

7.

**A PORTION OF ERF 645 HERMANUS (SITUATED IN MAIN ROAD, HERMANUS):
DEVIATION FROM PARAGRAPHS 26 AND 41 OF THE ADMINISTRATION OF
IMMOVABLE PROPERTY POLICY OF 2015 – OVERSTRAND TAXI ASSOCIATION**

7/2/3/1

S Madikane

Director : LED

13 July 2022

(028) 313 8066

1. Executive Summary

To obtain approval for the deviation from conditions contained in paragraphs 4, 24, 36, 40 and 41 of the Administration of Immovable Property Policy of 2015 in order to:

- (a) waive any rental/compensation payable (paragraph 26); and
- (b) waive the Municipality's claim for the payment of rates and taxes and services charges (paragraph 41);

in order for the Municipality to enter into a memorandum of agreement with the Overstrand Taxi Association (hereinafter referred to as "OTA") for the use of floor space, free of charge, in the municipal building situated in Main Road, Hermanus, at the Hermanus Taxi Rank (hereinafter referred to as the "room"), for a period of 1 (one) year to use for administrative purposes.

See locality map attached marked Annexure A.

2. Service Delivery and Budget Implementation Plan - IGNITE

Economic and Social Development & Tourism
Social Development

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

None

5. Legal Requirements

- Administration of Immovable Property Policy of the Overstrand Municipality (2015).
- Local Government: Municipal Finance Management Act, 2003 Municipal Asset Transfer Regulations, 2008 (No R. 878 of 2008).

6. Background/Discussion/Evaluation/Conclusion

Background/Discussion

The Overstrand Municipality has an office used by the Social Development Department situated at the Hermanus Taxi Rank on the corner of Paterson Street and Main Road, Hermanus. The Overstrand Taxi Association requested the use of a desk in this building to enable the administration of taxi related matters. The use of space is limited to administrative duties and the Association will not be using any infrastructure such as the phones or computers.

Evaluation

The request for the necessary deviation is in terms of the following conditions of the Administration of Immovable Property Policy of the Overstrand Municipality of 2015:

- (1) **Paragraph 26: “In cases where a rental amount has been approved in the annual budget of the Municipality for certain types of leases and encroachments, the approved amount will be used for purposes of determining the rental amount.”**

The only relevant tariff in this regard is as follows:

Tariff Code	Detail	2021/2022	
		Exclude VAT	Include VAT 15%
		R	R
S46A	Rental for office space (Hermanus Administration) (per m ² per month)	138.26	159.00

- (2) **Paragraph 41: “The lessee shall, as a rule, be liable for the payment of rates, taxes and service charges in respect of the leased property. In the case of leases to certain social care users and sports facilities at rentals lower than market value the Municipality may consider granting a rebate on rates in accordance with the Rates Policy of the Municipality.”**

As only a portion of a room, and in effect only a desk and chair, in a building will be used by OTA, making it difficult to quantify usage.

The value to the community should be taken into consideration.

Conclusion

It is proposed that the deviation from paragraphs, 26 and 41 of the Administration of Immovable Property Policy be approved in order to enter into a memorandum of agreement with OTA for the use of floorspace free of

charge in a room, within the municipal building used by the Social Development Department, situated in Main Road, Hermanus.

7. Financial Implications

The Municipality will not receive a minimum total rental amount of R138.26/m² (VAT excluded) per month.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Manager: Property Administration, Ms A Le Roux - (028) 316 5623

My comments are already included in the report as I assisted partially with the drafting thereof.

10. Annexures

Annexure A: Locality Map

RECOMMENDATION TO THE COUNCIL:

that the deviation from paragraphs 26 and 41 of the Administration of Immovable Property Policy of 2015 in order for the Municipality to enter into a memorandum of agreement with the Overstrand Taxi Association to use a portion of a room, free of charge, in the municipal building used by the Municipality's Social Development Department situated, on a portion of Erf 645 Hermanus, for administrative purposes, **be approved**.

RESPONSIBLE OFFICIAL :

G SMIT

TARGET DATE FOR IMPLEMENTATION :

1 AUGUST 2022

TARGET DATE TO INFORM APPLICANT :

25 JULY 2022

ANNEXURE A

