
<tr>
<td>Corporate</td>
<td>1,056,000.00</td>
<td>1,000,000.00</td>
<td>350,000.00</td>
<td>29,843.00</td>
<td>970,157.00</td>
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<td>744,994.00</td>
<td>362,690.00</td>
<td>1,797,310.00</td>
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<td>Planning &amp; Development</td>
<td>10,140,000.00</td>
<td>14,297,567</td>
<td>5,448,227.00</td>
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<td>Community</td>
<td>21,040,700.00</td>
<td>30,463,497</td>
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<td>27,229,198</td>
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<td>62,155,510.00</td>
<td>46,282,277.00</td>
<td>129,974,690.00</td>
<td>26%</td>
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FINANCIAL IMPLICATIONS

Any over expenditure of the approved budget will be classified as an unauthorized expenditure.

RELEVANT LEGISLATION

MFMA Act 56 of 2003
Section 32 Unauthorized, irregular or fruitless and wasteful expenditure
Section 52(a) The Mayor of the municipality must provide general political guidance over the fiscal and financial affairs of the municipality

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Detailed Capital Budget Report: 2018/2019 as submitted in terms of Section 52(a) of the Local Government: Municipal Finance Management Act 56 of 2003, be noted.

APPENDIX / ADDENDUM

Detailed Capital Report.

File Number : 9/1/2/10
Execution : Director : Financial Services
<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
<th>Amount</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
<th>Total</th>
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<tr>
<td>1. Executive &amp; Council</td>
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<td>81,918</td>
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<td>81,918</td>
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<td>173,318</td>
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<td>2. Corporate Services</td>
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<tr>
<td>3. Service delivery</td>
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<td>4. Financial Management</td>
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<tr>
<td>5. People management</td>
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<td>6. Governance &amp; risk management</td>
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<td>7. Efficiency and Operational Services</td>
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<td>8. Capital and Revenue Expenditure</td>
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<td>11. Value for money</td>
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**Total Budget**: 1,656,000
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
6 FEBRUARY 2019

8. Technical Services

<table>
<thead>
<tr>
<th>acct#</th>
<th>Item</th>
<th>Original Approved Bud</th>
<th>Adjusted Budget</th>
<th>FY18 Budget</th>
<th>FY18 Actual</th>
<th>FY18 Variance</th>
<th>orders</th>
<th>Annuall Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-00-00-26-5154</td>
<td>AI: Internal - Surplus cnt</td>
<td>250,000</td>
<td>250,000</td>
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Public Works Readiness

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<th>Adjusted Budget</th>
<th>FY18 Budget</th>
<th>FY18 Actual</th>
<th>FY18 Variance</th>
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<th>Annuall Variance</th>
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<tbody>
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<td>174,000</td>
<td>225,999</td>
<td>763,351</td>
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SEWERAGE PURIFICATION WORKS

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<th>Item</th>
<th>Original Approved Bud</th>
<th>Adjusted Budget</th>
<th>FY18 Budget</th>
<th>FY18 Actual</th>
<th>FY18 Variance</th>
<th>orders</th>
<th>Annuall Variance</th>
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WATER PURIFICATION WORKS

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<th>FY18 Actual</th>
<th>FY18 Variance</th>
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<tbody>
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<td>30-00-00-26-6018</td>
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WATER PURIFICATION TOTAL

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<th>FY18 Variance</th>
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Grand Total

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<th>FY18 Variance</th>
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<td>15,873,233</td>
<td>30,505,488</td>
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7. In committee Items (See separate agenda)

8. Closure