

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Clyde Street
Knysna
6570

Clydestraat
Knysna
6570

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Notice is hereby given that an **ORDINARY MEETING** of the **MUNICIPAL COUNCIL** of Knysna Municipality will be held in the Municipal Council Chamber on **WEDNESDAY, 30 MARCH 2022** at **09:00** to consider the business set forth in the attached agenda.

Kennis geskied hiermee dat 'n **GEWONE VERGADERING** van die **MUNISIPALE RAAD** van Knysna Munisipaliteit in die Munisipale Raadsaal op **WOENSDAG, 30 MAART 2022** om **09:00** gehou sal word ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.

Ibhunga lika**MASIPALA** waseKnysna lazisa ngomthetho okwisolotya 19(b) wenkqubo mgaqo olawula oMasipala, 32 of 2000, njengoko utshintshiwe,**NGOLWESITHATHU, NGOMHLA WE 30 EYOKWINDLA 2022** ngentsimibi ye **09:00** umba iyakuba lushishino oluchazwekwi agenda.

CLLR J LOPES

The Speaker
Die Speaker
Usomlomo

MR J JACOBS

Acting Municipal Manager
Waarnemende Munisipale Bestuurder
uManejala kaMasipala

Date : 25 March 2022

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2. **SILENT PRAYER**
3. **ATTENDANCE OF MEMBERS**
 - 3.1 **COUNCILLORS PRESENT**
 - 3.2 **COUNCILLOR WITH LEAVE**
 - 3.3 **COUNCILLORS WITHOUT LEAVE**
4. **NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 32 OF 2000**
5. **DISCLOSURE OF INTERESTS BY COUNCILLORS**
6. **LONG SERVICE AWARDS 2018-2022**

Full Name	Surname	Number Of Years
ANTHONY ZAMUBUNTU	BANS	25
GAVIN	CORTJE	25
ELTON JOHN	DAMONS	25
VINCENT XOLA	FRANS	25
MLUNGISELELI	GOBENI	25
MQONDISI ELLIOT	GQOTHOLO	25
KHOLISLE LUCAS	GROOTBOOM	25
ZOLEKA BEAUTY	GUTAS	25
ANTHONY PATRICK	HARRIS	25
RIAAN BRIAN	INNES	25
ANDREW TREVOR	JACOBS	25
MATHILDA EVELINA	JANKLAAS	25
NOMFUNDO GLORIA	JANTJIES	25
ZAKHILE	JONGILE	25
DESMOND	KHOTA	25
ANTONIE	MALAWU	25
JOHN TAUTE	MATTHEE	25
ELSJE	MEYER	25
RICHARD	MEYER	25
TOBILE	NOBE	25

ANDILE	NYANISO	25
FREDERICK JOHN	PAGE	25
RORY THOMAS	PASMORE	25
JOHN THEMBINKOSI	PETER	25
ELSABE VERONICA	PETERSEN	25
RICHARD NIKLAAS CORNELIAS	PLAATJIES	25
LUVUKO	RAFU	25
EWAN JACOBUS	VAN WYK	25
CHRISTIAAN JOHANNES	BOSHOF	30
RUDI	BOUWER	30
HENDRIK IGNATIUS	DE SWARDT	30
STEPHEN DOLVIN	FREDERICKS	30
JUNETTA	GOUWS	30
LESLEY MET	KRIGGA	30
STEPHEN LEONARD	LANGLANDS	30
PETRUS	MANEVILLE	30
TOBEKILE ELIJAH	MAPOLISA	30
PATRICK THEMBELIZWE	MPITHI	30
MXOLISI PATRICK	MTHEMBU	30
AMOS MADODA	NDENDE	30
ZANDISILE	NGXWASHULA	30
JOHN	OLIPHANT	30
MSIMBOTI	PETER	30
LULINE	PHILLIPS	30
MARTIN	PIETERSEN	30
LAURIKA MARIA	RHODE	30
MHLELI	ROYI	30
NKOSITHI JOHNSON	SIYONA	30
PATRICK NDITHINI	SPRINGANE	30
TIMOTHEUS	WILLIAMS	30
BENJAMIN	BRINKHUIS	35
JUDITH ENGELA	CORDIER	35
CHRISTOPHER	FREDERICKS	35
WESLEY VICTOR	JOSEPHS	35
GEORGE	MATTHYS	35
ANNETTE	SWANEPOEL	40

7. **INTRODUCTION OF NEWLY APPOINTED STAFF**

None

8. **PRESENTATION BY THE PUBLIC PROTECTOR**

9. **CONFIRMATION AND ADOPTION OF MINUTES**

9.1 **MINUTES OF THE ORDINARY COUNCIL MEETING : 30 SEPTEMBER 2021**

RECOMMENDATION

That the minutes of the Ordinary Council meeting held on 30 September 2021, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF AN ORDINARY MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
Thursday, 30 September 2021
at 09:00
in the Council Chamber and on Microsoft Teams

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Gombo, T M E [ANC]
Executive Mayor, Cllr Van Aswegen, E [COPE]
Deputy Executive Mayor, Cllr Tsengwa, N [ANC]
Cllr Bester, P [DA]
Cllr Croutz, C [ANC]
Cllr Davis, L V [DA]
Cllr Kwinana, S I [DA]
Cllr Makhetha, P [ACDP]
Cllr Matika, T [ANC]
Cllr Matiwane, M G [ANC]
Cllr Naki, M N [ANC]
Cllr Ngqezu, S S [ANC]
Cllr Lopes, L [DA]
Cllr Opperman, L [ANC]
Cllr Sabbagh, S [DA]
Cllr Salaze, M W [KUC]
Cllr Skosana, M [ANC]
Cllr Stroebel, H [DA]
Cllr Tyokolo, L [DA]
Cllr Wolmarans, G [DA]
Cllr Weideman, A C F [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Carstens, J	Acting Director: Financial Services
Hariparsad, P	Director : Infrastructure Services
Boyce, M	Director : Planning and Development
Ngqele, S	Director : Community Services
Mattheus, C	Acting Director : Corporate Services and Manager: Administration
Petuna, L	Acting Director : Integrated Human Settlements
Meyer, R	Head : Disaster Management
Chordnum, C	Manager : IDP
Bezuidenhout, C	Manager : Communications & IGR
Paulsen, M	Manager : Legal Services
Mndebela, N	Head : Properties
Botha, M	Legal Advisor
Pondoyi, N	Communications Officer
Kortje, V	Sport Desk Officer
Hofhuis, K	Executive Assistant : Office of the Executive Mayor
Cornelius, B	Personal Assistant : Office of the Speaker
Campher, E	KMPT Administrator and MPAC Co-ordinator
Lakay, J	Head : Committee and Councillor Support
Fandese, N	Committee Officer
Burger, T	Committee Officer
Mjamba, B	Interpreter

AUDIT COMMITTEE

Mr R Barrell
Mr E Prins

MEMBERS OF THE PUBLIC

The meeting was live-streamed on YouTube.

Before the meeting officially commenced, Cllr Tyokolo requested a 15-minute caucus, which request was granted by the Speaker. The meeting thus commenced at 09:15.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors, officials and members of the public to the meeting whereafter a roll call confirmed the attendees as mentioned above.

The Speaker furthermore thanked Cllr Makhetha for his term of office, which would terminate today, and wished him well in his future endeavours.

2. SILENT PRAYER

A moment of silent prayer was observed.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Twenty One (21) Councillors present

3.2 Councillors Absent with Leave

None

3.3 Councillors absent without Leave

None

3.4 Officials Present

As above

3.5 Members of the Audit Committee Present

As above

3.6 Members of the Public Present

The meeting was live-streamed on YouTube.

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government: Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors, be noted.

5. DISCLOSURE OF INTERESTS

UNANIMOUSLY RESOLVED

That it be noted that the following Councillors declared interest in the following matters in the Agenda :

Cllr C Croutz – item 16.2.1 [IC]

Cllr A Tsengwa – item 16.3.1 [IC]

Cllr J Lopes – item 16.3.2 [IC]

6. LONG SERVICE AWARDS

None

7. INTRODUCTION OF NEWLY APPOINTED STAFF

None

A. PRESENTATION

None

8. CONFIRMATION AND ADOPTION OF MINUTES OF THE MUNICIPAL COUNCIL

8.1 SPECIAL COUNCIL MEETING : 25 AUGUST 2021

UNANIMOUSLY RESOLVED

That the minutes of the Special Municipal Council meeting held on 25 August 2021, be approved.

8.2 ORDINARY MUNICIPAL COUNCIL MEETING : 8 SEPTEMBER 2021

UNANIMOUSLY RESOLVED

That the minutes of the Ordinary Municipal Council meeting held on 8 September 2021, be approved.

8.3 SPECIAL MUNICIPAL COUNCIL MEETING : 10 SEPTEMBER 2021

UNANIMOUSLY RESOLVED

That the minutes of the Special Municipal Council meeting held on 10 September 2021, be approved.

9. EXECUTION LIST (MATTERS ARISING FROM THE MINUTES)

UNANIMOUSLY RESOLVED

That the Execution List for the Ordinary Municipal Council Meeting held on 29 July 2021, be noted.

10. STATEMENTS AND COMMUNICATIONS OF THE SPEAKER

10.1 REPORT ON MEETINGS/FUNCTIONS ATTENDED BY THE SPEAKER, CLLR MERTLE GOMBO

UNANIMOUSLY RESOLVED

That the report of the Speaker for functions, meetings and workshops attended by the Speaker for the period of July 2021- September 2021, be noted.

File Number : 9/1/1/1

Execution : Manager : Public Participation

11. STATEMENTS AND COMMUNICATIONS OF THE EXECUTIVE MAYOR

11.1 FUNCTIONS, MEETINGS & WORKSHOPS ATTENDED BY THE EXECUTIVE MAYOR

UNANIMOUSLY RESOLVED

That the report from the Executive Mayor with regard to functions, meetings and workshops attended for the period 19 July 2021 to 17 September 2021, be noted.

File Number : 9/1/1/1

Execution : Office of the Executive Mayor

11.2 REPORTS FROM REPRESENTATIVES ON THE GARDEN ROUTE DISTRICT MUNICIPALITY

No reports were received at the time of compilation of the agenda.

11.3 REPORTS FROM REPS ON THE SALGA WORKING GROUPS

No reports were received at the time of compilation of the agenda.

12. ITEMS FOR CONSIDERATION

12.1 RECOMMENDATIONS FROM THE MAYORAL COMMITTEE: 9 SEPTEMBER 2021

ITEMS SUBMITTED TO THE FINANCIAL AND CORPORATE SERVICES COMMITTEE MEETING HELD ON 17 AUGUST 2021

FC01/08/2021 QUARTERLY INVESTMENT REPORT: QUARTER 4 OF 2020/2021

UNANIMOUSLY RESOLVED

That the Quarterly Investment report for the quarter ending June 2021, be noted.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

FC02/08/2021 QUARTERLY EXTERNAL LOANS REPORT: QUARTER 4 OF 2020/2021

UNANIMOUSLY RESOLVED

[a] That the Quarterly External Loans report for the quarter ending June 2021 be noted; and

[b] That the debt ratio of 32.9% for the quarter ending June 2021 be noted.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

FC03/08/2021

QUARTERLY INSURANCE REPORT - QUARTER 4 OF 2020/2021

UNANIMOUSLY RESOLVED

That the Quarterly Insurance Report for the quarter ending June 2021, be noted.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

FC04/08/2021

OUTSTANDING DEBTORS QUARTERLY REPORT AS AT 30 JUNE 2021

UNANIMOUSLY RESOLVED

- [a] That the quarterly report on the outstanding debtors as at 30 June 2021 be noted; and
- [b] That the Municipal Manager ensure that each Senior Manager and each official exercising financial management responsibilities in terms of the Municipal Finance Management Act, implement the Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy to improve revenue collection.

File Number : 9/1/2/10

Execution : Acting Municipal Manager
Acting Director : Financial Services

FC05/08/2021

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 APRIL TO 30 JUNE 2021

UNANIMOUSLY RESOLVED

- [a] That the report on the implementation of the SCM policy for the fourth quarter, ending 30 June 2021, be noted;
- [b] That the deviations to the value of R 2 813 991 for the period as indicated in (a) above, be noted; and
- [c] That the report be made available to the public in terms of section 21A of the Municipal Systems Act, 2000.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

FC06/08/2021

QUARTER 4 NON-FINANCIAL PERFORMANCE ASSESSMENT REVIEW FOR THE PERIOD 1 APRIL 2021- 30 JUNE 2021

UNANIMOUSLY RESOLVED

- [a] That the section 52(d) report for the period 1 April 2021 - 30 June 2021 be noted; and

- [b] That a copy of the report mentioned in [a] above be placed on the municipality website and a copy of the report be sent to all relevant provincial and national departments.

File Number : 15/2/6/1/3

Execution : Acting Municipal Manager

FC08/08/2021

APPLICATION TO PURCHASE A PORTION OF ERF 161 BUFFALO BAY

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation the unutilized portion of Erf 161 Buffalo Bay be noted;
- [b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the unutilized portion of Erf 161 Buffalo Bay at the applicant's cost;
- [c] That the Acting Municipal Manager advertise the intended alienation of the unutilized portion of Erf 161 Buffalo Bay;
- [d] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that the unutilized portion of Erf 161 Buffalo Bay, is deemed not needed to provide the minimum level of basic Municipal Services;
- [e] That the applicant be responsible for all costs related to the alienation of the unutilized portion of Erf 161 Buffalo Bay; and
- [f] That the portion of Erf 161 Buffalo Bay to be alienated, be restricted to the area of the current wooden deck thereon.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
Manager : Legal Services

FC09/08/2021

REPORT BACK ON APPLICATION TO LEASE A PORTION OF ERF 2745 KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding the leasing of a portion of Erf 2745 Knysna be noted,
- [b] That the advertising of the intended leasing of a portion of Erf 2745 Knysna I, be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;

- [d] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the portion of Erf 2745 Knysna, at the cost of the applicant;
- [e] That the lease be for a period of 9 years and 11 months;
- [f] That the proposed structure has been moved 10 meters away from existing bulk services in consultation with Technical Services;
- [g] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of Erf 2745 Knysna to be leased measuring 64m², is deemed not needed to provide the minimum level of basic Municipal Services;
- [h] That the applicant be responsible for all other costs relating to the leasing of a portion of Erf 2745 Knysna; and
- [i] That the Municipal Manager be instructed to enter into a lease agreement for a portion of Erf 2745 Knysna with Atlas Towers, for a period of 9 years and 11 months at a monthly rental as determined by a professional Valuer.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

Cllr Skosana left the meeting at 09:40

FC10/08/2021

APPLICATION TO LEASE A PORTION OF ERF 3912 KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding the leasing of a portion of Erf 3912 Knysna be noted,
- [b] That the Municipal Manager advertise the intended leasing of a portion of Erf 3912 Knysna, for public comments;
- [c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the portion of Erf 3912 Knysna at the applicant's cost;
- [d] That the lease be for a period of 9 years and 11 months with an option to renew for a further 9 years and 11 months;
- [e] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable

grounds, the Municipal Council confirms the portion of Erf 3912 Knysna, is deemed not needed to provide the minimum level of basic Municipal Services; and

- [f] That the applicant be responsible for all other costs relating to the leasing of a portion of Erf 3912 Knysna

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

FC11/08/2021

**APPLICATION TO LEASE A PORTION OF PORTION 1 OF FARM
215 BUFFALO BAY**

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding the leasing of a portion of portion 1 of Farm 215 Buffalo Bay be noted;
- [b] That the Municipal Manager advertise the intended leasing of a portion of portion 1 of Farm 215 Buffalo Bay for public comments;
- [c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the portion of portion 1 of Farm 215 Buffalo Bay at the applicant's cost;
- [d] That the lease be for a period of 9 years and 11 months with an option to renew for a further 9 years and 11 months;
- [e] That the Municipal Council grants an in principle approval for the leasing of a portion of portion 1 of farm 215 Buffalo Bay;
- [f] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of portion 1 of Farm 215 Buffalo Bay, is deemed not needed to provide the minimum level of basic Municipal Services; and
- [g] That the applicant be responsible for all other costs relating to the leasing of a portion of portion 1 of Farm 215 Buffalo Bay.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

FC12/08/2021

APPLICATION TO PURCHASE PORTIONS OF ERF 4124 AND ERF 4128 KNYSNA ABUTTING ERF 19868

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding the alienation of the unutilized Erf 4128 and Erf 4124 Knysna abutting Erf 19868 be noted; and
- [b] That a site visit be arranged with the Mayoral Committee members, all Directors and other Councillors interested, prior to the Ordinary Council Meeting scheduled for 29 September 2021.

File Number : 7/2/1/2

Execution : Acting Municipal Manager

Manager : Legal Services

FC13/08/2021

APPLICATION TO PURCHASE ERF 14311 KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding the alienation of Erf 14311 Knysna be noted;
- [b] That the Acting Municipal Manager advertise the intended alienation of the unutilized portion of Erf 14311 Knysna;
- [c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the unutilized portion of Erf 14311 Knysna at the applicant's cost;
- [d] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of Erf 14311 Knysna to be alienated, are deemed not needed to provide the minimum level of basic Municipal Services;
- [e] That the Municipal Manager be requested to put the alienation of Erf 14311 Knysna out on public tender for the utilisation as Social Care use; and
- [f] That the following factors should be included in the tender document for the disposal of Erf 14311 Knysna:
 - i] The size of the congregation / membership;
 - ii] Availability of finance to acquire the site and develop same within two years plus possible extension;
 - iii] Whether or not such a denomination is already represented in the area;
 - iv] That the reserve price be determined at 25% of the market value as determined by the Municipal Valuer;
 - v] Whether or not welfare type facilities / activities will be provided in addition to religious facilities; and

- vi] Whether or not the congregation / membership is drawn from the area in which a site is being applied for.

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

FC15/08/2021

REPORT BACK APPLICATION TO EXTEND LEASE ON A PORTION OF ERF 240, KARATARA

UNANIMOUSLY RESOLVED

- [a] That the report, annexure and presentation regarding the request to consider the application from the Direct Solutions for the extension of their current lease agreement on a portion of Erf 240, Karatara, be noted;
- [b] That approval be granted to extend the leasing of a portion of Erf 240, Karatara for a further period of 6 years on the same terms and conditions as per the current lease agreement; and
- [c] That the Acting Municipal Manager be instructed to enter into an addendum to lease agreement for a portion of Erf 240, Karatara for a further period of 6 years on the same terms and conditions as per the current lease agreement with Direct Solutions.

File Number : C. 84
Execution : Acting Municipal Manager
Manager : Legal Services

FC16/08/2021

APPLICATION FOR THE LEASING OF A PORTION OF ERF 214, KNYSNA FOR GARDENING PURPOSES

UNANIMOUSLY RESOLVED

- [a] That the report and annexure regarding the request for a lease agreement on a portion of Erf 214, Knysna for vegetable gardening purposes, be noted;
- [b] That in terms of Section 34(1)(b) of the Asset Transfer Regulations the Municipal Council approve in principle that the right to use, control or manage the relevant portion of Erf 214 measuring 10 000m², Knysna for gardening purpose may be granted;
- [c] That the applicant be informed that they will be solely responsible for all costs for the establishment of the vegetable garden on a portion of Erf 214, Knysna;
- [d] That the portion of Erf 214 Knysna will be for the purpose of establishing a vegetable garden for Community benefit;
- [e] That the lease will be for a period of 9 years and 11 months;

- [f] That all risks should be transferred to the applicant once approval is granted for the portion of Erf 214, Knysna; and
- [g] That the Municipal Manager advertise the intended leasing of a portion of Erf 214, Knysna for the purposes of establishing a vegetable garden.

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

FC17/08/2021

APPLICATION TO PURCHASE A PORTION OF ERF 3509 KNYSNA (HORNLEE)

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of a portion of Erf 3509 Knysna (Hornlee) be noted;
- [b] That the application not be approved as the property is part of a road reserve and has underground services; and
- [c] That the Legal department deal with the illegal encroachment and Building control with any illegal building works.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

FC18/08/2021

REPORT ON THE EXPROPRIATION OF NOETZIE ROAD AND PEZULA DEVELOPMENT APPROVALS

This Item was discussed first on the agenda. Mr Andre Swart from Stadler and Swart Inc Attorneys joined the meeting for the discussion.

UNANIMOUSLY RESOLVED

- [a] That the contents of the report on the expropriation of Noetzie Road and Pezula Development approvals, be noted;
- [b] That the verbal report at the Mayoral Committee by Mr Andre Swart from Stadler and Swart Inc Attorneys, be noted;
- [c] That a site visit to the applicable properties be arranged with the Mayoral Committee, Ward Councillor and other Councillors interested, prior to the Ordinary Council Meeting scheduled for 29 September 2021; and
- [d] That a Consultation be arranged between the Mayoral Committee, other Councillors interested, the Ward Councillor, Attorney André Swart or a representative of Stadler Swart Attorneys and the Pezula Home Owners Association regarding the expropriation of Noetzie Road and Pezula Development.

File Number : 9/1/2/9
Execution : Acting Municipal Manager
Manager : Legal Services

FC21/08/2021

**REPORT BACK ITEM ON LITIGATION MATTERS INSTITUTED BY
MR MABULA AGAINST THE KNYSNA MUNICIPALITY**

UNANIMOUSLY RESOLVED

- [a] That the report back item on the various litigation matters (*Case 21933/16, Case 21937/16 & Labour Court Case 855/15*), instituted against Knysna Municipality, by Mr Mabula, be noted; and
- [b] That the Municipal Council mandates its attorneys of record to proceed with the setting down of these matters and to request cost orders against Mr Mabula in each of these matters.

File Number : 9/1/29
Execution : Director : Corporate Services

FC24/08/2021

**REPORT BACK ON THE APPLICATION TO PURCHASE THE
REMAINDER OF SEDGEWARBLER STREET, PORTION OF ERF
1692, SEDGEFIELD BETWEEN ERF 195 AND 203 SEDGEFIELD)**

UNANIMOUSLY RESOLVED

- [a] That the report back and annexure's regarding the alienation of the remainder of Sedgewarbler Street (a portion of Erf 1692, Sedgfield), be noted;
- [b] That the advertising of the intended alienation of the remainder of Sedgewarbler Street (a portion of Erf 1692, Sedgfield), be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;
- [d] That it be noted that the Professional Valuer has determined that the valuation of the required portion is at R40 000.00;
- [e] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the remainder of Sedgewarbler Street to be alienated, is deemed not needed to provide the minimum level of basic Municipal Services;
- [f] That all costs relating to the alienation be for the account of the purchasers;
- [g] That purchasers be responsible for the relocation of the electrical substation on Sedgewarbler Street to a suitable location determined by Technical Services;

- [h] That the alienation of this portion be subject to a consolidation with one of the adjacent erven in order to prevent future alienation thereof as an individual erf, as a result of its size and that the applicant to submit formal applications in respect of the rezoning and consolidation of the remainder of the street; and
- [i] That the Acting Municipal Manager be hereby instructed to enter into an agreement for the alienation of a portion of Erf 1692, Sedgefield for R40 000.00 to the abutting owner of Erf 195, Sedgefield.

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

FC25/08/2021

SECTION 71 MONTHLY BUDGET STATEMENT AS AT 31 JULY 2021

UNANIMOUSLY RESOLVED

- [a] That Council notes the Section 71 monthly budget statement for July 2021;
- [b] That Council notes that the pro-rata budget amounts need to be corrected with the next Adjustments Budget to ensure that actual amounts can be meaningfully compared with the pro-rata budget amounts for monitoring purposes;
- [c] That Council notes that the Section 71 monthly budget statement for July 2021 was submitted to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury on 16 August 2021, being the 10th working day after the end of July 2021; and
- [d] That Council notes that the Section 71 monthly budget statement for July 2021 will be published on the municipal website.

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

ITEMS SUBMITTED TO THE COMMUNITY SERVICES COMMITTEE MEETING HELD ON 18 AUGUST 2021

C07/08/2021

WASTE MINIMISATION PLAN

UNANIMOUSLY RESOLVED

- [a] That the public comments on the draft Waste Minimisation Plan (WMP), be noted
- [b] That the final Waste Minimisation Plan (WMP) be adopted; and

- [c] That the approved Waste Minimisation Plan be submitted to the Department of Forestry, Fisheries and the Environment (DFFE).

File Number : 9/1/2/5

Execution : Director : Community Services

C08/08/2021

KNYSNA BUSINESSES ALLOWED A GRACE PERIOD TO OBTAIN VALID LICENSES

UNANIMOUSLY RECOMMENDED

- [a] That the contents of the report with regard to a grace period to obtain valid licenses for Knysna businesses, be noted;
- [b] That a grace period until 30 November 2021 for all Knysna businesses to obtain a valid business license, be granted; and
- [c] That the applicable tariff remains in place for the grace period as per the approved tariffs.

File Number : 9/1/2/5

Execution : Director : Community Services

C09/08/2021

ESTABLISHMENT AND FUNCTIONING OF LOCAL DRUG ACTION COMMITTEE

UNANIMOUSLY RESOLVED

- [a] That the progress that was made in the establishment of the Local Drug Action Committee, be noted; and
- [b] That the members of the Local Drug Action Committee be appointed by the Executive Mayor of Knysna Municipality.

File Number : 9/1/2/5

Execution : Director : Community Services

ITEMS SUBMITTED TO THE INFRASTRUCTURE SERVICES COMMITTEE MEETING HELD ON 23 AUGUST 2021

None

ITEMS SUBMITTED TO THE PLANNING AND DEVELOPMENT COMMITTEE MEETING HELD ON 26 AUGUST 2021

P&D03/08/2021

TOURISM FUNCTION FOR KNYSNA MUNICIPALITY

UNANIMOUSLY RESOLVED

- [a] That the Municipal Council rescinds resolution P&D12/02/2021 [b] of 31 March 2021, which reads as follows:

"[b] That Council resolves that the current SLA with WESGRO that expires on 23 October 2021 is not renewed."; and

- [b] That the Municipal Manager be mandated to renew the current Service Level Agreement with WESGRO on amended terms for a further period of up to 28 February 2022; and
- [c] That the Acting Municipal Manager submit a comprehensive report to the Ordinary Municipal Council meeting to be held on 29 September 2021, regarding the enhancement of local black businesses in the Supply Chain management processes.

File Number : 9/1/2/13

Execution : Director : Planning and Development
Manager : Economic Development

ITEMS SUBMITTED TO THE INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING HELD ON 26 AUGUST 2021

None

13. REPORTS SUBMITTED DIRECTLY TO THE MAYORAL COMMITTEE

M01/09/21 REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 APRIL TO 30 JUNE 2021

UNANIMOUSLY RESOLVED

- [a] That the report on the implementation of the SCM policy for the fourth quarter, ending 30 June 2021, be noted;
- [b] That the deviations to the value of R 2,290,888 for the period as indicated in [a] above, be noted;
- [c] That the report be made available to the public in terms of section 21A of the Municipal Systems Act, 2000; and

File Number : 8/1

Execution : Acting Municipal Manager
Acting Director : Financial Services
Manager : Supply Chain Management

M02/09/21 PROGRESS REPORT ON INITIATIVES IMPLEMENTED BY YOUTH DESK

UNANIMOUSLY RESOLVED

- [a] That the Progress Report on the Programmes Implemented by the Youth Desk, be noted; and
- [b] That the Executive Mayor engage with the Top Management Team to determine whether the Drivers Licence Learnership cannot be extended.

File Number : 9/1/2/5

Execution : Director : Community Services

14. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

**C01/09/2021 SALARY & WAGE COLLECTIVE AGREEMENT AND RETIREMENT
FUND COLLECTIVE AGREEMENT**

UNANIMOUSLY RESOLVED

That Council note the Salary & Wage Collective Agreement and Retirement Fund Collective Agreement.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Director : Corporate Services

**C02/09/2021 SECTION 71 MONTHLY BUDGET STATEMENT AS AT 31 AUGUST
2021**

UNANIMOUSLY RESOLVED

[a] That Council notes the Section 71 monthly budget statement for August 2021;

[b] That Council notes that the Section 71 monthly budget statement for August 2021 was submitted to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury on 14 September 2021, being the 10th working day after the end of August 2021; and

[c] That Council notes that the Section 71 monthly budget statement for August 2021 will be published on the municipal website.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

C03/09/2021 REPORT ON ALL SPORTING LEASES

Cllr Croutz requested a caucus at 11:26, which was granted by the Speaker.

Councillors returned at 12:05 after which a roll call was conducted.

Cllr Aswegen proposed, seconded by Cllr Croutz, that a meeting be arranged with all the sport bodies regarding the amount of money that is being paid to the Municipality and where the Municipality will continue with the lease agreement.

Cllr Davis proposed, seconded by Cllr Sabbagh that the item on Sport leases be withdrawn and be submitted to the next Ordinary Council meeting.

The Speaker called the matter to a vote.

*10 Votes were recorded for the proposal of Cllr Aswegen.
9 Votes were recorded for the proposal of Cllr Davis.*

The proposal of the Executive Mayor was thus carried.

UNANIMOUSLY RESOLVED

- [a] That the report and annexure regarding the *status quo* on all leases with Sporting Bodies in the Knysna Municipal Area, be noted;
- [b] That the Municipal Manager arrange meetings with all the Sporting Bodies to discuss the future, need and desirability of all sport leases and to be enlightened on transformation, accessibility by the public and the cost of usage by the residents; and
- [c] That a comprehensive report regarding the outcome of the meetings mentioned in [b] above, be submitted to the Municipal Council who shall then determine whether the Municipality should take over the relevant sport facilities.

File Number : 9/1/2/9

Execution : Director : Corporate Services
Manager : Legal Service

C04/09/2021

REPORT ON ADOPTION OF A PRIVACY POLICY

UNANIMOUSLY RESOLVED

- [a] That the report on the adoption of a Privacy Policy be noted;
- [b] That the Privacy Policy be adopted and approved by the Municipal Council;
- [c] That after the approval of the Privacy Policy, same be circulated to all staff and councillors for information purposes; and
- [d] That the approved Privacy Policy forms part of the Inaugural Document Pack to be submitted to the new, incoming Councillors.

File Number : 9/1/2/9

Execution : Director : Corporate Services
Manager : Human Resources
Manager : Legal Services

C05/09/2021

REPORT ON THE DRAFT SPECIAL RATING AREA BY-LAW

UNANIMOUSLY RESOLVED

- [a] That the report on the draft Special Rating Areas by-law be noted; and

- [b] That the Municipal Council approves and adopts the Special Rating Areas By-law for promulgation in the Western Cape Government Gazette in accordance with Rule 48 of Council's approved Rules of Order for Internal Arrangements by-law.

File Number : 9/1/2/9

Execution : Director : Corporate Services
Acting Director : Financial Services
Manager : Legal Services
Manager : Income

Cllr Makhetha left the meeting at 12:21

C06/09/2021

ESTABLISHMENT OF WARD COMMITTEES FOR THE NEW TERM OF OFFICE OF COUNCIL

UNANIMOUSLY RESOLVED

- [a] That the report on the establishment of ward committees for the new term of the Municipal Council be noted; and
- [b] That the establishment process only be embarked upon within 120 days after the inauguration of the new Municipal Council.

File Number : 9/1/2/9

Execution : Director : Corporate Services

C07/09/2021

LOCAL GOVERNMENT ELECTIONS - POSTER TARIFFS

UNANIMOUSLY RESOLVED

That the tariff for application fees for posters (15.5.2.2) be waived for 50 posters per ward, per applicant for the Local Government Elections on 1 November 2021 and that the refundable deposits (15.5.1) remain effective.

File Number : 9/1/2/13

Execution : Director : Planning and Development

C08/09/2021

ELECTIONS POSTERS POLICY

UNANIMOUSLY RESOLVED

That the amended Election Posters Policy for Knysna Municipality, be approved.

File Number : 9/1/2/13

Execution : Director : Planning and Development

Lunch break was held from 13:37 to 14:00.

C09/09/2021

**PURCHASE OF BUILDING FOR THE PURPOSE OF OFFICE
ACCOMMODATION FOR THE KNYSNA MUNICIPALITY**

UNANIMOUSLY RESOLVED

- [a] That the report on the purchase of Erf 9762, Knysna (Woodmill Walk Building) be noted;
- [b] That the matter with regard to the purchase of Erf 9762, Knysna (Woodmill Walk Building) be resubmitted to the to be elected Council for consideration.

File Number : 9/1/2/9

Execution : Director : Corporate Services

C10/09/2021

**APPOINTMENT OF AN ADDITIONAL MEMBER TO THE MUNICIPAL
PUBLIC ACCOUNTS COMMITTEE (MPAC) AND THEREAFTER A
CHAIRPERSON OF THE SAME**

UNANIMOUSLY RESOLVED

That the report on the election of an additional member to the Municipal Public Accounts Committee and the appointment of a Chairperson be withdrawn.

File Number : 9/1/2/9

Execution : Director : Corporate Services

C11/09/2021

**REPORT ON THE HIGH COLOUR IN THE MUNICIPAL PORTABLE
WATER**

UNANIMOUSLY RESOLVED

That the report on the high colour in the municipal portable water and interventions being put in place to rectify the matter, be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services

C12/09/2021

LOCAL GOVERNMENT TRANSITION : 2016-2021 TO 2021 - 2026

UNANIMOUSLY RESOLVED

That the presentation on the Transitional Management Plan in respect of Councillor Welfare and Support, presented at the SALGA Governance and Intergovernmental Relations Working Group held on Thursday, 16 September 2021, be noted.

File Number : 9/1/2/9

Execution : Director : Corporate Services

C13/09/2021

**COUNCIL IN RECESS : PERIOD 1 OCTOBER 2021 UNTIL THE
NEW MUNICIPAL COUNCIL IS ELECTED**

UNANIMOUSLY RESOLVED

- [a] That the Municipal Council stands prorogued for the period 1 October 2021 until a new Municipal Council is declared elected, subject to [b] below;
- [b] That it be noted that a Special Municipal Council meeting is scheduled for Thursday, 21 October 2021;
- [c] That in view of the afore-mentioned period of recess, the Mayoral Committee be delegated to perform all official Council duties, responsibilities and functions during the period of 1 October 2021 until a new Council is elected with the exception of those indicated in Section 160(2) of the Constitution of the Republic of south Africa, 1996 namely:
 - [i] the passing of by-laws;
 - [ii] approval of budgets;
 - [iii] the imposition of rates and other taxes, levies and duties;
 - [iv] the raising of loans; as well as:
 - [v] disposal of council properties;
 - [vi] approval of Integrated Development Plan; and
 - [vii] the appointment of Section 56 employees;
- [d] That for the period from which the new Municipal Council is elected to the date of the first (inaugural) meeting of the new Municipal Council, all the powers, functions and duties of the Municipal Council be delegated to the Acting Municipal Manager who shall, in consultation with the Acting Chief Financial Officer, exercise these powers, functions and duties when:
 - [i] The public interest so demands; or
 - [ii] The failure to exercise such power as a matter of urgency would have a substantial impact on the municipality and/or its services; or
 - [iii] Administrative and operational efficiency so demands; provided that this delegation excludes powers, functions and duties reserved for the Municipal Council in terms of legislation and those powers conferred upon other officials in terms of existing delegations.

File Number : 9/1/2/9

Execution : Director : Corporate Services
Manager : Administration

15. RESOLUTIONS OF THE MAYORAL COMMITTEE : 9 SEPTEMBER 2021

UNANIMOUSLY RESOLVED

That the following resolutions of the Mayoral Committee, be noted :

FC07/08/2021 APPLICATION TO PURCHASE ERF 4693, KNYSNA

UNANIMOUSLY RESOLVED

That application to purchase Erf 4693, Knysna, be withdrawn as the item served at a meeting prior.

File Number : 7/2/1/2

Execution : Director : Corporate Services
 Manager : Legal Services

FC14/08/2021 APPLICATION TO EXCHANGE ERF 8119, KNYSNA FOR AN ALTERNATIVE ERF (8258, KNYSNA)

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding the application to exchange Erf 8119, Knysna for Erf 8258, Knysna, be noted;
- [b] That the Property Section and the Integrated Human Settlements Directorate submit a combined comprehensive report to the Ordinary Municipal Council meeting to be held on 29 September 2021 regarding the ownership of Erf 8258, Knysna; and
- [c] That the Director : Integrated Human Settlements submit a comprehensive report to the Ordinary Municipal Council Meeting to be held on 29 September 2021 regarding other properties developed on wetlands and/or within flood lines.

File Number : 7/2/1/2

Execution : Director : Corporate Services
 Manager : Legal Services

FC19/08/2021 PUBLIC PARTICIPATION 4TH QUARTERLY REPORT: 2020/21 FINANCIAL YEAR

UNANIMOUSLY RESOLVED

That the Public Participation 4th Quarterly Report: 2020/21 financial year received from the Director Corporate Services [Public Participation], be noted.

File Number : 9/1/2/9

Execution : Director : Corporate Services

FC20/08/2021

REPORT ON THE DRAFT SPECIAL RATING AREA BY-LAW

UNANIMOUSLY RESOLVED

- [a] That the report on the draft Special Rating Areas by-law be noted; and
- [b] That the Special Rating Areas By-law be referred to a Workshop to be arranged by the Speaker for all Councillors prior to the next Council meeting.

File Number : 9/1/2/9

Execution : Director : Corporate Services

FC22/08/2021

HUMAN RESOURCES QUARTERLY REPORT FOR THE MONTH OF JUNE TO JULY 2021

UNANIMOUSLY RESOLVED

That the Human Resources quarterly Report for the month of June to July 2021, be noted.

File Number : 9/1/2/9

Execution : Director : Corporate Services

FC23/08/2021

DEPARTMENTAL REPORT ON LEGAL MATTERS: 25 MAY 2021 – 30 JULY 2021

UNANIMOUSLY RESOLVED

That the departmental report on Legal Matters for the period 25 May 2021 – 30 July 2021, be noted.

File Number : 9/1/2/9

Execution : Director : Corporate Services

C01/08/2021

KNYSNA WINTER SEASON READINESS PLAN 1 JUNE 2021- 31 AUGUST 2021

UNANIMOUSLY RESOLVED

That the report of the Winter Season Readiness Plan, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

C02/08/2021

PERMANENT HOMELESS SHELTER AT 14 CHURCH STREET

UNANIMOUSLY RESOLVED

That the progress report on the establishment of a permanent Homeless Shelter at 14 Church Street, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

C03/08/2021

**REPORT BACK ON THE RODENT INTEGRATED PEST
MANAGEMENT PROGRAMME IN KNYSNA**

UNANIMOUSLY RESOLVED

- [a] That the report on the rodent integrated pest management programme in Knysna, be noted; and
- [b] That a general housekeeping plan be developed and be submitted to the next Section 80 Committee meeting for consideration.

File Number : 9/1/2/5

Execution : Director : Community Services

C04/08/2021

**INFORMATION REPORT ON MUNICIPAL HEALTH AND
ENVIRONMENTAL SERVICES FOR MAY 2021 AND JUNE 2021**

UNANIMOUSLY RESOLVED

That the Information reports from the Garden Route District Municipality on Municipal Health and Environmental Services for May and June 2021, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

C05/08/2021

**PROGRESS REPORT ON INITIATIVES IMPLEMENTED BY YOUTH
DESK**

UNANIMOUSLY RESOLVED

That the progress report on the programmes implemented by the Youth Desk, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

C06/08/2021

COVID- 19 SITUATION REPORT

UNANIMOUSLY RESOLVED

That the report and contents pertaining to the COVID-19 situation report, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

C10/08/2021

**COMMUNITY SERVICES MONTHLY REPORT FOR THE PERIOD OF
JUNE AND JULY 2021**

UNANIMOUSLY RESOLVED

That the Community Services Monthly Report for the Period June 2021 to July 2021, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

IS01/08/2021

**REPORT ON THE OPERATIONS AND MAINTENANCE TO WATER
AND SEWER FOR MAY TO JUNE 2021**

UNANIMOUSLY RESOLVED

That the contents of the Report on the Operations and Maintenance to Water and Sewer for May to June 2021, be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services
Manager : Water & Sewer

IS02/08/2021

**INFRASTRUCTURE CAPITAL PROJECTS PROGRESS REPORT –
JUNE 2021**

UNANIMOUSLY RESOLVED

That the contents of the Infrastructure Capital Projects Progress Report – June 2021, be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services
Manager : PMO

IS03/08/2021

**ELECTRO-TECHNICAL DEPARTMENT CAPITAL PROJECT
REPORT FOR MAY – JUNE 2021**

UNANIMOUSLY RESOLVED

That the contents of the Electro-Technical Department Capital Project Report for May – June 2021, be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services

IS04/08/2021

REPORT ON THE ACTUAL PERCENTAGE BUDGET SPENT FOR ALL APPROVED ROADS AND STORM WATER MAINTENANCE PROJECTS (MAY AND JUNE 2021)

UNANIMOUSLY RESOLVED

That the contents of the Report on the Actual Percentage Budget Spent for all approved Roads and Storm Water Maintenance Projects. (May and June 2021), be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services

P&D01/08/2021

REPORT OF THE GARDEN ROUTE DEVELOPMENT PARTNERSHIP FOR MARCH 2021 TO JUNE 2021

UNANIMOUSLY RESOLVED

That the progress report by Garden Route Development Partnership (GRDP) for 4th Quarter of 2020/2021 Financial Year, be noted.

File Number : 9/1/2/13

Execution : Director : Planning and Development

P&D02/08/2021

WESGRO PROGRESS REPORT ON TOURISM FUNCTION DELIVERY WITHIN THE GREATER KNYSNA MUNICIPAL AREA

UNANIMOUSLY RESOLVED

That the WESGRO tourism report for April to July 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
Manager : Economic Development

P&D04/08/2021

EXPANDED PUBLIC WORKS PROGRAMME (EPWP) REPORT

UNANIMOUSLY RESOLVED

That the Expanded Public Works Programme Report, be noted.

File Number : 9/1/2/13

Execution : Director : Planning and Development
Manager : Economic Development

P&D05/08/2021

ECONOMIC DEVELOPMENT DEPARTMENT REPORT FOR JUNE AND JULY 2021

UNANIMOUSLY RESOLVED

That the Economic Development Department Performance Reports for June and July 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning and Development
 Manager : Economic Development

P&D06/08/2021 LAND USE MANAGEMENT DEPARTMENT REPORT FOR JUNE AND JULY 2021

UNANIMOUSLY RESOLVED

That the Land Use Management Performance Reports for June and July 2021, be noted.

File Number : 9/1/213

Execution : Director : Planning and Development

P&D07/08/2021 BUILDING CONTROL DEPARTMENT REPORT FOR JUNE AND JULY 2021

UNANIMOUSLY RESOLVED

That the Building Control Department Performance Reports for June and July 2021, be noted.

File Number : 9/1/213

Execution : Director : Planning and Development

P&D08/08/2021 ENVIRONMENTAL MANAGEMENT DEPARTMENT REPORT FOR JUNE AND JULY 2021

UNANIMOUSLY RESOLVED

That the Environmental Management Department Performance Reports for June and July 2021, be noted.

File Number : 9/1/213

Execution : Director : Planning and Development

P&D09/08/2021 ENVIRONMENTAL MANAGEMENT DEPARTMENT ESTUARY POLLUTION COMMITTEE REPORT JUNE AND JULY 2021

UNANIMOUSLY RESOLVED

That the report on the departmental actions emanating from the Knysna Estuary authorities pollution meetings convened by South African National Parks, be noted.

File Number : 9/1/213

Execution : Director : Planning and Development

IHS01/08/2021

INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT

UNANIMOUSLY RESOLVED

That the the report in respect of related project implementation for the period ending July 2021 relative to the approved WCDHS Business Plan 2020/21 FY, be noted.

File Number : 9/1/2/15

Execution : Acting Director : Integrated Human Settlements

IHS02/08/2021

SUBMISSION OF THE BUSINESS PLAN FOR 2021/22 FINANCIAL YEAR INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT

UNANIMOUSLY RESOLVED

[a] That the 2021/22 Housing Business Plan as approved by the Western Cape Department of Human Settlement (WC DoHS), be noted; and

[b] That the claims submitted to the Western Cape Department of Human Settlement, be noted.

File Number : 9/1/2/15

Execution : Acting Director : Integrated Human Settlements

16. IN COMMITTEE ITEMS (SEE SEPARATE MINUTES)

17. Consideration of Questions

No question was submitted.

18. Consideration of Motions of Exigency

18.1 CLLR C CROUTZ : LANDLESS COMMUNITY : BOSDORP, KARATARA AND BERGVALLEI

Cllr C Croutz raised the matter with regard to Landless Community Bosdorp, Karatara and Bergvallei. Cllr S Ngqezu seconded the motion of exigency by Cllr C Croutz. All Councillors agreed that the matter was urgent.

UNANIMOUSLY RESOLVED

That the Administration submit a report on the current status of the land in the Karatara, Bosdorp and Bergvallei areas and make recommendations in order for Council to consider.

19. ADJOURNMENT

The Speaker thanked everyone for their contribution and the meeting be concluded at 18:41.

Approved :
Cllr. T M Gombo

.....
Speaker

.....
Date

-oOo-

9.2 **MINUTES OF THE INAUGURAL COUNCIL MEETING : 15 NOVEMBER 2021**

RECOMMENDATION

That the minutes of the Inaugural Council meeting held on 15 November 2021, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF AN INAUGURAL MEETING (1/2021)
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
Monday, 15 November 2021
at 08:57
In the Municipal Council Chamber

COUNCILLORS IN ATTENDANCE

Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Davis, L V [DA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Lopes, J [DA]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Stroebel, H [DA]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]
Cllr Willemse, M [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Paulsen, M	Acting Director : Corporate Services and Manager : Legal Services
Carstens, J	Acting Director : Financial Services
Hariparsad, P	Director : Infrastructure Services
Boyce, M	Director : Planning and Development
Ngqele, S	Director : Community Services
Petuna, L	Acting Director : Integrated Human Settlements
Mattheus, C	Manager : Administration
Meyer, R	Head : Disaster Management
Bezuidenhout, C	Manager : Communications & IGR
Botha, M	Legal Advisor
Pondoyi, N	Communications Officer
Mitchell, C	System Administrator
Mpahla, S	IT Technician
Hofhuis, K	Executive Assistant : Office of the Executive Mayor
Lakay, J	Head : Committee and Councillor Support
Burger, T	Committee Officer
Fandese, N	Committee Officer
Madokwe, S	Committee Officer
Mjamba, B	Interpreter

AUDIT COMMITTEE

The meeting was live-streamed on YouTube.

PUBLIC MEMBERS

The meeting was live-streamed on YouTube.

C01/11/21 OPENING AND WELCOME

The Acting Municipal Manager, acting as Chairperson, welcomed everyone present and allowed a period of personal reflection. He also concisely mentioned the challenges facing Knysna Municipality and also congratulated the new Councillors on being duly elected.

C02/11/21 INAUGURATION OF COUNCILLORS

UNANIMOUSLY RESOLVED

That it be noted that the following newly elected Councillors:

Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Davis, L V [DA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Lopes, J [DA]
Cllr Louw, N [EFF]

Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Stroebel, H [DA]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]
Cllr Willemse, M [DA]

took either the applicable Oath or the Solemn Affirmation of faithfulness to the Republic and obedience to the Constitution and other laws as administered by the Manager : Legal Services.

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

C03/11/21 ESTABLISHMENT NOTICE OF KNYSNA MUNICIPALITY

UNANIMOUSLY RESOLVED

- [a] That the report on the Establishment Notice of Knysna Municipality, be noted; and
- [b] That it be noted that Knysna Municipality is a local municipality with a “mayoral executive system combined with a ward participatory system” as declared by the MEC for Local Government of the Western Cape Province, in terms of Section 12 of the Local Government : Municipal Structures Act, 1998, read with the Western Cape Determination of types of Municipalities Act, 2000, as amended.

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

Cllr Charlie stepped out at 09:35
Cllr Charlie returned at 09:38

C04/11/21 CODE OF CONDUCT FOR COUNCILLORS

UNANIMOUSLY RESOLVED

- [a] That the Code of Conduct for Councillors enacted as Schedule 7 of the Local Government : Municipal Structures Act, 2000, as amended in the Local Government : Municipal Structures Amendment Act, 2021, as attached as Annexure C to the report, be noted; and
- [b] That the Attendance Register be signed by all Councillors present.

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

Manager : Administration

C05/11/21 KNYSNA MUNICIPALITY : RULES OF ORDER FOR INTERNAL ARRANGEMENTS BY-LAW AND RULES FOR VIRTUAL MEETINGS AND SITTINGS

UNANIMOUSLY RESOLVED

- [a] That the report on the Knysna Municipality : Rules of Order for Internal Arrangements By-law and the Rules for Virtual meetings and sittings, be noted;
- [b] That all Councillors familiarise themselves with the Rules mentioned in [a] above; and
- [c] That the Western Cape Privileges and Immunities of Councillors Act, 2011, be noted.

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services

C06/11/21 ELECTION OF A SPEAKER

ANC Caucus from 09:45 until 09:55

PA Caucus from 09:57 until 10:18

The Acting Municipal Manager explained the voting procedure as set out in Schedule 3 of the Local Government : Municipal Structures Act.

The Acting Municipal Manager called for nominations for the election of a Speaker.

Cllr T Matika nominated, seconded by Cllr P Petros, Cllr M Skosana as Speaker.

Cllr S Sabbagh nominated, seconded by Cllr P Bester, Cllr J Lopes as Speaker.

The duly signed nomination forms were accepted by the Acting Municipal Manager.

The Acting Municipal Manager announced that no other nominations were received.

Ballot papers were handed to all Councillors who voted by secret ballot of which the results are as follows :

10 Votes were recorded for Cllr M Skosana
10 votes were recorded for Cllr J Lopes.

One Councillor (Cllr N Louw [EFF]) abstained from voting.

The Acting Municipal Manager therefor announced that both nominees received the same number of votes and therefore a further meeting will be held within seven (7) days as stipulated in Item 8(1) of Schedule 3 of the Local Government : Municipal Structures Act, 1998, as amended.

31. ADJOURNMENT

The Acting Municipal Manager thanked everyone present and the meeting concluded at 10:50.

Approved

.....
D J Adonis
Acting Municipal Manager

.....
Date

-oOo-

9.3 **MINUTES OF THE SPECIAL COUNCIL MEETING : 24 NOVEMBER 2021**

RECOMMENDATION

That the minutes of the Special Council meeting held on 24 November 2021, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
Wednesday, 24 November 2021
at 15:00
In the Municipal Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Executive Mayor, Cllr Davis, L V [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Whip, Cllr Stroebel, H [DA]
Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Paulsen, M	Acting Director : Corporate Services and Manager : Legal Services
Ngqele, S	Director : Community Services
Bezuidenhout, C	Manager : Communications & IGR
Pondoyi, N	Communications Officer
Cornelius, B	Public Participation Co-ordinator
Lakay, J	Head : Committee and Councillor Support
Mjamba, B	Interpreter

AUDIT COMMITTEE

The meeting was live-streamed on YouTube.

PUBLIC MEMBERS

The meeting was live-streamed on YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting in the Council Chambers where after a roll call confirmed that (21) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

The Speaker allowed a moment of silent reflection.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Twenty One Councillors present.

3.2 Councillors Absent with Leave

None

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government : Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors be noted.

5. **DISCLOSURE OF INTERESTS BY COUNCILLORS**

None

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

SC01/11/2021 **ELECTION OF REPRESENTATIVES OF LOCAL COUNCILS TO DISTRICT COUNCILS**

The Speaker handed over to the Acting Municipal Manager to conduct the process of the election of representatives of Local Councils to District Councils.

The Acting Municipal Manager advised Councillors of the process and confirmed that he had requested a representative from Provincial Traffic to do the draw. He held the cardstock in order for all Councillors to see that the party lists, namely that of the Democratic Alliance and African National Congress, were displayed thereon. The Acting Municipal Manager then placed the cardstock in the translucent bowl.

An opportunity was provided to Ms Michaels from Provincial Traffic to draw one of the cardstock. She handed the list to the Acting Municipal Manager.

The Acting Municipal Manager announced that the list of the African National Congress was drawn from the translucent bowl and that the third person on the list, namely Cllr Thando Matika has been duly elected to serve on the Garden Route District Municipal Council.

RESOLVED

That the following member of the Knysna Municipal Council :

Cllr Thando Charles Matika, was elected to directly represent the Knysna Municipality in the Garden Route District Municipality, in terms of Regulation 2(2) of the Election of Representatives of Local Councils to District Councils Regulations, 2021

7. ADJOURNMENT

The Speaker thanked everyone present and the meeting concluded at 15:19.

Approved

.....
Cllr JA Lopes
Speaker

.....
Date

-oOo-

9.4 **MINUTES OF THE SPECIAL COUNCIL MEETING : 29 NOVEMBER 2021**

RECOMMENDATION

That the minutes of the Special Council meeting held on 29 November 2021, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
Monday, 29 November 2021
at 09:08
In the Municipal Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Executive Mayor, Cllr Davis, L V [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Whip, Cllr Stroebe, H [DA]
Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Paulsen, M	Acting Director : Corporate Services and Manager : Legal Services
Carstens, J	Acting Director : Financial Services
Hariparsad, P	Director : Infrastructure Services
Ngqele, S	Director : Community Services
Petuna, L	Acting Director : Integrated Human Settlements
Bezuidenhout, C	Manager : Communications & IGR
Botha, M	Legal Advisor
Pondoyi, N	Communications Officer
Mpahla, S	IT Technician
Lakay, J	Head : Committee and Councillor Support
Burger, T	Committee Officer
Fandese, N	Committee Officer
Mjamba, B	Interpreter

AUDIT COMMITTEE

The meeting was live-streamed on YouTube.

PUBLIC MEMBERS

The meeting was live-streamed on YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting in the Council Chambers where after a roll call confirmed that (21) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

The Speaker allowed a moment of silent reflection.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Twenty One Councillors present.

3.2 Councillors Absent with Leave

None

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government : Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors be noted.

5. DISCLOSURE OF INTERESTS BY COUNCILLORS

That it be noted that no member of Council declared any interest in any matter in the Agenda, however, the Acting Director : Financial Services declared interest in Items 6.15 and 6.16 and the Acting Municipal Manager declared interest in Items 6.17 and 6.18.

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

SC01/11/21 DELEGATIONS REGISTER

UNANIMOUSLY RESOLVED

- [a] That the Delegation Register, distributed as a separate document, be confirmed and adopted;
- [b] That the Municipal Manager be instructed to submit a report to the relevant Portfolio Committee with recommendations on any changes to the Delegation Register mentioned in [a] above; and
- [c] That the relevant Committee mention in [b] above submit recommendations on the report of the Municipal Manager to the Mayoral Committee who shall submit recommendations thereon to the Municipal Council at its meeting to be held in February 2022.

File Number : 9/1/2/14

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

SC02/11/21 STRUCTURING OF THE MUNICIPAL COUNCIL : APPOINTMENT OF MEMBERS TO COMMITTEES

ANC Caucus from 09:12 until 09:26

DA Caucus from 09:46 until 10:06

Cllr T Matika proposed, seconded by Cllr N Tsengwa, that the members to the Section 80 Committees be changed from 5 members to 6 members.

Cllr H Stroebel proposed, seconded by Cllr J White, that the members to the Section 80 Committees remain at 5 members.

The Speaker called the matter to a vote.

10 Votes were recorded for the proposal of Cllr T Matika while 11 votes were recorded for the proposal of Cllr H Stroebel.

The proposal of Cllr H Stroebel was carried

Cllr H Stroebel proposed, seconded by Cllr N Louw, that his previous proposal be rescinded.

Cllr H Stroebel proposed, seconded by Cllr M Willemse, that the members to the Section 80 Committees be changed from 5 members to 6 members.

*Cllr Skosana stepped out at 10:22
Cllr Skosana returned at 10:24
Cllr Andrews stepped out at 10:27
Cllr Grootboom stepped out at 10:29
Cllr Andrews returned at 10:29
Cllr Grootboom returned at 10:31
Cllr Tsengwa stepped out at 10:37
Cllr Marbi stepped out at 10:37
Cllr Marbi returned at 10:39
Cllr Tsengwa returned at 10:39*

*Whip Caucus from 10:45 until 11:27
KIM Caucus from 11:27 until 11:39*

*Cllr Andrews stepped out at 11:50
Cllr Andrews returned at 11:51*

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of members to Committees be noted;
- [b] That in terms of Section 79 of the Local Government : Municipal Structures Act, 1998, as amended, the following Portfolio Committees be appointed as envisaged in Section 80 of the Act mentioned herein :

Corporate Services Portfolio Committee

Chairperson : Cllr MS Campbell (member of the Mayoral Committee)
Cllr ST Sabbagh
Cllr JG White
Cllr W Grootboom
Cllr T Matika
Cllr R Arends

Community Services Portfolio Committee

Chairperson : Cllr E Maxim (member of the Mayoral Committee)
Cllr C Vanston
Cllr M Willemse
Cllr A Marbi
Cllr B Charlie
Cllr P Petros

Integrated Human Settlements & Planning Portfolio Committee

Chairperson : Cllr MS Willemse (member of the Mayoral Committee)
Cllr H Stroebel
Cllr N Louw
Cllr B Charlie
Cllr M Skosana
Cllr A Marbi

Infrastructure Services Portfolio Committee

Chairperson : Cllr PJ Bester (member of the Mayoral Committee)
Cllr JG White
Cllr N Louw
Cllr W Grootboom
Cllr N Tsengwa
Cllr M Khumelwana

Finance and Economy Portfolio Committee

Chairperson : Cllr ST Sabbagh (member of the Mayoral Committee)
Cllr PJ Bester
Cllr MS Campbell
Cllr AR Marbi
Cllr LB Charlie
Cllr K Andrews

- [c] That the following Disciplinary Committee be appointed in terms of Item 16(1)(b) of the Code of Conduct for Councillors enacted as Schedule 7 of the Local Government : Municipal Structures Act, 1998, as amended:

Cllr AR Marbi proposed, seconded by Cllr P Petros, that Cllr NA Tsengwa be appointed as Chairperson.

Cllr C Vanston proposed, seconded by Cllr ST Sabbagh, that Cllr JG White be appointed as Chairperson.

The Speaker called the matter to a vote.

10 Votes were recorded for Cllr JG White

11 votes were recorded for Cllr NA Tsengwa.

Chairperson : Cllr N Tsengwa
Cllr W Grootboom
Cllr M Willemse
Cllr J G White

subject thereto that if a member(s) of this Committee is the subject of an investigation on any alleged breach of the Code, the following Councillors, in order of preference, will substitute such member(s) :

Cllr ST Sabbagh
Cllr MS Campbell
Cllr T Matika

Cllr LB Charlie

- [d] That the following Municipal Public Accounts Committee be appointed in terms of Section 79A of the Local Government : Municipal Structures Act, 1998, as amended, to execute the duties as indicated in Part I of the Delegation Register and Section 79A(3) of the Act quoted herein :

Chairperson : Cllr AR Marbi
Cllr JG White
Cllr N Louw
Cllr R Arends
Chairperson of the Audit Committee (ex officio a member)

- [e] That the following Audit Committee Selection Committee be appointed in terms of Section 79 of the Local Government : Municipal Structures Act, 1998, as amended, to undertake the recruitment and selection of members of the Audit Committee and recommend candidates for appointment to the Municipal Council:

Cllr LV Davis proposed, seconded by Cllr C Vanston, that Cllr ST Sabbagh be appointed as Chairperson.

Cllr M Skosana proposed, seconded by Cllr T Matika, that Cllr K Andrews be appointed as Chairperson.

The Speaker called the matter to a vote.

*11 Votes were recorded for Cllr ST Sabbagh
10 votes were recorded for Cllr K Andrews.*

Chairperson : Cllr ST Sabbagh
Cllr MS Campbell
Cllr LB Charlie
Cllr K Andrews

- [f] That the following Grant-in-aid Committee be appointed in terms of Section 79 of the Local Government : Municipal Structures Act, 1998, as amended, to consider annually the applications for grants and donations and to recommend to the Municipal Council the amounts and organizations which should benefit in terms of the Grants-in-aid Policy:

Chairperson : Cllr LV Davis
Cllr E Maxim
Cllr M Willemse
Cllr N Louw
Cllr M Khumelwana
Cllr A Marbi
Cllr W Grootboom

- [g] That the following Appeals Committee be appointed in terms of Section 62 of the Local Government : Municipal Systems Act, 2000, to consider appeals against decisions taken by Political Office Bearers and Councillors in terms of delegated or sub-delegated decisions :

Cllr M Willemse proposed, seconded by Cllr JG White, that Cllr MS Campbell be appointed as Chairperson.

Cllr T Matika proposed, seconded by Cllr M Khumelwana, that Cllr M Skosana be appointed as Chairperson.

The Speaker called the matter to a vote.

*11 Votes were recorded for Cllr MS Campbell
10 votes were recorded for M Skosana.*

Chairperson : Cllr MS Campbell
Cllr H Stroebel
Cllr M Skosana
Cllr T Matika

- [h] That the Acting Municipal Manager be requested to submit a report to the Municipal Council regarding the functions and Terms of Reference of the Municipal Public Accounts Committee taking Section 79A of the Local Government : Municipal Structures Act, 1998, as amended in 2021, into account.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Acting Director : Corporate Services

SC03/11/21 APPOINTMENT OF REPRESENTATIVES ON SALGA WESTERN CAPE WORKING GROUPS

UNANIMOUSLY RESOLVED

- [a] That the following Councillors be appointed as the official representatives of the Knysna Municipality on the relevant Working Groups of SALGA :

1. Capacity Building and Institutional Development Working Group
– Cllr HRT Stroebel
2. Community Development and Social Cohesion Working Group
– Cllr E Maxim
3. Economic Empowerment and Employment Creation Working Group
– Cllr C Vanston
4. Environmental Planning and Climate Resilience Working Group
– Cllr MS Campbell

5. Governance and Intergovernmental Relations Working Group – Cllr LV Davis
6. Human Settlements and Municipal Planning Working Group – Cllr MS Willemse
7. Municipal Finance and Fiscal Policy Working Group – Cllr ST Sabbagh
8. Municipal Innovations and Information Technology Working Group – Cllr JG White
9. Public Transport and Roads Working Group – Cllr N Louw
10. Water Sanitation and Waste Management Working Group – Cllr PJ Bester;

[b] That the following Councillors serve as secondi / alternates if the elected representatives are not able to attend :

1. Capacity Building and Institutional Development Working Group – Cllr K Andrews
2. Community Development and Social Cohesion Working Group – Cllr R Arends
3. Economic Empowerment and Employment Creation Working Group – Cllr M Skosana
4. Environmental Planning and Climate Resilience Working Group – Cllr NA Tsengwa
5. Governance and Intergovernmental Relations Working Group – Cllr AR Marbi
6. Human Settlements and Municipal Planning Working Group – Cllr LB Charlie
7. Municipal Finance and Fiscal Policy Working Group – Cllr W Grootboom
8. Municipal Innovations and Information Technology Working Group – Cllr M Khumelwana
9. Public Transport and Roads Working Group – Cllr T Matika
10. Water Sanitation and Waste Management Working Group – Cllr P Petros;

[c] That it be noted that SALGA will only pay the applicable sitting allowance and Subsistence and Travel Allowance, to the representatives mentioned in [a] and if applicable to [b] above; and

- [d] That it be noted that the representatives mentioned in [a], and if applicable [b] above, will not receive any Subsistence and Travel Allowances from Knysna Municipality for attending the Working Groups, Provincial and National Executive Committee meetings of SALGA.

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services
Manager : Administration

Cllr Marbi stepped out at 12:30

Cllr Marbi returned at 12:33

SC04/11/21 COUNCIL REPRESENTATIONS ON VARIOUS COMMITTEES, FORUMS, BOARDS AND ORGANISATIONS

UNANIMOUSLY RESOLVED

That the item with regard to the Council Representations on Various Committees, Forums, Boards and Organisations be withdrawn and submitted to a future Council Meeting.

SC05/11/21 APPOINTMENT OF REPRESENTATIVE ON HUMAN RESOURCES RELATED COMMITTEES

UNANIMOUSLY RESOLVED

That the following Councillors be elected to serve on the specialist HR related Committees namely :

- (i) Labour Forum : Councillor PJ Bester
Councillor T Matika
Councillor A Marbi
Councillor W Grootboom

- (ii) Employment Equity Monitoring Committee :
Councillor JG White
Councillor K Andrews

- (iii) Training Committee :
Councillor HRT Stroebe
Councillor R Arends

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services
Manager : Human Resources

SC06/11/21 INTEGRATED DEVELOPMENT PLAN (IDP)

UNANIMOUSLY RESOLVED

- [a] That the 2021/2022 Final Review of the Integrated Development Plan (IDP) of Knysna Municipality, be noted; and
- [b] That it be noted that a comprehensive process plan on how the 5th Generation Integrated Development Plan for the Municipal Council will be developed, will be submitted to the next Ordinary Municipal Council meeting.

File Number : 9/1/2/13

Execution : Acting Municipal Manager

Manager : Performance and Integrated Development Plan

SC07/11/21 HANDOVER REPORT

UNANIMOUSLY RESOLVED

That the separately circulated Handover Report for Knysna Municipality, be accepted.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

SC08/11/21 SCHEDULE OF MEETINGS : DECEMBER 2021 TO JUNE 2022

UNANIMOUSLY RESOLVED

- [a] That the schedule of meetings, attached to Item 25/11/21, for December 2021 to June 2022 be approved, subject to the following :
 - [i] That the Speaker in consultation with the Municipal Manager, may advance or postpone the date of scheduled Ordinary Municipal Council Meetings;
 - [ii] That the Executive Mayor may, in consultation with the Municipal Manager, advance or postpone the dates of scheduled Mayoral Committee Meetings;
 - [iii] That the Chairpersons of the respective Portfolio Committees (in consultation with the Executive Mayor) Audit Committee and Municipal Public Accounts Committee may advance or postpone the dates of relevant scheduled meetings in consultation with the Municipal Manager;
- [b] That the advancement and/or postponement as mentioned in [a] [i], [ii] and [iii] above are subject to proper notice being given to members of such Municipal Council/ Committee; and
- [c] That the Speaker and Chairpersons of the Portfolio Committees (in consultation with the Executive Mayor), Audit Committee and Municipal

Public Accounts Committee (in consultation with the Municipal Manager) and subject to [b] above, may call relevant Special Meetings if and when required to do so.

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services

SC09/11/21 ESTABLISHMENT OF WARD COMMITTEES

UNANIMOUSLY RESOLVED

- [a] That the report on the establishment of Ward Committees, be noted;
- [b] That the Acting Municipal Manager submits a comprehensive report to the next Municipal Council meeting regarding the progress with the establishment of Ward Committee in all eleven (11) wards in the area jurisdiction of Knysna Municipality; and
- [c] That Ward Committees be established in all eleven (11) wards before the end of February 2022.

File Number : 9/1/2/14

Execution : Acting Municipal Manager
Manager : Public Participation

SC10/11/21 REPORT ON THE ADOPTION OF ROLES AND AREA OF RESPONSIBILITIES FOR THE KNYSNA MUNICIPALITY

UNANIMOUSLY RESOLVED

- [a] That the report on the Roles and area of Responsibilities document as contained in Annexure "A" of the Item, be noted; and
- [b] That the Roles and Responsibilities document be referred to the Councillor Orientation Workshop for perusal and adoption.

File Number : 9/1/2/14

Execution : Acting Municipal Manager
Manager : Legal Services

Cllr Marbi stepped out at 12:55

Cllr Marbi returned at 12:57

SC11/11/21 COUNCIL IN RECESS : PERIOD 17 DECEMBER 2021 UNTIL 2 JANUARY 2022

UNANIMOUSLY RESOLVED

- [a] That the Municipal Council stands prorogued for the period 17 December 2021 to 2 January 2022;
- [b] That in view of the afore-mentioned period of recess, the Executive Mayor, Cllr L Davis and the Acting Municipal Manager, be delegated to jointly perform all official Council duties, responsibilities and functions

during the period of 17 December 2021 to 2 January 2022 with the exception of those indicated in Section 160(2) of the Constitution of the Republic of South Africa, 1996 namely:

- [i] the passing of by-laws;
- [ii] approval of budgets;
- [iii] the imposition of rates and other taxes, levies and duties;
- [iv] the raising of loans;

as well as:

- [v] disposal of council properties;
- [vi] approval of Integrated Development Plan; and
- [vii] the appointment of Section 56 employees;
- [viii] Any other powers reserved exclusively for the Municipal Council;

- [c] That the Executive Mayor report back at the Ordinary Council Meeting to be held in January 2022 regarding any decisions made during the recess period as mentioned in [a] above.

File Number : 9/1/2/9

Execution : Acting Municipal Manager

Acting Director : Corporate Services

SC12/11/21 CLOSURE OF MUNICIPAL OFFICES FOR 2021 FESTIVE SEASON AND PAYMENT OF SALARIES FOR DECEMBER 2021

UNANIMOUSLY RESOLVED

- [a] That the report from the Acting Municipal Manager regarding the closure of offices over the festive season and payment of salaries for December 2021, be noted;
- [b] That the Municipal Offices be closed from 12h00 on Thursday, 23 December 2021 and re-open at 7:30 on Monday, 3 January 2022;
- [c] That Notices be published in the local press and posted on all municipal notice boards informing the public of the closure of the Municipal Offices during the 2021 festive period, as mentioned in [b] above;
- [d] That essential services, emergency and stand-by services be rendered by the necessary staff, during the closure as mentioned in [b] above,
- [e] That the Customer Care Centre be open to the public from 08h00 to 12h00 on 24 and 28 to 31 December 2021; and
- [f] That salaries for the month of December 2021 be paid on Monday, 20 December 2021.

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services

Manager : Human Resources

Lunch break from 13:00 until 13:41

Cllr Skosana stepped out at 13:58

Cllr Skosana returned at 14:00

Cllr Stroebe stepped out at 14:13

Cllr Stroebe returned at 14:15

Cllr Marbi stepped out at 14:22

Cllr Marbi returned at 14:24

**SC13/11/21 REPORT ON INVESTIGATION CONDUCTED BY PUBLIC PROTECTOR IN
RELATION TO TOURISM RELATED FUNCTIONS**

UNANIMOUSLY RESOLVED

Hereunder Council must note the following under the remedial action as proposed by the Public Protector :

- i] The officials who were involved in the irregular expenditure as mentioned in the report, all previous Municipal Managers, is not in the employ of the Municipality anymore; and
 - ii] All officials involved in the SCM processes, have done all relevant training on SCM matters and completed the required Municipal Minimum Competency training.
- [a] That the report on the investigation conducted by the Public Protector SA in relation to Knysna Tourism and tourism related functions, be noted;
- [b] The Speaker of the Council of the Municipality be mandated to:
- take the appropriate steps to ensure that the Council of the Municipality refers the irregular expenditure incurred by the Municipality in respect of procuring services from KT to the relevant Council Committee to investigate and determine in terms of section 32(2) of the MFMA whether the irregular expenditure is recoverable or not, and if so, action is taken accordingly within 30 days from the date of this report;
 - to take the appropriate steps to ensure that criminal charges are laid in terms of section 173 of the MFMA in respect of the irregular expenditure incurred within 30 days from the date of this report;
- [c] The Acting Municipal Manager be mandated to :
- a) in terms of section 32(4) of the MFMA, report the irregular expenditure by the Municipality to the Executive Mayor of the Municipality, the Western Cape Provincial Treasury, the Western Cape MEC for Local Government and the Auditor-General South Africa in writing, within 30 days from the date of this report;
 - b) in terms of section 171(4) of the MFMA, take the appropriate steps to investigate whether any of the officials of the Municipality that were involved in the irregular procurement of the services of KT should be held accountable for financial misconduct, and if so take the

appropriate steps to ensure that disciplinary action is instituted against them, within 30 days from the date of this report;

- c) ensure that all the staff of the Municipality involved in the SCM processes for the procurement of goods and services attend an appropriate training course on the provisions of section 217 of the Constitution, the MFMA, the Regulations, the SCM Policy and the Grant-in-Aid Policy within 60 days from the date of this report;
- d) submit a report to the Council of the Municipality on the action taken as referred to in paragraphs 7.1.2.1 to 7.1.2.3 of the report, within 60 days from the date of this report; and
- e) submit an implementation plan indicating how the remedial action is implemented to the Public Protector, within 30 business days from the date of this report.

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

Whip Caucus from 14:34 until 15:13

SC14/11/21 APPOINTMENT OF AN ACTING DIRECTOR : CORPORATE SERVICES

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Director Corporate Services be noted; and
- [b] That Ms M Paulsen be appointed as Acting Director : Corporate Services, for a period of three (3) months or until the vacancy is filled, whichever comes first.

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

SC15/11/21 APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Chief Financial Officer be noted;
- [b] That Mr J Carstens be appointed as Acting Chief Financial Officer, for a period of three (3) months or until the vacancy is filled, whichever comes first.

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

SC16/11/21 PROCESS FOR THE RECRUITMENT AND SELECTION OF THE POSITION OF CHIEF FINANCIAL OFFICER

Cllr M Skosana proposed, seconded by Cllr T Matika, that the Chief Financial Officer from Bitou Municipality, be appointed as a member of the panel.

Cllr LV Davis proposed, seconded by Cllr MS Campbell, that the Chief Financial Officer from the Garden Route District Municipality, be appointed as a member of the panel.

The Speaker called the matter to a vote.

*10 Votes were recorded for Cllr M Skosana's proposal
11 votes were recorded for Cllr LV Davis's proposal.*

The proposal of Cllr Davis that the Chief Financial Officer of Garden Route District Municipality, was carried.

*Cllr K Andrews stepped out at 15:49
Cllr K Andrews returned at 15:51
Cllr T Matika stepped out at 15:55
Cllr T Matika returned at 15:57*

RESOLVED BY MAJORITY

- [a] That the report regarding the process for the recruitment and selection of the position of Chief Financial Officer, be noted;
- [b] That the contents of the Local Government : Regulations on Appointment and Conditions of Employment of Senior Managers, 2014, be noted;
- [c] That it be noted that the Municipal Council will serve as the Appointment Authority, as stipulated in Regulation 17(2) of the Regulations mentioned in [b] above; and
- [d] That the following Selection Panel for the Appointment of a Chief Financial Officer in terms of Regulation 12(4) of the Regulations mentioned in [b] above, be hereby appointed :

(Acting) Municipal Manager – Chairperson
Portfolio Chairperson of Finance and Economy Committee
Chief Financial Officer – Garden Route District Municipality; and
- [e] That the Chief Whips of all political parties be invited to attend the evaluation and interview sessions as observers.

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

SC17/11/21 APPOINTMENT OF AN ACTING MUNICIPAL MANAGER

Cllr H Stroebel proposed, seconded by Cllr N Louw, that Mr DJ Adonis be appointed as Acting Municipal Manager.

The Speaker called the matter to a vote.

19 Votes were recorded for Cllr H Stroebel's proposal

1 (Cllr MS Campbell [KIM]) vote was recorded against the proposal

1 (Cllr M Willemse [KIM]) abstained from voting

RESOLVED BY MAJORITY

- [a] That the report regarding the appointment of an Acting Municipal Manager be noted; and
- [b] That Mr DJ Adonis be appointed as Acting Municipal Manager, for a period of three (3) months or until the vacancy is filled, whichever comes first.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Manager : Human Resources

SC18/11/21 PROCESS FOR THE RECRUITMENT AND SELECTION OF THE POSITION OF MUNICIPAL MANAGER

Cllr T Matika proposed, seconded by Cllr NA Tsengwa, that Cllr Skosana and the Municipal Manager from the Garden Route District Municipality, be appointed to serve on the selection panel.

Cllr LV Davis proposed, seconded by Cllr ST Sabbagh, that Cllr MS Willemse, and the Municipal Manager from the Garden Route District Municipality be appointed to serve on the selection panel.

The Speaker called the matter to a vote.

10 Votes were recorded for the proposal of Cllr T Matika

10 votes were recorded for the proposal of Cllr LV Davis

1 abstention – Cllr NG Louw [EFF]

The Speaker used her casting vote for the proposal of Cllr Davis.

The proposal of Cllr Davis, that Cllr M Willemse and the Municipal Manager of the Garden Route District Municipality, be appointed to serve on the selection panel, was carried.

RESOLVED BY MAJORITY

- [a] That the report regarding the process for the recruitment and selection of the position of Municipal Manager, be noted;
- [b] That the contents of the Local Government : Regulations on Appointment and Conditions of Employment of Senior Managers, 2014, as well as Government Gazette regarding the Upper Limits of Total

Remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers, be noted;

- [c] That it be hereby confirmed, in terms of Regulation 5(2)(a) of the Regulations mentioned in [b] above, that the post of Municipal Manager is required to fulfill the strategic objectives of the Municipal Council;
- [d] That approval hereby be granted, in terms of Regulation 7 of the Regulations mentioned in [b] above, to fill the position of Municipal Manager;
- [e] That it be noted that the Municipal Council will serve as the Appointment Authority, as stipulated in Regulation 17(2) of the Regulations mentioned in [b] above;
- [f] That the selection process as set out in the report mentioned in [a] above, in terms of the Regulations mentioned in [b] above, be adopted;
- [g] That the following Selection Panel for the Appointment of a Municipal Manager in terms of Regulation 12(3) of the Regulations mentioned in [b] above, be hereby appointed :

Executive Mayor – Chairperson

Cllr MS Willemse as Councillor designated by the Municipal Council

Municipal Manager – Garden Route District Municipality; and

- [h] That the Acting Municipal Manager be requested to advertise the post of Municipal Manager, as stipulated in Regulation 10 of the Regulations mentioned in [c] above.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Manager : Human Resources

7. **CONSIDERATION OF MOTIONS**

None

8. **CONSIDERATION OF QUESTIONS**

None

Cllr M Skosana stepped out at 16:29

Cllr P Petros stepped out at 16:30

Cllr M Skosana returned at 16:31

Cllr P Petros returned at 16:32

9. **CONSIDERATION OF MOTIONS OF EXIGENCY**

Cllr Tsengwa stepped out at 16:41

Cllr Matika stepped out at 16:41

Cllr Tsengwa returned at 16:43

Cllr Matika returned at 16:44

MOTION 1 - MAD ABOUT ART CRECHÉ – MUNICIPAL SERVICES (Cllr MS Skosana)

UNANIMOUSLY RESOLVED

That the Director : Integrated Human Settlements submit an assessment and cost analysis to the Acting Municipal Manager.

MOTION 2 – INSOURCING OF SECURITY SERVICES (Cllr NG Louw)

UNANIMOUSLY RESOLVED

That the Acting Municipal Manager be instructed to investigate the insourcing of security services and submit a comprehensive report to the next Ordinary Council meeting.

Cllr Charlie stepped out at 17:06

Cllr Charlie returned at 17:07

Cllr Tsengwa stepped out at 17:08

Cllr Tsengwa returned at 17:09

MOTION 3 – BUDGET FOR SANITATION IN NEKKIES (Cllr MS Skosana)

UNANIMOUSLY RESOLVED

That the Acting Municipal Manager submit a comprehensive report to the next Ordinary Council Meeting in terms of the status quo, the level of services, which areas need attention, which toilets can be connected to the Municipal system and if there are alternative options for sanitation that may be used.

10. **ADJOURNMENT**

The Speaker thanked everyone present and the meeting concluded at 17:11.

Approved

.....
Cllr JA Lopes
Speaker

.....
Date

-oOo-

9.5 **MINUTES OF THE SPECIAL COUNCIL MEETING : 31 JANUARY 2022**

RECOMMENDATION

That the minutes of the Special Council meeting held on 31 January 2022, be confirmed.

KNYSNA LOCAL MUNICIPALITY

M I N U T E S

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
Monday, 31 January 2022
At 9:00 in the Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Executive Mayor, Cllr Davis, L V [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Whip, Cllr Stroebe, H [DA]
Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Carstens, J	Acting Chief Financial Officer
Hariparsad, P	Director : Technical Services
Paulsen, M	Acting Director : Corporate Services
Boyce, M	Director : Planning and Development
Ngqele, S	Director : Community Services
Petuna, L	Acting Director : Integrated Human Settlements
Chordnum, C	Manager : Performance Management and IDP
Bezuidenhoudt, C	Manager : Communications and Intergovernmental Relations
Lakay, J	Head : Council Committees and Councillor Support
Botha, M	Legal Advisor
Mtwa, S	Chief Clerk : Administration & Auxiliary Services
Hofhuis, K	Executive Assistant : Office of the Executive Mayor
Madokwe, S	Senior Clerk Committees
Mjamba, B	Interpreter

AUDIT COMMITTEE

Prins, E
Barrell, R
Thorpe, R

PUBLIC MEMBERS

The meeting was streamed live through YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting on Microsoft Teams where after a roll call confirmed that (21) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

A moment of silent prayer and reflection was observed.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Twenty One Councillors present.

3.2 Councillors Absent with Leave

None

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government: Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors, be noted.

5. DISCLOSURE OF INTERESTS BY COUNCILLORS

Cllr N Louw declared interest in business conducted by a close family member.

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

SC01/01/2022 TABLING OF ANNUAL REPORT : 2020/2021 FINANCIAL YEAR

RESOLVED BY MAJORITY

- [a] That the contents of the report regarding the Annual Report for the 2020/2021 financial year (AR 20/21), be noted;
- [b] That, in terms of Section 127(2) of the Local Government: Municipal Finance Management Act, 2003, read with MFMA Circular no. 63, the submission of the Annual Report by the Executive Mayor, for the 2020/2021 financial year, be submitted to a Special Council Meeting on a date to be determined by the Speaker;
- [c] That due to the late Audit Report, the tabled AR 2020/21 be referred back to the Administration to complete and finalise whereafter it must be submitted to the relevant Government Departments and Auditor-General, advertised for Public Comments and also be referred to MPAC for the Oversight Report.

The ANC requested that their vote against the above decision, be recorded.

File Number : 9/1/2/14

Execution : Acting Municipal Manager
 Acting Director : Corporate Services

SC02/01/2022 AUDIT COMMITTEE CHARTER 2021

UNANIMOUSLY RESOLVED

That the Audit Committee Charter for 2021/2022 be referred to a subsequent Section 80 Committee Meeting, for the inclusion of a sanction to address the failure to attend meetings of the Audit Committee and thereafter the matter be submitted to Council for consideration.

File Number : 9/1/2/14

Execution : Chief Audit Executive

SC03/01/2022

VIREMENT : TOURISM DEVELOPMENT

UNANIMOUSLY RESOLVED

That a virement in the amount of R2 080 126 from budget vote 9/233-137-824 (Tourism Development Projects) to budget vote 9/233-136-823 (Tourism Development) for the payment of commitments in terms of the extended WESGRO Service Level Agreement (SLA), be approved.

File Number : 9/1/2/13

Execution : Director : Planning & Economic Development

SC04/01/2022

SECTION 71 MONTHLY AND SECTION 52 QUARTERLY BUDGET STATEMENT AS AT 31 DECEMBER 2021

UNANIMOUSLY RESOLVED

- [a] That Council notes the Section 71 monthly budget statement and Section 52 quarterly budget statement in accordance with the Local Government : Municipal Financial Management Act, 2003, as at 31 December 2021;
- [b] That Council notes that the Section 71 monthly budget statement and Section 52 quarterly budget statement in terms of the Local Government: Municipal Financial Management Act, 2003, as at 31 December 2021 was submitted to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury on 14 January 2022, being the 10th working day after the end of December 2021;
- [c] That Council notes that the Section 71 monthly budget statement and Section 52 quarterly budget statement in terms of the Local Government: Municipal Financial Management Act, 2003, as at 31 December 2021 will be published on the municipal website.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

SC05/01/2022

SECTION 72 MID-YEAR BUDGET ASSESSMENT REPORT (01 JULY 2021 TO 31 DECEMBER 2021)

UNANIMOUSLY RESOLVED

- [a] That Council takes note of the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003;
- [b] That the Acting Municipal Manager and Directors compile an Adjustments Budget for 2021/2022 based on the findings within the Section 72 Mid-Year Budget Assessment Report in terms of

the Local Government: Municipal Financial Management Act, 2003;

- [c] That Council takes note of the table contained in Annexure A containing the Section 72 Mid-Year Budget Assessment Report and the February 2022 Adjustments Budget Process Plan;
- [d] That the 2021/2022 Adjustments Budget be tabled during the month of February 2022 to be approved by Council by no later than 28 February 2022;
- [e] That the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003, be submitted to the National Treasury, Western Cape Provincial Treasury, the Internal Audit Department and the Audit Committee; and
- [f] That the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003, be published on the municipal website.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

SC06/01/2022

QUARTERLY WITHDRAWAL REPORT: QUARTER 2 OF 2021/2022

UNANIMOUSLY RESOLVED

- [a] That the Quarterly Withdrawal Report for the quarter ending December 2021, be noted; and
- [b] That it be noted that a copy of the Quarterly Withdrawal Report was submitted to the Western Cape Provincial Treasury and the Auditor-General on 17 January 2022.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

SC07/01/2022

APPOINTMENT OF AN ACTING DIRECTOR INTEGRATED HUMAN SETTLEMENTS

A lunch break was held from 12:45 to 13:40.

Cllr M Skosana proposed, seconded by Cllr T Matika, that Mr Lindile Petuna be appointed as Acting Director : Integrated Human Settlements.

Cllr S Campbell proposed, seconded by Cllr S Sabbagh that the matter be referred to a subsequent Special Council Meeting with more comprehensive information.

The Speaker called the matter to a vote.

9 Votes were recorded for the proposal of Cllr M Skosana.

11 Votes were recorded for the proposal of Cllr S Campbell.

The proposal of Cllr S Campbell was carried.

RESOLVED BY MAJORITY

That the report regarding the appointment of an Acting Director Integrated Human Settlements be referred back for more comprehensive information and thereafter the matter be submitted to a subsequent Special Council Meeting, for consideration.

SC08/01/2022

**REPORT ON THE APPOINTMENT OF AN ACTING DIRECTOR:
PLANNING & DEVELOPMENT**

Cllr M Willemse proposed, seconded by Cllr N Louw that Ms M Boyce be appointed as Acting Director : Planning and Development.

Cllr M Skosana requested a caucus at 15:01, which was granted by the Speaker. All Councillors returned at 15:36.

Cllr M Skosana proposed, seconded by Cllr A Tsengwa, that Mr Hennie Smit, be appointed as Acting Director : Planning and Development.

The Speaker called the matter to a vote.

3 Votes were recorded for the proposal of Cllr M Willemse.
18 Votes were recorded for the proposal of Cllr M Skosana.

The proposal of Cllr M Skosana was carried.

RESOLVED BY MAJORITY

- [a] That the report regarding the appointment of an Acting Director: Planning & Development, be noted;
- [b] That Council appoints Mr Hennie Smit as Acting Director: Planning & Development for a period of three months.

SC09/01/2022

**ESTABLISHMENT OF WARD COMMITTEES FOR THE NEW TERM
OF OFFICE OF COUNCIL**

UNANIMOUSLY RESOLVED

That the report on the progress of the establishment of ward committees for the new term of Municipal Council, be noted.

File Number : 9/1/1/1

Execution : Acting Director : Corporate Services

SC10/01/2022 REPORT ON ADOPTION & APPROVAL OF DEFINITION OF ROLES AND AREA OF RESPONSIBILITIES FOR THE KNYSNA MUNICIPALITY, 2022

UNANIMOUSLY RESOLVED

- [a] That the report on the *Roles and Areas of Responsibilities* document, be noted; and
- [b] That the newly proposed section on the *Whip of Council* be approved and the *Roles and Areas of Responsibilities* document, be amended accordingly.

SC11/01/2022 2021/2022 QUARTER TWO NON-FINANCIAL PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD 1 OCTOBER 2021 - 31 DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Quarterly Non-Financial Performance Assessment Report for the quarter ending on 31 December 2021, be noted.

File Number : 15/2/6/1/3

Execution : Acting Municipal Manager

SC12/01/2022 2021/2022 MID-YEAR NON-FINANCIAL PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD 1 JULY 2021 - 31 DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Mid-Year Non-Financial Performance Assessment Report for the period ending on 31 December 2021, be noted.

File Number : 15/2/6/1/3

Execution : Acting Municipal Manager

7. CONSIDERATION OF MOTIONS

MOTION 1 : NOTICE OF MOTION FOR THE REMOVAL OF THE SPEAKER COUNCILLOR JULIE LOPES

Motion withdrawn.

MOTION 2 : NOTICE OF THE MOTION FOR THE REMOVAL OF THE EXECUTIVE MAYOR

Motion withdrawn.

**MOTION 3 : NOTICE OF MOTION FOR THE REMOVAL OF THE EXECUTIVE
DEPUTY MAYOR**

Motion withdrawn.

8. CONSIDERATION OF QUESTIONS

CLLR M SKOSANA : RE-ADVERTISEMENT OF MUNICIPAL MANAGER POSITION

Cllr M Skosana enquired why the position of Municipal Manager was re-advertised.

At this point in the meeting the Acting Municipal Manager recused himself from the meeting.

The Acting Director : Corporate Services advised that the post was not re-advertised but that an erratum was published in the newspapers.

9. CONSIDERATION OF MOTIONS OF EXIGENCY

None

10. IN COMMITTEE

None

11. ADJOURNMENT

The Speaker thanked everyone present and the meeting adjourned at 14:25.

Approved

.....
Cllr J Lopes
Speaker

.....
Date

-oOo-

9.6 **MINUTES OF THE SPECIAL COUNCIL MEETING : 10 FEBRUARY 2022**

RECOMMENDATION

That the minutes of the Special Council meeting held on 10 February 2022, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
Thursday, 10 February 2022
At 10:00 in the Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Executive Mayor, Cllr Davis, L V [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Whip, Cllr Stroebel, H [DA]
Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Hariparsad, P	Director : Technical Services
Paulsen, M	Acting Director : Corporate Services
Smit, H	Acting Director : Planning and Development
Ngqele, S	Director : Community Services
Petuna, L	Acting Director : Integrated Human Settlements
Chordnum, C	Manager : Performance Management and IDP
Bezuidenhoudt, C	Manager : Communications and Intergovernmental Relations
Lakay, J	Head : Council Committees and Councillor Support
Botha, M	Legal Advisor (virtually)
Mtwa, S	Chief Clerk : Administration & Auxiliary Services (virtually)
Cornelius, B	Public Participation Coordinator (virtually)
Madokwe, S	Senior Clerk Committees (virtually)
Burger, T	Senior Clerk Committees (virtually)
Mjamba, B	Interpreter

AUDIT COMMITTEE

Prins, E
Bam, B
Barrell, R

PUBLIC MEMBERS

The meeting was streamed live through YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting in the Council Chamber where after a roll call confirmed that (21) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

A moment of silent prayer and reflection was observed.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Twenty One Councillors present.

3.2 Councillors Absent with Leave

None

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government: Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors, be noted.

5. DISCLOSURE OF INTERESTS BY COUNCILLORS

None.

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

SC01/02/2022

RESTRUCTURING OF SECTION 80 COMMITTEES

UNANIMOUSLY RESOLVED

- [a] That the report regarding the reconstitution of Section 80 Committees be noted;
- [b] That in terms of Section 80 of the Local Government : Municipal Structures Act, 1998, as amended, the following Section 80 Portfolio Committees be reconstituted as follows:

Corporate Services Portfolio Committee

Chairperson : Cllr MS Campbell (member of the Mayoral Committee)
Cllr S T Sabbagh
Cllr J G White
Cllr W Grootboom
Cllr T Matika
Cllr R Arends

Community Services Portfolio Committee

Chairperson : Cllr W Grootboom (member of the Mayoral Committee)
Cllr C Vanston
Cllr M Willemse
Cllr A Marbi
Cllr E Maxim
Cllr P Petros

Integrated Human Settlements & Planning Portfolio Committee

Chairperson : Cllr MS Willemse (member of the Mayoral Committee)
Cllr H Stroebel
Cllr N Louw
Cllr B Charlie
Cllr M Skosana

Cllr A Marbi

Infrastructure Services Portfolio Committee

Chairperson : Cllr PJ Bester (member of the Mayoral Committee)
Cllr J G White
Cllr N Louw
Cllr W Grootboom
Cllr N Tsengwa
Cllr M Khumelwana

Finance and Economy Portfolio Committee

Chairperson : Cllr ST Sabbagh (member of the Mayoral Committee)
Cllr P J Bester
Cllr M S Campbell
Cllr A R Marbi
Cllr K Andrews
Cllr N Louw

- [c] That Cllr Grootboom replace Cllr E Maxim on the SALGA working group for Community Development and Social Cohesion

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Acting Director : Corporate Services

SC02/02/22 SALGA NATIONAL CONFERENCE: 22 TO 24 FEBRUARY 2022 IN CAPE TOWN

Cllr M Skosana, proposed, seconded by Cllr T Matika, that Cllrs N Louw, A Marbi and K Andrews as delegates to the SALGA National Conference and that Cllr K Andrews be appointed as the voting representative.

Cllr S Sabbagh, proposed, seconded by Cllr P Bester, that the Executive Mayor, Cllr L Davis, the Speaker, Cllr J Lopes and the Acting Municipal Manager be delegated to attend the SALGA National Conference and that the Executive Mayor, Cllr L Davis, be appointed as the voting representative.

The Speaker called the matter to a vote.

9 Votes were recorded for the proposal of Cllr M Skosana.

12 Votes were recorded for the proposal of Cllr S Sabbagh.

The proposal of Cllr S Sabbagh was carried.

RESOLVED BY MAJORITY

- [a] That the report on the SALGA National Conference to be held from 22 to 24 February 2022 at the Cape Town International Convention Center, Cape Town, be noted;

- [b] That Cllr Levaël Davis be appointed the voting representative of Knysna Municipality to the SALGA National Conference as mentioned in [a] above;
- [c] That SALGA be informed of the resolution in [b] above; and
- [d] That the Acting Municipal Manager and the Speaker, Cllr J Lopes also be delegated to attend the SALGA National Conference as mentioned in [a] above.

File Number : 9/1/2/9

Execution : Acting Director: Corporate Services

Manager : Administration

SC03/02/22 REPORT ON THE APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER

UNANIMOUSLY RESOLVED

That the report on the appointment of an Acting Chief Financial Officer be referred to a subsequent meeting of the Council on a date to be determined by the Speaker.

SC04/02/22 REPORT ON THE APPOINTMENT OF AN ACTING MUNICIPAL MANAGER

UNANIMOUSLY RESOLVED

That the report on the appointment of an Acting Municipal Manager be referred to a subsequent meeting of the Council on a date to be determined by the Speaker.

7. CONSIDERATION OF MOTIONS

MOTION 1 : NOTICE OF INTENTION TO INTRODUCE A MOTION : AMENDMENT TO THE MPAC TERMS OF REFERENCE

RESOLVED BY MAJORITY

That the below mentioned sections of the MPAC Terms of Reference be amended to read as follows :

Section 3.4 :

- a. "The appointment of the Chairperson must be in terms of a Municipal Council resolution. The Chairperson may not be a political office bearer / Executive Councillor in the Municipal Council. The Chairperson must be an experienced Councillor who has the necessary skills and expertise to preside over this critical committee. The Chairperson shall be from any party other than the majority party represented in Council. If the Chairperson is absent from the meeting, the members present must elect a

member from the meeting to preside at that particular meeting.”

Section 3.6 of the MPAC Terms of Reference provides that:

- a. “The Committee shall consist of five (5) Councillors with knowledge of financial and /or governance matters made up as follows:
 - i. If the Chairperson is from the ruling coalition, three (3) members shall be from the opposition parties and two (2) shall be from the ruling coalition or
 - ii. If the Chairperson is from the opposition parties three (3) members shall be from the ruling coalition or ruling party and two (2) shall be from the other parties.

MOTION 2 : NOTICE OF INTENTION TO INTRODUCE A MOTION : REMOVAL OF THE MPAC CHAIRPERSON

RESOLVED BY MAJORITY

That in terms of Section 58 of the Municipal Structures Act No 117 of 1998, the MPAC Chairperson be removed from office.

MOTION 3 : NOTICE OF INTENTION TO INTRODUCE A MOTION : APPOINTMENT OF MPAC CHAIRPERSON

RESOLVED BY MAJORITY

That Cllr Beauty Charlie be appointed as the Chairperson of the Municipal Public Accounts Committee (MPAC).

8. **CONSIDERATION OF QUESTIONS**

None

9. **CONSIDERATION OF MOTIONS OF EXIGENCY**

None

10. **IN COMMITTEE**

None

11. **ADJOURNMENT**

The Speaker thanked everyone present and the meeting adjourned at 14:27.
Approved

.....
Cllr J Lopes
Speaker

.....
Date

-oOo-

9.7 **MINUTES OF THE SPECIAL COUNCIL MEETING : 24 FEBRUARY 2022**

RECOMMENDATION

That the minutes of the Special Council meeting held on 24 February 2022, be confirmed.

KNYSNA LOCAL MUNICIPALITY

M I N U T E S

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
THURSDAY, 24 February 2022
At 9:00 in the Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Executive Mayor, Cllr Davis, L V [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Adonis, D	Acting Municipal Manager
Carstens, J	Acting Chief Financial Officer
Hariparsad, P	Director : Technical Services
Paulsen, M	Acting Director : Corporate Services
Ngqele, S	Director : Community Services
Petuna, L	Acting Director : Integrated Human Settlements
Bezuidenhoudt, C	Manager : Communications and Intergovernmental Relations
Lakay, J	Head : Council Committees and Councillor Support
Madokwe, S	Senior Clerk Committees
Mjamba, B	Interpreter
Pakade, S	MNB Chartered Accountants

AUDIT COMMITTEE

None

PUBLIC MEMBERS

The meeting was streamed live through YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting on Microsoft Teams where after a roll call confirmed that (18) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

A moment of silent prayer and reflection was observed.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Eighteen Councillors present.

3.2 Councillors Absent with Leave

Cllr Matika
Cllr Campbell
Cllr Stroebe

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government: Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors, be noted.

5. DISCLOSURE OF INTERESTS BY COUNCILLORS

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

Cllr Charlie and Cllr Grootboom were not present when the open agenda commenced.

SC01/02/22 SUBMISSION OF THE ANNUAL REPORT 20/21 FOR COMMENTS

UNANIMOUSLY RESOLVED

- [a] That the report entitled Submission of the Annual Report 20/21 (AR 20/21) for Comments, be noted;
- [b] That the updated Annual Report 20/21 be referred to the Auditor-General, Provincial Treasury and the Provincial department responsible for Local Government for comments;
- [c] That the updated Annual Report 20/21 be made public and that the local community be invited to submit representations thereon;
- [d] That the updated AR 20/21 be referred to the Municipal Public Accounts Committee (MPAC) to draft an Oversight Report;
- [e] That the Oversight Report on the updated AR 20/21 mentioned in [d] above, be considered by the Municipal Council during the Ordinary meeting scheduled for Wednesday, 23 March 2022; and
- [f] That the Audit Committee's report on the Audited Annual Financial Statements 20/21 and the Audit Report 20/21 be referred to the next Council meeting to be held on 23 March 2022 and that the same also be included in the AR 20/21.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Acting Director : Corporate Services

SC02/02/22 APPOINTMENT OF AN ACTING MUNICIPAL MANAGER

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Municipal Manager be noted; and
- [b] That Council appoints Mr Johan Jacobs as Acting Municipal Manager, for a period of three (3) months or until the vacancy is filled, whichever comes first.

File Number : 9/1/1/1

Execution : Office of the Executive Mayor

SC03/02/22 APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Chief Financial Officer be noted; and
- [b] That Ms Avitha Jagaysor be appointed as Acting Chief Financial Officer, for a period of two (2) weeks.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Cllr Davis requested a 10 minute caucus at 15:17 which was granted by the speaker.

At 15:37 KIM requested a further 5 minutes for a caucus and returned at 15:47.

SC04/02/22 APPOINTMENT OF AN ACTING DIRECTOR INTEGRATED HUMAN SETTLEMENTS

Cllr Sabbagh proposed that the recommendation be amended to reflect that Mr Petuna be appointed as Acting Director until the macro structure is changed.

Cllr Skosana proposed, seconded by Cllr Tsengwa that the recommendation remains as it is.

The speaker put the matter to a vote.

8 Votes were recorded for the proposal of Cllr Sabbagh .

8 Votes were recorded for the proposal of Cllr Skosana.

The Speaker used a casting vote in favour of the proposal of Cllr Sabbagh.

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Director Integrated Human Settlements be noted; and
- [b] That Mr Petuna be appointed as Acting Director Integrated Human Settlements, for a period of three (3) months or until the macro structure is changed, whichever comes first.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

SC05/02/22 APPOINTMENT OF AN ACTING DIRECTOR CORPORATE SERVICES

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Director Corporate Services be noted; and
- [b] That Ms M Paulsen be appointed as Acting Director Corporate Services, for a period of three (3) months or until the vacancy is filled.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

SC06/02/22 RECONSTITUTION OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

UNANIMOUSLY RESOLVED

- [a] That the report regarding the reconstitution of the MPAC be noted; and
- [b] That in terms of section 3.6 of the MPAC Terms of Reference that the MPAC be reconstituted as follows :

Chairperson : Cllr B Charlie

Cllr Maxim

Cllr Louw

Cllr Marbi

Cllr Arends

Mr E Prins (*ex officio* Audit Committee)

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Acting Director : Corporate Services

Manager : Administration

SC07/02/22 APPOINTMENT OF TWO PROFESSIONAL TOWN PLANNERS ON FIXED TERM CONTRACT

UNANIMOUSLY RESOLVED

- [a] That two Town Planner positions be created under the Senior Town Planner position on a T14 Task Level to accommodate the fixed term appointment of the two Town Planner;
- [b] That the two Professional Planners be appointed on a fixed term contract at the bottom notch of the T14 salary scale from 'March 2022 for a period of 4 months until June 2022;
- [c] That the Town Planners register on the HR Department's Database as temporary workers;
- [d] That, subject to available funding, a work study be conducted of the Land Use Management Division to determine the required staff needed to address the volume of Land Use applications; and

- [e] The skills transfer sessions be held between the Town Planners and Town Planning staff to increase internal capacity.

File Number : 9/1/2/5

Execution : Acting Director : Planning & Economic Development

Acting Manager : Land Use Management

SC08/02/22 ADJUSTMENTS BUDGET – 2021/2022 (FEBRUARY 2022)

UNANIMOUSLY RESOLVED

- [a] That the total revenue of R 1,025,849,693 (capital grants included) approved by Council in August 2021 be increased by R 42,905,885 (4.2%) to R 1,068,755,578 for the 2021/2022 financial year as presented in Table 1 of the 2021/2022 Adjustments Budget Report;
- [b] That the operating expenditure of R 972,104,675 approved by Council in August 2021 be increased by R 40,924,616 (4.2%) to R 1,013,029,291 for the 2021/2022 financial year as presented in Table 2 of the 2021/2022 Adjustments Budget Report;
- [c] That the total surplus of R 53,745,018 (capital grants included) approved by Council in August 2021 be increased by R 1,981,269 (3.7%) to R 55,726,287 for the 2021/2022 financial year as presented in Table 3 of the 2021/2022 Adjustments Budget Report;
- [d] That the capital expenditure of R 161,225,932 approved by Council in August 2021 be decreased by R 3,253,129 (2.0%) to R 157,972,803 for the 2021/2022 financial year as presented in Table 4 of the 2021/2022 Adjustments Budget Report;
- [e] That the capital expenditure of R 157,972,803 be funded from the following sources as presented in Table 5 of the 2021/2022 Adjustments Budget Report :
- (i) Secured grants to be received from National Government and Provincial Government (R 54,800,956);
 - (ii) External loans (R 95,035,006);
 - (iii) Capital Replacement Reserve (R 8,136,841);
- [f] That Council takes note that no taxes and tariffs are affected by the approval of this revised adjustments budget;
- [g] That the MFMA Circular No 71 financial ratios based on the audited annual financial statements as at 30 June 2021, attached as Appendix B to the 2021/2022 Adjustments Budget Report, be noted;
- [h] That Schedules B1 to B10, attached as Appendix C to the 2021/2022 Adjustments Budget Report, be approved by Council;
- [i] That the Service Delivery Budget Implementation Plan (SDBIP) be adjusted accordingly;

- [j] That the over-riding of expenditure, which will constitute unauthorised expenditure, will not be authorised by the Municipal Manager or Chief Financial Officer. Should there be insufficient funds available on a vote number, savings from another vote number/s must be identified and the virement process should be followed in terms of Council's Virement Policy;
- [k] That the Adjustments Budget Report for 2021/2022 be submitted to the National Treasury and the Western Cape Provincial Treasury; and
- [l] That the Adjustments Budget Report for 2021/2022 be published on the municipal website and relevant print media.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

SC09/02/22 INTERIM ARRANGEMENTS FOR THE KNYSNA TOURISM FUNCTION AFTER FEBRUARY 2022

UNANIMOUSLY RESOLVED

- [a] That two positions be created, being Tourism Information Officer, the Finance, HR and Office Co-ordinator, under the Manager: Economic Development on Task Level 12 and 11 respectively;
- [b] That one position be created, being the Website & Social Media Co-ordinator, under the Manager Communications and IGR on Task Level 12;
- [c] That Knysna Municipality appoint the Knysna Local Tourism Office staff being the Tourism Information Officer, the Finance, HR and Office Co-ordinator and the Website & Social Media Co-ordinator on a fixed term contract for the period March 2022 to June 2022;
- [d] That it be noted that Vote Account No. 9/233-137-824 will be utilised to cover the anticipated monthly operation expenses amounting to R 1 089 140 in total;
- [e] That Council consider the acquisition of Wesgro office equipment assets with book value of R 17 408, 17 for office equipment and R 147 134, 34 for the vehicle (VW Polo Vivo);
- [f] That Knysna Municipality enter into a rental agreement with the Greater Knysna Business Chamber for office furniture and 2 billboards at the entrances of Knysna town for the period March 2022 to June 2022; and
- [g] That it be noted that a Tourism Industry Engagement Workshop will be held on 4 March 2022 at the Knysna Hollow Country Estate.

File Number : 9/1/2/5

Execution : Acting Director : Planning & Economic Development
Acting Manager : Economic Development

**SC10/02/22 TAKING UP OF EXTERNAL LOANS TO FINANCE CAPITAL PROJECTS
FOR THE 2021/2022 FINANCIAL YEAR**

UNANIMOUSLY RESOLVED

- [a] That the report on the taking up of external loans to finance capital projects for the 2021/2022 financial year be noted;
- [b] That it be noted that no written comments were received from the National Treasury, Western Cape Provincial Treasury and the local public;
- [c] Five-year loan of R 4,110,000 :
 - [i] That the debt agreement with ABSA Bank for the external loan of R 4,110,000 for the procurement of infrastructure, vehicles and equipment (2021/2022 capital budget) be approved;
 - [ii] That it be noted that the installments (R 500,945.32 x 10) for the loan in point [c][i] above is based on a re-payment period of five years and a fixed interest rate of 7.75% as at 18 October 2021;
 - [iii] That it be noted that the fixed interest rate (7.75% as at 18 October 2021) might still change depending on the base rate on the date of the signing of the loan agreement referred to in point [c][i] above;
 - [iv] That the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point [c][i] above;
 - [v] That the Acting Municipal Manager be authorised to sign the debt agreement referred to in point [c][i] above on behalf of Council;
 - [vi] That it be noted that the debt agreement is for external loans to be raised to finance the procurement of property, plant and equipment in the 2021/2022 capital expenditure budget; and
 - [vii] That it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs;
- [d] Ten-year loan of R 82,792,500 :
 - [i] That the debt agreement with ABSA Bank for the external loan of R 82,792,500 for the procurement of infrastructure, vehicles and equipment (2021/2022 capital budget) be approved;
 - [ii] That it be noted that the instalments (R 6,009,106.15 x 20) for the loan in point [d][i] above is based on a re-payment period of ten years and a fixed interest rate of 8.14% as at 18 October 2021;
 - [iii] That it be noted that the fixed interest rate (8.14% as at 18 October 2021) might still change depending on the base rate on the date of the signing of the loan agreement referred to in point [d][i] above;
 - [iv] That the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point [d][i] above;
 - [v] That the Acting Municipal Manager be authorised to sign the debt agreement referred to in point [d][i] above on behalf of Council;
 - [vi] That it be noted that the debt agreement is for external loans to be raised to finance the procurement of property, plant and equipment in the 2021/2022 capital expenditure budget; and
 - [vii] That it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs.

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

SC11/02/22 EXTENSION OF TENDER T 70 AND T71 OF 2017/2018 REPAIR AND DELIVERY OF PUMPS, MOTORS AND GENERATORS INCLUDING MAINTENANCE AND REPAIR FOR VARIOUS WATER AND SEWER PUMP STATIONS AND OVERSIGHT, COORDINATION AND SUPERVISION MAINTENANCE ACTIVITIES ON WATER AND WASTEWATER INFRASTRUCTURE

UNANIMOUSLY RESOLVED

That the Municipal Council approve the extension of Tender T70 and T71 of 2017/18 and amend the expiry date to 31 May 2022 or until a replacement Service Provider has been appointed.

File Number : 9/1/2/1
Execution : Director : Infrastructure Services

7. CONSIDERATION OF MOTIONS

None

8. CONSIDERATION OF QUESTIONS

None

9. CONSIDERATION OF MOTIONS OF EXIGENCY

Cllr Vanston presented a motion that the AMM identify land for temporary housing and toilets in Karatara.

It was then decided that the matter be dealt with administratively.

10. IN COMMITTEE

See separate agenda.

11. ADJOURNMENT

The Speaker thanked everyone present and the meeting adjourned at 18:04.

Approved

.....
Cllr J Lopes
Speaker

.....
Date

-oOo-

9.8 **MINUTES OF THE SPECIAL COUNCIL MEETING : 7 MARCH 2022**

RECOMMENDATION

That the minutes of the Special Council meeting held on 7 March 2022, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
MONDAY, 07 March 2022
At 14:02 in the Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Executive Mayor, Cllr Davis, L V [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Cllr Andrews, K [ANC]
Cllr Arends, R [ANC]
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC]
Cllr Louw, N [EFF]
Cllr Marbi, A [PBI]
Cllr Matika, T [ANC]
Cllr Maxim, E [DA]
Cllr Petros, P [ANC] (from 14:06)
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Jacobs, J	Acting Municipal Manager
Jagaysor, A	Acting Director : Financial Services
Paulsen, M	Acting Director : Corporate Services and Manager : Legal Services
Bezuidenhoudt, C	Manager : Communications and Intergovernmental Relations
Burger, T	Senior Clerk Committees
Madokwe, S	Senior Clerk Committees
Mjamba, B	Interpreter

AUDIT COMMITTEE

The meeting was streamed live through YouTube.

PUBLIC MEMBERS

The meeting was streamed live through YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting on Microsoft Teams where after a roll call confirmed that (20) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

A moment of silent prayer and reflection was observed.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Twenty Councillors present

3.2 Councillors Absent with Leave

Cllr Stroebel [DA]

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government : Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors, be noted.

5. DISCLOSURE OF INTERESTS BY COUNCILLORS

UNANIMOUSLY RESOLVED

That it be noted that no Councillor declared any interest in any matter in the Agenda.

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

SC01/03/22 REPORT ON RECOMPOSITION OF SELECTION PANEL FOR THE VACANT POSITION OF MUNICIPAL MANAGER

PROPOSAL 1

[a] That the report on the Recomposition of Selection Panel for the Vacant Position of Municipal Manager be noted; and

[b] That Council resolution SC18/11/21 be amended as follows :

“[g] That the following Selection Panel for the Appointment of a Municipal Manager in terms of Regulation 12(3) of the Regulations mentioned in [b] above, be hereby appointed :

Executive Mayor - Chairperson

Cllr M Skosana as councillor designated by the Municipal Council;

Mr Dave Daniels as a person with the necessary expertise and experience”

Proposer : Cllr M Skosana

Seconder : Cllr T Matika

PROPOSAL 2

[a] That the report on the Recomposition of Selection Panel for the Vacant Position of Municipal Manager be noted; and

[b] That Council resolution SC18/11/21 be amended as follows :

“[g] That the following Selection Panel for the Appointment of a Municipal Manager in terms of Regulation 12(3) of the Regulations mentioned in [b] above, be hereby appointed :

Executive Mayor - Chairperson

Cllr MS Willemse as councillor designated by the Municipal Council;

Mr Dave Daniels as a person with the necessary expertise and experience”

Proposer : Cllr S Sabbagh

Seconder : Cllr MS Campbell

The Speaker put the proposals to the vote.

Proposal 1

In favour : 8
Against : 11
Abstention : 1

Proposal 2

In favour : 11
Against : 8
Abstention : 1

RESOLVED BY MAJORITY

[a] That the report on the Recomposition of Selection Panel for the Vacant Position of Municipal Manager be noted; and

[b] That Council resolution SC18/11/21 be amended as follows :

“[g] That the following Selection Panel for the Appointment of a Municipal Manager in terms of Regulation 12(3) of the Regulations mentioned in [b] above, be hereby appointed :

Executive Mayor - Chairperson

Cllr MS Willemse as councillor designated by the Municipal Council;

Mr Dave Daniels as a person with the necessary expertise and experience”

The following councillors requested that their votes be recorded against the resolution :

Cllr M Skosana

Cllr N Tsengwa

Cllr K Andrews

Cllr R Arends

Cllr M Khumelwana

Cllr T Matika

Cllr P Petros

Cllr A Marbi

SC02/03/22 APPOINTMENT OF MEMBERS TO THE DISCIPLINARY BOARD

PROPOSAL 1

That a Disciplinary Board, as envisaged in Regulation 4 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings be established and that the following members be appointed to such Board :

- [i] The Legal Advisor of Knysna Municipality, Ms Marilyn Botha;
- [ii] The Head of Legal Services of Bitou Municipality, Mr Allan Croutz;
- [iii] The Chairperson of the Audit Committee of Knysna Municipality, Mr Enrico Prins; and
- [iv] The Chief Audit Executive of Knysna Municipality, Ms Astrid Louw

Proposer : Cllr A Marbi
Seconder : Cllr M Skosana

PROPOSAL 2

That a Disciplinary Board, as envisaged in Regulation 4 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings be established and that the following members be appointed to such Board :

- [i] The Legal Advisor of Knysna Municipality, Ms Marilyn Botha;
- [ii] The Managing Director of Erasmus & Botha Inc, Mr Eugene Botha;
- [iii] The Chairperson of the Audit Committee of Knysna Municipality, Mr Enrico Prins; and
- [iv] The Chief Audit Executive of Knysna Municipality, Ms Astrid Louw

Proposer : Cllr B Charlie
Seconder : Cllr S Sabbagh

The Speaker put the proposals to the vote.

Proposal 1

In favour : 9
Against : 11

Proposal 2

In favour : 11
Against : 9

RESOLVED BY MAJORITY

That a Disciplinary Board, as envisaged in Regulation 4 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings be established and that the following members be appointed to such Board :

- [i] The Legal Advisor of Knysna Municipality, Ms Marilyn Botha;
- [ii] The Managing Director of Erasmus and Botha Inc, Mr Eugene Botha;
- [iii] The Chairperson of the Audit Committee of Knysna Municipality, Mr Enrico Prins; and
- [iv] The Chief Audit Executive of Knysna Municipality, Ms Astrid Louw

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

7. **CONSIDERATION OF MOTIONS**

None

8. **CONSIDERATION OF QUESTIONS**

None

Cllr Skosana stepped out at 15:34

Cllr Skosana returned at 15:36

Cllr Bester stepped out at 15:37

Cllr Louw stepped out at 15:40

Cllr Louw returned at 15:41

Cllr Bester returned at 15:41

9. **CONSIDERATION OF MOTIONS OF EXIGENCY**

None

10. **ADJOURNMENT**

The Speaker thanked everyone present and the meeting adjourned at 15:42.

Approved

.....
Cllr J Lopes
Speaker

.....
Date

-oOo-

9.9 **MINUTES OF THE SPECIAL COUNCIL MEETING : 10 MARCH 2022**

RECOMMENDATION

That the minutes of the Special Council meeting held on 10 March 2022, be confirmed.

KNYSNA LOCAL MUNICIPALITY

MINUTES

OF A SPECIAL MEETING
OF THE
MUNICIPAL COUNCIL OF KNYSNA MUNICIPALITY
WHICH WAS HELD ON
THURSDAY, 10 March 2022
At 09:02 in the Council Chamber

COUNCILLORS IN ATTENDANCE

Speaker, Cllr Lopes, J [DA]
Deputy Executive Mayor, Cllr Willemse, M [KIM]
Cllr Andrews, K [ANC] *(from 09:09)*
Cllr Arends, R [ANC] *(from 09:09)*
Cllr Bester, P [DA]
Cllr Campbell, M [KIM]
Cllr Charlie, L [PA]
Cllr Grootboom, W [PA]
Cllr Khumelwana, M [ANC] *(from 09:10)*
Cllr Louw, N [EFF]
Cllr Matika, T [ANC] *(from 09:06)*
Cllr Maxim, E [DA] *(from 09:34)*
Cllr Petros, P [ANC]
Cllr Sabbagh, S [DA]
Cllr Skosana, M D [ANC] *(from 09:06)*
Cllr Stroebel, H [DA]
Cllr Tsengwa, N [ANC]
Cllr Vanston, C [DA]
Cllr White, J [DA]

OFFICIALS IN ATTENDANCE

Jacobs, J	Acting Municipal Manager
Bezuidenhout, C	Manager : Communications and Intergovernmental Relations
Kalani, J	Manager : Public Participation
Botha, M	Legal Advisor
Klein, V	Public Participation Principal Clerk
Cornelius, B	Coordinator : Public Participation
Mcothama, N	Public Participation : Senior Clerk
Mpahla, S	IT Technician
Burger, T	Senior Clerk Committees
Mjamba, B	Interpreter

AUDIT COMMITTEE

The meeting was streamed live through YouTube.

PUBLIC MEMBERS

The meeting was streamed live through YouTube.

1. OPENING AND WELCOMING

The Speaker welcomed Councillors and officials to the meeting on Microsoft Teams where after a roll call confirmed that (19) Councillors and the officials as recorded above, were present.

2. SILENT PRAYER

A moment of silent prayer and reflection was observed.

3. ATTENDANCE OF MEMBERS

3.1 Councillors Present

Nineteen Councillors present

3.2 Councillors Absent with Leave

Executive Mayor, Cllr Davis, L V [DA]
Cllr Marbi, A [PBI] (*via Teams*)

3.3 Councillors absent without Leave

None

4. NOTING OF THE PROVISIONS OF THE CODE OF CONDUCT FOR COUNCILLORS

The Speaker drew the attention of Councillors to the Schedule 1 of the Local Government : Municipal Systems Act, 2000.

UNANIMOUSLY RESOLVED

That the Code of Conduct for Councillors, be noted.

5. DISCLOSURE OF INTERESTS BY COUNCILLORS

UNANIMOUSLY RESOLVED

That it be noted that no Councillor declared any interest in any matter in the Agenda.

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

SC01/03/22 AMENDMENT OF CONTRACT T90/2015 COLLABORATOR SOFTWARE LICENSE – MUNICIPAL RECORDS AND WORKFLOW MANAGEMENT SOFTWARE

UNANIMOUSLY RESOLVED

- [a] That the report from the Acting Municipal Manager on the amendment of Tender 90/2015 Shared Services Agreement for the Collaborator Software License, be noted; and
- [b] That the amendment to the Statement of Work of Tender 90/2015 at a cost of R5,500.00 + VAT be approved and implemented.

File Number : 9/1/2/14

Execution : Acting Municipal Manager

Manager : Communications & IGR

Acting Manager : ICT

Break from 09:17 until 09:27 to allow administration to make copies of the objections against ward committee nominees and distribute it to councillors.

Cllr Bester stepped out at 09:30

Cllr Bester returned at 09:32

Cllr Skosana stepped out at 09:43

Cllr Charlie stepped out at 09:52

Cllr Skosana returned at 09:53

Cllr Charlie returned at 09:55

Break from 09:55 until 10:20 due to load shedding interruption of live streaming the meeting.

Cllr Bester stepped out at 10:32

Cllr Bester returned at 10:50

Cllr Grootboom stepped out at 10:59

Cllr Grootboom returned at 11:00

SC02/03/22 REPORT ON WARD COMMITTEE ESTABLISHMENT FOR THE 2021/2026 COUNCIL TERM

RESOLVED BY MAJORITY

- [a] That the report on the Establishment of Ward Committees for the new term of Knysna Municipal Council, be noted;

- [b] That the following persons be appointment as Ward Committee members from 01 April 2022 until the next Local Government Elections after considering the objections :

Ward 1		Ward 2	
Name	Sector/Geographic	Name	Sector/Geographic
1. Martie Rooi	Health	1. Rodney Nay	Infrastructure
2. Eunice Vena	Human Settlement	Keith Killops (secondee)	
Angeline Brinkhuis (secondee)		2. Vacant	Safety & Security
3. Mornè Galant	Religious	3. Cliff Elion	Sedgefield Ratepayers
4. Vuyisile Pauli	Sport	4. Ari Seirlis	Business & Tourism
Geneva Erasmus (secondee)		5. Vacant	Human Settlement & Urban Development
5. Bramwill Baadjies	Business	6. Vacant	Environment
Agnes Voorslag (secondee)		7. Hendrias Morris	Welsyndorp & Bergvallei
6. Andrew Brough	Sedgefield Ratepayers & Environment	Priscilla Lukas (secondee)	
7. Luvo Dayimani	Youth	8. Johnny Botha	Bosdorp
Chanel Jacobs (secondee)		Doris Tamboer (secondee)	
8. Nadia Hardnick	Community Safety	9. Nataniel Oelf	Farleigh
Thersius Jonas (secondee)		Karen James (secondee)	
9. Cecilia McKay	Welfare	10. Vacant	Agriculture
Elsperth Hartzenberg (secondee)			
10. David Tromans	The Island		
Rodney Nay (secondee)			
Ward 3		Ward 4	
1. Mbongeni Mkulungu	Nekkies East	1. Zuzile Ntsinyabo	Sports, Arts & Culture
Yonela Joko (secondee)		2. Luvuya Fata	Education
2.Nomsebenzi Ntabeni	Kaalkol	3. Lukangela Halu	Safety & Security
Lungile Vutuza (secondee)		Moses Solani (secondee)	
3.Thanduxolo Mahlathi	Oupad	4. Siphokazi Somlota	Business/Farming
Buyiswa Rungqu (secondee)		Zukiswa Makisi (secondee)	
4. Ziyanda Tom	Damsebos North	5. Bulelwa Msebi	Churches/ Religious
Zipho Naki (secondee)		Andile Qele (secondee)	
5.Siyabulele Kolanisi	Damsebos South	6.Nkosinathi Okwana	Human Settlement
Luleka Maxatase		Nomazizi Ngwala-	

ORDINARY MUNICIPAL COUNCIL MEETING
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(secondee)		ngwala (secondee)	
6.Ntombenani Mgqeba	Hlalani	7. Bethwel Mene	Youth
7.Thembinkosi Boo	Faith Based	Bavumile Jada (secondee)	
Sicelo Mgwadlanyana (secondee)			8.Mzwandile Mambalu
8.Nomfundo Ndunana	Business	9.Shiela Nolungqu	Health
9.Fundile Slatsha	Youth, Sports, Arts & Culture	10.Nomonde Mali	Social Development
Lwanda Madikane (secondee)		Zikhona Cingimbo (secondee)	
10. Migiel Lizwana	Safety & Security		
Brenda Yoyo (secondee)			
Ward 5		Ward 6	
1. Hester Prinsloo	Block 1: Bloekom, Watson, Main, Church Str	1. Engela Gesels	Block 1: Harker, Hamilton, Charlie Le Vack, Kardini, Happy Valley
Mirna Arries (secondee)		2. Jane Fourie	
2. Vacant	Block 2: Murray, Pine Str	3. Maureen Brits	Block 2: Shamrock, Sunridge, St Teresa, Park, Swembad area
3. Vacant	Block 3: Sonop, Barnard Str	4. Jenny Solomons	
4. Cedric Mqeke	Block 4: Geelhout, Fern, Bluebell, Acacia, Gousblom, Kalender Str	5. Rolanda George	Block 3: Donkerhoek: Wing, Fountain Str, Fountain Valley
Luzelle Mlandu (secondee)		6. Cameron Jantjies	
5. Winnifred Matthys	Block 5: Fern, Keurboom, Aandblom, Num-Num, Swarthout, Kershout Str	7. Elshone Krige	Block 4: Katanga-Protea, Heatherdale, Park, Cawood, Stanford, Stroebel, Bitou, Reenboog, Allemein Str
Thembeke Thomas (secondee)		8. Elma Siegelaar	
6. Julanda Sass	Block 6: Lentegeur, Protea, Le Roux, Azale Str	9. Kirchen Stuurman	Block 5: Fraaisig & Rykmanshoogte
Annie Adams (secondee)		10. Allan Kock	
7. Vacant	Goudveld & Surrounding Areas		
8. Paul Theron	Buffalo Bay		
9. Anthony Rischbieter	Brenton & Belvidere		
Mike Mills (secondee)			
10.Elmay Bouwer	Business		
Ward 7		Ward 8	
Romeo Daniëls	Dinagwe	1. Nokuzola Ngqula	Concordia South
Thembakazi Goba (secondee)		Jwara Siyabonga (secondee)	
Nobulali Mazwi	Khayaletu Valley	2. Pemela Gobeni	Concordia West/Masakhane
Xolisile Siswana (secondee)		Dumisani Yehana (secondee)	
Nwabisa Hamza		3. Zwelethu Dyonta	

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Nkosinathi Gwala (secondee)	Khayaalethu	Vuyile Matolengwe (secondee)	Joodsekamp/Rosemore
Simphiwe Falithenjwa	Bongani	4. Zusiphe Bunga	Circle
Thabisa Quba (secondee)		Nontle Sokhawukile (secondee)	
Nosisa Mateyisi	Edameni	5. Sinaye Miya	Ethembeni
Mbulelo Sokanyile	Kanonkop	Sinelizwi Baleni (secondee)	
Babalwa Mbombo	Youth & Education	6. Simphiwe Mkatali	Happy Valley 1
Luzuko Majola (secondee)		Ntomboxolo Matshaya (secondee)	
Solonzi Tyatyeka	Sports & Arts	7.Nokuthembela Maxam	Happy Valley 2/Victor Molosi/ Riverside
Odina Sayimani (secondee)		Malixole Makhabane (secondee)	
Yoliswa Nkotana	Business, Employment & Crime Prevention	8. Babalwa Mgciza	Ezweni
Nosiho Mpikwa (secondee)		Thabiso Bingwa (secondee)	
Lucinda Bondt	Elderly/Disabled, GBV, Health	9. Nomfundu Jepe	Thembelitsha/Indlovu
Nosisa Mateyisi (secondee)		Litha Nyanda (secondee)	
WARD 9		WARD 10	
1. Siëna van Schoor	Thesen Island	1. Pierre Gouws	Business
Bill Cooper (secondee)		2. Carol Van Tonder	Safety & Security
2. Mark Sasman	Hunters Home/Hunters Estate/Rexford	3. Yipie Kingma	Tourism
Richard Thorpe (secondee)		4. Jacque Jacobs	Infrastructure
3. Christopher Gould	The Heads	5. Lidy van Leent	Upper Town
4. Jolinda Luiters	Brackenhill	6. Vacant	Paradise/Knysna Heights
		7. Richard Sohn	CBD/Lower Town
5. Wendy Dewberry	Knoetzie	8. Greg Barnes	Simola/Eastford/Green Pastures
6. Mary-Ann Beviss-Challinor	Leisure Island	9. John Huxter	Welbedacht
7. Paola De Grandis	Costa Sarda/Lower Old Place/Fisher Haven	10.Vacant	Upper Old Place
8. Brian Bruce	Industrial Area		
9. Cobus Albrecht	Pezula/Fernwood		
10.Mark Sofianos	Business		
Ward 11			
1. Marvine Plaatjies	Block 1: Davidson, Jonathan, Kaptein Str		
2. Katrina Van Rooyen			
3. Micehlle Stander	Block 2: Botha, Frederick, Calendar Str		
Maria Wabani (secondee)			
4. Janine Prins			
5.Lorriane			

Opperman	Block 3: Smartie Town, Parkie
Daw-Ann Van Rooyen (secondee)	
6. Shirley Koen	
Jean Christians (secondee)	
7. Aschin Klein	Block 4: Davidson, Alexander, Hall, School
Athur Alie (secondee)	
8. Luchelle Briesies	
Leonie Pasja (secondee)	
9. Kaylem Botha	Block 5: Hornlee West, Katrina, Swarthout
10. Tina Nell	

- [c] That administration submit the names of the newly appointed Ward Committee members to payroll department for placement on the payroll system; and
- [d] That Council take note of the confirmation that vetting took place in respect of all nominees.

File Number : 9/1/1/1

Execution : Acting Director : Corporate Services
Manager : Public Participation

The following Councillors are against the objections being dismissed with regards to the following wards, due to the process that was followed by not distributing the objections before the meeting to allow enough time for consideration :

Ward 3, 6, 8, 9, 11 : Cllr MS Campbell & Cllr MS Willemse

Ward 8 : Cllr T Matika & Cllr N Louw

Ward 9 – Cllr N Louw

Ward 11 – Cllr N Louw

During the debate the Speaker made the following ruling : Cllr S Campbell can object to the process being followed, after the meeting, direct to the office of the Speaker.

SC03/03/22 APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER

UNANIMOUSLY RESOLVED

- [a] That the report regarding the appointment of an Acting Chief Financial Officer, be noted; and
- [b] That Ms Avitha Jagaysor's acting period in the vacant position of Chief Financial Officer, be extended until 30 March 2022.

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

7. ADJOURNMENT

The Speaker thanked everyone present and the meeting adjourned at 11:08.

Approved

.....
Cllr J Lopes
Speaker

.....
Date

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10. EXECUTION LIST

EXECUTION LIST : SPECIAL COUNCIL MEETING : 30 JANUARY 2022			
SC01/01/2022 <u>TABLING OF ANNUAL REPORT : 2020/2021 FINANCIAL YEAR</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the contents of the report regarding the Annual Report for the 2020/2021 financial year (AR 20/21), be noted; [b] That, in terms of Section 127(2) of the Local Government: Municipal Finance Management Act, 2003, read with MFMA Circular no. 63, the submission of the Annual Report by the Executive Mayor, for the 2020/2021 financial year, be submitted to a Special Council Meeting on a date to be determined by the Speaker; [c] That due to the late Audit Report, the tabled AR 2020/21 be referred back to the Administration to complete and finalise whereafter it must be submitted to the relevant Government Departments and Auditor-General, advertised for Public Comments and also be referred to MPAC for the Oversight Report.	Acting Municipal Manager Acting Director : Corporate Services	Annual Report submitted to the Special Council Meeting held on 24 February 2022. Advert placed in the local newspapers. Closing date for submission of comments is 18 March 2022. The Oversight report on the Annual Report will be submitted to Council within 60 days calculated from the 24th of February 2022.	May 2022
SC02/01/2022 <u>AUDIT COMMITTEE CHARTER 2021</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the Audit Committee Charter for 2021/2022 be referred to a subsequent Section 80 Committee Meeting, for the inclusion of a sanction to address the failure to attend meetings of the Audit Committee and thereafter the matter be submitted to Council for consideration.	Acting Municipal Manager Chief Audit Executive	To be tabled in the Finance and Economy committee scheduled for 19 May 2022 and thereafter Council on 31 May 2022	
SC03/01/2022 <u>VIREMENT : TOURISM DEVELOPMENT</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That a virement in the amount of R2 080 126 from budget vote 9/233-137-824 (Tourism Development Projects) to budget vote 9/233-136-823 (Tourism Development) for the payment of commitments in terms of the extended WESGRO Service Level Agreement (SLA), be approved.	Director : Planning and Development	Awaiting confirmation from the Budget Office that the virement has been executed.	

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SC04/01/2022 <u>SECTION 71 MONTHLY AND SECTION 52 QUARTERLY BUDGET STATEMENT AS AT 31 DECEMBER 2021</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That Council notes the Section 71 monthly budget statement and Section 52 quarterly budget statement in accordance with the Local Government : Municipal Financial Management Act, 2003, as at 31 December 2021;	Acting Director : Financial Services	Executed in January 2022	
[b]	That Council notes that the Section 71 monthly budget statement and Section 52 quarterly budget statement in terms of the Local Government: Municipal Financial Management Act, 2003, as at 31 December 2021 was submitted to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury on 14 January 2022, being the 10th working day after the end of December 2021;			
[c]	That Council notes that the Section 71 monthly budget statement and Section 52 quarterly budget statement in terms of the Local Government: Municipal Financial Management Act, 2003, as at 31 December 2021 will be published on the municipal website.			
SC05/01/2022 <u>SECTION 72 MID-YEAR BUDGET ASSESSMENT REPORT (01 JULY 2021 TO 31 DECEMBER 2021)</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That Council takes note of the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003;	Execution Acting Director : Financial Services	Executed in January 2022	
[b]	That the Acting Municipal Manager and Directors compile an Adjustments Budget for 2021/2022 based on the findings within the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003;			
[c]	That Council takes note of the table contained in Annexure A containing the Section 72 Mid-Year Budget Assessment Report and the February 2022 Adjustments Budget Process Plan;			
[d]	That the 2021/2022 Adjustments Budget be tabled during the month of February 2022 to be approved by Council by no later than 28 February 2022;			

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[e] That the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003, be submitted to the National Treasury, Western Cape Provincial Treasury, the Internal Audit Department and the Audit Committee; [f] That the Section 72 Mid-Year Budget Assessment Report in terms of the Local Government: Municipal Financial Management Act, 2003, be published on the municipal website.			
SC06/01/2022 <u>QUARTERLY WITHDRAWAL REPORT: QUARTER 2 OF 2021/2022</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the Quarterly Withdrawal Report for the quarter ending December 2021 be noted; [b] That it be noted that a copy of the Quarterly Withdrawal Report was submitted to the Western Cape Provincial Treasury and the Auditor-General on 17 January 2022.	Acting Director: Financial Services	Executed in January 2022	
SC07/01/2022 <u>APPOINTMENT OF AN ACTING DIRECTOR INTEGRATED HUMAN SETTLEMENTS</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the report regarding the appointment of an Acting Director Integrated Human Settlements be referred back for more comprehensive information and thereafter the matter be submitted to a subsequent Special Council Meeting, for consideration.		Executed Mr Lindile Petuna was appointed as Acting Director Integrated Human Settlements on the 24th of February 2022 for a period of 3 months or until such time as the review of the macro structure has been completed.	Completed

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SC08/01/2022 <u>REPORT ON THE APPOINTMENT OF AN ACTING DIRECTOR: PLANNING & DEVELOPMENT</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report regarding the appointment of an Acting Director: Planning & Development, be noted;		Acting Municipal Manager	Executed Mr Hennie Smit appointed as Acting Director : Planning and Development	
[b] That Council appoints Mr Hennie Smit as Acting Director: Planning & Development for a period of three months.				
SC09/01/2022 <u>ESTABLISHMENT OF WARD COMMITTEES FOR THE NEW TERM OF OFFICE OF COUNCIL</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the report on the progress of the establishment of ward committees for the new term of Municipal Council, be noted.		Acting Director : Corporate Services	Executed – Ward Committees appointed by Council at its meeting held on the 10 th of March 2022.	Completed
SC10/01/2022 <u>REPORT ON ADOPTION & APPROVAL OF DEFINITION OF ROLES AND AREA OF RESPONSIBILITIES FOR THE KNYSNA MUNICIPALITY, 2022</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report on the <i>Roles and Areas of Responsibilities</i> document, be noted; and		Acting Municipal Manager	Amendments to roles and responsibilities document completed.	Completed
[b] That the newly proposed section on the <i>Whip of Council</i> be approved and the <i>Roles and Areas of Responsibilities</i> document, be amended accordingly.				
SC11/01/2022 <u>2021/2022 QUARTER TWO NON-FINANCIAL PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD 1 OCTOBER 2021 - 31 DECEMBER 2021</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the Quarterly Non-Financial Performance Assessment Report for the quarter ending on 31 December 2021, be noted.		Acting Municipal Manager		

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SC12/01/2022 <u>2021/2022 MID-YEAR NON-FINANCIAL PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD 1 JULY 2021 - 31 DECEMBER 2021</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the Mid-Year Non-Financial Performance Assessment Report for the period ending on 31 December 2021, be noted.	Acting Municipal Manager		
EXECUTION LIST : SPECIAL COUNCIL MEETING : 10 FEBRUARY 2022			
SC01/02/2022 <u>RESTRUCTURING OF SECTION 80 COMMITTEES</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report regarding the reconstitution of Section 80 Committees be noted; [b] That in terms of Section 80 of the Local Government : Municipal Structures Act, 1998, as amended, the following Section 80 Portfolio Committees be reconstituted as follows: <u>Corporate Services Portfolio Committee</u> Chairperson : Cllr MS Campbell (member of the Mayoral Committee) Cllr S T Sabbagh Cllr J G White Cllr W Grootboom Cllr T Matika Cllr R Arends <u>Community Services Portfolio Committee</u> Chairperson : Cllr W Grootboom (member of the Mayoral Committee) Cllr C Vanston Cllr M Willemsse Cllr A Marbi Cllr E Maxim Cllr P Petros	Acting Municipal Manager Acting Director : Corporate Services	Executed Changes to Section 80 Committee Composition implemented.	Completed

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<u>Integrated Human Settlements & Planning Portfolio Committee</u> Chairperson : Cllr MS Willemse (member of the Mayoral Committee) Cllr H Stroebe Cllr N Louw Cllr B Charlie Cllr M Skosana Cllr A Marbi <u>Infrastructure Services Portfolio Committee</u> Chairperson : Cllr PJ Bester (member of the Mayoral Committee) Cllr J G White Cllr N Louw Cllr W Grootboom Cllr N Tsengwa Cllr M Khumelwana <u>Finance and Economy Portfolio Committee</u> Chairperson : Cllr ST Sabbagh (member of the Mayoral Committee) Cllr P J Bester Cllr M S Campbell Cllr A R Marbi Cllr K Andrews Cllr N Louw			
[c] That Cllr Grootboom replace Cllr E Maxim on the SALGA working group for Community Development and Social Cohesion.			
SC02/02/22 <u>SALGA NATIONAL CONFERENCE : 22 TO 24 FEBRUARY 2022 IN CAPE TOWN</u>			
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION
[a] That the report on the SALGA National Conference to be held from 22 to 24 February 2022 at the Cape Town International Convention Center, Cape Town, be noted;		Acting Municipal Manager Acting Director : Corporate Services	Executed Meeting attended by Executive Mayor and Speaker
			Completed

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[b] That <u>Cllr Levael Davis</u> be appointed the voting representative of Knysna Municipality to the SALGA National Conference as mentioned in [a] above; [c] That SALGA be informed of the resolution in [b] above; and [d] That the <u>Acting Municipal Manager</u> and the <u>Speaker, Cllr J Lopes</u> also be delegated to attend the SALGA National Conference as mentioned in [a] above.			
SC03/02/22 <u>REPORT ON THE APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the report on the appointment of an Acting Chief Financial Officer be referred to a subsequent meeting of the Council on a date to be determined by the Speaker.	Acting Municipal Manager	Executed Council at items meeting held on the 24 th of February 2022,appointed Ms Avitha Jagaysor as Acting CFO	Completed
SC04/02/22 <u>REPORT ON THE APPOINTMENT OF AN ACTING MUNICIPAL MANAGER</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the report on the appointment of an Acting Municipal Manager be referred to a subsequent meeting of the Council on a date to be determined by the Speaker.	Executive Mayor	Executed Council at its meeting held on the 24 th of February 2022 appointed Mr Johan Jacobs as Acting Municipal Manager for a period of 3 months	Completed
MOTION 1 : <u>NOTICE OF INTENTION TO INTRODUCE A MOTION : AMENDMENT TO THE MPAC TERMS OF REFERENCE</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That the below mentioned sections of the MPAC Terms of Reference be amended to read as follows : Section 3.4 : b. "The appointment of the Chairperson must be in terms of a Municipal Council resolution. The Chairperson may not be a political office bearer / Executive Councillor in the Municipal Council. The Chairperson must be an experienced Councillor who has the necessary skills and expertise to preside over this critical committee. <u>The Chairperson</u>	Acting Municipal Manager	MPAC terms of references amended. MPAC recomposed to give effect to the said resolution.	Completed

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shall be from any party other than the majority party represented in Council. If the Chairperson is absent from the meeting, the members present must elect a member from the meeting to preside at that particular meeting.” Section 3.6 of the MPAC Terms of Reference provides that: b. “The Committee shall consist of five (5) Councillors with knowledge of financial and /or governance matters made up as follows: iii. If the Chairperson is from the ruling coalition, three (3) members shall be from the opposition parties and two (2) shall be from the ruling coalition or If the Chairperson is from the opposition parties three (3) members shall be from the ruling coalition or ruling party and two (2) shall be from the other parties.			
MOTION 2 : <u>NOTICE OF INTENTION TO INTRODUCE A MOTION : REMOVAL OF THE MPAC CHAIRPERSON</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That in terms of Section 58 of the Municipal Structures Act No 117 of 1998, the MPAC Chairperson be removed from office.	Acting Municipal Manager	Executed Cllr Beauty Charlie appointed as MPAC Chairperson	Completed
MOTION 3 : <u>NOTICE OF INTENTION TO INTRODUCE A MOTION : APPOINTMENT OF MPAC CHAIRPERSON</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That Cllr Beauty Charlie be appointed as the Chairperson of the Municipal Public Accounts Committee (MPAC).	Acting Municipal Manager	Executed Cllr Beauty Charlie appointed as MPAC Chairperson	Completed
EXECUTION LIST : SPECIAL COUNCIL MEETING : 24 FEBRUARY 2022			
SC01/02/22 <u>SUBMISSION OF THE ANNUAL REPORT 20/21 FOR COMMENTS</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report entitled Submission of the Annual Report 20/21 (AR 20/21) for Comments, be noted;	Acting Municipal Manager Acting Director : Corporate Services	Executed Letters to PT and AG submitted and Annual Report published for public comment	Completed
[b] That the updated Annual Report 20/21 be referred to the Auditor-General, Provincial Treasury and the Provincial department responsible for Local Government for comments;			
[c] That the updated Annual Report 20/21 be made public and that the local community be invited to submit representations thereon;			

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[d]	That the updated AR 20/21 be referred to the Municipal Public Accounts Committee (MPAC) to draft an Oversight Report;			
[e]	That the Oversight Report on the updated AR 20/21 mentioned in [d] above, be considered by the Municipal Council during the Ordinary meeting scheduled for Wednesday, 23 March 2022; and			
[f]	That the Audit Committee's report on the Audited Annual Financial Statements 20/21 and the Audit Report 20/21 be referred to the next Council meeting to be held on 23 March 2022 and that the same also be included in the AR 20/21.			
SC02/02/22 <u>APPOINTMENT OF AN ACTING MUNICIPAL MANAGER</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That the report regarding the appointment of an Acting Municipal Manager be noted; and	Executive Mayor	Executed Mr Jacobs commenced with employment on 1 March 2022	Completed
[b]	That Council appoints Mr Johan Jacobs as Acting Municipal Manager, for a period of three (3) months or until the vacancy is filled, whichever comes first.			
SC03/02/22 <u>APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That the report regarding the appointment of an Acting Chief Financial Officer be noted; and	Acting Municipal Manager	Executed Ms Jagaysor appointed for two weeks	Completed
[b]	That Ms Avitha Jagaysor be appointed as Acting Chief Financial Officer, for a period of two (2) weeks.			
SC04/02/22 <u>APPOINTMENT OF AN ACTING DIRECTOR INTEGRATED HUMAN SETTLEMENTS</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That the report regarding the appointment of an Acting Director Integrated Human Settlements be noted; and	Acting Municipal Manager	Executed Mr Petuna appointed as Acting Director IHS	Completed

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[b]	That Mr Petuna be appointed as Acting Director Integrated Human Settlements, for a period of three (3) months or until the macro structure is changed, whichever comes first.			
SC05/02/22 <u>APPOINTMENT OF AN ACTING DIRECTOR CORPORATE SERVICES</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That the report regarding the appointment of an Acting Director Corporate Services be noted; and	Acting Municipal Manager	Executed Ms Paulsen appointed as Acting Director: Corporate for a period of three months	Completed
[b]	That Ms M Paulsen be appointed as Acting Director Corporate Services, for a period of three (3) months or until the vacancy is filled.			
SC06/02/22 <u>RECONSTITUTION OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That the report regarding the reconstitution of the MPAC be noted; and	Acting Municipal Manager Acting Director : Corporate Services	Executed New members appointed	Completed
[b]	That in terms of section 3.6 of the MPAC Terms of Reference that the MPAC be reconstituted as follows : Chairperson : Cllr B Charlie Cllr Maxim Cllr Louw Cllr Marbi Cllr Arends Mr E Prins (<i>ex officio</i> Audit Committee)			
SC07/02/22 <u>APPOINTMENT OF TWO PROFESSIONAL TOWN PLANNERS ON FIXED TERM CONTRACT</u>				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That two Town Planner positions be created under the Senior Town Planner position on a T14 Task Level to accommodate the fixed term appointment of the two Town Planner:	Acting Municipal Manager	Draft advertisement has been submitted to HR Department for review and publication.	Publication within week of 11 March 2022

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[b] That the two Professional Planners be appointed on a fixed term contract at the bottom notch of the T14 salary scale from 'March 2022 for a period of 4 months until June 2022; [c] The the Town Planners register on the HR Department's Database as temporary workers; [d] That, subject to available funding, a work study be conducted of the Land Use Management Division to determine the required staff needed to address the volume of Land Use applications; and [e] The skills transfer sessions be held between the Town Planners and Town Planning staff to increase internal capacity.	Acting Director : Planning and Development		to 18 March 2022
SC08/02/22 <u>ADJUSTMENTS BUDGET – 2021/2022 (FEBRUARY 2022)</u>			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the total revenue of R 1,025,849,693 (capital grants included) approved by Council in August 2021 be increased by R 42,905,885 (4.2%) to R 1,068,755,578 for the 2021/2022 financial year as presented in Table 1 of the 2021/2022 Adjustments Budget Report; [b] That the operating expenditure of R 972,104,675 approved by Council in August 2021 be increased by R 40,924,616 (4.2%) to R 1,013,029,291 for the 2021/2022 financial year as presented in Table 2 of the 2021/2022 Adjustments Budget Report; [c] That the total surplus of R 53,745,018 (capital grants included) approved by Council in August 2021 be increased by R 1,981,269 (3.7%) to R 55,726,287 for the 2021/2022 financial year as presented in Table 3 of the 2021/2022 Adjustments Budget Report; [d] That the capital expenditure of R 161,225,932 approved by Council in August 2021 be decreased by R 3,253,129 (2.0%) to R 157,972,803 for the 2021/2022 financial year as presented in Table 4 of the 2021/2022 Adjustments Budget Report;	Acting Director : Financial Services	Executed in February 2022	

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[e] That the capital expenditure of R 157,972,803 be funded from the following sources as presented in Table 5 of the 2021/2022 Adjustments Budget Report : (iv) Secured grants to be received from National Government and Provincial Government (R 54,800,956); (v) External loans (R 95,035,006); (vi) Capital Replacement Reserve (R 8,136,841); [f] That Council takes note that no taxes and tariffs are affected by the approval of this revised adjustments budget; [g] That the MFMA Circular No 71 financial ratios based on the audited annual financial statements as at 30 June 2021, attached as Appendix B to the 2021/2022 Adjustments Budget Report, be noted; [h] That Schedules B1 to B10, attached as Appendix C to the 2021/2022 Adjustments Budget Report, be approved by Council; [i] That the Service Delivery Budget Implementation Plan (SDBIP) be adjusted accordingly; [j] That the over-riding of expenditure, which will constitute unauthorised expenditure, will not be authorised by the Municipal Manager or Chief Financial Officer. Should there be insufficient funds available on a vote number, savings from another vote number/s must be identified and the virement process should be followed in terms of Council's Virement Policy; [k] That the Adjustments Budget Report for 2021/2022 be submitted to the National Treasury and the Western Cape Provincial Treasury; and [l] That the Adjustments Budget Report for 2021/2022 be published on the municipal website and relevant print media.			

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SC09/02/22 INTERIM ARRANGEMENTS FOR THE KNYSNA TOURISM FUNCTION AFTER FEBRUARY 2022			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That two positions be created, being Tourism Information Officer, the Finance, HR and Office Co-ordinator, under the Manager: Economic Development on Task Level 12 and 11 respectively; [b] That one position be created, being the Website & Social Media Co-ordinator, under the Manager Communications and IGR on Task Level 12; [c] That Knysna Municipality appoint the Knysna Local Tourism Office staff being the Tourism Information Officer, the Finance, HR and Office Co-ordinator and the Website & Social Media Co-ordinator on a fixed term contract for the period March 2022 to June 2022; [d] That it be noted that Vote Account No. 9/233-137-824 will be utilised to cover the anticipated monthly operation expenses amounting to R 1 089 140 in total; [e] That Council consider the acquisition of Wesgro office equipment assets with book value of R 17 408, 17 for office equipment and R 147 134, 34 for the vehicle (VW Polo Vivo); [f] That Knysna Municipality enter into a rental agreement with the Greater Knysna Business Chamber for office furniture and 2 billboards at the entrances of Knysna town for the period March 2022 to June 2022; and [g] That it be noted that a Tourism Industry Engagement Workshop will be held on 4 March 2022 at the Knysna Hollow Country Estate.	Acting Director : Planning and Development	[a] Done [b] Done [c] Done [d] Done [e] The Asset Management Department is currently determining the value of the assets. [f] Greater Knysna Business Chamber has been requested to submit a draft agreement for Legal Services to consider. [g] Done	
SC10/02/22 TAKING UP OF EXTERNAL LOANS TO FINANCE CAPITAL PROJECTS FOR THE 2021/2022 FINANCIAL YEAR			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report on the taking up of external loans to finance capital projects for the 2021/2022 financial year be noted;	Acting Director : Financial Services	Awaiting Loan Agreement from ABSA	31 March 2022

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[b] That it be noted that no written comments were received from the National Treasury, Western Cape Provincial Treasury and the local public; [c] <u>Five-year loan of R 4,110,000 :</u> [i] That the debt agreement with ABSA Bank for the external loan of R 4,110,000 for the procurement of infrastructure, vehicles and equipment (2021/2022 capital budget) be approved; [ii] That it be noted that the installments (R 500,945.32 x 10) for the loan in point [c][i] above is based on a re-payment period of five years and a fixed interest rate of 7.75% as at 18 October 2021; [iii] That it be noted that the fixed interest rate (7.75% as at 18 October 2021) might still change depending on the base rate on the date of the signing of the loan agreement referred to in point [c][i] above; [iv] That the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point [c][i] above; [v] That the Acting Municipal Manager be authorised to sign the debt agreement referred to in point [c][i] above on behalf of Council; [vi] That it be noted that the debt agreement is for external loans to be raised to finance the procurement of property, plant and equipment in the 2021/2022 capital expenditure budget; and [vii] That it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs; [d] <u>Ten-year loan of R 82,792,500 :</u> [i] That the debt agreement with ABSA Bank for the external loan of R 82,792,500 for the procurement of infrastructure, vehicles and equipment (2021/2022 capital budget) be approved; [ii] That it be noted that the instalments (R 6,009,106.15 x 20) for the loan in point [d][i] above is based on a re-payment period of ten years and a fixed interest rate of 8.14% as at 18 October 2021; [iii] That it be noted that the fixed interest rate (8.14% as at 18 October 2021) might still change depending on the base rate on the date of the signing of the loan agreement referred to in point [d][i] above; [iv] That the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point [d][i] above;			

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[v] That the Acting Municipal Manager be authorised to sign the debt agreement referred to in point [d][i] above on behalf of Council; [vi] That it be noted that the debt agreement is for external loans to be raised to finance the procurement of property, plant and equipment in the 2021/2022 capital expenditure budget; and [vii] That it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs.			
SC11/02/22 <u>EXTENSION OF TENDER T 70 AND T71 OF 2017/2018 REPAIR AND DELIVERY OF PUMPS, MOTORS AND GENERATORS INCLUDING MAINTENANCE AND REPAIR FOR VARIOUS WATER AND SEWER PUMP STATIONS AND OVERSIGHT, COORDINATION AND SUPERVISION MAINTENANCE ACTIVITIES ON WATER AND WASTEWATER INFRASTRUCTURE</u>			
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION
That the Municipal Council approve the extension of Tender T70 and T71 of 2017/18 and amend the expiry date to 31 May 2022 or until a replacement Service Provider has been appointed.		Acting Director :Infrastructure Services	Done
EXECUTION LIST : SPECIAL COUNCIL MEETING : 7 MARCH 2022			
SC01/03/22 <u>REPORT ON RECOMPOSITION OF SELECTION PANEL FOR THE VACANT POSITION OF MUNICIPAL MANAGER</u>			
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION
[a] That the report on the Recomposition of Selection Panel for the Vacant Position of Municipal Manager be noted; and [b] That Council resolution SC18/11/21 be amended as follows : <i>“[g] That the following Selection Panel for the Appointment of a Municipal Manager in terms of Regulation 12(3) of the Regulations mentioned in [b] above, be hereby appointed :</i> <i>Executive Mayor - Chairperson</i> <i>Cllr MS Willemsse as councillor designated by the Municipal Council;</i> <i>Mr Dave Daniels as a person with the necessary expertise and experience”</i>		Executive Mayor	

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SC02/03/22 APPOINTMENT OF MEMBERS TO THE DISCIPLINARY BOARD			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
That a Disciplinary Board, as envisaged in Regulation 4 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings be established and that the following members be appointed to such Board : [i] The Legal Advisor of Knysna Municipality, Ms Marilyn Botha; [ii] The Managing Director of Erasmus and Botha Inc, Mr Eugene Botha; [v] The Chairperson of the Audit Committee of Knysna Municipality, Mr Enrico Prins; and [vi] The Chief Audit Executive of Knysna Municipality, Ms Astrid Louw.	Acting Municipal Manager Acting Director : Corporate Services	Executed Disciplinary Board members informed of appointment	Completed
EXECUTION LIST : SPECIAL COUNCIL MEETING : 10 MARCH 2022			
SC01/03/22 AMENDMENT OF CONTRACT T90/2015 COLLABORATOR SOFTWARE LICENSE – MUNICIPAL RECORDS AND WORKFLOW MANAGEMENT SOFTWARE			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report from the Acting Municipal Manager on the amendment of Tender 90/2015 Shared Services Agreement for the Collaborator Software License, be noted; and [b] That the amendment to the Statement of Work of Tender 90/2015 at a cost of R5,500.00 + VAT be approved and implemented.	Acting Municipal Manager Manager : Communication s and IGR Acting Manager : ICT	Collab Citizen App and on Premise development: estimate completion date 23 March 2022 Testing App and on Premise process and reporting: estimate completion date 29 March 2022	Live to the Public: 1 April 2022
SC02/03/22 REPORT ON WARD COMMITTEE ESTABLISHMENT FOR THE 2021/2026 COUNCIL TERM			
RESOLUTIONS TO BE ACTIONED	OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a] That the report on the Establishment of Ward Committees for the new term of Knysna Municipal Council, be noted; [b] That the following persons be appointment as Ward Committee members from 01 April 2022 until the next Local Government Elections:	Acting Municipal Manager Acting Director : Corporate Services	Executed Ward Committee members informed of appointment	Completed

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Ward 1		Ward 2	
Name	Sector/Geographic	Name	Sector/Geographic
1. Martie Rooi	Health	1. Rodney Nay	Infrastructure
2. Eunice Vena	Human Settlement	Keith Killops (secondee)	
Angeline Brinkhuis (secondee)		2. Vacant	
3. Mornè Galant	Religious	3. Cliff Elion	Sedgefield Ratepayers
4. Vuyisile Pauli	Sport	4. Ari Seirlis	Business & Tourism
Geneva Erasmus (secondee)		5. Vacant	Human Settlement & Urban Development
5. Bramwill Baadjies	Business	6. Vacant	Environment
Agnes Voorslag (secondee)		7. Hendrias Morris	Welsyndorp & Bergvallei
6. Andrew Brough	Sedgefield Ratepayers & Environment	Priscilla Lukas (secondee)	
7. Luvo Dayimani	Youth	8. Johnny Botha	Bosdorp
Chanel Jacobs (secondee)		Doris Tamboer (secondee)	
8. Nadia Hardnick	Community Safety	9. Nataniel Oelf	Farleigh
Thersius Jonas (secondee)		Karen James (secondee)	
9. Cecilia McKay	Welfare	10. Vacant	Agriculture
Elsperth Hartzenberg (secondee)			
10. David Tromans	The Island		
Rodney Nay (secondee)			
Ward 3		Ward 4	
1. Mbongeni Mkulungu	Nekkies East	1. Zuzile Ntsinyabo	Sports, Arts & Culture
Yonela Joko (secondee)		2. Luvuya Fata	Education
2.Nomsebenzi Ntabeni	Kaalkol	3. Lukangela Halu	Safety & Security

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Lungile Vutuza (secondee)		Moses Solani (secondee)	
3.Thanduxolo Mahlathi	Oupad	4. Siphokazi Somlota	Business/Farming
Buyiswa Rungqu (secondee)		Zukiswa Makisi (secondee)	
4. Ziyanda Tom	Damsebos North	5. Bulelwa Msebi	Churches/ Religious
Zipho Naki (secondee)		Andile Qele (secondee)	
5.Siyabulele Kolanisi	Damsebos South	6.Nkosinathi Okwana	Human Settlement
Luleka Maxatase (secondee)		Nomazizi Ngwala- ngwala (secondee)	
6.Ntombenani Mgqeba	Hlalani	7. Bethwel Mene	Youth
7.Thembinkosi Booi	Faith Based	Bavumile Jada (secondee)	
Sicelo Mgwadlanyana (secondee)		8.Mzwandile Mambalu	Elderly
8.Nomfundo Ndunana	Business	9.Shiela Nolongqu	Health
9.Fundile Slatsha	Youth, Sports, Arts & Culture	10.Nomonde Mali	Social Development
Lwanda Madikane (secondee)		Zikhona Cingimbo (secondee)	
10. Migiel Lizwana	Safety & Security		
Brenda Yoyo (secondee)			
Ward 5		Ward 6	
1. Hester Prinsloo	Block 1: Bloekom, Watson, Main, Church Str	1. Engela Gesels	Block 1: Harker, Hamilton, Charlie Le Vack, Kardini, Happy Valley
Mirna Arries (secondee)		2. Jane Fourie	
2. Vacant	Block 2: Murray, Pine Str	3. Maureen Brits	Block 2: Shamrock, Sunridge, St Teresa, Park, Swembad area
3. Vacant	Block 3: Sonop, Barnard Str	4. Jenny Solomons	
4. Cedric Mqeke		5. Rolanda George	

ORDINARY MUNICIPAL COUNCIL MEETING
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Luzelle Mlandu (secondee)	Block 4: Geelhout, Fern, Bluebell, Acacia, Gousblom, Kalender Str	6. Cameron Jantjies	Block 3: Donkerhoek: Wing, Fountain Str, Fountain Valley
5. Winnifred Matthys	Block 5: Fern, Keurboom, Aandblom, Num-Num, Swarthout, Kershout Str	7. Elshone Krige	Block 4: Katanga-Protea, Heatherdale, Park, Cawood, Stanford, Stroebel, Bitou, Reenboog, Allemein Str
Thembeka Thomas (secondee)		8. Elma Siegelaar	
6. Julanda Sass	Block 6: Lentegeur, Protea, Le Roux, Azale Str	9. Kirchen Stuurman	Block 5: Fraaisig & Rykmanshoogte
Annie Adams (secondee)		10. Allan Kock	
7. Vacant	Goudveld & Surrounding Areas		
8. Paul Theron	Buffalo Bay		
9. Anthony Rischbieter	Brenton & Belvidere		
Mike Mills (secondee)			
10. Elmay Bouwer	Business		
Ward 7		Ward 8	
Romeo Daniëls	Dinagwe	1. Nokuzola Ngqula	Concordia South
Thembakazi Goba (secondee)		Jwara Siyabonga (secondee)	
Nobulali Mazwi	Khayaletu Valley	2. Pemela Gobeni	Concordia West/Masakhane
Xolisile Siswana (secondee)		Dumisani Yehana (secondee)	
Nwabisa Hamza	Khayaletu	3. Zwelethu Dyonta	Joodsekamp/Rosemore
Nkosinathi Gwala (secondee)		Vuyile Matolengwe (secondee)	
Simphiwe Falithenjwa	Bongani	4. Zusiphe Bunga	Circle
Thabisa Quba (secondee)		Nontle Sokhawukile (secondee)	
Nosisa Mateyisi	Edameni	5. Sinaye Miya	Ethembeni
Mbulelo Sokanyile	Kanonkop	Sinelizwi Baleni (secondee)	
Babalwa Mbombo		6. Simphiwe Mkatali	

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
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Luzuko Majola (secondee)	Youth & Education	Ntomboxolo Matshaya (secondee)	Happy Valley 1
Solonzi Tyatyeka	Sports & Arts	7.Nokuthembela Maxam	Happy Valley 2/Victor Molosi/ Riverside
Odina Sayimani (secondee)		Malixole Makhabane (secondee)	
Yoliswa Nkotana	Business, Employment & Crime Prevention	8. Babalwa Mgciza	Ezweni
Nosiho Mpikwa (secondee)		Thabiso Bingwa (secondee)	
Lucinda Bondt	Elderly/Disabled, GBV, Health	9. Nomfundu Jepe	Thembelitsa/Indlovu
Nosisa Mateyisi (secondee)		Litha Nyanda (secondee)	
WARD 9		WARD 10	
1. Siëna van Schoor	Thesen Island	1. Pierre Gouws	Business
Bill Cooper (secondee)		2. Carol Van Tonder	Safety & Security
2. Mark Sasman	Hunters Home/Hunters Estate/Rexford	3. Yipie Kingma	Tourism
Richard Thorpe (secondee)		4. Jacque Jacobs	Infrastructure
3. Christopher Gould	The Heads	5. Lidy van Leent	Upper Town
4. Jolinda Luiters	Brackenhill	6. Vacant	Paradise/Knysna Heights
5. Wendy Dewberry	Knoetzie	7. Richard Sohn	CBD/Lower Town
		8. Greg Barnes	Simola/Eastford/Green Pastures
6. Mary-Ann Beviss- Challinor	Leisure Island	9. John Huxter	Welbedacht
7. Paola De Grandis	Costa Sarda/Lower Place/Fisher Haven	10.Vacant	Upper Old Place
8. Brian Bruce	Industrial Area		
9. Cobus Albrecht	Pezula/Fernwood		
10.Mark Sofianos	Business		
Ward 11			
1. Marvine Plaatjies	Block 1: Davidson, Jonathan, Kaptein Str		
2. Katrina Van			

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
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Rooyen				
3. Micehlle Stander				
Maria Wabani (secondee)	Block 2: Botha, Frederick, Calendar Str			
4. Janine Prins				
5.Lorriane Opperman	Block 3: Smartie Town, Parkie			
Daw-Ann Van Rooyen (secondee)				
6. Shirley Koen				
Jean Christians (secondee)				
7.Aschin Klein				
Athur Alie (secondee)	Block 4: Davidson, Alexander, Hall, School			
8. Luchelle Briesies				
Leonie Pasja (secondee)				
9. Kaylem Botha	Block 5: Hornlee West, Katrina, Swarthout			
10.Tina Nell				
[c]	That administration submit the names of the newly appointed Ward Committee members to payroll department for placement on the payroll system.			
SC03/03/22 APPOINTMENT OF AN ACTING CHIEF FINANCIAL OFFICER				
RESOLUTIONS TO BE ACTIONED		OFFICIAL(S)	STATUS OF EXECUTION	DUE DATE
[a]	That the report regarding the appointment of an Acting Chief Financial Officer, be noted; and	Acting Municipal Manager	Executed Appointment of Ms Avitha Jagaysor extended until 30 March 2022	
[b]	That Ms Avitha Jagaysor's acting period in the vacant position of Chief Financial Officer, be extended until 30 March 2022.			

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Execution list for the Municipal Council meetings held on 30 January 2022, 10 February 2022, 24 February 2022, 7 March 2022 and 10 March 2022, be noted.

11. STATEMENTS AND COMMUNICATIONS OF THE SPEAKER

11.1 REPORT ON MEETINGS/FUNCTIONS ATTENDED BY THE SPEAKER, CLLR JULIE LOPES

REPORT FROM THE OFFICE OF SPEAKER

PURPOSE OF THE REPORT

To inform the Municipal Council of Functions, Meetings and Workshops attended by the Speaker for the period of November 2021 to March 2022.

DATE	EVENT
22/11/2021	Continuation of Council's Inauguration Meeting
24/11/2021	Special Council Meeting
25/11/2021	16 th Day of Activism 25 November to 9 th December 2021
26/11/2021	Meeting with Ward Councillors to discuss the Ward Committee Establishment Process
29/11/2021	Special Council Meeting
01/12/2021	Briefing re : 16 days of Activism session with National Minister DCS
06/12/2021	SALGA Cllrs Training
13/12/2021	Season Readiness Briefing
15/12/2021	Christmas and new Year's Message with Miss Noleen Dirkse Foundation of Hope
12/01/2022	Induction Workshop
13/01/2022	Ward 10 Ward Committee Meeting
17/01/2022	Ward 9 Ward Committee Meeting
18/01/2022	SALGA WC Provincial Conference 18-19 January 2022
19/01/2022	Ward 11 Ward Committee Meeting
20/01/2022	Land Audit Workshop
20/01/2022	Ward 4 Ward Committee Meeting
24/01/2022	Ward 1 Ward Committee Meeting
27/01/2022	Ward 1 Public Meeting
27/01/2022	Ward 5 Ward Committee Meeting
31/01/2022	Special Council Meeting
01/02/2022	Ward 2 Ward Committee Meeting
03/02/2022	Ward 7 Ward Committee Meeting
07/02/2022	SASSA Stakeholders Meeting
07/02/2022	Ward 6 Ward Committee Meeting
09/02/2022	Ward 8 Ward Committee Meeting
10/02/2022	Special Council Meeting
15/02/2022	Budget Meeting + Mayco
15/02/2022	Ward 3 Ward Committee Meeting
17/02/2022	Ward 9 Ward Committee Meeting
24/02/2022	Workshop on Adjustment Budget
24/02/2022	Special Council Meeting
02/03/2022	SALGA National Conference 2-4 March 2022
07/03/2022	Ward Committee Objection Establishment Meeting
07/03/2022	Special Council Meeting
10/03/2022	Special Council Meeting

RECOMMENDATION FROM THE OFFICE OF THE SPEAKER

That the report from the Speaker with regard to functions, meetings and workshops attended, for the period of November 2021 to March 2022, be noted.

File Number : 9/1/1/1

Execution : Office of the Speaker

12. STATEMENTS AND COMMUNICATIONS OF THE EXECUTIVE MAYOR

12.1 FUNCTIONS, MEETINGS & WORKSHOPS ATTENDED BY THE EXECUTIVE MAYOR

REPORT FROM THE EXECUTIVE MAYOR 22 NOVEMBER 2022 TO 15 MARCH 2022

	TOPIC	SUMMARY
01 December 2021	Knysna Blue Flag Launch	Attend the Blue Flag Beach launch at Brenton-on-Sea
01 December 2021	GBV Soccer Day – Hornlee	I had the privilege of doing the opening statement for the Hornlee Soccer day in aid of GBV on the Hornlee Sports field.
02 December 2021	Revive Knysna	I met with Revive Knysna to start forming a partnership with them, in order to assist with my Knysna Facelift product as per my 100-day plan.
03 December 2021	PCF	I attended the PCF; I have attached the agenda, which explain discussion points.
06 December 2021	Visit Flood damaged areas in the Greater Knysna	My office conducted a visit with the Deputy Mayor and officials to better understand damage caused by flooding in Nekkies, Hlalane, Oupad and Hornlee
07 December 2021	DCF	I attended the PCF; I have attached the agenda, which explain discussion points.
08 December 2021	Weekly Ward Meetings	General engagements with my Ward constituents
09 December 2021	204 TV Interview	I assisted an upcoming and developing TV Channel with an interview.
13 December 2021	Season Readiness Meeting	Briefing meeting on how the season readiness programme was running. I also briefed and checked that all Season readiness plans were put in place.
14 December 2021	Meeting with the Bigai Community	An introductory meeting took place with the Bigai community as per their request.

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

14 December 2021	Integrated Hornlee Housing Committee	A site visit and meeting was conducted as per the community's request.
15 December 2021	Greater Knysna Business Chambers	An introductory meeting was held with myself and the GKBC to build on working relationships.
15 December 2021	Christmas Lights Switch on	We switched on the Christmas lights posting on social media, as at the time COVID regulations were in place.
16 December 2021	Lions Christmas Market	I was invited to attend a Christmas market hosted by the Lions, this was vitally important to me as all the stall holders sold local products only
17 December 2021	Welcome Roadblock	It was a pleasure to welcome the residents of Knysna with the Ward Councillor to Knysna for the Holiday Season.
14 January 2022	Receiving of new fleet of vehicles	I was delighted to receive the latest addition of municipal vehicles at the Lorie Park Sports stadium.
17 January 2022	Special DCF	Please see discussion points attached.
19 January 2022	Weekly Ward Meeting	General engagements with my Ward constituents
25 January 2022	Knysna Hill Climb	I met with the organisers of the Knysna Hill Climb to see how we can assist and work with them. As International events are vital to the Local Economy of Knysna.
26 January 2022	Weekly Ward Meeting	General engagements with my Ward constituents
2 February 2022	Military Veterans	Discussed numerous issues pertaining to our Military Veterans, I have put a programme together to assist them with resolving the above issues.
2 February 2022	Weekly Ward Meetings	General engagements with my Ward constituents
9 February 2022	Weekly Ward Meetings	General engagements with my Ward constituents
16 February 2022	Teams meeting with Acting HOD Mayisela	A meeting via Teams where the Housing Grant was discussed.

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

16 February 2022	Weekly Ward Meetings	General engagements with my Ward constituents
17 February 2022	Brenton Rate Payers	We discussed various issues relating to Brenton residents
23 February 2022	Interactive Art project	It was a great experience to attend the launch of the Rastafari Priest statue in Judah Square with the community.
3 March 2022 and 4 March 2022	SALGA 4th Annual Local Government, Governance and Performance Management Seminar	Attended the SALGA 4th Annual Local Government, Governance and Performance Management Seminar. See Circular attached
15 March 2022	Bagai Heights Community	A follow up meeting was held with the Bagai community to report on progress

RECOMMENDATION FROM THE EXECUTIVE MAYOR

That the report from the Executive Mayor with regard to functions, meetings and workshops attended for the period 22 November 2022 to 15 March 2022, be noted.

File Number : 9/1/1/1

Execution : Office of the Executive Mayor



PREMIER'S COORDINATING FORUM

3 DECEMBER 2021, 9h00 – 14h30

Venue:
(Face-to-Face at Goudini Spa, Rawsonville)

AGENDA

The **overall objectives** of the December 2021 Premier's Coordinating Forum are:

- a) For the Premier to address Mayors, MMs, Cabinet and HODs on joint priorities for this Term of Office;
- b) To provide an overview of current COVID-19 response and vaccination roll-out;
- c) To discuss Municipal and Provincial Matters as it relates to improving service delivery to the citizen, and
- d) To outline the next steps and way forward.

3 DECEMBER 2021 – PREMIER'S COORDINATING FORUM		
BREAKFAST AVAILABLE FROM 7h30		
9h00 – 9h15	Opening and Welcome • Apologies and Confirmation of Agenda • Minutes of PCF of 31 August 2021 and Matters Arising	Premier Winde
9h15 – 9h45	Premier's address Discussion	Premier Winde
9h45 – 10h45	Covid-19 and vaccination roll-out & discussion • Franschhoek Case Study on Vaccination Roll-out	Minister N Mbombo Mayor Van Deventer
10h45 – 11h00	REFRESHMENT BREAK	

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

11h00 – 12h30	Municipal matters a) Municipal Sustainability Matters • State of Municipalities' Report (including basic services & infrastructure issues) and key focus areas over the next term • Financial Sustainability Matters b) Other Key Municipal Matters • Eskom Service Delivery Challenges and Issues i. Streetlighting and functional assignment ii. Network maintenance and access iii. Transfer of ESKOM service areas • Transport and Traffic Services i. AARTO ii. Cost of Licensing Function iii. Finalisation of MOUs • Human Settlements: Feedback and Engagement on Summit Outcomes Discussion	Minister Bredell Minister Maynier Mr Monde Bala (WC Regional Eskom Head) Minister D Mitchell Minister T Simmers
12h30 – 12h50	Provincial matters PSP and Recovery Plan Priorities and linkages to Municipalities (Partnering & Joint delivery agenda)	Department of the Premier: Dr H Fast
12h50 – 13h10	Governance and Ethics in Servant Leadership	HOD: DLG Mr G Paulse
13h10 – 13h20	Next steps	DG: Dr Harry Malila
13h20 – 13h30	Closure and way forward	Premier Winde
13h30 – 14h30	LUNCH & DEPARTURE	



MEETING AGENDA

Garden Route District Municipality, the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

AGENDA

GARDEN ROUTE DISTRICT MUNICIPAL MANAGERS FORUM MEETING

DATE: 7 December 2021

TIME: 11:00

VIA: <https://gardenroute.zoom.us/j/95408279926?pwd=MEFoZG40IENlUW3VHNpdEYrc2Zkdz09>

Objectives

- To provide the state of governance in the entire District.
- To reflect on finance, risk management and IDP/Budget processes.
- To determine the envisaged areas of support required per municipality.

NO	ITEM	PRESENTER
1.	Opening and Welcoming	District Executive Mayor: Ald M Booysen
2.	Apologies and Attendance	District Executive Mayor: Ald M Booysen
3.	Communication by the Executive Mayor	District Executive Mayor: Ald M Booysen
4.	Introduction of new Executive Mayors	All
5.	Communication by MM	District Municipal Manager: Mr. M Stratu
6.	<u>SECTION A OF THE AGENDA: PRESENTATIONS BY GARDEN ROUTE DISTRICT MUNICIPALITY</u> Progress Reports: ▪ Regional Landfill Site ▪ Fire Station ▪ Human Settlements ▪ Skill Mecca	District Municipal Manager: Mr. M Stratu
7.	<u>SECTION B OF THE AGENDA: GRDM STAKE HOLDERS</u> 7.1 IGR Framework Act, 13 of 2005	DLG: Mr. N Witbooi
8.	General	All
9.	Way Forward and Closure	District Executive Mayor: Ald M Booysen

Thank you for your attendance and participation

Enquiries: Mr Ndivhuho Malimagovha

Tel: 083 625 3805

E-mail: governance.pmsseminar@salga.org.za



Physical:
Block B, Menlyn Corporate Park,
175 Corobay Ave, Waterkloof
Glen Ext II, PRETORIA 0181

Postal: PO Box 2094,
PRETORIA 0001

CIRCULAR 04 / 2022

FROM : CHIEF EXECUTIVE OFFICER

TO : EXECUTIVE MAYORS / MAYORS
SPEAKERS & WHIPS OF COUNCIL, MEMBERS OF EXCO,
MPAC MEMBERS
POLITICAL HEADS OF CORPORATE SERVICES PORTFOLIO COMMITTEES
CITY / MUNICIPAL MANAGERS

DATE : 07 MARCH 2022

SCHEDULING CONFIRMATION OF THE 4th ANNUAL LOCAL GOVERNMENT GOVERNANCE AND PERFORMANCE MANAGEMENT SEMINAR AND CALL FOR DELEGATES REGISTRATION

1. PURPOSE OF THE CIRCULAR

The purpose of this circular is to:

- Confirm to municipalities that the 4th Annual Local Government Governance and Performance Management Seminar will be held on **24 – 25 March 2022** as a virtual seminar or webinar;
- Encourage municipal delegates as per the specified target audience to register for attendance;
- Inform municipalities that this seminar is held during the last quarter of SALGA's 2021/22 financial year as a result of the post 2021 local government elections transition management obligations; and to confirm related matters.

2. BACKGROUND AND STRATEGIC CONTEXT

As part of its strategic agenda, SALGA formulates and implements a range of leadership focused interventions aimed at enhancing the capacity of municipalities to adequately respond to the challenges facing local government. These interventions take various forms, from facilitated leadership conversations, executive coaching, training sessions, through to blended learning programmes. As one of such interventions, this seminar is brought to municipalities as a value-add of products and services implemented under the auspices of the SALGA Centre for Leadership and Governance (SCLG), and as an integral part of bouquet of capacity building continuous development programme offerings.

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The decision to convene this seminar virtually has been influenced by the prevailing restrictions emanating from the National Disaster Management Regulations and Guidelines of the Coronavirus Covid-19 which are still in force.

It is also worth mentioning that this seminar has undergone a minor change in its the naming convention as a result of the strategic importance of **governance** and its elevation in the work of SALGA. Thus its revised name is now the **Annual Local Government Governance and Performance Management Seminar**.

The business case for the continuation of this seminar programme has been affirmed by the overwhelming feedback received from the municipalities and municipal delegates who attended the previous seminars as well by the SALGA governance structures. This was revealed through a survey that was conducted after the 1st to the 3rd instalments of the Annual Local Government Governance and Performance Management Seminar as the results showed that there was a high demand for more profiling of municipal perspectives by sharing good and best practices. As a continuous professional development offering. Like all others in the seminar suite, this seminar is still very much invested in aspirations to empowering municipal leadership and practitioners with the necessary tools and skills to change the negative perceptions about municipalities. It continues with its established practice as a platform to elevate and gain rich insights on matters of governance and municipal performance drawing on a growing body of knowledge that exists within and outside the local government sector for the benefit of municipal delegates. For municipal delegates, it is an exciting opportunity to interact and engage with industry leaders and peers with a view to seek solutions to every day challenges confronted by municipalities in the complex arena of governance.

The overall objectives of the seminar programme are, inter alia to:

- Create a platform for municipal political leadership, senior management and practitioners/specialists to reflect, network and share best practices based on their particular and/or peculiar experiences about governance and performance management in municipalities;
- Keep the municipal political leadership, senior management and practitioners/specialists abreast of important developments in the arena of governance and performance management systems;
- Create a platform for thought leadership and engagement between industry thought leaders and municipal leadership and practitioners/specialists;
- Create a user-friendly and open reflective opportunity that enables problems experienced at a local level to be surfaced with a view of generating mutually beneficial solutions that contribute to high performing organisations;
- Create an enabling environment for effective advocacy and constituency immersion on SALGA programmes and interventions in the arena of governance and performance management systems;
- Assess capacity development needs of the sector in the arena of governance and performance management systems; and
- Facilitate a platform to discuss and enhance effective governance mechanisms, ethical leadership, accountability, effective oversight and management as well as improved performance in municipalities.



3. THEME OF THE 4th ANNUAL LOCAL GOVERNMENT GOVERNANCE AND PERFORMANCE MANAGEMENT SEMINAR

The theme for the 4th Annual Local Government Performance Management and Governance Seminar is ***"Accountable and Ethical Leadership for Enhanced Municipal Performance - Opportunities and Challenges for the 5th Democratic Local Government Administration"***. This theme embraces the intention of the 4th Annual Local Government Governance and Performance Management Seminar to present an opportunity for stakeholders in the local government sector to engage and elevate discussions on the complex challenges facing municipalities, showcase emerging trends, matters arising from the previous seminars, representations made by municipal delegates to inform future potential programme content and lessons from the Covid-19 impact towards fostering accountability, ethical leadership and enhancing municipal performance for improved service delivery.

The seminar theme will further unpack critical elements in the value chains of governance and performance management such as:

- Poor governance in municipalities;
- Poor municipal performance leading to poor service delivery;
- Unethical conduct, ineffective oversight, lack of accountability and lack of consequences management;
- Lack of compliance with the various legislative and regulatory frameworks that governs local government;
- Lack of community involvement and participation in municipal affairs; and
- Lack of effective monitoring and evaluation mechanisms and the need to build municipal capacity.

4. SUMMARY OF SEMINAR TOPICS TO BE COVERED

Over the two days of the seminar, delegates will consider and explore insights and deliberate on the following topics:

- Ethical Leadership as a Catalyst of Improving Governance in Local Government;
- Strengthening Accountability, Oversight and Consequences Management in Local Government;
- Active Citizenry as an Essential Component of Fostering Public Accountability and How to Encourage and Achieve Citizen's Participation in Municipal Affairs Post Covid19;
- Local Government as the Catalyst of Combating Fraud and Corruption;
- Local Government Guidelines for the Implementation of Municipal Staff Regulations – The State of Readiness;



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- Integrated Long-term Development Planning through the District Development Model and Project Management;
- Requirements of Sustainable Performance Management Systems Within The Local Government Context; and
- Introduction of Local Government Service Standards, their Importance and Implementation as Reasonable and Acceptable Service Delivery Measures for Municipalities.

The various topics to be presented in this seminar draw from thought leadership insights, municipal case studies, best practices and panel discussions. The seminar like all other iterations in the SALGA seminar offering, is accredited by the South African Board of People Practices (SABPP) for which each seminar participant will receive a CPD certificate.

5. SEMINAR DATE AND DELIVERY METHOD

This seminar will be streamed primarily via **Zoom** with complimentary presence in selected social media platforms. Thus, a blended delivery method has been adopted with the following approaches:

- Webinars; virtual seminar connection
- Material distributed electronically & via the seminar APP
- Virtual panel discussions.

6. ENVISAGED MUNICIPAL DELEGATES

The target audience for this seminar includes those fulfilling these particular roles within the performance management and governance work environment, including the following critical role players in the municipal performance management:

- Mayors and Executive Mayors
- Speakers and Whips of Council
- Members of Performance Audit and Audit Committees
- Disciplinary Board Members
- Chief Audit Executives
- Municipal Public Accounts Committee (MPAC) Members
- Political Portfolio Committee Members for Corporate Service and Development Planning
- Municipal Managers and Section 56 Managers



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- Members of Mayoral Committees and Executive Committees (Corporate Service and Development Planning)
- Head of Department for Corporate Services and/or HRM
- Human Resource / Employment Equity / Occupational Health Practitioner
- Human Resource Development Practitioners
- Organisational Development Practitioners
- IDP and PMS Practitioners / Specialists
- Municipal Governance Support Officials

7. COST OF SEMINAR FOR DELAGATES PARTICIPATION

No fee will be charged to municipalities for participation in the seminar as SALGA offers this as a value-add to its members. Municipalities and attending delegates are, however, liable for the cost relating to data and internet connectivity as they will be connecting virtually, as well as for their travel and accommodation where applicable, and other incidental costs in the case of those who will be joining via the SALGA Provincial Offices.

8. SEMINAR DELIVERY MECHANISM AND THE REGISTRATION PROCESS

All interested delegates are required to complete an RSVP form which is obtainable via this link <https://salgasa.flockplatform.com/ep/?event=The-4th-Annual-Local-Government-Performance-Management---Governance-Seminar> and should reach SALGA before close of business on **15 March 2022**. This will enable SALGA to determine the suitability and eligibility of all participants in this seminar and further communicate directly with eligible participants via email to confirm their attendance and conclude their registration process.

SALGA continues to collaborate with key strategic partners and stakeholders, such as the LGSETA, COGTA, DPISA and DPME in order to deliver a virtual seminar experience to delegates that resonates with SALGA strategic objectives of building municipal capacity and embedding organizational resilience.

8.1 REGISTRATION PROCESS COMPLIANCE TO THE POPI ACT

Section 5 of the Protection of Personal Information Act 4 of 2013 dictates that data subject has the right to have his, her or its personal information processed in accordance with the conditions for the lawful processing of personal information as referred to in Chapter 3 of the same legislation.



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SALGA confirms and assures delegates that data collected for registration purposes will be used only for the intended purposes of establishing seminar database of community of human resources practice and that the processing of such data will be compliant to prescripts and provisions of the Act.

8.2 ESSENTIAL COMPONENTS FOR A SUCCESSFUL VIRTUAL SEMINAR

For the delegates to participate meaningfully in this virtual seminar and without disruptions in connectivity, the following connectivity requirements apply:

ENROLMENT FOR SEMINAR	CONNECTION HARDWARE AND SOFTWARE	STABLE AND RELIABLE ACCESS TO DATA
Eligible participants are required to complete the registration process within the set deadlines.	A computer, smartphone, tablet with internet access, Zoom application preferable.	3/4G data connection, WIFI, Fibre, Office network connection.

9. INFORMATION ON THE SALGA ANNUAL SEMINARS APP

To further enhance and support a holistic virtual seminar experience, SALGA has created an App consolidating all its annual seminar, which is downloadable from the Apple and Android App stores. The App is capable of streaming seminar proceedings, host seminar documents or knowledge resources and facilitate interactive sessions before, during and post the virtual seminar.

As a way of enhancing the seminar registration process, promote interactive engagements and collaboration between municipal delegates as well as promote online communities of Practice in the Governance and Performance Management domain, SALGA encourages delegates to download this app and register his/her individual profile on an "Opt In" functionality basis. The added advantage of doing this is that there would be regular updates on the App as part of the build and constituency awareness drive leading up to the seminar.

10. MOBILISATION OF DELEGATES INTEREST AND ENROLMENT

Lastly, SALGA wish to further request Executive Mayors/Mayors and Municipal Managers as primary recipients of this circular to distribute it widely within the political and administrative echelons of the designated or target beneficiary audience within the municipality for constituency reach and adequate uptake in enrolment.



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**SCHEDULING CONFIRMATION OF THE 4th ANNUAL LOCAL GOVERNMENT
GOVERNANCE AND PERFORMANCE MANAGEMENT SEMINAR AND CALL
FOR DELEGATES REGISTRATION**

For any enquiries do not hesitate to **contact Mr. Ndivhuho Malimagovha, the Senior Manager for Governance and Performance Management Support on cell: 083 625 3805 or alternatively via e mail on: governance.pmsseminar@salga.org.za** and he will be hands-on to assist.

Yours sincerely,



**XOLILE GEORGE
CHIEF EXECUTIVE OFFICER**



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12.2

STATEMENTS AND COMMUNICATIONS BY THE DEPUTY EXECUTIVE MAYOR

**FUNCTIONS, MEETINGS & WORKSHOPS ATTENDED
BY THE DEPUTY EXECUTIVE MAYOR**

REPORT FROM THE DEPUTY EXECUTIVE MAYOR 22 NOVEMBER 2022 TO 15 MARCH 2022

	TOPIC	SUMMARY
01 December 2021	Knysna Blue Flag Launch	Attend the Blue Flag Beach launch at Brenton-on-Sea with the Executive Mayor and represented him at the launch at Buffels Bay
03 December 2021	International Day of Persons with Disabilities	I represented the Executive mayor and Knysna Municipality with a parade down Main Road as well welcoming all participants
06 December 2021	Visit Flood damaged areas in the Greater Knysna	I accompanied the Executive Mayor and officials to better understand damage caused by flooding in Nekkies, Hlalane, Oupad and Hornlee
18 January 2022	Meet with National Minister of HIS and WC MEC HIS	Accompanied the Executive mayor to Bitou Municipality to engage with both the Minister and MEC as well as a site visit in Ward 4 Knysna
19 January 2022	Water Forum Meeting	Accompanied the AMM and other officials to attend the quarterly meeting on behalf of the Executive Mayor
21 January 2022	National Strategic Plan on GBV & Femicide 100 Day Challenge	Invited to attend an inaugural engagement on a planning session for the way forward with regards to this issue.
24 January 2022	Meet MEC Health at new Hornlee Clinic site	Met with MEC Nomafrrench Mbombo for an update on the process to upgrade the Hornlee Taxi Rank to the new Hornlee Clinic
03 February 2022	Housing Development Agency engagement	Teams meeting with HDA regarding update on project pertaining to previously owned Sanral land (Ongoing)
16 February 2022	Provincial IHS engagement	Met with the Acting DG, Executive Mayor and officials to discuss our

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

		current financial crisis pertaining to our local HIS department and possible solutions
17 February 2022	Garden Route District Leaders Design Forum GBVF NSP 100 Day Challenge	I was invited to attend this workshop to strategise a way forward to design a better model for Research and Information management.
01 March 2022	Hlalane housing meeting	Invited by Cllr Skosana to attend a community meeting as well as to represent the Executive mayor with regards to the concerns raised
03 March 2022	Dam-se-Bos South meeting	Meet with community members and the ward cllr of ward 3 ,Cllr Skosana and officials to address issues in their area
04 March 2022	Tourism Stakeholders Workshop	I represented the Executive Mayor at this stakeholder's engagement on implementing a sustainable plan for tourism in our town
08 March 2022	Knysna Animal Welfare	Attended a meeting on behalf of the Executive Mayor together with the AMM and officials pertaining to issues with the organisation and KM

The Deputy Executive Mayor had various appointments with constituents during this period; please feel free to inquire at the office of the Deputy Mayor for a copy of the diary.

RECOMMENDATION FROM THE DEPUTY EXECUTIVE MAYOR

That the report from the Executive Mayor with regard to functions, meetings and workshops attended for the period 22 November 2022 to 15 March 2022, be noted.

File Number : 9/1/1/1

Execution : Office of the Deputy Executive Mayor

12.3 REPORTS FROM REPRESENTATIVES ON THE GARDEN ROUTE DISTRICT MUNICIPALITY

REPORT ON THE ATTENDANCE OF COUNCIL, COMMITTEE MEETINGS AND WORKSHOPS FOR THE PERIOD SEPTEMBER 2021 UNTIL DECEMBER 2021 BY COUNCILLORS

REFER REPORT FROM THE SPEAKER (ALD GR WOLMARANS)

PURPOSE

The purpose of this report is to submit a report regarding the attendance of Council, Committee meetings and Workshops by Councillors for the period September until December 2021.

DELEGATED AUTHORITY

Council

EXECUTIVE SUMMARY

At the Council meeting of 30 September 2020, Council resolved that a report be submitted to Council regarding the attendance of meetings and workshops by Councillors after every three months. A similar report served at the Council meeting dated 29 September 2021 for the period 01 June 2021 until 31 August 2021.

DISCUSSION / CONTENTS

BACKGROUND

This report serves on a quarterly basis or as requested by the Speaker. The report is intended to appraise Council on attendance of meetings by Councillors.

DISCUSSION

Council resolved that a report be submitted to Council regarding the attendance of meetings and workshops by Councillors. The report serves to monitor the attendance as this lack of attendance has financial implication for the municipality.

Attached to this report, is annexure A that indicates the attendance of Councillors for the period September until December 2021.

FINANCIAL IMPLICATIONS

When meetings have to be cancelled or postponed because of quorum challenges, that result in fruitless and wasteful expenditure.

Council still get reimbursement for the travelling costs even if meetings are cancelled or postponed, again this becomes fruitless and wasteful expenditure.

LEGAL IMPLICATIONS

Section 79 and 80 of the Local Government: Municipal Structures Act, 117 of 1998
Rules of Order for Procedures and Maintenance of order at meetings
The Code of Conduct for Councillors
Local Government : Municipal Systems Act, 2000 (Act 32 of 2000)"

Staff Implications

There are no staff implications.

Previous / Relevant Council Resolutions :

A similar report served at the Council meeting that took place on 29 September 2021, and Council resolved as following:

"A.2 – Resolved: That the content of the report be noted".

Risk Implications

The inability for Council to perform its duties because of lack of quorums poses a risk that the IDP objectives will not be achieved.

RECOMMENDATION

That the report on the Attendance of Council, Committee Meetings and Workshops held by the Garden Route District Municipality for the period September 2021 until December 2021, be noted.

APPENDIX / ADDENDUM

Annexure A : Summary of meeting attendance for September 2021 until December 2021.

File Number : 9/1/1/1

Execution : Office of the Speaker

ANNEXURE A

Y= Present | A = Absent/ Apology | AWL = Absent without leave

COUNCIL MEETINGS	COUNCIL	SPECIAL COUNCIL
	29 SEPT 2021	13 OCT 2021
SF May	A	Y
A Barker (as from 30 March 2021)	Y	Y
BN Van Wyk	Y	Y
RE Spies	Y	Y
JL Hartnick	Y	Y
M Booysen	Y	Y
AJ Rossouw	Y	Y
KS Lose	Y	A
CN Lichaba	Y	Y
NV Gungubele	A	Y
S De Vries	Y	Y
NF Kamte	Y	A
NF Mdimiso	Y	Y
WT Harris	A	Y
EH Stroebe	Y	Y
IC Krtizinger	Y	Y
J Fry	A	Y
PJ Van der Hoven	Y	Y
T Teyisi	Y	Y
V Gericke	A	Y
HD Ruiters	AWL	AWL
MG Mafiwane	Y	AWL
X Matyila	Y	AWL
GL Boezak	Y	Y
GR Wolmarans	Y	Y
L Tyokolo	Y	A
IT Mangaliso	Y	Y
SS Mbandezi	Y	Y
BHJ Groenewald	Y	Y
E Meyer	Y	Y
RH Ruiters	Y	Y
N Magopeni	Y	AWL
JC Lambaatjeen	Y	Y
RR Wildschut	Y	Y
ASM Windvogel	Y	Y

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Y= Present | A = Absent | AWL = Absent without leave

MAYORAL COMMITTEE	29 SEPT 2021
Memory Booysen	Y
Rosina Ruiters	Y
RE Spies	Y
Jerome Lambaatjeen	Y
IC Kritzingen	Y
Erica Meyer	Y
Khayaletu Lose	Y
BN van Wyk (as of 25 May 2021)	Y

NO SECTION 80 COMMITTEES TOOK PLACE DURING THE PERIOD ABOVE

Y= Present | A = Absent/ Apology | AWL = Absent without leave

COUNCIL MEETINGS	COUNCIL	SPECIAL COUNCIL
	25 NOV 2021	10 DEC 2021
M Booysen	Y	Y
G Wolmarans	Y	Y
S de Vries	Y	Y
CN Lichaba	Y	Y
NV Gungubele	Y	Y
J Hoogbaard	Y	Y
JG Meiring	Y	Y
P Terblanche	Y	Y
CA Swart	Y	Y
K Malooi	Y	Y
C Scheepers	Y	Y
B van Noordwyk	Y	Y
IC Krtizingen	Y	Y
CP Taute	Y	Y
M Draghoender	Y	Y
D Acker	Y	Y
V Gericke	Y	Y
HD Ruiters	Y	Y
JC Lambaatjeen	Y	Y
S van Rooyen	Y	Y
T Matika	Y	Y
J Canary	Y	Y
A Barker	Y	Y
M Kanneymeyer	Y	Y
MA Mkonto	Y	Y
NS Ndayi	Y	Y
N Seti	Y	Y
RH Ruiters	Y	Y
H Stroebel	Y	Y
NA Tswenga	Y	Y
D Cronje	Y	Y
S Toto	Y	A
G van Niekerk	Y	Y
R Hector	Y	Y
JJ Cornelius (inaugurated Dec 2021)		Y

12.4 REPORTS FROM REPS ON THE SALGA WORKING GROUPS

No reports were received at the time of compilation of the agenda.

13. ITEMS FOR CONSIDERATION

13.1 RECOMMENDATIONS FROM THE MAYORAL COMMITTEE : 17 MARCH 2022

ITEMS FOR CONSIDERATION

**ITEMS SUBMITTED TO THE INFRASTRUCTURE SERVICES COMMITTEE MEETING
HELD ON 1 FEBRUARY 2022**

None

**ITEMS SUBMITTED TO THE INTEGRATED HUMAN SETTLEMENTS COMMITTEE
MEETING HELD ON 22 FEBRUARY 2022**

None

**ITEMS SUBMITTED TO THE COMMUNITY SERVICES COMMITTEE MEETING HELD ON
23 FEBRUARY 2022**

None

**ITEMS SUBMITTED TO THE FINANCE AND ECONOMY COMMITTEE MEETING HELD ON
1 MARCH 2022**

None

**ITEMS SUBMITTED TO THE CORPORATE SERVICES COMMITTEE MEETING HELD ON
3 MARCH 2022**

None

**ITEMS SUBMITTED TO THE CONTINUATION OF THE CORPORATE SERVICES
COMMITTEE MEETING HELD ON 8 MARCH 2022**

None

14. REPORTS SUBMITTED DIRECTLY TO THE MAYORAL COMMITTEE

**ITEMS SUBMITTED TO THE FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE
MEETING HELD ON 1 MARCH 2022**

**M01/03/22 EXPANDED PUBLIC WORKS PROGRAMME (EPWP) REPORT AUGUST –
DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the Expanded Public Works Program Report for the period August to December 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
Manager : Economic Development

**M02/03/22 ECONOMIC DEVELOPMENT DEPARTMENT REPORT: AUGUST TO
DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the Economic Development Department Performance Report for the period August to December 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
Manager : Economic Development

**CONTINUATION CORPORATE SERVICES COMMITTEE MEETING: TUESDAY, 8 MARCH
2022**

**M03/03/22 REPORT BACK ON APPLICATION TO LEASE A PORTION OF ERF 6017,
KNYSNA**

UNANIMOUSLY RESOLVED

That the Economic Development Department Performance Report for the period August to December 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
Manager : Economic Development

**M04/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF
NORTHERN GRUNTER AVENUE ADJACENT TO ERF 763 LAKE
BRENTON, KNYSNA**

UNANIMOUSLY RESOLVED

[a] That the report and annexure's regarding the alienation of a portion of Northern Grunter Avenue adjacent to Erf 763 Lake Brenton, Knysna be noted;

- [b] That the application to purchase a portion of North Grunter Avenue adjacent to Erf 763 Lake Brenton be referred to SANPARKS for comments; and
- [c] That application be referred back to the next Section 80 Committee for Corporate Services following receipt of the comments of SANPARKS.

File Number : 7/2/1/2

Execution : Acting Director : Corporate Services
Head : Properties

**M05/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF
NORTHERN GRUNTER AVENUE ADJACENT TO ERF 317 LAKE
BRENTON, KNYSNA**

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of a portion of Northern Grunter Avenue adjacent to Erf 317 Lake Brenton, Knysna be noted;
- [b] That the application to purchase a portion of North Grunter Avenue adjacent to Erf 317 Lake Brenton be referred to SANPARKS for comments; and
- [c] That the application be referred back to the next Section 80 Committee for Corporate Services following receipt of the comments of SANPARKS.

File Number : 7/2/1/2

Execution : Acting Director : Corporate Services
Manager : Legal Services

**M06/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF
NORTHERN GRUNTER AVENUE ADJACENT TO ERF 315 LAKE
BRENTON, KNYSNA**

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of a portion of Northern Grunter Avenue adjacent to Erf 315 Lake Brenton, Knysna be noted;
- [b] That the application to purchase a portion of North Grunter Avenue adjacent to Erf 315 Lake Brenton be referred to SANPARKS for comments; and
- [c] That the application be referred back to the next Section 80 Committee for Corporate Services following receipt of the comments of SANPARKS.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
Manager : Legal Services

**M07/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF
NORTHERN GRUNTER AVENUE ADJACENT TO ERF 314 LAKE
BRENTON, KNYSNA**

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of a portion of Northern Grunter Avenue adjacent to Erf 314 Lake Brenton, Knysna be noted;
- [b] That the application to purchase a portion of North Grunter Avenue adjacent to Erf 314 Lake Brenton be referred to SANPARKS for comments; and
- [c] That the application be referred back to the next Section 80 Committee for Corporate Services following receipt of the comments of SANPARKS.

File Number : 7/2/1/2

Execution : Acting Director : Corporate Services
 Head : Properties

**M08/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF
NORTHERN GRUNTER AVENUE ADJACENT TO ERF 313 LAKE
BRENTON, KNYSNA**

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of a portion of Northern Grunter Avenue adjacent to Erf 313 Lake Brenton, Knysna be noted;
- [b] That the application to purchase a portion of North Grunter Avenue adjacent to Erf 313 Lake Brenton be referred to SANPARKS for comments; and
- [c] That the application be referred back to the next Section 80 Committee for Corporate Services following receipt of the comments of SANPARKS.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services

**M11.1 IMPLEMENTATION OF THE PREFERENTIAL PROCUREMENT
REGULATIONS DUE TO THE CONSTITUTIONAL COURT RULING OF 16
FEBRUARY 2022**

UNANIMOUSLY RESOLVED

- [a] That, the advice offered by National Treasury be followed. That, contracts be extended where applicable, Transversal contracts be

entered into where applicable, exemption be asked to continue with certain procurements, and that the outcome of the court be awaited;

- [b] That, the Preferential Procurement Policy 2021/2022 be withdrawn and that Council approve the revised policy, which is in line with the Preferential Procurement Framework Act to allow the municipality to continue with procurements; and
- [c] That, a report on the EOI contractors be submitted to the next Finance Committee meeting.

File Number : 8/1

Execution : Acting Municipal Manager

15. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

15.1

C01/03/22	AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL FOR THE PERIOD 2020/2021

REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

The purpose of this report is to provide to Council the audit committee's oversight report for the 2020-2021 annual report.

BACKGROUND

The Audit Committee is required to report to Council on the work it is doing focusing on its primary responsibilities outlined in terms of Section 166 of the Municipal Finance Management Act for the purpose of advising the Municipal Council, political office bearers and the Accounting Officer.

Section (2)(c) of the Act states that : "An audit committee is an independent advisory body which must-respond to the council on any issues raised by the Auditor-General in the audit report.

The committee is further required as encompassed in MFMA Circular 65 that :

*"The audit committee shall prepare a report annually which will be incorporated into the municipality's annual report and those of its entities covering :
Describing the functions performed by the audit committee and meetings attended;
Resolutions taken by council and implementation status of recommendations made; and
Other relevant comments that may enhance governance and accountability."*

DISCUSSION

The report outlines the functions performed and meeting details for the period 01 July 2020 to 30 June 2021. It further provides the audit committee's response to the Auditor-General's report as issued for the 2020-2021 financial year.

Attached to this item is the detailed report.

FINANCIAL IMPLICATIONS

Not applicable

RELEVANT LEGISLATION

The Municipal Finance Management Act, Act no 56 of 2003.

COMMENTS FROM THE MUNICIPAL MANAGER

The recommendation is supported.

COMMENTS FROM CORPORATE SERVICES

report and recommendations noted and supported

COMMENTS FROM FINANCIAL SERVICES

Recommendations supported

COMMENTS FROM TECHNICAL SERVICES

None

COMMENTS FROM COMMUNITY SERVICES

Submission is noted.

COMMENTS FROM PLANNING AND DEVELOPMENT

The item is noted.

COMMENTS FROM LEGAL SERVICES

None

COMMENTS FROM IHS

Noted

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Audit Committee Annual report for the period 01 July 2020 to 30 June 2021, be noted.

APPENDIX / ADDENDUM

Audit Committee Annual Report for the period 01 July 2020 to 30 June 2021.

File Number : 9/1/2/10/4

Execution : Chief Audit Executive

REPORT OF THE KNYSNA MUNICIPALITY AUDIT COMMITTEE ON THE COMMITTEE'S RESPONSE TO MATTERS RAISED IN THE AUDITOR-GENERAL'S AUDIT REPORT FOR 2020-2021 AND THE FINANCIAL POSITION OF THE MUNICIPALITY AS AT 30 JUNE 2021

1. INTRODUCTION

As well as being required to assist Council in discharging its oversight role and to advise Council, its political office bearers, Councillors, Management and staff on various matters, the Audit Committee is especially mandated by the Municipal Finance Management Act, 2003, (MFMA) and the Audit Committee Charter to:

- A. Respond to Council on any issues raised by the Auditor-General (AG) in the Audit Report (Section 166 (2) (c)); and
- B. Review the Municipality's Annual Financial Statements to provide Council with an authoritative and credible view of the financial position of the Municipality, its efficiency and effectiveness and its overall level of compliance with the MFMA and other applicable legislation (Section 166 (2)(b)).

2. SECTION A: THE AUDITOR-GENERAL'S AUDIT REPORT FOR 2020/2021

During the AG's audit activity at the Municipality, the Knysna Municipality Audit Committee was represented virtually by at least one, and usually more, of our members at eight out of nine engagements of the AG's team with senior Management at the Municipality and were fully apprised of the AG's audit strategy and progress made by her team during the audit process.

We draw attention below to the matters which are raised in the AG's Audit Report, and in her Management Report, which led to the audit findings as well as those that we believe are also important enough to be reported to Council:

2.1. AUDITOR GENERAL'S AUDIT REPORT

2.1.1. AUDIT OPINION

For the fifth consecutive year, the Municipality did not receive a "clean audit", which is defined by the Auditor General (AG) on her website as follows: *"The financial statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation"*.

However, the Municipality once again did achieve a financially unqualified opinion, but with material findings on other matters.

Whereas last year the other matters consisted of:

- i. three material findings in respect of the usefulness and reliability of the reported performance information in the Annual Performance Report and
- ii. three material findings in respect of compliance with specific matters in key legislation,

this year the findings consisted of:

- i. expenditure management: reasonable steps were not taken to prevent irregular expenditure amounting to R67.7 million and
- ii. procurement and contract management: some of the invitations designated for local production and content did not stipulate the minimum threshold as required by the relevant regulations.

The AG warns, however, in the Management Report that the Municipality is at risk of various other non-material findings on non-compliance being evaluated in future years by the AG as material.

2.1.2. EMPHASIS OF MATTERS

We draw Council's attention to several matters that were raised by the AG, in paragraphs 6 to 11 of her Audit Report, as being matters presented or disclosed in the Municipality's annual financial statements for the year, but which did not affect her audit opinion:

- **RESTATEMENT OF CORRESPONDING FIGURES:** Note 49 to the financial statements refers to restatements of some figures for the 2019-2020 year as a result of errors in the financial statements for that year.
- **UNCERTAINTY ON FUTURE OUTCOMES OF LITIGATION:** The AG notes that no provision is made in the financial statements for possible costs of ongoing litigation where the Municipality is the defendant because the outcome of the cases cannot be determined. This is referred to in note 46 to the financial statements.
- **MATERIAL LOSSES:** The AG draws attention to note 54 in the financial statements, which disclose that purified water losses of 44.5% were incurred by the municipality during the year (2019-2020:19.89%). **This huge increase, which is way above the norm of 15-30% contained in the National Treasury guidelines, in total purified water losses should be explained to Council, and accounted for, by Management.**
- **MATERIAL IMPAIRMENT:** (Notes 5 and 6 to the financial statements): The municipality provided for the impairment of consumer debtors of

R169.1 million (2019-2020: R119.1 million); while providing for impairment of rates debtors of R26.7 million (2019-2020: R27.8 million) and of fines debtors of R129.1 million (2019-2020: R123.8 million) respectively.

The matter of revenue collection still needs energetic and urgent attention, so that collection of revenue billed as receivables can be markedly improved and/or better steps can be taken to make poor communities aware of the indigency provisions adopted by the Municipality and to assist them to make the necessary applications. These steps would help to avoid the need for the Municipality to make provision for such large amounts of impairments and in addition significant write-off of debts considered bad, which are irrecoverable as a revenue source and, if the principles inherent in the indigency provisions were properly implemented, would not have to be billed at all.

2.1.3. OVERALL COMMENT ON THE AG's AUDIT QUERIES

When a municipality has received the same audit opinion from the AG for the last five years it is important to identify the root causes and ascertain whether the overall situation is improving.

It is a well-known fact that the Finance Department was seriously short of experienced managerial personnel for a significantly long period of time. Under such circumstances it is not surprising, and in fact almost inevitable, that errors and misstatements would be made. On the other hand, the advent of Mr Carstens as Acting CFO was definitely an overall plus factor and some improvement has been discernible. This demonstrates the importance of a competent permanent manager in this key position.

However, our overall conclusion is still that the Municipality should operate more effectively and efficiently and eliminate the errors of the past.

2.1.4. POINTS ARISING OUT OF THE AG's REPORT

We wish to bring the following points to Council's attention:

2.1.4.1. ADMINISTRATIVE MATTERS

It again became clear to us in the lead-up to the AG's audit that Management was hard-pressed to complete the financial statements for presentation to the AG by the designated deadline. In terms of the Audit Committee Charter, the Committee should likewise have received the completed draft statements by 10 days before submission to the AG for a high-level review by the Committee. This did not happen, so the Audit Committee was once again hardly given any time to review the annual financial statements and submit any comments to Management in time for necessary corrections to be made prior to submission to the AG. **While we understand the reasons for this delay, management should take steps to ensure that this state of affairs is not repeated in future.** In Para 1.4.2 below, we quote the suggestion by the AG to avoid this type of problem.

MATERIAL ADJUSTMENTS TO STATEMENTS PRESENTED FOR AUDIT:

The AG's Management Report states (sections in bold print are our emphasis):

"The quality of the financial statements submitted for auditing on 31 August 2021 is again a concern, however it is acknowledged that management requested an extended deadline of 14 days in order to perform a quality review thereon. This extension, which was not granted, was requested due to COVID-19 related challenges in the Budget and Treasury Office of the Municipality and the consulting firm team members who assisted the Municipality with the compilation of the 2020-2021 Annual Financial Statements experienced in the last week of July and August 2021. **Management is encouraged to produce complete financial statements for the eleven months ending 31 May annually,** in order to limit the impact that any such unforeseen occurrences may have on the process to produce quality financial statements..... **Material misstatements were identified in the audit of performance information.** The misstatements were subsequently corrected and resulted in an unqualified audit opinion in the management report. This will be reported in the audit report only as another matter referring to material corrections made to the annual performance report."

2.1.4.2. INSTABILITY, STAFFING & INTERNAL CONTROL ISSUES

Since 2015, the Municipality has undergone a great deal of political and institutional instability. In that period there have been several Executive Mayors and one Acting Executive Mayor; there have been three Municipal Managers and three Acting Municipal Managers; at Director level, there have been long periods when there was not a full complement of permanent Directors; and it took more than five years after the 2016 municipal election for a revised staff complement (organogram) to be approved.

With this background, it is not surprising that the Municipality has not performed anywhere near optimally, nor achieved a clean audit for the last five years. **It is vital that a revised organogram be drawn up and fully implemented as a matter of urgency and that key vacancies be filled as soon as possible with competent staff.**

Management should review the capacitation of its accounting staff and take such measures as may be necessary **to ensure that the Municipality's own financial staff members possess the skills to produce, (without appointing external consultants), financial statements for audit which are free of material misstatements.**

The AG once again pays a fair amount of attention in her Management Report to the Municipality's **lack of adequate internal controls. As we have pointed out repeatedly, no organisation can run effectively and efficiently without strong internal controls and it is therefore important that the AG's views be taken very seriously.**

On the issue of consultants, the AG makes four points in the Management Report:

- The Municipality does not have a consultancy reduction plan in place to reduce over-reliance on the use of consultants;
- There is no formal GAP analysis report conducted prior to the appointment of consultants, including a high-level assessment on the current available resources and what is required for a particular project;
- The Municipality does not have measures in place to ensure that consultants transfer skills to the Municipality's staff as part of their service offering; and
- The Municipality does not have processes in place to monitor the work of consultants to ensure that the work performed meets the contractual deliverables, including possibly not having SLAs/contracts which contain performance measures with service providers whose services have been procured by other organs of state but are now being employed by the Municipality.

2.1.4.3. SUPPLY CHAIN MANAGEMENT ISSUES

The municipality's SCM processes and procedures have continued to be updated, in line with the lessons learnt from the training that was given over the last two years and from their various interactions with other Municipalities; also to reflect the latest provincial and national legislation and, in particular, the intended applicability of these instruments. As a result the overall performance of the SCM unit has again shown a significant improvement, but in many cases remains reliant on expert input from the user directorates which is lacking at times.

However, as gratifying as this is, and whilst in general we support the comments made by Management on the issues raised by the Auditor General, we do recognise the need to continue improvements to the overall performance in the SCM arena. The completion of the 2021/2022 OPCAR initiative will bring further compliance and robustness to the SCM practices employed within the municipality. Also, appropriate training will be given to staff in relation to any new circulars/directives issued by National Treasury or changes in legislation.

In assessing the municipality's performance within the SCM arena, it must be remembered that the financial year 2020/2021 was characterised by the rules/regulations emanating from COVID 19 pandemic. These thrust the municipality into uncharted waters, creating such scenarios as the frequency with which staff were absent through either contracting COVID 19 or being in close contact with a person who was 'infectious'. This severely disrupted normal working and obviously these circumstances were not confined just to Knysna Municipality but all other government agencies and suppliers, resulting in a very difficult environment in which to maintain service delivery and often requiring agility in decision-making.

A question often debated is whether 'auditing' is a science or an art when it can be better described as a 'craft' because it is the application of knowledge and experience built on top of a foundation framework of key principles to provide a basis for

professional judgement. Inevitably in the challenging circumstances of the 2020/2021 year, as described above, it is easier to make that judgement in hindsight rather than in the 'heat of the kitchen'.

Finally, it is worth pointing that, for example, when we look at the SCM Regulation 32 (Piggy -Backing), as late as 15 March 2021, there remained no final resolution between Provincial Treasury and the Auditor General.

Inevitably with such a background, it is not surprising that mistakes are made and perhaps decisions hurried to meet service delivery targets, but we support Management's efforts (now that the environment is more stabilised) to keep such imperfections to an absolute minimum.

2.1.4.4. AUDIT ACTION PLAN

Last year we recommended that for those COMAFs where the Municipality had agreed to implement the remedial action recommended by the AG with an action plan being drawn up, the performance against it monitored and reported on monthly by the Chief Audit Executive (CAE) to the Municipal Manager, TMT and the Audit Committee.

From the AG's Management Report for the 2020/2021 financial year, the Municipality has identified 42 Finding classifications that need to be addressed and if expanded to look at the individual tasks that raises the number to 153. Of that total the Administration has successfully completed almost 50% of them by end-February 2022. This is very encouraging considering the delay in delivering the report mainly due to the disruption caused by the impact the pandemic on available resources.

Clearly from the above it is unlikely that all tasks will be completed by the end of the current financial year but the drive is to ensure that the key ones, i.e. those that gave rise to the findings, are resolved and the recommendations implemented. The staff in Finance Dept must be applauded for the efforts they have made in addressing the OPCAR issues.'

2.1.4.5. IT ISSUES

The AG commented on a number of issues arising from their audit, namely:

- **Service level agreement for Ignite;**
- **Management of user accounts for Promun;**
- **Management of user accounts for Active Directory;**
- **Management of backups for Promun;**
- **Management of Firewall security; and**
- **Security incident management.**

A root cause of these issues, in addition to the confusing and difficult circumstances mentioned in 1.4.4 above, was that the I.T. Manager resigned during the early part of the financial year and the vacant post remained unfilled until well into the current financial year. As a result, most of the above issues were caused by a lack of proper oversight. However, the service level agreement for Ignite has been signed for both

the 2021/2022 and the 2022/2023 financial years and much progress has been made (and recognised by the AG) on many of the other issues.

I.T. strategy meetings continue to be chaired by the office of the Municipal Manager with all Directors present. The outcome of this is that, apart from necessary infrastructure and software release upgrades, the I.T. Strategy is better reflecting the needs of the business units into the future.

We are confident that, with a new I.T. Manager now appointed, the Department will continue to tighten controls as it has over the last few years, whilst at the same time remain a very effective, efficient operational unit delivering high-end solutions to businesses, whilst mitigating the security threats. Also, controls in the I.T. Department have significantly improved.

2.1.4.6. AUDIT COMMITTEE

The Audit Committee is expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with the applicable legislation. The audit committee was however not afforded the opportunity to perform a review of the final financial statements for 2020-21, due to the impact of Covid on the preparation thereof. The committee did perform oversight on the draft statements.

The AG recommends that the Audit Committee align its activities with the Public Sector Audit committee forum (PSACF): Audit Committee Member Competency Framework, which sets the standards and best practices for these committees in the public sector.

3. SECTION B: REVIEW OF THE MUNICIPALITY'S FINANCIAL POSITION, EFFICIENCY AND EFFECTIVENESS

As has been the case for some years, National Treasury is coming under increasing pressure to achieve budgeted revenue targets and the enormous financing demands of its failed and unsustainable Public Owned Enterprises (although the international demand for some metals and minerals have resulted in unexpected tax windfalls). This may result in higher direct and indirect taxes but also significant pressure to curtail government spending. If so, this is likely to negatively impact grants to provinces and municipalities, further leading to inflationary pressure to increase the local tariffs for the provision of services. Added to this is the probable inflationary of Eskom's problems in generating sufficient electricity supply and in unplanned shut-downs of generating plants have led it to apply to NERSA for approval to increase electricity tariffs by more than 20%. Although NERSA did not approve this level of increase, the significant increase of 9.61% it did approve will add further to the increasing inflationary pressure being experienced in South Africa.

On the other hand, Knysna Municipality experienced a much better Christmas period than in December 2020, although there are many offices and shopping areas that still stand empty. The residential property market has been very strong, with robust demand and much higher prices, particularly in areas such as Cola Beach (in

Sedgefield), Buffalo Bay, Brenton/Belvedere, Leisure Isle, Pezula and The Heads, with much of the demand coming from buyers living in Gauteng.

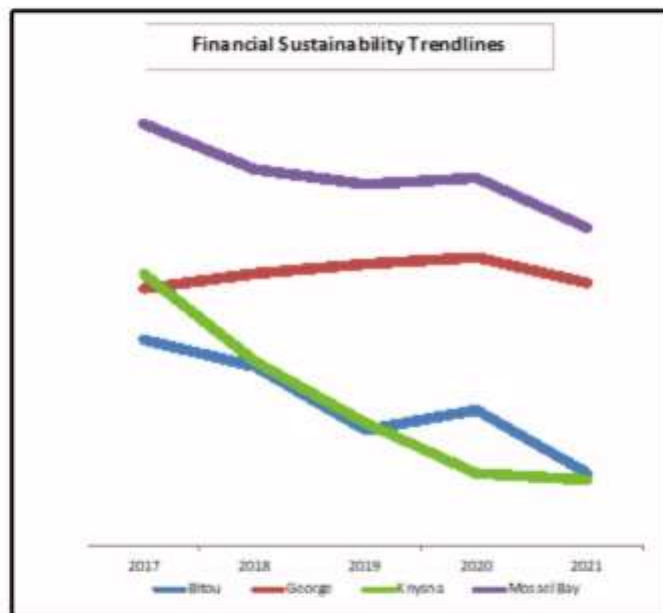
We have studied the high-level overview (see table below) of the municipality's financial viability as presented by the Auditor-General in the Final Audit Management Report for 2020-2021 and we concur with the AG's view that the financial viability of the Knysna Municipality is "of concern":

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2021	As at 30 June 2020
Expenditure management			
1.1	Creditor-payment period	71 Days	79 Days
Revenue management			
2.1	Debt-collection period (after impairment)	72 Days	72 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	68%	66%
	• Amount of debt-impairment provision	R324 879 615	R270 675 146
	• Amount of accounts receivable	R475 361 561	R410 277 476
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	• Amount of the surplus / (deficit) for the year	R50 538 868	R33 256 251
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	No	No
	• Amount of the net current assets / (liability) position	R51 841 707	R43 201 875
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	• Amount of the net asset / (liability) position	R1 103 030 121	R1 052 492 120
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	• Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R42 330 361	R79 293 624

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2021	As at 30 June 2020
4.2	Net cash flows for the year from operating activities were negative	No	No
	• Amount of net cash in / (out)flows for the year from operating activities	R58 139 344	R71 158 614
4.3	Creditors as a percentage of cash and cash equivalents	213%	126%
	• Amount of creditors (accounts payable)	R90 221 970	R100 422 241
	• Amount of cash and cash equivalents / (bank overdraft) at year-end	R42 330 361	R79 293 624
4.4	Current liabilities as a percentage of next year's budgeted resources **	30%	31%
	• Amount of current liabilities	R235 745 275	R40 073 784
	• Amount of next year's budgeted income **	R785 007 000	R756 092 000
Overall assessment			
Overall, the financial viability is assessed as:		Yellow concern	(of concern)
* This (these) amount(s) has (have) been adjusted for uncorrected misstatements that resulted in the modification of the audit opinion and will therefore not agree with the financial statement amounts.¹ ** This amount excludes the portion of next year's budgeted resources that is budgeted to be spent on employee costs and remuneration of councillors.			

We also attach on the next page an interesting graphic produced by Ratings Afrika of the Financial Sustainability Trendlines for the four municipalities in the in the Southern part of the Garden Route District, which illustrates the plight of those of these municipalities, where political instability, conflicting leadership and/or ineffective and inefficient management prevail. **It well illustrates how Knysna's financial sustainability has sharply deteriorated over the past five years from the second place to the fourth place among these four municipalities, although in the past year the rate of decline has almost levelled off:**

ASSESSMENT OF THE FINANCIAL SUSTAINABILITY OF SOME GARDEN ROUTE MUNICIPALITIES



In her Financial Viability Assessment, the Auditor General rated the **overall financial viability of the Municipality as code yellow, “Of Concern”**. Viewed from a purely “going concern basis”, we understand that the Municipality is reflecting a position where it can cover its employment, contracting services and establishment costs, but cutting its service delivery, capital expenditure, renewal and repairs and maintenance expenditure to balance its cash position. **This, however, presents an unsustainable situation.** When viewed against current challenges of a significant infrastructural backlog, lack of adequate renewal and repairs and maintenance, problems in billing and revenue collection, the significant provision for debt-impairment and debt-write offs, the serious cash flow position and deteriorating service delivery to a needy and burgeoning population, **we view the outlook as one “of concern”, although slightly improved** compared with the position at the end of the 2019-2021 financial year.

In our assessments we use the audited financial statements for 2020-2021 and the National Treasury ratios as yardsticks and highlight those areas that give us particular concern.

3.1. FINANCIAL POSITION

- **Total capital expenditure of R138.6 million, at 13% of total operating expenditure, falls within the norm of 10.0 to 20.0%. It is once again commendable that Management has maintained this level of capital expenditure, in a very difficult year, aimed at further remedying the backlog of generally old and failing infrastructure. However, capital expenditure amounted to only 84% of the adjusted budget amount.**

- Expenditure on repairs and maintenance decreased from 5% to 3%, well below the norm of 8.0%. As we pointed out last year, the consequences of this, and past years', neglect might still in future involve significant rehabilitation work or even replacement of technologically out-dated and unserviceable infrastructure, which will place further financial burden on the Municipality.
- The high debt-collection period, at 81 days, is almost 3 times the ratio rate of 30 days, while the collection rate of 89% is well short of the ratio rate of 95% and also a deterioration from the previous year's figure of 92%. This indicates that the Municipality is experiencing challenges in the collection of outstanding amounts due, which exposes it to cash flow risk and also that the collections policy is not effective in ensuring prompt payment. If the high debtor-collection period is not managed properly, it may lead to the municipality requiring additional external financing or government funding. This is despite initiatives implemented to improve revenue enhancement and debt collection.
- Cash flow from operations still appears to be a serious challenge. Ineffective billing and cash-collection processes have again restricted progress on meeting service delivery needs by not generating the funds needed to meet necessary levels of capital expenditure, renewal and repairs and maintenance.
- The Quick Ratio, which measures the ratio of current assets (excluding receivables and inventory) against current liabilities, has improved to 0,78 (0.28 in 2020), but this is still well below the norm of 1.00.
- The Current Ratio, which measures current assets against current liabilities, increased slightly to 1.22 for 2021, reversing the downward trend from 1.66 in 2017, 1.53 in 2018, 1.25 in 2019 and 1.19 in 2020. Although improved somewhat, this is still well below the norm of 1.50 to 2.10. This indicator further confirms the Municipality's inability to utilise its near-cash assets to pay its short-term liabilities as they become due.
- There is still capacity for additional borrowing to fund capital expenditure projects in terms of the ratio, which is at 31% against a maximum norm of 45%. However, it is again strongly advised that this should not be an option with the present precarious cash flow and operational performance uncertainty.

3.2. ASSESSMENT OF FINANCIAL PERFORMANCE

3.2.1. FINANCIAL PERFORMANCE

The Municipality still does not appear to be too grant-dependent, particularly as there is still opportunity for further borrowings when the cash flow and operational is certain.

3.2.2. EFFICIENCY

Net Operating Surplus: There was a net operating surplus of 0%; ideally, there should be a small operating surplus compared to the CPI so that the municipality can contribute to the inflationary cost of its capital and infrastructure expenditure. However, the purpose of a municipality is not to build up large surpluses.

- **Net Surplus Electricity:** 17% versus norm of 0 to 15%.
- **Net Surplus Water:** 4% versus norm of >0%
- **Net Deficit Refuse:** 8% versus norm of >0%
- **Net Surplus Sanitation & Wastewater:** 17% versus norm of >0%.

We have reservations about the allocations of the costs of these services, so we believe these ratios should be regarded with some caution. **However, overall the costs of these services seem to have broken even, with electricity revenues, as usual, subsidising at least one (refuse) of the other services.**

3.2.3. DISTRIBUTION LOSSES

Electricity: 11% versus norm of 7 to 10%.

Water: 44% (20% in 2019-2020) versus the norm of 15% to 30%. It had been hoped that the campaign to introduce prepaid water meters would steadily reduce this figure. **We refer to this above (on page 2 of this report), under the heading "MATERIAL LOSSES" and where we call for Management to explain and account for this huge loss.**

3.2.4. REVENUE MANAGEMENT

Growth in Active Consumer accounts:

It is important when making policy decisions on revenue to be able to assess all aspects of the revenue base, especially in the potential growth of the number of active consumer accounts. This analysis assists Council to assess the real growth in its paying customer base versus growth due to tariff and inflationary adjustments. In the light of the above, **there was a pleasingly large increase (11%) in active consumer accounts in the year, following the 9% increase in the previous year, as this is a key driver in the municipality's potential to grow revenues for operations; however, there is still some way to go to surpassing the number of accounts that existed before the Knysna fire in 2017.**

Revenue Growth:

Total revenue from all sources increased by 5.6% to R 1,004 million (R 951,3 million: 2020). Taking capital grants out of consideration, revenue increased by 7.7% to R 957,7 million (R 889,4 million in 2020). The total government grants and subsidies for 2021 equated to R 224.4 million (R 228.9 million in 2020).

3.2.5. EXPENDITURE MANAGEMENT

Creditors Payment Period:

This represents the average number of days it took for the municipality's creditors to be paid. For the year under review, it was 49 days whereas the norm is 30 days. The AG figures include all creditors and indicates 71 days (79 days in 2020) per their Financial Viability Assessment table (see pages 9 and 10 above) the result of disputes, payment processing, tender progress payments, inadequate managing of the Municipality's working capital or because effective controls are not in place to ensure prompt payments. **The norm of 30 days is legislated and, furthermore, the suppliers should not be used to finance the municipality.**

Irregular, Fruitless & Wasteful and Unauthorised Expenditure:

The total of such expenditure was recorded at 8% (10% in 2019-2020) of operating expenditure against the norm target of zero. This issue has dealt with under Section A above.

Remuneration of Employees & Councillors: Employee-related costs increased by 8% to R263.4 million, and as a percentage of total operating expenditure is 30% (29% in 2019-2020). This is well within the norm of 25.0 to 40.0%. However, this should be seen in the context of the next ratio, Contracted Services.

Contracted Services:

These amounted, out of total operating expenditure of R953.5 million, to R166.5 million or 17.5% (20.5% in 2019-2020), more than the norm of 2.0% to 5.0%. The contracted services are wide-ranging, indicating the lack of skilled capacity in the municipality's ability mainly to handle projects and even routine financial tasks. **The total percentage of remuneration of employees and councillors plus contractors was thus 47.5%, compared with the total norm maximum (45%, the sum of the two ratios).**

3.2.6. GRANT DEPENDENCY

It does not appear to us that the Municipality is too grant dependent.

4. SECTION C. ASSESSMENT OF THE AG's AUDIT

We believe that the AG has once again produced a thorough Audit Report and Management Report in spite of the challenges experienced by both the financial officials of the municipality and the AG's staff resulting from the Covid pandemic.

We also wish to express our thanks to the AG and her team who conducted the Knysna Municipality Audit.

4.1. SECTION: CONCLUSION AND RECOMMENDATIONS

In conclusion, we assess the Municipality's **financial status overall as of concern and facing big challenges** – not least of which is the serious liquidity problem in relation to the service delivery needs of the community and the financial needs of the Municipality. While Knysna has in the past been generally regarded as one of the better-run medium-sized Municipalities in the country, Management, the political leadership, and Council still need to pay particularly serious attention to a range of issues by operating more effectively and efficiently, including:

- **optimising income, so that service delivery can be improved, and vital infrastructure can be built and maintained**
- **drastically improving controls in all Directorates**
- **urgently formulating, approving, and implementing a comprehensive and effectively capacitated performance management system**
- **implementing best-practice ethics, anti-fraud and corruption policies and procedures**
- **ruthlessly clamping down on deviations and other questionable supply chain practices and achieving effective consequence management**
- **and improving communication with and public participation by its residents.**

Getting these items right is vital to the town's future. Big challenges lie ahead as the town continues to recover from the 2017 fire, the economy continues to place severe and increasing fiscal constraints on National, Provincial and Local Governments and the service delivery needs of the population, many of them very poor, continue to grow.

The Municipality will need to consider how best to consolidate its financial position by attending expeditiously to the problem-areas we and the AG have highlighted and by curtailing unnecessary spending, urgently making key appointments of well-qualified officials and concentrating on the core functions of local government to make optimal use of its human and financial resources.

Council will have to proceed with great caution when deciding on the new rates and service charges for the 2022-2023 budget. Innovative strategies will need to be adopted and implemented to encourage growth and development, without destroying the environment that attracts tourists and helps to keep our people healthy.

FOR RESOLUTION BY THE AUDIT COMMITTEE:

- a) **That the "REPORT OF THE KNYSNA AUDIT COMMITTEE ON A) THE COMMITTEE'S RESPONSE TO MATTERS RAISED IN THE AUDITOR-GENERAL'S AUDIT REPORT FOR 2020-2021 AND B) THE**

FINANCIAL POSITION OF THE MUNICIPALITY AS AT 30 JUNE 2021"
(the Report) be adopted.

- b) That the Report be submitted to Council, for consideration by Council at its next ordinary council meeting; and
- c) That the Report also be incorporated in the Municipality's Annual Report for 2020-2021 and submitted to MPAC for the purposes of drawing up and submitting to Council an Oversight Report; and

FOR RECOMMENDATION TO COUNCIL:

- d) That the "REPORT OF THE KNYSNA AUDIT COMMITTEE ON A) THE COMMITTEE'S RESPONSE TO MATTERS RAISED IN THE AUDITOR-GENERAL'S AUDIT REPORT FOR 2020-2021 AND B) THE FINANCIAL POSITION OF THE MUNICIPALITY AS AT 30 JUNE 2021" be adopted;
- e) That, while Council expresses its disappointment that the Municipality did not achieve a "clean audit" for 2020-2021, it nevertheless expresses its congratulations to Management for achieving an unqualified financial audit;
- f) That Management draw up a report to Council explaining the reasons for the very large water losses of 44.5% identified by the Auditor-General, what steps have been taken to prevent excessive water losses in future and who has been held accountable;
- g) That a suitable system of ratios based on those set out in National Treasury's Circular 71 of 17 January 2014 be further developed and become a regular part of the quarterly reporting to the Executive Mayor, Council, Council Committees and the Audit Committee;
- h) That a report be urgently prepared and presented to Council at its next ordinary meeting showing progress made in the revenue enhancement strategy since its inception, including proper valuations of properties, revenue collection and efficiency of billing, the securing of foreign agency funding for economic development and infrastructure projects, and the detailed plans for further steps to be taken in this regard;
- i) That vacant staff critical posts be identified in a revised Organogram as soon as possible for Finance Department and Other key functions and be filled timeously;
- j) That Management develop a credible action plan in response to control weaknesses identified over financial, contract and performance management and compliance with laws and regulations;

- k) That Management draw-up, for adoption by Council, an effective policy incorporating proper Consequence Management, in order to instil a culture of accountability throughout the Municipality;**
- l) That Management be directed to draw up an effective audit action plan to ensure that matters raised by the AG in her Audit Report and Management Reports for 2020-2021, as well as matters still outstanding from her Reports the previous year, are fully dealt with and that the Chief Audit Executive monitor progress in implementing the plan and submit regular reports to the Municipal Manager, Audit Committee and the Directors;**
- m) That, as last year, Management gives regular and timeous feedback to Council and the Audit Committee on action taken in respect of Audit Committee's recommendations in its various reports to Council on its meetings during the current and future years;**

We express our thanks to the office of the Municipal Manager, the Chief Financial Officer, the Chief Audit Executive, other members of Management and staff for their co-operation during the year. Our thanks are also due to Council's political office bearers and Councillors for their assistance and co-operation during the past year.

E PRINS (Chairperson)

B BAM

R BARRELL

V GERICKE

W LITOLI

L TATAYI

R THORPE

18 MARCH 2022

15.2

C02/03/22 AUDIT COMMITTEE QUARTERLY OVERSIGHT REPORT TO COUNCIL

REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

The purpose of this report is to provide to Council the audit committee's oversight report on its activities.

BACKGROUND

The Audit Committee is required to report quarterly to Council on the work it is doing focusing on its primary responsibilities outlined in terms of Section 166 of the Municipal Finance Management Act for the purpose of advising the Municipal Council, political office bearers and the Accounting Officer. This is the first report for the 2021/22 financial year and covers a six month period.

DISCUSSION

The report outlines the activities of the audit committee for the period 01 July 2021 to 31 December 2021. Attached to this item is the detailed report.

FINANCIAL IMPLICATIONS

Not applicable

RELEVANT LEGISLATION

The Municipal Finance Management Act, Act no 56 of 2003.

COMMENTS FROM THE MUNICIPAL MANAGER

The recommendation is supported.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the Quarterly Oversight report of the Audit Committee for the period 01 July 2021 to 31 December 2021, be noted.

APPENDIX / ADDENDUM

Audit Committee Oversight Report

File Number : 9/1/2/10/4

Execution : Acting Municipal Manager
 Chief Audit Executive

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 July 2021 to 31 December 2021**



**AUDIT COMMITTEE
OVERSIGHT REPORT
TO COUNCIL**

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 July 2021 to 31 December 2021**

1. Purpose

- 1.1. The Committee is submitting its oversight report to the Council for noting and implementation by management.

2. Legislative requirements

- 2.1. The Audit Committee is required to report to the Council on the work it is doing focusing on its primary responsibilities outlined in terms of Section 166 of the Municipal Finance Management Act for the purpose of advising the Municipal Council, political office bearers and accounting officer.
- 2.2. The committee has in terms of circular 65 of MFMA adopted an appropriate formal terms of reference clearly setting out the establishment, purpose, authority, composition and the relationship with council, management, internal and external auditors as per its charter.

3. Matters relating to the structure of the committee and its responsibilities:

3.1. The structure of the Committee

- 3.1.1. Established committee currently consists of 7 independent external members listed below:
- Mr. E. Prins: Chairperson
 - Mr. R. Barrell: Member
 - Mr R Thorpe: Member
 - Mrs B Bam: Member
 - Mrs V Gericke: Member
 - Mr WN Litoli: Member
 - Mr LC Tatayi: Member

3.2. The assessments of the Chairperson and the Committee Members

- 3.2.1. The Committee Chairperson should assess the performance of individual Committee Members, and the Council should evaluate the Committee's Chairperson, based on several factors below which include:
- Expertise;
 - Inquiring attitude;
-

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 July 2021 to 31 December 2021**

- Objectivity;
- independence;
- Judgment;
- Understanding of the public sector business;
- Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- Timely responses and
- Attendance at meetings.

Overall the Chairperson is satisfied with the performance of the audit committee members. The formal annual evaluation of the committee has been scheduled and will be finalised by 31 March 2022. The report on the results of the evaluation will be tabled with the audit committee's quarter three report.

4. Meetings held

- 4.1. The committee held its meetings as follow to execute its mandate in accordance with the approved charter.

The details of attendance of the meeting were as follow:

Committee Member	20 July 2021	21 September 2021	23 November 2021
Mr. E. Prins: (Chairperson)	1	1	1
Mr. R. Barrell	1	1	1
Mr R Thorpe	Absent with apology	1	1
Mrs B Bam	1	1	1
Mrs V Gericke	1	1	Absent without leave
Mr WN Litoli	1	1 (from 09:47)	Absent without leave
Mr LC Tatayi	1 (from 09:12)	1 (from 09:47)	Absent without leave

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT**

01 July 2021 to 31 December 2021

5. Internal Audit

- 5.1. The Audit Committee is required to continuously evaluate the activities and performance of Internal Audit to ensure that it remains independent and objective in discharging its responsibilities.
- 5.2. There are no changes in the internal audit unit. The unit continues to be co-sourced through the use of PKF George Consulting. The Internal Audit function reports to the Audit Committee functionally to ensure its independence and objectivity in performance of its duties.
- 5.3. The committee reviewed and approved the 2021/22 internal audit charter and internal audit plan for implementation by Internal Audit.
- 5.4. The progress of internal audit work performed against the plan is as follows:

Project name	Frequency	Progress
Performance management	Quarterly	Q1 & Q2 Completed
DORA/Grants	Annually	Not yet started
Billing system	Annually	Not yet started
Credit Control	Annually	Not yet started
Recruitment & Selection	Annually	Not yet started
Human settlements administration (Housing)	Annually	Completed
Fleet management	Annually	In progress
Stock count	Annually	Not yet started

- 5.5. The committee advises management to implement internal audit findings and recommendations properly and on time in order to prevent repetitive audit findings and to ensure improvement of audit outcomes.
-

KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 July 2021 to 31 December 2021

6. Internal Control

- 6.1. Based on the reviews of audit reports and engagements held during the committee's meeting, the committee is of the opinion that the system of internal control is not entirely effective. Management were to review and implement internal control as recommended by the auditors in order to improve the control environment.
- 6.2. Management should design, implement, and monitor the compilations and processing monthly reconciliations of all transactions and also to ensure effective performance management.
- 6.3. Management must ensure that the key performance areas talk to the goal towards achieving clean audit through the development and reviews of the performance management systems and policies and proper implementations.
- 6.4. Management must also ensure that more weight (at least 25%) is allocated into good or clean governance in enforcing and directing proper implementations of audit findings and recommendations.

7. Risk Management matters

- 7.1. The risk management implementation is the responsibility of the management in terms of the MFMA. The role of the audit committee is to advise management on the implementation of effective risk management in the municipality.
- 7.2. The committee reviewed the risk assessment report for the 2021-22 financial year and noted the progress made towards risk management.

8. Performance Management

- 8.1. The committee reviewed the quarterly performance reports and made several recommendations.

9. Financial Information

- 9.1. The committee noted the monthly Section 71 reports for the period July to December 2021
-

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT**

01 July 2021 to 31 December 2021

10. Information Communication Technology

- 10.1 The committee noted the minutes of the ICT steering committee.

11. AGSA audit report 2020/2021 and audit action plan

- 11.1 The committee concurs with the report of the Auditor-General and advised management to ensure implementation of the audit action plan for key issues that may affect the audit opinion by 30 June 2022.

12. Conclusion

- 12.1. The committee would like to thank the Internal Audit Unit, Management and Council for the ongoing support provided.
- 12.2. The committee will direct more efforts in improving the audit opinion of the municipality.

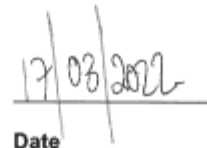
13. Recommendation to Council

- 13.1. The committee recommends this report to the Council for noting and implementation by management.



Mr E Prins

Chairperson of the Audit Committee



Date

15.3

C03/03/22 FIFTH AMENDMENT OF THE 2017-2022 INTEGRATED DEVELOPMENT PLAN (IDP)

REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

The purpose of this report is to table the fifth amendment of the 2017-2022 Integrated Development Plan of Knysna Municipality to Council for consideration.

BACKGROUND AND DISCUSSION

In terms of section 34(a) of the Municipal Systems Act (Act 32 of 2000) a municipal council -
(a) **must review** *(an examination of something, with the intention of changing it if necessary)* its IDP -

(i) annually in accordance with an assessment of its performance measurements in terms of section 41, and

(ii) to the extent that changing circumstances so demand.

(b) **may amend** its IDP in accordance with a prescribed process.

In terms of the new DCoG revised IPD guidelines (2020) the IDP needs to be **amended** to cater for changes in strategy or policy. A summary of the new Knysna Economic Development and Recovery Plan has been added to the IDP.

In terms of section 16(2) of the Municipal Finance Management Act (Act 56 of 2003) the mayor of the municipality must **table** the annual budget at a council meeting at least 90 days before the start of the budget year.

In terms of section 17(3) of the MFMA an annual budget, when **tabled** in terms of section 16(2), must be accompanied by (inter alia) the following documents:

(d) any proposed **amendments** to the municipality's IDP following the annual review of the IDP in terms of section 34 of the Municipal Systems Act;

PROCESS FOR AMENDING IDP's

Regulation 3 of the Municipal Planning and Performance Management Regulations, 2001 prescribes the following process for amending IDP's:

- Only a member or committee of a municipal council may introduce a proposal for amending the IDP in the council.
- Any proposal for amending the IDP must be accompanied by a memorandum setting out the reasons for the proposal.
- An amendment to the IDP must be adopted by a decision taken by the council in accordance with the rules and orders of the council.
- No amendment to the IDP may be adopted by the municipal council unless -
 - all the members of the council have been given reasonable notice;
 - the proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment;

- the municipality has consulted the district municipality on the proposed amendment and has taken all comments submitted to it by the district municipality into account before it takes a final decision on the proposed amendment.

The IDP amendment document (memorandum referred to above) is under separate cover.

CHANGES TO THE IDP ACCOMMODATED IN THIS AMENDMENT :

This is the fifth amendment of the 2017-2022 IDP for Knysna Municipality. This amendment accommodates the following changes since May 2020:

- The forewords of the Executive Mayor and Municipal Manager are updated.
 - Executive Summary is updated
 - Chapter 1 has been updated to the chapter heading of Situational Analysis and all its subsections
 - In Chapter 2 chapter heading Strategic Agenda and all its subsections
 - Chapter 3 change in chapter heading to Implementing the IDP and all its subsections
 - In Chapter 4 change in chapter heading to Strategic Agenda and all its subsections
 - In Chapter 5 Change in chapter heading to Strategic Agenda and all its subsections
 - The following chapters have been consolidated:
 - Chapter 1 and portions of Chapter 5
 - Chapter 2 and portions of Chapter 5
 - Portions of chapter 3 and the Executive Summary
 - Portions of chapter 3 and 7
 - Chapter 4 and 6
 - The following Annexures are added:
 - Annexure 1 : Functions and Structure of The Municipality
 - Annexure 2 : Alignment with Other Spheres
 - Annexure 3 : Alignment of IDP to KPA's, SFA's And Strategic Priorities
 - Annexure 4 : Auditor General Report 2020/2021
 - Annexure 5 : Management Response to Auditor Generals Comments
 - Annexure 5 : List of Sector Plans/Policies/By-Laws
 - Annexure 6 : Sector Department Projects
 - Annexure 7 : Consolidated Detailed Capital Budget
 - Annexure 8 : Consolidated Projects Delayed From Previous Financial Year
 - Annexure 9 : IDP Public Comments
 - Annexure 10 : Knysna Municipality Disaster Management Plan
 - Annexure 11 : Aligning Integrated Development Planning (IDP) with District Development Model/One Plan
 - Annexure 12 : Catalytic Projects
 - Annexure 13 : Spatial Development Framework
 - Annexure 14 : Customer Care Services Charter
- Annexures to be circulated separately*

APPLICABLE LEGISLATION :

The following legislation is applicable :

- Municipal Systems Act, Nr 32 of 2000, Section 34

- Municipal Finance Management Act, Nr 56 of 2003, Sections 21, 24 and 53
- Municipal Planning and Performance Management Regulations, 2001

LINK TO THE IDP

Not applicable

FINANCIAL IMPLICATION

None

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That the Council take cognisance of the fifth amendment of the 2017-2022 Integrated Development Plan (IDP) as well as the revision of the area plans tabled in terms of Section 17(3) of the MFMA;
- [b] That Council authorises the consultation of all stakeholders on the proposed Amendment of the IDP in accordance with Section 34(b) of the Municipal Systems Act, during April 2022;
- [c] That Council authorises the advertising of the IDP for comments/inputs on the Draft Amended 2017-2022 IDP;
- [d] That Council authorises the Administration under leadership of the Municipal Manager to Initiate a Strategic Planning Session with Council and the Administration in preparation for the Fifth Generation IDP (2023 – 2028);
- [e] That a further consultation and refinement process be followed during April 2022;
- [f] That on Thursday 24 March, the Reviewed IDP was workshopped with Council and clarity was given on the Review process as well as the proposed amendments. The draft IDP for 2022/2023 is in line with legal requirements and the recommendations are supported; and
- [g] That a workshops between the relevant officials and councillors will be held on topics such as : waste to energy/alternative electricity supply; LED small contractors development; graveyard extensions/burials; etc.

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

MEMORANDUM

TO	Council
FROM	Executive Mayor
CC	Acting Municipal Manager
DATE	30 MARCH 2022
COLLAB. REF.	
FILE REF.	15/2/6/1/3
REGARDING	Proposed IDP Amendment

1. PURPOSE:

As a duly elected member of council and the Executive Mayor of Knysna Municipality, this serves as a memorandum required in terms of Section 34 of the Municipal Systems Act, to propose the amendment of the 2017-2022 Integrated Development Plan of Knysna Municipality. The reasons for the proposed amendment is set out in the background below.

2. BACKGROUND:

Legislative provision for amendment of IDP

Section 34 (b) of the MSA states that a Municipal Council *may amend its IDP in accordance with a prescribed process which is set out in Regulation 3, of the MSA Planning and Performance Management Regulations of 2001*. The amendment can only be proposed by a member or a committee of council. The process to be followed when amending an IDP entails (1) submitting a memorandum setting out the reasons for the proposal and, (2) alignment with the framework adopted in terms of MSA section 27 of Garden Route District Municipality.

IDP amendment process is hereby initiated to reflect the impact of the following circumstances on the Council's objectives:

1. The change in structure of the 2017/2022 Five Year IDP
2. Change in number of chapters in the 2017/2022 Five Year IDP from 10 chapters to 5 chapters
3. Consolidation of Chapters 1 and portions of Chapter 5, Chapter 2 and portions of Chapter 5, Portions of Chapter 3 and the Executive Summary, portions of Chapter 3 and 7 as well as Chapter 4 and 6.
4. Chapter 1 Subsection 2 Good Governance **New**
 - 2.1 Public Participation and Stakeholder Engagement **New**
 - 2.1.1 Community Based Planning **New**
 - 2.2 Communication **New**
 - 2.7 Declaration of Interest **New**

2.8 District Development Model **New**

2.9 Figure Strategy **New**

Chapter 3 Implementing the IDP **New**

Chapter 4 Good Governance and Public Participation **NEW**

New Annexures:

Annexure 1. Functions and Structure of The Municipality

Annexure 2 Alignment with Other Spheres

Annexure 3: Alignment of IDP to KPA's, SFA's And Strategic Priorities

Annexure 4: Auditor General Report 2020/2021

Annexure 5: Management Response to Auditor Generals Comments

Annexure 5: List of Sector Plans/Policies/By-Laws

Annexure 6: Sector Department Projects

Annexure 7: Consolidated Detailed Capital Budget

Annexure 8: Consolidated Projects Delayed From Previous Financial Year

Annexure 9: IDP Public Comments

Annexure 10: Knysna Municipality Disaster Management Plan

Annexure 11: Aligning Integrated Development Planning (IDP) With District Development Model / One Plan

Annexure 12: Catalytic Projects

Annexure 13: Spatial Development Framework

Annexure 14: Customer Care Services Charter

3. RECOMMENDATION:

- (a) Council accept the proposal for the amendment of the 2017-2022 4th generation Integrated Development Plan;
- (b) That Council approves the advertising of the proposed amendment of the 2017-2022 4th generation Integrated Development Plan for public comment.

Cllr Levael Davis (Executive Mayor – Knysna Municipality)

15.4

C04/03/22 2021/2022 AMENDED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) AND PERFORMANCE AGREEMENTS OF THE MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To serve before the Municipal Council the proposed amendments to the 2021/2022 Service Delivery and Budget Implementation Plan (SDBIP) and Performance Agreements of the Municipal Manager and Managers Directly Accountable to the Municipal Manager.

PREVIOUS RESOLUTIONS

None applicable.

BACKGROUND

In terms of Section 54(1)(c) the Local Government: Municipal Finance Management Act, No. 56 of 2003, the Executive Mayor should –

(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must:

iii] consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

An adjustments budget served at a Special Municipal Council meeting held on 24 February 2022, as part of the resolution, the Service Delivery and Budget Implementation Plan (SDBIP) be adjusted accordingly.

DISCUSSION

A change in circumstances in view of internal and external factors impacts on the current years' 2021-2022 Service Delivery and Budget Implementation Plan (SDBIP), which necessitates a review of the performance indicators, inter alia:

Internal factors: An audit opinion on the quarter 2 performance report, as expressed by the Internal Auditors, advised that this report (Quarter 2 Performance Report) is not entirely useful and reliable to evaluate the actual performance of the municipality against municipal strategic objectives. The observations and sample testing done, including most identified implemented control procedures proved inadequate or ineffective to manage any potential risks to an acceptable level.

We acknowledge that the recommendations made by the Internal Auditors, will contribute positively to the effective management of performance management and potentially minimizing exposure to potential acts of fraud.

The Internal Auditors further recommended the use of the SMART principle with the development of KPIs and the recommendation has been applied with the amendment of Key Performance Indicators (KPIs) in the Service Delivery and Budget Implementation Plan (SDBIP) and performance agreements.

External factors: The Auditor-General of South Africa (AGSA) expressed an unqualified audit opinion with findings on the *Annual Performance Report for the 2020/2021* financial year. The focus of the Auditor-General is based on the completeness, presentation and validity of *basic service delivery indicators* reported performance in the Greater Knysna Municipal Area. The reported performance information were not accurate, correct and/or complete requiring the municipality to review performance indicator information for the 2021-2022 financial year.

The *material misstatements* that were identified and subsequently corrected resulted in an unqualified audit opinion in the final management report of the Auditor-General.

The recommendations on performance management made by the Auditor-General, were dealt with by developing key performance indicators at a departmental level. The recommendations are recorded in the Operation Clean Audit Report (OPCAR) against which regular reporting must on a quarterly basis be done and monitored by the Internal Audit Unit.

The total number of key performance indicators in the originally approved 2021/2022 Top Layer Service Delivery and Budget Implementation Plan (SDBIP) equals to fifty-five (55) and this number of indicators remain unchanged.

FINANCIAL IMPLICATIONS

N/A

RELEVANT LEGISLATION

- Local Government : Municipal Finance Management Act, No. 56 of 2003 (MFMA)
- Local Government : Municipal Finance Management Act, No. 56 of 2003 (MFMA):
Municipal budget and reporting regulations (GN R393 / GG 32141 17 April 2009).

COMMENTS FROM THE ACTING MUNICIPAL MANAGER

Noted

COMMENTS FROM CORPORATE SERVICES

report and recommendations are supported for submission and consideration by Council

COMMENTS FROM FINANCIAL SERVICES

Noted

COMMENTS FROM TECHNICAL SERVICES

None

COMMENTS FROM COMMUNITY SERVICES

Submission is noted

COMMENTS FROM PLANNING AND DEVELOPMENT

The item is supported.

COMMENTS FROM LEGAL SERVICES

None

COMMENTS FROM IHS

Recommendation supported

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That the report on the 2021/2022 Amended Service Delivery and Budget Implementation Plan (SDBIP) and Performance Agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager, be noted; and
- [b] That the amendments to the 2021/2022 Service Delivery and Budget Implementation Plan (SDBIP) based on the 2020/2021 adjustments budget and internal and external audit opinions and recommendations, be approved.

APPENDIX / ADDENDUM

- Amended 2021/2022 Service Delivery and Budget Implementation Plan
 - Amended 2021/2022 Performance Agreements:
 - Acting Municipal Manager
 - Acting Director : Corporate Services
 - Acting Director : Financial Services
 - Acting Director : Planning and Economic Development
 - Director : Infrastructure Services
 - Acting Director : Human Settlements Administration
- Annexures to be circulated separately*

File Number : 9/1/2/14

Execution : Acting Municipal Manager
Manager : IDP

15.5

**C05/03/22 REQUEST TO ENTER INTO NEW LEASE AGREEMENTS WITH
VODACOM (PTY) LTD**

REPORT FROM ACTING DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To consider rescinding resolution (b) & (c) FG34/09/16 and enter into new leases with Vodacom for all expired leases for a period of 9 years and 11 months at a market related rental as determined by a Professional Valuer.

BACKGROUND

Vodacom has various telecommunications base stations and related ancillary equipment on various Municipal owned properties, water towers and reservoirs. Most of these leases expired and there are currently no lease agreements in place. Vodacom applied in 2016 and requested to enter into new lease agreements at the following properties ;

- (a) Hornlee (on a portion of Erf 4161, Knysna),
- (b) Heuwelkruin (on a portion of Erf 3912, Knysna),
- (c) Knysna Waterfront (on a portion of Erf 1340, Knysna) and
- (d) Sedgefield Tortoise (on a portion of Erf 1635 Sedgefield).

It must also be noted that Vodacom houses MTN and Cell C on some of the abovementioned properties.

At the time two of their leases (Buffalo Bay and Bongani) were still valid.

RESOLUTION

The Municipal Council on the meeting of the 27 September 2016 took a resolution as follows;

FG34/09/16 APPLICATION FOR THE RENEWAL OF VODACOM LEASES

UNANIMOUSLY RESOLVED

- [a] That the report and annexures regarding Vodacom's applications for new lease agreements for their telecommunications, base stations and related ancillary equipment at Hornlee on a portion of Erf 4161, Heuwelkruin on a Portion of Erf 3912, Waterfront Drive on a portion of Erf 1340 and Sedgefield on a portion of Erf 1635 submitted to the Finance, Governance and Economic Development Committee meeting dated 20 September 2016 be noted;*
- [b] That Vodacom's request to renew the following leases for 9 years and 11 months be approved;*
 - i] Hornlee on a portion of Erf 4161,*
 - ii] Heuwelkruin on a Portion of Erf 3912,*
 - iii] Waterfront Drive on a portion of Erf 1340 and*

iv] Sedgefield on a portion of Erf 1635.

- [c] That the following monthly rental, payable yearly in advance be approved;*
- a) An amount of R3 500 for Hornlee on a portion of Erf 4161,*
 - b) An amount of R 1 000 for Heuwelkruin on a Portion of Erf 3912,*
 - c) An amount of R 1 000 for Waterfront Drive on a portion of Erf 1340 and*
 - d) An amount of R 6 000 for Sedgefield on a portion of Erf 1635.*
- [d] That a fixed escalation of 10% per year for all the contracts be approved;*
- [e] That all cost relating to this application be for the account of Vodacom,*
- [f] That prior to any new agreements being entered into, all the accounts of Vodacom to be brought up to date if any accounts are in arrears;*
- [g] That the necessary Land Use rights be obtained in terms of the Knysna Municipal Land Use Planning By-law (2016) for all the sites;*
- [h] That Building Plan approval be obtained in terms of the National Building Regulations and Standards Act (Act No. 103 of 1997) for all the sites;*
- [i] That all structures must adhere to the requirements of the Knysna Municipality's Policy on Cellular Telecommunication Masts (2008);*
- [j] That all requirements must be finalised within 180 days after the lease agreements have been concluded. Failing to do so will deem the Lease agreements null and void;*
- [k] That provisions in the lease contracts be inserted to enable the lessor to bring the applications in accordance with sections 13 & 38 of the Land Use By-law;*
- [l] That the Acting Municipal Manager be authorised to conclude new Lease Agreements mentioned herein;*
- [m] That the intention to enter into new lease agreements with Vodacom as per [b] above be advertised for comments and objections, prior to the execution of [b] above.*

File Number: 9/1/2/9
Execution: Acting Municipal Manager
Director : Corporate Services"

DISCUSSION

The above resolution could not be implemented as it was established that Vodacom was in arrears with some of their accounts. In addition, it was also discovered that they were incorrectly billed on some of their leases which lead to a significant increase to their arrear accounts.

Several meetings were held in between the 2020/2021 financial year in relation to the arrear account which eventually resulted in Vodacom settling their account of R1.75 Million on the 26th of January 2022.

All Vodacom leases have expired and have been on a month to month basis ever since their expiry dates except for the one on a portion of Erf 16943, Knysna (Bongani) which is due to expire August 2022.

FINANCIAL IMPLICATIONS

Currently Vodacom is paying rentals on the old agreement as there are no lease agreements in place.

An annual income plus an annual escalation could be received plus other amounts for electricity and water usage.

There will be no expenditure on the part of KM as all costs in relation to maintenance of their equipment is for the account of Vodacom.

RELEVANT LEGISLATION

Local Government : Municipal Finance Management Act, 2003

Local Government : Municipal Finance Management Act (56/2003) : Municipal Asset Transfer Regulations

Knysna Municipality's Management of Immovable Property Policy

COMMENTS FROM THE MUNICIPAL MANAGER

Noted

COMMENTS FROM CORPORATE SERVICES

Report and recommendations for new leases with Vodacom on existing municipal infrastructure supported for consideration by Council

COMMENTS FROM FINANCIAL SERVICES

Noted

COMMENTS FROM TECHNICAL SERVICES

The recommendations are supported

COMMENTS FROM COMMUNITY SERVICES

Submission noted and supported.

COMMENTS FROM PLANNING AND DEVELOPMENT

The Recommendations are supported.

COMMENTS FROM LEGAL SERVICES

report and recommendations submitted to Council for consideration. The disposal of these properties by lease is dealt with in terms of Council's Immovable Property policy and the Asset Transfer Regulations

COMMENTS FROM IHS

No objection

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That the report and annexure's regarding the rescission of resolutions (b) & (c) FG34/09/16 and entering into new leases with Vodacom for a period of 9 years and 11 months at a market related rental as determined by a Professional Valuer be noted;
- [b] That Knysna Municipality enter into new lease agreements for the following sites for a period of 9 years and 11 months;
 - Hornlee on a portion of Erf 4161,
 - Heuwelkruin on a Portion of Erf 3912,
 - Waterfront Drive on a portion of Erf 1340 and
 - Sedgfield on a portion of Erf 1635 including
 - Bongani on a portion of Erf 16943, Knysna
 - Buffalo Bay on a portion of portion 3 of farm 215 Walker's Point
- [c] That the Acting Municipal Manager be instructed to appoint a Professional Valuer to determine the market rental for all the Vodacom leased sites;
- [d] That a fixed escalation percentage of 10% per year for all the contracts be approved;
- [e] That all cost relating to this application be for the account of Vodacom,
- [f] That prior to any new agreements being entered into, all the accounts of Vodacom to be brought up to date if any accounts is in arrears;
- [g] That the necessary Land Use rights be obtained in terms of the Knysna Municipal Land Use Planning By-law (2016) for all the sites;
- [h] That Building Plan approval be obtained in terms of the National Building Regulations and Standards Act (Act No. 103 of 1997) for all the sites;
- [i] That all structures must adhere to the requirements of the Knysna Municipality's Policy on Cellular Telecommunication Masts (2008);
- [j] That all requirements must be finalised within 180 days after the lease agreement has been concluded. Failing to do so will deem the Lease agreement null and void;
- [k] That there are provisions in the lease contract to enable the lessor to bring the applications in accordance with sections 13 & 38 of the Land Use By-law;
- [l] That the Acting Municipal Manager be authorised to conclude new Lease Agreement accordingly.

ANNEXURES

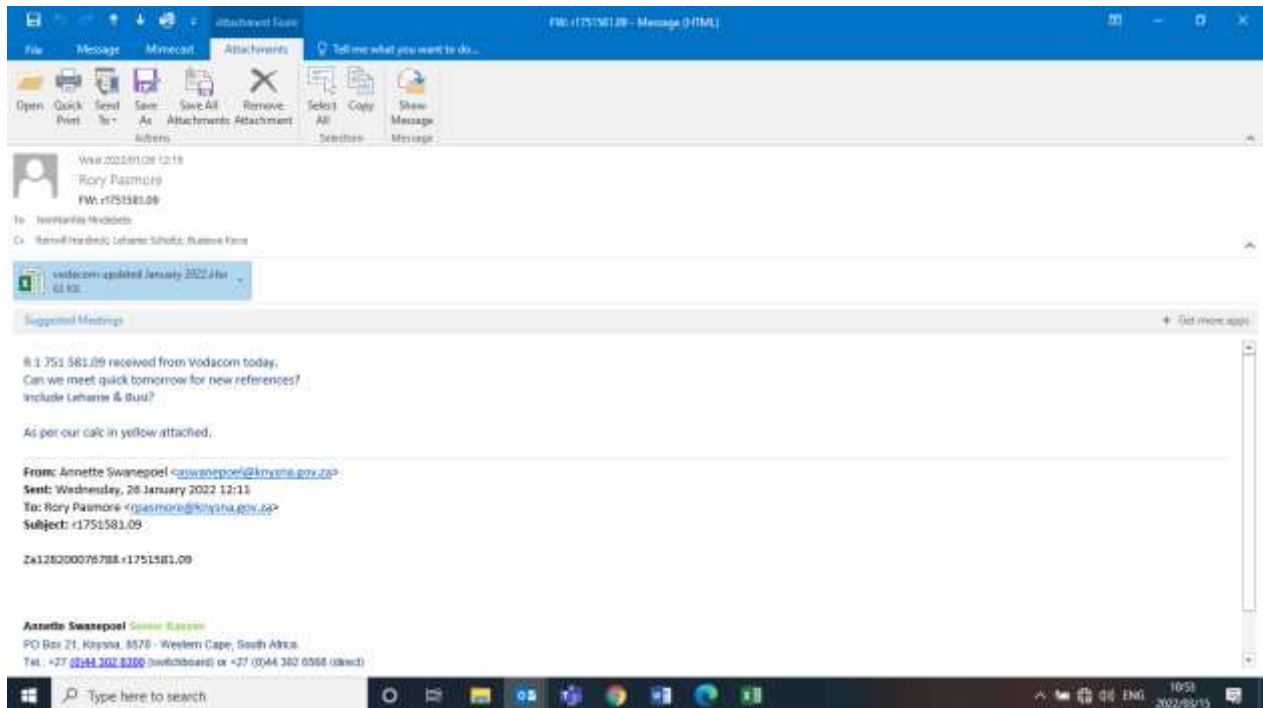
Annexure A : Vodacom Account
Annexure B : Confirmation of Payment

File Number : 9/1/2/9
Execution : Acting Director : Corporate Service
 Manager : Legal Services
 Head : Properties

ANNEXURE A VODACOM ACCOUNT

VODACOM SUMMARY OF ACCOUNTS					
Detail	TORTOISE HILL Account 299997001118	HORNLEE, WATERFRONT& HEUWELKRUIN Account 199997006393	BONGANI Account	B/BAY PARK Account 210000000114	Total
Account balance	1 601 776,63	634 914,84	0,00	194 672,76	2 431 364,23
Legal	130 140,50	-1 952,83	0,00	0,00	128 187,67
	1 731 917,13	632 962,01	0,00	194 672,76	2 559 551,90
Adjustments	-190 123,87	82 229,58	10 002,78	0,00	-97 891,51
Account balance	1 541 793,26	715 191,59	10 002,78	194 672,76	2 461 660,39
REVISED (1)					
Account balance Oct	1 601 776,63	634 914,84	0,00	194 672,76	2 431 364,23
Trf from Bbay	-276 052,29			276 052,29	0,00
Write back Road	-137 559,56				-137 559,56
Adjustment	-293 489,55	-63 801,71	109 011,98	-187 625,69	-435 904,97
Credit?	-238 231,90				-238 231,90
	656 443,33	571 113,13	109 011,98	283 099,36	1 619 667,80
REVISED (2)					
Account balance Oct	1 601 776,63	634 914,84	0,00	194 672,76	2 431 364,23
Trf from Bbay	-276 052,29			276 052,29	0,00
Write back Road	0,00				0,00
Adjustment	-190 123,87	-63 801,71	0,00	-187 625,69	-441 551,27
Credit?	-238 231,90				-238 231,90
Due to KM	897 368,57	571 113,13	0,00	283 099,36	1 751 581,06
REVISED (3)					
Account balance Oct	1 601 776,63	634 914,84	0,00	194 672,76	2 431 364,23
Interest/Rental Nov	9 534,90	3 726,13		14 248,39	
Interest/Rental Dec	9 534,90	3 726,13		14 248,39	
Payment received				-16 448,65	
Account balance Dec	1 620 846,43	642 367,10	0,00	206 720,89	2 431 364,23

ANNEXURE B – CONFIRMATION OF PAYMENT



15.6

C06/03/22	APPOINTMENT OF REPRESENTATIVES ON HUMAN RESOURCES RELATED COMMITTEES

REPORT FROM THE ACTING DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

For Council to appoint representatives on the Human Resources Related Committees.

PREVIOUS RESOLUTIONS

Council at its Special Meeting dated 29 November 2021 through Council Resolution SC05/11/21 resolved to nominate the following Councillors to the HR Related Committees :

"UNANIMOUSLY RESOLVED

That the following Councillors be elected to serve on the specialist HR related Committees namely :

- (iv) *Labour Forum :*
- Councillor PJ Bester
Councillor T Matika
Councillor A Marbi
Councillor W Grootboom*
- (v) *Employment Equity Monitoring Committee :*
- Councillor JG White
Councillor K Andrews*
- (vi) *Training Committee :*
- Councillor HRT Stroebe
Councillor R Arends"*

The Placement Committee is also an HR Sub Committee of Council. The Committee's purpose is to ensure sound placement and practices to ensure a functionally placed and focused workforce that is efficient and effective in respect of service delivery.

To this effect, Council also needs to nominate two Councillors to serve on the Placement Committee.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That the report on the nomination of Councillors to serve on the Placement Committee, be noted;
- [b] That Council nominates the following Councillors to serve on the Placement Committee:

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Councillor

Councillor

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services
 Manager : Human Resources

15.7

C07/03/22 REQUEST TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH LEISURE ISLE RESIDENT'S ASSOCIATION

REPORT FROM ACTING DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider entering into an MOU with Leisure Isle Resident's Association on Erf 2813 and 2904, Knysna (also known as Steenbok Nature Reserve) for a period of 9 years and 11 months.

BACKGROUND

In February 2006 Knysna Municipality ("KM") and the Leisure Island Residents Association ("LIRA") entered into an agreement to govern the joint management of Erven 2813 and 2904 Knysna. The purpose of the said agreement was to "manage the eco system of the property on the northern shores of Leisure Isle for the benefit of all Knysna residents, and its visitors, to ensure the natural heritage of this area is nurtured and protected for the benefit of the current and future generations".

The area which is the subject of this agreement is known as the Steenbok Nature Reserve and includes a multi-use section east of the boat harbour and a wilderness section (Kingfisher Creek) west of the harbour. This agreement was replaced in October 2011 with a new agreement along similar lines which expired on 31 May 2021.

The agreement was subsequently extended for 11 months to give sufficient time for the administration to take an item to Council.

The extension is due to expire on the 30th April 2022.

MOTIVATION

The key aspects of the agreement are :

1. A trust, The Friends of Steenbok Nature Reserve Trust ("the Trust"), has been established to hold and manage all funds collected for use in managing Steenbok Nature Reserve;
2. A Management Committee ("Mancom") has been established to manage the nature reserve;
3. The Mancom has 3 KM representatives, 2 from LIRA, one from SANParks and one from the Trust;
4. LIRA and KM currently contribute R55,200 and R46,639.84 respectively towards the annual cost of the nature reserve;
5. Through the acquisition of "members" of the Trust, a further R75,000 to R100,000 is raised per annum from the public, both from Leisure Isle residents and others in Knysna;
6. Mancom (along with several volunteers) oversees the park maintenance, marketing, website, newsletters and fund raising;

7. An annual management plan is produced each year. The plan for the current year has been submitted and accepted by all parties.

The agreement provides structure on the responsibilities of and the costs of maintenance between LIRA, Knysna Municipality and the public for the area.

The reserve is open to the public for walks, guided educational visits, dog walks and fishing off the seawall.

COMMENTS FROM THE MUNICIPAL MANAGER

Noted

COMMENTS FROM CORPORATE SERVICES

None

COMMENTS FROM FINANCIAL SERVICES

Noted

COMMENTS FROM TECHNICAL SERVICES

Noted

COMMENTS FROM COMMUNITY SERVICES

Submission is noted and supported.

COMMENTS FROM PLANNING AND DEVELOPMENT

The recommendations are supported.

COMMENTS FROM LEGAL SERVICES

Report and recommendations noted and supported

COMMENTS FROM IHS

None

FINANCIAL IMPLICATIONS

LIRA currently obtains funding by way of Grant-in-Aid from the Knysna Municipality. The current allocation to LIRA amounts to R 48 448.00 and is budgeted for in the 2021/2022 MTREF.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That the report and annexure's regarding the request to enter into an MOU with Leisure Isle Resident's Association on Erf 2813 and 2904 (also known as Steenbok Nature Reserve) for a period of 9 years and 11 months, be noted;
- [b] That the Municipal Council approve the proposed MOU between Leisure Isle Resident's Association and Knysna Municipality for 9 years and 11 months on the same terms and condition as the current MOU; and
- [c] That the Acting Municipal Manager be authorised to conclude the MOU with Leisure Isle Resident's Association.

APPENDIX / ADDENDUM

Annexure A – Previous Agreement
Annexure B – Request for Extension
Annexure C – Renewal ending April 2022

File Number : 7/2/1/2
Execution : Acting Director : Corporate Services
 Manager : Legal Services
 Head : Properties

A G R E E M E N T

between:

KNYSNA MUNICIPALITY

**(herein represented by LAUREN WARING in her capacity
as Acting Municipal Manager)**

and:

LEISURE ISLE RESIDENT'S ASSOCIATION

**(herein represented by KEITH HOLLIS in his capacity as
Chairperson)**

Handwritten signatures of Lauren Waring and Keith Hollis.

1

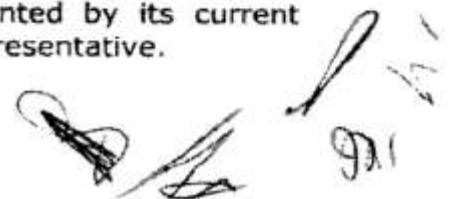
PARTIES AND INTRODUCTION:

- 1.1 The parties to this Agreement are as follows:
 - 1.1.1 Knysna Municipality of the one part and herein after referred to as "KM"; and
 - 1.1.2 Leisure Isle Resident's Association of the next part and herein after referred to as "LIRA".
- 1.2 The parties entered into a written agreement in February 2006 recording the terms and conditions under which they jointly manage the nature park situated on the open public space being of erven 2813 and 2904 Knysna.
- 1.3 The parties have agreed to terminate the agreement referred to and to replace it with a new agreement, the terms and conditions whereof are set out herein.

2

INTERPRETATION:

- 2.1 In this agreement, and unless inconsistent with the content or otherwise indicated by content, the following words shall have the following meanings assigned to them:
 - 2.1.2 "the / this Agreement" means the Agreement as set out herein as soon as same has been signed by all the parties thereto;
 - 2.1.2 "KM" means Knysna Municipality, a Municipal Council duly incorporated as such in accordance with the laws of the Republic of and herein represented by its Acting Municipal Manager , as duly authorized representative;
 - 2.1.3 "LIRA" means the Leisure Isle Resident's Association, an Association in terms of the laws of the Republic of South Africa and herein represented by its current Chairman , as duly authorised representative.

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- 2.1.4 "the Project " means the project(s) to be undertaken in terms of this Agreement and including the management of the eco-system of the northern shores of Leisure Isle for the benefit of all the Knysna residents, and its visitors, to ensure the natural heritage of this area is nurtured and protected for the benefit of the current and future generations.
- 2.1.5 "the Mancom" means the new Management Committee to be formed by the parties hereto and consisting of two (2) representatives of LIRA, three of the Municipality and one (1) representative nominated by each of The Friends of Steenbok Nature Reserve Trust and SANParks.
- 2.1.6 "the property" means Erven 2813 and 2904, Knysna, which properties were bequeathed by the late Mr C E Cearn upon certain specific conditions embodied in the Title Deeds of the properties.
- 2.2 Any reference to the singular shall include the plural and vice versa; and reference to a natural person shall include legal persons and vice versa and any reference to one gender shall include all the genders.
- 2.3 The clause headings in this Agreement have been inserted for convenience only and shall not be taken into account in the interpretation thereof.
- 2.4 This Agreement shall be governed by the laws of the Republic of South Africa.

3

INTRODUCTION AND STRATEGIC POSITIONING

- 3.1 The parties, as primary objective, wish to manage the eco system of the property on the northern shores of Leisure Isle for the benefit of all the Knysna residents, and its visitors, to ensure the natural heritage of this area is nurtured and protected for the benefit of the current and future generations.
- 3.2 The parties, as secondary objectives, wish to:
 - 3.2.1 Nurture and protect this area of natural beauty and interest on the northern shore of Leisure Isle; and
 - 3.2.2 Create and maintain a place of enjoyment for all whilst

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recognising the protocols that are applicable in nature conservation areas; and

3.2.3 Maintain and establish representative plant communities as found in similar eco-locations along the garden Route; and

3.2.4 Protect plant life indigenous to Leisure Isle and the salt marsh community.

3.3 It is recorded that LIRA has created The Friends of Steenbok Nature Reserve Trust (The Trust) as the repository for amounts payable by KM in terms of Paragraph 4.1.2 hereof and for all other funding procured by LIRA for the benefit of Steenbok Nature Reserve and has assumed responsibility for expenditure on the Project as approved by Mancom.

4

POSITION OF KM:

4.1 KM shall, as soon as possible after the effective date ensure that:

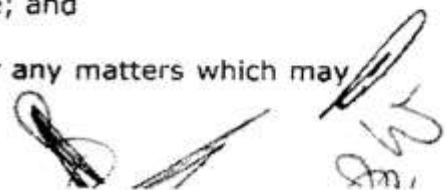
4.1.1 its employees perform the following duties, provided that the necessary budgetary provision has been made for the expenditure:

the maintenance of the sea wall, grass cutting, maintenance of timber pole fencing, alien bush cutting and eradication, gum tree clearing, rubbish removal, supply of water and the supply of general cleaning services; and

4.1.2 subject to affordability it contributes one half of the actual wages and maintenance costs incurred up to a maximum of R30 000.00 per annum, which maximum shall increase by 5% compounded annually; and

4.1.3 at least three (3) representatives are nominated by it to serve on Mancom (or whatever name may subsequently be chosen for this Committee) and that these persons attend meetings of Mancom with the limits of their other duties and in interests of the objectives of this joint venture; and

4.1.4 it keeps LIRA advised of all or any matters which may



directly or indirectly effect the objectives of this joint venture in regard to the property and further do whatever else is possible in regard to the furtherance of these objectives; and

- 4.1.5 Erven 2813 and 2904 are included as "green areas" under the Spatial Development Plan relating to / incorporating the Knysna Municipal area.
- 4.1.6 The amounts to be contributed by KM in terms of paragraph 4.1.2 hereof shall be determined in November each year with reference to audited annual financial statements of The Trust in respect of the financial year ending on the previous 30 September. The amount so calculated will be paid to the Trust within 30 days of receipt of an invoice issued by The Trust duly supported by the audited annual financial statements of The Trust. As an illustration the parties agree that the first payment in terms of this agreement will be made by KM to The Trust in December 2011 based on audited financial statements of The Trust for the year ended 30 September 2011 and will cover the obligations of KM for the first year of this agreement to 30 June 2012.
- 4.1.7 The financial obligation of KM in terms of paragraph 4.1.2 hereof may be terminated by KM at any time during the contract term upon the giving of six (6) months written notice to that effect to LIRA which notice may not be given before the expiry of thirty (30) months after the signature hereof.
- 4.1.8 The balance of rights, duties or obligations referred to in this agreement, are not affected by KM's notice to discontinue any financial contribution in terms of paragraph 4.1.2 and such notice will have no effect on the duration of the agreement itself.

5

POSITION OF LIRA:

- 5.1 LIRA shall, as soon as possible after the effective date, ensure that
 - 5.1.1 it keeps the KM advised of all or any matters which may directly or indirectly effect the objectives of this agreement in regard to the property and further do

whatever else is possible in regard to the furtherance of these objectives; and

- 5.1.2 the utilisation of the property is done in such a manner that all residents of and visitors to Knysna enjoy the benefits thereof; and
- 5.1.3 it prepares an annual plan for the property and ensures, once the plan is approved by Mancom, that this is adhered to as closely as possible, and half yearly audited by Mancom in regard to progress.
- 5.1.4 it attempts to procure funding from its members, the public and possibly via corporate sponsorship, which can be utilised in achieving the objectives of this joint venture in addition to any other funds that may be available or be made available; and
- 5.1.5 to investigate the prospects of declaring the property a formal nature reserve and to make recommendations in this regard to KM via Mancom.

6

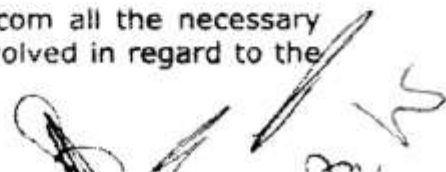
DURATION AND NATURE:

- 6.1 The written agreement, signed by the parties in February 2006, is hereby cancelled effective 30 June 2011 and substituted by this agreement which shall be effective as from 1 July 2011 irrespective of the date on which the document is signed.
- 6.2 This agreement shall continue for 9 years and eleven months and terminates on 31 May 2021.

7

UNDERTAKINGS AND OBLIGATIONS OF KM AND LIRA:

- 7.1 Both parties shall make available to Mancom all the necessary research and ideas that they may have evolved in regard to the

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Project and will use all their knowledge and experience to further the objectives of the Project.

7.2 Both parties shall, in general:

7.2.1 manage the structuring and starting up process, including but not limited to the formation of Mancom;

7.2.2 promptly carry out, to the best of their ability and as swiftly as possible, all instructions from Mancom;

8

MANAGEMENT COMMITTEE:

8.1 The parties shall, for the purpose of this Agreement and to replace any existing committee, establish a Management Committee (Mancom) which shall meet as soon as possible after signature hereof and thereafter meet on a regular basis to carry out the business of the Project in terms of this Agreement.

8.2 The Mancom shall consist of seven (7) persons with three (3) persons being nominated by KM; two (2) persons being nominated by LIRA and one (1) person being nominated by each of The Friends of Steenbok Nature Reserve Trust and SANParks.

8.3 The Mancom meetings may be attended by other representatives of the parties as the Mancom may deem necessary on a purely consultative basis.

8.4 Any member of the Mancom may in writing appoint a representative in his / her place to appear and act at meetings in his / her absence from time to time.

8.5 The Mancom shall meet as often as required, but at least twice per annum, the first meeting in the last quarter of each year to plan for each forthcoming year and the second meeting in the second quarter of each year to audit progress as against the proposed plans for the year.

8.6 LIRA shall keep a Minute of all deliberations I decisions of Mancom and shall submit copies of all Minutes / records to members.

8.7 The Mancom shall be entitled to delegate any of its powers to any one or more of its members, subject to such terms and conditions as it may deem fit.

8.8 Each party and member of the Mancom shall:

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- 8.8.1 display the highest degree of good faith and goodwill towards others and in respect to all matters relating to the Project;
 - 8.8.2 avoid a conflict of interest with its/ his/her own interests, which shall all times be subservient to the this agreement and the Project;
 - 8.8.3 make a full disclosure of information relating to the affairs of the Project to the parties as soon as practically possible.
- 8.9 Decisions as to the protocols to be implemented in terms of clause 3.2.2 shall be taken from time to time by Mancom.

9

DISPUTE RESOLUTION:

- 9.1 Should any dispute arise in regard to any aspect of this agreement, such dispute shall be resolved by consultation between the Mancom members and, if they are not able to resolve same, between LIRA and the KM.
- 9.2 Should such dispute not be able to be resolved by LIRA and the KM as envisaged above, then the said dispute or difference will, if demanded by any party on written notice to the other party, be submitted for resolution to a referee following a hearing in accordance with the provisions as set out below.
- 9.3 The hearing referred to in Paragraph 9.2 will be held:-
- 9.3.1 at Knysna;
 - 9.3.2 informally but in accordance with the provisions of the Arbitration Act 42 of 1965, as amended;
 - 9.3.3 with a view to its being completed within thirty (30) business days after it is demanded, having particular regard to any urgency regarding the matter in issue
- 9.4 The referee will be, if the question in issue is:
- 9.4.1 primarily an accounting matter, a practising independent chartered account of not less than fifteen (15) years standing;

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9.4.2 primarily a legal matter, a practising senior advocate or attorney of not less than fifteen (15) years standing as such;

9.4.3 any other matter, an independent person;

and failing agreement between the parties as to such accountant, senior advocate, attorney or independent person within forty eight (48) hours after a hearing of the dispute has been demanded in terms hereof, such person to be appointed by the President for the time being of the South African Institute of Chartered Accountants or the President for the time being of the Cape Town Bar Association or Law Society of the Cape of Good Hope, whichever is relevant according to the above provisions.

9.5 If Agreement cannot be reached between the parties within forty eight (48) hours after a hearing has been demanded as to whether the question in issue falls to be adjudicated by an advocate or a chartered accountant, then a practising Senior Advocate of not less than fifteen (15) years standing, to be appointed by the President for the time being of the Cape Town Bar Association or Law Cape of Good Hope.

9.6 The referee:

9.6.1 will have regard to the desire of the parties to dispose of such dispute expeditiously, economically and confidentially;

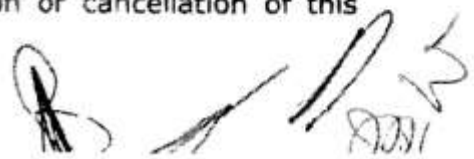
9.6.2 will not need to observe or take into account the strict rules of law in arriving at his decision, which will be made as an expert and not as an arbitrator.

9.6.3 will determine the party liable for his costs and the costs of an expert he consults and such party will pay his costs;

9.6.4 will be entitled to consult with attorneys, Counsel or any other expert with regard to any matter or issue as he may deem fit.

9.7 The parties irrevocably agree that the decision in any proceedings hereunder will be final and binding on all of them and will forthwith be carried into effect and may be made an order of any Court of competent jurisdiction.

9.8 The provisions of this clause will continue to be binding on the parties notwithstanding any termination or cancellation of this agreement.

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GENERAL:

- 10.1 This Agreement contains the entire agreement between the parties and no representations or prior discussions or purported agreements shall be of any force or effect unless reduced to writing and signed by the parties hereto.
- 10.2 No alteration, amendment or purported consensual cancellation hereof shall be of any force or effect unless reduced to writing and signed by the parties hereto.

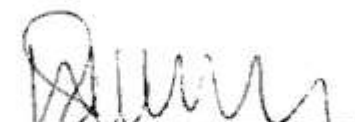
THUS DONE AND SIGNED AT KNYSNA ON 17 October 2011
IN THE PRESENCE OF THE UNDERSIGNED WITNESSES.

AS WITNESSES:

1.

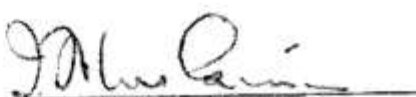


2.


KNYSNA MUNICIPALITY

THUS DONE AND SIGNED AT KNYSNA ON
IN THE PRESENCE OF THE UNDERSIGNED WITNESSES.

AS WITNESSES:

1. 

2. 


LEISURE ISLE RESIDENTS
ASSOCIATION



Leisure Isle Residents Association

INCORPORATING ISLAND SECURITY

www.leisureislandknysna.co.za

Ms Nonhlanhla Mndebela
Head Properties
Knysna Municipality

Dear Nonhlanhla

Background

In February 2006 Knysna Municipality ("KM") and the Leisure Island Residents Association ("LIRA") entered into an agreement to govern the joint management of erven 2813 and 2904 Knysna to "manage the eco system of the property on the northern shores of Leisure Isle for the benefit of all Knysna residents, and its visitors, to ensure the natural heritage of this area is nurtured and protected for the benefit of the current and future generations".

The area which is the subject of this agreement is known as the Steenbok Nature Reserve and includes a multi-use section east of the boat harbour and a wilderness section (Kingfisher Creek) west of the harbour. This agreement was replaced in October 2011 with a new agreement along similar lines which is due to expire on 31 May 2021.

The key aspects of the agreement are:

- A trust, The Friends of Steenbok Nature Reserve Trust ("the Trust"), has been established to hold and manage all funds collected for use in managing Steenbok Nature Reserve;
- A Management Committee ("Mancom") has been established to manage the nature reserve;
- The Mancom has 3 KM representatives, 2 from LIRA, one from SANParks and one from the Trust;
- LIRA and KM currently contribute R55,200 and R46,639.84 respectively towards the annual cost of the nature reserve;
- Through the acquisition of "members" of the Trust, a further R75,000 to R100,000 is raised per annum from the public, both from Leisure Isle residents and others in Knysna;
- Mancom (along with several volunteers) oversees the park maintenance, marketing, website, newsletters and fund raising;
- An annual management plan is produced each year. The plan for the current year has been submitted and accepted by all parties.

Benefits

The agreement between LIRA and KM provides a structure in which the responsibility and cost of maintaining the Steenbok Nature Reserve is shared between LIRA, KM and the public, creating a considerable saving to KM on the maintenance of this important piece of natural heritage. The reserve is available to the public for, inter alia, walks, guided educational visits, dog walking and fishing off the seawall. It is a facility which is well used and much loved, while preserving a part of the natural environment for future generations.

Renewal

LIRA would like to renew this agreement on the same terms and conditions as the existing agreement. Given the urgency of the issue it has been suggested that a short-term renewal should be obtained to give time for a formal submission to KM. It is also noted that this is not a “lease” in the traditional sense in that there is no rental paid and the property is managed jointly.

I look forward to your response and to working with you to ensure all relevant steps are taken in order to extend this very important agreement.

Yours sincerely

Mary-Anne Beviss-Challinor

Chairman – Leisure Island Residence Association



THIRD ADDENDUM TO PRINCIPLE AGREEMENT

Entered into by and between

KNYSNA MUNICIPALITY

Herein represented by the **Dawid Jacobus Adonis** with ID Number
640114 5048 082

in his capacity as
Acting Municipal Manager duly authorised thereto

And

LEISURE ISLE RESIDENT'S ASSOCIATION

Herein represented by the **Mary-Anne Beviss-Challinor** with ID/Passport Number
651001 0037 085

in his/her capacity as
Chairman duly authorised thereto

1. PREAMBLE

- 1.1 WHEREAS in terms of the Agreement; (hereinafter referred to as the "PRINCIPAL AGREEMENT"), the parties agreed to the management of the eco-system of the northern shores of Leisure Isle for the benefit of all the Knysna residents, and its visitors, to ensure the natural heritage of the area is nurtured and protected for the benefit of all.

1.2 WHEREAS the property means Erven 2813 and 2904, Knysna, which properties where bequeathed by the late Mc C.E Cearn upon certain specific conditions embodied in the title deeds of the properties; and

1.3 WHEREAS the agreement shall be for 9 years and eleven months and terminates on 31 May 2021.

1.4 WHEREAS the agreement continue for a further period of 2 months and terminates on 31 July 2021.

1.5 WHEREAS the agreement continue for a further period of 5 months and terminates on 31 December 2021.

2. NOW IT IS AGREED AS FOLLOWS:

2.1 That the agreement shall continue for a further period of 4 months and terminates on 30 April 2022.

2.2 Otherwise the remaining terms and conditions of the **"PRINCIPLE AGREEMENT"** shall remain in force and effect.

Dated at Knysna this 15 day of DECEMBER 2021.

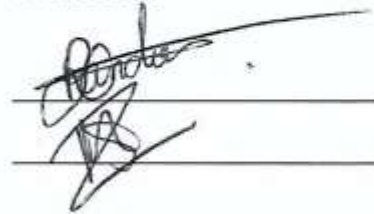
Witnesses:



**KNYSNA
MUNICIPALITY**

Dated at Knysna this 15TH day of DECEMBER 2021.

Witnesses:





LEISURE ISLE RESIDENT'S ASSOCIATION

15.8

C08/03/22 PURCHASE OF BUILDING FOR THE PURPOSE OF OFFICE ACCOMMODATION FOR THE KNYSNA MUNICIPALITY

REPORT FROM ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To submit to Council for consideration, the purchase of Erf 9762, Knysna (Woodmill Walk) for the purpose of office accommodation for the Knysna Municipality.

BACKGROUND/DISCUSSION

Council at its meeting held on the 31st of March 2021, unanimously resolved as follows :

**"C07/03/21 PURCHASE OF BUILDING FOR THE PURPOSE OF OFFICE
ACCOMODATION FOR THE KNYSNA MUNICIPALITY**

UNANIMOUSLY RESOLVED

- [a] That the report on the purchase of a building for office accommodation be noted;*
- [b] That Council approves in principle the purchasing of Erf 9762, Knysna (Woodmill Walk Building);*
- [c] That the Acting Municipal Manager advertises the intended purchase of Erf 9762, Knysna for public comment and counter offers and;*
- [d] That the Speaker arrange a Workshop for all Councillors regarding the purchase of a building for office accommodation before the next Ordinary Municipal Council meeting."*

The Acting Municipal Manager in execution of the aforesaid resolution advertised the intended purchase and call for counter offers in Die Burger and the Knysna Plett Herald.

A copy of the advertisement is attached hereto marked **Annexures A** and **B** respectively.

At the close of the comment period, the Municipality received one counter offer from John and Carina Martin. A copy of their proposal is attached hereto marked **Annexure C**. In summary they are offering two residential properties adjacent to the property owned by the municipality, known as 14 Church Street. The 14 Church Street property has already been identified by Council as a homeless shelter and would not be available for office accommodation.

A further comment was received from Ms. Susan Campbell. A copy of the comment is attached hereto marked **Annexure D**. It must be noted that the documentation that served before Council was available electronically and it was not required for any member of the public who required access thereto, to visit the office of Ms. Paulsen. No request for perusal of the item and documents which served before Council was requested by Ms. Campbell either by way of hard copy or electronically.

The administration sourced two market related valuations from two property valuers, being DDP valuers and CDV valuations. Copies of the valuations are attached hereto marked **Annexures E & F** respectively.

The office of the Acting Municipal Manager received an offer from Mr. Jim Parkes on behalf of the property owners. We attach hereto a copy of the offer marked **Annexure G**.

The top management team of the Knysna Municipality, as well as the Manager: Legal Services and Head Properties met with the architect with the view of reducing the cost of renovation to convert the building into suitable office accommodation to cater to the needs of the Knysna Municipality.

We attach hereto a revised cost for renovations marked **Annexure H**. We anticipate that the time period required for renovations would be approximately 9 to 12 months. In order to limit related cost and should Council proceed with the purchase of the building, we would move certain divisions into the building in phases, as soon as such office space is ready for occupation. We would endeavor to move our Customer Care Center first and secondly Planning & Development and Infrastructure Services.

The Office of the Acting Municipal Manager received a submission from Albatros Properties proposing the sale of the Old Main Building (currently providing office accommodation to Planning & Development, Infrastructure Services, Integrated Human Settlements, as well as Public Participation). A copy of the proposal is attached hereto marked Annexure I. The Albatros Building offers 1,758 m² office space which will mean that other buildings will still have to be leased to cater for other administrative officials.

FINANCIAL IMPLICATIONS

The financial implications calculations are based on the following assumptions:

- That the Woodmill Walk Building be purchased at the market related valuation of R 32.0 million (VAT excluded) as calculated by CDV Waardeerders (Pty) Ltd (**Annexure E** attached to this item);
- The estimated renovation costs of R 29.866 million (VAT excluded) as per the Supplementary Preliminary Report from the consulting team (Annexure H attached to this item); and
- An external loan of R 61.866 million (R32.0 million + R29.866 million) to fund the project as the calculations in Annexure J attached to this item indicate.

In the table below is a summary of the calculations made in Annexure J to motivate the feasibility of the project.

The Municipality currently leases the Albatros Property Trust Building at a monthly rental of R 308,934 and over the next 20 years at a yearly escalation rate of 7% will pay a total rental of R 151,978,653 (Row 1 & Column D) which will relate to a Net Present Value (NPV) of R 69,293,533 (Row 1 & Column F) if discounted at 7% per year.

The Municipality also currently leases the Nobel Spectatus Fund 4 (Pty) Ltd Building at a monthly rental of R 181,523 and over the next 20 years at a yearly escalation rate of 7% will pay a total rental of R 89,299,579 (Row 2 & Column D) which will relate to a NPV of R 40,715,477 (Row 2 & Column F) if discounted at 7% per year.

The Municipality also currently leases the Deon & Carina Boshoff Building at a monthly rental of R 30,936 and over the next 20 years at a yearly escalation rate of 10% will pay a total rental of R 21,262,255 (Row 3 & Column D) which will relate to a NPV of R 9,138,640 (Row 3 & Column F) if discounted at 7% per year.

In total the Knysna Municipality will pay over the next 20 years an estimated R 262,540,487 (Row 4 & Column D) for the three properties the Municipality leases from the owners which will relate to a NPV of R 119,147,650 (Row 4 & Column F) if discounted at 7% per year.

Leasing Properties Versus Buying and Renovating the Woodmill Walk Building						
Row Number	Description	Current Monthly Rental	Yearly Escalation %	Rental Over 20 Years	Discounted %	Net Present Value
Column Reference	A	B	C	D	E	F
1	Albatros Property Trust Building	R308 934	7%	R151 978 653	7%	R69 293 533
2	Noble Spectatus Fund 4 (Pty) Ltd Building	R181 523	7%	R89 299 579	7%	R40 715 477
3	Deon & Carina Boshoff Building	R30 936	10%	R21 262 255	7%	R9 138 640
4	Rental Over 20 Years			R262 540 487		R119 147 650
5	Installments on a 7% Loan over 20 Years			R107 337 510	7%	R61 866 000
6	Savings Over 20 Years (Row 4 - 5)			R155 202 977		R57 281 650
7	Installments on a 10% Loan over 20 Years			R126 825 300	7%	R74 335 515
8	Savings Over 20 Years (Row 4 - 7)			R135 715 187		R44 812 135

Taking up an external loan for the R 61,866,000 to be repaid over twenty (20) years at a variable interest rate of 7% will currently cost the Municipality an estimated R 107,337,510 (Row 5 & Column D). If we compare this amount with the total rental amount of R 262,540,487 (Row 4 & Column D) to be paid over the next twenty years, the Municipality will realise a saving of R 155,202,977 (Row 6 & Column D) over the 20-year period at a NPV saving of R 57,281,650 (Row 6 & Column F) if discounted at 7% per year.

Taking up an external loan for the R 61,866,000 to be repaid over twenty (20) years at a variable interest rate of 10% will currently cost the Municipality an estimated R 126,825,300 (Row 7 & Column D). If we compare this amount with the total rental amount of R 262,540,487 (Row 4 & Column D) to be paid over the next twenty years, the Municipality will still realise a saving of R 135,715,187 (Row 8 & Column D) over the 20-year period at a NPV saving of R 44,812,135 (Row 8 & Column F) if discounted at 7% per year.

Comparing the estimated actual cash outflows and the net present values of leasing the current properties for the next 20 years with the estimated actual cash outflows and the net present values of services an external loan for the purchasing and renovation of the Woodmill Walk Building; clearly indicates that purchasing and renovation of the Woodmill Walk Building is the most financial viable option.

Comments from the Acting Municipal Manager

In principle it is supported that the best financial option must be followed to ensure long term financial benefits for Knysna. It is not sustainable to continue with the lease of office space. A final workshop must be held to determine the way forward. Council did not budget for R60 million during the 2021/2022 financial year or for the 2022/2023 financial year. During the proposed period for alterations on the building, Council will have additional operation expenses for the current leases as well as the finance cost of the proposed loan/bond.

Comments from Senior Management

Manager : Legal Services

Council approved the in principle purchase of a building for office accommodation. The intention was published and alternative submissions were received. A comparison was made and alternate bids placed before council for consideration. These were considered by the previous council and referred to the newly elected Council for the term 2021/2026. Council need to consider whether or not to proceed with the acquisition of the property. Should Council proceed with the acquisition, an advertisement for financing by way of a mortgage bond must be advertised.

Acting Director : Corporate Services

The item is submitted to Council in execution of the resolution of the Council elected for the 2016/2021 Council term.

Acting Chief Financial Officer

Propose that a workshop be held prior to Council consideration. Affordability of the loan and cost-benefit analysis to be deliberated.

Recommendations are no longer valid eg, (b) purchase price of the erf is not R61,866,000 and (d) February 2022 Adjustments Budget has already been approved.

Director : Community Services

Yes.

Director : Infrastructure Services

Yes.

Acting Director : Planning and Development

Yes.

Acting Director : Human Settlements

Yes

RELEVANT LEGISLATION

MFMA

RECOMMENDATION FROM THE ACTING MUNICIPAL MANAGER

- [a] That the report on the purchase of Erf 9762, Knysna (Woodmill Walk Building) be noted; and
- [b] That a final workshop be held during April 2022 between officials and council to finalise the financing model for office accommodation.

ADDENDUM

Annexure A : The Advert in Die Burger
Annexure B : The Advert in the Knysna-Plett Herald

Annexure C : Counter offer from John and Carina Martin
Annexure D : Comments from Susan Campbell
Annexure E : Valuation from CDV Waardeerders
Annexure F : Valuation from DDP Valuers
Annexure G : Offer by Jim Parkes
Annexure H : Revised Woodmill Walk Supplementary Report - September 2021
Annexure I : Albatros offer of sale for Erf 985
Annexure J : Financial implications calculations
Annexure K : Previous Item of the 31st March 2021
Annexure L : Resolution of 31ST March 2021

File Number : 7/2/1/2

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

die twee het gekookt."

"Sy het in groei en de twee had
makker naar een andere en groter
overstelt by die ring van haar
vinger getuisk het."

"Ik in verson diering. Die is se
les wat ik ring met want het," se
sy.

Hulle begin om 'n ver-
smaatsprekings om 'n Westerse
trou te het, enook 'n tradisie
le Soedoesantoniens volgete
Nokome se kultuur.

"Dus is ongetroude gadinge
aggenante se die boeke. Al
les word net reg."

gewoon en het haar afke-
rslingskaart verleden jaar voornam.
"En het is haar juist later
en onder de kinderen kan
het makkelijker later kan het," zei
Albert. "Van daar het die dingen
gebeurt."

Naar goede wind liefde
Van die vijf laatste die ze samen
in liefde nu iets opgewaait
in de program rde, het is juist
op dat die liefde gericht.

RF 600 van Lelandsburg in de
Wes-Kaap het Charlotte ont-
staan nadat zij vier maanden in Lelandsburg

“Ik en Charlotte hebben al snapper samen gezonde maats,” aldus FF. “Sy hat snapper getrukt en hiet nou bloed hier en omme oet is tegenspreker van wat die boezome liden. Ek is 190% oerzake ok het die regte een maats anhou.”

At het Muzeyj (M) van Dordrecht, in Middelburgse kerkhof bijen en Dordt, de vries van Muzeyj en Muzeyj gelid het nadelig by sy kenne wettig het, het dinge die tussen beide aangekomen was.

[illegible][illegible][illegible]



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OPPORTUNITIES FOR INVESTMENT

AMERICAN EYE DRUGSTORE, INC. IS NOW OPEN TO THE PUBLIC AND WE ARE NOW ACCEPTING INVESTORS FOR THE FOLLOWING OPPORTUNITIES:

1. **Full Ownership Opportunity:** An individual who desires to own and operate a full service drug store in a desirable location. The investor would be responsible for all aspects of the business, including inventory, staffing, and marketing. The investor would also be responsible for all aspects of the business, including inventory, staffing, and marketing.

2. **Partnership Opportunity:** An individual who desires to own and operate a full service drug store in a desirable location. The investor would be responsible for all aspects of the business, including inventory, staffing, and marketing. The investor would also be responsible for all aspects of the business, including inventory, staffing, and marketing.

3. **Franchise Opportunity:** An individual who desires to own and operate a full service drug store in a desirable location. The investor would be responsible for all aspects of the business, including inventory, staffing, and marketing. The investor would also be responsible for all aspects of the business, including inventory, staffing, and marketing.

PUBLIC NOTICE

NOTICE OF PROPERTY AND ESTATE SALES FOR THE PURPOSE OF OFFERING INVESTMENT OPPORTUNITIES FOR THE PURCHASE OF AMERICAN EYE DRUGSTORE, INC. STOCK:

The following notice is given to the public regarding the sale of American Eye Drugstore, Inc. stock. The sale will be held on the following dates and at the following location:

- 1. **Date:** Tuesday, January 1, 2013
- 2. **Time:** 10:00 AM to 4:00 PM
- 3. **Location:** American Eye Drugstore, Inc., 1234 Main Street, Anytown, USA

The sale will be held in accordance with the terms and conditions of the sale. The sale will be held in accordance with the terms and conditions of the sale. The sale will be held in accordance with the terms and conditions of the sale.

Ekklusief op
NETWERK24
Elke maand laai ons 'n nuwe
luisterboek op Netwerk24.
Luister saam!

Luisterboeke
in Afrikaans!

Die
DAO
VAN
DAAN
VAN DIE
WALT
COVERED
S. DU PREEZ

Goen na www.netwerk24.com
en word 'n inskrywer vir net

R99
per maand

NETWERK24 nb

ED 1704 - 27 April 2021

"There is nothing more difficult than waking someone who is only pretending to be asleep."

FREE! HOME GROWN, IT JUST READS BETTER!

ACTION ADS



Knysna 7/2/11
Municipality || Munisipaliteit || uMasipala
inclusive || innovative || inspired

PUBLIC NOTICE
PURCHASE OF PROPERTY: ERF 9762 KNYSNA FOR THE PURPOSE OF OFFICE ACCOMMODATION FOR THE KNYSNA MUNICIPALITY

Notice is hereby given that the Knysna Municipality Council, at its meeting of 31 March 2021, resolved to purchase Erf 9762 Knysna, generally known as Woodmill Walk, for the purpose of office accommodation subject to the following:

- That the Council shall advertise its intention to purchase the property, and
- That the Council shall invite the public to lodge written comments or counter proposals.

The property offers 4,153m² in floor space with parking on top of the building. The property can cater for all administrative officials – currently in leased buildings – to be centralized for the public's convenience. The documentation that served before Council lies open for inspection at office of the Manager Legal Services, Ms Melony Paulsen, at the Main Municipal Office Building in Clyde Street, Knysna.

Any person who desires to comment on the Council's intention to purchase the property must make their submissions in writing to the Acting Municipal Manager, P O Box 21 Knysna 6570.

Comments or detailed counter proposals can also be e-mailed to cfo@knysna.gov.za

Technical enquiries can be directed to the Manager Legal Services, Ms Melony Paulsen at mpaulsen@knysna.gov.za or telephone 044 302 6492.

Submissions must reach the municipality not later than **10 May 2021**.

Dawid Adonis
Acting Municipal Manager

www.knysna.gov.za



BIKE BATTERIES, FULL RANGE @
Battery & Tyre World. 044 382 5142

BUILDERS ... Contact CX Tippers & Diggers for all your planthire & aggregate requirements. Quality products & service at your doorstep. Ph 044 382 1645

HOUSE FOR SALE: Knysna Central. 3 bed, 1 bath. Ideal property for Commercial development or office use. R3,2m. For more information, call Anita 083 449 1424. RF/MAX

SHOP-4-U, the name says it all! We do your shopping, we shop from all of the major grocery / liquor stores and have an online supplements shop. Stay home, stay safe and let us Shop-4-U! Phone us today 0861 777 017 (e-mail) info@shop-4-u.co.za (website) www.shop-4-u.co.za

MARIO, MALAWI, looking for extra garden job, hard working. Ph 063 366 3483

VISIT: www.actionads.co.za

PCL AUTO SERVICES – Pete has provided affordable and reliable service to Knysna community for the past 35 years. There must be a good reason why we are still going strong. Contact Peter or Anthony on 044 382 6409

WALL TO WALL & PERSIAN OR machine rugs cleaned professionally, call Rugbusters at 078 526 6721

MARY, MALAWIAN, seeks 2 days domestic work. Ph 061 724 3567

INGESKRYWE VERPLEEGKUNDIGE (STAFF) / ENROLLED NURSE (STAFF) / NURSE
Loodsehof Tshisa vir Bajasides / Old Age Home - Knyana

Loodsehof Tshisa vir Bajasides is 'n program van Bedside, 'n gesamentlike beoefening van die NG Kerk (Nkomo en Suid-Kaap) en VOKSA (Kapaas). Aansoeke van kwalifikasies, verpleegkundige en gemiddelde persone word vir hierdie beoefening ingewag.

Verleëde studeer in:

- Gesondheids wetenskap / Registered with the South African Nurses Council
- Beroepsopleiding, kennis en kennis van beoefening / Interest, love for and knowledge of the study
- Oorleëding is voorkeure / Experience is advantageous
- Dit sal voordelig wees indien die aansoeker ten volle tweetaalig is in Afrikaans en Engels. It will be an advantage if the applicant is bilingual in Afrikaans and English.

Ons bied 'n onderverpleegkundige salaris van R12 000 per maand, afwisselende en 'n nuwe verpleegkundige salaris van R12 000 per maand en 'n nuwe verpleegkundige salaris van R12 000 per maand.

Diensteaanvraag / Starting date: By speedily moonlight deans / as soon as possible

Buitingsdatum vir aansoek / Closing date for applications: 3 Mei 2021 / 3 May 2021

Aansoekers kan hul aansoek / Applications can be sent to: manager@loodsehof.co.za F: 044 383 2866

Loodsehof Tshisa vir Bajasides is 'n sending in 'n nuwe, indien u nie 'n mens gekantel is nie, was u 'n mens gekantel is nie.

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PUBLIC NOTICE
CALLING FOR INSPECTION OF THE SUPPLEMENTARY VALUATION ROLL AND LODGING OF OBJECTIONS

Notice is hereby given in terms of Section 49(1)(a) (i) read together with Section 78(2) of the Local Government: Municipal Property Rates Act 6 of 2004 (hereinafter referred to as the "Act") that the Supplementary Valuation Roll 04 is open for public inspection at the municipal offices/venues listed below, from 22 April 2021 to 24 May 2021, Mondays to Friday during working hours. In addition, the Supplementary Valuation Roll 04 will be available on the following official municipal website - www.knyana.gov.za from 22 April 2021.

An invitation is hereby made in terms of Section 49(1)(a) (i) read together with Section 78(2) of the Act that any owner of property or other person who so desires, should lodge an objection with the Municipal Manager in respect of any matter reflected in, or omitted from, the Supplementary Valuation Roll 04 within the above mentioned period.

Attention is specifically drawn to the fact that in terms of Section 50(2) of the Act an objection must be in relation to a specific individual property and not against the Supplementary Valuation Roll 04 as such. The objection forms for the lodging of an objection is obtainable at the following addresses/venues: Knyana Customer Care Centre, Sedgemoor municipal office, Karara office, libraries in Rhenodai, Hornes and Jood se Kamp.

Completed forms must be returned on or before 24 May 2021 at any of the following venues: Knyana Customer Care Centre, Sedgemoor municipal office, Karara office, libraries in Rhenodai, Hornes and Jood se Kamp. Alternatively, the forms can be emailed to valuations@knyana.gov.za

For enquiries, Mandisa Gloria Silke, PO Box 21, Knyana, 6576, Telephone: 044 - 302 6556/302 6597

PLEASE NOTE: Objections will not be entertained by the Municipality, unless they are timely lodged on the prescribed objection form and submitted at the above venues.

David Adonis
Acting Municipal Manager

www.knyana.gov.za

THESE ISLANDS KNYSNA

TENDER NOTICE FOR SECURITY SERVICES AT THESE ISLANDS
Tender reference: TIHOA 001/21
Submission date: 15 June 2021

Security companies are invited to submit tenders for the provision of security services at These Islands Homeowners Association (TIHOA) in Knyana.

Tender documentation will be available electronically from 19 April 2021 from info@tihoa.co.za (e-mail).

Interested parties can contact TIHOA for inclusion at the site survey on Tuesday 4 May 2021 as well as the Q&A session on Wednesday 19 May 2021.

TIHOA reserves the right to accept or reject any tender submission without assigning any reason whatsoever.

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PUBLIC NOTICE
PURCHASE OF PROPERTY: ERF 9762 KNYSNA FOR THE PURPOSE OF OFFICE ACCOMMODATION FOR THE KNYSNA MUNICIPALITY

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- That the Council shall invite the public to lodge written comments or counter proposals.

The property offers 4,153m² in floor space with parking on top of the building. The property can cater for all administrative officials - currently in leased buildings - to be centralized for the public's convenience. The documentation that served before Council lies open for inspection at office of the Manager Legal Services, Ms Melony Paulsen, at the Main Municipal Office Building in Clyde Street, Knyana.

Any person who desires to comment on the Council's intention to purchase the property must make their submissions in writing to the Acting Municipal Manager, P.O. Box 21 Knyana 6570.

Comments or detailed counter proposals can also be e-mailed to clerk@knyana.gov.za

Technical enquiries can be directed to the Manager Legal Services, Ms Melony Paulsen at mpaulsen@knyana.gov.za or telephone 044 302 6492.

Submissions must reach the municipality not later than 10 May 2021.

David Adonis
Acting Municipal Manager

www.knyana.gov.za

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Technical enquiries can be directed to the Manager Legal Services, Ms Melony Paulsen at mpaulsen@knyana.gov.za or telephone 044 302 6492.

Submissions must reach the municipality not later than 10 May 2021.

David Adonis
Acting Municipal Manager

www.knyana.gov.za

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T 54/2020/21
REQUEST FOR PROPOSALS FOR THE ESTABLISHMENT & OPERATION OF A HOMELESS SHELTER

Bids are invited from suitable service providers for the establishment and operation of a homeless shelter.

The physical address for collection of tender documents is Supply Chain Management Unit, Finance Building, Queen Street, Knyana.

Tender documents must be downloaded from the Knyana Municipality website www.knyana.gov.za at no cost. Website navigation is as follows: Do Business - Bidding Opportunities - Tenders - Current Tenders.

Technical enquiries relating to the tender documents may be addressed to: Mrs L. Buzler, Tel 044 302 6343 or e-mail l.buzler@knyana.gov.za

The closing time for submission of bids is 12h00 on Wednesday, 26 May 2021. Bids must be sealed in an envelope clearly marked with the bid number and the name of the bidder and placed in the bid box at the Supply Chain Management Unit, Finance Building, Queen Street, Knyana, on or before the mentioned time and latest date. Telephone, facsimile and late bids will not be accepted. Bids must remain valid for a period of 90 days after the closing date of the bid. Notwithstanding the period for validity of bids as set out in the bid documents, bids shall be deemed to remain valid until formal acceptance by the Knyana Municipality of an offer at any time after the expiry of the original validity period, unless the Knyana Municipality is notified in writing of anything to the contrary including any further conditionality by the bidder.

The tender will be awarded to a tenderer who scores the highest points on functionality. The functionality points must not be less than a minimum of 75 points.

The price and preference points system is not applicable in this tender.

Bids will be opened on the same day at the Supply Chain Management Section at 12h00. Late or unmarked bids will not be considered.

Bids may only be submitted on the bid documentation that is issued.

The Municipality reserves the right to withdraw any invitation to bid and/or re-advertise or to reject any bid or to accept a part of it. The Municipality does not bind itself to accept the lowest bid or to award a contract to the bidder scoring the highest number of points.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE AS DEFINED IN THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS (GOVERNMENT GAZETTE NO 40559 DATED 20 JANUARY 2017).

Further requirements for sealing, addressing, delivery, opening and assessment of bids are stated in the Tender Document.

David Adonis
Acting Municipal Manager
Clyde Street
Knyana
6570

www.knyana.gov.za



To whom it may concern

We send an email to the Knysna Municipality on the 01st of the April 2021 with a proposal about a property that we are marketing in Church Street. They notified us about the Notice in the Burger on the 16th of April and in the Knysna Plett Herald of the 22nd of April 2021 about their plans to buy ERF 9762, Woodmill Walk, as office space. In the Notice they ask for the public's input and proposals.

Our input & proposal - It is a very good idea to get all the different departments together. We however have another property we want to propose that could be of great advantage to the Knysna Municipality and the Community.

We grew up in Knysna and are very fond of your town and it will forever stay our special town. We spent all holidays and long weekends with our family and friends in Knysna and are planning to retire there.

Woodmill Lane is a beautiful centre and it was always an enjoyable experience to do shopping there. It will be lovely if this Centre can be restored and become the meeting place in town again. A lot changed when the parking was taken out at Templeman Square. The stalls were on the sidewalk and it worked just great. Knysna has a parking problem and this should never have happened. All the businesses in that square tried to make it but a lot of them closed down because of feet and of course parking. We recommend that the Municipality first of all put back the parking space and get the feet back into that area. With new vision, the Woodmill Lane & Woodmill Walk can be restored back to the vibrant mall it uses to be.

Woodmill Walk was a good overflow from Woodmill Lane and always full of vibrant shops. This can happen again. Knysna biggest problem is parking. Where is the public going to park? They cannot make use of Woodmill Lanes parking. It is already a big problem to get parking.

Erf 16068 – Church Street, Knysna



When the Sellers of this property gave us the opportunity to market their property, we had a look at it and decided to market it to Knysna Municipality first, as it will be of great advantage to the Municipality since it is bordering the beautiful property with the old house with the Christmas Roses. We cannot imagine Knysna without that house and it is so sad to see the current state thereof. This is why we decide to make use of the Google Map photos we got from CMA.

Municipal house in Church Street



Size of Erf 16068: +- **4079sqm**. There are 2 houses on this property and both are older than 60 years.



House 2 & 3 in Church Street



The back gardens of these properties are huge and will allow plenty of building, parking space.

Aerial photo of the 2 properties together



Size of the two properties together : +- 1.0117 hectares.

Marketing price of this property is R7 000 000-00 excluding VAT. (Sellers are VAT registered)

Municipal Departments - With the different departments of the Municipality spread throughout town, we are in agreement that it will be to the advantage of Knysna, if you can obtain this property and put everything in one location. There is more than enough space to build an office building and for example, the Fire Department & Law Enforcement can move into the area with the Municipal Flats. Motor Registration, Driver License & Learners Testing Centre can be relocated to the old house next to the flats. One of the 2 x old houses, which we are now marketing to you, use to be the ambulance centre many years ago, this house can for example become the Municipal Clinic, etc.

Esthetic Committee - All 3 the houses in Church Street are older than 60 years and the Esthetic Committee will have to give their input.

Traffic - The traffic will also flow easily from Church Street to the rest of Knysna. The central part of town is already heavily congested and during weekends and seasonal times it is absolute chaos and with the offices being at the Woodmill Walk, it will just add more to the chaos as there is no parking available.

We look forward to hearing the outcome and what the input of the rest of the Knysna public.

May everything work out for the best of the whole of Knysna.

KIND REGARDS

JOHN & CARINA MARTIN
Property Practitioner Real Estate
ENTRUSTED WITH PROPERTY & LOVING IT...

2021-04-30



Colab No.:

Siphelele Ndiza

File No: 15/5/1

From: Susan Campbell <sucam@mweb.co.za>
Sent: 08 May 2021 17:06
To: Jacques Carstens; MM; Knysna Municipality
Subject: COMMENTS ON THE PURCHASE OF PROPERTY
Attachments: COMMENTS ON THE PURCHASE OF PROPERTY.docx

Good Day

Attached please find my comments.

Kindly note that the notification period is too short, does not comply and the notice needs to be re advertised.

Kind regards

MS Campbell



R. Hardwick

10/5/2021

gkg

**COMMENTS ON THE PURCHASE OF PROPERTY: ERF 9762 KNYSNA FOR THE PURPOSE OF OFFICE
ACCOMMODATION FOR THE KNYSNA MUNICIPALITY**

SUBMITTED BY: MS CAMPBELL

THE ADVERT DOES NOT COMPLY WITH 30 DAY NOTIFICATION REQUIREMENT

1. The proposal was advertised on the municipal website on 21 April 2021 and in the Knysna Plett Herald and Action Ads on 22 April, with a closing date for comments of 10 May 2021.
2. The notification period of less than 20 days does not comply with the 30 day notification period determined by council, as well the 30 day notification period in Paragraph 37(3)(c) of the Knysna Municipality SCM policy and the SCM Regulations.
3. The proposal therefore has to be re advertised and interested parties should be afforded 30 days from the date of the advert to comment.

THE ADVERT DOES NOT COMPLY WITH PARAGRAPH 37(3)(a) and (b) OF THE SCM POLICY.

4. Paragraph 37(3)(a) and (b) have also not been complied with.
5. The proposal should be re advertised and full reasons and an detailed explanation should be provided.

I NADEQUATE PUBLIC ACCESS TO THE INFORMATION THAT SERVED BEFORE COUNCIL

6. The documentation is advertised as available for inspection only at the office of the Manager Legal Services, Ms. Melony Paulsen, at the Main Municipal Office Building in Clyde Street Knysna.
7. This is an impractical and unacceptable arrangement, as Ms. Paulsen's office is located in a secure portion of the building and can only be accessed by appointment. This arrangement seems designed to make public access to the information as difficult as possible.
8. Arrangements should be made for the documentation to be available at easily accessible locations in all wards in Knysna.
9. Access to the documents should be provided in safe locations, where interested parties are not concerned they may be exposed to COVID.
10. A reference to the website and link should be included for easy electronic access to the documents.

THE ADVERT IS VAGUE AND AMBIGUOUS

11. The wording of the advertisement creates the impression that the decision has been made to purchase the property, whereas in the council meeting an "in principle" decision was referred to.
12. Providing an opportunity for counter proposals creates even more confusion. It is unclear whether counter proposals from owners of other potential buildings are invited. If this is what is intended, proposals should be requested through the competitive bid system.

THE MUNICIPALITY MUST CLEARLY STATE WHAT PROCUREMENT PROCESS IS BEING FOLLOWED

13. It appears that the municipality is following an unsolicited bid process, which is catered for in Paragraph 37 of the SCM policy. However the requirements of Paragraph 37(2) are not met. In terms of paragraph 37(2) *the Accounting Officer may decide to consider an unsolicited bid, only if –*
- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;*
- There is nothing unique or innovative about the building in question. It does not even meet the requirements of the municipality as it is a shopping centre and the municipality requires offices.
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;*
- The proposal is to purchase the building for R35 Million, whereas the building has been valued by Estate Agents at less than R20 Million. The municipal value, which is supposed to be the market value, is R12 Million.
- The building is a shopping centre with no natural ventilation, whereas the municipality requires offices with natural ventilation. To convert the unsuitable building to offices may cost another R35 Million.
- The building is therefore unsuitable and overpriced by at least R15 Million.
- (c) the person who made the bid is the sole provider of the product or service; and*
- This is not applicable as the municipality is looking for an office and this building is a shopping centre.
- The municipality is currently renting a building which is an office, which is for sale. There are many ways in which the municipality can acquire offices, including converting some of its own buildings or building on municipal owned land.
- (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.*
- No reasons have been provided.
14. If the municipality is treating this as an unsolicited bid process, the requirements of Paragraph 37(2) have not been met and proceeding with the purchase would be unlawful.

IF THE MUNICIPALITY IS FOLLOWING AN UNSOLICITED BID PROCESS A COPY OF THE BID MUST BE PROVIDED

15. Interested parties must have an opportunity to have access to a copy the unsolicited bid to enable informed comments and or counter proposals.

The municipality is therefore called upon to re advertise in terms of a lawful procurement process.

COMMENT SUBMITTED ON THE 8TH DAY OF MAY 2021.

CDV Waardeerders (Pty) Ltd
Nationwide Professional Property Valuers



*St John's Place
8 St John's Street
George, 6530
P.O. Box 1869, George, 6529
Tel: 083 832 6445
Also in Pretoria and Johannesburg
E-mail: cdvwaardeerders@yahoo.com*

The Municipal Manager
Knysna Municipality
No 5 Clyde Street
Knysna

Your ref: **Ms. M. Paulsen**
Our Ref: **KM 00001**
Date : **23rd August 2021**

Valuation report of Erf 9762 Knysna.

1. Request information.

- 1.1.1 Situated: Corners of Long, Pitt and Spring Streets, Knysna C.B.D, Western Cape.
- 1.1.2 Purpose of valuation: Market Related Valuation.
- 1.1.3 Instruction received on the 18th August 2021.

2. Property – details.

a. Deeds office information – Erf 9762 Knysna.

- 2.1.1 Legal description : Erf 9762 Knysna, Western Cape.
- 2.1.2 Title deed number : T48664/1999
- 2.1.3 Area of land : 4 278 m²
- 2.1.4 Purchase date : Unknown.
- 2.1.5 Purchase price : Unknown.

b. Registered Owner details.

Woodmill Walk Trust. Registration no. – 284-98

c. Location of the property.

The subject property is situated on the corners of Long, Pitt and Spring Streets in Knysna C.B.D.
Western Cape.

3. Local authority information.

a. Municipality.

Subject property falls in area administered by the Knysna Municipality.

b. Zoning/Use.

Business Zone – Current use is retail and office purposes.

4. Improvements.

Main building	-	Area: 4 053 m ²
Parking bay area	-	Area: 3 233 m ²
Substation room	-	Area: 20 m ²
Store room 1	-	Area: 16 m ²
Store room 2	-	Area: 28 m ²
Ablution	-	Area: 84 m ²

Remarks on improvements

We inspected the property on the 19th of August 2021 we found that the largest part of the building was unoccupied but still in a very good condition. We have taken pictures - added below - but found the building to be clean and very well kept.

5. Valuation method used.

5.1 Market Value.

Market value can be defined as the probable price that a willing and informed purchaser will pay a willing and informed seller in a normal open market transaction at the date of valuation, when neither party is under any anxiety or compulsion to sell or purchase, other than their normal desire to transact.

5.2 Depreciated Replacement Cost Method - (International Valuation Standards - 7th Edition)

Depreciated replacement cost is an application of the cost approach used in accessing the value of specialized assets for financial reporting purposes, where direct market evidence is limited or unavailable.

This is the cost to replace the improvements over the property with comparable similar buildings, less the depreciation of the buildings, plus the current land value of subject property.

5.3 Income Capitalization Method - (International Valuation Standards - 7th Edition)

A property is being valued, by this method of valuation if it is an income producing property. This approach is based on the assumption that a purchaser will pay an amount equivalent to the total of all present values – of present and future income less expenses capitalized at suitable capitalization rate.

6. Valuation:

A. Registered sales commercial properties in Knysna area.

<u>Sale</u>	<u>Erf</u>	<u>Price</u>	<u>Reg. Date</u>	<u>Size m²</u>	<u>R per m²</u>	<u>Remarks</u>
A	1017	R 2 250 000	2020/03/12	931	R 2 416	Retail
B	1019	R 4 600 000	2020/03/12	1 468	R 3 133	Retail
C	1044	R 3 500 000	2020/07/27	1 713	R 2 043	Retail

Aerial View.



B. Available rental information from various agents in Knyana.

 AVAILABLE NOW	R 15 000 Commercial Property Knyana Central Situated in Knyana Central, a practical Office Suite available as from 1st August 2021. Good option for an Attorneys Office, or similar ... 141 m² RE/MAX
 AVAILABLE NOW	R 16 000 Commercial Property Knyana Central Opposite the Knyana Waterfront on the corner of Bray and Waterfront Drive. Great Visibility to passing traffic. Four rooms separated ... 89 m² RealNet



R 6 200

Commercial Property

LISTED BY OWNER

Knyasa Central

11 Gray St Knyasa Central

RETAIL and OFFICE rental opportunities in Grey Street, Knyasa We have 2 RETAIL SHOPS ...

103 m²



R 14 000

Commercial Property

RealNet

Knyasa Central

Opposite the Knyasa Waterfront on the corner of Gray and Waterfront Drive. Great Visibility to passing traffic. Four rooms separated ...

89 m²



R 20 000

Commercial Property

MARR

Knyasa Central

This double storey commercial property located in a prime position in town central, comprises of ground floor retail space, with ...

220 m²

C. Valuation of subject property - Depreciated Replacement Cost Method

Ref	Description	Area m ²	Rate m ²	Replacement value	Depreciated %	Depreciated value
1	Main building	4 053	R 8 500	R 34 450 500	30%	R 24 115 350
2	Parking bay area	3 233	R 1 000	R 3 233 000	50%	R 1 616 500
3	Substation room	20	R 4 500	R 90 000	40%	R 54 000
4	Store room 1	16	R 4 500	R 72 000	40%	R 43 200
5	Store room 2	28	R 4 500	R 126 000	40%	R 75 600
6	Ablution	84	R 4 500	R 378 000	40%	R 226 800
			Sub total	R 38 349 500	Sub total	R 26 131 450
			+ 12% Esc	R 4 601 940		
			+ 3% Demolition Cost	R 1 150 485	Land value: 4 278 m ² @ R 1 400/m ²	R 5 989 200
			Total	R 44 101 925	Total	R 32 120 650
			Say	R 37 508 000	Say	R 32 000 000

D. Income Capitalization Method

Retail 4 053 m ² @ R 100/m ²	R 405 600 per month / R 4 863 600 yearly
Storage 112 m ² @ R 20/m ²	R 2 240 per month / R 26 880 yearly
Gross income	R 4 890,480
Less costs @ 25%	<u>R 1 222 620</u>
Net Income	R 3 667 860
Capitalization rate @ 11.5%	<u>R 31 894 434</u>
Value say	<u>R 32 000 000</u>

7. Valuation certificate.

I, J.S. Bosman declare that I have inspected the above-mentioned properties and I am of the opinion that the fair and reasonable market related valuation for **land and buildings as mentioned above is R 32 000 000 (Thirty-Two Million Rand Only) (VAT included).**

The Valuer was not influenced by anybody concerning this valuation. This valuation was done to the best of my ability with information to my disposal.

Thus done and signed on this **20th day of August 2021** in George.

Kindly note that neither the whole nor any part of this valuation or any part of this valuation or any reference thereto may be included in any published document, circular or statement, nor published in any way without my written consent or approval of the form and context in which it may appear.

8. Caveats.

8.1 I do not have 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.

8.2 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.

8.3 This Certificate is issued without any changes/corrections.

8.4 This valuation certificate has been prepared on the basis that full disclosure of all information and factors which may affect the valuation should have been made to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.



J.S. Bosman M.I.V. (SA)

Professional Valuer 2450

Nat. Dipl. Prop Valuations

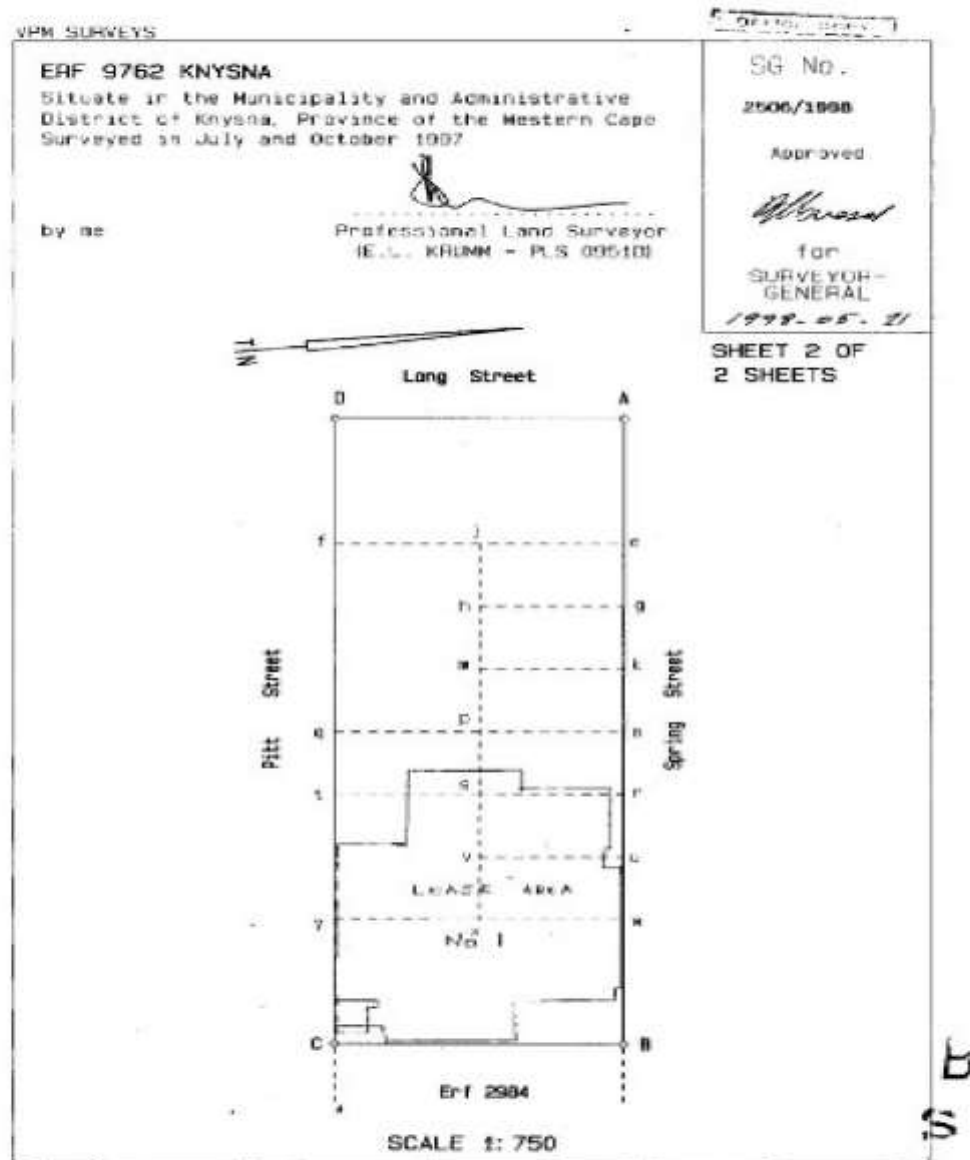
Appraiser for Master of Supreme Court (Pretoria)

Annexure A – Photos of Property





ANNEXURE B – LG DIAGRAM



ANNEXURE C – TITLE DEED INFORMATION



CAPE TOWN, KNYSNA, 9762, 0

Lexis® WinDeed

Any personal information obtained from this search will only be used as per the Terms and Conditions agreed to and in accordance with applicable data protection laws including the Protection of Personal Information Act, 2013 (POPIA), and shall not be used for marketing purposes.

SEARCH CRITERIA			
Search Date	2021/08/20 12:52	Township	KNYSNA
Reference	-	Erf Number	9762
Report Print Date	2021/08/23 06:49	Portion Number	0
Deeds Office	Cape Town		

REGISTERED PROPERTY DETAILS			
Property Type	ERF	Diagram Deed Number	T48664/1999
Erf Number	9762	Registered Size	4278.0000SQM
Portion Number	0	Municipality	KNYSNA MUN
Township	KNYSNA	Province	WESTERN CAPE
Registration Division	NOT AVAILABLE	Coordinates (Lat/Long)	-34.036707 / 23.049939
Deed Office	CAPE TOWN		

OWNER INFORMATION (1)			
WOODMILL WALK TRUST		Owner 1 of 1	
Person Type	COMPANY	Title Deed	T48664/1999
Name	WOODMILL WALK TRUST	Purchase Date	-
Registration Number	284/98	Purchase Price (R)	-
Share (%)	-	Registration Date	1999/06/23



Valuation Report

"WOODMILL WALK"
Erf 9762 Knysna

Reference number
DDPMUN2894

www.ddp.co.za



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1. CONTACT DETAILS

Client / Instructing Party	Knysna Municipality
Name	Renwill Hardnick
Title	Administrative Officer Properties
Organisation	Knysna Municipality
Address	P O Box 21 Knysna 6570
Phone	+27 (44) 3026459
Email	rhardnick@knysna.gov.za
Website	www.knysna.gov.za

Valuer / Company	DDP Valuers (Pty) Ltd
Name	Corné Theron
Title	Professional Valuer
Address	Menlyn Square Office Park North West Suite 1st Floor, East Block 134 Aramist Avenue Menlyn, Pretoria South Africa
Phone	+27 (12) 369 100
Mobile	+27 (82) 459 5401
Email	come.theron@ddp.co.za
Website	www.ddp.co.za

2. SUMMARY OF KEY FACTS

Subject Property	Erf 9762 Knysna
Physical Address	Spring Street, Knysna
Registered Owner	Knysna Municipality
Effective Date of Valuation	24 May 2021
Method of Valuation	Income Approach
Zoning	Business 1
Property Type	Retail Centre
Net Rentable Area	3 625m ²
Quality of Accommodation Offered	Good
Net Operating Income (NOI)	R3 521 526
Market Capitalisation Rate	10.5%
Value	R33 500 000.00

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3. INTRODUCTION

3.1. INSTRUCTION

Knysna Municipality, as represented by Ms Nonhlanhla Mndebela, instructed DDP to determine the fair market value of the property as described in this report.

3.2. PURPOSE OF VALUATION

The purpose of this valuation report is to determine the fair market value of the subject property as on date of valuation.

3.3. METHOD OF VALUATION

Income Approach

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.

3.4. DEFINITION OF OPEN MARKET VALUE

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

3.5. EFFECTIVE DATE OF VALUATION

24 May 2021

3.6. INFORMATION SOURCES

Chief Surveyor General
Local Authority – Knysna Local Municipality
Lightstone Property Transfers
Kantey & Templer Consulting Engineers. Redevelopment of WoodMill Walk. 2021.
Philip Hoole Architects CC
Chandler Consulting Quantity Surveyor
CMB Consulting Mechanical & Electrical Engineers
Rodes Report, 2021:1
Various property professionals and property brokers
Boshoff, D. 2020. The impact of Covid-19 on the property sector. De Rebus
Glass, J. and Jackson, B. 2020. Making property valuations in a COVID-19 world: BDO News and Insights.
PWC Audit Services, 2020.
SAPOA Retail Trends Report – 2020:4
Mail & Guardian, May 2021.
Own Records

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3.7. ASSUMPTIONS

An assumption is made where it is reasonable for the valuer to accept that something is true without the need for specific investigation or verification. Any such assumption must be reasonable and relevant having regard to the purpose for which the valuation is required – refer RICS Valuation Global Standards 2020 for examples of assumptions.

The valuer assumes that the information provided by the client and the supporting documentation are true and just.

3.8. SPECIAL ASSUMPTIONS

A special assumption is made by the valuer where an assumption either assumes facts that differ from those existing at the valuation date or that would not be made by a typical market participant in a transaction on that valuation date – refer RICS Valuation Global Standards 2020 for examples of special assumptions.

4. TITLE DEED INFORMATION

Deed Description of Subject Property	Erf 9762 Knysna
Registered Owner	Woodmill Walk Trust
Extent of Subject property	4 278m ²
Historical Purchase Price	R42 000.00
Date of Purchase	21 January 1999
Registration Date	23 June 1999
Title Deed Number	T48664/1999

5. ZONING INFORMATION AND LOCAL AUTHORITY VALUATION

No zoning certificate could be obtained, but as per information received, the property is zoned Business Zone 1 within a Conservation Area Overlay Zone (K&T, 2021).

Current Development: Retail Centre
Building Lines: 0m on all boundaries
Coverage: 100%
Floor Factor: 3
Height Restrictions: 12m
Parking Requirements 4 parking bays per 100m²

6. LOCATION AND SITUATION

6.1. LOCATION

The subject property is situated in Knysna. It takes up a full town block with Spring Street forming the northern boundary, Queen Street the Eastern boundary, Pitt Street the Southern boundary and Long street the Western boundary.

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Figure 1 Location of the subject property (indicated in red)



Figure 2 Aerial view of the subject property (indicated in red)

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6.2. ACCESS

The subject property offers four street front boundaries. The improvements on the subject property are commercial in nature. The main entrance to the site is situated in Long street with secondary accesses in Queen and Pitt Street. Access to the parking area is situated on Spring Street.

6.3. TOPOGRAPHY

The subject property offers a rectangular shaped site with a level elevation profile.

7. HIGHEST AND BEST USE¹

The subject property is fully developed as a commercial facility offering retail and office accommodation with sufficient parking.

The highest and best use for the subject property is as a **Commercial Income Producing Property** because:

- The design and layout of the property;
- The proximity to businesses and transport nodes; and
- The fact that the subject property is a long-standing well-known retail centre.

8. DESCRIPTION OF IMPROVEMENTS

The subject property offers a retail facility measuring 4 400m² and comprising one large rectangular shaped building and one smaller building situated on the eastern boundary of the site. The centre is accessible from the parking area and the surrounding streets.

Parking

The centre offers limited street front parking, but the rooftop parking area offers sufficient parking for tenants and customers. The property offers 145 parking bays.

Site Improvements

The subject property includes rooftop parking. There are fire hydrants and fire hose reels installed. Public ablution facilities are included in the main building.

Handicapped accessibility

The centre seems to include handicapped accessibility.

¹ A term meaning the reasonable, probable and permissible use that will support the highest present value, as of the effective date of valuation.

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Construction Material and Finishes

Roof	Concrete
Superstructure	Concrete columns, beams and slabs filled in with brickwork.
Window frames	Aluminium & steel
Floor covering	Concrete & tiles.
Ceilings	Insulated & suspended ceilings.

All areas referred to in this report are rentable areas in conformity with the definition of rentable areas as set out in the SAPOA Method of Measuring Floor Areas in Commercial and Industrial Buildings. This covers the entire floor, excluding major vertical penetrations of the floor such as stairs, lift shaft, flues, pipe shafts and vertical ducts that serve more than one floor of the building. It includes additional services such as stairs, dumb waiters and lifts which exclusively serve a tenant occupying offices on more than one floor.

9. MARKET COMMENTARY

9.1. MACRO

Garden Route property is still a viable option for sellers who are realistic about their price expectations.

Recent deeds office data shows that the market has strengthened by nearly 60% between the 2007/8 slump and 2018/19, with over 4400 transactions at an average transaction price of R1.3 million in the key towns of George, Mossel Bay, Knysna, and Plettenberg Bay by the end of 2018.

The macro area is popular with retirees given the abundance of sunshine and safe environment, whereas first-time buyers will find real value in the Garden Route. The area is easily accessible by road or via the George Airport to the west of Sedgefield. Plettenberg Bay, to the east of Sedgefield, also has a private airport.

All over South Africa it is reported that income producing properties suffer seriously from non-payment of rent due to the strain on businesses experiencing the impact of Covid-19 (Boshoff, 2020).

Lessees have been granted rent discounts, or concessions, because of the coronavirus pandemic. Payment holidays and lease payment deferral are only a couple of examples of such compromises. (PWC, 2020). These concessions may be followed by rental increases in future periods. Concessions also occurs as rebates or compromises offered by landlords to persuade tenants to move into vacant spaces.

Landlords are under pressure to renegotiate lease agreements and trends visible are rental reversions, regular rental reviews, occurrence of turnover clauses, lease flexibility for lessees, lower lease escalations, larger rental deposits, and more lease protection clauses for landlords (Glass and Jackson, 2020).

Retail vacancies for shopping centres was recorded at 7% in September 2020. Super Regional and neighbourhood shopping centres have the highest increase in vacancy rate since March 2020 (SAPOA, 2020-Q4).

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9.2. MICRO

The subject property is in Knysna, a coastal town in the Garden Route. The N2 National Highway between George and Plettenburg Bay runs through the town from east to west.

The town's main economic activity revolves around tourism, with secondary activities centred on serving the needs of residents and regional farmers.

Knysna Central houses several arts and craft shops and restaurants, with clothing shops, jewelers, and other retail facilities overlooking a marina at Waterfront Knysna Quays. The Knysna River estuary is home to several houseboats and accommodate diving and fishing clubs.

Knysna is a popular retirement town. Property owners in Knysna Central comprise 37% of pensioners 65 years and older, with 38% of owners between the age of 50 and 64 years. 20% of owners are categorised as middle aged between 36 and 49 years of age and only 20% of owners are younger than 36. (Lightstone, 2021).

Approximately 108 commercial properties are listed as "for sale" in Knysna (Mail & Guardian, 2021). Several of these properties are in Knysna Central and include office, retail and accommodation type properties.

9.3. RETAIL PROPERTY MARKET

"South Africa's retail sales increased 1.2% year-on-year in January of 2020, following an upwardly revised 0.5% fall in December and beating market expectations of a 0.3% rise. Sales grew faster for household furniture, appliances & equipment (6.2% vs 3% in December) and food, beverages and tobacco (4.4% vs 0.7%). In addition, sales recovered for textiles, clothing, footwear & leather goods (2.2% vs -0.2%); all other retailers (4.2% vs -1.3%) and general dealers (0.3% vs -0.9%). Conversely, declines were seen in those of pharmaceuticals and medical goods, cosmetics & toiletries (-1.7% vs 2.7%) and hardware, paint & glass (-4.6% vs -3.8%). On a seasonally adjusted monthly basis, retail sales went up 0.9%, after an upwardly revised 3.2% decline in the prior month".

The extract above pertains to South African Retail Sales year-on-year. Subsequently, Covid-19 has forced the country into a lockdown which has placed the retail sector in a very difficult position. With many retailers that were unable to trade during lock-down, some tenants have indicated that they are unable to pay rent and staff expenses.

Of major concern is the Edcon group whose exposure to the larger REITs is very large. While landlords may consider payment holidays for the short term, these amounts would, likely, be amortised against the remaining lease period. Furthermore, there is a strong possibility of rental reversion upon the expiry of current leases.

As the restrictions are lifted, the retail industry may well recover over time, but a large amount of damage will still be left in the wake of Covid-19.

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9.4. PUBLISHED RESEARCH

The SAPOA Retail Trends Report September 2020 indicates the following research findings:

- Trading density was still under pressure in the last quarters of 2020.
- Annualised trading density declined 13.4% year on year (September 2019 to September 2020).
- April saw overall trading density decline 64.5% year on year before recovering to a decline of 30.7% for May and 26.8% for June, respectively. Although sales are improving it is still down compared to the same month in 2019.
- Retail foot count was down 19% from September 2019 to September 2020 although spend per head increased with 6.9%. The additional spend was not enough to offset the fewer number of visits.
- September 2020 foot count was 5.7 people/m² compared to 7.1 people/m² in February 2020.
- Average vacancy was recorded at 6.9% for September 2020, up from 4.9% in February 2020.

10. LEGAL CONSIDERATION (TENURE, TENANCIES, ETC.)

The value of the subject property has been determined utilising the Income Approach method of valuation. This method of valuation involves the capitalisation of the net normalised income to determine a market value of the subject property. The total revenue and expenses of the subject property must therefore be calculated before a capitalisation rate can be applied.

10.1. LEASE AGREEMENTS

No lease agreements, recent rent rolls and/or tenancy schedules were provided.

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11. COMPARABLE RENTALS

Comparable Rental One	
	
Address	5 Grey Street Road, Knysna Central
Accommodation Offered	Mixed use (Retail and/or offices)
Gross Building Area	Unknown
Advertised Leasable Area	381m ²
Monthly Rental	R22 000.00
Rental Rate	R57.75/m ²
Rental Period	Not indicated
Listing Date	May 2021
Special Conditions	Water and electricity for tenant's account

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Comparable Rental Two	
	
Address	Main Road, Knysna
Accommodation Offered	Mixed use (Retail and offices)
Gross Building Area	Unknown
Advertised Leasable Area	159m ²
Monthly Rental	R20 000.00
Rental Rate	R125.78/m ²
Rental Period	12 months
Listing Date	April 2021
Special Conditions	Water included electricity excluded

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Comparable Rental Three	
	
Address	Knysna Central
Accommodation Offered	Retail
Gross Building Area	Unknown
Advertised Leasable Area	35m ²
Monthly Rental	R4 000.00
Rental Rate	R114.28/m ²
Listing Date	May 2021
Special Conditions	Not noted

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Comparable Rental Four

Address	Garden Route Mall, Knysna
Accommodation Offered	Retail
Gross Building Area	Unknown
Advertised Leasable Area	163m ²
Monthly Rental	R20 538.00
Rental Rate	R126/m ²
Listing Date	May 2021
Special Conditions	Not noted

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Comparable Rental Five



Address	Knysna Mall, Main Street, Knysna
Accommodation Offered	Retail
Gross Building Area	Unknown
Advertised Leasable Area	31m ²
Monthly Rental	R9 765.00
Rental Rate	R315/m ²
Listing Date	May 2021
Special Conditions	Not noted

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Comparable Rental Six	
	
Address	Pledge Square Main Street, Knysna
Accommodation Offered	Retail
Gross Building Area	Unknown
Advertised Leasable Area	Shop 2 – 110m ² Shop 11 – 12m ²
Monthly Rental	Shop 2 – R18 135.50 including VAT Shop 11 – R5 474.00 including VAT
Rental Rate	Shop 2 – R143.36/m ² excluding VAT Shop 11 – R396.66/m ² excluding VAT
Listing Date	May 2021
Special Conditions	Water and electricity excluded

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Comparable Rental Seven	
	
Address	Memorial Square Main Street, Knysna
Accommodation Offered	Retail
Gross Building Area	Unknown
Advertised Leasable Area	69m ²
Monthly Rental	R5 009.98
Rental Rate	R72.61/m ²
Listing Date	May 2021
Special Conditions	Water and electricity excluded

Additional Rental Information

Quagga Property Brokers is advertising six retail lease spaces to let in Knysna. Shop sizes varies between 118m² and 397m² and all are advertised at R120/m².

Comparable Rental Conclusion

The abovementioned comparable retail rentals reflect rates between R57.74/m² to R396.67/m² depending on the size and location (prominent positions alongside anchor tenants and at main entrances generally attract higher rates). The additional rental information indicated above indicate that the rentals achieved for retail accommodation is R120/m².

Small retail shops in Knysna are advertised for between R120/m² up to R400/m² whilst medium sized areas between 100m² and 170m² are advertised between R125/m² and R145/m². Large areas exceeding 350m² are advertised at lower rental rates of between R50/m² and R80/m².

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12. INCOME AND EXPENSES

12.1. REVENUE

Rental Income

Given the information provided on the subject property, as well as rentals indicated by the comparable rental information, a through rate of R120/m² is deemed sufficient to determine the income of the subject property.

Vacancy loss

Retail vacancies for shopping centres was recorded at 7% in September 2020. Super Regional and neighbourhood shopping centres have the highest increase in vacancy rate since March 2020 (SAPOA, 2020-Q4).

An annual vacancy allowance of 7% has been utilised to allow for the cyclical turnover of tenants and voids during the lifetime of the property.

ANNUAL INCOME:			
Property Type	Lettable Area m ²	Rental per m ²	Annual Income
Retail	3,625m ²	R120.00/m ²	R 5,220,000
TOTAL GLA:		3,625m ²	
Gross Through Rate:		R120/m ²	
Normalised Gross Through Rate:		R112/m ²	
TOTAL ANNUAL INCOME			R 5,220,000
PROVISION FOR VACANCIES @ 7.0%			R 365,400
GROSS ANNUAL INCOME RECEIVABLE:			R 4,854,600

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12.2. PROPERTY EXPENSES FOR THE FORTHCOMING YEAR

The below listed operating expenses are as projected / provided regarding the subject property:

ESTIMATED ANNUAL EXPENDITURE:				
TYPE OF EXPENDITURE				AMOUNT
Municipal Charges				
Assessment Rates:	(Value 1/7/2016)	R23,000,000 @	0.0150327	R345,752
Management				
Rent Collection Fee:	5.00% of Gross Annual Income			R242,730
Auditors:	2.00% of Gross Annual Income			R97,092
Insurance:	0.20% of replacement value	R55,000,000		R110,000
Salaries				
Cleaners:				R200,000
Security:				R200,000
Maintenance				
General maintenance:	0.25% of replacement value	R55,000,000		R137,500
TOTAL ANNUAL EXPENDITURE:				R1,333,074

The total annual property expenses for the year under review equates to R1 333 074 or 25.54% of the total effective gross income.

13. LAND VALUE

The property is fully developed, and no additional value was awarded for unutilised bulk or surface space.

14. CAPITALISATION RATE

For this valuation, the income approach is utilised, whereby the market value is determined by capitalising the first year's normalised net operating income by an appropriate capitalisation rate.

Throughout South Africa capitalization rates are still higher than before the pandemic started in early 2020 for non-residential properties. The prediction is that capitalization rates will keep rising over the next year or two given the higher-than-normal vacancy rates and poor rentals (Rode 2021:1).

The most accurate method to determine an appropriate capitalisation rate is through evidence produced by actual market transactions. This information is not always readily available, as there is the encumbrance of confidentiality of transactions and corporate transfers, which hamper the comparison process.

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Therefore, the physical facilities as well as the potential profitability of the subject property should be considered together with industry growth. The capitalisation rate would therefore be reflected in the potential risk associated with the specific properties.

The market conditions and a reflection of what a potential purchaser would consider when deciding to acquire the properties must also be considered. In addition, to be considered is the rate of return on alternative investment properties, but the strongest emphasis is placed on potential and success of the subject properties.

The following aspects will be considered in determining an appropriate capitalisation rate for the property to be valued:

- The subject property offers good exposure, being a prominent building along a route offering high exposure and easy access;
- The present vacancy rate over the subject property

14.1. COMPARABLE SALES

Comparable Sale One	
	
Deed Description	Erf 466 and 465 Knysna
Address	56 Main Road
Date of Sale	23 September 2020
Purchase Price	R14 000 000.00
Accommodation Offered	Mixed use – filling station and retail
Gross Lettable Area	923m ² plus fuel sales and bulk
Net Operating Income	R1 536 241.20
Expense Ratio (estimated)	25%
Capitalisation Rate	10.97%

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Comparable Sale Two



Deed Description	Erf 504 Knysna
Address	11 Nelson Street
Date of Sale	19 August 2020
Purchase Price	R6 850 000.00
Accommodation Offered	Mixed use – retail and offices
Gross Lettable Area	950m ²
Net Operating Income	R707 370.00
Expense Ratio (estimated)	25%
Capitalisation Rate	10.33%

Capitalisation Rate Conclusion

The SAPOA Capitalisation and Discount Data Survey, November 2020, indicates that the average market capitalisation rate for neighbourhood shopping centres is 9% with a minimum of 7.75% and a maximum of 11%. Stand alone retail facilities range between 8.25% and 11.05% with an average of 9.74%.

The Rode Report 2021:1 reports a capitalisation rate for community shopping centres in George to be 9.9% with 0.6% deviation indicated and for the "Platteland" at 10.5% with a 0.1% deviation. Neighbourhood shopping centres in George are also indicated at 9.9% with 0.5% deviation and Platteland centres at 10.7% with a 0.7% deviation.

After due consideration of the information presented, a capitalisation rate of **10.5%** is considered appropriate under present market conditions together with taking a view on future trading conditions and factors as discussed.

Therefore, for the purpose of this valuation, if the estimated net operating income of R3 521 526 is capitalised at 10.50%, this equates to a value of R33 538 342.

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15. VALUE SUMMARY

The Income Approach reflects a rounded value of R **R33 500 000 (Thirty-Three Million Five Hundred Thousand Rand Only)** and is seen to be market related as at the date of valuation.

16. CONDITIONS AND RECOMMENDATIONS

This valuation is subject to the following conditions and recommendations:

- 16.1. This valuation report assumes that no onerous conditions exist on the title deed. Should any such onerous conditions exist, this office reserves the right to alter this valuation report accordingly.
- 16.2. As per instruction, the valuer did not conduct a physical inspection and reserves the right to amend the valuation should a physical inspection reveal information that has an effect on the value of the property.
- 16.3. The lease agreements and property rental information have not been scrutinised by the valuer. The valuer reserves the right to amend the valuation should lease information have a substantial effect to the value of the property.

DECLARATION

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 property's market value as at the date of valuation.

A handwritten signature in black ink, appearing to read 'E C Theron'.

E C THERON
Professional Valuer (South Africa)
SACPVP Reg. No.: 6831/4

DATE 24 May 2021

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APPENDIX A: BRIEF/ INSTRUCTION

RE: Valuation Request - Knysna Municipality



Nonhlanhla Ntshabale <mntshabale@knysna.gov.za>

To: Cerna Theron; J. Moleky/Valuer

Cc: Enoch Ntshabale

1 You replied to this message on 2021-03-21 18:56.



Woodenill Estate Prelim Reported Access estimate - 19 March 2021.pdf
15 KB



Good Morning Cerna,

I think there might have been a misunderstanding.

The Municipality is looking at purchasing the property for office accommodation and we thus require a market valuation of the property as a whole (land and buildings).

The vacancy rate is currently high and I was informed that the few shops remaining are leasing between R150/m² - R200/m².

For any other information, please refer to the attached report.

Kind Regards

Nonhlanhla Ntshabale *Head: Properties*

P.O. Box 21, Knysna, 6570, Western Cape, South Africa

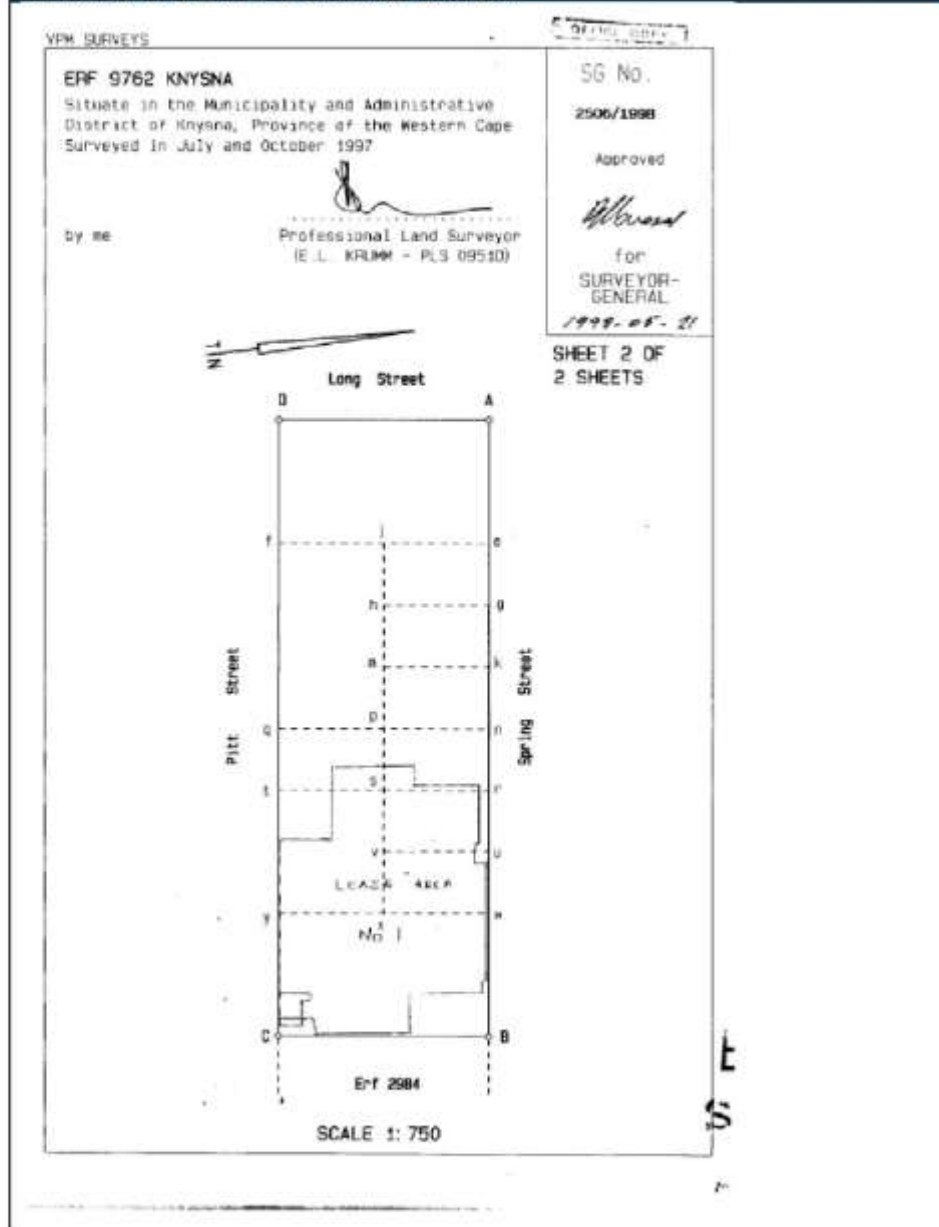
Tel: +27 (0)44 362 6330 (subboard) or 362 6473 (direct)

e-mail: mntshabale@knysna.gov.za

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APPENDIX B: SURVEYOR GENERAL DIAGRAM



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APPENDIX C: VALUATION CALCULATION				
ANNUAL INCOME:				
Property Type	Name of Tenant	Lettable Area m ²	Rental per m ²	Annual Income
Offices		3,625m ²	R120.00/m ²	R 5,220,000
Parking	145			R -
TOTAL GLA:		3,625m ²	TOTAL ANNUAL INCOME R 5,220,000	
Gross Through Rate:		R120/m ²	PROVISION FOR VACANCIES @ 7.0% R 365,400	
Normalised Gross Through Rate:		R112/m ²	GROSS ANNUAL INCOME RECEIVABLE: R 4,854,600	
ESTIMATED ANNUAL EXPENDITURE:				
TYPE OF EXPENDITURE				AMOUNT
Municipal Charges				
Assessment Rates:	Value 1/7/2016	R 23,000,000	@ 0.0150327	R 345,752
Management				R -
Rent Collection Fee:	5.00% of Gross Annual Income			R 242,730.00
Auditors:	2.00% of Gross Annual Income			R 97,092.00
Insurance:	0.20% of replacement value	R55,000,000.00		R 110,900.00
Salaries				R -
Cleaners:				R 200,000
Security:				R 200,000
Maintenance				R -
General maintenance:	0.25% of replacement value	R55,000,000.00		R 137,500.00
TOTAL ANNUAL EXPENDITURE:				R 1,333,074
Expenditure as a percentage of gross annual income:				R30.65/m ² or 25.54%
NET ANNUAL INCOME:				R 3,521,526
INCOME CAPITALISATION:				
Net rental capitalised at: 10.50%				
TOTAL VALUE:				R 33,538,342
				R 33,500,000

Property Valuation Experts



CAVEATS

1. FULL DISCLOSURE

This valuation has been prepared on the basis that full disclosure of all information and factors that could affect the valuation ('all relevant factors') have been made to us. We accept no liability or responsibility whatsoever for the valuation if it should transpire that a full disclosure of all relevant factors was not made.

2. THIRD PARTY INVOLVEMENT

Where reliance was placed on information supplied by third parties in undertaking the evaluation, we have assumed such information to be substantially correct. We accept no liability or responsibility whatsoever for the valuation if it should transpire that the information supplied was substantially incorrect.

3. VALUATION STANDARD

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements 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 the relevant Title Deed documents when available. Whenever perusal of the Title Deed caused concern, we made specific reference 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 outgoing.

5. MORTGAGE BONDS, LOANS OR OTHER CHARGES

The property has been valued as if wholly owned with no allowance made for 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 the costs involved in the disposal of the assets.

6. CALCULATION OF AREAS

Where the client (or his/her representative) has provided all surface areas quoted within the Valuation Report, we assume such surface areas have been calculated in accordance with the SAPOA standard method of measurement. Where a valuer on site measures the surface areas, the SAPOA standard method of measurement shall be employed.

7. PLANS

All plans included in the Valuation Report are supplied for the purpose of identification and orientation only and are not necessarily to scale.

Property Valuation Experts



8. PROPERTY BOUNDARIES

The farm or property boundaries, as indicated to the Valuer by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be 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 the Valuer. We accept no liability or responsibility whatsoever for the valuation should it transpire that any boundaries were incorrectly pointed out.

9. OUTGOINGS

It is assumed, except where otherwise stated, that the property is subject to the normal property owner's outgoing 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 outgoing, having had reference to the various schedules of outgoing 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 report 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.

Property Valuation Experts



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 the Valuer, as to the form or context in which it may appear and acknowledgement that the Valuer are professional valuers.

17. INDEPENDENT VALUERS CLAUSE

Neither the Valuer, nor any employee, have any present or contemplated interest in this or any other properties or any other interests, which could 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 the Valuer, a company which specializes in valuation and which does not trade in these assets.

18. VALUE ADDED TAX

All figures quoted are exclusive of Value Added Tax.

19. COURT CASES

Please note that if this report or any portions of the report are used in a court case, additional fees will be applicable.

Property Valuation Experts

From: Jim Parkes [<mailto:parkes@knysna.co.za>]
Sent: Thursday, 05 August 2021 12:11
To: Dawid Adonis <dadonis@knysna.gov.za>
Subject: FW: Woodmill Walk Proposal

Dear Dawie

As you are aware, the process of the Knysna Municipality to decide on new office accommodation has been long and drawn out. The Municipality invited tenders to be submitted in August 2019, and in October 2019 the BEC, chaired by Melony, recommended Woodmill Walk to the BAC, whereafter it was decided to cancel that tender.

In 2020 a further tender was advertised, closing in April 2020, where again Woodmill Walk submitted a detailed response. After the due date, we wrote endless emails to Fredri, Nonhlanhla, Christopher and Melony in an attempt to be advised of the outcome of the BAC. During all this time we were committed to a tender that we submitted in May 2020, now 15 months ago. During this time we could not commit to new leases from prospective tenants that were interested in renting space in our building.

In February this year you requested a meeting to discuss the purchasing of the building and requested the professional team to submit a proposal and costings by mid March, to be submitted to Council for approval. We were assured that the Municipality was a serious buyer and some timelines were provided which have now come and gone. During this two-year process we have lost the opportunity to lease the building to the public nor have we been awarded a tender for which we were the preferred bidder, thus being denied income. In addition, we have not renewed leases and now have more vacancies in the interest of the Municipality, all of which has reduced our income.

We were advised that at the Council meeting held at the end of July there would be a final decision made on the purchase of Woodmill Walk. In addition, the professional team has been working hard at designing a layout to suit the needs of the Municipality which is still to be approved by yourselves and then costed. At our last meeting I raised my concern that we have no control over the timeline, we are at risk and have no income stream and I suggested that a rental be paid until transfer takes place.

It will no doubt take time for the final drawings and costings to meet the Municipality's approval, before going to a Council meeting, whereafter the Municipality will then have to advertise for financing of the building. All of these processes will take time and are out of my control.

In light of the above, we believe it is only fair and reasonable that the Municipality accept the following proposals:

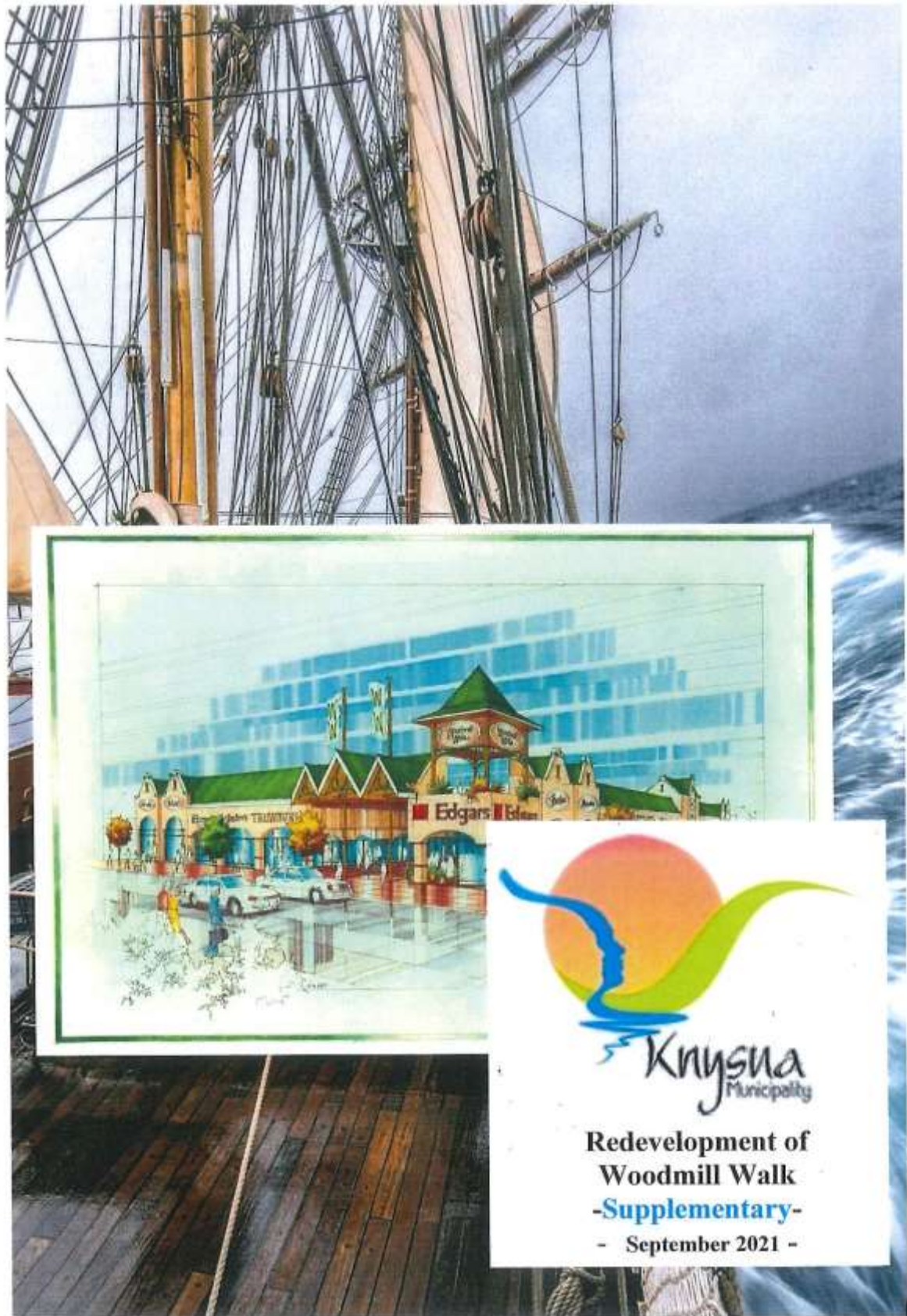
- 1) That the purchase price be finalised at R35million;
- 2) That the Municipality pay a rent of R120 psm as in the valuation from now until transfer date;
- 3) That Logan Martin, as our attorneys, now proceed to draw up a Deed of Sale since we as the Seller nominate the attorneys;
- 4) That Knysna Municipality nominate the Bond Attorneys.

Please advise when you would like to meet and discuss.

Kind regards
Jim



Jim Parkes
Managing Director
T +27 44 382 1118 | +27 83 261 8629
E parkes@knysna.co.za
www.parkesofknysna.com



ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022





66 Victoria Street
P O Box 458
George
6530

Tel: +27 44 874 2177
Fax: +27 44 874 1364

10 September 2021

Our Ref: G5183BA
Your Ref:

Knysna Municipality
P.O. Box 21
KNYSNA
6570

Attention: Melony Paulsen

PER e-mail: mpaulsen@knysna.gov.za

Dear Madam

**PROPOSED SALE AND PURCHASE OF WOODMILL WALK BUILDING, KNYSNA WITH
TURNKEY OFFERING OF ALTERATIONS TO ACCOMMODATE VARIOUS MUNICIPAL
DEPARTMENTS - PRE FEASIBILITY SUBMISSION - ADDITIONAL REPORT 2**

We refer to your request for further input regarding the previous Pre-Feasibility Report, dated 17 March 2021, and herewith submit the following.

- Additional information elaborating on the previous submission highlighting possible options for access, accommodation and cost savings. Note that this must be viewed in the light of the available time for the work and other information constraints.

Please do not hesitate to contact us should you require additional information or if anything is unclear.

Yours faithfully
KANTEY & TEMPLER

C G AGENBAG Pr Eng

Z:\CG183 Woodmill Walk\Admin\Let-Cover Letter 2.docx

Cape Town - Head Office: (021) 405 9600 | Johannesburg: (011) 501 4700 | Durban: (031) 266 6535 | Pietermaritzburg: (033) 347 5453 | East London: (043) 726 6443
Port Elizabeth: (041) 573 0738 | George: (044) 874 2177 | Port Shepstone: (039) 315 1519

Board of Directors: GDV Thoma, CB Van Brakel, GR Tyndal (Managing Director), E Maciejewski (Financial Director), B Nork, N Dube, N Naidoo, R. Jansen, K Pillay
KANTEY & TEMPLER (PTY) LTD REG NO. 1986042007

www.kanteysa.co.za





Philip Hoole Argitek BK,
Architect CC.

CC Reg. No. CK 89/19448/23
83 Davidson Rd. / PO Box 1413 / George 6530
Tel: 044 874 2732 / Fax: 044 873 3496
Email: hoole@pixie.co.za

10 September 2021

Kantey & Templer Consulting Engineers

PO Box 458

George

6530

Att: Mr C Agenbag

Dear Nelius

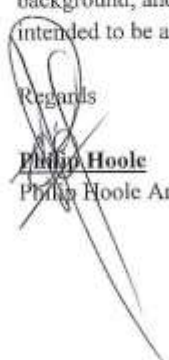
Re: Woodmill Walk Building – Further to Previous Pre Feasibility Submission

The Pre-Feasibility Submission of 17 March 2021 and subsequent presentation thereof to the relevant parties on 19th March 2021 has reference.

Having received commentary on the above, further investigation was conducted into the Accommodation requirements of the Municipality of Knysna, with further planning layouts and an amended Cost Estimate prepared therefrom.

As much of the body and content of the previous Pre-Feasibility Report forms the background, and remains relevant, its content is not repeated in this further Report which is intended to be an extension thereof, Supplementary thereto and read together with it.

Regards


Philip Hoole
Philip Hoole Architects CC

Redevelopment of Woodmill Walk
for Municipality of Knysna

Redevelopment of Woodmill Walk:

Erf 9762

Cnr Pitt, Long & Spring Streets, Knysna

**Preliminary Report
Supplementary**

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Redevelopment of WoodMill Walk
for Municipality of Knysna

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**Redevelopment of WoodMill Walk
for Municipality of Knysna**

1. The Appointment:

1.1 General Introduction, Project Objectives:

As previously discussed

Add:

By verbal agreement with the Municipality of Knysna, the work executed under the Preliminary Pre-Feasibility Report previously submitted was extended to include a further study into the Municipalities Accommodation needs and to reduce and contain the costs of the redevelopment as far as possible.

1.2 Consultants Appointed:

1.2.1 Architects and Principal Agents:

Philip Hoole Architects CC (CC Reg No. 89/19448/23)

93 Davidson Road

PO Box 1413

George, 6530

Tel: (044) 874-2732

Fax: (044) 873-3496

Cel: (072) 127-6754

e-mail: hoole@pixie.co.za

1.2.2 Quantity Surveyor:

Chandler Consulting

Doneraile Street,

PO Box 2228

George, 6530

Tel: (044) 873-5070

Cel: (082) 443-9119

e-mail: dean@chandlerconsult.co.za

1.2.3 Civil & Structural Engineers:

Kantey & Templer

66 Victoria Street

PO Box 458

George, 6530

Tel: (044) 874-2177

Cel: (082) 879-5771

e-mail: nelius@kr.kanteys.co.za

1.2.4 Electrical & Mechanical Engineers:

CMB Consulting Mechanical & Electrical Engineers

39 Victoria Street

PO Box 2251

George, 6530

Tel: (044) 874-1511

Cel: (082) 771-7956

e-mail: sadams@cmbgeorge.co.za

1.3 Further Specialist Services:

As previously discussed.

1.3 Signed Agreements with Consultants Appointed:

Phase 1:

As Previously discussed

**Redevelopment of WoodMill Walk
for Municipality of Knysna**

Add:

Whereas the initial agreement relating to the Pre-Feasibility Report was formalised in writing, the extension thereof for the further study as contained herein remains a verbal agreement, yet to be memorialised in writing.

Phase 2:

As Previously discussed.

2. The Brief:

2.1 General Project Objectives:

As Previously discussed.

2.2 The site:

As Previously Discussed

2.3 Design Approach:

As Previously discussed.

Add:

Subsequent to the previous submission and with substantial help of the Municipality of Knysna, an improved understanding of accommodation and physical requirements was arrived at and incorporated into further amended preliminary design layouts. These layouts were presented to the Municipality via teleconference on 27 August 2021 for discussion purposes. Subsequent to this teleconference electronic copies of the documents referred to were emailed to the Municipality on 30th August 2021 for their further information and consideration.

Although it is anticipated that amendments will be required to be made to the above preliminary proposals, they were taken as the basis of the further detailed estimate as contained herein. As a result of this it is to be anticipated that while any such amendments which adhere to the principles of the preliminary proposals should not significantly effect the costs estimated, amendments which depart from these principles are likely to give rise to a cost effect which has not been catered for.

2.4 Project Programme:

As the basis of the initial draft project programme has been departed from and status of the project remains uncertain, it is not possible to realistically estimate time required, or programme the activities of the project at this stage.

2.5 Project Budget:

Although the Municipality has indicated their preferred cost parameters, no budget for the project has yet been set.

2.6 Accommodation Required:

As Previously Discussed

Add:

The Accommodation Requirements as currently understood are reflected under Annexure -I- hereto attached.

3. The Site:

3.1 Existing Site and Ownership:

3.1.1 As previously discussed

3.1.2 As previously discussed by illustrated below for ease of reference.

Redevelopment of WoodMill Walk
for Municipality of Knysna



WoodMill Walk – General Location



Woodmill Walk – Street Location

- 3.2 Title Deeds:
 - 3.2.1 As previously included.
- 3.3 Surveyors Diagrammes:
 - 3.3.1 As previously included.
- 3.4 Town Planning Restrictions:
 - As previously discussed

Redevelopment of WoodMill Walk
for Municipality of Kaysna

4. Layout Proposals:

4.1 Layout Concept
As Previously Discussed

Add:
While the general concept as contained in the proposals previously submitted were retained, the layout and locations of the various Departments comprising the development were substantially amended to rationalise public circulation patterns, and improve the security control of the centre.

4.2 Layout Proposals

4.2.1 Drawing 2103/p2/GF-A

This drawing provides a simplified and colourcoded overview of the relationship between the various departments within the centre

4.2.2 Drawing 9707-00e
As Previously Discussed

4.2.3 Drawing 2103/p2/GF-A and 2103/p2/GF-B

These drawings illustrate more detail of the relationship between the various departments within the centre, and their internal planning relationships. Drawing suffix "A" including an additional access staircase to the Rooftop Parking, Drawing suffix "B" excluding the additional access staircase to the Rooftop Parking.

The central concept is to treat the Departments as separate and semi-independent units within the existing "lettable areas" of the building and accessed via the existing Mall.

In doing so the Mall has been extended to accommodate the Cash Hall serving the Department of Revenue Services and Traffic, which are anticipated as attracting the highest foot traffic of the centre.

The communal Security needs of the building are to be serviced by a security station located at the Western entrance to the Mall off Long Street, and at the entrance to the Roof Top parking area off Spring Street. An additional station can be located at the entrance to the Cash Office providing a higher level of security in an area where cash is exchanged.

The existing Southern entrance to the Mall off Pitt Street is intended to be enclosed and used as a controlled emergency exit only.

4.2.4 Drawing 2103/p2/FF

This drawing illustrates the rooftop parking area with two versions – 1 WITH the additional staircase link to the Ground Floor and 1 WITHOUT the additional staircase like to the Ground Floor

4.2.5 Drawing 2103/p2/Traffic

The Traffic Department
The drawing is offered in two images, the coloured image showing the relationship between the types of spaces provided, and the uncoloured image illustrating the detail of the planning layout itself.

4.2.6 Drawing 2103/p2/Revenue
Revenue Services

The drawing is offered in two images, the coloured image showing the relationship between the types of spaces provided, and the uncoloured image illustrating the detail of the planning layout itself.

**Redevelopment of Woodmill Walk
for Municipality of Knysna**

- 4.2.7 Drawing 2103/p2/IHS
Integrated Human Settlements and Communal Conference Room
The drawing is offered in two images, the coloured image showing the relationship between the types of spaces provided, and the uncoloured image illustrating the detail of the planning layout itself.
- 4.2.8 Drawing 2103/p2/Comm
Community Services and Additional Overflow Storage Area
The drawing is offered in two images, the coloured image showing the relationship between the types of spaces provided, and the uncoloured image illustrating the detail of the planning layout itself.
- 4.2.9 Drawing 2103/p2/Plan
Planning and Development
The drawing is offered in three images, the first coloured image showing the division between the various Departments making up Planning and Development, the second coloured image showing the relationship between the types of spaces provided, and the uncoloured image illustrating the detail of the planning layout itself.
- 4.2.10 Drawing 2103/p2/Tech
Technical Services
The drawing is offered in two images, the coloured image showing the relationship between the types of spaces provided, and the uncoloured image illustrating the detail of the planning layout itself.

- 4.3 Existing Building / Background to Layouts Offered
While this remains largely as previously discussed it is repeated below to emphasize its importance.

The layout proposals included herein were built up from

- historic / archived information relating to the existing building, without the benefit of detailed inspection and checking on site.
- The Architects understanding of accommodation requirements as communicated to him by persons within the Municipality of Knysna. This understanding, although substantially improved from the previous submission, remains informal and subject to amendment as it has not yet been formally adopted by the Municipality and confirmed by them as being final.

For these reasons it is to be understood that these supplementary proposals have been prepared in good faith and at face value from information available to the Architects at the time and, as such, are not warranted as being accurate but are once again preliminary and provisional, and subject to checking on site.

In other words, the layouts are purely intended as a means to an end, and not the end in itself.

- 4.4 Scope of Works
As provided for in the Quantity Surveyors detail estimate attached hereto.

- 4.5 General Finding
Having reconsidered the layout of the premises proposed to be located in this centre it is confirmed that it is reasonably possible to relocate the accommodation required by the Municipality into the Woodmill Walk building, subject to confirmation of internal dimensions and layout of the existing building and the Municipality's final accommodation requirements.

5 Civil/Structural Engineering Considerations:

- 5.2 See Annexure attached for the Civil/Structural Engineers Commentary:

**Redevelopment of WoodMill Walk
for Municipality of Knysna**

6. **Electrical / Mechanical / Fire Engineering Considerations:**

6.2 See Annexure attached for the Electrical/Mechanical/Fire Engineers Commentary;

7. **Financial Considerations:**

7.2 See Annexure attached for the Quantity Surveyors Commentary;

8. **Programme:**

It is not possible to develop a meaningful programme for the project without further clarity on matters which currently appear to be rather fluid.

The authors of this report would be happy to prepare a programme for the works when matters have crystalised.

9. **Contractual Matters:**

9.1 Procurement

9.1.1 Principal Agreement
As Previously Discussed.

9.1.2 Supplementary Agreements
As Previously Discussed

9.2 Securities

As Previously Discussed

9.3 Insurances

As Previously Discussed

10. **Procedures Still to be Undertaken to Facilitate Development:**

As previously discussed.



**Redevelopment of WoodMill Walk
for Municipality of Knysna**

Preliminary Report:

Annexure 1 - Accommodation Required and Analysis

Municipality of Knysna
Woodmill Walk - Accommodation Analysis

26 February 2021

Summary of Departmental Provisions

Department		Provided	Initially Requested
No.	Departments		
1	Traffic	Area Brought Forward	554.50
2	Integrated Human Settlements	Area Brought Forward	150.50
3	Revenue Services	Area Brought Forward	595.01
4	Community Services	Area Brought Forward	134.92
5	Planning and Development	Area Brought Forward	824.78
6	Technical Services	Area Brought Forward	434.08
7	Communal Conference Rooms	Area Brought Forward	223.27
	Sub Total 1	3947.16	3650.00
Other Communal Provisions			
	General		
8	Carver Display Area	1.95	
9	Overflow Storage Area	184.30	
10	Communal Toilets	54.41	included above
11	Security	35.65	included above
12	Circulation	480.35	included above
	Sub Total 2	761.66	included above
	Total	3708.82	3650.00
	Total Area Initially Requested (m2)	3650.00	
	Total Area now Provided (m2)	3708.82	
	Excess Provided	m2	58.82
		%	1.61%

No. of Parking		Available for	Required
1	Roof Top Parking (option "A")	136 bays	146 bays
1	Roof Top Parking (option "B")	139 bays	146 bays

NOTE:

1. Layouts on which these dimensions based are approximate only, pending verification of dimensions on site, confirmation of accommodation requirements, and finalisation of general layout principles and particulars.
As such, dimensions shown are to be understood as being for general information only, and not to be relied upon for any other purpose.

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Municipality of Knysna

Woodmill Walk - Accommodation Analysis

Traffic Department

Director: Mr A Bana

(044) 302-6361

(060) 998-7040

Administrative				
General Space Allocation		Space Provided		
	Description	Description	Area	Quantity
1	Boardroom (Chief Traffic Officer)	Boardroom (Chief Traffic Officer)	11.00	1
2	Office (Chief Traffic Officer)	Office (Chief Traffic Officer)	12.08	1
3	Office (Superintendent: MV Registration)	Office (Superintendent: MV Registration)	10.45	1
4	Office (Chief Clerk: MV Registration)	Office (Chief Clerk: MV Registration)	10.45	1
5	Office (Senior Clerk: MV Registration)	Office (Senior Clerk: MV Registration)	10.44	1
6	Office (Superintendent: Traffic Services)	Office (Superintendent: Traffic Services)	10.44	1
7	Office (Superintendent: Law Enforcement)	Office (Superintendent: Law Enforcement)	12.52	1
8	Office (10 No. Senior Traffic Officers)	Office (10 No. Senior Traffic Officers)	18.40	1
9	Office (20 No. Law Enforcement Officers)	Office (20 No. Law Enforcement Officers)	24.70	1
10	Office (Assist Super: Public Transport)	Office (Assist Super: Public Transport)	10.44	1
11	Office (Chief Clerk: Driving Licences)	Office (Chief Clerk: Driving Licences)	10.44	1
12	Open (3 No. Speed Camera Operators)	Open (3 No. Speed Camera Operators)	4.59	1
13	Open (Future Assistant Superintendent)	Open (Future Assistant Superintendent)	4.37	1
14	Open (2 No. Assistant Superintendents)	Open (2 No. Assistant Superintendents)	4.49	1
15	Open (2 No. Traffic Officers)	Open (2 No. Traffic Officers)	4.47	1
16	Open (2 No. Principle Inspectors)	Open (2 No. Principle Inspectors)	4.58	1
17	Open (Future Assistant Superintendent)	Open (Future Assistant Superintendent)	4.48	1
18	Open (Senior Clerk - MV registration 01)	Open (Senior Clerk - MV registration 01)	4.38	1
19	Open (Senior Clerk - MV registration 02)	Open (Senior Clerk - MV registration 02)	4.58	1
20	Open (Senior Clerk - MV registration 03)	Open (Senior Clerk - MV registration 03)	3.52	1
21	Open (Senior Clerk - MV registration 04)	Open (Senior Clerk - MV registration 04)	3.73	1
22	Open (Security)	Open (Security)	3.38	1
23	Strong Room for 2 No. fire-arm safes	Strong Room for 2 No. fire-arm safes	50.10	1
24	Storage for filing	Storage for filing	46.30	1
25	Teas	Teas	17.90	1
26	We (Men)	We (Men)	1.68	1
27	We (Women)	We (Women)	2.37	1
Sub Total 1			306.28	

Public Access				
General				
27	Cash Hall & Waiting Area	Cash Hall & Waiting Room (15 Persons)	95.70	1
28	Cubicle (Cashier 01)	Cubicle (Cashier 01)	3.48	1
29	Cubicle (Cashier 02)	Cubicle (Cashier 02)	3.48	1
30	Cubicle (Cashier 03)	Cubicle (Cashier 03)	3.48	1
31	Cubicle (Cashier 04)	Cubicle (Cashier 04)	3.48	1
32	Cubicle (Cashier 05)	Cubicle (Cashier 05)	3.48	1
33	Eye Testing Room: 01	Eye Testing Room: 01	8.36	1
34	Eye Testing Room: 02	Eye Testing Room: 02	8.36	1
35	Classroom (20 persons)	Classroom (20 persons)	49.40	1
36	Classroom: Store	Classroom: Store	3.48	1
Sub Total 2			182.70	

Sub Total 488.98

Total "Lettable Area" 554.60

Sub Total Circulation and Structure 11.83% 65.62

Municipality of Knysna

Woodmill Walk - Accommodation Analysis

Revenue Services

Director: Mr J Carstens

Ma Bostwa Kava

(044) 302-6413

??-7777

Administrative					
General Space Requirements			Spaces Provided		
Description	Description	Area	Quantity	Total	
1 Boardroom (6 Persons)	Boardroom (12 Persons)	26.20	1	26.20	
2 Office (Manager)	Office (Manager)	24.10	1	24.10	
Sub-Total 1				50.30	
Revenue Services					
General Space Requirements			Spaces Provided		
Description	Description	Area	Quantity	Total	
3 Office (Chief Accountant)	Office (Chief Accountant)	11.98	1	11.98	
4 Office (Property Rates)	Office (Property Rates)	11.79	1	11.79	
5 Open (Chief Clerk - Property Rates)	Open (Chief Clerk - Property Rates)	5.26	1	5.26	
6 Open (Senior Clerk - Property Rates)	Open (Senior Clerk - Property Rates)	5.12	1	5.12	
7 Cubicle (Senior Clerk - Property Rates)	Cubicle (Senior Clerk - Property Rates)	3.58	1	3.58	
8 Office (Accountant Services)	Office (Accountant Services)	11.97	1	11.97	
9 Open (Chief Clerk - Billing Services)	Open (Chief Clerk - Billing Services)	4.10	1	4.10	
10 Open (Senior Clerk - Revenue Services)	Open (Senior Clerk - Revenue Services)	3.99	1	3.99	
11 Open (Senior Clerk - Revenue Services)	Open (Senior Clerk - Revenue Services)	4.10	1	4.10	
12 Cubicle (Senior Clerk - Revenue Services)	Cubicle (Senior Clerk - Revenue Services)	3.58	1	3.58	
13 Open (Senior Clerk - Sundries)	Open (Senior Clerk - Sundries)	3.99	1	3.99	
14 Open (Senior Clerk - Proposals)	Open (Senior Clerk - Proposals)	4.35	1	4.35	
15 Office (Senior Cashier)	Office (Senior Cashier)	12.00	1	12.00	
16 Open (Cashier)	Open (Cashier)	7.60	1	7.60	
17 Cubicle (Cashier)	Cubicle (Cashier)	3.76	1	3.76	
18 Cubicle (Cashier)	Cubicle (Cashier)	3.76	1	3.76	
19 Cubicle (Cashier)	Cubicle (Cashier)	3.76	1	3.76	
20 Safe / Strong Room	Safe / Strong Room	25.10	1	25.10	
21 Filing Cabinets / Storage	Filing Cabinets / Storage	37.80	1	37.80	
22 Store	Store		1	0.00	
23 Office (Officer - Valuations)	Office (Officer - Valuations)	11.98	1	11.98	
24 Open (Principal Clerk - Valuations)	Open (Principal Clerk - Valuations)	4.24	1	4.24	
25 Open (Principal Clerk - Valuations)	Open (Principal Clerk - Valuations)	4.35	1	4.35	
26 Office (Accountant - Rev Enhancement)	Office (Accountant - Rev Enhancement)	11.99	1	11.99	
27 Open (Chief Clerk - Rev Enhancement)	Open (Chief Clerk - Rev Enhancement)	4.26	1	4.26	
28 Open (Principal Clerk - Rev Enhancement)	Open (Principal Clerk - Rev Enhancement)	4.06	1	4.06	
Sub-Total 2				208.47	

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

General Building - Office Area				
Description	Description	Area	Quantity	Total
29 Office (Accountant - Meter Readings)		11.99	1	11.99
30 Cubicle (Senior Clerk - Customer Care)		3.54	1	3.54
31 Cubicle (Senior Clerk - Customer Care)		3.54	1	3.54
32 Open (Chief Clerk - Meter Readings)		3.95	1	3.95
33 Open (Meter Reader 1)		1.35	1	1.35
34 Open (Meter Reader 2)		1.35	1	1.35
35 Open (Meter Reader 3)		1.35	1	1.35
36 Open (Meter Reader 4)		1.35	1	1.35
37 Open (Meter Reader 5)		1.35	1	1.35
38 Open (Meter Reader 6)		1.35	1	1.35
39 Open (Meter Reader 7)		1.35	1	1.35
Sub-Total 3				32.47
General Building - Debt Collection Area				
Description	Description	Area	Quantity	Total
40 Office (Accountant - Credit Control)		11.99	1	11.99
41 Open (Chief Clerk - Credit Control)		4.06	1	4.06
42 Cubicle (Senior Clerk - Credit Control)		3.54	1	3.54
43 Cubicle (Senior Clerk - Credit Control)		3.54	1	3.54
44 Open (Clerk - Credit Control)		3.95	1	3.95
45 Open (Clerk - Credit Control)		3.23	1	3.23
46 Open (Clerk - Credit Control)		3.15	1	3.15
47 Cubicle (Senior Clerk - Credit Control)		3.54	1	3.54
48 Cubicle (Senior Clerk - Credit Control)		3.54	1	3.54
Sub-Total 4				37.88
Support Facilities - General Building				
Description	Description	Area	Quantity	Total
	Cash Hall	135.80	1	135.80
49 Cleaners Store	Cleaners Store	4.87	1	4.87
50 Tea Kitchen	Tea Kitchen	20.20	1	20.20
51 Toilets (Men)	Toilets (Men)	5.59	1	5.59
52 Toilets (Women)	Toilets (Women)	4.17	1	4.17
Sub-Total 5				34.83
Sub Total				353.15
Total "Lettable Area"				595.01
Sub Total Circulation and Structure				241.86
53 Minimum Score	Roofing Minimum Score	20.00%	1	0.21

Municipality of Knysna
Woodmill Walk - Accommodation Analysis

Communal Conference Rooms

Director

Administrative		Accommodation		
General Services		Accommodation		
Description		Description	Area	Quantity
1	Conference Room 01	Lobby	85.21	1
2	Conference Room 02	Conference Room 01	28.50	1
3		Conference Room 02	29.20	1
4		Conference Room 03	39.46	1
5		We for the Disabled	4.33	1
6		We	4.33	1
7		Kitchen	8.10	1
8		Store	7.30	1
Sub Total 1				206.43
Sub Total				206.43
Total "Lettable Area"				223.27
Sub Total Conclusion and Structure			7.54%	16.84

Municipality of Knysna
Woodmill Walk - Accommodation Analysis

Integrated Human Settlements

Director Mr Petrus

(044) 302-6580

(060) 771-7177

Administrative					
General Services Requirements		Space Provided			
Description		Description	Area	Quantity	Total
1		Reception & Waiting	24.55	1	24.55
2	Office (Director)	Office (Director)	16.90	1	16.90
3	Boardroom (Director)	Boardroom (Director)	10.03	1	10.03
4	Office (Manager - Human Settlements)	Office (Manager - Human Settlements)	16.45	1	16.45
5	Office (Senior Administration Officer)	Office (Senior Administration Officer)	10.90	1	10.90
6	Office (Project Co-ordinator)	Office (Project Co-ordinator)	10.90	1	10.90
7	Office (Human Settlements Officer)	Office (Human Settlements Officer 01)	11.16	1	11.16
8	Office (Human Settlements Officer)	Office (Human Settlements Officer 02)	11.46	1	11.46
9	Office (Human Settlements Officer)	Office (Human Settlements Officer 03)	12.27	1	12.27
10	Office (Senior HS Officer)	Office (Senior HS Officer 04)	9.04	1	9.04
11	Office (Senior HS Officer)	Office (Senior HS Officer 05)	9.10	1	9.10
12	Open (Liaison Officer)	Open (Liaison Officer)	6.70	1	6.70
13	Unstaffed (Executive Secretary)	Unstaffed (Executive Secretary)	6.50	1	6.50
14		Tota	10.20	1	10.20
15		We	3.64	1	3.64
Sub Total 1					169.40
Sub Total Measured Spaces					169.40
Total "Lettable Area"					190.50
Sub Total Circulation and Structure					11.08%
					21.10

Municipality of Knysna

Woodmill Walk - Accommodation Analysis

Community Services

Director Ms Makema

(044) 302-6316

(060) ???-???

General Spatial Requirements		Spaces Provided		
Description	Description	Area	Quantity	Total
1 Reception & Waiting	Reception & Waiting			
2 Office (Director)	Office (Director)	25.80	1	25.80
3 Boardroom (Director)	Boardroom (Director)	13.20	1	13.20
4 Office (Manager Public Safety)	Office (Manager Public Safety)	11.02	1	11.02
5 Office (Waste Management)	Office (Waste Management)	10.93	1	10.93
6 Office (Pollution Control Officer)	Office (Pollution Control Officer)	14.25	1	14.25
7 Open (PA - Director)	Open (PA - Director)	8.60	1	8.60
8 Open (Admin Support Clerk)	Open (Admin Support Clerk)	6.60	1	6.60
9 Open (Admin Support Clerk)	Open (Admin Support Clerk)	5.10	1	5.10
10 Tans	Tans	6.50	1	6.50
11 We	We	3.60	1	3.60
Sub-Total				105.59
Sub Total				105.59
Total "Lettable Area"				124.92
Sub Total Circulation and Structure		15.47%		19.33

Municipality of Knysna

Woodmill Walk - Accommodation Analysis

Planning & Development

Director Ms Marlene Boyce

(044) 302-6348

(060) 777-7777

Director's Office Support Facilities					
General Space Requirements (Office, Director's Office)		Spaces Provided (Office, Director's Office)			
Description	Description	Area	Quantity	Total	
1 Reception & Waiting	Reception & Waiting	12.20	1	12.20	
2 Boardroom (Director)	Boardroom (Director)	14.00	1	14.00	
3 Office (Director)	Office (Director)	20.20	1	20.20	
4 Open Workspace (Executive Secretary)	Open Workspace (Executive Secretary)	8.50	-	8.50	
5 Store	Store	27.30	1	27.30	
6 Tea Kitchen	Tea Kitchen (Communal Facility)	0.00	1	0.00	
7 Cleaners Store	Cleaners Store (Communal Facility)	0.00	1	0.00	
8 Mens Toilets	Mens Toilets (Communal Facility)	0.00	1	0.00	
9 Womens Toilets	Womens Toilets (Communal Facility)	0.00	1	0.00	
Sub-Total 1				82.20	
Environmental Management					
General Space Requirements (Office, Director's Office)		Spaces Provided (Office, Director's Office)			
Description	Description	Area	Quantity	Total	
10 Office (1 No. Manager)	Office (1 No. Manager)	13.50	1	13.50	
11 Office (1 No. Environmental Officer)	Office (1 No. Environmental Officer)	11.01	1	11.01	
12 Office (1 No. Environmental Officer)	Office (1 No. Environmental Officer)	10.32	1	10.32	
13 Open Workspace (Principle Clerk)	Open Workspace (Principle Clerk)	10.30	1	10.30	
14 Open (Temp 01)	Open (Temp 01)	4.62	1	4.62	
15 Open (Temp 02)	Open (Temp 02)	6.23	1	6.23	
16 Open (Temp 03)	Open (Temp 03)	6.23	1	6.23	
17 Store	Store	3.99	1	3.99	
18 Rooftop Store (accessible by vehicle)	Rooftop Store (accessible by vehicle)	20.90	1	20.90	
Sub-Total 2				87.10	
Project Development					
General Space Requirements (Office, Director's Office)		Spaces Provided (Office, Director's Office)			
Description	Description	Area	Quantity	Total	
19 Office (Manager)	Office (Manager)	13.2	1	13.20	
20 Office (Project Co-ordinator 01)	Office (Project Co-ordinator 01)	9	1	9.00	
21 Office (Project Co-ordinator 02)	Office (Project Co-ordinator 02)	8.98	1	8.98	
22 Office (Project Co-ordinator 03)	Office (Project Co-ordinator 03)	8.98	1	8.98	
	Store	5.44	1	5.44	
23 Open Workspace (Principle Clerk)	Open Workspace (Principle Clerk)	5.98	1	5.98	
24 Open (Administrative Assistant 01)	Open (Administrative Assistant 01)	7.4	1	7.40	
25 Open (Administrative Assistant 02)	Open (Administrative Assistant 02)	7.4	1	7.40	
26 Open (Administrative Assistant 03)	Open (Administrative Assistant 03)	7.36	1	7.36	
27 Open (Intern / Temp 01)	Open (Intern / Temp 01)	5.26	1	5.26	
28 Open (Intern / Temp 02)	Open (Intern / Temp 02)	4.76	1	4.76	

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

29	Open (Intern / Temp 02)	Open (Intern / Temp 02)	4.69	1	4.69
30	Open (Intern / Temp 04)	Open (Intern / Temp 04)	4.69	1	4.69
31	Open (Intern / Temp 05)	Open (Intern / Temp 05)	5.51	1	5.51
32	Open (Intern / Temp 06)	Open (Intern / Temp 06)	5.85	1	5.85
Sub-Total 3					197.00

Office / Building / Store					
Description		Description		Area	Quantity
					Total
33	Office (Manager)	Office (Manager)		11.90	1
34	Open Workspace (Reception / Clerk)	Open Workspace (Reception / Clerk)		5.50	1
35	Open (Senior Clerk)	Open (Senior Clerk)		5.50	1
36	Office (Senior Town Planner)	Office (Senior Town Planner)		13.10	1
		Store 01		5.10	1
37	Workspace (Chief Clerk)	Workspace (Chief Clerk)		6.60	1
38	Office (Town Planner 01)	Office (Town Planner 01)		10.70	1
39	Office (Town Planner 02)	Office (Town Planner 02)		10.70	1
40	Office (Town Planner 03)	Office (Town Planner 03)		10.20	1
41	Office (Special Planner)	Office (Special Planner)		10.20	1
		Store 02		9.20	1
42	Open (Technician 01)	Open (Technician 01)		7.10	1
43	Open (Technician 02)	Open (Technician 02)		8.40	1
44	Open (Intern 01)	Open (Intern 01)		7.20	1
45	Open (Intern 02)	Open (Intern 02)		8.50	1
		Store 03		14.00	1
		Store 04		19.50	1
46	Store (Filing)	Store 05		19.50	1
Sub-Total 4					193.00

Office / Building / Store					
Description		Description		Area	Quantity
					Total
47	Office (Building Control Officer)	Office (Building Control Officer)		11.80	1
48	Open Workspace (Clerk)	Open Workspace (Clerk)		9.00	1
49	Office (Senior Building Inspector 01)	Office (Senior Building Inspector 01)		9.00	1
50	Office (Senior Building Inspector 02)	Office (Senior Building Inspector 02)		9.00	1
51	Office (Building Inspector 01)	Open (Building Inspector 01)		6.20	1
52	Office (Building Inspector 02)	Open (Building Inspector 02)		4.68	1
53	Office (Building Inspector 03)	Open (Building Inspector 03)		6.28	1
54	Office (Building Inspector 04)	Open (Building Inspector 04)		4.68	1
55	Store (Filing / Archives)	Store 02 (Filing / Archives)		48.32	1
56		Store 01 (General)		4.45	1
57		Printing / Copying		5.57	1
Sub-Total 5					118.98
Sub Total					578.28
Total "Lettable Area"					824.78
Sub Total Circulation and Structure			29.49%		244.50
Store	Roof-top Store (Environmental Management)		20.90	1	20.90
Store (Outdoor Advertising)	Ground-floor Store (Outdoor Advertising)		9.67	1	9.67

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Municipality of Knysna

Woodmill Walk - Accommodation Analysis

Technical Services

Director: Mr. P Hariparsad

(044) 777-7171

(060) 998-7060

General Structural Elements		Structural Elements		
Description	Description	Area	Quantity	Total
1 Reception & Waiting	Reception & Waiting			
2 Office (Director)	Office (Director)	11.40	1	11.40
3 Board Room (Director)	Board Room (Director)	12.46	1	12.46
4 Open (Director P/A)	Open (Director P/A)	7.20	1	7.20
5 Office (Manager 1)	Office (Manager 1)	11.44	1	11.44
6 Office (Manager 2)	Office (Manager 2)	11.44	1	11.44
7 Office (Manager 3)	Office (Manager 3)	11.44	1	11.44
8 Office (Manager 4)	Office (Manager 4)	11.24	1	11.24
9 Office (Administration Officer)	Office (Administration Officer)	11.24	1	11.24
10 Open (Admin 1)	Open (Admin 1)	5.50	1	5.50
11 Open (Admin 2)	Open (Admin 2)	5.28	1	5.28
12 Open (Admin 3)	Open (Admin 3)	12.00	1	12.00
13 Open (Admin 4)	Open (Admin 4)	12.00	1	12.00
14 Office (Cy-ordinator)	Office (Cy-ordinator)	10.40	1	10.40
15 Office (Technician 1)	Office (Technician 1)	10.48	1	10.48
16 Office (Technician 2)	Office (Technician 2)	10.48	1	10.48
17 Office (Technician 3)	Office (Technician 3)	10.48	1	10.48
18 Office (Technician 4)	Office (Technician 4)	10.48	1	10.48
19 Office (Technician 5)	Office (Technician 5)	10.48	1	10.48
20 Office (Technician 6)	Office (Technician 6)	10.48	1	10.48
21 Office (Technician 7)	Office (Technician 7)	10.48	1	10.48
22 Office (Technician 8)	Office (Technician 8)	10.48	1	10.48
23 Office (Technician 9)	Office (Technician 9)	10.48	1	10.48
24 Office (Technician 10)	Office (Technician 10)	10.48	1	10.48
25 Office (Project Manager 1)	Office (Project Manager 1)	10.48	1	10.48
26 Office (Project Manager 2)	Office (Project Manager 2)	10.48	1	10.48
27 Office (GIS Technician / Draughtsman)	Office (GIS Technician / Draughtsman)	14.11	1	14.11
28 Call Centre (3 No. operators)	Call Centre (3 No. operators)	22.37	1	22.37
29 Store 01	Store 01	32.82	1	32.82
30 Store 02	Store 02	17.42	1	17.42
31 Toss	Toss	5.10	1	5.10
32 Wo	Wo	6.08	1	6.08
Sub Total				356.70
Sub Total				356.70
Total "Lettable Area"				434.08
Sub Total Circulation and Structure		17.93%		77.38

Municipality of Knysna

Woodmill Walk - Accommodation Analysis

Overflow Storage

Administrative					
General Space Requirement		Spaces Provided			
Description		Description	Area	Quantity	Total
1		Store 01	48.29	1	48.29
2		Store 02	57.20	1	57.20
3		Store 03	18.77	1	18.77
4		Store 04	32.52	1	32.52
5		Store 05	32.52	1	32.52
Sub Total 1					189.30
Sub Total					189.30
Total "Lettable Area"					189.30
Sub Total Circulation and Structure			0.00%		0.00



Redevelopment of WoodMill Walk
for Municipality of Knysna

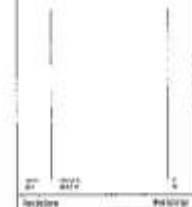
Preliminary Report:

Annexure 2 - Layout Drawings





Pat Singer



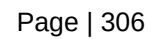
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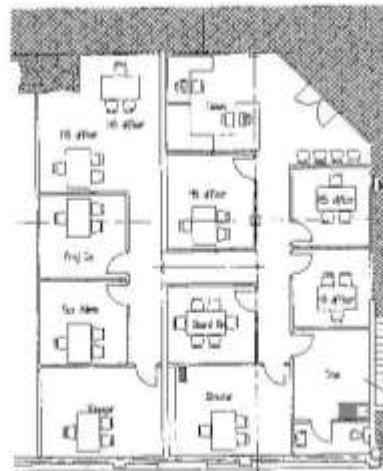




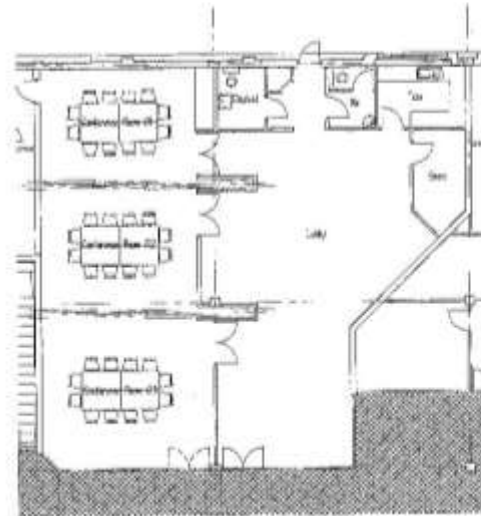


Philip Hoyle (2007)

Year	Age	Gender	Height
2007	17	Male	1.78 m
2008	18	Male	1.80 m
2009	19	Male	1.82 m
2010	20	Male	1.84 m
2011	21	Male	1.86 m
2012	22	Male	1.88 m
2013	23	Male	1.90 m
2014	24	Male	1.92 m
2015	25	Male	1.94 m
2016	26	Male	1.96 m
2017	27	Male	1.98 m
2018	28	Male	2.00 m
2019	29	Male	2.02 m
2020	30	Male	2.04 m
2021	31	Male	2.06 m
2022	32	Male	2.08 m
2023	33	Male	2.10 m
2024	34	Male	2.12 m
2025	35	Male	2.14 m
2026	36	Male	2.16 m
2027	37	Male	2.18 m
2028	38	Male	2.20 m
2029	39	Male	2.22 m
2030	40	Male	2.24 m
2031	41	Male	2.26 m
2032	42	Male	2.28 m
2033	43	Male	2.30 m
2034	44	Male	2.32 m
2035	45	Male	2.34 m
2036	46	Male	2.36 m
2037	47	Male	2.38 m
2038	48	Male	2.40 m
2039	49	Male	2.42 m
2040	50	Male	2.44 m
2041	51	Male	2.46 m
2042	52	Male	2.48 m
2043	53	Male	2.50 m
2044	54	Male	2.52 m
2045	55	Male	2.54 m
2046	56	Male	2.56 m
2047	57	Male	2.58 m
2048	58	Male	2.60 m
2049	59	Male	2.62 m
2050	60	Male	2.64 m
2051	61	Male	2.66 m
2052	62	Male	2.68 m
2053	63	Male	2.70 m
2054	64	Male	2.72 m
2055	65	Male	2.74 m
2056	66	Male	2.76 m
2057	67	Male	2.78 m
2058	68	Male	2.80 m
2059	69	Male	2.82 m
2060	70	Male	2.84 m
2061	71	Male	2.86 m
2062	72	Male	2.88 m
2063	73	Male	2.90 m
2064	74	Male	2.92 m
2065	75	Male	2.94 m
2066	76	Male	2.96 m
2067	77	Male	2.98 m
2068	78	Male	3.00 m
2069	79	Male	3.02 m
2070	80	Male	3.04 m
2071	81	Male	3.06 m
2072	82	Male	3.08 m
2073	83	Male	3.10 m
2074	84	Male	3.12 m
2075	85	Male	3.14 m
2076	86	Male	3.16 m
2077	87	Male	3.18 m
2078	88	Male	3.20 m
2079	89	Male	3.22 m
2080	90	Male	3.24 m
2081	91	Male	3.26 m
2082	92	Male	3.28 m
2083	93	Male	3.30 m
2084	94	Male	3.32 m
2085	95	Male	3.34 m
2086	96	Male	3.36 m
2087	97	Male	3.38 m
2088	98	Male	3.40 m
2089	99	Male	3.42 m
2090	100	Male	3.44 m



Ground Floor Plan
Integrated House Settlements
See 1 - 79



Ground Floor Plan
General Conference Room
July 1 - 2007





Time	Time	Location
in 10		
Date	Station	Name of Ship, Cruise and No.
19 August 2007		
Captain	Instrument Date	Filling In
GPI		
Time	Station	2803/p2/C
1908		



ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022









Redevelopment of WoodMill Walk
for Municipality of Knysna

Preliminary Report:

Annexure 3 – Structural / Civil Engineers Report

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022



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6530

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10 September 2021

Our Ref: G5183BA
Your Ref:

Philip Hoole Architect CC
93 Davidson Road
PO Box 1413
George
6530

Attention: Philip Hoole

PER e-mail: p311@mweb.co.za

Dear Sir

**PROPOSED SALE AND PURCHASE OF WOODMILL WALK BUILDING, KNYSNA WITH
TURNKEY OFFERING OF ALTERATIONS TO ACCOMMODATE VARIOUS MUNICIPAL
DEPARTMENTS - PRE FEASIBILITY - STRUCTURAL AND CIVIL WORKS - ADDITIONAL
ITEMS**

We refer to our previous report dated 16 March 2021 and subsequent discussions and request from the Municipality to consider further options to facilitate possible secure access to the building. We confirm that all structural and civil items as discussed in our previous report remain valid and note as follows regarding the proposed addition of a staircase.

Staircase broken through coffer slab.

We have conducted a preliminary design check to see if the proposed staircase, to facilitate secure access, can be installed through the 500mm coffer slab. Assumptions were made regarding loadings and available founding conditions. The founding conditions for this site are rather poor.

The design check indicated that with certain modifications to the existing structure the stair will be able to be accommodated in the position as per the architect proposal drawings. A ring beam will have to be created around the perimeter of the opening and will have to be supported off four new concrete columns. These columns will be supported off a raft slab, but due to the founding conditions the raft slab/footing will require the installation of micro piles beneath to ensure structural stability and could be rather costly.

Please let us know if anything is unclear or if further information is required.

Yours faithfully
KANTEY & TEMPLER

C G AGENBAG Pr Eng

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Cape Town - Head Office: (021) 405 9000 | Johannesburg: (011) 501 4700 | Durban: (031) 256 6535 | Pietermaritzburg: (033) 347 5453 | East London: (043) 726 6443
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Board of Directors: GDV Theron, CB Van Rooy, GR Tyndall (Managing Director), E Mackeyson (Financial Director), B Naidoo, N Debe, N Naidoo, IL Jansen, K Piller
Kantey & TEMPLER (PTY) LTD, REG NO: 1960000307

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Redevelopment of WoodMill Walk
for Municipality of Knysna

Preliminary Report:

Annexure 4 – Electrical / Mechanical Engineers Report



CLINKSCALES MAUGHAN-BROWN
CONSULTING MECHANICAL
& ELECTRICAL ENGINEERS

39 Victoria Street
George 6529
PO Box 2551
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Tel: +27 44 874 1511
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www.clinkscles.co.za

Our ref: FP/fp/19077

10 September 2021

Philip Hoole Architect CC
93 Davidson Road
GEORGE
6529

By E-Mail
(p311@mweb.co.za)

Attention: Mr. P. Hoole

Dear Sir

**WOODMILL WALK COMMERCIAL CENTRE, SPRING STREET KNYSNA:
MECHANICAL INSTALLATIONS**

Subsequent to the revised proposed plan layouts received on 23 August 2021, herewith our revised report and preliminary proposals for the above mentioned project:

A. Mechanical Installations

(i) Air Conditioning

There exists currently a roof-top packaged air conditioner supplying the eastern portion of the building and numerous split air conditioners for the remainder of the building.

The condition of all these systems is poor and it is proposed that it all be replaced with new systems. New air conditioning systems are significantly more energy efficient compared to what is currently in place and the modern refrigerant gases are also much less harmful to the environment.

It is proposed that open plan areas receive duct type air conditioners and ducting reticulated inside the ceiling spaces. Recessed ceiling mounted air diffusers would supply conditioned air to the open plan areas.

For enclosed offices and meeting rooms wall mounted air conditioners are proposed such that these areas can be independently temperature controlled.

For simplicity, it is proposed that the new air conditioning systems (both duct type and wall mounted) be split type systems. Each air conditioner will have its own outdoor unit, the proposed positions being where the current outdoor units currently are. It is estimated that thirty (30) outdoor units will be required and that no parking bays will be affected. The removal of the existing rooftop packed unit will free up additional parking space on the roof.

2/...



DIRECTORS: - J. RAUCH PEng/Eng PCPM (Managing Director) - S. J. ANSELL PEng - J. S. DE VRIES PEng/Eng
- R. LAMMIECHT PEng - R. C. PALMER PEng - R. L. STEYNKAMP PEng PCPM - M. T. SOBANE PEng/Eng - S. R. WEBB PEng/Eng - A. ZIEGLER PEng/Eng

ASSOCIATES: - G. S. ADAMS PEng/Eng - S. S. NEGGERSE PEng
CONSULTANT: F. P. CONRADIE PEng

CLINKSCALES MAUGHAN-BROWN (Pty) Ltd (A12209/16/17)



2.

(ii) Ventilation

Originally the building was supplied with fresh air via the large packaged air conditioning unit located on the parking level as well as smaller fresh air fans located throughout.

It is proposed that new fresh air fan systems be installed and that these be linked into the ducted air conditioning systems such that the distribution ducting can be shared. Fresh air fan systems are a requirement for this building due to the lack of adequate openings to the outside together with the fact that air conditioning will be installed.

All ablutions and internal tea kitchen areas will be supplied with dedicated extract fan systems.

(iii) Hot Water Generation

No allowance has been made for hot water generation in the new building. It is assumed that any existing hydro boils will be brought across from the existing municipal offices, where deemed required.

B. Fire Installations

(i) Fire Fighting Equipment

There are currently fire hose reels (FHRs) and fire hydrants (FHs) installed throughout the building. There are to be additional FHRs and FHs installed and it is proposed that all water piping be replaced and the existing FHRs and FHs be installed on the newly fitted piping. The main water supply to this building is adequate for the additional FHRs and FHs.

New 4.5kg DCP fire extinguishers will be installed at the rate of 1 per 200m².

(ii) Building Requirements

There are no 120 minute fire divisions required for an office block of this size and sprinklers are also not required.

There will, however, be a requirement for 30 minute tenancy separating elements (walls and doors) between departments and also 30 minute fire division zones of not more than 500m² each such that dedicated smoke extraction systems are not required.

Existing external escape door positions will be retained but new doors and iron monger is to be installed.

All fire signage will be replaced with new.

We trust the above information meets with your immediate requirements.

Yours faithfully



Francois Plek
CLINKSCALES MAUGHAN-BROWN

cc. Chandler Consulting (Pty) Ltd: Mr. D. Chandler (dean@chandlerconsult.co.za)

2.

The estimated cost to upgrade the substation to a 630kVA unit is R 625 000, excl. VAT, which include a credit of 50% for the 315kVA unit. Approx. 90% of this allowance can possibly be omitted if the Municipality's Electrical Department can provide a substation from their stores as a free issue for installation only.

The cost to upgrade the substation should not be included in the building renovations' cost estimates since the developer originally paid for a 1000A (690kVA) supply in terms of capacity as well as municipal capital contributions.

(ii) Internal Sub-Main Distribution Network and Metering

From the main LV distribution board there are four (4) LV underground feeder cables, each cable supplying one (1) of the four (4) external municipal metering distribution boards. Two (2) of the metering boards are located on Spring Street's side and the other two (2) boards on Pitt Street's side.

It is evident that when the building was originally constructed, each tenant was allocated a conventional credit kWh meter, which the Municipality read on a monthly basis and provided individual monthly electricity bills.

It is further evident that when some of the tenants moved out in recent years, some of the credit meters were disconnected and removed and in some cases the credit meters were replaced with prepaid kWh meters. The tenants that are currently still occupying the premises are supplied with prepaid kWh meters.

Considering a period of 23 years in a severe corrosive coastal environment, the metering boards are still in a fair condition. In order to reduce costs, allowance has been made to retain the existing main LV distribution network between the miniature substation up to and including the four (4) external metering distribution boards. The metering boards will, however, be re-arranged and neatened to suit the new internal LV sub-distribution network.

The existing bulk LV kWh meter for the previous Edgars tenant, situated inside the main LV distribution board will be retained and be re-programmed as the bulk kWh meter for the new building. It was confirmed with the Municipality that sub-metering for the various departments will not be required.

(iii) Internal Sub-Distribution Network

From the municipal metering distribution boards, each existing tenant/shop is supplied with an underground cable up to and including a dedicated sub-distribution board. These distribution boards are all still intact and the circuit breakers can be re-used, although it is outdated. The cables to all distribution boards are all copper and can also be re-used.

Since the new building will have a completely different layout and new internal walls and divisions that will be created, allowance has been made to remove all existing sub-distribution boards as well as its feeder cables. All recovered materials will be scrutinised and re-used on the new installation where deemed appropriate. Consideration can also be given by the Municipality to re-sell some of the recovered material that would not be used.

Allowance has been made for six (6) new sub-distribution boards as well as new LV cabling and wire ways between that and the respective metering distribution boards.

(iv) Small Power and Lighting Installations

The small power installations in the building is very limited since it was designed for commercial/shopping centre purposes. The lighting, however, is extensive and there are quite a lot of different types of light fittings, especially in the original Edgars area.

3/...

3.

Although most of it still works, the light fittings are outdated and very high on energy consumption. The down lighters are for example still the 12V type with a 50W lamp each. Most of the light fittings were purposefully selected for shopping centre purposes and it's not considered adequate for office lighting.

Allowance has been made to remove all light fittings and replace them with modern energy efficient LED panel lights, which will be fitted inside the new ceiling tiles. Decorative LED down lighters will be utilised to supplement the panel lights in hallways, back-of-house as well as storage areas.

For new small power installations, allowance has been made for horizontal and vertical surface mounted power skirting throughout the entire building, which will house the normal and dedicated power, telephone and data circuits. Further allowance has been made for power poles between ceilings and desks where required.

With the use of power skirting and power poles, chasing in existing brick walls will be kept to a minimum. It also allows for much more flexibility.

(v) Telephone and Data Installations

Allowance has been made for new conduit and wire ways for telephone and data installations. This will form part of the power skirting and power pole infrastructure mentioned above. No allowance has been made for the systems itself.

It is understood that the Municipality's internal IT department will supply and install the telephone and data systems itself.

B. Electronic Installations

Allowance has been made for new conduit and wire ways for CCTV-, Alarm-, Access Control- and Public Address Systems. No allowance has been made for the systems itself.

Similar to the telephone and data installations, the Municipality has advised that the installation of these systems shall be arranged internally, or if not available at the stage of construction then it will be outsourced to one or more of their maintenance contractors.

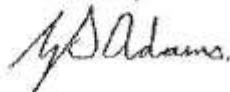
C. Fire Detection

No allowance has been made for a Fire Detection installation since the occupancy class of the new building does not require for that.

Funding permitted, and considering the paper archive records and data that will be stored by the various departments, it will be recommended to possibly consider such an installation as an investment to the new building.

We trust the above information meets with your immediate requirements.

Yours faithfully



Stiaan Adams Pr Tech Eng
CLINKSCALES MAUGHAN-BROWN

cc. Chandler Consulting (Pty) Ltd: Mr. D. Chandler (dean@chandlerconsult.co.za)



Redevelopment of WoodMill Walk
for Municipality of Knysna

Preliminary Report:

Annexure 5 – Quantity Surveyors Report

Estimate

10 September 2021



Indicative Budget Estimate No. 2

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
DOCUMENT CONTROL
Date: 10 September 2021



Project Title	WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
Client	for KNYSNA MUNICIPALITY
Project No.	G21-004
Director	Dean Chandler
Project Quantity Surveyor	
Document Type	Estimate
Document Title	Indicative Budget Estimate No. 2
Issued Date	10 September 2021

Quality Management Procedures Completed:

Approved By Dean Chandler

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WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
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10 September 2021



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4. Elemental summary	5
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A. Elemental Estimate	

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
NOTES AND ASSUMPTIONS
10 September 2021



1. INFORMATION

- Architects 1:100 scale schematic drawings
 - Ground floor plan - 2103-p2-GF-B (option B)
- Mechanical / Fire engineer preliminary report
- Electrical Engineer preliminary report
- There is no information available in respect of specification, finishes and fittings. General allowances have therefore been included which are subject to confirmation
- It is noted that the internal spatial layouts as indicated on the drawings have been developed based on feedback from the respective user departments. This may well not yet be final but serves as a good basis for costing purposes. Assumptions have been made in respect of the type of partitioning to be used
- As the client brief is clarified further, the budget estimate costing will be revised
- It is noted that the electrical supply to the building is currently from an existing 315kVA municipal sub-station which has been downgraded from the original 690 kVA unit, the reason for which is unclear. The original supply of 690 kVA will need to be reinstated by the local authority as this is what was paid for by the building owner originally. Attention is drawn to the electrical engineer's report in this regard specifically
- Given the limited extent of information available, this estimate should be regarded as high level only and used for indicative budget purposes only

2. CONSTRUCTION PERIOD

- The construction period has been assumed as follows:
 - Pre-contract period 6 months
 - Contract period 8 months

3. GENERAL NOTES AND ASSUMPTIONS

- Existing floor finishes to be replaced throughout except to existing ablutions (PC allowance of R350/m² for tiles)
- Combination of new timber skirtings and power skirtings throughout
- All existing ceilings to be removed and replaced with new suspended ceiling with acoustic tiles and new shadowline cornices
- Existing internal timber shopfronts in mail to be retained but with alterations here and there to accommodate new door opening positions. Allowance to redecorate included
- New internal divisions as indicated on schematic layout plan with a combination of full and half height height painted drywall, and full height glazed aluminium
- Redecorate existing internal brick walls
- Redecoration of existing external walls
- Allowance to punch through some additional windows in external façade with burglar proofing and sun control
- Cleaning of roof sheeting and repainting of fascias and eaves only
- Allowance to fit portion of paving to roof deck, repair roofing and replace pavers
- High pressure clean remaining pavers to roof top parking
- Allowance to recompact and revamp existing thatch roof
- Existing ablutions on first floor to be retained as is with nominal allowance only to make good
- Some additional ablutions on ground floor included as indicated on layouts
- Largely new electrical installation throughout and new light fittings (refer electrical engineer report)
- New air-conditioning and ventilation system (refer mechanical engineer report)
- Fire protection (refer fire engineer report)
- Allowance for limited in-situ built joinery as listed under "Joinery Fittings". This is based on the client instruction that all user departments' existing loose furnishing and fittings will be reused in the new facility. Allowance for new joinery is:
 - Allowance for two main entrance reception counters
 - Allowance for 3 reception counters to Community Services, Planning & Development & Technical Services only
 - Kitchenette cupboards to various new tea kitchens
 - Limited built in fittings to certain director offices
 - Allowance for some shelving to storerooms
 - Cashier cubicles to Revenue Services and Traffic
- Waist height Turnstar "Trident" turnstiles
- High pressure clean existing pavers to pavements
- Nominal budget provision only to augment some existing furniture and fittings. This is merely a "budget placeholder" only and also based on the client directive that all existing furnishings and equipment will be re-used

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSSA MUNICIPALITY
Indicative Budget Estimate No. 2
NOTES AND ASSUMPTIONS
10 September 2021



4. EXCLUSIONS

General

- Upgrade / reinstatement of mains supply to the building to 630 kVA. Refer to engineer's report specifically in this regard
- Specialist bulk filing systems
- Fire suppression systems in store areas
- Fire sprinkler system (deemed not necessary)
- Any external works
- Refurbishment or repairs and maintenance to any part of building other than described in the detailed estimate
- Covered parking on roof deck
- Hot water generation
- UPS / standby generators
- Rainwater storage tanks
- Bulk external services

Special services

- Telecommunication services / PABX
- Computer equipment and IT equipment and wiring
- Audio visual equipment
- CCTV (as advised by client body - to be done by internal services direct)
- Access control (as advised by client body - to be done by internal services direct)
- Burglar alarm (as advised by client body - to be done by internal services direct)
- Public address / intercom (as advised by client body - to be done by internal services direct)
- Parking boom and control system

Furnishings and equipment

- Window blinds, pelmets, etc.
- Artwork, bric-a-brac, smalls, etc
- Office equipment

Ancillary costs

- Augmentations / capital contributions
- Land cost / existing building cost
- Legal fees
- Marketing & promotion
- Ancillary development costs such as bond raising fees, interim interest, etc.
- Selling or letting agent fees
- Rates and taxes

5. CHANGES SINCE ESTIMATE No. 1

- Estimate updated to reflect revised layout in general in accordance with "Option B". This includes revised office layouts as well as the addition of various new tea kitchens and ablutions
- Allowance to replace ceilings in central passage now included (previously only redecoration of these ceilings was included)
- Allowances for built in joinery fittings greatly reduced based on the client directive that all existing loose furnishing and fittings will be reused in the new facility.
- As advised by client body, the following specialist installations have been omitted on the basis that they will be done in-house by the municipality
 - CCTV
 - Access control
 - Burglar alarm
 - Public address
- Allowance for parking boom and control system omitted
- Allowance for safe/strongroom omitted on the basis that the existing safes will be reused (municipality to move and reinstall)
- Allowance for public seating to traffic and revenue services areas added
- Allowance for grille gates / screens at Long Street and Clyde Street entrances added

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
SUMMARY OF AREAS
Date: 10 September 2021



Summary of Departmental Provisions

Departments	Area
• Traffic	555 m ²
• Integrated Human Settlements	191 m ²
• Revenue Services	595 m ²
• Community services	125 m ²
• Planning and Development	825 m ²
• Technical Services	434 m ²
• Communal conference rooms	223 m ²
• Sub-total	2 948 m ²
Communal Facilities	
• Corner display	2 m ²
• Overflow storage	189 m ²
• Communal Toilets	54 m ²
• Security	36 m ²
• Circulation	480 m ²
• Sub-total	761 m ²
• Total	3 709 m ²
Roof top parking	
• Option "B"	139 bays

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYRNA MUNICIPALITY
Indicative Budget Estimate No. 2
MASTER SUMMARY
10 September 2021



A BUILDING WORKS			
- Rounded amount carried over	4050 m²	R6 206/m²	25 134 000
B FURNISHINGS & EQUIPMENT			
- Budget place-stopper - allowance only to augment existing user furnishings and equipment (based on the assumption that all existing loose furniture and fittings will be reused)			500 000
C PROFESSIONAL FEES			
- Lump sum discounted provisional allowance only			4 021 000
D ANCILLARY COSTS			
- Plan submission fees (to be confirmed)			211 000
E SUB-TOTAL			<u>29 856 000</u>
F VAT (Value Added Tax)			4 479 900
G ESTIMATED FINAL CONSTRUCTION COST incl. VAT and PROFESSIONAL FEES		R	34 345 900

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
ELEMENTAL SUMMARY
10 September 2021



A	PRELIMINARIES			
1	Preliminaries	5.00%	R286.78/m²	1 090 464.43
B	SUB-STRUCTURE			
2	Piling	0.00%	R0.00/m²	0.00
3	Foundations	0.00%	R0.00/m²	0.00
4	Basement	0.00%	R0.00/m²	0.00
C	SUPERSTRUCTURE			
5	Groundfloor construction	0.00%	R0.00/m²	0.00
6	Structural Frame	0.00%	R0.00/m²	0.00
7	External Envelope	3.06%	R171.64/m²	695 153.65
8	Roofs	2.24%	R125.33/m²	507 580.00
9	Upper floors (loadbearing brickwork)	0.00%	R0.00/m²	0.00
10	Internal divisions	20.21%	R1 131.96/m²	4 584 557.43
D	INTERNAL FINISHES			
11	Floor finishes	15.82%	R675.00/m²	3 543 738.75
12	Internal wall finishes	1.07%	R59.95/m²	242 817.00
13	Ceilings	9.50%	R532.16/m²	2 155 260.00
E	FITTINGS			
14	Fittings	7.05%	R395.05/m²	1 599 950.00
F	SERVICES			
15	Electrical installation	13.40%	R750.45/m²	3 039 448.00
16	Plumbing installation	0.78%	R43.50/m²	176 950.00
17	Fire Protection	2.21%	R123.95/m²	501 994.00
18	Lifts & Escalators	0.22%	R12.35/m²	50 000.00
19	Air Conditioning & Ventilation	14.32%	R802.32/m²	3 249 394.50
20	Special Services	0.09%	R4.94/m²	20 000.00
G	EXTERNAL WORKS			
21	Soil drainage	0.13%	R7.51/m²	30 400.00
22	Stormwater drainage	0.00%	R0.00/m²	0.00
23	External Works	0.04%	R2.47/m²	10 000.00
H	ALTERATIONS			
24	Alterations	5.30%	R296.80/m²	1 202 042.00
ESTIMATED BUILDING COST				22 689 752.96
I	ESTIMATING AND DESIGN CONTINGENCIES			1 702 000.00
ESTIMATED CURRENT CONSTRUCTION COST (excluding VAT)			R6 022.86/m²	R 24 391 752.96
J	ESCALATION			742 000.00
ESTIMATED FINAL CONSTRUCTION COST			R6 205.86/m²	R 25 133 752.96
K	PROFESSIONAL FEES			excluded
ESTIMATED FINAL CONSTRUCTION COST INCLUDING FEES			R6 205.86/m²	R 25 133 752.96
L	VALUE ADDED TAX			15% 3 770 062.94
M	ESTIMATED FINAL CONSTRUCTION COST Incl. VAT and excl. PROFESSIONAL FEES			R 28 903 815.90
N	COST PER m² OF GROSS CONSTRUCTION AREA (of Estimated Current Building Cost excluding external works escalation, VAT & professional fees)		4850 m²	R 6 012.18
P	COST PER m² OF GROSS CONSTRUCTION AREA (of Estimated Final Construction Cost including external works, VAT and professional fees)		4850 m²	R 7 136.74



DETAILED ESTIMATE

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
ELEMENTAL ESTIMATE
10 September 2021



A	PRELIMINARIES	5,00%	(carried to summary)	R	1 080 464,43
B	SUB-STRUCTURE				
2	Piling	0,00%		R0	
3	Foundations	0,00%		R0	
4	Basement	0,00%		R0	
C	SUPERSTRUCTURE				
5	Ground floor construction	0,00%		R0	
6	Structural Frame	0,00%		R0	
7	External Envelope	3,08%		R695 200	
7.1	Finishes - allowance for redecoration to external walls		m²	2345	95,00 222 775,00
	- Plaster	not applicable			0,00
	- Paint	1,00 1,00 1,00 1,00	95,00	95,00	
7.2	Windows - Timber - 0,90 x 1,50m - allowance say		No	30	5 474,27 164 228,10
	- Frame	1,00 1,00 1,00 1,00	3500,00	3500,00	
	- Hoop iron Sca	6,00 1,00 1,00 1,00	20,00	120,00	
	- Glazing - 6,3mm safety	70% 1,00 2,90 1,50	700,00	661,50	
	- Finish to frame both sides	2,00 1,00 0,00 1,50	100,00	275,00	
	- DDT brickwork measured thru	not applicable		0,00	
	- DDT ext finishes measured thru	not applicable		0,00	
	- DDT int finishes measured thru	not applicable		0,00	
	- Close cavities - reveal & head	1,00 1,00 1,00 3,90	20,00	70,00	
	- Dpc's - reveals & head	1,00 1,00 0,30 3,90	15,00	17,55	
	- Brick linols & turning piece	1,00 1,00 1,00 1,40	75,00	105,00	
	- External plaster band & reveal	1,00 1,00 1,00 3,90	100,00	390,00	
	- Point to external bands	1,00 1,00 0,40 3,90	95,00	148,29	
	- Brick on edge external sill	1,00 1,00 1,00 1,50	70,00	105,00	
	- Internal plaster reveal	1,00 1,00 0,10 3,90	90,00	36,10	
	- Paint to internal reveal	1,00 1,00 0,10 3,90	70,00	30,42	
	- Internal plaster sill	1,00 1,00 0,10 1,50	10,00	13,50	
	- Paint to internal plaster sill	1,00 1,00 0,10 0,00	70,00	6,00	
7.3	Redecorate existing external windows		m²	162	100,00 16 200,00
7.4	Window sundries - burglar proofing to new windows		m²	41	1200,00 49 200,00

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

WOODMILL WALK ALTERATIONS FOR MUNICIPAL OFFICES
for KNYSNA MUNICIPALITY
Indicative Budget Estimate No. 2
ELEMENTAL ESTIMATE
10 September 2021



7.5	Doors - Fire escape					No	2	13877.88	27 755.75
	- Frame	1.00	1.00	1.00	1.00	2000.00		2000.00	
	- Hoop-iron feet	6.00	1.00	1.00	1.00	18.00		18.00	
	- Door	1.00	1.00	1.00	1.00	7500.00		7500.00	
	- Finish to door	2.00	1.00	0.81	2.00	105.00		328.86	
	- Finish to frame	1.00	1.00	0.17	5.00	1000.00		865.00	
	- Reveal half hinges	3.00	1.00	1.00	1.00	70.00		210.00	
	- Panic bolts	1.00	1.00	1.00	1.00	2500.00		2500.00	
	- DDT brickwork measured thru)					not applicable		0.00	
	- DDT out finishes measured thru)					not applicable		0.00	
	- DDT in finishes measured thru)					not applicable		0.00	
	- Close cavities - reveals & head	1.00	1.00	1.00	4.07	50.00		243.50	
	- Upch - reveals & head	1.00	1.00	0.30	4.07	15.00		21.22	
	- Brick lintels & tucking piece	1.00	1.00	1.00	0.81	85.00		52.65	
	- External plaster built A reveal	1.00	1.00	1.00	4.07	150.00		730.50	
	- Point to external bands	1.00	1.00	0.40	4.07	85.00		185.05	
	- Internal plaster reveal	1.00	1.00	0.10	4.07	0.00		0.00	
	- Point to internal reveal	1.00	1.00	0.10	4.07	75.00		37.99	
7.6	Roller shutter doors					No		not applicable	
7.7	Security gates / grilles					m²	52	3200.00	165 400.00
7.8	External sun control to new windows					m²	27	1800.00	48 600.00
8	Roofs			2.24%				R507 600	
8.1	Trafficable surfaces - lift and repair portion of existing paving & waterproofing					m²	555	675.00	374 625.00
	- Lift paving	1.00	1.00	1.00	1.00	60.00		60.00	
	- Brick paving (new)	1.00	1.00	1.00	1.00	280.00		280.00	
	- Grading			retain existing				0.00	
	- Waterproofing repairs (new)	1.00	1.00	1.00	1.00	335.00		335.00	
8.2	High pressure clean existing pavers to parking deck					m²	3284	15.00	49 260.00
8.3	Roof covering					m²	800	25.00	20 000.00
	- Pressure clean existing sheeting	1.00	1.00	1.00	1.00	25.00		25.00	
8.4	Recompact and refurbish existing thatch roof					m²	70	800.00	56 000.00
8.5	Eaves & verges					m	270	28.50	7 695.00
	- Paint fascias and bargeboards	1.00	1.00	1.00	0.30	85.00		25.50	
9	Upper Floors			0.00%				R0	

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10 Internal divisions		20.21%		R4 584 600			
10.1	Doors - standard single internal in brickwork			No	2	4046.80	8 093.60
	- Frame	1.00	1.00	1.00	1000.00	1000.00	
	- Hoop iron tie	6.00	1.00	1.00	18.00	108.00	
	- Door - Semi-solid	1.00	1.00	1.00	1650.00	1650.00	
	- Glazing - 6.38mm safety	not applicable				0.00	
	- Finish to door	2.00	1.00	0.81	2.03	100.00	328.86
	- Finish to frame	1.00	1.00	0.21	4.87	100.00	102.27
	- Brass butt hinges	2.00	1.00	1.00	1.00	70.00	140.00
	- Three lever mortice lock	1.00	1.00	1.00	1.00	250.00	250.00
	- Door handle	1.00	1.00	1.00	1.00	300.00	300.00
	- Brass barrel bolt	not applicable				0.00	
	- Brass catch hook	not applicable				0.00	
	- DDT brickwork measured thru	not applicable				0.00	
	- DDT int finishes measured thru	not applicable				0.00	
	- Brick lintels & turning piece	1.00	1.00	1.00	1.31	70.00	91.70
	- Internal plaster & paint to reveal	2.00	1.00	0.10	4.87	75.00	75.97
10.2	Doors - existing - redecorate & replace ironmongery only			No	13	2781.13	36 154.69
	- Frame	not applicable				0.00	
	- Hoop iron tie	not applicable				0.00	
	- Door - Semi-solid	not applicable				0.00	
	- Glazing - 6.38mm safety	not applicable				0.00	
	- Finish to door	2.00	1.00	0.81	2.03	100.00	328.86
	- Finish to frame	1.00	1.00	0.21	4.87	100.00	102.27
	- Brass butt hinges	not applicable				0.00	
	- Three lever mortice lock	1.00	1.00	1.00	1.00	250.00	250.00
	- Door handle	1.00	1.00	1.00	1.00	300.00	300.00
	- Door closer	1.00	1.00	1.00	1.00	1800.00	1800.00
	- Brass barrel bolt	not applicable				0.00	
	- Brass catch hook	not applicable				0.00	
	- DDT brickwork measured thru	not applicable				0.00	
	- DDT int finishes measured thru	not applicable				0.00	
	- Brick lintels & turning piece	not applicable				0.00	
	- Internal plaster & paint to reveal	not applicable				0.00	
10.3	Doors - strongroom type			No	2	12098.80	24 197.60
	- Door and frame	1.00	1.00	1.00	1.00	11500.00	11500.00
	- Hoop iron tie	included				0.00	
	- Finish to door	2.00	1.00	0.81	2.03	100.00	328.86
	- Finish to frame	1.00	1.00	0.21	4.87	100.00	102.27
	- Ironmongery	included				0.00	
	- DDT brickwork measured thru	not applicable				0.00	
	- DDT int finishes measured thru	not applicable				0.00	
	- Brick lintels & turning piece	1.00	1.00	1.00	1.31	70.00	91.70
	- Internal plaster & paint to reveal	2.00	1.00	0.10	4.87	75.00	75.97
10.4	Alterations to existing internal timber shopfronts to accommodate new doors, fixed panels, etc as required			item	1	100 000.00	100 000.00
10.5	Redecoration of existing glazed timber shopfronts			m²	331	95.00	31 445.00
10.6	Painted drywall partitioning - 1.5m high			m	101	1 185.00	119 685.00
	- Drywall partitioning	1.00	1.00	1.00	1.00	875.00	875.00
	- Finishes	2.00	1.00	1.00	1.59	70.00	210.00
	- Insulation	not applicable				0.00	
10.7	Painted drywall partitioning - 3.0m high			m	122	2 050.00	251 320.00
	- Drywall partitioning	1.00	1.00	1.00	1.00	1400.00	1400.00
	- Finishes	2.00	1.00	1.00	3.00	70.00	420.00
	- Insulation	1.00	1.00	1.00	3.00	60.00	240.00

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10.8	Painted drywall partitioning – 3,5m high	m	619	2 370.00	1 467 030.00
	- Drywall partitioning	1.00	1.00	1.00	1400.00 : 1400.00
	- Finishes	3.00	1.00	1.00	3.50 70.00 : 490.00
	- Insulation	1.00	1.00	1.00	3.50 80.00 : 280.00
10.9	Extra over drywall partitioning for single doors	No	40	3 397.10	135 684.06
	- Frame	1.00	1.00	1.00	850.00 : 850.00
	- Grange	1.00	1.00	1.00	1500.00 : 1500.00
	- Door - Semi-solid	1.00	1.00	1.00	1500.00 : 1500.00
	- Glazing - 6,30mm safety	1.00	1.00	1.00	1500.00 : 1500.00
	- Finish to door	2.00	1.00	0.81	2.03 100.00 : 326.66
	- Finish to frame	1.00	1.00	0.21	4.97 100.00 : 107.27
	- Brass butt hinges	2.00	1.00	1.00	70.00 : 140.00
	- Three lever mortice lock	1.00	1.00	1.00	250.00 : 250.00
	- Door handle	1.00	1.00	1.00	350.00 : 350.00
	- Finishes to reveals	2.00	1.00	0.10	4.87 78.00 : 75.97
10.10	Extra over drywall partitioning for double doors	No	9	4 752.50	42 772.46
	- Frame	1.00	1.00	1.00	1000.00 : 1000.00
	- Grange	1.00	1.00	1.00	2200.00 : 2200.00
	- Door - Semi-solid	1.00	1.00	1.00	2200.00 : 2200.00
	- Glazing - 6,30mm safety	1.00	1.00	1.00	2200.00 : 2200.00
	- Finish to door	2.00	1.00	1.50	2.03 100.00 : 609.00
	- Finish to frame	1.00	1.00	0.21	5.06 100.00 : 115.75
	- Brass butt hinges	2.00	1.00	1.00	70.00 : 140.00
	- Three lever mortice lock	1.00	1.00	1.00	250.00 : 250.00
	- Door handle	1.00	1.00	1.00	350.00 : 350.00
	- Finishes to reveals	2.00	1.00	0.10	5.56 75.00 : 86.74
10.11	Glazed aluminium internal shopfronts 3,0m high	m	58	3 600.00	244 800.00
10.12	Glazed aluminium internal shopfronts 3,5m high	m	198	5 100.00	1 009 800.00
10.13	Extra over glazed aluminium shopfront for single door	No	81	6 250.00	506 250.00
10.14	Extra over glazed aluminium shopfront for double door	No	3	8 500.00	25 500.00
10.15	Specialist sliding stacking doors between boardrooms	m²	95	3500.00	330 750.00
10.16	Window décor - (allowance based on 30% of glass area)	m²	269	575.00	154 675.00
10.17	30 minute fire division zones in ceiling void	m²	56	700.00	39 200.00
D INTERNAL FINISHES					
11	Floor finishes	15.62%		R3 543 700	
11.1	Porcelain tiles - PC R350/m²	m²	3922	759.38	2 978 268.75
	- 25mm Sward	1.00	1.00	1.00	759.38 : 759.38
	- Tiles	1.00	1.00	1.00	759.38 : 759.38
11.2	Soft joints to tiling - polysulfide	m	1961	70.00	137 270.00
11.3	Skinings - timber	m	2368	150.00	358 200.00
	- 22 x 100mm microsl skirting	1.00	1.00	1.00	90.00 : 90.00
	- Pine bucks	1.00	1.00	1.00	20.00 : 20.00
	- Paint on skirting	1.00	1.00	1.00	40.00 : 40.00
11.4	Floor finishes sundries - thresholds, strips, etc.	item	1	20000.00	20 000.00
11.5	Special conditions - patterns, margins, etc	No	1	50000.00	50 000.00

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12	Internal wall finishes	1.07%					R242 800		
12.1	Paint existing brickwork						m²	2464	78.00 192 192.00
	- 1 ct plaster				not applicable				0.00
	- Scraper used				not applicable				0.00
	- Paint	1.00	1.00	1.00	1.00	78.00			78.00
12.2	Paint to drywall partitions						m²		elsewhere
12.3	Tiles to isolated areas (PC R200/m²)						m²	100	506.25 50 625.00
	- 1 ct plaster				not applicable / elsewhere				0.00
	- Tiles	1.00	1.00	1.00	1.00	506.25			506.25
12.5	Dado rails, etc						m		not applicable
12.6	Specialist wall finishes						No		not applicable
13	Ceilings	9.50%					R2 155 300		
13.1	Specialist suspended ceilings - CWA/Acoustic 600 x 600mm						m²	3922	500.00 1 961 000.00
	- Ceiling	1.00	1.00	1.00	1.00	500.00			500.00
	- Finish		Included						0.00
13.2	Vertical ceilings / bulkheads - allowance						m²	150	785.00 117 750.00
	- Ceiling	1.00	1.00	1.00	1.00	785.00			785.00
	- Joists, support work, etc				Not applicable				0.00
	- Finish	1.00	1.00	1.00	1.00	85.00			85.00
13.3	Insulation						m²		not applicable
13.4	Cornices						m	2188	35.00 76 510.00
	- 32mm rhedowline	1.00	1.00	1.00	1.00	35.00			35.00
E	FITTINGS								
14	Fittings	7.05%					R1 608 000		
14.1	Main entrance reception/security counters					No	2	45000.00	90 000.00
14.2	Waist height Turnator "Trident" turnstiles (access control system elsewhere)					No	5	35000.00	175 000.00
14.3	Glazed side panels to turnstiles access					No	2	5000.00	10 000.00
14.4	Allowance for reception desks/counters (Community Services, Planning & Development & Technical Services only)					No	3	45000.00	135 000.00
14.5	Cashier cubicles, counter, cash tray and glass					No	16	15000.00	240 000.00
14.6	Kitchenette cupboards					m	20	4000.00	80 000.00
14.7	Built in cupboards to some offices (allowance only)					m	37	5500.00	203 500.00
14.8	Work station desks (allowance in Revenue Services and Traffic only)					m	21	3000.00	63 000.00
14.9	Storage shelving (allowance only - say)					m	500	450.00	225 000.00
14.10	Specialist filing systems (traffic and revenue to reuse existing)					m			excluded
14.11	Safes / strong room					m			excluded
14.12	Ablution vanity counters					Item			existing
14.13	Directional, statutory and building signage					Item	1	75000.00	75 000.00
14.14	Specialist artwork, murals, etc to internal walls					Item	1	50000.00	50 000.00
14.15	Window blinds					Item			excluded
14.16	Loose furnishings and fittings					Item			excluded - existing to be reused
14.17	Stainless steel public 3 reater benches					No.	18	8000.00	108 000.00
14.18	Buildors profit & attendance					10%	of	1454500.00	145 450.00

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F SERVICES									
15	Electrical installation	13.40%						R3 039 400	
15.1	Source & Mains - 690KV originally supplied to building and paid for				item	existing to be reinstated by local authority			
15.2	Arrange power shutdowns, disconnect all existing MV and LV cables at existing substation, remove 315KVA minisubstation, adjust pith, collect & install 83KVA substation supplied by municipality, reconnect and commission				item		1	95000.00	95 000.00
15.3	Standby Power				item				excluded
15.4	Upgrade internal sub-main LV distribution				item		1	170000.00	170 000.00
15.5	Small power and lighting including power skirting to offices/normal power socket outlets, light points and switches, LED lighting to 500 lux for offices and 200 lux for back of house and walkways				m²		3822	630.00	2 470 860.00
15.6	Light & other fittings				m³				included
15.7	Coiling fans / Space heaters				No				not applicable
15.8	Builder's work				item		1	30000.00	30 000.00
15.9	Connection fees				item				not applicable
15.10	Builders profit & attendance				10%		of	2735860.00	273 586.00
16	Plumbing Installation	0.78%						R177 000	
16.1	Sanitary fittings - second fix supply and install				No		2	4450.00	8 900.00
	- New sink, mixer, trap & waste				No		2	2950.00	5 900.00
	- New Urinal, trap and waste				No		5	5000.00	25 000.00
	- New WC, seat				No		5	4450.00	22 250.00
	- New WHB, mixer, trap and waste				No		1	1500.00	1 500.00
16.2	Re-position existing sink fitting and fitting				No		7	700.00	4 900.00
16.3	Remove existing fittings and stop off, etc				No		14	3000.00	42 000.00
16.4	Sanitary plumbing wastes pipes, etc. - per fitting				No		14	3000.00	42 000.00
16.5	Internal water reticulation - per fitting				item		1	4500.00	4 500.00
16.6	Paraplegic grab rails and fittings for converted ablution ground floor				item		1	10000.00	10 000.00
16.7	Bathroom accessories (allowance)				No				excluded
16.8	Hot water cylinders				No		1	10000.00	10 000.00
16.9	Builder's work				No				not applicable
16.10	Connection fees				No				
17	Fire Protection	2.21%						R502 000	
17.1	Fire extinguishers								
17.2	Fire hose reels								
17.3	Cabinet for fire hose reel				item		1	200000.00	200 000.00
17.4	Internal fire water reticulation								not applicable
17.5	Water storage tanks				No				not applicable
17.6	Pumps				No				not applicable
17.7	Sprinkler installation				item				not applicable
17.8	Smoke detection (not a statutory requirement)				m²		3822	70.00	274 540.00
17.9	Fire suppression systems				m²				not applicable
17.10	Builders profit & attendance (on specialist systems only)				10%		of	274540.00	27 454.00
18	Lifts & escalators	0.22%						R50 000	
18.1	Lift - allowance for minor refurbishment				No		1	50000.00	50 000.00
	- Minor lift refurbishment	1.00	1.00	1.00	40000.00	:		40000.00	
	- Pump pump	1.00	1.00	1.00	10000.00	:		10000.00	

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19	Air-conditioning & Ventilation	14.32%			R3 249 400	
19.1	Air-conditioning & ventilation					
	- Traffic		m²	560	1070.00	596 200.00
	- Revenue services		m²	617	955.00	589 235.00
	- Conference rooms		m²	234	800.00	179 200.00
	- Human Settlements		m²	193	1350.00	260 550.00
	- Community services		m²	126	1350.00	170 100.00
	- Technical services		m²	435	1200.00	522 000.00
	- Planning and development		m²	823	770.00	633 710.00
19.2	Mechanical ventilation - fresh air fan systems		Item			included
19.3	Ablution extraction		Item			included
19.4	Fan kitchen extraction		Item			included
19.5	Builders work		Item			included
19.6	Builders profit & attendance		10%	of	2953995.00	295 399.50
20	Special services	0.09%			R20 000	
20.1	PABX / Telecommunications		Item			excluded
20.2	Burglar alarm		Item			omitted per M Paulsen advice
20.3	CCTV		Item			omitted per M Paulsen advice
20.4	Access control		Item			omitted per M Paulsen advice
20.5	Data / IT reticulation (excluding equipment)		Item			with electrical
20.6	Public address / Intercom system		Item			omitted per M Paulsen advice
20.7	Parking boom and control system		Item			excluded
20.8	Builders work		Item	1	20000.00	20 000.00
20.9	Builders profit & attendance		10%	of	0.00	0.00
G	EXTERNAL WORKS					
21	Soil drainage	0.13%			R30 400	
21.1	Soil drains - 110mm uPVC pipe in trench not exceeding 1.0m deep (allow)		m	50	230.00	11 500.00
21.2	Extra over for imported filling to pipe trenches under paving		m³	30	350.00	10 500.00
21.3	Pipe fillings		No	20	150	3 000.00
21.4	Inspection chambers		No			not applicable
21.5	Rodding eye, vertical pipe and marker slab		No	1	400	400.00
21.6	Septic tanks, soakaways, etc.		Item			not applicable
21.7	Locate existing sewers and connection		Item	1	5 000	5 000.00
22	Stormwater drainage	0.00%			R0	
23	External Works	0.04%			R10 000	
23.1	Allowance for protection to existing buildings		Item			not applicable
23.2	High pressure clean only to existing pavements		m²	500	20.00	10 000.00
H	ALTERATIONS					
24	Alterations	5.30%			R1 202 000	
24.1	Hack up existing floor tiles and prepare screed for new		m²	3922	110.00	431 420.00
24.2	Take out and remove existing ceilings		m²	3922	51.00	200 022.00
24.3	Remove portion of existing shopfronts		Item	1	20000.00	20 000.00
24.4	Remove existing shopfitting		Item	1	75000.00	75 000.00

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24.5	Break opening in existing internal one brick wall for new door / plain opening	No	12	2000.00	24 000.00
24.6	Break opening in existing external walls for new windows - say	No	30	2000.00	60 000.00
24.7	Remove redundant HVAC plant and installations	Item	1	80000.00	80 000.00
24.8	Strip and remove existing electrical installations	Item	1	160000.00	160 000.00
24.9	Allowance for minor repairs and touch up to public ablutions first floor	Item	1	12000.00	12 000.00
24.10	Demolish brickwork	m ³	99	400.00	39 600.00
24.11	Allowance for general preparation of works as required	Item	1	100000.00	100 000.00

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	ESTIMATED NET CURRENT BUILDING COST		21 608 288.53
	PRELIMINARIES (brought forward from Page 1)		1 080 464.43
	Sub-total		22 688 752.96
I	CONTINGENCIES	7.50%	1 702 000.00
	ESTIMATED CURRENT BUILDING COST		24 391 752.96
J	ESCALATION		
	- Pre-conit	6 months x 4.0% per annum	100.0% 487 835.00
	- Construction	6 months x 4.0% x 0.85 x 0.80	100.0% 253 771.80
	ESTIMATED FINAL CONSTRUCTION COST		25 133 752.96
K	PROFESSIONAL FEES		elsewhere
	ESTIMATED FINAL CONSTRUCTION COST EXCLUDING FEES		25 133 752.96
L	VALUE ADDED TAX	15%	3 770 062.94
M	ESTIMATED FINAL CONSTRUCTION COST Incl. VAT but excl. PROFESSIONAL FEES		R 28 903 815.90
N	COST PER m ² OF GROSS CONSTRUCTION AREA ± 4050 m ² (of Estimated <u>Current</u> Building Cost excluding external works escalation, VAT & professional fees)		R 6 911.40
O	COST PER m ² OF GROSS CONSTRUCTION AREA ± 4050 m ² (of Estimated <u>Current</u> Building Cost including external works but excluding escalation, VAT & professional fees)		R 6 022.86
O	COST PER m ² OF GROSS CONSTRUCTION AREA ± 4050 m ² (of Estimated <u>Final</u> Construction Cost including external works but excluding VAT and professional fees)		R 7 136.74



Leasing Properties Over the Next Twenty (20) Years								
Row Number	Description	Albatros Property Trust	Escalation %	Noble Spectatus Fund 4 (Pty) Ltd	Escalation %	Deon & Carina Boshoff	Escalation %	Total Costs
Column Reference	A	B	C	D	E	F	G	H
1	Year 1	3 707 204	-	2 178 278	-	371 231	-	6 256 713
2	Year 2	3 966 708	7,0%	2 330 757	7,0%	408 354	10,0%	6 705 820
3	Year 3	4 244 378	7,0%	2 493 910	7,0%	449 190	10,0%	7 187 478
4	Year 4	4 541 484	7,0%	2 668 484	7,0%	494 108	10,0%	7 704 077
5	Year 5	4 859 388	7,0%	2 855 278	7,0%	543 519	10,0%	8 258 186
6	Year 6	5 199 545	7,0%	3 055 148	7,0%	597 871	10,0%	8 852 564
7	Year 7	5 563 514	7,0%	3 269 008	7,0%	657 658	10,0%	9 490 180
8	Year 8	5 952 960	7,0%	3 497 838	7,0%	723 424	10,0%	10 174 222
9	Year 9	6 369 667	7,0%	3 742 687	7,0%	795 767	10,0%	10 908 120
10	Year 10	6 815 543	7,0%	4 004 675	7,0%	875 343	10,0%	11 695 562
11	Year 11	7 292 631	7,0%	4 285 003	7,0%	962 878	10,0%	12 540 512
12	Year 12	7 803 116	7,0%	4 584 953	7,0%	1 059 165	10,0%	13 447 234
13	Year 13	8 349 334	7,0%	4 905 899	7,0%	1 165 082	10,0%	14 420 315
14	Year 14	8 933 787	7,0%	5 248 312	7,0%	1 281 590	10,0%	15 464 689
15	Year 15	9 559 152	7,0%	5 616 764	7,0%	1 409 749	10,0%	16 585 665
16	Year 16	10 228 293	7,0%	6 009 938	7,0%	1 550 724	10,0%	17 788 954
17	Year 17	10 944 273	7,0%	6 430 633	7,0%	1 705 796	10,0%	19 080 703
18	Year 18	11 710 372	7,0%	6 880 778	7,0%	1 876 376	10,0%	20 467 526
19	Year 19	12 530 098	7,0%	7 362 432	7,0%	2 064 014	10,0%	21 956 544
20	Year 20	13 407 205	7,0%	7 877 802	7,0%	2 270 415	10,0%	23 555 423
21	Totals	151 978 653	7,0%	89 299 579	7,0%	21 262 255	7,0%	262 540 487
22	NPV =	69 293 533	7,0%	40 715 477	7,0%	9 138 641	7,0%	119 147 650

Buying a Property & Repaying the External Loan Over Twenty (20) Years				
External Loan Opening Balance	Interest @7% Per Year	Redemption Straight Line Method	Interest & Redemption Installments	External Loan Closing Balance
I	J	K	L	M
61 866 000	4 330 620	3 093 300	7 423 920	58 772 700
58 772 700	4 114 089	3 093 300	7 207 389	55 679 400
55 679 400	3 897 558	3 093 300	6 990 858	52 586 100
52 586 100	3 681 027	3 093 300	6 774 327	49 492 800
49 492 800	3 464 496	3 093 300	6 557 796	46 399 500
46 399 500	3 247 965	3 093 300	6 341 265	43 306 200
43 306 200	3 031 434	3 093 300	6 124 734	40 212 900
40 212 900	2 814 903	3 093 300	5 908 203	37 119 600
37 119 600	2 598 372	3 093 300	5 691 672	34 026 300
34 026 300	2 381 841	3 093 300	5 475 141	30 933 000
30 933 000	2 165 310	3 093 300	5 258 610	27 839 700
27 839 700	1 948 779	3 093 300	5 042 079	24 746 400
24 746 400	1 732 248	3 093 300	4 825 548	21 653 100
21 653 100	1 515 717	3 093 300	4 609 017	18 559 800
18 559 800	1 299 186	3 093 300	4 392 486	15 466 500
15 466 500	1 082 655	3 093 300	4 175 955	12 373 200
12 373 200	866 124	3 093 300	3 959 424	9 279 900
9 279 900	649 593	3 093 300	3 742 893	6 186 600
6 186 600	433 062	3 093 300	3 526 362	3 093 300
3 093 300	216 531	3 093 300	3 309 831	0
0	45 471 510	61 866 000	107 337 510	0
		NPV @ 7% =	61 866 000	7,0%

ANNEXURE J

11/11

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022

Row Number	Description
Column Reference	A
23	Year 1
24	Year 2
25	Year 3
26	Year 4
27	Year 5
28	Year 6
29	Year 7
30	Year 8
31	Year 9
32	Year 10
33	Year 11
34	Year 12
35	Year 13
36	Year 14
37	Year 15
38	Year 16
39	Year 17
40	Year 18
41	Year 19
42	Year 20
43	Totals
44	NPV =

Buying a Property & Repaying the External Loan Over Twenty (20) Years				
External Loan Opening Balance	Interest @10% Per Year	Redemption Straight Line Method	Interest & Redemption Installments	External Loan Closing Balance
I	J	K	L	M
61 866 000	6 186 600	3 093 300	9 279 900	58 772 700
58 772 700	5 877 270	3 093 300	8 970 570	55 679 400
55 679 400	5 567 940	3 093 300	8 661 240	52 586 100
52 586 100	5 258 610	3 093 300	8 351 910	49 492 800
49 492 800	4 949 280	3 093 300	8 042 580	46 399 500
46 399 500	4 639 950	3 093 300	7 733 250	43 306 200
43 306 200	4 330 620	3 093 300	7 423 920	40 212 900
40 212 900	4 021 290	3 093 300	7 114 590	37 119 600
37 119 600	3 711 960	3 093 300	6 805 260	34 026 300
34 026 300	3 402 630	3 093 300	6 495 930	30 933 000
30 933 000	3 093 300	3 093 300	6 186 600	27 839 700
27 839 700	2 783 970	3 093 300	5 877 270	24 746 400
24 746 400	2 474 640	3 093 300	5 567 940	21 653 100
21 653 100	2 165 310	3 093 300	5 258 610	18 559 800
18 559 800	1 855 980	3 093 300	4 949 280	15 466 500
15 466 500	1 546 650	3 093 300	4 639 950	12 373 200
12 373 200	1 237 320	3 093 300	4 330 620	9 279 900
9 279 900	927 990	3 093 300	4 021 290	6 186 600
6 186 600	618 660	3 093 300	3 711 960	3 093 300
3 093 300	309 330	3 093 300	3 402 630	0
0	64 959 300	61 866 000	126 825 300	0
NPV @ 7% =			74 335 515	7,0%

25
"

**PURCHASE OF BUILDING FOR THE PURPOSE OF OFFICE ACCOMMODATION
FOR THE KNYSNA MUNICIPALITY**

REPORT FROM ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To request Council to approve, in principle, the purchase of a building for the purpose of office accommodation for the Knysna Municipality.

BACKGROUND/DISCUSSION

Council at its meeting held on the 28th of January 2021, unanimously resolved that the Acting Municipal Manager investigate the purchasing or construction of a building for the purpose of office accommodation.

As part of the investigation, that Acting Municipal Manager looked into the building known as Woodmill Walk as well as costs associated with new construction. The Woodmill Walk Building offers 4,153 m² in floor space with parking on top of the building more or less the equivalent of the same floor space. This option will cater for all administrative officials – except those at the Corporate Building and Finance Building – to be under one roof.

The Acting Municipal Manager appointed Kantey & Templer to provide a report on the suitability of the Woodmill Walk Building and also to provide an estimate of the construction costs for a new building suitable to house staff. The reports are attached hereto marked Annexures A & B respectively.

Annexure A indicates that to purchase the building at R 35 million and to renovate it at an estimated R 34 million (Page 4 of Annexure 7: Quantity Surveyors Report) will cost the Municipality about R 69 million (VAT excluded). Annexure B indicates that to build the same building from scratch and to purchase a piece of land in the Central Building District (CBD) will cost the Municipality an estimated R 104.3 million. Buying and renovating will therefore be the preferred option.

The Office of the Acting Municipal Manager received a submission from Albatros Properties proposing the sale of the Old Main Building (currently providing office accommodation to Planning & Development, Infrastructure Services, Integrated Human Settlements, as well as Public Participation). A copy of the proposal is attached hereto marked Annexure C. The Albatros Building offers 1,758 m² office space which will mean that other buildings will still have to be leased to cater for other administrative officials. Furthermore, the Albatros Building needs urgent renovations which makes this property in terms of the Woodmill Walk Building offer not viable.

The office of the Acting Municipal Manager also received a submission from Mr Neil Lurie proposing continued long term rental as opposed to purchasing and ownership of Council's own asset. A copy of the submissions by Mr Lurie is attached hereto marked Annexure D. The Chief Financial Officer will discuss the financial implications of purchasing versus long term rental and net present values in the financial implications section below.

The office of the Acting Municipal Manager assessed the various options and made the following analysis:

Option 1 – Purchase of Woodmill Walk Building

The current proposed purchase price is in the region of R 35 million rand.

The estimated cost of construction to transform the building into a “one stop” office accommodation housing a number of municipal service delivery departments under one roof is in the region of R 34 million rand. From the report in Annexure A, these estimates are to have a building with state of the art fittings and fixtures and based on the proposed plans included therein. These are estimated costs which can be reduced.

Important to note is that this building has the capacity to house all Directorates currently making use of rental space and provides additional space to accommodate future growth in the organisation.

The estimated period for the building to be completely ready for occupation (including the conclusion of the sale transaction would be in the region of 18 months).

Option 2- Construction

As per Annexure B, the estimated cost for construction of building similar in size to that of Woodmill Walk and which could accommodate all directorates currently making use of rental space would cost in the region of R 104.3 million rand. The estimated period for completion of construction would be in the region of 36 months.

Our Town Planning, PMU and Building Control divisions also submitted their comments on the proposed construction of an annex building in Market Street (between Corporate and Finance Buildings).

Town Planning submitted the following comments:

Planning Phase	<i>To undertake the planning and obtain authorisations or approvals necessary to implement the proposal</i>
	1. Feasibility Study <i>It is suggested that a feasibility study/cost benefit analysis be undertaken to determine the viability of the proposal measured against several alternative proposals in order to establish the most effective solution in terms of cost and the needs/requirements and objectives of Council.</i>
	Clyde & Queen Street Proposal (Main Building)
	2.1. Key Zoning Considerations:
	<i>Office Space: up to 3,800m² (gross leasable area)</i>
	<i>Parking: 4 bays/100m² of GLA amounts to a minimum of 152 parking bays required. (the number of parking bays may amount to 3,000m² in space)</i>
	<i>Height restriction: Limited to 12m (i.e. 3 stories including pitched roof or 4 stories flat roof)</i>
	<i>A minimum of 3,000m² (estimate) of land may be needed depending on the design of the building and whether a parking garage will form part of the building.</i>
	3. Confirmation of Land Legal Conditions on Queen Street
	<i>3.1. The ownership to the Queen Street road reserve to be confirmed and whether the property vests in the Municipality. All indications are that this is case.</i>
	<i>3.1. The appointment of a conveyancing attorney may be considered to investigate and do the necessary deed searches, etc. (Legal Services to advise)</i>

	3. Appointment of Professional Services	
	Professional Town Planner to undertake and manage the town planning application process on behalf of the Municipality.	
	▪ It is anticipated that an application for subdivision, rezoning, consolidation and closure of a public place in terms of Section 15 of the Knysna Municipality By-law on Municipal Land Use Planning (2016) will be applicable. ▪ The anticipated timeframe for the completion of a town planning application is up to 12 months. ▪ In support of the application, a traffic impact study may be required to investigate and confirm the impact of the proposal on the existing road network and parking in the central business district (CBD). Technical Services directorate to advise on the requirements of such a study. ▪ Draft architectural drawings and site development plans drawn by a registered draughtsperson or architect will need to accompany the application. ▪ A heritage practitioner may be needed to submit a Notice of Intent to Develop in terms of the Heritage Resources Act, 1999 (Act 25 of 1999) due to the historic buildings that may be affected. ▪ Timeframe for the town planning application may be up to 12 months while the timeframe for the entire planning process (including appointments and undertaking of relevant studies, authorisations, approvals) may be up to 24 months.	
	4. Budget implications on Professional Services	
	4.1. Professional Town Planner	±R250,000 estimate
	4.2. Professional Engineer(s)	To be determined
	4.3. Heritage Practitioner	To be determined
	4.4. Other costs include advertising of application(s) in local media and application costs to external authorities (e.g. Heritage Western Cape) ±R30,000 estimate	
Pre-Construction Phase	To confirm the planning approval(s) and authorisations obtained in the planning phase	
	5.1. Draughtsperson or Architect will be needed to compile a site development for approval in terms of Section 15 of the Planning By-law if imposed as a condition of approval in the planning application's approval.	
	5.2. A professional land surveyor will need to be appointed to undertake the surveying, drawings and registration of erf diagrams at the Surveyor-General's office.	
	5.3. A conveyancing attorney may be required to undertake the registration of the newly created erf or erven at the Registrar of Deeds.	
	5.4. Submission of Building Plans in terms of the National Building Regulations and Standards Act, 1977	
	5.5. Timeline for the completion of the above tasks may be up to 12 months.	
	6. Budget Implications on Professional Services	
	6.1. Land Surveyor	±R150,000 estimate
	6.2. Conveyancing Attorney	To be determined
	6.3. Architect	To be determined
Construction Phase	Construction of the building(s)	

Our Project Management Unit provided the following comments:

The council is sourcing information regarding viability of constructing municipal owned offices to accommodate all municipal departments. This submission focuses of professional and construction services required to complete the project.

Services Required

SERVICES REQUIRED	RESPONSIBILITY	PERCENTAGE BUDGET	Time Frame
Town Planning	Land Use Planning and Management	1%	5 Months
Architect	Concept Design, Planning & Monitoring	1%	18 Months
Quantity Surveyor (Principal Agent)	Planning, Costing and Monitoring	6%	18 Months
Structural Engineer	Design, Monitoring	1%	18 Months
Civil Engineer	Planning, Design, monitoring	3%	18 Months
Electrical Engineer	Planning, Design, Monitoring	1%	18 Months

Implementation Strategy

The municipality has two options to implement the project;

1. Outsourcing to Principal Company to manage everything

This option enables the municipality to appoint a multi-disciplinary company from the municipal database to act as the municipal Principal Agent. The duties of the principal agent are;

- *Assist the municipality in evaluating the different professional appointments*
- *Act as project leader and manages all the professionals*
- *Reports to the municipality through Project Management Office*
- *Handles all accounts by professional service providers and submits one account to the municipality*
- *Liable for all the works and performance thereof*

Advantages

- *This option enables the municipality to deal with one accountable service provider instead of many.*
- *Easy access to information through one service provider*
- *The risk of poor performance from any of the professionals is reduced.*
- *The municipality with not deal with lengthy termination and dispute processes should there be a need to terminate.*

Disadvantages

- *Service providers may collude to cover up mistakes*

2. Implementing the project using internal resources

This option enables the municipality to;

- *Handle the project through the Project Management Office*
- *Appoint all professional services provider through the database*
- *All individual professionals are accountable to the municipality*

Advantages

- *Institutional growth and transformation*
- *Saving on professional fees*

Disadvantages

- *Staff turnover at the municipality may lead to loss of project memory/records*
- *Dispute processes may take longer*
- *Prolonged decision making, leading to claims and project stoppages*
- *Losses of funds through contractual claims*

OPTION 3: PURCHASE OF OLD MAIN BUILDING

The offer received from the owners of the buildings is R 33 million rand.

The building at present houses the following directorates:

- Planning & Development;
- Infrastructure Services (excluding electrical services);
- Integrated Human Settlements;
- Public Participation

The Albatros Building offers 1,758 m² office space and need urgent renovations which makes this property in terms of the Woodmill Walk Building offer not viable. The current capacity of the building is insufficient to house the current staff component occupying the building and does not allow for any future growth of the organisation.

Purchasing this building will still require Council to lease additional space to house Electrical Services, Finance (Income), Community Services (Traffic Services) and Human Resources.

This option is not feasible.

Option 4: LEASING VERSUS PURCHASING

Purchasing and renovating the Woodmill Walk Building at an estimated cost of R 69.0 million and taking up an external loan for the same amount to be repaid over twenty (20) years with yearly redemption on the straight-line method at a variable interest rate of 7% will cost the Municipality R 119.8 million over twenty (20) years – see Row 21 & Column K of Annexure E attached hereto. The net present value at a discount rate of 7% will be R 69.0 million – see Row 22 & Column K of Annexure E attached hereto.

Leasing the Albatros Building with inadequate office space to house all administrative officials – except those in the Corporate Building and Finance Building – over the next twenty (20) years at their tendered rates for year 1 to 3 in Row 1, 2 and 3 & Column B of Annexure E attached hereto, at an escalation of 6% per annum, will cost the Municipality R 136.3 million over the next twenty (20) years – see Row 21 & Column B of Annexure E attached hereto. The net present value at a discount rate of 6% will be R 69.9 million – see Row 22 & Column B of Annexure E attached hereto.

Comparing the net present value of the Woodmill Walk Building of R 69.0 million with 4,153 m² floor space with the net present value of the Albatros Building of R 69.9 million with 1,758 m² floor space – 57.7% less floor space than the Woodmill Walk Building – the purchasing and renovation of the Woodmill Walk building is by far the more financial viable option.

Since the Albatros Building do not offer sufficient floor space, the Municipality will still have to lease another building/s to accommodate the other administrative officials in other buildings currently being leased. Leasing the K2012150041 South Africa (Knysna Mall) Building with 2,100 m² floor space over the next twenty (20) years at their tendered rates for year 1 to 3 in Row 1, 2 and 3 & Column D of Annexure E attached hereto, at an escalation of 7% per annum,

will cost the Municipality R 77.4 million over the next twenty (20) years – see Row 21 & Column B of Annexure E attached hereto. The net present value at a discount rate of 7% will be R 33.3 million – see Row 22 & Column D of Annexure E attached hereto. The Knysna Mall Building offer is an empty shell and need further renovations at an estimated R 18.9 million – see Row 1 & Column F of Annexure E attached hereto.

The total net present value of leasing properties (Albatros Building and Knysna Mall Building) amounts to R 124.1 million (Row 22 & Column G of Annexure E) compared with the net present value of R 69.0 million (Row 22 & Column K of Annexure E) of the Woodmill Walk Building – renovations included – clearly indicates that purchasing and renovating the Woodmill Walk Building is the more financial viable option.

Taking into account all relevant factors including the benefits to Council, it is recommended that Option 1 is the best option for the Knysna Municipality and its residents.

FINANCIAL IMPLICATIONS

The estimated costs for the purchasing and renovating of the Woodmill Walk Building is R 69 million (VAT excluded). The purchase price of R 35 million is negotiable and the renovation costs of R 34 million can be reduced with refined planning and the type of materials to be used.

Taking up an external loan for the R 69 million to be repaid over twenty (20) years at a variable interest rate of 7% will currently cost the Municipality an estimated R 119.8 million. The interest and redemption instalments will reduce from R 8.2 million in Year 1 to R 3.7 million in Year 20. The net present value at a discounted rate of 7% will be R 69 million – see Row 22 & Column K of Annexure E attached hereto.

Taking up an external loan for the R 69 million to be repaid over twenty (20) years at a variable interest rate of 10% will currently cost the Municipality an estimated R 141.6 million. The interest and redemption instalments will reduce from R 10.3 million in Year 1 to R 3.7 million in Year 20. The net present value at a discounted rate of 7% will be R 83 million – see Row 44 & Column K of Annexure E attached hereto.

Compare the above two net present values with the net present value of R 124.1 million (Row 22 & Column G of Annexure E attached hereto) for leasing the Albatros Building and Knysna Mall Building clearly indicates that purchasing and renovating the Woodmill Walk Building is the most financial viable option.

RELEVANT LEGISLATION

N/A

Recommendation

- (a) That the report on the purchase of a building for office accommodation be noted;
- (b) That Council approves in principle the purchasing of Erf 9762, Knysna (Woodmill Walk Building); and
- (c) That the Acting Municipal Manager advertises the intended purchase of Erf 9762, Knysna for public comment and counter offers.

**C07/03/21 PURCHASE OF BUILDING FOR THE PURPOSE OF OFFICE
ACCOMODATION FOR THE KNYSNA MUNICIPALITY**

UNANIMOUSLY RESOLVED

- [a] That the report on the purchase of a building for office accommodation be noted;
- [b] That Council approves in principle the purchasing of Erf 9762, Knysna (Woodmill Walk Building);
- [c] That the Acting Municipal Manager advertises the intended purchase of Erf 9762, Knysna for public comment and counter offers and;
- [d] That the Speaker arrange a Workshop for all Councillors regarding the purchase of a building for office accommodation before the next Ordinary Municipal Council meeting.

15.09

C09/03/22 IMPLEMENTATION OF THE PREFERENTIAL PROCUREMENT REGULATIONS DUE TO THE CONSTITUTIONAL COURT RULING OF 16 FEBRUARY 2022

REPORT FROM THE ACTING DIRECTOR : FINANCIAL SERVICES

PURPOSE OF THE REPORT

To inform the Municipal Council of the outcome of the Constitution Court and seek an interim strategic way forward from Council.

Previous resolutions

None applicable.

BACKGROUND

On Wednesday, 6 February 2022, the Constitutional Court handed down judgement in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal (SCA). This application was brought by the National Minister of Finance ("the Minister") against Afribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 ("Procurement Regulations" as referred to in the judgment) promulgated by the Minister on 20 January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 ("Procurement Act" as referred to in the judgment).

The SCA held that the Minister's promulgation of regulation 3(b) (determining whether pre-qualification criteria are applicable to the tender as envisaged in regulation 4), regulation 4 (pre-qualification criteria for preferential procurement) and regulation 9 (subcontracting as a condition of tender) of the Procurement Regulations was unlawful.

Due to the interconnectedness of the regulations, the SCA declared the entire Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution. The declaration of invalidity was suspended for 12 months which ended 02 November 2021.

The declaration of invalidity was suspended for 12 months which accordingly ended 2 November 2021. The matter was then heard by the Constitutional Court where the majority judgement dismissed the appeal against the SCA judgment. The majority judgement was silent on the question of remedy and did not address the specific issue of the status of the SCA's order of suspension. The minority judgement addresses the issue at footnote 28, where it asserts that "the period of suspension expired on 02 November 2021". The Constitutional Court hence in both its majority and minority judgements technically did not address the issue of suspension in the body of their orders.

In response, the National Treasury has indicated that the National Minister has on an urgent basis on 4 March 2022, sought confirmation from the Constitutional Court whether or not the invalidity of the Procurement Regulations has been and continues to be suspended.

Confirmation is sought by way of declaration, variation and/or clarification. In other words, guidance is required as to whether the Procurement Regulations remain valid until 15 February 2023, unless repealed sooner. The Constitutional Court has subsequently issued a directive that the last date for parties to file papers in this matter is 25 March 2022.

The National Treasury has in the interim (whilst seeking guidance from the Court on the date of invalidity of the regulations), issued a letter on 25 February 2022 (attached hereto marked **Annexure B**) indicating that whilst awaiting the outcome of guidance from the Constitutional Court, organs of state are advised that :

- a) tenders advertised before 16 February 2022 be finalised in terms of the PPPFR, 2017;
- b) tenders advertised on or after 16 February 2022 be held in abeyance; and
- c) no new tenders be advertised.

The National Treasury subsequently on 03 March 2022 (attached hereto-marked **Annexure C**) issued a further letter indicating in summary that:

- a) the advice provided on 25 February 2022 excluded procurement with a Rand value less than R30 000 obtained through price quotations;
- b) regulations will be issued providing for the thresholds for the points system. Note that draft regulations in this respect were subsequently issued on 10 March 2022, with the comment period closing on 11 April 2022;
- c) until the new regulations take effect that organs of state may in terms of section 3 (c) of the Act, request an exemption from the provisions of the Act for a specific procurement or category of procurement requirements limiting this to procurement that cannot await the new regulations or Constitutional Court's guidance.

It must be noted that the above letters do not have any binding effect in law, given that the format and content of the letter is advisory in nature and is not issued under any authority contained in the Municipal Finance Management Act (No. 56 of 2003) or otherwise.

However, the letter has now been issued to all organs of state and hence there is an obligation to assess the impact of the requirements to determine whether and to what extent the letter should be applicable to procuring institutions given that the Auditor-General of South Africa may audit all subsequent procurement based on this advice.

The judgement has now left a *lacuna* as it relates to value thresholds and the evidence burden to claim preference points. These matters can only be prescribed via regulations by the National Minister and the entire regulations have now been declared invalid. This also removes the thresholds and evidence burden to claim points via the preference points system, despite this not being in dispute.

RISKS FOR THE MUNICIPALITIES AND MUNICIPAL ENTITIES

The primary risks for municipalities due to the *lacuna* created by the court ruling include the following:

- ❖ Increase in Irregular expenditure;
- ❖ Delivery of critical municipal services delayed;
- ❖ Delays in procurement processes;
- ❖ Audit risks, non-compliance, and interpretation challenges;
- ❖ NT not responding or approving exemption timeously or at all;
- ❖ Impact on future budgetary allocations for the 2022/23 financial year;
- ❖ Legal implications for municipalities;

- ❖ Some tenders for the period will be dealt with in terms of preference and the exempted ones not; and
- ❖ Possibility of supplier litigation risks from aggrieved suppliers who will have grounds for the municipalities applying regulations that have been declared unconstitutional with higher chances of success.

The issuance of both the National Treasury advisory letters creates significant risks for municipalities should procurement not proceed as intended. This will influence directly on service delivery and the ability to spend on both the current and forthcoming financial year's budget as planned for in terms of procurement planning and budget planning initiatives. This will be to the detriment of the communities within the local sphere of government, as it will result in the non-delivery of goods, services and infrastructure and potentially also derogate their Constitutional rights.

Municipalities and municipal entities inability to spend their budgets will result in significant under expenditure, that may have future budgetary implications, albeit not within the control of the Municipal Manager.

This is exacerbated further by the uncertainty on whether or not the court will extend the suspension of invalidity, and when this clarification will be made. If indeed it does provide clarity that the suspension of invalidity has not been extended, then the *lacuna* persists up until such time that the National Minister issues replacement Procurement Regulations.

INTERIM ARRANGEMENTS FOR THE MUNICIPALITIES UP UNTIL THE NEW REGULATIONS COMES INTO EFFECT

The National Minister is obligated to issue regulations in terms of section 2(1) of the Preferential Procurement Policy Framework Act, to prescribe the value thresholds that apply to the preference point system. Section 2(1) states that:

“(a) A Preference point system must be followed:

(b) (i) for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price;

(ii) for contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goods as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points for price”

The Provincial Treasury (PT) issued the following advice after an extensive consultation process with key stakeholders including the Provincial Cabinet, Legal Services in the Province and other stakeholders to determine an interim way forward that would mitigate the risks, municipalities and municipal entities should consider adopting the following interim measures to manage their own delivery risks. Such interim arrangements must be approved by Council of each municipality:

- a) Municipalities and municipal entities should maintain the status quo and apply the Preferential Procurement Policy Framework Regulations, 2017 (PPPFR) up until such time as the Constitutional Court clarifies the applicable date of the invalidity of said Regulations, or new Procurement Regulations come into effect;
- b) use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value

- equal to or above R30 000 up to R50million and the 90/10 preference point system for procurement above R50million (all applicable taxes included);
- c) use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits given that these matters were not in dispute and will be covered by the new National Treasury regulations;
 - d) sub-contracting requirements as contemplated in the 2017 Procurement Regulations have also been declared as invalid. However, the cidb prescripts/ regulations in terms of empowerment impact assessments may still be concluded and sub-contracting as per the cidb prescripts/ regulations in terms of the different cidb contracts may still be used in terms of the different contracting models for construction-related bids; and
 - e) the status quo in terms of the advertisement and evaluation and awarding of quotations below R30 000 to be maintained.

In respect of NT's letter issued on 25 February 2022, it is thus proposed that municipalities, subject to Council approval, adopt the following approach:

- a) tenders advertised **before 16 February 2022** must be finalised in terms of the Procurement Regulations;
- b) tenders advertised **on or after 16 February 2022** must be evaluated as intended given the municipality's interim arrangements to maintain the status quo in terms of the PPPFR, 2017; and
- c) in order to mitigate the risks for municipalities and municipal entities as articulated above, Accounting Officers may proceed with the advertisement of new bids (including quotations) as intended and apply the interim arrangements as it relates to the evaluation of bids as articulated above.

According to the PT the most viable and least disruptive approach in the procurement system would be to maintain the status quo and that is to continue applying the 2017 Preferential Procurement Regulations, 2017, up until such time as the Constitutional Court has clarified the date at which the regulations are invalid.

Accounting Officer of municipalities and municipal entities may, at their own discretion, apply these interim measures and revise their current policies to be tabled before Council for approval and implementation.

Accounting Officers also need to take cognisance of where SCM policies were approved by Council with the pre-qualification and local production and content requirements; it should be retracted and amended accordingly before final approval by Council.

It should be noted that municipalities and municipal entities may apply for an exemption from the National Minister of Finance from section 2 (1) (b) – (g) and subsection 2 of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) up until National Treasury issues new regulations to the Act, and to the extent that they meet the exemption requirements in terms of section 3 of the PPPFA. A decision to apply for exemptions should be considered in the context of the risk that the suspension of the invalidity of the regulations would not be granted by the court up until the new regulations are issued and come into effect.

Municipalities and municipal entities may approach the National Treasury and the Auditor-General (AG) for approvals and concurrence, where necessary with their approach. This must be understood in the context of the PPPFA providing for organs of state to determine their own Preferential Procurement Policies and for the National Treasury to determine the threshold values and the calculations associated with the application of preferences.

INTERIM MEASURES SUGGESTED FOR KNYSNA MUNICIPALITY

Knysna Municipality has two options to follow to enable procurement to continue. In the first place, we can follow the National Treasury advisory note and ask for exemption from the Preferential Procurement Act. Thereby we will ask National Treasury to allow the municipality to finalise tenders and informal tenders that we have in the SCM system and to continue to advertise new tenders and informal tenders until such time as clarity is obtained about the regulations and the revised regulations are in place. Further to this, current tenders can be extended and the National Treasury Transversal tenders can be used to procure certain items e.g. fuel, refuse trucks and tyres. It should be noted that regulations 3(b), 4 and 9 would not be used in the tenders and informal quotations.

Alternatively, as option two, the advice from Provincial Treasury can be followed and the status quo, current approved Preferential Procurement policy, can be used to continue with procurement. This will however require an amendment to the policy as certain sections were found to be invalid and cannot be used. Evaluations for tenders and informal tenders will be done according to the 80/20 and 90/10 formulae, where 80 and 90 reflect the price and the 20 or 10 points will be allocated according to the BBB-EE Act scorecard of the supplier. Subcontracting will be dealt with in terms of the cidb Act.

The route described in the first option, as per National Treasury, allows the municipality to continue procurement with exemption and would place the municipality in a better position during the external audit from the Auditor General.

Attached to the item is a list of contract extensions that is advised should be approved, after the section 116(3) advertising period lapse. This will assist with service delivery implementation. See **Annexure F** attached.

Annexure G indicates the tenders that will be finalized in terms of the previous regulations, as it was advertised before the 16th of February 2022. These tenders are not affected but the invalidity declaration. The annexure also include a list of three (3) tenders that were advertised after the 16th and it is requested that Council approve that Exemption be asked from National Treasury in order for the administration to finalise these tenders, once the advertising period close. It is also requested that Council approve that Exemption be asked from National Treasury for the six (6) tenders that already served at the BSC as per the annexure.

Annexure H indicates the RFQ's received at SCM that were advertised after the 16th of February 2022 and are held in abeyance. It is requested that Council approve that Exemption be asked from National Treasury to finalize these matters.

Annexure I indicates the RFQ's received at SCM but not advertised yet. It is requested that Council approve that Exemption be asked from National Treasury to advertise and finalize these matters.

The term Exemption from National Treasury means to request National Treasury to exempt Knysna Municipality from Section 2 of the Preferential Procurement Policy Framework Act, in order for the Municipality to advertise and finalise the listed matters based on functionality (if applicable) and price.

FINANCIAL IMPLICATIONS

Possible Irregular Expenditure

RELEVANT LEGISLATION

- Constitution of the Republic of South Africa, Section 217
- Local Government : Municipal Systems Act, No. 32 of 2000 and Regulations, section 55
- Local Government : Municipal Finance Management Act, No. 56 of 2003, Section 186 and section 61
- Preferential Procurement Policy Framework Act, 2000, section 2, 3 and 5
- Superior Courts Act, 2013, Section 18
- Preferential Procurement Regulation, 2017 (entire regulations)

COMMENTS FROM THE MUNICIPAL MANAGER

Noted

COMMENTS FROM CORPORATE SERVICES

recommendations are supported as per the guidelines issued by NT & PT

COMMENTS FROM FINANCIAL SERVICES

The associated risks attached to each of the recommendations be extensively considered.

COMMENTS FROM TECHNICAL SERVICES

It should be noted that the impact on the service delivery and the capital project implementation will be serious should the Municipality not be able to advertise RFQs and tenders.

COMMENTS FROM COMMUNITY SERVICES

Submission is noted and supported.

COMMENTS FROM PLANNING AND DEVELOPMENT

The recommendations are supported.

COMMENTS FROM LEGAL SERVICES

The report and recommendations are supported in line with the guidelines issued by both National Treasury and Provincial Treasury

COMMENTS FROM IHS

Noted

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That the report on the Implementation of the Preferential Procurement Regulations due to the Constitutional Court Ruling of 16 February 2022, be noted;
- [b] That, the advice offered by National Treasury be followed. That, contracts be extended where applicable, Transversal contracts be entered into where applicable, exemption be asked to continue with certain procurements, and that the outcome of the court be awaited;
- [c] That, the Preferential Procurement Policy 2021/2022 be withdrawn and that Council approve the revised policy, which is in line with the Preferential Procurement Framework Act to allow the municipality to continue with procurements;
- [d] That the tenders and RFQ's indicated in **Annexure G & H & I** be submitted on an Exemption request to National Treasury in order for service delivery implementation to continue; and

- [e] That, once the public comment period for the list of extensions as per **Annexure F** is complete, an item be submitted to Council to consider the approval of the extensions.

APPENDIX / ADDENDUM

Annexure A - PT circular
Annexure B – NT advisory note 1
Annexure C - NT advisory note 2
Annexure D – Draft PP regulations, out for comment
Annexure E – revised PPR policy
Annexure F – Extensions of tenders
Annexure G – Tender information
Annexure H – RFQ information
Annexure I – RFQ information

File Number : 8/1

Execution : Acting Municipal Manager
 Acting Director : Financial Services
 Manager : Supply Chain Management



Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 07/2022

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A MARAIS) (ACTING)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (ADV. Y PILLAY)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR K CLOETE)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS P MAYISELA)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MS K SHIPPEY)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR G REDMAN)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR S KAYE)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR RT MOSOME)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

For information

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 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR M SPICER)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
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 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS W STANDER)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR S SYMINGTON)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV. L PETERSEN) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MR P VOGES)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GCWABE)
 THE CHIEF FINANCIAL OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MS W SAIB)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (DR R HAVEMANN) (PRO TEM)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

INTERIM ARRANGEMENTS FOR THE WESTERN CAPE GOVERNMENT AS IT RELATES TO PREFERENTIAL PROCUREMENT POST THE CONSTITUTIONAL COURT JUDGMENT DECLARING THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 INVALID

1. PURPOSE

- 1.1 The purpose of this circular is to communicate the interim arrangements, as endorsed by Provincial Cabinet on 09 March 2022, for the Western Cape Government (WCG) as it relates to Preferential Procurement in terms of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5) given the recent Constitutional Court judgment declaring the Preferential Procurement Regulations, 2017 invalid.

2. BACKGROUND

- 2.1 On Wednesday, 16 February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal (SCA). This application was brought by the national Minister of Finance ("the Minister") against Afribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 ("Procurement Regulations" as referred to in the judgment) promulgated by the Minister on 20 January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 ("Procurement Act" as referred to in the judgment).
- 2.2 The SCA held that the Minister's promulgation of regulations 3(b) (to determine whether pre-qualification criteria are applicable to the tender as envisaged in regulation 4), regulation 4 (prequalification criteria for preferential procurement) and regulation 9 (subcontracting as a condition of tender) of the Procurement Regulations are unlawful.
- 2.3 Due to the interconnectedness of the regulations, the SCA declared the entire Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution.
- 2.4 The declaration of invalidity was suspended for 12 months which ended 02 November 2021. The matter was then heard by the Constitutional Court where the majority judgment dismissed the appeal against the SCA judgment. The majority judgment was silent on the question of remedy and did not address the specific issue of the status of the SCA's order of suspension. The minority judgment addresses the issue at footnote 28, where it asserts that "the period of suspension expired on 02 November 2021". The Constitutional Court hence in both its majority and minority judgments technically did not address the issue of suspension in the body of their orders.
- 2.5 In response, the National Treasury has indicated that the national Minister has on an urgent basis on 04 March 2022, sought confirmation from the Constitutional Court whether or not the invalidity of the Procurement Regulations has been and continues to be suspended. Confirmation is sought by way of declaration, variation and/or clarification. In other words, guidance is required as to whether the Procurement Regulations remain valid until 15 February 2023, unless repealed sooner. The Constitutional Court has subsequently issued a directive that the last date for parties to file papers in this matter is 25 March 2022.
- 2.6 It must be noted that the WCG has, since the issuance of the Preferential Procurement Regulations, 2017, contested the content thereof as it relates to local content designated sectors; pre-qualification criteria; sub-contracting and the negotiation and passing over mechanism introduced in the Regulations. The Provincial Treasury in conjunction with Legal Services and the Supply Chain Management (SCM) Policy focus group (which includes various departments) reviewed the Procurement Regulations (2017) and identified certain implementation challenges.
- 2.7 Based on these challenges, an assessment of implementation risks and impact of the Procurement Regulations was tabled at Cabinet on 22 March 2017 and approved via Cabinet Minute 87/2017, that the WCG:
 - a) Apply its discretion not to apply pre-qualification criteria;
 - b) Apply its discretion not to implement the negotiation process [Regulation 6(9)(a)–(c) and 7(9)(a)–(c)]; and
 - c) Conduct empowerment assessments for all procurement above R10 million or less if so, dictated by institutional analysis and the implementation of regional indicators to target local suppliers.

- 2.8 Whilst the above interim strategy was appropriate at that stage, the recent Constitutional Court judgment has declared the entire set of Procurement Regulations invalid and hence the above strategy was re-assessed to determine its viability for implementation, the results of which are included in the interim arrangements for the WCG hereunder.
- 2.9 It must be noted that whilst the judgment has been welcomed and supported by the WCG it has left a *lacuna* as it relates to value thresholds and the evidence burden to claim preference points. These matters can only be prescribed via regulations by the national Minister. The fact that the entire regulations have been declared invalid exacerbates the issue in that, through the declaration of invalidity, the thresholds and evidence burden to claim points via the preference points system are also invalid, despite this not being in dispute. Hence an extensive process was followed by the WCG to determine an appropriate way forward taking into account the primary risks for the province due to the *lacuna* created by the court ruling. i.e., continuous delivery of critical services, irregular expenditure, and potential supplier litigation.

3. NATIONAL TREASURY LETTER DATED 25 FEBRUARY 2022 AND 03 MARCH 2022

- 3.1 The National Treasury has in the interim (whilst seeking guidance from the Court on the date of invalidity of the regulation) issued a letter on 25 February 2022 (attached hereto marked **Annexure A**) indicating that whilst awaiting the outcome of guidance from the Constitutional Court, organs of state are advised that:
- a) tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations;
 - b) tenders advertised on or after 16 February 2022 be held in abeyance; and
 - c) no new tenders be advertised.
- 3.2 The National Treasury subsequently, on 03 March 2022 (attached hereto marked **Annexure B**), issued a further letter indicating in summary that:
- a) the advice provided on 25 February 2022 excluded procurement with a Rand value less than R30 000 obtained through price quotations;
 - b) regulations will be issued providing for the thresholds for the points system. Note that draft regulations in this respect were subsequently issued on 10 March 2022, with the comment period closing on 11 April 2022; and
 - c) until the new regulations take effect that organs of state may in terms of section 3 (c) of the Act, request an exemption from the provisions of the Act for a specific procurement or category of procurement requirements, limiting this to procurement that cannot await the new regulations or Constitutional Court's guidance.
- 3.3 It must be noted that the above-mentioned letters do not have any binding effect in law, given that the format and content of the letters is advisory in nature and is not issued under any authority contained in the Public Finance Management Act, 1999 (Act No. 1 of 1999), or otherwise. However, the letters have now been issued to all organs of state and hence there is an obligation to assess the impact of the requirements to determine whether and to what extent the letters should be applicable to procuring institutions given that the Auditor-General South Africa (AGSA) may audit all subsequent procurement based on this advice.
- 3.4 Paragraph 2.6.2 of Provincial Treasury Instructions, 2019 provides for the process to be followed when any new Instruction is issued by the National Treasury. **Although the advisory letters do not constitute an instruction, directive or an associated requirement**, the Provincial Treasury conventionally assesses the following factors in this respect, and has done so without prejudice in this case:

- a) whether and to what extent the requirements are in line with the provisions of the Constitution and other legislation;
 - b) the practicality and rationality of the requirements;
 - c) whether and to what extent the WCG has existing or improved methods of satisfying the same purpose, which methods negate the need for strict compliance with some or all those requirements;
 - d) the impact of implementing the requirements from a process, resource, value for money, red tape, and systems perspective; and
 - e) the cost-benefit implications of ensuring strict compliance with the requirements.
- 3.5 The issuance of both the NT letters creates significant risks for the province should procurement not proceed as intended as service delivery and the ability to spend on both the current and forthcoming financial year's budget as planned for in terms of procurement planning and budget planning initiatives, will be impacted. This will be to the detriment of the citizens of the province, as it will result in the non-delivery of goods, services and infrastructure and potentially also derogate their Constitutional rights.
- 3.6 Accounting officers' and accounting authorities' inability to spend their budgets will result in under expenditure that may have future budgetary implications, albeit not within the control of the accounting officer or accounting authority.
- 3.7 It must also be noted further that procurement has been impacted by COVID-19 where departments and public entities could not procure the goods or services as originally planned for and hence certain procurement processes were delayed or put on hold for a later date. The National Treasury letters will now have an impact on the delivery of those goods and services and infrastructure, again to the detriment of the citizen.
- 3.8 This is exacerbated further by the uncertainty on whether or not the court will extend the suspension of invalidity, and when this clarification will be made. If indeed it does provide clarity that the suspension of invalidity has not been extended, then the *lacuna* persists up until such time that the national Minister issues replacement Procurement Regulations.
- 3.9 It is therefore critical that the province puts in place its own interim arrangements to mitigate the risk of non-delivery, underspending and the impact on citizens that any moratorium on procurement will create, even for just a short period. These interim arrangements will also provide risk mitigation coverage for accounting officers and accounting authorities, enable synergy in decision-making and ensure that there is consistent application across the board when accounting officers and accounting authorities are exercising their obligations.

4. PROCESS FOLLOWED BY THE WCG TO DETERMINE A WAY FORWARD AND TO MITIGATE SERVICE DELIVERY RISK

- 4.1 The province has, since the issuance of the Constitutional Court judgment, followed an extensive consultation process with key stakeholders to determine an interim way forward that would mitigate the risks emanating from the current circumstances, as outlined above. The consultation process included:
- a) Consultation with the provincial Minister for Finance and Economic Opportunities, the National Treasury and Legal Services (various meetings from 16 February to date).
 - b) Written communication by the provincial Minister for Finance and Economic Opportunities to the national Minister of Finance on 27 February 2022 that:

- Reiterated the WCG's support to approach the Constitutional Court urgently to seek clarity on the suspension of invalidity of the 2017 Regulations;
 - Requested that the OCPO immediately recall the communication dated 25 February 2022 and re-issue an appropriate communication and advisory note;
 - Requested that urgent steps be taken to draft and publish succinct regulations for those areas in which the national Minister has the authority to issue regulations; and
 - Indicated that the various localization designations and related National Treasury Circulars must be recalled with immediate effect.
- c) A risk assessment undertaken by the Provincial Treasury from 16 February 2022, which is regularly being reviewed;
 - d) Consultation with the Policy Focus Group and Legal Services on 27 February 2022;
 - e) Supply Chain Management (SCM) Forum meeting held with SCM Managers and the broader complement of SCM officials 01 March 2022;
 - f) Provincial representation and tabling of concerns at the meeting of the Technical Committee on Finance (TCF), consisting of Provincial Heads of Treasuries and the National Treasury on 01 March 2022;
 - g) Risk assessments undertaken on the impact of the National Treasury letters by departments and public entities and submitted to the Provincial Treasury from 01 and 10 March 2022;
 - h) The development of a framework for interim arrangements sent to Accounting Officers and Chief Financial Officers for input and comment on 02 March 2022;
 - i) An extended Provincial Top Management (PTM) Meeting to table interim arrangement proposals on 03 March 2022;
 - j) Interim arrangement proposals tabled at Cabinet the briefing session held on 04 March 2022; and
 - k) Interim arrangement proposals formally tabled at Provincial Cabinet was noted and approved on 09 March 2022.

4.2 The Provincial Cabinet noted and approved the interim arrangements as articulated further in this Circular via Cabinet Minute 85/2022 dated 09 March 2022.

5. INTERIM ARRANGEMENTS FOR THE WCG UP UNTIL THE NEW REGULATIONS COMES INTO EFFECT

5.1 The national Minister is obligated to issue regulations in terms of section 2(1) of the Preferential Procurement Policy Framework Act, to prescribe the value thresholds that apply to the preference point system. Section 2(1) states that:

"(a) A Preference point system must be followed;

(b) (i) for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goods as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price;

(ii) for contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goods as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points for price"

5.2 The National Treasury published draft regulations for public comment on 10 March 2022, with the comment period closing on 11 April 2022 (attached as **Annexure C**). The Provincial Treasury communicated the draft regulations to departments and public entities for comment with a due date of 24 March 2022. It must however be noted that these draft regulations are not at present applicable and will only be formally gazetted after the period for public comment has closed. Hence in the absence of the Regulations the interim arrangements hereunder will apply to procurement up until the new Regulations are formally issued or clarity is provided by the Constitutional Court.

- 5.3 The WCG will maintain the status quo and apply the Preferential Procurement Policy Framework Regulations, 2017 (PPPFR) up until such time as the Constitutional Court clarifies the applicable date of the invalidity of said Regulations, or new Procurement Regulations come into effect.
- 5.4 The Provincial Cabinet has re-affirmed the preferential procurement policy statements for the province as defined in Cabinet Minute 87 of 2017 up until the Constitutional Court clarifies the applicable date of the invalidity of such regulations. Practically this means that procuring entities must:
- a) use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017, i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50 million and the 90/10 preference point system for procurement above R50 million (all applicable taxes included);
 - b) use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits given that these matters were not in dispute and will be covered by the new National Treasury regulations;
 - c) the status quo as communicated via Treasury Circular 12/2017 in respect of the non-application of pre-qualification criteria remains applicable (Treasury Circular 12/2017 is attached herewith for ease of reference as **Annexure D**);
 - d) sub-contracting requirements as contemplated in the 2017 Procurement Regulations have also been declared as invalid. Empowerment impact assessments for procurement above R10 million will not be applied as the decision taken in the province to conclude empowerment impact assessments was in terms of the sub-contracting requirements included in the PPPFR. CIDB prescripts/ regulations in terms of empowerment impact assessments may still be concluded and sub-contracting as per the CIDB prescripts/ regulations in terms of the different CIDB contracts may still be used in terms of the different contracting models for construction-related bids; and
 - e) the status quo in terms of the advertisement and evaluation and awarding of quotations below R30 000 as articulated in the Provincial Treasury Instructions, 2019 and procuring entities accounting officers systems will be maintained.
- 5.5 Cabinet further approved the policy position to not implement pre-qualification criteria related to local content in terms of the PPPFA, given that this approach has been declared unconstitutional; until such time that the National Treasury and the Department of Trade, Industry and Competition (dtic) have determined a legal and viable modality for implementation. Hence procuring entities must not apply the local content and production requirements for designated sectors when advertising bids (including quotations). The local content and production Circulars issued by the Provincial Treasury are therefore held in abeyance as articulated in paragraph 6 hereunder.
- 5.6 In respect of NT's letter issued on 25 February 2022, the following must be noted:
- a) tenders advertised before 16 February 2022 must be finalised in terms of the PPPFR, 2017;
 - b) tenders advertised on or after 16 February 2022 must be evaluated as intended given the WCG's interim arrangements to maintain the status quo in terms of the PPPFR, 2017; and
 - c) in order to mitigate the risks for procuring entities as articulated above, accounting officers and accounting officers may proceed with the advertisement of new bids (including quotations) as intended and apply the interim arrangements as it relates to the evaluation of bids as articulated in paragraph 5.4 and 5.5 above.
- 5.7 It must be noted further that the WCG via the Provincial Treasury will apply for exemption from the national Minister of Finance from section 2 (1)(b)–(g) and subsection 2 of the PPPFA to apply its own preferential procurement policy for certain categories of procurement up until National Treasury issues new regulations to the Act, and to the extent that they meet the exemption requirements in terms of

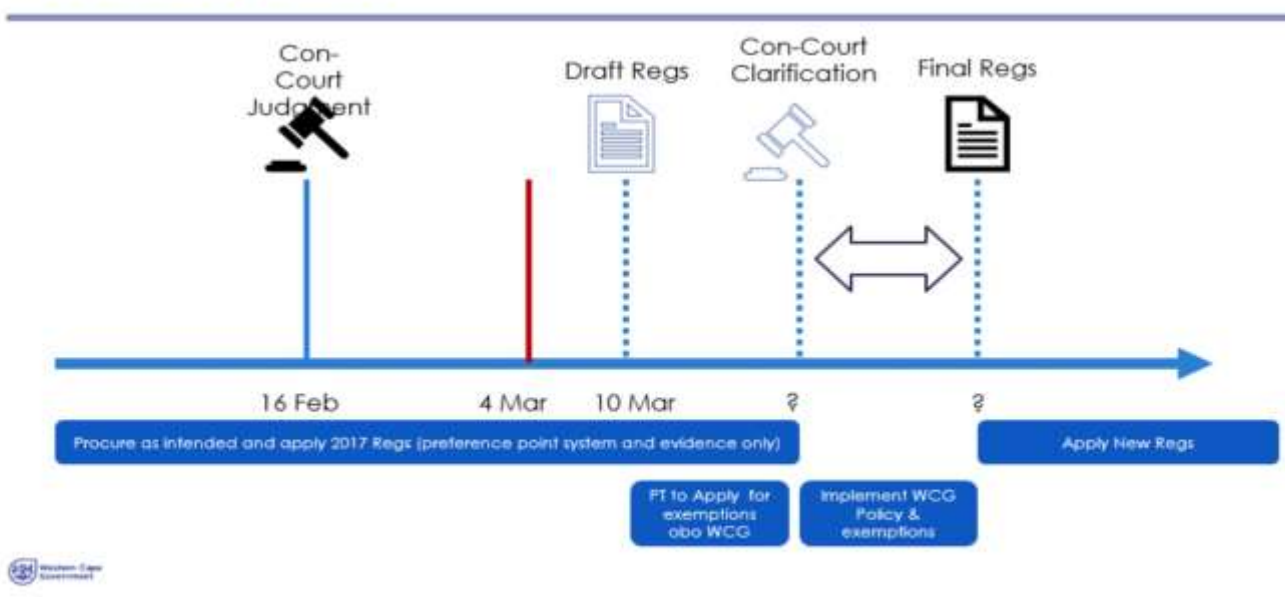
section 3 of the PPPFA. The exemption will only be implemented should the suspension of the invalidity of the regulations not be granted by the court and up until the new regulations are issued.

5.8 The categories of procurement that will be included in the exemption request is attached hereto marked **Annexure E**. The information reflected in the annexure is as received from procuring entities, however should procuring entities want to augment the information, an update may be provided to the Provincial Treasury via SupplyChainManagement.HDPFMA@westerncape.gov.za by no later than 31 March 2022.

5.9 The abovementioned interim arrangements are depicted diagrammatically hereunder in Illustration 1 for ease of reference of the requirements:

Illustration 1:

Proposed Way Forward



5.10 The Provincial Treasury will approach the National Treasury and the Auditor-General (AG) for approvals and concurrence, where necessary with our approach. This must be understood in the context of the PPPFA providing for organs of state to determine their own Preferential Procurement Policies and for the National Treasury to determine the threshold values and the calculations associated with the application of preferences.

5.11 The Provincial Treasury will provide the following support to departments and public entities:

- Making a consolidated application for exemption to the National Treasury as contemplated in section 3 (c) of the Procurement Act.
- Consolidating all awards reported for the Province and making these available to the Auditor General;
- Procurement assistance and guidance via the SCM helpdesk;
- Data requests providing SCM Insights as it relates to expenditure and procurement planning progress via the procurement planning toolkit;
- eProcurement including WC Supplier Evidence Bank and financial system support;

- f) Partnerships with departments in liaising with the Office of the Chief Procurement Officer and the Auditor-General;
- g) Regular engagements via CFO and SCM fora; and
- h) Communication of audit finding (Comaf) support.

- 5.12 The Provincial Treasury will re-assess the situation and the direction provided in this Circular once the Constitutional Court direction has been received via the National Treasury or the new Regulations are formally issued and take effect. The Constitutional Court has indicated that the last date for filing with respect to the matter is 25 March 2022
- 5.13 Further guidance will be issued by the Provincial Treasury should any supervening communication or action be taken by the National Treasury or by way of Court direction require that the interim arrangements be reviewed.

6. ACCOUNTING OFFICERS SYSTEM REQUIREMENTS

- 6.1 The Provincial Treasury issued the revised pro-forma Accounting Officers System (AOS) via Treasury Circular 30 of 2022 with an implementation date of 31 March 2022. Given the current context in terms of the regulations and the fact that procuring entities may not have had sufficient time to revise its AOS, the Provincial Treasury herewith postpones the implementation date of the AOS to **01 July 2022**. However, should procuring entities be in a position to implement its revised AOS sooner than 1 July 2022, it may do so, however it must be noted that the requirements mentioned in paragraph 6.2 and more specifically in Table 1: hereunder must be held in abeyance.
- 6.2 The following sections of the AOS as well as any other section referencing the PPPFR, 2017 are held in abeyance until the necessary clarity is received. Procuring entities are required to note that all Treasury Circulars issued in respect of local content and production are also held in abeyance:

Table 1:

Reference	Paragraph
Paragraph 9.2.12 (a-b)	Invitation of price quotations (local production and content and evaluation of bids based on functionality)
Paragraph 10.3.10	WCBD 6.2
Paragraph 10.5.1 to 10.5.4	Bids featuring functionality
Paragraph 10.6	local production and content
Paragraph 10.12:	evaluation of bids based on functionality as a criterion
Paragraph 10.11.1 (c)	consideration of any functionality criteria
Paragraph 10.11.3 (b)	Exclusion of Phase 2 of evaluation: where applicable, evaluate functionality compliance with bid specifications and the bidder's ability to perform.
Paragraph 10.13	evaluation of bids based on a stipulated minimum threshold for local production and content
Paragraph 10.16:	Subcontracting as a condition of tender
Paragraph 10.17	Sub-contracting after award
Annexure 5	Documented process on the implementation of local production and content requirements



7. REQUEST

- 7.1 Accounting Officers and accounting authorities must note the content of this Provincial Treasury Circular and communicate these requirements to officials under their control and responsible for the functions depicted in this Circular.
- 7.2 Accounting officers and accounting authorities must also note that this Circular augments Treasury Circular 12/2017 in terms of the interim strategy articulated in the Circular. However, the following remains applicable:
- a) further initiatives for implementation (paragraph 4 and 6.1); and
 - b) implementation of municipal regional indicators (paragraph 5.4)
- 7.3 Departments must record all risks, impact on service delivery, and budgetary implications as part of their record of decision and keep this as evidence for audit purposes.
- 7.4 Departments via their Accounting Officers are requested to provide comments to the draft Preferential Procurement Regulations attached herewith **Annexure C** in the enclosed WCG comments template marked **Annexure F**.

8. ENQUIRIES

- 8.1 All enquiries in respect of this circular or any other enquiries in respect of procurement planning must be directed to: SupplyChainManagement.HDPFMA@westerncape.gov.za.



David Savage
2022.03.11 13:27:16 +02'00'

DAVID SAVAGE
HEAD OFFICIAL: PROVINCIAL TREASURY



To all organs of state

Preferential Procurement Regulations, 2017 - Minister of Finance v Atribusiness NPC [2022] ZACC 4

On Wednesday, 16 February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal. This application was brought by the Minister of Finance (Minister) against Atribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 (Procurement Regulations) promulgated by the Minister on 20 January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Procurement Act).

The Supreme Court of Appeal (SCA) held that the Minister's promulgation of regulations 3(b), 4 and 9 of the Procurement Regulations was unlawful. Due to what the SCA held to be the interconnectedness of the regulations, the entirety of the Procurement Regulations was declared invalid on the basis that the content of the Regulations exceeded what the Minister could permissibly regulate in terms of section 5 of the Procurement Act and section 217 of the Constitution. The declaration of invalidity was suspended for 12 months. In terms of section 18(1) of the Superior Courts Act, the SCA's judgment and orders were suspended when the Minister launched the application for leave to appeal.

The majority judgment of the Constitutional Court dismissed the appeal against the SCA judgment. The majority judgment was silent on the question of remedy. It did not address itself to the specific issue of the status of the SCA's order of suspension. The minority judgment addresses the issue at footnote 28, where it asserts that "the period of suspension expired on 2 November 2021". This assertion is in conflict with section 18(1) of the Superior Courts Act, on its face, and neither of the judgments address the issue of suspension in the body of their orders.

Neither judgment purports to set aside or replace the order of the SCA. The order of the Constitutional Court confines itself to granting leave to the Minister to appeal, and dismissing the appeal against the SCA's order. The legal position, accordingly – although not what the Constitutional Court seemed to intend – is that the SCA's order is no longer suspended in terms of section 18(1) of the Superior Courts Act, the suspensive period of invalidity has been re-engaged, and the Procurement Regulations have been and continue to be of full force and effect.

The Minister will, on an urgent basis, be seeking confirmation from the Constitutional Court that the invalidity of the Procurement Regulations has been and continues to be suspended. Confirmation will be sought by way of declaration, variation and/or clarification. In other words, guidance is



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

required as to whether the Procurement Regulations remain valid until 15 March 2023, unless repealed sooner.

While awaiting the outcome of the above guidance from the Constitutional Court, organs of state are advised that—

- tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations;
- tenders advertised on or after 16 February 2022 be held in abeyance; and
- no new tenders be advertised.

DONDO MOGAJANE
DIRECTOR-GENERAL

Date: 25 February 2022



To all organs of state

Advisory note: Preferential Procurement Regulations, 2017 - Minister of Finance v Afribusiness NPC [2022] ZACC 4

1. I refer to my communication of 25 February 2022 informing organs of state that the Minister will, on an urgent basis, seek confirmation from the Constitutional Court that the invalidity of the Preferential Procurement Regulations, 2017 (the 2017 Regulations), has been and continues to be suspended for a period of 12 months.
2. Please note that the communication of 25 February 2022 is an advisory note in response to the numerous requests for guidance regarding how to deal with the implications of the Constitutional Court judgment. Please further note that the advice referred to in that communication excludes procurement with a Rand value of less than R30 000 obtained through price quotations and petty cash.
3. According to section 217(2) of the Constitution, read with section 2 of the Preferential Procurement Policy Framework Act, 2000 (PPPFA), organs of state must determine a preferential procurement policy. This policy and procurement decisions must be made by an accounting officer/authority in line with the framework set out in section 2 of the PPPFA and other applicable legislation.
4. The PPPFA requires that the threshold amounts in which the 80/20 and 90/10 preference point systems must be utilised, together with the formula to be applied, must be prescribed by regulations, in terms of section 2(1)(b) and (c). Such regulations are necessary for organs of state to implement their preferential procurement policies.
5. National Treasury is preparing new draft regulations in terms of the Preferential Procurement Policy Framework Act, 2000 (Act), to be published for comment in the week of 7 March 2022. The draft regulations will provide for amounts and the formula that must be prescribed by regulation in terms of section 2(1)(b) and (c) of the Act and any matter that may be necessary or expedient to prescribe in order to achieve the objects of the Act.
6. Until the new regulations take effect or the Constitutional Court's clarity on the suspension of the invalidity of the 2017 Regulations is provided, whichever occurs first, an organ of state may, in terms of section 3(c) of the Act, request an exemption from the provisions of the Act for a specific procurement or category of procurement requirements. Such requests should be limited to

procurement requirements that cannot await the new regulations or the Constitutional Court's guidance.

7. The papers for seeking the Constitutional Court's clarity are being finalised and organs of state will be advised once these are filed, and of further developments.



DONDO MOGAJANE
DIRECTOR-GENERAL

Date: 3 March 2022

KNYSNA LOCAL MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY

VERSION CONTROL					
POLICY OWNER:		Knysna Municipality Supply Chain Management Unit			
POLICY EFFECTIVE DATE:		1 July 2020			
Version	Date	Revision	Section	Page	Reason for change
1.	12 March 2018	New	All	All	New Draft Policy
2.	6 June 2018	1	All	All	Approved
3.	11 March 2019	2	All	All	Revision
4.	May 2019	3	All	All	Approved
5.	15 March 2020	4	All	All	Revision
6.	24 February 2021	4	All	No changes	Revision
7.	15 March 2022	5	ConCourt	All	ConCourt requirements

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Policy Title: Knysna Municipality Preferential Procurement Policy
Approved on 28-May-2020

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1. Definitions

In these Regulations, unless the context indicates otherwise, any word or expression to which a meaning have been assigned in the Act must bear the meaning so assigned-

1.1 "Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
1.2. "B-BBEE"	means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act
1.3. "B-BBEE status level of contributor"	means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
1.4. "black designated groups"	has the meaning assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
1.5. "black people"	has the meaning assigned to it in section 1 of the Broad-Based Black Economic Empowerment Act
1.6. "Broad-Based Black Economic Empowerment Act"	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
1.7. "co-operative"	means a co-operative registered in terms of Section 7 of the Cooperatives Act, 2005 (Act No. 14 of 2005)
1.8. "designated group"	1.8.1. black designated groups 1.8.2. black people 1.8.3. women 1.8.4. people with disabilities; or 1.8.5. small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996)

	1.8.6. emerging enterprises which are enterprises, owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid
1.9. "designated sector"	means a sector, sub-sector or industry or product designated in terms of regulation 8(1)(a)
1.10. "EME"	means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
1.11. "functionality"	means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents
1.12. "military veteran"	has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011)
1.13. "National Treasury"	has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999)
1.14. "people with disabilities"	has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998)
1.15. "price"	includes all applicable taxes less all unconditional discounts
1.16. "proof of B-BBEE status level of contributor"	1.16.1. the B-BBEE status level certificate issued by an authorised body or person 1.16.2. a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or 1.16.3. any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act
1.17. "QSE"	means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
1.18. "Rand value"	means the total estimated value of a contract in Rand, calculated at the time of the tender invitation
1.19. "rural area"	means- 1.19.1. a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or

	1.19.2. an area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system
1.20. “stipulated minimum threshold”	means the minimum threshold stipulated in terms of regulation 8(1)(b)
1.21. “the Act”	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
1.22. “township”	means an urban living area that any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994
1.23. “treasury”	has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999)
1.24. “youth”	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008)

2. Application, Objectives & General Requirements

- 2.1.** This Policy complies with the framework of the PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000.
- 2.2.** This Policy was developed in terms of the PREFERENTIAL PROCUREMENT REGULATIONS, 2017.
- 2.3.** This Policy applies to the Knysna Municipality and the objectives are to:
 - 2.3.1.** Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement;
 - 2.3.2.** Provide access to contracts for historical disadvantaged individuals;
 - 2.3.3.** Promote participation by SMMEs;
 - 2.3.4.** Promote capacity development and skills transfer through sub-contracting opportunities for HDI owned enterprises;
 - 2.3.5.** Promote local economic development and SMME support and development;
 - 2.3.6.** Promote joint venture opportunities between HDI owned enterprises and SMMEs, and other business entities. This opportunities are encouraged and opportunity exist within the bid requirements for such entities to bid
- 2.4.** General requirements
 - 2.4.1.** Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, taking into account prescriptions of the Construction Industry Development Board [CIDB] in respect of construction related contracts.
 - 2.4.2.** Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

3. Identification of preference point system, designated sector, pre-qualification criteria, objective criteria and sub-contracting

3.1. The municipality must-

3.1.1. determine and stipulate in the tender documents-

- (i) the preference point system applicable to the tender as envisaged in Section 6 or 7; or
- (ii) if it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system;

3.1.2. determine whether pre-qualification criteria are applicable to the tender as envisaged in Section 4;

3.1.3. determine whether the goods or services for which a tender is to be invited, are in a designated sector for local production and content as envisaged in Section 8;

3.1.4. determine whether compulsory sub-contracting is applicable to the tender as envisaged in Section 9; and

3.1.5. determine whether objective criteria are applicable to the tender as envisaged in Section 11.

4. Pre-qualification criteria for preferential procurement

4.1. If the municipality decides to apply pre-qualifying criteria to advance certain designated groups, the municipality must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond-

4.1.1. a tenderer having a stipulated minimum B-BBEE status level of contributor;

4.1.2. an EME or QSE;

4.1.3. a tenderer sub-contracting a minimum of 30% to-

- (i) an EME or QSE which is at least 51% owned by black people;
- (ii) an EME or QSE which is at least 51% owned by black people who are youth;
- (iii) an EME or QSE which is at least 51% owned by black people who are women;
- (iv) an EME or QSE which is at least 51% owned by black people with disabilities;
- (v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- (vi) a cooperative which is at least 51% owned by black people;
- (vii) an EME or QSE which is at least 51% owned by black people who are military veterans;
- (viii) an EME or QSE;

4.2. A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

4.3. Pre-qualification criteria should be considered and selected in such a way that the efficiency, effectiveness and the economic value of service delivery is not affected.

5. Tenders to be evaluated on functionality

- 5.1. The municipality must state in the tender documents if the tender will be evaluated on functionality.
- 5.2. The evaluation criteria for measuring functionality must be objective.
- 5.3. The tender documents must specify-
 - 5.3.1. the evaluation criteria for measuring functionality;
 - 5.3.2. the points for each criteria and, if any, each sub-criterion; and
 - 5.3.3. the minimum qualifying score for functionality.
- 5.4. The minimum qualifying score for functionality for a tender to be considered further-
 - 5.4.1. must be determined separately for each tender; and
 - 5.4.2. may not be so-
 - (i) low that it may jeopardise the quality of the required goods or services; or
 - (ii) high that it is unreasonably restrictive.
- 5.5. Points scored for functionality must be rounded off to the nearest two decimal places.
- 5.6. A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
- 5.7. Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in Section 11.

6. 80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million

- 6.1. The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

- 6.2. The following table must be used to calculate the score out of 20 for BBEE:

B-BBEE Status Level of Contributor Number of Points

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12

5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 6.3. A tenderer must submit proof of its B-BBEE status level of contributor.
- 6.4. A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but-
- 6.4.1. may only score points out of 80 for price; and
- 6.4.2. scores 0 points out of 20 for B-BBEE.
- 6.5. A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends sub-contracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability to execute the sub-contract.
- 6.6. The points scored by a tenderer for B-BBEE in terms of Sub-Section 6.2 must be added to the points scored for price under Sub-Regulation (1).
- 6.7. The points scored must be rounded off to the nearest two decimal places.
- 6.8. Subject to Sub-Section 6.9 and Section 11, the contract must be awarded to the tenderer scoring the highest points.
- 6.9. If the price offered by a tenderer scoring the highest points is not market-related, the organ of state may not award the contract to that tenderer.
- 6.10. The municipality may-
- 6.10.1. negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
- 6.10.2. if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
- 6.10.3. if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.
- 6.11. If a market-related price is not agreed as envisaged in Sub-Section 6.10.3, the municipality must cancel the tender.
- 7. 90/10 preference point system for acquisition of goods or services with Rand value above R50 million**
- 7.1. The following formula must be used to calculate the points out of 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

- 7.2. The following table must be used to calculate the points out of 10 for B-BBEE:

B-BBEE Status Level of Contributor Number of Points

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- 7.3. A tenderer must submit proof of its B-BBEE status level of contributor.
- 7.4. A tenderer failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE may not be disqualified, but-
- 7.4.1. may only score points out of 90 for price; and
- 7.4.2. scores 0 points out of 10 for B-BBEE.
- 7.5. A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends sub-contracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability to execute the sub-contract.
- 7.6. The points scored by a tenderer for B-BBEE contribution in terms of Sub-Section (2) must be added to the points scored for price under Sub-Section (1).
- 7.7. The points scored must be rounded off to the nearest two decimal places.
- 7.8. Subject to Sub-Section (9) and Regulation 11, the contract must be awarded to the tenderer scoring the highest points.
- 7.9. If the price offered by a tenderer scoring the highest points is not market-related, the municipality may not award the contract to that tenderer.
- 7.10. The municipality may-
- 7.10.1. negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
- 7.10.2. if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
- 7.10.3. if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.
- 7.11. If a market-related price is not agreed as envisaged in Sub-Section 7.10.3., the municipality must cancel the tender.

8. Local production and content**8.1. The Department of Trade and Industry may, in consultation with the National Treasury-**

- 8.1.1. designate a sector, sub-sector or industry or product in accordance with national development and industrial policies for local production and content, where only locally produced services or goods or locally manufactured goods meet the stipulated

minimum threshold for local production and content, taking into account economic and other relevant factors; and

8.1.2. stipulate a minimum threshold for local production and content.

- 8.2. The municipality must, in the case of a designated sector, advertise the invitation to tender with a specific condition that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered.
- 8.3. The National Treasury must inform the municipality of any designation made in terms of Sub-Section 8(1) through a Circular.
- 8.4. If there is no designated sector, the municipality may include, as a specific condition of the tender, that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 8.5. The threshold referred to in Section 8.4 must be in accordance with the standards determined by the Department of Trade and Industry in consultation with the National Treasury.
- 8.6. A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.

9. Sub-contracting as condition of tender

- 9.1. If feasible to sub-contract for a contract above R30 million, the municipality must apply sub-contracting to advance designated groups.
- 9.2. If the municipality applies sub-contracting as contemplated in Sub-Section (1), the municipality must advertise the tender with a specific tendering condition that the successful tenderer must sub-contract a minimum of 30% of the value of the contract to-
 - 9.2.1. an EME or QSE;
 - 9.2.2. an EME or QSE which is at least 51% owned by black people;
 - 9.2.3. an EME or QSE which is at least 51% owned by black people who are youth;
 - 9.2.4. an EME or QSE which is at least 51% owned by black people who are women;
 - 9.2.5. an EME or QSE which is at least 51% owned by black people with disabilities;
 - 9.2.6. an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
 - 9.2.7. a cooperative which is at least 51% owned by black people;
 - 9.2.8. an EME or QSE which is at least 51% owned by black people who are military veterans;
or
 - 9.2.9. more than one of the categories referred to in Sub-Sections 1 to 8.
- 9.3. The municipality must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in Sub-Section (2) from which the tenderer must select a supplier.

10. Criteria for breaking deadlock in scoring

- 10.1. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for B-BBEE.

- 10.2. If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for B-BBEE, the contract must be awarded to the tenderer that scored the highest points for functionality.
- 10.3. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

11. Award of contracts to tenderers not scoring highest points

- 11.1. A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.
- 11.2. If the municipality intends to apply objective criteria in terms of section 2(1) (f) of the Act, the municipality must stipulate the objective criteria in the tender documents.

12. Conditions

- 12.1. Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.
- 12.2. The municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- 12.3. A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
- 12.4. Points scored must be rounded off to the nearest 2 decimals places.
- 12.5. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 12.6. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate tender.
- 12.7. When the municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.
- 12.8. Tertiary institutions referred to in sub-Section (11) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good practice.

13. Declarations

- 13.1. A tender must, in the manner stipulated in the document, declare that-
 - 13.1.1. the information provided is true and correct;
 - 13.1.2. the signatory to the tender document is duly authorised; and
 - 13.1.3. documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the municipality.

14. Sub-contracting after award of tender

- 14.1. A person awarded a contract may only enter into a sub-contracting arrangement with the approval of the municipality.

14.2. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

14.3. A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

15. Cancellation of tender

15.1. The municipality may, before the award of a tender, cancel a tender invitation if-

15.1.1. due to changed circumstances, there is no longer a need for the goods or services specified in the invitation;

15.1.2. funds are no longer available to cover the total envisaged expenditure;

15.1.3. no acceptable tender is received; or

15.1.4. there is a material irregularity in the tender process.

15.2. The decision to cancel a tender invitation in terms of Sub-Section (1) must be published in the same manner in which the original tender invitation was advertised.

15.3. The municipality may only with the prior approval of the Provincial Treasury cancel a tender invitation for the second time.

16. Remedies

16.1. Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, local production and content, or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any sub-contracting arrangements, the municipality must-

16.1.1. inform the tenderer accordingly;

16.1.2. give the tenderer an opportunity to make representations within 14 days as to why-

(iii) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;

(iv) if the successful tenderer sub-contracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and

(v) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and

16.1.3. if it concludes, after considering the representations referred to in Sub-Section (1)(b), that-

(i) such false information was submitted by the tenderer-

(aa) disqualify the tenderer or terminate the contract in whole or in part; and

(bb) if applicable, claim damages from the tenderer; or

- (ii) the successful tenderer sub-contracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10 percent of the value of the contract.

16.2. The municipality must-

- 16.2.1.** inform the National Treasury, in writing, of any actions taken in terms of Sub-Section (1);
- 16.2.2.** provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and
- 16.2.3.** submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

16.3. The National Treasury may request the municipality to submit further information pertaining to Sub-Section 1 within a specified period.

16.4. The National Treasury must-

- 16.4.1.** after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any Municipality for a period not exceeding 10 years; and
- 16.4.2.** maintain and publish on its official website a list of restricted suppliers.

17. Mechanisms to support preferential procurement

17.1. The municipality will create an enabling environment to enable SMMEs to become part of the supply chain management process. Steps to be taken include, but are not limited to:

- 17.1.1.** Bidding and related information will, where possible and practical, be made available in a simplified and uncomplicated format to assist new and emerging enterprises and any business or organisation bidding for municipal business.
- 17.1.2.** Assistance will, where practically possible, be provided by the SCM and LED Units to increase SMME awareness and share in the supply chain and procurement process. Assistance will be provided for new and emerging SMMEs in any of the three languages of the Western Cape.

17.2. Design and implement appropriate Supplier and Contractor Development Programmes for the active promotion of the following development outcomes:

- 17.2.1.** Improve the grading status of suppliers, service providers and contractors in targeted categories and grades;
- 17.2.2.** Increase the number of black women, disabled, and youth-owned companies in targeted categories;
- 17.2.3.** Create sustainable contracting enterprises by enabling continuous work through a competitive process;
- 17.2.4.** Improve the performance of suppliers, service providers and contractors in terms of quality, employment practices, skills development, safety, health and the environment; and
- 17.2.5.** Improve the business management and technical skills of these suppliers, service providers and contractors.

18. Circulars and guidelines

18.1. The National Treasury may issue-

- 18.1.1. a circular to inform Municipality of any matter pertaining to these Regulations; or
- 18.1.2. a guideline to assist Municipality with the implementation of any provision of these Regulations.

19. Short title and commencement

- 19.1. This Policy is called the Knysna Local Municipality Preferential Procurement Policy and takes effect upon Council approval.



Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

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PROVINCIAL NOTICE

The following Provincial Notice is published for comment.

DR H.C. MALILA,
DIRECTOR-GENERAL

Provincial Building,
Wale Street,
Cape Town.

PROVINSIALE KENNISGEWING

Die volgende Provinsiale Kennisgewing word vir kommentaar gepubliseer.

DR H.C. MALILA,
DIREKTEUR-GENERAAL

Provinsiale Wetgewer-gebou,
Waalstraat,
Kaapstad.

P.N. 28/2022

10 March 2022

GOVERNMENT NOTICE**NATIONAL TREASURY**

**PUBLICATION OF DRAFT PREFERENTIAL PROCUREMENT REGULATIONS,
2022 FOR PUBLIC COMMENT**

In accordance with section 5(2) of the Preferential Procurement Policy Framework Act, 2000 (the Act), the draft Preferential Procurement Regulations, 2022 (the draft Regulations), in the Schedule are published for public comment. These Regulations are intended to be made by the Minister of Finance in terms of section 5(1), read with section 2(1)(b) and (c) and the definition of “prescribed” in section 1, of the Act.

The draft Regulations propose to prescribe—

- the threshold amounts in which the 80/20 and 90/10 preference point systems must be used, together with the formula to be applied; and
- other matters necessary or expedient in order to achieve the objects of the Act.

Written comments on the draft Regulations submitted by **11 April 2022** to CommentDraftLegislation@treasury.gov.za will be considered. By making a submission, the commentor agrees that the name of the commentator and the submission may be made public by the National Treasury and the submission will be disclosed if requested in terms of the Promotion of Access to Information Act, 2000.

SCHEDULE

PREFERENTIAL PROCUREMENT REGULATIONS, 2022

Contents

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4. 80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million
5. 90/10 preference point system for acquisition of goods or services with Rand value above R50 million
6. 80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million
7. 90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million
8. Criteria for breaking deadlock in scoring
9. Award of contracts to tenderers not scoring highest points
10. Remedies
11. Repeal of regulations
12. Short title and commencement

Definitions

1. In these Regulations, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act must bear the meaning so assigned—

“**National Treasury**” has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

“**price**” includes all applicable taxes less all unconditional discounts;

“**Rand value**” means the total estimated value of a contract in Rand, calculated at the time of the tender invitation; and

“**the Act**” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

Application

2. These Regulations apply to organs of state as defined in section 1¹ of the Act.

Identification of preference point system

3.(1) An organ of state must, in the tender documents, stipulate—

- (a) the preference point system applicable to the tender as envisaged in regulations 4, 5, 6 or 7; and
- (b) any specific goal as envisaged in section 2(1)(d) and (e) of the Act.

(2) If it is unclear whether the 80/20 or 90/10 preference point system applies—

- (a) in the case of a tender to generate income or to dispose of or lease assets, the highest acceptable tender; or
 - (b) in the case of any other tender, the lowest acceptable tender,
- must be used to determine the applicable preference point system.

80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million

4.(1) The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where—

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

$P_{\min}$ = Price of lowest acceptable tender.

¹ Paragraph (f) of the definition of organ of state in section 1 of the Act includes any other institution or category of institutions included in the definition of “organ of state” in section 239 of the Constitution and recognised by the Minister by notice in the *Government Gazette* as an institution or category of institutions to which the Act applies. Government Notices—

(a) R. 501 of 8 June 2011 recognises, with effect from 7 December 2011, all public entities listed in Schedules 2 and 3 to the Public Finance Management Act, 1999; and

(b) R. 571 of 15 June 2017 recognises, with effect from 17 June 2017, national and provincial government components listed in Schedule 3 to the Public Service Act, 1994 and municipal entity as defined in section 1 of the Local Government: Municipal Systems Act, 2000, as institutions to which the Act applies.

Note should be taken of notices issued from time to time in terms of paragraph (f) of this definition. The application of these Regulations is also subject to applicable exemptions approved in terms of section 3 of the Act.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) Subject to regulation 9, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for acquisition of goods or services with Rand value above R50 million

5.(1) The following formula must be used to calculate the points out 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

$P_{\min}$ = Price of lowest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) Subject to regulation 9, the contract must be awarded to the tenderer scoring the highest points.

80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million

6.(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

$P_{\max}$ = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) Subject to regulation 9, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million

7.(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) Subject to regulation 9, the contract must be awarded to the tenderer scoring the highest points.

Criteria for breaking deadlock in scoring

8.(1) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.

(2) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

Award of contracts to tenderers not scoring highest points

9. A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

Remedies

10.(1) Upon detecting that a tenderer submitted false information regarding specific goals or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, the organ of state must—

(a) inform the tenderer accordingly; and

- (b) give the tenderer an opportunity to make representations within 14 days as to why—
 - (i) the tender submitted may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part; and
 - (ii) the organ of state should not restrict the tenderer from conducting any business for a period not exceeding 10 years with any organ of state.
- (2) After considering the representations referred to in subregulation (1)(b), the organ of state may—
 - (a) if it concludes that such false information was submitted by the tenderer—
 - (i) disqualify the tenderer or terminate the contract in whole or in part; and
 - (ii) if applicable, claim damages from the tenderer;
 - (b) if it concludes that the tenderer must be restricted, restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years.
- (3) An organ of state must, within five working days—
 - (a) inform the National Treasury, in writing, of any action taken in terms of subregulation (2); and
 - (b) if it decides to restrict a tenderer, request the National Treasury to publish the name of the tenderer in its list of restricted suppliers.
- (4) The National Treasury must, within three working days after receiving a request in terms of subregulation (3)(b), publish the name of the tenderer in its list of restricted suppliers.

Repeal of regulations

- 11. Any regulations made under section 5 of the Act are repealed.

Short title and commencement

- 12. These Regulations are called the Preferential Procurement Regulations, 2022 and take effect on the date of promulgation of these Regulations.

Annexure F

EXTENSION OF THE EXISTING CONTRACTS

TO BE DONE IN TERMS OF SECTION 116(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) FOR THE PROPOSED AMENDMENT OF THE EXISTING AGREEMENTS:

TENDER NUMBER	DESCRIPTION	SUPPLIER NAME	CONTRACT END DATE	REASON FOR AMENDMENT
T 51 OF 2018/19	SUPPLY AND DELIVERY OF ELECTRICAL CABLES FOR A PERIOD OF THREE YEARS	AWARDED TO VARIOUS SUPPLIERS	05 Nov 2022	Extent contract until 30 June 2023
T 55 OF 2018/19	EMERGENCY REPAIR AND MAINTENANCE OF CIVIL SERVICES FOR A PERIOD OF THREE YEARS	TECHNI CIVILS T/A IKHONO PROJECTS	30 May 2022	Extent contract until 30 June 2023
T 13 OF 2019/20	GROUND WATER SAMPLING: SEDGEFIELD CEMETERY AND BRENTON ON SEA LANDFILL FOR A PERIOD OF THREE YEARS	ALVEO WATER	10 Dec 2022	Extent contract until 30 June 2023
T 38 OF 2020/21	SUPPLY AND DELIVERY OF BUILDING MATERIALS TO THE HOUSING SUPPORT CENTRE IN CONCORDIA	AWARDED TO VARIOUS SUPPLIERS	30 June 2022	Extension of time, until 31 December 2022, and 15% price increase per requested category
T 66 OF 2020/21	PROVISION OF SHORT TERM INSURANCE	LATERAL UNISON INSURANCE BROKERS	30 June 2022	Extent contract until 30 June 2023
T 47 OF 2016/17	PROVISION OF PABX SYSTEM	VOX COMMUNICATION	10 July 2022	Extent contract until 30 June 2023
T 01 OF 2016/17	PROVISION OF BANKING SERVICES	NEDBANK	30 June 2022	Extent contract for provision of fuel until 30 June 2023
T 16 OF 2020/21	SUPPLY AND DELIVERY OF BUILDING MATERIAL, TOOLS AND EQUIPMENT AND VARIOUS MISCELLANEOUS PRODUCTS FOR MUNICIPAL STORES FOR A PERIOD OF THREE YEARS	AWARDED TO VARIOUS SUPPLIERS	30 June 2024	Estimated 10% price increase due to Oil price increases
T 14 OF 2020/21	SUPPLY AND DELIVERY OF PLUMBING MATERIAL FOR MUNICIPAL STORES FOR A PERIOD OF THREE YEARS	AWARDED TO VARIOUS SUPPLIERS	30 June 2024	Estimated 15% price increase per requested category
T 70 OF 2017/18	REPAIR AND DELIVERY OF PUMPS, MOTORS AND GENERATORS, INCLUDING REPAIR AND MAINTENANCE FOR VARIOUS WATER AND SEWER PUMP STATIONS AND FACILITIES FOR A PERIOD OF THREE YEARS	NORTHFIELD ENGINEERING	28 Feb 2022	Extent contract until 30 June 2023
T 71 OF 2017/18	OVERSEE, COORDINATE AND SUPERVISE MAINTENANCE ACTIVITIES ON THE EXISTING WATER AND WASTEWATER INFRASTRUCTURE AND RETICULATION NETWORK OF KNYSNA MUNICIPALITY FOR A PERIOD OF THREE YEARS	MEGAFLOW	28 Feb 2022	Extent contract until 30 June 2023

REGISTER OF UNFINALISED TENDERS (ADVERTISED BEFORE AND AFTER 16 FEBRUARY 2022)

ADVERTISED BEFORE 16 FEBRUARY 2022					
No	Tender No	Description	Advertised	Stage	
1	7 of 2021/22	Provision of leased building/s for municipal office accommodation for a period of 3 years from date of appointment.	2021/09/10	With BAC (Waiting for feedback from Properties)	
2	67 of 2021/22	Provision of professional services for assessment and submission of layout plans for approval, and presentation and submission of Surveyor General Plans for approval by Surveyor General.	01/06/2020	With BAC Stage - No Budget - To be cancelled	
3	40 of 2020/21	Biological Monitoring and Medical Surveillance Services for the employees of Khyria Municipality for a fixed period ending on 30 June 2023.	2021/04/04	BEC Stage (Waiting for feedback from Manager: HR)	
4	30 of 2020/21	Sale of erf 70 (Hawkesdal) (1300m² in extent) for church purposes.	2021/04/15	Council Approval pending.	
5	51 of 2020/21	Sale of erf 534 (Hawkesdal) (1501m² in extent) for church purposes.	2021/04/15	Council Approval pending.	
6	42 of 2020/21	Repairs, service and maintenance of machinery and equipment for a period ending 30 June 2023.	2021/04/15	Referred back to BAC - to be cancelled	
7	58 of 2020/21	Request for Proposal (RFP) for the Development of Houses on erf 3336, Fisher Haven, Khyria.	2021/05/19	Referred back to BAC.	
8	59 of 2020/21	Expression of Interest for various municipal projects.	2021/05/27	BEC Stage	
9	60 of 2020/21	Expression Of Interest - Panel of Professional Service Providers to Render Environmental Services for a period of three years.	2021/06/24	BEC Stage	
10	64 of 2020/21	Expression of Interest - Panel of Professional Service Providers to render Occupational Health & Safety Services for a period of three years.	2021/06/24	BAC Stage	
11	68 of 2020/21	Request for the Provision of Banking Services for a period of 5 years with effect from 1 July 2022 until 30 June 2027.	10/11/2021	To serve at the next BAC	
12	3 of 2021/22	Surfacing of Gravel Roads in Ward 2 (Hawkesdal) & Ward 3 (Hawkesdal).	2021/06/10	Final appointment pending, objection period expires on 21/05	
13	4 of 2021/22	Surfacing of Gravel Roads in Ward 4 and 7 (Northern Areas - Contract 1).	2021/06/10	To serve at the next BAC	
14	5 of 2021/22	Surfacing of Gravel Roads in Ward 4 and 7 (Northern Areas - Contract 2).	2021/11/24	To serve at the next BAC	
15	12 of 2021/22	Expression Of Interest process for Supply and Delivery of Non-Flux Chemical Tilers to various areas of Greater Khyria for a period ending on 30 June 2024.	2021/05/21	To serve at the next BAC	
16	15 of 2021/22	T 15 of 2021/22: Construction of Netball Courts.	2021/09/01	BEC Stage	
17	17 of 2021/22	Repair and delivery of pumps, motors, generators, including maintenance and repair for various water and sewer pump stations and facilities for the Khyria Municipality.	2021/09/09	Final appointment pending, matter with legal services	
18	19 of 2021/22	Supply and delivery of various electrical meters for a period of three (3) years.	2021/09/09	BEC Stage	
19	24 of 2021/22	Request for Proposals for the Lease of a portion of erf 1456, (The Heads) Khyria for a period of twenty years (rental).	2021/11/18	BEC Stage	
20	26 of 2021/22	Request for Proposals for the Development of portions of Erf 1188, 5216 and a portion of New Street 571194.	2021/11/18	BEC Stage	
21	28 of 2021/22	Supply & Delivery of Tissue Paper Products & Refuse Bags for a period ending 30 June 2024.	2021/11/11	BEC Stage	
22	30 of 2021/22	Erf 556, Sedgefield (1113m² in extent) situated on Haremskop Street ("The Property") for residential purposes.	2021/11/09	To serve at the next BAC	
23	35 of 2021/22	Supply, Delivery and Commissioning of a new Cabot 40 vjetz Potter / Scanner / Copter.	2021/11/09	To serve at the next BAC	
24	37 of 2021/22	Provision of Technical Accounting Support for a period of 6 years.	2021/03/03	BEC Stage	

ADVERTISED AFTER 16 FEBRUARY 2022					
No	Tender No	Description	Date previous tender lapsed	Advertised	Stage
1	36 of 2021/22	262 Khyria Council Electrification	2021/05/02	2022/02/12	Advertising Stage - Tender close 8 April 2022
2	42 of 2021/22	Provision of Security Services for the Khyria Municipality for a period ending 30 June 2023.	2021/09/03 - still to lapse	2022/02/12	Advertising Stage - Tender close 8 April 2022
3	43 of 2021/22	Supply and Delivery of 2 New 12m³ Compactor Trucks	New requirements	2022/02/12	Advertising Stage - Tender close 8 April 2022

TENDERS THAT ARE AT BEC STAGE					
No	Tender No	Description	Date previous tender lapsed	Advertised	Stage
1	14 of 2021/22	Lease of Vehicles & Plant on an on-and-off hire basis for a period ending 30 June 2024.	2021/01/19	No	To go back to BAC to check on amendments indicated & changes to regulations.
2	29 of 2021/22	Emergency Repair & Maintenance of Civil Services for a period of three years.	2021/05/20 - still to lapse	No	To go back to BAC to check on amendments indicated & changes to regulations.
3	40 of 2021/22	Khyria Reverse Osmosis Plants - Operation & Maintenance for a three year period.	2021/04/11	No	To go back to BAC to check on amendments indicated & changes to regulations.
4	41 of 2021/22	Supplying of Skips and Transporting of Solid Waste for a period of three years.	2022/04/20	No	To go back to BAC to check on amendments indicated & changes to regulations.
5	46 of 2021/22	Repairs, Service and Maintenance of Machinery & Equipment for a period ending 30 June 2023.	2021/06/11 - and then tender was cancelled (13/7/2020/21)	No	To go back to BAC to check on amendments indicated & changes to regulations.
6	48 of 2021/22	Supply of Fuel to Municipal Vehicles for the period ending 30 June 2023.	2021/11/11 and then tender was cancelled (13/6/2020/21)	No	To go back to BAC to check on amendments indicated & changes to regulations.

Annexure H

RFQ'S ADVERTISED AFTER 16 FEBRUARY 2022 - WAITING TO BE FINALISED

Descriptio of goods and services	RFQ Number	Department	Award to
Venue Hire (EPWP Participants Training)	RFQ329/2021/22	Economical Services	Not Yet
Repair or replace column and palisade	RFQ331/2021/22	Community Services	Not Yet
Supply, deliver, fitment and balancing of new tyres	RFQ333/2021/22	Technical Services	Not Yet
FOLLOW UP ALIEN CLEARING ON ERF 3627 IN HORNLEE	RFQ334/2021/22	Environmental Services	Not Yet
SUPPLY AND DELIVERY OF SINGLE PHASE SPLIT PREPAID METER DIN	RFQ341/2021/22	Technical Services	Not Yet
SUPPLY, INSTALL AND MAINTENANCE OF LIGHTBARS AND SIRENS	RFQ342/2021/22	Technical Services	Not Yet
Supply and delivery of Cement	RFQ343/2021/22	Housing Services	Not Yet
Construction of Wheelchair Ramp at 109 Khayaletu	RFQ344/2021/22	Housing Services	Not Yet
Construction of Wheelchair Ramp	RFQ345/2021/22	Housing Services	Not Yet
Supply and deliver of building material	RFQ349/2021/22	Housing Services	Not Yet
Supply and delivery of building and plaster sand	RFQ350/2021	Housing Services	Not Yet
HIGH VOLTAGE SYSTEMS (ORHVS) TRAINING COURSE (LEVEL 04)	RFQ340/2021	Technical Services	Not Yet
Cleaning of the roof, forecourt and windows for a period of five months: Knysna Public Library	RFQ351/2021/22	Community Services	Not Yet
Servicing of lift for a period of five months :Knysna Public library	RFQ352/2021/22	Community Services	Not Yet
Facilitation of Arts Development and Music Business Workshop	RFQ353/2021/22	Community Services	Not Yet
HIRING OF A TLB	RFQ347/2021/22	Technical Services	Not Yet
Hiring of vacuum Truck	RFQ354/2021/22	Technical Services	Not Yet
Hiring of Jet Machine	RFQ355/2021/22	Technical Services	Not Yet
Hiring of Water Truck	RFQ356/2021/22	Technical Services	Not Yet
Provision of Contract Management Training	RFQ357/2021/22	Finance	Not Yet
Provision of Bid Committee Traininnng	RFQ358/2021/22	Finance	Not Yet
Provision of training to perform demand activities: Specification writing	RFQ359/2021/22	Finance	Not Yet
Supply and delivery of service connection Hardware	RFQ360/2021/22	Technical Services	Not Yet
Supply and delivery of two piece overalls	RFQ361/2021/22	Finance	Not Yet

Annexure I

RFQ RECEIVED AT SCM AND NOT YET ADVERTISED			
Description of goods and services	Contact person	Department	Date received
Concordia Road (Knysna Ward 4) Construction of speed humps and raised Pedestrian Crossing	Mpumelelo Nzuzo	Technical Services	2022/03/07
Concordia Road (Knysna Ward 7) Construction of speed humps and raised Pedestrian Crossing	Mpumelelo Nzuzo	Technical Services	2022/03/07
Concordia Road (Knysna Ward 8) Construction of speed humps and raised Pedestrian Crossing	Mpumelelo Nzuzo	Community Services	2022/03/07
Skoffeling /Weeding on Municipal Sidewalks in the Greater Knysna Area	Ivan Van Wyk	Community Services	2022/02/25
Request for service providers to do Plumbing repairs and maintenance at Sports facilities and Community Halls	Ivan Van Wyk	Community Services	2022/02/25
Request for Service Providers to cut/Trim trees in the Greater Knysna area as and when required	Ivan Van Wyk	Community Services	2022/02/25
Hiring of Machinery (Digger Loader, Tipper Truck and Pedestrian Roller)	Ivan Van Wyk	Community Services	2022/02/25
To appoint a service provider to perform external waste audit on waste management facilities	Randall Bower	Community Services	2022/02/25
Hire TLB	Randall Bower	Community Services	2022/02/25
Repair, supply and fitment of case 580SR Spare parts	Lindikhaya Williams	Technical Services	2022/02/25
Supply, deliver and install hydraulic 4 Ton Base Free Lift Manual Lock	Denver Lavack	Technical Services	2022/02/25
Supply and fit new Udo Vr B High Pressure Pump (High Velocity) Werner Jet Machine	Denver Lavack	Technical Services	2022/02/25
Supply and deliver of diagnostic machine	Denver Lavack	Technical Services	2022/02/25
Supply and delivery of prepacked food hampers as and when required	Richards Meyer	Community Services	2022/02/25
Supply and delivery of Alluminium extension ladders and swimming pool equipment	Ivan Van Wyk	Community Services	2022/03/04
Cutting of dangerous tree in Hornlee (Happy Valley) Knysna	Ivan Van Wyk	Community Services	2022/03/04
Supply and delivery of Golf Shirts	Rudi Bouwer	Finance Services	2022/02/25
New Standpipe Connection and Pipework - Informal Settlement, Riverside Valley Ward-7	Bryan Campher	Technical Services	2022/03/07
New Standpipe Connection and Pipework - Informal Settlement, Riverside Valley Ward-7	Bryan Campher	Technical Services	2022/03/07

16. RESOLUTIONS OF THE MAYORAL COMMITTEE : 22 MARCH 2022

ITEMS FOR NOTING

**ITEMS SUBMITTED TO THE INFRASTRUCTURE SERVICES COMMITTEE MEETING
HELD ON 1 FEBRUARY 2022**

**IS01/02/22 ELECTRO-TECHNICAL DEPARTMENT REPORT : JUNE TO DECEMBER
2021**

UNANIMOUSLY RESOLVED

That the contents of the capital project status report from the Electro-Technical Department for the period June – December 2021, be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services
Manager : Electro-Technical

IS02/02/22 MUNICIPAL FLEET REPORT : JULY TO NOVEMBER 2021

UNANIMOUSLY RESOLVED

That the contents of the Municipal Fleet Report for the period July to November 2021, be noted.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services
Manager : Electro-Technical

**IS03/02/22 UPDATED WATER SERVICES DEVELOPMENT AUDIT REPORT -
2020/2021**

UNANIMOUSLY RESOLVED

[a] That the contents of the Water Services Development Plan Audit report, be noted; and

[b] That it be noted that the full contents of the report is available on the Department Sanitation's online system.

File Number : 9/1/2/1

Execution : Director : Infrastructure Services
Manager : Water & Sewer

**IS04/02/22 REPORT ON THE PERCENTAGE SPENT AND PROGRESS ON ALL
APPROVED CAPITAL PROJECTS: JULY – DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the contents of the report on the percentage spent and progress on all approved Capital Projects for the period July to December 2021, be noted.

File Number : 9/1/2/1
Execution : Director : Infrastructure Services
 Manager : Water & Sewer

**IS05/02/22 REPORT ON THE OPERATIONS AND MAINTENANCE TO WATER AND
SEWER FOR JULY TO NOVEMBER 2021**

UNANIMOUSLY RESOLVED

That the contents of the report on the operations and maintenance to the water and sewer reticulation for July to November 2021, be noted.

File Number : 9/1/2/1
Execution : Director : Infrastructure Services
 Manager : Water & Sewer

**IS06/02/22 REPORT ON THE ACTUAL PERCENTAGE BUDGET SPENT FOR ALL
APPROVED ROADS AND STORM WATER MAINTENANCE PROJECTS
(JULY - NOVEMBER 2021)**

UNANIMOUSLY RESOLVED

That the contents of the report on the actual percentage budget spent for all approved roads and storm water maintenance projects for the period July to November 2021, be noted.

File Number : 9/1/2/1
Execution : Director : Infrastructure Services
 Manager : Public Works

IS07/02/22 UPDATED MUNICIPAL STRATEGIC SELF ASSESSMENT - 2020/2021

UNANIMOUSLY RESOLVED

[a] That the Updated Municipal Strategic Self-Assessment - 2020/2021 from the Department of Water and Sanitation, be noted; and

[b] That it be noted that the full content of the report is available on the Department Sanitation's online system.

File Number : 9/1/2/1
Execution : Director : Infrastructure Services

**ITEMS SUBMITTED TO THE INTEGRATED HUMAN SETTLEMENTS AND PLANNING
COMMITTEE MEETING HELD ON 22 FEBRUARY**

**H&P01/02/22 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT DRAFT
PRECINCT CONCEPTS**

UNANIMOUSLY RESOLVED

That the Report on the Neighbourhood Development Partnership Grant (NDPG) Project be withdrawn as it is delegated to the Finance and Economic Development Committee.

**H&P02/02/22 REPORT OF THE GARDEN ROUTE DEVELOPMENT PARTNERSHIP FOR
JULY 2021 TO DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the Report of the Garden Route Development Partnership for July 2021 to December 2021 be withdrawn as it is delegated to the Finance and Economic Development Committee.

**H&P03/02/22 WESGRO PROGRESS REPORT ON TOURISM FUNCTION DELIVERY
WITHIN THE GREATER KNYSNA MUNICIPAL AREA**

UNANIMOUSLY RESOLVED

That the WESGRO Quarterly Report: August - October 2021, Close Out Presentation: November 2021 - October 2021 and the Progress Report: November 2021 - 11 January 2022 on the Tourism function delivery within the Greater Knysna Municipal area be withdrawn as it is delegated to the Finance and Economic Development Committee.

**H&P04/02/22 EXPANDED PUBLIC WORKS PROGRAMME (EPWP) REPORT AUGUST –
DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the Expanded Public Works Program Report for the period August to December 2021 be withdrawn as it is delegated to the Finance and Economic Development Committee.

**H&P05/02/22 ECONOMIC DEVELOPMENT DEPARTMENT REPORT: AUGUST TO
DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the Economic Development Department Performance Report for the period August to December 2021 be withdrawn as it is delegated to the Finance and Economic Development Committee.

H&P06/02/22 ECONOMIC DEVELOPMENT DEPARTMENT REPORT : AUGUST TO DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Building Control Department Performance Report for the period August to December 2021, be noted.

File Number : 9/1/2/13

Execution : Director: Planning & Development

H&P07/02/22 LAND USE MANAGEMENT DEPARTMENT REPORT: AUGUST TO DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Land Use Management Performance Report for the period August to December 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development

H&P08/02/22 ENVIRONMENTAL MANAGEMENT DEPARTMENT REPORT : AUGUST TO DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Environmental Management Department Performance Report for August to December 2021, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
Manager : Environmental Management

H&P09/02/22 ESTUARY POLLUTION COMMITTEE REPORT: AUGUST TO DECEMBER 2021

UNANIMOUSLY RESOLVED

That the report on the departmental actions emanating from the Knysna Estuary authorities' pollution meetings convened by South African National Parks be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
Manager : Environmental Management

H&P10/02/22 KNYSNA MUNICIPALITY BY-LAW RELATING TO THE CONTROL OF ACTIVITIES IN SENSITIVE COASTAL AREAS [2022]

UNANIMOUSLY RESOLVED

That the Report on the Knysna Municipality By-law relating to the Control of Activities in Sensitive Coastal Areas [2022], be withdrawn until clarity and direction has been received from the Legal Services Department.

H&P11/02/22 INTEGRATED HUMAN SETTLEMENTS MONTHLY REPORT : JANUARY 2022

UNANIMOUSLY RESOLVED

That the report in respect of related project implementation for the period ending January 2022 relative to the approved WCDoHS Business Plan 2021/22 FY, be noted.

File Number : 9/1/2/15

Execution : Acting Director : Integrated Human Settlements
Manager : Human Settlements

H&P12/02/22 SUBMISSION OF THE BUSINESS PLAN FOR 2021/22 FINANCIAL YEAR

UNANIMOUSLY RESOLVED

- [a] That the 2021/22 Housing Business Plan as approved by the Western Cape Department of Human Settlement (WC DoHS), be noted; and
- [b] That the claims submitted to the Western Cape Department of Human Settlement, be noted.

File Number : 9/1/2/15

Execution : Acting Director : Integrated Human Settlements
Manager : Integrated Human Settlements

ITEMS SUBMITTED TO THE COMMUNITY SERVICES COMMITTEE MEETING HELD ON 23 FEBRUARY 2022

C01/02/22 MEMORANDUM OF UNDERSTANDING BETWEEN KNYSNA MUNICIPALITY AND SAFEHUB NON PROFIT COMPANY

UNANIMOUSLY RESOLVED

That the Memorandum of Understanding between Knysna Municipality and Safehub non-profit Company, be withdrawn.

File Number : 9/1/2/5

Execution : Director : Community Services

C02/02/22 LIBRARY INFRASTRUCTURE

UNANIMOUSLY RESOLVED

- [a] That the contents of the report on the Library Infrastructure, be noted;
- [b] That the Acting Municipal Manager, be authorised, to apply for funding from the Department of Cultural Affairs and Sport for the construction of a new library on the Smutsville hall premises;
- [c] That the Acting Municipal Manager, be authorised, to apply for funding from the Department of Cultural Affairs and Sport for the upgrading of the existing Leisure Island Library; and
- [d] That the Acting Municipal Manager, be authorised, to apply for funding from the Department of Cultural Affairs and Sport for the construction of a new library in ward 3 (Damsebos).

File Number : 9/1/2/5

Execution : Acting Municipal Manager
 Director : Community Services

C03/02/22 COMMUNITY SERVICES QUARTERLY REPORT FOR THE PERIOD OCTOBER 2021 TO DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Community Services Quarterly Report for the Period October 2021 to December 2021, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services

C04/02/22 INFORMATION REPORT ON MUNICIPAL HEALTH AND NVIRONMENTAL SERVICES FOR AUGUST TO DECEMBER 2021 AND JANUARY 2022

UNANIMOUSLY RESOLVED

That the reports from Garden Route District Municipality on health and environmental services for the period August 2021 until January 2022, be noted.

File Number : 9/1/2/5

Execution : Director : Community Services
 Manager : Solid Waste Management

**ITEMS SUBMITTED TO THE FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE
MEETING HELD ON 2 MARCH 2022**

**F01/03/22 WESGRO PROGRESS REPORT ON TOURISM FUNCTION DELIVERY
WITHIN THE GREATER KNYSNA MUNICIPAL AREA**

UNANIMOUSLY RESOLVED

That the presentation by Ms. Monika Luel from Wesgro, Quarterly August – October 2021, Close Out Presentation: November 2021 - October 2021 and the Progress Report: November 2021 - 11 January 2022 on the Tourism function delivery within the Greater Knysna Municipal area, be respectively noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
 Manager : Economic Development

**F02/03/22 REPORT OF THE GARDEN ROUTE DEVELOPMENT PARTNERSHIP FOR
JULY 2021 TO DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the presentation of the Garden Route Development Partnership for July 2021 to December 2021 by Mr. Paul Hoffman, be noted.

File Number : 9/1/2/13

Execution : Director : Planning & Development
 Manager : Economic Development

**F03/02/22 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT DRAFT
PRECINCT CONCEPTS**

UNANIMOUSLY RESOLVED

[a] That the draft Precinct Concepts of the Neighbourhood Development Partnership Grant (NDPG) Project, be noted; and

[b] That the draft Precinct Concepts of the Neighbourhood Development Partnership Grant (NDPG) Project be submitted for public participation through an “open day” process.

File Number : 9/1/2/13

Execution : Director: Planning & Development
 Manager: Economic Development

**F04/02/22 EXPANDED PUBLIC WORKS PROGRAM (EPWP) REPORT AUGUST –
DECEMBER 2021**

UNANIMOUSLY RESOLVED

That the Expanded Public Works Program Report for the period August to December 2021 be submitted to the Mayoral Committee meeting that will be held on the 15 March 2022.

F05/02/22 ECONOMIC DEVELOPMENT DEPARTMENT REPORT: AUGUST TO DECEMBER 2021

UNANIMOUSLY RESOLVED

That the Economic Development Department Performance Report for the period August to December 2021 be submitted to the Mayoral Committee meeting that will be held on the 15 March 2022.

File Number : 9/1/2/13

Execution : Director : Planning & Development
 Manager : Economic Development

F06/02/22 QUARTERLY INVESTMENT REPORT: QUARTER 1 OF 2021/2022

UNANIMOUSLY RESOLVED

That the Quarterly Investment report for the quarter ending September 2021, be noted.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

F07/02/22 QUARTERLY INVESTMENT REPORT : QUARTER 2 OF 2021/2022

UNANIMOUSLY RESOLVED

That the Quarterly Investment report for the quarter ending December 2021, be noted.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

F08/02/22 QUARTERLY EXTERNAL LOANS REPORT : QUARTER 2 OF 2021/2022

UNANIMOUSLY RESOLVED

[a] That the Quarterly External Loans report for the quarter ending December 2021 be noted; and

[b] That the debt ratio of 29.4% for the quarter ending December 2021 be noted.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services
 Manager : Budget Office

F09/02/22 QUARTERLY INSURANCE REPORT - QUARTER 2 OF 2021/2022

UNANIMOUSLY RESOLVED

[a] That the Quarterly Insurance Report for the quarter ending December 2021, be noted; and

- [b] That the quarterly insurance report be referred to a workshop that will be arranged by the office of the Speaker.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services
Manager : Budget Office

**F10/02/22 REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN
MANAGEMENT POLICY FOR THE PERIOD 1 JULY TO 30 SEPTEMBER
2021**

UNANIMOUSLY RESOLVED

- [a] That the report on the implementation of the SCM policy for the first quarter, ending 30 September 2021, be noted;
- [b] That the deviations to the value of R 1,847,949 for the period as indicated in [a] above, be noted; 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
Acting Director : Financial Services
Manager : Supply Chain

**F11/02/22 SECTION 71 MONTHLY BUDGET STATEMENT REPORT AS AT 31
JANUARY 2022**

UNANIMOUSLY RESOLVED

- [a] That the Finance and Economic Portfolio Committee notes the Section 71 monthly budget statement report for January 2022;
- [b] That the Finance and Economic Portfolio Committee notes that the Section 71 monthly budget statement report for the month ending 31 January 2022 was submitted to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury on 14 February 2022, being the 10th working day after the end of January 2022; and
- [c] That the Finance and Economic Portfolio Committee notes that the Section 71 monthly budget statement report for the month ending 31 January 2022 will be published on the municipal website.

File Number : 9/1/2/10

Execution : Acting Director : Financial Services

**ITEMS SUBMITTED TO THE CORPORATE SERVICES COMMITTEE MEETING HELD ON
3 MARCH 2022**

CS01/03/22 PUBLIC PARTICIPATION REPORT

UNANIMOUSLY RESOLVED

That the Public Participation Report for the period July to December 2021, be noted.

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services

**CS02/03/22 REPORT BACK ON THE STATUS OF THE AUCTIONING OF 10
BOKMAKIERIE STREET & 86 MILKWOOD DRIVE**

UNANIMOUSLY RESOLVED

[a] That the report on the status of auctioning 10 Bokmakierie Street and 86 Milkwood Drive on 20 January 2022, be noted.

[b] That the policy on the disposal of municipal properties be reviewed.

File Number : 7/2/1/2

Execution : Acting Director : Corporate Services

Manager : Legal Services and Properties

Head : Properties

**CS04/03/22 HR QUARTERLY REPORT FOR THE MONTH OF OCTOBER TO
DECEMBER 2021**

UNANIMOUSLY RESOLVED

[a] That the committee notes the report on the Human Resources activities for the period October to December 2021; and

[b] That necessary corrections be made to the report and that the report be re-submitted at a Special Section 80 meeting on 08/03/2022.

File Number : 9/1/2/8

Execution : Acting Director : Corporate Services

**CS08/03/22 DEPARTMENTAL REPORT ON LEGAL MATTERS: 1 AUGUST 2021 TO 20
JANUARY 2022**

UNANIMOUSLY RESOLVED

That the Departmental Report on Legal Matters for the period 1 August 2021 to 20 January 2022, be noted.

File Number : 9/1/1/1/2

Execution : Acting Director : Corporate Services

Manager : Legal Services

CS22/03/22 REPORT ON CORPORATE SERVICES SDBIP QUARTERLY PERFORMANCE REPORT

UNANIMOUSLY RESOLVED

That the Corporate Services SDBIP Quarterly Performance Report July to September 2021, together with the report for the period October 2021 to December 2021, be noted.

File Number : 9/1/2/9

Execution : Acting Director : Corporate Services

ITEMS SUBMITTED TO THE CONTINUATION OF THE CORPORATE SERVICES COMMITTEE MEETING HELD ON 8 MARCH 2022

CS03/03/22 REPORT BACK ON APPLICATION TO LEASE A PORTION OF ERF 16017, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure regarding the request to consider approving the application to lease or buy a portion of Erf 16017, Knysna for the applicant, be noted;
- [b] That the application to lease or buy a portion of Erf 16017 Knysna for the purposes of building a crèche be not approved;
- [c] That the administration identifies an alternative site for the building of a crèche;
- [d] That report back item be submitted to the Section 80 for Corporate Services once an alternative site has been identified;
- [e] That the report back on application to lease a portion of erf 16017, Knysna be referred to the Mayoral Committee; and
- [f] That the Section 80 Committee for Corporate Services conduct a site inspection, prior to the Mayoral Committee meeting.

File Number : 7/2/2/1

Execution : Acting Director : Corporate Services
 Manager : Legal Services
 Head : Properties

CS05/03/22 APPLICATION TO LEASE A PORTION OF ERF 11995, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 11995 Knysna, be noted;
- [b] That the intended usage is not suitable for the identified site;

- [c] That the current policy or by-law on trading areas be reviewed to identify informal trading spaces in all other wards, where such are not reflected on the current approved maps; and
- [d] That the application to lease a portion of Erf 11995, Knysna for a tuck shop, not be approved.

File Number : 7/2/1/2

Execution : Acting Director : Corporate Services

CS06/03/22 REPORT BACK ON APPLICATION TO LEASE A PORTION OF PORTION 1 OF FARM 215, BUFFALO BAY

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of portion 1 of Farm 215 Buffalo Bay, be noted;
- [b] That the advertising of the intended leasing of a portion of portion 1 of Farm 215 Buffalo Bay, be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;
- [d] That the lease be for a period of 9 years and 11 months with an option to renew for a further 9 years and 11 months;
- [e] That the Municipal Council grants approval for the leasing of a portion of portion 1 of farm 215 Buffalo Bay;
- [f] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of portion 1 of Farm 215 Buffalo Bay, is deemed not needed to provide the minimum level of basic Municipal Services;
- [g] That the Municipal Manager be instructed to enter into a lease agreement for the portion of portion 1 of Farm 215 Buffalo Bay Knysna with MTN, for a period of 9 years and 11 months at a monthly rental as determined by a professional Valuer;
- [h] That the applicant be responsible for all other costs relating to the leasing of a portion of portion 1 of Farm 215 Buffalo Bay; and
- [i] That the Acting Municipal Manager approach the applicant to request a social responsibility contribution to a local school or a local Non-Profit Organisation.

File Number : 7/2/1/2

Execution : Acting Director : Corporate Services
Manager : Legal Services
Head : Properties

CS07/03/22 REPORT BACK ON APPLICATION TO PURCHASE ERF 122, KARATARA

UNANIMOUSLY RESOLVED

- [a] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the unutilized portion of Erf 122 Karatara at the applicant's cost;
- [b] That the Acting Municipal Manager advertise the intended alienation of the unutilized portion of Erf 122 Karatara;
- [c] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that the unutilized portion of Erf 122 Karatara, is deemed not needed to provide the minimum level of basic Municipal Services; and
- [d] That the applicant be responsible for all costs related to the alienation of the unutilized portion of Erf 122 Karatara.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

CS09/03/22 APPLICATION TO PURCHASE ERF 4790, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of Erf 4790, Knysna, be noted; and
- [b] That the application to purchase Erf 4790 Knysna for residential purposes, not be approved.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

CS10/03/22 APPLICATION TO PURCHASE ERF 4721, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of Erf 4721, Knysna, be noted; and
- [b] That the application to purchase Erf 4721 Knysna for residential purposes not be approved.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services

CS11/03/22 REPORT ON THE LEASING OF HIGH SITES IN FYNBOSKRUIIN AND KRAAIBOSCH BY KNYSNA MUNICIPALITY

UNANIMOUSLY RESOLVED

- [a] That the report and annexures on the long term lease agreement for high sites that the Municipality is currently leasing from private owners, be noted;
- [b] That the Municipal Council instruct the Acting Municipal Manager to request the Registered Professional Valuer to determine the market rental value for portion of Farm 164 Kraaibosh and Remainder of Portion 1 of 187 Fynboskruin Farm;
- [c] That the Acting Municipal Manager advertise the intended leasing of the two properties for public comments;
- [d] That the Municipal Council approve in principle the proposed leasing of a portion of Farm 164 Kraaibosh and Remainder of Portion 1 of 187 Fynboskruin Farm for a period of 3 years with an option to renew for a further 3 years; and
- [e] That a follow up item be submitted after the public participation process is completed.

File Number : 7/2/1/2

Execution : Acting Municipal Manager

Manager : Legal Services

Head : Properties

CS12/03/22 APPLICATION FOR THE LEASING OF A PORTION OF ERF 3331, KNYSNA (HORNLEE) ADJACENT TO ERF 6250, HORNLEE FOR GARDENING PURPOSES

UNANIMOUSLY RESOLVED

- [a] That the report and annexure regarding the request for a lease agreement on a portion of Erf 3331, Knysna (Hornlee) for gardening purposes, be noted;
- [b] That in terms of Section 34(1)(b) of the Asset Transfer Regulations the Municipal Council approve in principle that the right to use, control or manage the relevant portion of Erf 3331, Knysna for gardening purpose may be granted;
- [c] That the applicant be informed that they will be solely responsible for all costs for the establishment of a garden on a portion of Erf 3331, Knysna;
- [d] That all risks should be transferred to the applicant once approval is granted for the portion of Erf 3331, Knysna;
- [e] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Council consider the fair

market value of a portion of Erf 3331, Knysna to be leased as determined by a professional Valuer;

- [f] That the Municipal Manager be instructed to advertise the intended leasing of a portion of Erf 3331, Knysna for the purposes of establishing a vegetable garden; and
- [g] That the applicant puts measures in place for stabilisation of the land, to the satisfaction of the Knysna Department of Infrastructure Services.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
Manager : Legal Services
Head : Properties

CS13/03/22 APPLICATION FOR THE LEASING OF A PORTION OF ERF 3331, KNYSNA (HORNLEE) FOR COMMUNITY GARDENING PURPOSES

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 3331, Knysna, be noted;
- [b] That the intended leasing of a portion of Erf 3331, Knysna that was advertised for public comment and/or objections be noted;
- [c] That it be noted that no comments/objections were received during the public participation process;
- [d] That the advertising of the portion of Erf 3331, Knysna, without the Municipal Council's approval be rectified and approved by the Municipal Council;
- [e] That the Department of Human Settlements be asked whether the property may be required for housing;
- [f] That the Environmental Department comment on whether the intended land use may have negative environmental impacts;
- [g] That Technical Services comment on whether the intended land use may have negative impacts relating to drainage areas or other potentially negative impacts; and
- [h] That the matter be brought back to the Section 80 Committee for Corporate Service once the three departments have commented.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
Manager : Legal Services
Head : Properties

**CS14/03/22 REPORT BACK ON APPLICATION FOR THE LEASING OF A PORTION OF
ERF 214, KNYSNA FOR GARDENING PURPOSES**

UNANIMOUSLY RESOLVED

- [a] That the report and annexure regarding the request for a lease agreement on a portion of Erf 214, Knysna for vegetable gardening purposes, be noted;
- [a] That the advertising of the intended leasing of the unutilized portion of Erf 214 Knysna, be noted;
- [b] That it be noted that no comments and or objections were received during the advertising period;
- [c] That in terms of Section 34(1)(b) of the Asset Transfer Regulations the Municipal Council approve the right to use, control or manage the relevant portion of Erf 214 measuring 10 000m², Knysna for gardening purpose may be granted;
- [d] That the proposed portion of Erf 214 Knysna be leased a nominal amount of R500 at an annual escalation of 10%;
- [e] That the applicant be informed that they will be solely responsible for all costs for the establishment of the vegetable garden on a portion of Erf 214, Knysna;
- [f] That the portion of Erf 214 Knysna will be for the purpose of establishing a vegetable garden for Community benefit;
- [g] That the lease will be for a period of 9 years and 11 months;
- [h] That all risks should be transferred to the applicant once approval is granted for the portion of Erf 214, Knysna;
- [i] That the Acting Municipal Manager enter into a 9 year and 11 months' lease agreement for the portion of Erf 214, Knysna for the establishment of a vegetable garden;
- [j] That should the property be utilised for anything other than a community garden, a market related rental will be charged; and
- [l] That should the property be utilised for anything other than a community garden, the municipality reserves the right to terminate the lease.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS15/03/22 APPLICATION TO LEASE A PORTION OF ERF 6774, (KHAYALETHU) KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 6774, Knysna, be noted;
- [b] That the application to lease a portion of Erf 6774 Knysna not be approved;
- [c] That the committee recommends that the applicant considers a portion of erf 6817;
- [d] That the Acting Municipal Manager addresses correspondence to the applicant for the alternative site awarded, for the applicant to confirm if they will accept that site;
- [e] That should the applicant confirm acceptance of the alternative site, the Acting Municipal Manager then be instructed to advertise the intended leasing of Erf 6817, Knysna;
- [f] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager should be instructed to appoint a Registered Professional Valuer to determine the fair market value of Erf 6817, Knysna, if the alternative site is accepted;
- [g] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of Erf 6817, Knysna to be leased, are deemed not needed to provide the minimum level of basic Municipal Services;
- [h] That the applicant be informed that they are responsible for all other costs relating to the leasing of a portion of Erf 6817, Knysna; and
- [i] That the applicant, as part of their social responsibility identify a local community initiative within the ward for future projects.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS16/03/22 REPORT BACK ON APPLICATION TO PURCHASE PORTIONS OF ERF 4124 AND ERF 4128, KNYSNA ABUTTING ERF 19868

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation the unutilized Erf 4128 and Erf 4124 Knysna abutting Erf 19868, be noted;

- [b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the unutilized Erf 4128 and Erf 4124 Knysna abutting Erf 19868 at the applicant's cost;
- [c] That the Acting Municipal Manager advertise the intended alienation of the unutilized Erf 4128 and Erf 4124 Knysna abutting Erf 19868;
- [d] That the Municipality attend to the transfer of the properties into Knysna Municipality's name simultaneously with the transfer to the applicant;
- [e] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that the unutilized Erf 4128 and Erf 4124 Knysna abutting Erf 19868, is deemed not needed to provide the minimum level of basic Municipal Services; and
- [f] That the applicant be responsible for all costs related to the alienation of the unutilized Erf 4128 and Erf 4124 Knysna abutting Erf 19868.

File Number: 7/2/1/2

Execution: Acting Municipal Manager
Manager : Legal Services
Head : Properties

CS17/03/22 REPORT BACK ON APPLICATION TO PURCHASE ERF 14311, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of Erf 14311 Knysna, be noted;
- [b] That the Acting Municipal Manager advertise the intended alienation of the unutilized portion of Erf 14311 Knysna;
- [c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the unutilized portion of Erf 14311 Knysna at the applicant's cost;
- [d] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of Erf 14311 Knysna to be alienated, are deemed not needed to provide the minimum level of basic Municipal Services;
- [e] That the Municipal Manager be requested to put the alienation of Erf 14311 Knysna out on public tender for the utilisation as Social Care use; and

[f] That the following factors should be included in the tender document for the disposal of Erf 14311 Knysna:

- i] The size of the congregation / membership;
- ii] Availability of finance to acquire the site and develop same within two years plus possible extension;
- iii] Whether or not such a denomination is already represented in the area;
- iv] That the reserve price be determined at 25% of the market value as determined by the Municipal Valuer;
- v] Whether or not welfare type facilities / activities will be provided in addition to religious facilities; and
- vi] Whether or not the congregation / membership is drawn from the area in which a site is being applied for.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services
Head : Properties

CS18/03/22 APPLICATION TO LEASE A PORTION OF ERF 3281, (HORNLEE) KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 3281, Knysna, 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 confirms the portion of Erf 3281, Knysna to be leased, are deemed needed to provide the minimum level of basic Municipal Services;
- [c] That the applicant be informed that the application is thus not approved;
- [d] That the committee recommends that the applicant considers an alternative position within erf 3281, Knysna; and
- [e] That the applicant, as part of their social responsibility identify a local community initiative within the ward for future projects.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
Manager : Legal Services
Head : Properties

CS19/03/22 APPLICATION TO LEASE A PORTION OF ERF 2813, (LEISURE ISLE) KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 2813, Knysna, 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 confirms the portion of Erf 2813, Knysna to be leased is not suitable for the intended use; and
- [c] That the applicant be informed that the application is thus not approved.
- [d] That the committee recommends that the applicant considers a portion of an erf as an alternative site;
- [e] That the Acting Municipal Manager addresses a correspondence to the applicant relating to the alternative site, to confirm if they will accept that site;
- [f] That should the applicant confirm acceptance of the alternative site, the Acting Municipal Manager then be instructed to advertise the intended leasing of Erf 1527, Knysna; and
- [g] That should the alternative site be accepted that in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Acting Municipal Manager appoint a Registered Professional Valuer to determine the fair market value of the portion of Erf 1527 at the applicant's cost.

File Number : 7/2/1/2

Execution : Acting Municipal Manager

Manager : Legal Services

Head : Properties

CS20/03/22 APPLICATION TO LEASE A PORTION OF ERF 8125, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 8125 Knysna, be noted;
- [b] That the intended usage is not suitable for the identified site;
- [c] That the application to lease a portion of Erf 8125 Knysna for a brick & block making establishment not be approved; and
- [d] That the applicant identifies a more suitable area for the intended usage.

File Number : 7/2/1/2

Execution : Acting Municipal Manager

Manager : Legal Services

Head : Properties

CS21/03/22 APPLICATION TO LEASE ERF 2682, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of Erf 2682, Knysna, be noted;
- [b] That the application to lease Erf 2682, Knysna not be approved; and
- [c] That the committee noted that the applicant has fenced the property, that vegetation has been removed and that the applicant is utilising the property for vehicle parking and that the administration investigates the unauthorised land use.

File Number : 7/2/1/2
Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS23/03/22 APPOINTMENT OF AN AD HOC COMMITTEE TO INVESTIGATE VIABLE MUNICIPAL LAND FOR FUTURE

UNANIMOUSLY RESOLVED

- [a] That the Report on the Appointment of an Ad Hoc Committee to investigate viable municipal owned land for future use, be noted;
- [b] That the following Councillors be appointed as part of the Ad Hoc Committee :

Cllr Skosana
Cllr Campbell
Cllr Grootboom
Cllr Louw
Cllr Marbi
Cllr Vanston

- [c] That the following officials form part of the Ad Hoc Committee

Acting Director: Corporate Service
Director: Planning & Development
Director: Infrastructure Services
Head: Properties
Manager: Assets
GIS Officer

- [d] Monthly reports of the Ad Hoc Committee to investigate viable municipal owned land for future use, be submitted to the next Section 80 Committee.

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

CS24/03/22 REPORT BACK ON THE APPLICATION TO LEASE THE QUEENS WAREHOUSE, ON A PORTION OF ERF 1342, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the application to lease a portion of Erf 1342 Knysna, be noted; and
- [b] That the application of a lease the Queens warehouse on a Portion on Erf 1342 be referred to the next Section 80 Committee for Corporate Services meeting to be held in May 2022.

File Number : 7/2/2/1

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS25/03/22 APPLICATION TO LEASE THE OLD TSIBA COLLEGE ON ERF 115, KARATARA

UNANIMOUSLY RESOLVED

- [a] That the Acting Municipal Manager be mandated to compile a list of the current occupants of the Tsiba College;
- [b] That an alternative accommodation report for the current occupants of the Tsiba College be prepared and tabled at the Section 80 Committee for Corporate Services to be held on 26 May 2022; and
- [c] That the application of the Western Cape Community College be re-submitted to the Section 80 Committee for Corporate Services, including the reports in recommendations [a] and [b].

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS26/03/22 EMPLOYEE'S APPLICATION FOR LAND IN KARATARA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding erven 212, 156, 89, 149, 134, 126, 60, and 228, Karatara submitted by various staff from Karatara, be noted; and
- [b] That the report on the application for land in Karatara be referred to the Ad Hoc Committee to investigate viable municipal owned land for future use.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS27/03/22 APPLICATION TO PURCHASE ERF 7089, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of Erf 7089, Knysna, be noted;
- [b] That the Human Settlement Department investigate the possibility of developing the site into low income houses;
- [c] That the application to purchase Erf 7089 Knysna for residential purposes, not be approved; and
- [d] That a follow up report be submitted to the next Section 80 Committee for Corporate Services, for consideration;
- [e] That the report back on application to lease a portion of erf 16017, Knysna be referred to the Mayoral Committee;
- [f] That the Section 80 Committee for Corporate Services conduct a site inspection, prior to the Mayoral Committee meeting and;
- [g] That the above recommendation is subject to the findings during the site visit.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS28/03/22 APPLICATION TO LEASE A PORTION OF ERF 5076, KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 5076 Knysna, be noted;
- [b] That the intended usage is not suitable for the identified site;
- [c] That the application to lease a portion of Erf 5076 Knysna for a vehicle repair establishment not be approved; and
- [d] That the applicant identifies a more suitable area for the intended usage.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS29/03/22 REPORT BACK ON APPLICATION TO LEASE A PORTION OF ERF 3912 KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of a portion of Erf 3912 Knysna be noted;
- [b] That the advertising of the intended leasing of a portion of Erf 3912 Knysna, be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;
- [d] That the lease be for a period of 9 years and 11 months with an option to renew for a further 9 years and 11 months;
- [e] That the Municipal Manager be instructed to enter into a lease agreement for a portion of Erf 3912 Knysna with MTN, for a period of 9 years and 11 months at a monthly rental of R9 300 with a 7% escalation per annum;
- [f] That the applicant be responsible for all other costs relating to the leasing of a portion of Erf 3912 Knysna; and
- [g] That the Acting Municipal Manager approach the applicant to request a social responsibility contribution to a local school or a local Non-Profit Organisation.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
 Manager : Legal Services
 Head : Properties

CS35/03/22 REPORT BACK ON APPLICATION TO LEASE PARKING ON A PORTION OF ERF 211 KNYSNA OPPOSITE ERF 567 KNYSNA

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the leasing of parking on a portion of Erf 211 Knysna opposite Erf 567 Knysna be noted;
- [b] That the advertising of the intended leasing of parking on a portion of Erf 211 Knysna opposite Erf 567 Knysna, be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;
- [d] That the fair market value for leasing of parking on a portion of Erf 211 Knysna opposite Erf 567 Knysna is **R1 500.00** per month with an annual escalation of **8%** as determined by the Registered Professional Valuer;
- [e] That the lease agreement be for a period of 9 years and 11 months;

- [f] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that parking on a portion of Erf 211 Knysna opposite Erf 567 Knysna, is deemed not needed to provide the minimum level of basic Municipal Services;
- [g] That the applicant be responsible for all costs related to leasing of parking on a portion of Erf 211 Knysna opposite Erf 567 Knysna; and
- [h] That the Municipal Manager be instructed to enter into a lease agreement for leasing of parking on a portion of Erf 211 Knysna opposite Erf 567 Knysna, for a period of 9 years and 11 months at a monthly rental as determined by a professional Valuer.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
Manager : Legal Services
Head : Properties

CS36/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF ERF 161 BUFFALO BAY

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation the unutilized portion of Erf 161 Buffalo Bay be noted;
- [b] That the advertising of the intended leasing of the unutilized portion of Erf 161 Buffalo Bay, be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;
- [d] That the property be sold at a market related price as determined by the Registered Professional Valuer at R105 000.00;
- [e] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that the unutilized portion of Erf 161 Buffalo Bay, is deemed not needed to provide the minimum level of basic Municipal Services;
- [f] That the portion of Erf 161 Buffalo Bay to be alienated, be restricted to the area of the current wooden deck thereon;
- [g] That the applicant be responsible for all costs related to the alienation of the unutilized portion of Erf 161 Buffalo Bay; and
- [h] That the Municipal Manager be instructed to enter into a sale agreement for the unutilized portion of Erf 161 Buffalo Bay at a market related value as determined by the Registered Professional Valuer.

File Number: 7/2/1/2

Execution: Acting Municipal Manager
Manager : Legal Services
Head : Properties

CS37/03/22 REPORT BACK ON APPLICATION TO PURCHASE A PORTION OF ERF 1692 SEDGEFIELD, (A PORTION OF GULL STREET – PUBLIC LANE), ABUTTING SEDGEFIELD ERVEN 995 & 1000

UNANIMOUSLY RESOLVED

- [a] That the report and annexure's regarding the alienation of the portion of Erf 1692 Sedgfield (Public Lane – Gull Street) be noted,
- [b] That the advertising of the intended selling of the portion of Erf 1692 Sedgfield (Public Lane – Gull Street), be noted;
- [c] That it be noted that no comments and or objections were received during the advertising period;
- [d] That the fair market value for the portion the portion of Erf 1692 Sedgfield (Public Lane – Gull Street) is **R104, 500** as determined by the Registered Professional Valuer.
- [e] That the administration attends to the transfer of the portion of Erf 1692 Sedgfield into Knysna Municipality's name prior to the transfer to the applicant.
- [f] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that the portion of Erf 1692 Sedgfield (Public Lane – Gull Street), is deemed not needed to provide the minimum level of basic Municipal Services;
- [g] That the applicant be responsible for all costs related to the alienation of the portion of Erf 1692 Sedgfield (Public Lane – Gull Street);
- [h] That the Acting Municipal Manager be instructed to enter into a sale agreement for the portion of Erf 1692 Sedgfield (Public Lane – Gull Street); and
- [i] That no indigenous vegetation may be disturbed or removed from the portion of Erf 1692 Sedgfield and that only alien vegetation may be removed.

File Number : 7/2/1/2

Execution : Acting Municipal Manager
Manager : Legal Services

17. IN COMMITTEE ITEMS (SEE SEPARATE AGENDA)

18. Consideration of Questions

No report received at time of compilation of the agenda.

19. Consideration of Motions of Exigency

No report received at time of compilation of the agenda.

20. Considerations of Motions

20.1 MOTION TO REVIEW AND RESCIND COUNCIL RESOLUTION ON THE APPOINTMENT OF MR EUGENE BOTHA AS A MEMBER OF THE DISCIPLINARY BOARD

The Speaker

Knysna Municipality

Clyde Street

Knysna

7 March 2022

Dear Councillor Lopes

MOTION TO REVIEW AND RESCIND COUNCIL RESOLUTION ON THE APPOINTMENT OF MR EUGENE BOTHA AS A MEMBER OF THE DISCIPLINARY BOARD

I, Russel Arendse hereby give notice of my intention to move a motion at the forthcoming Ordinary Council Meeting in terms of the provisions of Rule 26 of the Knysna Municipality: Rules of Order for Internal Arrangements By-Law as follows:

That Council review and rescinds its resolution to appoint Mr Eugene Botha as a member of the Disciplinary Board.

MOTIVATION

In terms of regulation 4 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings a Council must establish a disciplinary board to investigate allegations of financial misconduct in the municipality and to monitor the institution of disciplinary proceedings against an alleged transgressor.

What is important to note is that in sub regulation 4(2) it is stated that the disciplinary board is an **independent advisory body** that assists the council with the investigation of allegations of financial misconduct, and to provide recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken. Due to the nature of the disciplinary board, it is pivotal that it must function and operate without any political or other influence and must make findings that are objective and fair.

Sub regulation 4(5) sets out the persons who are disqualified from membership of the disciplinary board:

- (a) A person who has been convicted of an offence in terms of this Regulations or any other legislation;
- (b) A person who, whether in the Republic or elsewhere, has been convicted of theft, fraud, forgery, uttering of a forged document or any offence of which dishonesty is an element;
- (c) A person who has at any time been removed from any office of trust on account of misconduct or dishonesty;
- (d) An accounting officer of a municipality or municipal entity;
- (e) A political office bearer or a member of a board of directors, and
- (f) A person who is an office bearer in a political party.

It is my submission that the only possible manner to establish whether the potential members qualify to serve on the disciplinary board, is to perform a vetting process by a reputable organization. This was not done by this DA led council who proclaims that they stand for good governance and clean administration. This is a very important quasi-judicial body that needs to make decisions and findings without fear, favour or prejudice. It is therefore of utmost importance that the members serving on it are beyond reproach.

The issue pertaining to the appointment of Mr Eugene Botha is a case in point. It is common knowledge that Mr Botha is the spokesperson of the Patriotic Alliance in the Southern Cape. He is actively involved in the functioning of the PA in our region and is therefore an office bearer and his position in the Patriotic Alliance disqualifies him to be a member of the Disciplinary Board. His close political proximity to a member of the executive, Cllr Waleed Grootboom is problematic and untenable and will trigger the perception of bias principle. In the light of the aforesaid, it is my submission that in the interest of good, clean administration and in the interest of fairness transparency and accountability, that Council review and rescind its decision to appoint Mr Eugene Botha as a member of the Disciplinary Board.

ORDINARY MUNICIPAL COUNCIL MEETING
AGENDA
30 MARCH 2022


R ARENDSE (MOVER)

17/03/2022
DATE


M KHUMELWANA (SECONDER)

17/03/2022
DATE

KNYSNA MUNICIPALITY
2022 -03- 17
OFFICE OF THE SPEAKER
sh ss 

21. Adjournment

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