

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
17 October 2017
(Also the agenda for the Mayoral Committee Meeting : 25 October 2017)**

**3.
HERMANUS: TRANSFER OF FUNDING TO THE HERMANUS SPORT CLUB FOR
INSTALLATION OF FLOODLIGHTS FOR THE HOCKEY FACILITIES**

7/2/3/2

**D Hendriks
11 April 2017**

(028) 313 5058

Hermanus Administration

1. Executive Summary

Council entered into a lease agreement with the Hermanus Sport Club (HSC) for the lease of a portion of erf 1253 Hermanus. One of the conditions is that the HSC develop and manage the property as a general sport and recreational facility. Council funding contribution will be limited as it is the responsibility of HSC to source funding for the development of the sport facility.

During the 2017/2018 provincial financial year the Department of Cultural Affairs & Sport (DCAS) has provided funding in the amount of R 1,171 000.00 (one million one hundred and seventy one thousand rand) for the installation of floodlights at the hockey facility. The purpose of this item is to request Council that the funding be transferred to the HSC, based on the progress of the proposed development.

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure & Planning
Engineering Services

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Creation and maintenance of a safe and healthy environment
Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

- *Intergovernmental Relations Framework Act, No 13 of 2005*
- *Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA)*

**AGENDA of the
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(Also the agenda for the Mayoral Committee Meeting : 25 October 2017)**

6. Background/Discussion/Evaluation/Conclusion

Background

Council entered into a lease agreement with the Hermanus Sport Club for the lease of a portion of erf 1253 Hermanus, for the purpose of developing and managing the property as a general sports and recreational facility. The Hermanus Sport Club is responsible for the development of the sports facility and the source of funding to establish a multi-purpose sport complex in Hermanus. As part of the lease agreement a Site Development Plan for the sport complex was approved by the Municipality and since 2009 certain phases has been implemented. The Hermanus Sport Club will have a positive influence on the community and the local economy.

The HSC installed an artificial hockey field in 2016. The HSC submitted the funding application for floodlights at the Hockey field to DCAS. This application has been approved and the funds have been taken up in the current municipal budget. The funding must now be transferred from the Municipality to HSC.

Discussion

Hockey is the largest played sport at the Hermanus High School with 13 teams and 150 players taking part. The Hermanus Primary School used to have only one full size rugby field available for their rugby and hockey practices and matches. It became impossible to manage and host visiting schools. The local Hermanus hockey club is well supported, but due to the lack of an artificial field, league games had to be played away which contributed to huge cost implications. The development of an artificial field thus became a priority especially for the Hermanus schools. A financial contribution was made by the private sector and the Hermanus High School for the construction of the existing artificial hockey field.

The planning, procurement and construction of the existing hockey facility was done through the professional team of the HSC. Funding for the installation of floodlights for the hockey facility was further made available by DCAS through their 2017/2018 budget.

It is expected from HSC to fully comply with the provisions of Section 67 of the MFMA.

The infrastructure provided by HSC will become the asset of Council, although the HSC will be responsible for the maintenance and operation of the facility, for the duration of the lease.

**AGENDA of the
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Evaluation

The funding obtained from DCAS must be spent by the end of March 2018 in terms of the Division of Revenue Act. The Municipality concluded a Memorandum of Agreement with the DCAS for the allocated grant of **R1 171 000.00 (One Million, One Hundred and Seventy-One Thousand Rand)** as a contribution towards the development of the hockey playing facilities. (Annexure A)

To ensure that the project is implemented effective, sufficient and successfully, the funding will be transferred to HSC on progress, for the execution of the project.

HSC has already rendered professional services for the planning and design of the hockey field facility. The HSC is a non-profitable entity and is therefore in a better position to negotiate rates to ensure that the available funding will be sufficient for the provision of the floodlights.

Conclusion

It is recommended that the funding in the amount of R1,171,000.00 (One Million, One Hundred and Seventy One Thousand Rand) be made available to the HSC on progress for the provision of floodlights at the hockey playing field.

7. Financial Implications

The funding made available by DCAS is included in the municipal budget 2017/2018 and will be made available as a grant-in-aid to the HSC.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

None

RECOMMENDATION TO THE COUNCIL:

1. that the grant received from the Department of Cultural Affairs and Sport to the amount of R1 171 000.00 be made available to Hermanus Sport Club as a once off grant-in-aid for the installation of floodlights at the hockey field;

**AGENDA of the
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2. that the Hermanus Sport Club be fully compliant with the provisions of Section 67 of the Local Government: Municipal Finance Management Act, 2003; and
3. that progress payments be made as agreed between Council and the Hermanus Sport Club.

RESPONSIBLE OFFICIAL :	D HENDRIKS
TARGET DATE FOR IMPLEMENTATION :	25 OCTOBER 2017
TARGET DATE TO INFORM APPLICANT :	N/A

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
17 OCTOBER 2017, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

1. that the grant received from the Department of Cultural Affairs and Sport to the amount of R1 171 000.00 be made available to Hermanus Sport Club as a once off grant-in-aid for the installation of floodlights at the hockey field;
2. that the Hermanus Sport Club be fully compliant with the provisions of Section 67 of the Local Government: Municipal Finance Management Act, 2003; and
3. that progress payments be made as agreed between Council and the Hermanus Sport Club.

RESPONSIBLE OFFICIAL :

D HENDRIKS

TARGET DATE FOR IMPLEMENTATION :

25 OCTOBER 2017

TARGET DATE TO INFORM APPLICANT :

N/A