

**HS 12 of 2017****PROGRESS REPORT: ALIENATION OF HIGH POTENTIAL COMMERCIAL AND INDUSTRIAL LAND IN TERMS OF RESOLUTION A107/2016 (AED:LED,P&HS )(8/3)****PURPOSE OF REPORT**

The purpose of the report is to depict the progress to date with the alienation of high potential commercial and industrial land that was advertised in the press in accordance with Resolution A107/2016.

**BACKGROUND****COUNCIL RESOLUTION****In terms of Resolution A107/2016 Council resolved as follows:**

1. That Council **APPROVES** that the erven listed in Table 1 of the report are not required to provide minimum level of services to the community, and can therefore be alienated for development of commercial and industrial functions.
2. That Council **NOTES AND ENDORSES** the values of the properties as depicted in Table 1 as the fair market values of the properties.
3. That the Municipal Manager be mandated **TO DISPOSE** of the listed properties by inviting development proposals in the press in which case developers be requested to submit development proposals and financial offers for the purchase or the long term lease of the land in accordance with Council's development guidelines for each property.
4. That the general conditions of alienation and development as contemplated in Par. 2.4 of the report **BE APPROVED**.
5. That the Municipal Manager, in compliance with Section 6.20 of the SCM Policy and Policy on the Alienation of Immovable Assets, **SHALL SUBMIT** a report to Council concerning the outcome of the bidding process.
6. That should ownership of any of these properties be disputed, such disputes **SHOULD BE LODGED** with the Office of the Municipal Manager before the closing date of the advert and such disputes should be resolved before the finalization of the disposal process.

7. That should the bidders who are awarded the land fail **TO DEVELOP** within a period of three years, the land must be reverted to Council.
8. That the concern regarding development in Matjhabeng as a whole should **BE TAKEN INTO** consideration.

**TABLE 1:****WELKOM**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
10640/4	Urania Industrial area	5553	Industrial General	Industrial	Matjhabeng	150000	230000
10640/5	Urania Industrial area / X8	5310	Industrial General	Industrial	Matjhabeng	79000	230000
6347	VOORSPOED X8	19985	Industrial General	Industrial	Matjhabeng	445000	550000
9099	Voorspoed East / X24	5115	Industrial General	General Industrial	Matjhabeng	220000	230000
5072	Riebeeckstad X1	2602	Industry General	Industry	Matjhabeng	70000	150000
5061	Riebeeckstad industrial area	3098	industry general	Industry	Matjhabeng	80000	150000
5062	Riebeeckstad industrial area	3508	Industrial General	Industry	Matjhabeng	90000	150000
5063	Riebeeckstad industrial area	2881	Industry General	Industrial	Matjhabeng	70000	150000
4989	Riebeeckstad industrial area	1650	Industry General	Industrial	Matjhabeng	40000	90000
4990	Riebeeckstad industrial area	1303	Industry General	Industrial	Matjhabeng	30000	70000
4991	Riebeeckstad industrial area	1299	Industry General	Industrial	Matjhabeng	30000	70000
9138	Voorspoed East	8236	Industrial Service	Industrial	Matjhabeng	360000	400000
9139	Voorspoed East	4182	Road and Streets	Industrial (subject to rezoning)	Matjhabeng	180000	200000

**BRONVILLE**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	Ownership	MUNICIPAL VALUE	MARKET VALUE
1993 Rem/Su b 1	Bronville	3014 1482	Garage Business	Garage Business			135000 74000
1918	Bronville	4071	Municipal	Business			122000

**THABONG**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
1/8312	Thabong	6401	Business	Business	Matjhabeng	165000	175000
30669	Thabong	2939	Business	Business	Matjhabeng	30600	70000
8077	Thabong	3654	Industry General	Industry	Matjhabeng	110300	155000
8078	Thabong	5661	Industry General	Industry	Matjhabeng	33000	155000
8079	Thabong	5818	Industry General	Industry	Matjhabeng	34000	155000
8080	Thabong	3699	Industry General	Industry	Matjhabeng	29000	100000

**KUTLWANONG**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
10284	Kutlwanong	17953	Business	Business	Matjhabeng	360000	360000
10283 Stadium Area	Kutlwanong	14462	Business	Business	Matjhabeng	290000	290000
10285	Kutlwanong	6138	Business	Business	Matjhabeng	120000	120000

**VIRGINIA**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
1288	Virginia CBD	595	Business	Business - shops, offices, institutions	Matjhabeng	30000	45000
1289	Virginia CBD	600	Business	Business - shops, offices, institutions	Matjhabeng	30000	35000
1335	Virginia CBD	767	Business	Business	Matjhabeng	38000	45000

3079	Glen Harmony	2050	Business	Business - shops, offices, institutions	Matjhabeng	30000	45000

**MELODING**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
2170	Meloding	1162	BUSINESS	BUSINESS	Matjhabeng	35000	55000
1/83	Meloding	1626	BUSINESS	BUSINESS	Matjhabeng	12000	30000

**NYAKALLONG**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
3828	Nyakallong	1814 m <sup>2</sup>	Business	Business	Matjhabeng	54000	60000
3827	Nyakallong	1964 m <sup>2</sup>	Public Garage	Garage	Matjhabeng	62000	100000
R/383	Nyakallong	1805	Business	Business	Matjhabeng	110000	250000
1/383	Nyakallong	1806	Business	Business	Matjhabeng		

**ALLANRIDGE**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
1815	Allanridge	7705	Business		Matjhabeng	42000	200000

**MAMMAHABANE**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
2184	Mammahabane	3395	Municipal	Business (Subject to rezoning)	Matjhabeng	785400	785400

**PHOMOLONG**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	OWNERSHIP	MUNICIPAL VALUE	MARKET VALUE
2069	Phomolong	2008	Business	Business	Matjhabeng	130000	150000

8. That the concern regarding development in Matjhabeng as a whole should **BE TAKEN INTO** consideration.

## **BACKGROUND: PUBLIC BIDDING PROCESS**

### **ADVERTISEMENT IN THE PRESS**

\*\*\*Invitations for development proposals were advertised in both local and the national press. A copy of the advertisement is enclosed on Page 1 to 5 of the Annexures.

### **DEVELOPMENT PROSPECTUS AND GUIDELINES FOR SUBMISSION OF PROPOSALS**

**PROSPECTUS:** Interested developers were provided with a prospectus for each property which provides information of all aspects of the property (zoning, permissible development rights, municipal services etc.)

\*\*\*An example is enclosed on Page 6 to 8 of the Annexures.

**GUIDELINES FOR THE SUBMISSION OF PROPOSALS:** Potential developers were provided with a set of guidelines pertaining to the closure date for development applications as well as specific information that had to be provided about the proposed development which formed the basis of the evaluation.

\*\*\*An example is enclosed on Page 9 to 18 of the Annexures.

### **CLOSURE DATE, PUBLIC OPENING OF PROPOSALS AND THE REGISTRATION OF APPLICANTS BY SUPPLY CHAIN**

The closure date for the applications was 24 March 2017. The applications were opened in a public meeting on 24 March.

#### **APPLICATIONS RECEIVED:**

The number of applications received for each property is depicted on the following Table 2:

**TABLE 2:**

#### **WELKOM**

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
8	CBD		Public Open Space	Business	0
10640/4	Urania Industrial area	5553	Industrial General	Industrial	1
10640/5	Urania Industrial	5310	Industrial	Industrial	1

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
8	CBD		Public Open Space	Business	0
	area / X8		General		
6347	VOORSPOED X8	19985	Industrial General	Industrial	1
9099	Voorspoed East / X24	5115	Industrial General	General Industrial	0
5072	Riebeeckstad X1	2602	Industry General	Industry	2
5061	Riebeeckstad industrial area	3098	industry general	Industry	2
5062	Riebeeckstad industrial area	3508	Industrial General	Industry	2
5063	Riebeeckstad industrial area	2881	Industry General	Industrial	0
4985/4986	Riebeeckstad industrial area	4985 = 1554m 4986 = 1549m	Industry General	Industrial	1
4989	Riebeeckstad industrial area	1650	Industry General	Industrial	0
4990	Riebeeckstad industrial area	1303	Industry General	Industrial	0
4991	Riebeeckstad industrial area	1299	Industry General	Industrial	1
9138	Voorspoed East	8236	Industrial Service	Industrial	0
9139	Voorspoed East	4182	Road and Streets	Industrial (subject to rezoning)	1
4122	Bedelia	4071	Park	Business/Industrial	1
<b>Total</b>					<b>13</b>

## THABONG

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
1/8312	Thabong	6401	Business	Business	2
30669	Thabong	2939	Business	Business	2
8077	Thabong	3654	Industry General	Industry	1

8078	Thabong	5661	Industry General	Industry	2
8079	Thabong	5818	Industry General	Industry	2
8080	Thabong	3699	Industry General	Industry	0
61	Thabong				6
19144	Thabong				0
<b>Total</b>					<b>15</b>

### KUTLWANONG

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
10284	Kutlwanong	17953	Business	Business	3
10283 Stadium Area	Kutlwanong	14462	Business	Business	
10285	Kutlwanong	6138	Business	Business	0
8943					0
8944					0
8945					0
<b>TOTAL</b>					<b>3</b>

### VIRGINIA

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
1288	Virginia CBD	595	Business	Business - shops,offices, institutions	1
1289	Virginia CBD	600	Business	Business - shops,offices, institutions	
1335	Virginia CBD	767	Business	Business	0
3079	Glen Harmony	2050	Business	Business - shops,offices, institutions	
Total					1

### MELODING

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
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## 8

2170	Meloding	1162	BUSINESS	BUSINESS	2
1/83	Meloding	1626	BUSINESS	BUSINESS	
<b>Total</b>					<b>2</b>

### NYAKALLONG

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
3828	Nyakallong	1814 m <sup>2</sup>	Business	Business	4
3827	Nyakallong	1964 m <sup>2</sup>	Public Garage	Garage	5
383 and 1/383	Nyakallong	1805	Business	Business	1
383	Nyakallong	1806	Business	Business	1
<b>Total</b>					<b>11</b>

### ALLANRIDGE

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
1815	Allanridge	7705	Business	Business	1
<b>Total</b>					<b>1</b>

### MAMMAHABANE

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
2498	Mammahabane	3395	Municipal	Business (Subject to rezoning)	0
2177	Mammahabane	2343	Municipal	Limited retail	0
2484	Mammahabane		Municipal	Business	0
<b>Total</b>					<b>0</b>

### PHOMOLONG

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
2069	Phomolong	2008	Business	Business	1
2066	Phomolong	274300	Community facility	Shopping complex	1
<b>Total</b>					<b>2</b>

### BRONVILLE

SITE NO	SUBURB/EXTENSION	SIZE IN M	ZONING	PERMITTED USE ITO ZONING	NUMBER OF APPLICANTS
1993					7



Rem/Sub 1					
1918					2
<b>Total</b>					<b>9</b>

## **EVALUATION OF PROPOSALS**

### **EVALUATION TEAM**

The technical evaluation of the proposals was done by a technical team consisting of Spatial Planning and Human Settlement.

### **PROGRESS**

The technical evaluation of all proposals is now finalised and a complete evaluation report was prepared for submission to the Bid Evaluation Committee.

### **EVALUATION CRITERIA**

The applications were evaluated in terms of the criteria provided to the developers as contemplated in Par. 2.3.2, both in terms of general compliance as well as in terms of the specific guidelines regarding the provision of information regarding the proposed development. In this regard the emphasis was on the contribution of the proposed development on the growth and diversification of the local economy, the creation of jobs and in particular the value thereof to enhance the living conditions of the community.

In case where two or more applicants applied for the same property the following evaluation criteria were used in order to allocate the property to a developer:

- The property is critically required to expand an existing business.
- Creation of employment and diversification of the economy.
- Service delivery to communities in need of such business/services.
- The highest and best use of the land.
- Total development cost.
- Purchase offer

### **BID EVALUATION COMMITTEE**

A comprehensive evaluation report is now completed and submitted to the Bid Evaluation Committee who will be responsible to evaluate and make recommendations regarding the allocation of the properties to the prospective developers.

### **LEGAL IMPLICATIONS:**

The marketing of Municipal owned land is subject to the Municipal Financial Management Act No 56/2003 and the procedures stipulated in the Matjhabeng Supply Chain Policy and relevant legislation including.

## **FINANCIAL IMPLICATIONS:**

The cost of advertising in the press as well as the guidelines for development for each of the portions must be taken into consideration. The direct income from the alienation of the land, municipal rates, the selling of municipal services and the economic spin-offs in terms of the creation of employment must be taken into consideration.

## **POLICY/LEGISLATIVE POSITION**

### **APPLICABLE LEGISLATION**

Regarding the marketing of Municipal owned land the following legislation must be taken into consideration:

- The Constitution of the Republic of South Africa (Act. No. 108 of 1996);
- of Land Act (Act No. 68 of 1981)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act ( Act No. 62 of 1997)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003):
- Municipal Supply Chain Management Policy Regulations (Act No. No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Matjhabeng: Policy on the Disposal of Immovable Assets
- Spatial Planning and Land Use Management Act 16/2013

## **RECOMMENDATIONS**

1. The progress with the alienation of Commercial and Industrial properties in terms of Resolution A107/2016 be noted.
2. That the Bid Evaluation Committee finalize the evaluation process.

## **HS13 of 2017**

### **PROGRESS REPORT: ALIENATION OF RESIDENTIAL ERVEN IN TERMS OF RESOLUTION A106/2016 AED: LED, PLANNING AND HS) (8/B)**

#### **PURPOSE OF REPORT**

The purpose of the report is to depict the progress to date with the alienation of residential erven that were advertised in the press in accordance with Resolution A106/2016.

#### **BACKGROUND AND DISCUSSION**

#### **COUNCIL RESOLVED: (13 DECEMBER 2016)**

1. That Council **RESOLVES** that Erven mentioned on the item and also depicted in table below are not needed to provide future minimum basic municipal services.
2. That Council **NOTES** the Valuation Report for the each Property.
3. That Council **RESOLVES**, in compliance to Section 14 (5) of the MFMA, that the property be disposed of at the market value in a fair, equitable, transparent, competitive manner and in accordance with Council's Supply Chain Management Policy and Policy on the Alienation of Immovable Assets.
4. That Council **RESOLVES** that the Municipal Manager, in compliance with Section 6.20 of the SCM Policy and Policy on the Alienation of Immovable Assets, shall submit a report concerning the outcome of the bidding process to Council.
5. That the request made by Sylvania Spar for a piece of land to extend their business **BE TAKEN INTO CONSIDERATION**.

The advert was placed on the local and national newspapers for a period from the 1<sup>st</sup> February 2017 and closed on the 24<sup>th</sup> March 2017 and after a lengthy process of recording and screening, technical reports were compiled.

Interested applicants were provided with a prospectus for each property which provides information of all aspects of the property (zoning, permissible development rights, municipal services etc.)

\*\*\*Attached on **pages 19** of the annexures is a summarised report of sites advertised as well as income received

## **Current status**

The technical report was compiled and subsequently submitted to the evaluation committee. Thereafter the report was submitted to the Adjudication Committee that sat on the 8<sup>th</sup> June 2017. All the application files were requested and submitted to the Municipal Manager's office.

## **Evaluation criteria**

A preliminary assessment took place departmentally in accordance with the general principles as well as qualifying criteria that was stipulated on the advertisement.

## **POLICY/LEGISLATIVE POSITION**

Regarding the marketing of Municipal owned land the following legislation must be taken into consideration:

- The Constitution of the Republic of South Africa (Act. No. 108 of 1996);
- of Land Act (Act No. 68 of 1981)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act ( Act No. 62 of 1997)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003);
- Municipal Supply Chain Management Policy Regulations (Act No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Matjhabeng: Policy on the Disposal of Immovable Assets
- Spatial Planning and Land Use Management Act 16/2013

## **FINANCIAL IMPLICATIONS:**

The cost of advertising in the press as well as the guidelines for development for each of the portions must be taken into consideration. The direct income from the alienation of the land, municipal rates, the selling of municipal services and the economic spin-offs in terms of the creation of employment must be taken into consideration.

## **RECOMMENDATIONS**

### **It is recommended that:**

The EXCO notes progress with regard to the alienation of residential sites in terms of Resolution A106/2016.

**HS 14 OF 2017****ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT PROJECTS ON DEFUNCT MINING LAND: ESTABLISHMENT OF A PROJECT STEERING COMMITTEE AND TECHNICAL TASK TEAM (8/3/2/10) (LED)****1. PURPOSE OF REPORT**

The purpose of the report is to motivate the necessity and modus operandi of a Project Steering Committee for economic development projects and human settlement projects on defunct mining land.

**2. BACKGROUND****2.1 HARMONY GOLD: ANNOUNCEMENT OF SHORT TO MEDIUM PROJECTS**

During the meeting of the Section 80 Committee for LED, Planning and Human Settlement held on 14 September 2017, Harmony Gold announced and presented detail regarding the intention to develop the following short to medium term projects on defunct mining land in collaboration with the Municipality and other relevant stakeholders:

- The incorporation of the Kalkkuil mining village at Odendaalsrus into the Municipal jurisdiction area.
- The incorporation of mining villages in the Virginia area into the Municipal jurisdiction area, possible conversion of hostels into housing projects etc.
- Other priority projects e.g. the Popcru Police academy in Virginia.

**2.2 ESTABLISHMENT OF A PROJECT STEERING COMMITTEE: LED AND HUMAN SETTLEMENT PROJECTS ON DEFUNCT MINING LAND**

With respect to the projects announced by Harmony, potential projects from other mining houses and the implementation of Social and Labour Plan Projects the meeting agreed:

- a) **Name:** That a Project Steering Committee for LED and Human Settlement Projects on defunct mining land be established with immediate effect.
- b) **Function:** That the function of the Project Steering Committee will be to monitor progress, to identify and address problem areas and to coordinate such mining initiated projects on a higher level in collaboration with all stakeholders. The Committee will also oversee the planning and implementation of the SLP projects and the Presidential Project in relation to

Mining Towns. This Project Steering Committee will also make recommendations to all Council Committees including the Section 80 Committee, Mayoral Committee and Council.

- c) **Compilation:** That all stakeholders be involved as regular members of the Steering Committee including inter alia:
  - i. Representatives from the Mining Houses and technical project managers.
  - ii. All relevant Municipal Departments.
  - iii. The Provincial Department of Minerals and Energy.
  - iv. The Provincial Department of Human Settlement.
  - v. COGTA officials.
  - vi. National Department of Human Settlement.
  - vii. Members of the Technical Task Team.
  - viii. Any other party that may be required.
- d) **Chairman and Secretariat:** That the meetings be chaired by the Director LED, Planning and Human Settlement. The Directorate Corporate Services of the Municipality will perform the Secretariat function.
- e) **Frequency of meetings and the meeting schedule:** That the Project Task team meets every fortnight in accordance with a fixed schedule.

## 2.3 ESTABLISHMENT OF A TECHNICAL TASK TEAM: LED AND HUMAN SETTLEMENT PROJECTS ON DEFUNCT MINING LAND

The Meeting of the Section 80 Committee further agreed that:

- a) **Name:** That a Technical Task Team for LED and Human Settlement Projects on defunct mining land be established with immediate effect.
- b) **Function:** The function of the Technical Task Team will be to jointly oversee and assist all technical aspects of a project including:
  - i) Project identification and conceptualization.
  - ii) Feasibility analysis.
  - iii) Development of project planning and implementation schedules.
  - iv) To assist external project approval processes e.g. Tribunal approval of town planning aspects, licences, ESKOM approvals etc.

- v) To provide progress reports to the Project Steering Committee as well as technical recommendations regarding project implementation and further responsibilities.
  
- c) **Compilation:** The Technical Task Team will be nominated by the Committee and can include:
  - i) Technical consultants and staff from mining houses.
  - ii) Members from all Municipal Departments as and when required.
  - iii) Officials from the Provincial Department of Minerals and Energy.
  - iv) Officials from the Provincial Department of Human Settlement.
  - v) COGTA officials
  - vi) Officials from any Provincial Sector Department.
  - vii) Officials from other service providers e.g. ESKOM.
  
- d) **Chairman and Secretariat:** That the meetings be chaired by the Director LED, Planning and Human Settlement or his nominee from the Directorate. The Directorate LED of the Municipality will perform the Secretariat function.
  
- e) **Frequency of meetings and the meeting schedule:** That the Project Task team meets at least once a month or when so required.

### 3. LEGAL IMPLICATIONS:

None.

### 4. FINANCIAL IMPLICATIONS:

Both the proposed Committees will have no financial implications for Council.

### 5. POLICY/LEGISLATIVE POSITION

The following legislation must be taken into consideration:

- The Constitution of the Republic of South Africa (Act. No. 108 of 1996);
- Tenure of Land Act (Act No. 68 of 1981)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act ( Act No. 62 of 1997)

- Local Government: Municipal Finance Management Act (Act No. 56 of 2003):
- Municipal Supply Chain Management Policy Regulations (Act No. No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Matjhabeng: Policy on the Disposal of Immovable Assets
- Spatial Planning and Land Use Management Act 16/2013

## **6. RECOMMENDATIONS**

### **It is recommended:**

1. That the establishment and the terms of reference of the Project Steering Committee and the Technical Task Team for Led and Human Settlement projects on defunct mining land as contemplated in the report be supported for immediate implementation.



**HS 15 OF 2017****ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT PROJECTS ON DEFUNCT MINING LAND: PROPOSAL FROM HARMONY GOLD TO DONATE EXISTING HOUSES IN THE KALKKUIL MINING AREA TO MINING EMPLOYEES AND TO INCORPORATE THE AREA INTO THE MATJHABENG MUNICIPAL AREA (8/3/2/10) (LED)****3. PURPOSE OF REPORT**

The purpose of the report is to inform Council of the intention of Harmony Gold to donate existing mining houses in the Kalkkuil mining area in Odendaalsrus to mining employees and to incorporate the areas into the Matjhabeng Municipal area.

**4. BACKGROUND****2.1 HARMONY GOLD: ANNOUNCEMENT OF SHORT TO MEDIUM TERM PROJECTS**

During the meeting of the Section 80 Committee for LED, Planning and Human Settlement held on 14 September 2017, Harmony Gold announced and presented detail regarding the intention to develop the following short to medium term projects on defunct mining land in collaboration with the Municipality and other relevant stakeholders:

- The incorporation of the Kalkkuil mining village at Odendaalsrus into the Municipal jurisdiction area.
- The incorporation of mining villages in the Virginia area into the Municipal jurisdiction area, possible conversion of hostels into housing projects etc.
- Other priority projects e.g. the Popcru Police academy in Virginia.

**2.2 ESTABLISHMENT OF A PROJECT STEERING COMMITTEE: LED AND HUMAN SETTLEMENT PROJECTS ON DEFUNCT MINING LAND**

With respect to the projects announced by Harmony, potential projects from other mining houses, the implementation of Social and Labour Plan Projects as well as other Human Settlement projects the meeting agreed:

- d) That a Project Steering Committee for LED and Human Settlement Projects be established with immediate effect.

- b) That a Technical Task Team for LED and Human Settlement Projects.

## **2.3 THE SCOPE OF THE KALKKUIL PROJECT: DONATION OF MINING HOUSES TO MINING EMPLOYEES**

In order to achieve the objective of transferring the existing mining houses to employees with a full title deed, cognisance must be taken of the following facts:

- a) The farm Kalkkuil 153 is a Council property with mining surface rights registered in the name of Harmony Gold.
- b) In order to provide accommodation to their employees Harmony Gold established three residential areas over the years in the Kalkkuil mining area as indicated on the location plan on **page 20 of the Annexures, viz.:**
  - Kalkkuil village
  - Sewendelaan
  - Anglo Park
- c) No township establishment was done for these areas. Therefore, in order to give full title to beneficiaries, erven must be created by means of the township establishment process as determined by the Spatial Planning and Land Use Management Act of 2013.
- d) It must be noted that Harmony Gold provided the area with services. After township establishment the residential areas will be incorporated in the Matjhabeng urban area and will have to be serviced by the Municipality, unless otherwise agreed.
- e) In order to finalise the town planning work and registration of the areas as formal townships, Harmony has appointed LSB. The consultants will be supported by the Technical Steering Committee which will in turn make recommendations to the Project Steering Committee and the normal Council Committees.
- f) The broad modus operandi of the technical Committee will be as follows:
  - i. To perform a feasibility analysis with specific reference to costs and responsibilities by the stakeholders.
  - ii. The development of a project schedule in terms of which progress can be monitored.
  - iii. Completion of the township establishment process
  - iv. Completion of a services agreement.
  - v. Registration of the general plan/s with the Surveyor General.
  - vi. Registration in the Deeds Office and opening of the township registers.

- vii. Transfer of the erven to beneficiaries.

### **3. LEGAL IMPLICATIONS:**

None.

### **4. FINANCIAL IMPLICATIONS:**

The financial implications of the project for Council will be submitted in a follow up report to Council for consideration.

### **5. POLICY/LEGISLATIVE POSITION**

The following legislation must be taken into consideration:

- The Constitution of the Republic of South Africa (Act. No. 108 of 1996);
- Tenure of Land Act (Act No. 68 of 1981)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act ( Act No. 62 of 1997)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003):
- Municipal Supply Chain Management Policy Regulations (Act No. No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Matjhabeng: Policy on the Disposal of Immovable Assets
- Spatial Planning and Land Use Management Act 16/2013

### **6. RECOMMENDATIONS**

#### **It is recommended:**

1. That the intention of Harmony Gold to donate the existing residential houses at Kalkkuil 153, Odendaalsrus be noted and supported in principle.
2. That the financial responsibilities of all the stakeholders in relation to the township establishment, the provision of services as well as the transfer of erven be submitted to Council for approval.
2. That the Project Steering Committee submits progress reports in accordance with the project action plan to Council on a regular basis.

**HS 16 OF 2017**

**PROGRESS REPORT ON THE PROJECTS MEETING THAT WAS HELD BETWEEN  
MATJHABENG AND PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS (PDHS)  
(AED : LED, P & HS)**

**PURPOSE**

To present before MAYCO progress report with regard to the previous and current Human Settlements projects as well as challenges faced by the Municipality.

**BACKGROUND AND DISCUSSION**

In the Municipality there are Human Settlements projects that have been approved a while back as well as the recently approved ones.

Some of the projects remain incomplete due to numerous challenges emanating both from the Municipality and from the Provincial Department of Human Settlements (PDHS)

On the basis of this, Province was approached and subsequently a meeting was held on the 16<sup>th</sup> May 2017 under the auspices of Matjhabeng Municipality (Human Settlements), spear headed by MMC T Khalipha, the HOD Provincial Department of Human Settlement (PDHS) and his team. Present also was a team from Sibanye Gold mining company. All the Ward Councilors were invited to this meeting in order to table the challenges that they are faced with in their respective wards and the remedial actions that could be put in place.

Emanating from the deliberations and the discussions the below action list was developed :

A feedback session was then convened on the 18<sup>th</sup> September 2017 and in that meeting, the affected ward councillors were present. Also in attendance was Harmony leadership to discuss the Kalkkuil Village housing opportunity as well as some numerous envisaged opportunities. It was further agreed that a task team consisting of Infrastructure and other relevant internal Departments needs to be established in order to execute the matters raised further.

Progresso emanating since the meeting in May 2017 is therefore highlighted in green on the attached annexure.

**\*\*\* separate cover attached**

**PERSONNEL IMPLICATIONS**

In order to ensure the execution of the tasks, the Department Human Settlements require extra human capital assistance. The MMC had further directed that both ward committees and the CDW's should be utilized in order to ensure that targets are met.

## **FINANCIAL IMPLICATIONS**

Formal request for overtime will be submitted to the Municipal Manager as some targets must be met before the end of October 2017

## **POLICY AND LEGISLATIVE FRAMEWORK**

The Constitution of the Republic of South Africa

Division of Revenue Act (DORA)

Housing Act of 1997 as amended

Rental Housing Act

Matjhabeng IDP

## **RECOMMENDATION**

The report is submitted for consideration

**HS17 OF 2017****REPORT ON THE VISIT OF THE MEC: DEPARTMENT HUMAN SETTLEMENTS  
HONOURABLE SISI NTOMBELA IN MELODING, VIRGINIA & RACIAL INTERGRATION  
PROJECT (100) IN VENTERSBURG (AED: LED P, &HS)****PURPOSE**

To present before Section 80 on Human Settlements report on the visit of the MEC: Department Human Settlements on the 03<sup>rd</sup> October 2017 in Meloding, Virginia and Mmamahabane.

**BACKGROUND AND DISCUSSION**

During 2010/11 financial year, the then appointed contractor (Matiisetso Empire) did not finish his BNG project but left some structures at foundation level in Meloding Virginia. Throughout all the years thereafter, it has been difficult to proceed with the project as challenges had to be unblocked from the Provincial Department of Human Settlements. As a result of this, MEC Ntombela is undated with calls from the residents whose houses were never built. The Honourable MEC subsequently paid a visit to Meloding on the 3<sup>rd</sup> October 2017, the Matjhabeng LM delegation led by MMC Khalipa Since the foundations were left way back in 2010, it is imperative and crucial that a technical assessment be conducted to assess the strength thereof before construction can commence.

**Current status**

The Matjhabeng Human Settlements Department had already verified a list of 20 foundations in Meloding. The MEC visited 6 families in Calabria, Meloding where the contractor left the foundations without building houses.

Honorable Sisi Ntombela made a commitment to accelerate the building of the houses since one of the victims was an elderly whose foundation was since left in 1998 by Devinfra Trust. The officials have already completed the subsidy application forms.

A challenge however is that 3 beneficiaries have abandoned the sites that are already registered with title deeds. Processes are underway to advertise the abandoned sites in an endeavor to find the owners in all areas of Matjhabeng.

**Racial Integration Project (RIP) in Ventersburg.**

In the briefing session that was held prior the visit, the MEC was informed that the capacity of the existing electricity is grossly inadequate to accommodate the project (100 houses).

The existing electricity is enough to supply one house only. The Municipality needs approximately R8, 3million to upgrade the existing capacity and it will take about 6 months to do this upgrading.

The MEC insisted to go and visit the project and emphasised that the project should kick-start as soon as possible as the contractor has already signed the contract with the Department. The Municipality will then attend to the outstanding issues even during the budget review process.

The beneficiaries are already verified and the lists of black and whites beneficiaries was submitted to the MEC. The exercise of completing the subsidy application forms has already commenced and currently 70 application forms have been filled.

**\*\*\*Attached on pages 21 to 22 of the annexure is a control list of applications filled.**

**FINANCIAL IMPLICATIONS**

Subsidy Housing Funding has already been approved by the Provincial Department of Human Settlements.

**POLICY POSITION**

- **The Constitution of South Africa 1996**

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing”

- **Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)**

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to-

Ensure that-

“the inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

**RECOMMENDATION**

- That EXCO takes note of the report

**HS 18/2017****PROGRESS REPORT ON THE ACTION PLAN REGARDING TITLE DEEDS DISTRIBUTION -AED: LED, PLANNING AND HUMAN SETTLEMENTS(8/1/1)****1. PURPOSE**

To present to the Human Settlement Sec 80 Committee a progress report on the Action Plan pertaining title deeds distribution.

**2. BACKGROUND**

The department of Human Settlement started the process of issuing title deeds in order for all government subsidized house owners to receive their title deeds. The department is responsible for providing shelter through human settlement development to families who would have otherwise not been able to afford homes for themselves. The executive council however took a decision that the responsibility for this programme is now placed within the Office of the Speakers in the municipalities. This meant that the municipalities were tasked with the programme of title deeds distribution.

\*\*\*An action plan (See attached Annexure 23) was developed and a Steering Committee meeting was held with all the affected Ward Councillors on the 20<sup>th</sup> of September 2017. The lists were given to the Councillors in order for them to do verification of the beneficiaries.

Meeting to report on the progress of the verification was scheduled for the 26<sup>th</sup> of September 2017. The report was not presented at the said meeting as all of the Councillors were not present due to them having a workshop on that day.

**3. DISCUSSION**

The lists were issued out as follows:

<b>WARD</b>	<b>TOWNSHIP</b>	<b>NO.OF BENEFECIARIES</b>	<b>PROGRESS</b>
Ward 1	Mmamahabane	274	Verification report not received
Ward 2	Phomolong	240	Verification report not received
Ward 3	Phomolong	87	Verification report not received
Ward 4	Meloding	347	Verification report not received
Ward 5	Meloding	27	Verification report



			not received
Ward 6	Meloding	267	Verification report not received
Ward 7	Meloding	456	Verification report not received
<b>WARD</b>	<b>TOWNSHIP</b>	<b>NO.OF BENEFECIARIES</b>	<b>PROGRESS</b>
Ward 10	Kutloanong	12	Verification report not received
Ward 11	Bronville	54	Verification report not received
Ward 13	Thabong	322	Verification report not received
Ward 14	Thabong	4	2 title deeds distributed
Ward 15	Thabong	95	Verification report not received
Ward 16	Thabong	3	Verification report not received
Ward 17	Thabong	784	169 title deeds/proof of ownership distributed
Ward 18	Kutloanong	35	Verification report not received
Ward 19	Nyakallong	46	Verification report not received
Ward 20	Kutloanong	53	Verification report not received
Ward 21	Kutloanong	59	Verification report not received
Ward 22	Kutloanong	12	9 title deeds distributed
Ward 23	Thabong	3	Verification report not received
Ward 26	Thabong	10	7 title deeds distributed.
Ward 28	Thabong	41	Verification report not received
Ward 29	Thabong	37	Verification report not received
Ward 30	Thabong	10	1 title deed distributed. 9 beneficiaries awaiting letters of authority.
Ward 31	Thabong	8	All beneficiaries confirmed. Title

			deeds lost and reapplication for duplicates process underway.
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A total of 188 title deeds/proof of ownership were distributed during the month of October 2017

#### **4 PROBLEM STATEMENT**

Most of the beneficiaries have passed on and the next of keen do not have letters of authority from the court.

Some of the beneficiaries have passed on and there is no next of kin or the next of kin is untraceable.

Some of the people occupying the properties are not the rightful owners and the whereabouts of the rightful owners are not known.

Some of the title deeds have been registered in the wrong names which are not of the rightful occupant.

#### **5. RECOMMENDATION**

Councilors be requested to encourage beneficiaries to request letters of authority from the local magistrate court.

Verification reports be submitted to the Housing Administration Section in order for the section to prepare logistics for the actual distribution of the title deeds.

**HS 19 of 2017****PROGRESS REPORT ON INSTITUTIONAL SUBSIDIES HOUSING DEVELOPMENT  
PROJECT AED: LED, PLANNING AND HUMAN SETTLEMENTS( 13/2/1/1)****PURPOSE**

To present before Section 80 on the status report with regard to Reahola Institutional Housing Project

**INTRODUCTION AND BACKGROUND**

Reahola Housing Association was established in 1998 through an agreement between Free gold Mine and National Union of Mine Workers(NUM ), their objective was to convert the mine hostels into family accommodation in order to improve housing accommodation for the entire community.

**COUNCIL RESOLVED: (13 DECEMBER 2016)**

1. That the Finance Report for July 2016 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, **BE**

**NOTED.**

2. That the Finance Report for July 2016 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, **BE**

**SUBMITTED** to Provincial and National Treasury.

3. That the Municipal Manager **SHOULD SUBMIT** a comprehensive report of overtime worked by various municipal departments at the next Council meeting.

4. That legal opinion should **BE SOUGHT** on individuals/ companies exonerated from payment.

5. That the Municipal Manager **SHOULD INTERACT** with the Administrator of Reahola and discuss issue of the non-payment in that residence.

6. That an investigation should **BE CONDUCTED** to find out whether there are any municipal officials staying there.

7. That the Legal Department **SHOULD EXPLAIN** why is the Municipality spending so much in legal fees.

8. That all areas and taverns that are not billed **MUST BE BILLED** by February 2017, failing which by the end of March 2017 all

Managers concerned should pack and go.

Subsequent to the Council resolution, the senior Manager interacted with the Complex Manager Mr Seloane to obtain the current status as he has stayed on the premises since 2000, and has served in the residents committee for a long time.

**\*\*\* Attached is the separate cover as a report from Mr Seloane** as well as a is Close-up report from the Administrators (Phatsoane Attorneys)

The matter was raised again during the joint Section 80 meeting that was held on the 14<sup>th</sup> September 2017 and it was resolved that an item to that effect be prepared.

## **FINANCIAL IMPLICATIONS**

Council continues to loose a lot of revenue due to non-payment of rates and taxes as well as municipal services.

**\*\*\*Attached on pages 24 of the annexures is the current status of account**

## **POLICY POSITION**

- The Constitution of the Republic of South Africa
- Municipal Finance Management Act
- Rental and Social Housing Act
- Housing Act of 1997 as amended
- Revenue Enhancement Policy
- Debt Collection Policy
- Intergovernmental Relations Policy Framework (IGR)

## **IT IS THEREFORE RECOMMENDED:**

1. That Section 80 takes note of the report
2. That where possible, the Municipality assist with the implementation of the recommendations on the Close-up report
3. That the process to recoup what is due to the Municipality against Reahola be undertaken
4. That the process to recoup what is due to the municipality by the current occupants be undertaken

**HS 20 OF 2017**

**PROGRESS ON MUNICIPAL ACCREDITATION PROGRAMME (AED LED, PLANNING & HS)AED:LED,PLANNING AND HOUSING (12/1/3)**

**PURPOSE**

To inform Section 80 on Human Settlements about the progress in Municipal Accreditation Programme

**BACKGROUND AND DISCUSSION**

In its sitting on the 25 September 2012 **COUNCIL RESOLVED**

- 1 .That Council **ACKNOWLEDGES** the requirements of the accreditation process.
2. That Council **APPROVES** the participation of the municipality in the accreditation programme.
3. That the Municipal Manager **MUST SUBMIT** a quarterly report to Council indicating progress made

Subsequently, Lekwa Consulting was appointed to assist Municipalities with the development of the Accreditation Business Plan

**IN ITS SITTING ON THE 28<sup>TH</sup> MARCH 2017 COUNCIL RESOLVED**

- 1 .That Council **ACKNOWLEDGES** the requirements of the Level 1 accreditation Business Plan process to be compiled by Lekwa Consulting (HDA).
2. That Council **APPROVES** the participation of the municipality in the Level I accreditation Business Plan programme.
3. That Me Mothekhe be appointed as accreditation champion on behalf of the Municipality.
5. That workshop be held on behalf of all councillors on accreditation process.

In compliance with the council resolution a workshop was held on the 9<sup>th</sup> May 2017.

A progress report was submitted to council on the 31<sup>st</sup> May 2017

**COUNCIL FURTHER RESOLVED to take note of progress made in the Accreditation process.**  
On the 29<sup>th</sup> June the department and Lekwa consulting had working session to finalise the outstanding ABP templates, required documents were submitted electronically with an undertaken to submit copies per requirements of Lekwa.

During this working session the consultant expressed a concern on the lack of following plans;

1. Housing Sector Plan
2. Infrastructure Plan: water and sanitation, electricity , roads.
3. Risk Management Plan
4. Land use management strategy
5. Integrated Transport Management Plan
6. Economic Growth strategy or LED Plan.
7. Updated Spatial Development Framework

Subsequently a final meeting was convened on the 3<sup>rd</sup> October 2017 by the Provincial Department of Human Settlements to finalise the completion of the Enhanced Accreditation Tool questionnaire.

Pursuant to the above meeting, a Provincial Accreditation PSC was convened in Bloemfontein on the 6<sup>th</sup> October 2017 for the identified municipalities to submit the Business Plan. The Municipal Manager successfully signed off for the final assessment document that would inform level 1 accreditation readiness.

Limitations were however indicated on the absence of the compliance plans as alluded to above, as well as their possibility to negatively affect the acquisition of ABP Level 1.

During the compilation of this report, the consolidated document developed by HDA after the Accreditation PSC was not yet forwarded to the Municipality.

## **FINANCIAL IMPLICATIONS**

The business plan towards Accreditation status is financed by Provincial Department of Human Settlements

## **POLICY POSITION**

- **The Constitution of South Africa 1996**

Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have “access to adequate housing”

- **Housing Act of 1997 as amended (second amendment Act. No 60 of 1999)**

Section 9 of the Housing Act of 1997 section 1 as amended, states that every Municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to-

Ensure that-

“the inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis”

- Guidelines on Breaking New Grounds(BNG)
- Approved Municipal IDP and Budget
- SDBIP

## **RECOMMENDATION**

- That Section 80 on Human Settlements to take note of the progress report
- That Section 80 to recommend to the Mayoral Committee that the development and submission of the compliance sector plans be attended to as a matter of extreme urgency takes note of the report