

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
22 October 2019
(Also the agenda for the Mayoral Committee Meeting : 30 October 2019)**

**9.
KLEINMOND: PORTION OF THE REMAINDER OF FARM NO. 562 KLEINMOND,
SUSPENSION OF RENTAL TO BE RAISED, MR DL HARMSE**

7/2/3/2

**M Erasmus
9 September 2019**

(028) 316 3724

Hermanus Administration

1. Executive Summary

The purpose of the report is to request Council to approve a suspension of the rental payable by Mr DL Harmse to an amount of R678.60 (SIX HUNDRED AND SEVENTY EIGHT RAND AND SIXTY CENTS) (VAT excluded) per month as well as the electricity charges as from 1 July 2019 until such time as occupation can be given to Mr DL Harmse.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate Finance
Department Revenue

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services

4. Delegated Authority

None

5. Legal Requirements

Administration of Immovable Property Policy of the Overstrand Municipality,
as amended

6. Background/Discussion/Evaluation/Conclusion

Background

A short term lease for the refreshment kiosk on a portion of the remainder of Farm No. 562 Kleinmond was entered into with Mr Harmse for the purpose of managing the kiosk at the Palmiet Caravan Park. The lease agreement commenced on 20 December 2018 and will expire on 30 November 2021. The current rental payable as from 1 July 2019 is R678.60 (SIX HUNDRED AND SEVENTY EIGHT RAND AND SIXTY CENTS) (VAT excluded) per month.

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Discussion/Evaluation

Mr Harmse informed us that there was a break-in at the kiosk during the night of 7 July 2019 and that the break-in and vandalism were reported to the SAPS as well as the Kleinmond Area Manager. The damages to the property are as follows:

- all the window frames and glass are broken,
- the burglar bars in front of the windows are broken,
- the door as well as security gate are badly damaged, and
- the door frame is badly damaged.

During the break-in all the stock as well as various equipment to the value of approximately R10,000.00 were stolen. This was unfortunately not the only break-in Mr Harmse experienced since the lease commenced.

Mr Harmse removed the fridges and freezers from the kiosk and handed the keys to the kiosk to the Kleinmond offices on 10 July 2019.

Besides the above mentioned losses Mr Harmse is also not able to generate any income whilst the kiosk is not in operation. Any further rental and electricity availability levies during this period will amount to a greater loss for Mr Harmse.

Mr Harmse cannot operate the kiosk in the vandalised state that it is in and thus requested that the rental be suspended for the period that he is not able to operate the kiosk.

Paragraph 5.1 of the lease agreement stipulates as follows:

“5.1 The Land, together with the existing buildings and other structures thereon as well as such buildings and other structures as may be erected in accordance with the provisions of this agreement, shall be used exclusively for the purposes of:

- 5.1.1 operating a kiosk that may serve non-alcoholic beverages and refreshments;*
- 5.1.2 a facility providing take-away meals and snacks;*
- 5.1.3 such other purposes as may be approved by the delegated authority of the LESSOR, in writing in advance;*

and no other activities will be allowed on the Land.”

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Currently Mr Harmse cannot use the kiosk for the purpose of the agreement as stated above as the property is badly vandalised.

The Kleinmond offices indicated that the kiosk should be repaired as soon as possible.

Conclusion

As a sign of goodwill from the side of the Municipality, taking into consideration the above and the inconvenience and loss of income suffered by Mr Harmse, it is recommended that a suspension in the amount of R678.60 (SIX HUNDRED AND SEVENTY EIGHT RAND AND SIXTY CENTS) (VAT excluded) per month as well as the electricity charges as from 1 July 2019 until such time as occupation can be given to Mr Harmse again be considered.

7. Financial Implications

The current rental amount levied for the lease of the Palmiet Kiosk is R678.60 (SIX HUNDRED AND SEVENTY EIGHT RAND AND SIXTY CENT) (VAT excluded) per month. It is proposed that the said monthly rental amount as well as the electricity charges be suspended from July 2019 and be resumed when occupation is given to Mr Harmse, being the date the kiosk is repaired and ready to be used for the purpose of a kiosk, which at this stage is envisaged to be by the end of September 2019.

8. Staff Implications

N/A

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Locality plan of lease area

RECOMMENDATION TO THE COUNCIL:

that a suspension of the rental payable by Mr DL Harmse to an amount of R678.60 (SIX HUNDRED AND SEVENTY EIGHT RAND AND SIXTY CENT) (VAT excluded) per month as well as the electricity charges as from 1 July 2019 until such time as occupation can be given Mr DL Harmse, **be approved.**

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RESPONSIBLE OFFICIAL :	M ERASMUS
TARGET DATE FOR IMPLEMENTATION :	30 NOVEMBER 2019
TARGET DATE TO INFORM APPLICANT :	18 NOVEMBER 2019
TARGET DATE TO INFORM OBJECTOR :	N/A

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M Erasmus

(028) 316 3724

Hermanus Administration

9 September 2019

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
22 OCTOBER 2019, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the suspension of the rental payable by Mr DL Harmse to an amount of R678.60 (SIX HUNDRED AND SEVENTY EIGHT RAND AND SIXTY CENT) (VAT excluded) per month as well as the electricity charges as from 1 July 2019 until such time as occupation can be given to Mr DL Harmse, **be approved.**

RESPONSIBLE OFFICIAL :

M ERASMUS

TARGET DATE FOR IMPLEMENTATION :

30 NOVEMBER 2019

TARGET DATE TO INFORM APPLICANT :

18 NOVEMBER 2019

TARGET DATE TO INFORM OBJECTOR :

N/A

