



RB9.1.2/31-05-2019

TABLING OF THE 2019/2020 ANNUAL BUDGET

RESOLVED:

1. Council approves the annual budget tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX B.
2. Council approves the annual budget supporting tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX C.
3. Council approves the Quality Certificate signed by the Accounting Officer, as set out in APPENDIX D.
4. Council approves the revised budget related policies, as set out in APPENDIX E.
 - Absenteeism and Desertion Policy
 - Accounting Policy to the AFS
 - Asset Management Policy
 - Borrowing Policy
 - Budget Policy
 - Cash Management Policy
 - Cederberg Risk Management Policy Annex A - rating scalesAmended

- Circular No 01-2018 – Disciplinary Procedure Collective Agreement
- Code of Ethics Policy

- Consumer Service Charter - Cederberg LM

- Customer Care Improvement Policy

- Customer Care, Credit Control and Debt Collection Policy

- Development Contributions Policy

- Drought Communication Strategy

- E3-Sexual Harassment policy

- Education Training and Development Policy

- Employment Equity Plan - Cederberg Municipality 2018-2023

- Employment Equity Policy

- Enterprise Risk Management Policy

- Enterprise Risk Management Strategy

- EPWP Policy

- Finance Management Internship Policy

- Fleet Management Policy

- Fraud and Corruption Prevention Policy

- Fraud and Corruption Prevention Strategy

- Free Basic Energy Policy Guidelines

- Funding and Reserves Policy

- Grants-In-Aid Policy

- HIV AND AIDS Workplace Policy

- ICT Data Backup and Recovery Policy

- ICT Disaster Recovery Policy

- ICT Municipal Corporate Governance of ICT - Cederberg

- ICT Operating System Security Controls Policy
- ICT Security Controls Policy
- ICT User Access Management Policy
- IGR Policy
- Indigent Support Policy
- Insurance Management Policy
- Investment Policy
- Job Evaluation Policy
- Kollektiewe ooreenkoms rakende Dissiplinere Prosedure
- Long-Term Financial Plan Policy
- Out of Pocket Expenses Policy
- Overtime & Standby Policy
- Performance Management Framework Policy
- Petty Cash Policy
- PPE Procedure 1
- Property Rates By-Law Cederberg
- Property Rates Policy
- Records Management
- Recruitment & Selection Policy
- Relocation Policy
- Revenue Enhancement Policy
- Risk and Ethics Management Committee Terms of Reference
- Risk assessment Methodology
- Risk Management Committee Charter
- Risk Management Policy
- Risk Management Register

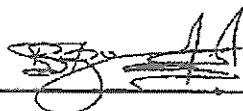
- Risk Management Risk Appetite Framework
- Risk Management Strategy
- Selection of Housing Beneficiaries Policy
- Sexual Harassment Policy
- Smoking Policy
- Social Media Policy
- Special Rating Areas Policy
- Study Aid Policy
- Study Bursary Policy
- Substance Abuse Policy
- Supply Chain Management Policy - Cederberg Municipality –
Amended May 2019
- Tariff Policy
- Travel and Subsistence Allowances Policy
- Virement Policy - MSCOA compliant
- Watermeter Vervangingsbeleid
- Whistle Blowing Policy
- Write-Off Policy

5. Council approves the property rates and charges on properties, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX F.

6. Council take note of the Budget Circulars, Dora, Provincial Gazette and approves the Service level standards frameworks, Procurement Plans and Budget Locking Certificate, as set out in APPENDIX G, H, I & J.

Proposed: Cllr. R Pretorius

Seconded: Cllr. J Meyer



VOORSITTER / CHAIRPERSON

31-05-2019

DATUM / DATE

CEDERBERG MUNICIPALITY

DROUGHT COMMUNICATION STRATEGY

1. INTRODUCTION AND BACKGROUND

Water is the most basic and essential resource needed to sustain life, and lack of water can lead to serious sanitation and health risk (Disaster Management Act, 57 of 2002).

“Disaster” means a progressive or sudden, widespread or localised, natural or human occurrence which causes or threatens to cause:

- Death, injury disease;
- Damage to property, infrastructure or the environment; or
- Disruption to the life of a community; and
- Is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources

Natural disasters occur when a natural hazard or event affects humans. Vulnerability of humans during a disaster, caused by lack of appropriate emergency management, leads to social / human, economic and environmental impact.

A disaster is an unforeseen event and cannot be planned for, but how certain events are managed can be planned for:

Water Services (Act No 108 of 1997)

1. The Water Services Act defines the following:

- **Water Services Authority:**
Means a Municipality, including a District or Rural Council as defined in the Local Government Transition Act, 1993, responsible for ensuring access to water services
- **Water Services Provider:**
Means any person who provides water services to consumers or to another Water Services Institution, but does not include a Water Services Intermediary
- **Water Services Institution:**
Means a Water Services Authority, a water services provider, a Water Board and a Water Services Committee

2. A Water Services Authority has, amongst others, the following obligation in terms of the Act

Duty to provide access to water services, which includes:

- A duty to all consumers or potential consumers in its area of jurisdiction to progressively ensure efficient, affordable, economical, sustainable access to water services

- In emergency situations a Water Services Authority must take reasonable steps to provide basic water supply and basic sanitation services to any person within its area of jurisdiction and may do so at the cost of that authority
- A Water Services Authority may impose reasonable limitations on the use of water services

3. Norms and standards for tariffs in terms of the Act

In prescribing the norms and standards, the Minister must consider, among other factors –

- The financial sustainability of the water services in the geographic area in question;
- The recovery of costs reasonably associated with providing the water services;
- The redemption period of any loans for the provision of water services;
- The need to provide for drought and excess water availability

4. Offences in terms of the Act

No person may continue the wasteful use of water after being called upon to stop by the Minister, a Province or any Water Services Authority, and any person who contravenes this stipulation is guilty of an offence and liable, on conviction, to a fine or to imprisonment or to both such fine and imprisonment

5. Right of access to basic water supply and sanitation

Everyone has a right of access to basic water supply and basic sanitation

Every Water Services Institution must take reasonable measures to realise these rights

Every Water Services Authority must, in its Water Services Development Plan, provide for measures to realise these rights

6. Basic water supply

The minimum standard for basic water supply services is:

- The provision of appropriate education in respect of water use; and
- A minimum quantity of potable water of 25 litre per person per day or 6 kilolitres per household per month
- At a minimum flow rate of not less than 10 litres per minute
- Within 200 meters of a household; and
- With an effectiveness such that no consumer is without a supply for more than seven full days in any year

7. Provision of basic water supply and basic sanitation to have preference

If the water services provider by a Water Services Institution is unable to meet the requirements of all its existing consumers, it must give preference to the provision of basic water supply and basic sanitation to them

Where

‘basic water supply’ means the prescribed minimum standard of water supply services necessary for the reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene

Cederberg Municipality is the Water Services Authority and the Water Services Provider and thus has a “catchment to consumer” responsibility to the residents of Cederberg to:

- Ensure sufficient raw water resources to accommodate current and future needs
- To deliver safe drinking water at the point of consumption
- Ensure basic water to sustain life and prevent sanitation and health risk
- To discharge effluent of an acceptable standard back to rivers

It is essential that Cederberg Municipality has a Drought Communication Strategy in place to implement emergency measures when required to do so

This strategy addresses the state of the raw water resources that supply the Cederberg Municipal area, and the action to be taken when certain milestones are reached.

2. Status of raw water resources and actions to be taken

2. A. Clanwilliam Dam volume reaches between 60% and 45%; Jan Dissels River pumping Schemes reaches between 60% and 45% of allowed pumping volume; all other schemes optimally utilised:

- The mechanical irrigation of gardens is prohibited
- Gardens may be watered during the following period only i.e. between 19H00 – 21H00
- Even numbered households ONLY Mondays and Thursdays, Uneven numbered households ONLY Tuesdays and Fridays,
- If a garden hose is used, it must be hand –held
- The irrigation or watering of all sport fields is prohibited. Exemption from restrictions in the following instances only: golf course greens, bowling greens and cricket pitches which may only be watered between 19H00 – 21H00;
- The washing of vehicles with a garden hose, except by a commercial enterprise whose business it is to wash cars, is prohibited;
- The cleaning of ANY area by means of water is prohibited;

- The filling of swimming pools is prohibited;
- Water restrictions become effective immediately after being advertised in the media, and in public places, for a period of two weeks;
- Maintenance teams must be made available to address leakages on even of indigent households. If sufficient funds are available indigent funding may be used for repairs of leakages;
- A service must be made available – call centre number – where contraventions are reported and followed up immediately Law Enforcement;
- Any person who contravenes these restrictions is guilty of an offence and is, upon conviction, liable to a fine as published in the annual tariffs list, or six months imprisonment;
- Secondary offenders will be fined double the amount referred to in (10) above;
- Where own water from a borehole or reservoir is used, the appropriate notice shall be displayed on the premises, e.g. “OWN WATER”;
- Applications for exemptions are to be submitted to the Department: Technical Services for approval. Once approved, a written exemption shall be provided, and individual applications assessed;
- Public awareness campaigns shall be initiated by the Department: Technical Services;
- Additional temporary water law enforcement officers shall be appointed to enforce the water restrictions;
- The necessary finances shall be made available on the operational budget to finance all measures that must be implemented;
- Large water consumers shall be identified and approached to reduce consumptions;
- An internal Drought management Task Team shall be initiated, under the chairmanship of the Department: Technical Services, with representatives from all Municipal Departments, to meet as determined at that time. Meetings will be minute;
- Council shall convene to take cognisance of the situation and discuss the appropriate actions.

2. B. Clanwilliam Dam volume reaches 45%. Jan Dissels River pumping Schemes reaches 45% of allowed pumping volume; all other schemes optimally utilised:

Measures as in A above, and in addition, the following:

- Emergency tariffs shall be implemented immediately, as published in the annual tariffs list, and as follows:
 - All residential consumers and businesses will be charged at the water tariff as published in the annual tariffs list;

- All other users will be charged at the water tariffs published in the annual tariffs list.
- Emergency tariffs shall become effective after notice thereof for a period not exceeding two weeks prior to the effective date has been published in the media and at public places;
- Each household shall be limited to 15kl /month;
- Other users, businesses and the entertainment industries shall reduce consumption by 15% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Industries shall reduce consumption by 10% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Flow reducing devices shall be installed where the above limits are exceeded. Except for a registered indigent household, the offender will be charged for the cost of the installation;
- The public awareness campaign shall be intensified. A specific official, with the relevant marketing experience, will be identified to fulfil this function;
- Consumers shall be closely monitored and those that do not heed the restrictions identified. A specific official, with the relevant technical experience, will be identified to fulfil this function;
- When levels are at 45% the options available to augment the raw water supplies shall be carefully considered and the necessary planning will commence immediately to implement these as an emergency measure, as and if required. The financial implications will be assessed and cost estimations compiled.
- A Finance task team shall be formed with representation on a local district and provincial level. All possible sources of funding will be investigated and applications submitted;
- Additional water law enforcement must be identified, stricter policing applied and a 24 hour complaint line implanted with a whistle blowers facility when the levels reach 40%;
- Emergency procedures shall be followed, where legislation permits it e.g. with the procurement of goods and services, appointment of personnel / service providers;
- Council will be requested to convene to take full cognizance of the situation and provide political support.

2. C. Clanwilliam Dam volume reaches between 45% and 25%. Jan Dissels River pumping Schemes reaches between 45% and 25% of allowed pumping volume; all other schemes optimally utilised:

Measures as in B above, and in addition, the following:

- Additional maintenance teams shall address leakages and complaints
- When the levels reach 25%, the irrigation or watering of sport fields with potable water as indicated in A (3) is prohibited;
- When the levels reach 25%, there shall be no filling of public swimming pools with potable water;
- The use of hoses by car wash business is prohibited and vehicles shall only be washed using buckets, unless water is supplied from an alternate source than municipal potable water. This is applicable to all commercial entities;
- No hosing of structures, roofs or any other object with Municipal water;
- Media to be utilized extensively for public awareness;

- Other users, businesses and the entertainment industries shall reduce consumption by 25% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Industries shall reduce consumption by 15% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Flow reducing devices shall be installed where the above limits are exceeded. Except for a registered indigent household, the offender will be charged with the cost of the installation;
- When the levels reach 25% any person who contravenes restrictions imposed by the Municipality shall be guilty of an offence and will, upon conviction, be liable to the penalty as provided for in the Act or the Water Services By – law or Restrict the use of Water, published in Provincial Gazette 6689 dated 22 January 2010 and the annual tariffs list;
- Secondary offenders will be liable for a fine as published in the annual tariffs list;
- When the dam levels reached 30% the Municipal Manager shall submit a written request to West Coast District Municipality to be declared a disaster area;
- When the Clanwilliam dam levels reach 30%, monthly meetings shall be held with the West Coast Disaster Management Centre, to monitor the situation and to alert the Provincial Disaster Management Centre;
- Augmentation schemes will be implemented when the dam level reaches 30%, if not already in progress;
- The Chief Financial Officer (CFO) shall request that a task team be initiated to address financial and compile a financial recovery plan if necessary;
- The Budget shall be reprioritized if necessary to enable emergency measures to be implemented, and to provide bridging finance if needed;
- The Council shall convene and take cognizance of the situation and provide political support.

2. D. Clanwilliam Dam volume reaches 20%. Jan Dissels River pumping Schemes reaches 20% of allowed pumping volume; all other schemes optimally utilised:

Measures as in C above, and in addition, the following:

- Emergency tariffs will be adjusted as follows:
 - a. All residential consumers and businesses will be charged the emergency water tariff as published in the annual tariffs list
 - b. All other users will be charged the emergency water tariff as published in the annual tariffs list
- The maximum allowable residential use shall be reduced to 10kl/month, and the tariffs and penalties shall be adjusted accordingly;
- Other users, businesses and the entertainment industries shall reduce consumption by 40% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Industries shall reduce consumption by 25% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Flow reducing devices shall be installed for all other users where the above limits are exceeded, and the cost of the installation will be charged to the offender;

- West Coast MDMC shall be requested to act as the primary responsible authority for the co – ordination and management of the local disaster, refer A:54(1)(b) of the Disaster Management Act,2002,(Act 57 of 2002);
- A formal joint operation committee (JOC) shall be established at the West Coast MDMC, weekly meetings with all the relevant stakeholders to coordinate emergency intervention actions needed;

2. E. Clanwilliam Dam volume reaches 10%. Jan Dissels River pumping Schemes reaches 10% of allowed pumping volume; all other schemes optimally utilised:

Measures as in D above, and in addition, the following:

- Emergency tariffs will be adjusted as follows:
 - c. All residential consumers and businesses will be charged the emergency water tariff as published in the annual tariffs list
 - d. All other users will be charged the emergency water tariff as published in the annual tariffs list
- The maximum allowable residential use shall be reduced to 6kl/month, and the tariffs and penalties shall be adjusted accordingly;
- Other users, businesses and the entertainment industries shall reduce consumption by 50% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- Industries shall reduce consumption by 30% of the average use over the previous 6 months. Failure to comply will result in a fine as published in the annual tariffs list;
- The Technical Task Team shall consider all available options and implement immediately;
- Flow reducing devices shall be installed in all meters. Where the above limits are exceeded consumers will be charged for the installation of the device;
- A formal joint operation committee (JOC) meetings shall be held daily with all the relevant stakeholders;
- Emergency water schemes, the placement of water tanks in specific areas as well as the installation of mobile sanitation installations shall be implemented were possible;
- If a reliable augmentation scheme is not in place, MDMC shall coordinate with the PDMC as well as the MDMC for the release of Provincial as well as National resources to assist in providing immediate relief and to transport water into the area. Areas that will be problematic to supply will have to be evacuated.

The above measures are not exhaustive, and shall be implemented together with any other measures required to adequately address the situation. Factors such as the reliability of alternate water resources shall also be taken into account during the implementation of drought communication actions.

CEDERBERG MUNICIPALITY
POLICY REGARDING CAPITAL CONTRIBUTIONS FOR BULK SERVICES

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Annexure A – Bulk Infrastructure Contribution Levy Guideline

1. DEFINITION OF TERMS

The following meanings apply in this policy document, unless indicated otherwise by the context:

"infrastructure", with regard to municipal services – all external bulk services as well as internal services, networks and conduits;

"municipal services", with regard to –

- (1) water supply – water treatment plants, pump stations, reservoirs and main water conduits from reservoirs that are also referred to as external bulk services;
- (2) sewage disposal – wastewater treatment plants, septic tanks, main drainage conduits and pump stations also referred to as external bulk services;
- (3) electricity – substations, transformers, and main conduits also referred to as external bulk services;
- (4) streets and storm water – all laid out streets for use by the public, with accompanying storm water drainage systems;
- (5) solid waste - means the handling of waste material from generation at the source through the recovery processes to disposal and storage facilities.

"municipality", the Cederberg Municipality;

"fixed capital contribution", a financial contribution determined in accordance with the provisions of this policy taking into account any exemptions as may be applicable;

"real cost capital contribution", a financial contribution based on the estimated actual costs of the immediate upgrading, extension or construction of infrastructure;

“developer” means the person, including an organ of state, which may or may not be the owner of the land, applying for permission to develop or change the use of land;

“development” means the changing of use and/or of cadastral boundaries in order to intensify the utilisation of land;

“development charge/ capital contribution” means a once-off charge imposed by the municipality on a developer as a condition of approval of a land development application in order to cover the cost of municipal engineering services required as a result of an intensification of land use

“residential unit”, the same as the meaning attached to it in the regulations promulgated under Provincial Notice 1048 dated 5 December 1988 in terms of section 8 of the Land Use Planning Ordinance No. 15 of 1985.

2. AIM OF THE POLICY

- 2.1 Rapid expansion and development of the Municipality's area of jurisdiction has resulted in an increasing number of applications for subdivision of land and applications for deviations in land use.
- 2.2 Granting such subdivisions and applications for rezoning and deviation frequently causes a heavy burden on existing municipal service infrastructure and necessitates upgrading and/or extension of such infrastructure at enormous cost, if not immediately, than at a later stage.
- 2.3 It is therefore seen as fair and equitable that a land owner who applies for the subdivision of an area of land, or for particular departures, should be obliged to make a financial contribution (henceforth referred to as developers charge and/or capital contribution) to the upgrading and/or extension of existing municipal services.

- 2.4 Capital contributions / Development charges are imposed by the municipality to recover the initial capital costs of installing essential municipal engineering services infrastructure that is required to support the land development process.
- 2.4.1 They are imposed during the development approval process and associated with the intensification of land uses. A more intensive use of land places additional burdens on infrastructure networks through requiring more civil services (for example additional water, sanitation, roads, stormwater, solid waste, electricity capacity) to be treated and supplied.
- 2.4.2 This additional pressure emerges regardless of whether the development is a sub-division of a property or the construction of a shopping mall. The additional capacity required are supplied through installing new infrastructure or allowing a portion of existing, pre-installed infrastructure network capacity to be dedicated to the servicing a new development.
- 2.5 The aim of this document therefore is to establish a policy to indicate in which cases and to what extent such capital contributions will be levied by Cederberg Municipality.

3. PRINCIPLES OF POLICY

3.1 Equity and Fairness

Development charges should be reasonable, balanced and practical so as to be equitable to all stakeholders. The key function of a system of development charges is to ensure that those who benefit from new infrastructure investment, or who cause off-site impacts, pay their fair share of the associated cost

3.2 Predictability

Development charges should be a predictable, legally certain and reliable source of revenue to the municipality for providing the necessary infrastructure.

3.3 Spatial and economic neutrality

A primary role of a system of development charges is to ensure the timely, sustainable financing of required urban infrastructure. They should be determined on identifiable and measurable costs.

3.4 Administrative ease and uniformity

The determination, calculation and operation of development charges should be administratively simple and transparent

4. LEGAL FRAMEWORK

4.1 Section 229 of the Constitution empowers municipalities to impose rates on property and surcharges on fees provided by or on behalf of the municipality.

4.2 In terms of section 75A of the Municipal Systems Act, municipalities have the power to levy and recover fees, charges or tariffs in respect of any function or service provided by a municipality.

4.3 SPLUMA assumes the existence of development charges in sections 49(4) and (5).

4.3.1 Section 43 of SPLUMA specifically empowers municipalities to approve land development applications subject to conditions, one of which is that development charge be paid.

4.3.2 The policy regarding capital contributions for bulk infrastructure is to be read in line with the Cederberg Municipality By-Law on Municipal Land Use Planning: Provincial Gazette of 15 March 2019 (Chapter VIII).

5. BASIS FOR CALCULATION OF CAPITAL CONTRIBUTIONS

[How capital contributions will be calculated]

- 5.1 The calculation of capital contributions is based on the principle that current inhabitants of a municipal area should not benefit from a new development at the cost of the developer or subsequent inhabitants, or that the developer should not benefit at the cost of the current inhabitants.

Calculation of fixed capital contributions is therefore based on specific applications and as set out in the Cederberg Civil Engineering Guidelines for Bulk Infrastructure Contribution Levy.

- 5.2 The aim of the policy is to institute a uniform basis for the calculation of fixed capital contributions in the Municipality's area of jurisdiction as a whole and to grant exemption from specific components of the capital contributions with regard to those municipal services that are not yet available in a specific area or are not yet provided to a specific standard.

- 5.3 This policy differentiates between fixed capital contributions and real cost capital contributions.

- (1) Fixed capital contributions are financial contributions payable to the Municipality to maximum limits and according to calculations as set out in paragraph 4 hereof, subject to exclusions, exemptions and other conditions as contained in this policy.

It is intended to provide the necessary bulk services to property development. It does not necessarily imply that the Municipality has to upgrade or extend services with immediate effect.

- (2) A real cost capital contribution is a financial contribution payable to the Municipality in cash and is based on the estimated real cost of immediate upgrading or extension of infrastructure necessitated by property development for the purpose of facilitating

the provision of services to such a development. Such infrastructure could include external bulk services as well as internal networks and conduits.

6. CALCULATION OF CAPITAL CONTRIBUTIONS

[What capital contributions amount to]

The rationale for the determination of unit costs to calculate development charges is set out in the Bulk Infrastructure Contribution Levy, Civil Engineering Guidelines.

The fixed capital contributions payable on the different components of municipal services have been calculated by the Municipality's Engineers on the basis of these guidelines, adjustments, suppositions and recommendations.

The cost on which the fixed capital contributions is based must be revised at least once yearly on the basis of the latest available data, and the necessary adjustments to the capital contributions must be made, where necessary.

The amount payable to the Municipality as a real cost capital contribution as contemplated in this policy is the estimated amount as determined by the Head of Department Technical Services or the Municipal Manager, as the case may be, or by consulting engineers assigned for this purpose.

7. LEVYING AND COLLECTION OF CAPITAL CONTRIBUTIONS

[How and when capital contributions are collected]

7.1 Fixed capital contributions, subject to exclusions and exemptions as set out in paragraph 8, are levied and collected on all developments in accordance with the provisions of this policy, read in conjunction with the Civil Engineering Guideline,

- (1) in respect of which applications for subdivision are received and which could be utilised for the erection of a residential building on any of the following use zones:

- single residential
- general residential
- group housing
- town housing
- residential 1, 2, 3, 4 and 5

The applicable fixed capital contribution is levied on each subdivided section on which the erection of a residential building is allowed in any of the above use zones in terms of the municipality's scheme regulations, with the exception of the last subdivided portion remaining after all other portions have been transferred.

- (2) that are not cadastrally subdivided and that, in the case of developed premises, are already lawfully utilised for the following land uses or, in the case of undeveloped premises, can be used for the erection of a residential building within any of the use zones indicated below:

- general residential
- group housing
- town housing

The appropriate fixed capital contribution is levied on each independent residential unit erected for any of the above-mentioned use zones, including an additional residential unit erected on a single residential premise.

- (3) that are subject to an application for a departure in terms of section 15(1) of the Land Use Planning Ordinance No. 15 of 1985, with the purpose of using the property as –

- a guest house; or
- a bed and breakfast establishment.

7.2 A real cost capital contribution is levied and collected according to the provisions of this policy;

- (1) as an alternative to the payment of fixed capital contributions or a component thereof, In the cases of streets and storm water, sewerage and electricity services, the Head of Department Technical Services will have authority to decide that a real cost capital contribution has to be paid instead of a fixed capital contribution or a component thereof, with regard to each relevant service.

Where a component of a real cost capital contribution is required instead of a fixed capital contribution, the relevant Head of Department may also determine that the remaining components of the fixed capital contribution will be payable, together with such real cost capital contributions.

- (2) regarding any other development, regardless of land use (that is, inclusive of business premises, industrial premises, etc.), whether such development is the result of rezoning, subdivision, an application for a departure or whether it occurs on premises that have already been zoned for the relevant purpose.

A real cost capital contribution as intended in paragraph 5 will only be payable if the Head of Department Technical Services is of the opinion that a proposed development will have such a material and immediate impact on existing infrastructure that immediate upgrading or extension of the infrastructure will be required to enable the provision of the necessary services to such a development. Such infrastructure could include external bulk services, as well as internal networks and conduits.

7.3 Capital contributions are payable and must be collected as follows:

Under conditions as signified in –

- paragraph 7.1(1) - on or before the date of transfer of a subdivided portion – by the applicant for the subdivision;
- paragraph 7.1(2) - on or before the date of approval of the building plans with regard to the relevant development – by the owner of the property connected to the building plan;

- paragraph 7.1(3) - on or before the date of the approval of the departure – by the applicant applying for such departure;

- paragraph 7.2 - on or before the date of transfer of the subdivided portion of the relevant subdivision, building plans or application for a departure – by the applicant for the subdivision or departure, or the owner of the property related to the building plans, as the case may be. Upgrading or extension of infrastructure will only be executed when the real cost capital contribution has been paid.

7.3.1 The Municipality shall impose a condition that confirms that the land use becomes unlawful in the case of non-payment of the required Capital Contribution, enabling the Municipality to invoke its enforcement measures with regards to unlawful land use.

7.4 The Head: Planning and Development will be responsible for the application of this policy and will take all administrative and organisational steps that may reasonably be required in this regard to ensure that capital contributions are levied correctly, consistently and in accordance with the provisions of this policy and are paid into a ring-fenced account or Capital Replacement Reserve of the Municipality.

The onus is on the Head of Department Technical Services, as the case may be, to advise the Head of Planning and Development and Head of Department Financial Services accordingly, in writing, when building plans are received that require the collection of capital contributions in accordance with the stipulations of this policy.

7.5 Municipal areas with regard to which fixed capital contributions can be levied and collected, will be deemed to be the urban fringe area of each of the relevant towns, as indicated in the Municipality's spatial development plan.

NOTE: The rural area will be deemed to be that area of land that does not fall within the urban fringe areas referred to above and no fixed capital contributions will be payable with regard to these land areas. Development in the rural area may, however, be subject to payment of a real cost capital contribution as determined by the Municipality.

8. EXCLUSIONS AND EXEMPTIONS

8.1 Exclusions

No capital contributions of any nature whatsoever are payable on subdivisions with regard to land to be used for low cost housing that is to be funded from state funds.

8.2 Exemptions

8.2.1 Fixed cost contributions calculated in accordance with the provisions of paragraph 4 or the various components thereof will not be payable under the following circumstances:

- (1) where existing municipal services or components thereof that have been established in specific municipal areas, were financed mainly from sources other than municipal funds, for instance allocations and/or subsidies, or where such services or components of services were established by a private developer for own account;
- (2) where no municipal services or components thereof have been provided in a specific municipal area or to specific properties in a municipal area;
- (3) where streets in specific municipal areas predominantly have not been constructed to a permanent surface standard;
- (4) where, with regard to the electricity supply service, the Municipality is not the authority providing electricity in a specific municipal area;
- (5) where, regarding a specific municipal service or component thereof, a developer or land owner is expected to upgrade or extend such a municipal service or component thereof, or to create it, for his own account

8.2.2 The Civil Engineering Guideline provides an indication of the municipal services, or components thereof, and the municipal areas that, on the basis of the criteria listed above will qualify for exemption or partial exemption from payment of a fixed capital contribution when this policy is put into operation.

8.2.3 The effect of the exemptions and the practical application thereof, are as follows:

- (1) The fixed capital contributions payable after specific adjustments have been made and exemptions applicable, are as set out in the Civil Engineering Guideline, subject, however, to the provisions of sub-paragraphs (2), (3) and (4) below.
- (2) An exemption lapses as soon as the Municipality establishes or provides any municipal service or component thereof from municipal funds, that is, by means of a loan or from its income account, to an area that was previously exempt from a fixed capital contribution as a result of the application of paragraph 7.2.1. The capital contribution that is payable in the relevant area therefore has to be adjusted by increasing it by the appropriate component of the capital contribution.
- (3) Where some streets in a specific municipal area, for instance, are built to permanent surface standard and some are merely gravel roads,
 - the capital contribution component with regard to streets in the case of subdivision of property bordering on an asphalted street, for instance, will only be payable with regard to the subdivided portion bordering the asphalt street;
 - subdivided portions that only border on gravel roads will be exempt from the payment of the relevant capital contribution component.
- (4) The principle contained in subparagraph (3) above is equally applicable in the case of subdivisional portions of a property where portions of a property can be physically connected to the sewerage network while other portions cannot be linked up.

8.2.4 The exemptions set out above not be applicable to fixed capital contributions payable with regard to guest houses and bed and breakfast establishments.

In respect all other areas where there is an obligation on the developer, regarding a specific municipal service or component thereof, a developer or land owner is expected to upgrade or extend such a municipal service or component thereof, or to create it, for his own account; it is specifically the policy view that the Municipality will retain the prerogative to determine the category and extent of the service (i.e. water, water and sanitation etc.) the developer ought to upgrade.

9. DEVELOPMENT AGREEMENTS

The applicant /developer of any development applying for permission to develop or change the use of land in terms of this policy are required to conclude a development agreement with the Municipality.

The development agreement would be drafted by the Municipality and will incorporate the rights and obligations of the parties.

Failure to comply with the terms and conditions as set out may lead to cancellation of approvals.

Payment terms, planning conditions and any other conditions as may be imposed by the competent authority must be included in the Development agreement.

The Development agreement may incorporate the staggered payment of a capital contribution of a particular development in phases in more complex projects; which will allow the developer to pay capital contributions at the commencement of each approved phase.

10. INSTALLATION OF INFRASTRUCTURE BY DEVELOPER IN LIEU BULK CAPITAL CONTRIBUTIONS

10.1 A developer may by agreement with the Municipality install bulk engineering services in lieu of Capital Contributions.

10.2 Where a developer installs bulk engineering services in accordance with 8.1 the Municipality may deduct the cost of the infrastructure installed from the Capital Contributions due for that particular development, provided that:

- (1) The infrastructure to be installed is to the standard required by the Municipality
- (2) The infrastructure to be installed is located in close proximity to the development and/or located in an area as directed by the municipality;

10.3 The Developers agreement must incorporate a written services agreement that is entered into between the parties, which specifies:

- 1) the infrastructure to be provided in lieu of Capital Contribution, the standards to which the infrastructure is to be built,
- 2) the cost of the infrastructure and the assets to be transferred to the Municipality;
- 3) the services agreement must be signed by the developer and the Municipality prior to the commencement of any works to be provided in lieu of Capital Contributions;
- 4) the infrastructure installed, and the land on which it is situated, are either formally transferred to or received by the Municipality or the required agreements are made to ensure that the Municipality has access to the infrastructure if it does not fall on municipal land, which may include the registration of a servitude in favour of the municipality;
- 5) the final value of the assets transferred, as reflected in payment certificates, must be reconciled with the original Capital Contributions liability and any balance due by the developer must be paid in full.

11. UTILISATION OF CAPITAL CONTRIBUTION REVENUES

11.1 Capital contributions revenues received must be ring-fenced and may only be used for capital works, i.e. the construction of new municipal infrastructure and /or the upgrading of existing municipal infrastructure.

11.2 These revenues may not be used to reduce or eliminate existing infrastructure backlogs, for operations or maintenance costs, or as a general revenue source for the Municipality.

12. DATE OF COMMENCEMENT

This policy is effective July 1, 2019.