

KGATELOPELE LOCAL MUNICIPALITY

DRAFT

LAND DISPOSAL POLICY

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1. Introduction

The Land Disposal Policy of the Kgatelopele Local Municipality provides a framework, guidelines and procedures that are intended to be followed by Council for the disposal and letting of various types of immovable properties of the Municipality so as to create sustainable settlements and economic and social opportunities within its jurisdiction for local and other investors. This policy also intends to provide a guideline as to how Council must deal with historical

land problems where the municipality has sold the same land to various community members while they have paid for such land.

2. Application of Policy

2.1 This policy applies to:

- (a) the transfer and disposal of immovable assets by the municipality, and
- (b) the granting by the municipality of rights to use, control or manage immovable assets.
- (c) rectify the historical land problems where the previous Council's has sold land to many owners and or where land were never transfer in the name of the owners but still be in the name of the Municipality.

2.2 This policy does not apply to:

- (a) immovable property owned by municipal entities in respect of which the Municipality is the parent municipality;
- (b) immovable property which falls within the area of responsibility of the Municipality's Housing Department;
- (c) property owned by the Municipality and subject to a Public-Private Partnership.

3. Purpose

The purpose of the Land Disposal Policy is to provide a framework for the disposal of the Municipality's immovable assets that are not needed to provide the minimum level of basic municipal services and that are surplus to the Municipality's requirements.

Section 14 of the Municipal Finance Management Act (Act No. 56, 2003) states:

"A Municipality may not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of any capital asset needed to provide a minimum level of basic municipal services. A Municipality may transfer ownership or otherwise dispose of a capital asset, other than an asset mentioned above, only after the disposal committee meeting:

- Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

4. Definitions

In this policy, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (MFMA) has the same meaning as in the Act, any reference to the male gender includes the female and neither genders, and, unless the context indicates otherwise; and

"Accounting Officer" means the municipal manager appointed by the Council in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and includes any person acting in such position and any person to whom the municipal manager has delegated a power, function or duty in terms of this policy in respect of such a delegated power, function or duty, as the case may be;

“basic municipal service” means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment and, for purposes of this policy, same includes but is not restricted to electricity, refuse collection, sanitation, local roads, storm water drainage, fire and water services;

“bid adjudication committee” means a bid adjudication committee appointed by the accounting officer in terms of the Supply Chain Management Policy of the Council;

“capital asset” or “asset” for purposes of this policy means immovable property such as land and the buildings on land and any reference to a “capital asset” or “immovable capital asset” in this policy shall mean “immovable property” or “property” owned or under the control of the municipality;

“Chief Financial Officer” means the employee designated as such by the accounting officer and includes any person acting in such position and to whom the Chief Financial Officer has delegated a power, function or duty in terms of this policy in respect of such a delegated power, function or duty, as the case may be;

“community value” means the extent of benefit or gain generated in favour of the municipality when resources, input, processes or policies are combined to improve the lives of individuals or society as a whole;

“the Constitution” means the Constitution of the Republic of South Africa, 1996;

“cost” means the amount of cash or cash equivalents paid or the fair market value of the other consideration given by a person to acquire an asset at the time of its acquisition or construction;

“Council” or “municipal council” means the Council of Kgatelopele Local Municipality and includes any duly authorised political structure, political office bearer or staff member of the municipality;

“MFMA” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and includes its regulations, where applicable;

“municipality” means the Kgatelopele Local Municipality and includes the Council;

“National Treasury’s Guidelines” means the official guidelines on supply chain management issued by the Minister responsible for finance in terms of Section 168 of the MFMA;

“notice boards” means the official notice boards at the municipal offices and libraries of the municipality;

“the Ordinance” means the Municipal Ordinance, 1974 (Ordinance No. 20 of 1974);

“Non-viable property” means Immovable property that owing to urban planning or physical constraints or extent, cannot be developed on its own or function as a separate entity and only becomes functional if alienated or leased to an adjoining owner for usage in conjunction with the said owners property.

“Viable property” means Immovable property that can be developed and functioned as a separate entity and can be separately registered in the office of the Registrar of Deeds.

“public facilities” means facilities provided for the use and enjoyment by the local community at large and not by a single member or a group of members thereof regardless of whether or not such facilities are provided by the municipality;

“the Regulations” means the Municipal Asset Transfer Regulations contained in Government Notice R. 878 of 22 August 2008 (MATR);

“social care” means social care services provided by registered welfare, charitable and non-profitable organisations and amateur sporting, cultural or recreational organisations; “Structures Act” means the Municipal Structures Act, 1998 (Act No. 117 of 1998);

“Supply Chain Management Policy” means the Supply Chain Management Policy adopted by the Council in terms of Section 111 of the Finance Management Act;

“Systems Act” means the Municipal Systems Act, 2000 (Act No. 32 of 2000).

“Disposal” means alienation of a capital asset, or rights in respect thereof, by means of a sale or donation, or long-term lease.

5. General Principles

The objectives of the Asset Disposal Policy are to:

5.1 Ensure that only immovable assets that do not provide the minimum level of basic municipal services are disposed of.

5.2 Ensure that immovable assets are not disposed when the disposal of the asset or the terms of the disposal of the immovable asset could disadvantage the Municipality or community financially or otherwise.

5.3 Ensure that all disposals are, in terms of Section 14 (5) of the Municipal Finance Management Act (Act No. 56, 2003), fair, equitable, transparent, competitive and consistent with the Supply Chain Management Policy of the Municipality.

6. Legislative and Policy Framework

6.1 The Constitution of the Republic of South Africa No 108 of 1996 Section 152.

7. Objects of Local Government;

7.1 The objects of local government are –

7.1 (a) to provide democratic and accountable government for local communities;

7.1 (b). to ensure the provision of services to communities in a sustainable manner;

7.1 (c). to promote social and economic development;

7.1 (d). to promote a safe and healthy environment; and

7.1. (e). to encourage the involvement of communities and community organisations in the matters of local government.

7.2. A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Requirements of the Municipal Finance Management Act in terms of Section 14:

7.2. (1) A Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

7.2. (2) A Municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in sub-section (1), but only after the Municipal Council, in a meeting open to the public

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

7.3 A decision by a Municipal Council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

7.4 A Municipal Council may delegate to the Accounting Officer of the Municipality, its powers to make the determinations referred to in subsections 2(a) and (b) in respect of movable capital assets below a value determined by the Council.

7.5 Any transfer of ownership of a capital asset in terms of sub-section (2) or (4) must be fair, equitable, transparent, competitive and consistent with the Supply Chain Management Policy which the Municipality must have and maintain in terms of Section 111.

7.6 This section does not apply to the transfer of a capital asset to another Municipality or to a Municipal entity or to a National or Provincial organ of State in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.”

Municipal Structures Act No 117 of 1998 Municipal objectives

(1) A municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution.

(2) A municipal council must annually review—

(a) the needs of the community;

(b) its priorities to meet those needs;

(c) its processes for involving the community;

(d) its organisational and delivery mechanisms for meeting the needs of the community; and

(e) its overall performance in achieving the objectives referred to in subsection (1).

(3) A municipal council must develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

(4) the MATR, which governs:

(a) The transfer and disposal of capital assets by the Municipalities and Municipal entities of rights to use, control or manage capital assets.

Supply Chain Management Policy 7.1. Disposal Management

The disposal of capital assets must be dealt with in accordance with the provisions of the MFMA, Section 14. The Accounting Officer must establish a Land Disposal Committee to deal with the disposal of assets. All items for disposal must be authorised in terms of the MFMA.

8. Adjudication of Disposals

8.1 Adjudication of disposals will be conducted in terms of the Preferential Procurement Policy Framework Act (PPPFA) and the Broad Based Black 9 Economic Empowerment Act (BBBEE) No. 53 of 2003 and the following formula will be applied until amended by subsequent legislation:-

8.2 The 80/20 or 90/10 preference point system for the sale and letting of assets. The 80/20 formula applies to a value below R500 000,00 and the 90/10 formula to values above R500 000.00. $Ps = 80/90 \cdot 1 + Pt - Ph \setminus Ph$ Where:- Ps = Points

scored from price of tender under consideration. P_t = Rand value of tender under consideration. P_h = Rand value of highest acceptable tender. It is noted that the 80 and 90 points in the case of an open tender, can be further divided into points for functionality and price. Tender documents must contain a detailed breakdown of the points that will be awarded for various criteria.

9. Categories of Municipal Land Assets

Existing pieces of land within the Municipality's area of jurisdiction can be grouped as follows.

- Residential land;
- General and Special Business, Commercial and Industrial land;
- Institutional and Educational land – Social Sites (Worship, Crèche and Institutional)
- Sport sites

10. Disposal Management System for Property Transactions

The disposal and letting of immovable property owned by the Municipality, will be conducted in accordance with one of the following described methods:

10.1 Sale or Letting by Private Treaty/Public Auction/Tender/Proposal Call All sales or letting of immovable assets should be at current Market Value except when the public interest or the plight of the poor demands otherwise. All transactions are subject to the tendering and adjudication guidelines, contained in this policy. Other than in exceptional circumstances as prescribed in this Policy, all sales of immovable assets should be by tender.

10.2 Private Treaty Sales/leases

The requirements contained in Section 9.4 below do not apply to unsolicited bids, which are submitted in terms of special circumstances listed in (a) to (i) below. The Municipality acknowledges that in certain special circumstances property can be sold or let by Private Treaty, which special circumstances apply to the following categories of properties: -

- (a) non-viable parcels of land may be let or sold to adjoining owners, provided that the determination of non-viability rests with the Council and its decision will be final;
- (b) viable properties in the case of business and industrial expansion and retention may be let or sold to the adjoining owners at market related prices;
- (c) properties identified for sale and hire to Community Based Organisations, Nongovernmental Organisation, Non-profit Organisations, Civil Society Organisations, and Public Benefit Organisation, defined by the Income Tax Act, No. 58 of 1962 and listed in schedule 9 of the Act;
- (d) vacant industrial land;
- (e) vacant land for the development of lower income housing in the categories of low cost, social and bank charter housing;
- (f) the sale of municipal land, involving BEE in partnership with foreign investors;
- (g) municipal land for Community projects;
- (h) land for worship purposes (see Section 15 (5)(a) to (e)); (i) municipal property for educational purposes other than private schools;

(j) land for purposes of housing specifically to employees and officials of the Municipality. In respect of those properties referred to paragraph (c) to (j) above, the Transferee may not sell or transfer ownership of the said property so acquired from the Municipality within a period of 5 (five) years after such acquisition and the Municipality shall ensure that the Title Deed to such property contains such restrictive condition in its favour.

11 Lease of land / camps for purposes of keeping of animals

Council shall lease Land/camps for the purposes of grace land for up-and-coming famers on the following conditions

(a) Council shall appoint a committee who will make recommendations to Council;

(i) Committee shall consist of 2x two Councillors, 3 x members of the community who lease property from council.

(ii) Committee shall meet and make recommendations to Council

(bb) that a lease contract be signed by the Municipal Manager and the Lessee;

(cc) that the committee identify the land/camps that will be lease to the up-and-coming farmer;

(dd) that the committee will determine requirements for the lease and placed it to Council for approval;

13. Selected Tender

In the event that property has a limited number of interested parties, or where the property has been designated for a specific use, a selected tender would be called. In the case where there is only one interested party in a property with a low value, a sale or lease can be entered into directly. Use agreements are a further means where a party is able to occupy a property that has little or low value, no access and is a cost to Council in terms of maintenance and rates.

13.1 Unsolicited Bids

13.1 A Supply Chain Management Policy must state that the Municipality or Municipal Entity is in terms of Section 113 of the MFMA not obliged to consider unsolicited bids received outside a normal bidding process. If the Municipality or Municipal entity decides to consider an unsolicited bid in terms of Section 113(2) of the MFMA, it may do so only if :-

(a) if a Municipality or Municipal entity decides to consider an unsolicited bid that complies with sub regulation (2), the Municipality or Municipal entity must make its decision public in accordance with Section 21A of the Municipal Systems Act, together with : -

(i) its reasons as to why the bid should not be open to other competitors;

(ii) an explanation of the potential benefits for the Municipality or entity were it to accept the unsolicited bid; and

(iii) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice; once the Municipality or Municipal entity has received written comments, it must submit such comments, including any responses from the unsolicited bidder, to the National Treasury and the relevant Provincial Treasury for comment;

(b) the Adjudication Committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations;

(c) a meeting of the Adjudication Committee to consider an unsolicited bid must be open to the public, and the said Committee must take into account : -

(i) any comments submitted by the Public; and

(ii) any written comments and recommendations of the National Treasury or

(iii) the relevant Provincial Treasury;

(d) if any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations;

(e) such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality or Municipal entity to the bid may be entered or signed within 30 days of the submission.

14. Competitive Processes

14.1 General Principles

The Municipality is entitled to use any of the following methods to conclude a Property Transaction to ensure that the principle of competitiveness is given effect to:

14.1.1 Public tender;

14.1.2 Public auction;

14.1.3 Closed tender;

14.1.4 Call for alternative proposals.

14.1.5 Public Tender

14.2 An open and transparent tender process is the most emphatic manner in which to give effect to the Core Principles. Such a process may, depending on the nature of the transaction, include a two-stage bidding process in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage.

14.3 The Municipality will apply the Preferential Procurement Policy Framework Act when following a competitive bidding process in respect of a Property Transaction.

15. Public Auction

Viable immovable property may be alienated by public auction in cases where the Municipality is of the opinion that it is in the interest of the community and the Municipality. The terms and conditions of each auction shall be determined on a project-by-project basis, appropriate to the specific characteristics and attributes of the immovable property, and to the Municipality's strategic objectives. Where the services of an auctioneer are utilized, the auctioneer's commission shall be the successful bidder and shall not form part of the financial offer to the Municipality.

16. Closed Tender

If a property has more than one adjacent owner and if such a property is capable of being consolidated with more than one of the properties owned by such adjacent owners of all the adjacent properties with which the Property can be consolidated.

16.1 Call for Alternative Proposals

In the event that none of the other 3 competitive methods outlined above are appropriate to the nature of the Property Transaction in question, then the Municipality shall, where none of the circumstances in respect of which a deviation may be granted are applicable, call for alternative proposals in respect of the Property Transaction in question. Examples of circumstances in which a call for alternative proposals may be appropriate include the following:

16.1.1 Social care properties / community sport properties In exceptional circumstances where a property to be used for a social care / community sport purpose has not been reserved in accordance with the processes provided for in Chapter C of this Policy and where the Municipality's property management department receives an unsolicited application for a Property Transaction, then the following factors may be taken into account in justifying not following a competitive bidding process:

16.1.2 whether the applicant has historically enjoyed a Property Right granted by the Municipality and, if so, for how long;

16.1.3 the terms and conditions of such use;

16.1.4 the exact nature of the social care and community sport purpose;

16.1.5 whether the applicant has in the past made improvements to the Property and, if so, the value of such improvements;

16.1.6 whether or not the Municipality is satisfied with the manner in which the applicant gives effect to the social care or community sport purpose;

17. Exceptional circumstances

17.1 In other exceptional circumstances, provided that:

17.1.1 Pursuant to the Property Transaction, the Property will be used for a public purpose by the Municipality's local community; and/or

17.1.2 The Municipality is satisfied that the Property Transaction will be exceptionally beneficial to, or have exceptional cost advantages for the Municipality.

18. Non-competitive processes:

Out of Hand/Direct Negotiation

18.1 Non-viable Property

In respect of Non-Viable Property which can only be utilized by one or more adjacent landowners, a Property Transaction(s) may be approved without any competitive process having been followed on the basis that no purpose would be served by a competitive process.

18.2 Viable Property:

Deviation from a competitive process

18.2.1 The Municipal Manager may dispense with the competitive processes established in this Disposal Management System, and may enter into a Property Transaction through any convenient process, which may include direct negotiations, but only in the following circumstances:

18.2.1.1 an emergency; or

18.2.1.2 due to specific circumstances peculiar to the Property under consideration, it can only be utilized by the one person/organisation wishing to enter into the Property Transaction; and/or

18.2.1.3 the person wishing to enter into the Property Transaction is the sole provider of the service or product in respect of which the Property will be used and the use of the Property is inextricably linked to the provision of that service or product; or

18.2.1.4 the Municipal Manager is satisfied that the Property Transaction will be exceptionally beneficial to, or have exceptional cost advantages for the Municipality which would not be realized if a Competitive Process were to be followed by the Municipality; or

18.2.1.5 in any other exceptional case where it is impractical or impossible to follow the official competitive process.

18.3 Without detracting from the generality of 12.4 above, in the circumstances referred to in 9.2.1.5, due regard shall be had to the Core Principles.

18.4 The Municipal Manager must record the reasons for any deviation in terms of this provision and report them to the next meeting of the Council and include them as a note to the annual financial statements.

19 Disposal of Land to the State

Whenever the Provincial or National Government desires to obtain land owned by the Municipality, ownership in such land shall be offered by private treaty to the relevant organ of state at the full market value.

20. Land Disposal Criteria

20.1 The Municipality shall, when considering any proposed transfer or disposal in terms of this Policy, give due regard to Section 7 of MATR and the following criteria:

- (a) annual cost of maintenance;
- (b) immediate location to a similar facility;
- (c) duplication of the facility;
- (d) benefit and risk analysis;
- (e) current use and utilisation;
- (f) cultural or historical significance;
- (g) current maintenance service level of area;
- (h) current state of property;
- (i) alternate future use;
- (j) current market value;
- (k) anti-social behaviour on the property;
- (l) relationship to service requirements and relevant strategic drivers;
- (m) potential political consequences;
- (n) level of community ownership;
- (o) potential future use to adjacent properties;
- (p) alternate future community use;
- (q) area of land concerned;

(r) open space plan requirements;

(s) development potential;

(t) covenants on the property;

(u) road reserves and other land of high conservation value and remnant vegetation;

(v) Restrictions on disposal.

(w) Based on the elements derived from the above, each land asset will be individually classified in terms of future use for the Council.

21. Disposal of Land to Official and Political Office Bearers

21.1 Officials in the employ of the Municipality have the right to make an offer for acquisition of immovable assets being disposed of by the Municipality.

21.2 A political office-bearer or an official in the employ of the Municipality who, in his or her persona capacity, has a direct or indirect interest in an immovable asset proposed for disposal must declare such an interest, provided that the failure to do so will result in such sale or lease being cancelled forthwith and the employee or office bearer being held responsible for wasted costs. An official in the employ of the Municipality may not act as a member of a panel responsible for assessing and adjudicating tenders relating to the proposed disposals if his or her presence in such panel may potentially be deemed to be unfairly influential, discriminatory or in any manner contrary to the principles of this policy.

22. Key Guidelines and Principles pertaining to the letting of Municipal property

22.1 Council is permitted to enter into a short term or long term lease of immovable property owned by the Municipality by way of a Private Treaty or Public Tender depending on the nature of the property.

22.2 Vacant or improved municipal owned immovable property must be let at a market related rental.

22.3 Generally, where the letting of viable immovable property is concerned, this process must be done by means of a public tender.

22.4 All applications to lease immovable property must be in terms of this framework policy and other applicable municipal legislation.

22.5 The lease of immovable property must be managed in a controlled environment to ensure sustainable economic returns without damage to the environment.

22.6 Long terms leases of immovable property must be capable of being registered in the Deeds Office as a separate entity.

22.7 Non-viable immovable property is land that cannot be developed on its own due to its physical characteristics or constraints or as a result of planning procedures and can only become viable if alienated as in Paragraph 10.1 or 10.3 above or let under similar circumstances to an adjoining owner.

22.8 Leases for gardening purposes must be at the tariff rental as approved by Council from time to time, provided that no permanent structures may be permitted on immovable property let for gardening purposes except a perimeter enclosure acceptable to Council.

22.9 Immovable property may be let by Private Treaty to social care users, provided that rentals must be determined in terms of the tariff rentals as approved by Council from time to time and in such cases, the Lessee must accept responsibility for the maintenance of the immovable property and any improvements thereon.

22. 10 Sport facilities and other public amenities may be let by Private Treaty to Sports Boards, Sports Federations and other similar bodies in accordance with Council's Policies on sports facilities and public amenities, provided that community based bodies and non-professional sporting bodies must be charged the tariff rentals as approved by Council from time to time, and professional sports bodies and bodies operating for profit must be charged a fair market related rental based on the market value of the property to be leased.

22. 11 Improvements to Council's immovable property established by the Lessee and which Council wishes to retain will revert to Council, free of compensation, at expiration or termination of the Lease, provided that where such improvements are not required by the Council, these must be removed by the Lessee to the satisfaction of Council and all costs must be borne by the Lessee.

22. 12 Lease Contracts with existing tenants of immovable properties may be renegotiated where Council is of the opinion that public competition would not serve a useful purpose.

23. Conditions of Sale

23.1 All costs pertaining to a transaction shall be borne by the buyer, e.g. survey, advertisement, valuation, rezoning, relocation or provision of services where necessary, etc. Council may, however, waive its right to claim the costs should it be to its advantage to bear the cost. Where necessary, a deposit to cover the costs may be required.

23.2 Where applicable, existing services must be relocated or secured by means of the registration of servitude in favour of the municipality and costs shall be for the account of the buyer.

23.3 Small areas of land such as closed roads or portions of public place sold to an adjacent owner must be consolidated with the existing property of the adjacent owner, unless circumstances exist which, in the opinion of the municipality, make such consolidation undesirable.

23.4 Where immovable property is sold for development, a condition must be included in the Deed of Sale stipulating that such development must be completed within a stated period from date of purchase. Likewise, a condition must be included in the agreement to provide for forfeiture in the event that the development has not been completed within the required time period, unless an extension has been granted in writing by the municipality.

23.5 Save with prior approval, the property alienated may only be used for the purpose for which it was originally sold and purpose permitted by the Town Planning Scheme regulations.

23.6 The agreement of sale shall be finalized and concluded within 60 days from the date of the municipality's official request; failure to comply shall cause the sale to lapse, unless the period has been so extended by Council.

23.7 The agreement must contain a suspensive condition in respect of property, which is sold subject to approval in terms of land use legislation.

23.8 The buyer is expected to have constructed the applicable structure within a period as stated in the contract or Deed of Sale.

23.9 Council has the power to repossess the application property should the buyer fail to comply with the conditions of sale.

23.10 In cases where Council has sold a land to a buyer prior to this policy, but the administration has failed or neglect to apply the transfer such a land/property to the buyer, Council herewith condone the above requirements and the buyer shall have 60 days from the approval of this policy to transfer the land in her/her name.

23.11 If the buyer fails to adhere to clause 23.10, then clause 23.9 came into effect.

23.12 In cases where a buyer has bought a land/property, Council will appoint a committee consisting of elected Councillors who will investigate such complaints and make proper recommendations to Council.

24. Transparency

24.1 All land transactions of the municipality involving real rights (sales, servitudes and leases) are to be conducted in a transparent manner with a high degree of caution and control.

24.2 It is however advisable to balance the interests of transparency with commercial reality to ensure that entrepreneurial endeavour is not compromised, and that the property industry is not discouraged from making unsolicited proposals on properties in the portfolio. In this regard the following principles will apply:

24.2.1 All transactions initiated by the public involving real rights to property, will be advertised in the media, social media, notice boards and website;

24.2.2 Where property is offered by the municipality to the market, the following principles will apply:

24.2.3 land use and bulk service contributions will be finalised by the municipality unless otherwise stated in tender;

24.2.4 the offer to lease or purchase will be advertised in the media;

24.2.5 the proposal call or bid documentation will be made available both electronically and in hard copy for a fee;

24.2.6. the proposal call or bid will be either on a sealed bid basis or by any process in terms of the MFMA;

24.2.7 in the event that the property has a limited number of interested parties, or where the property has been designated for a specific use, a selected bid would be called for;

24.2.8 in the case where there is only one interested party in the property with a low value, a sale or lease can be concluded with that party;

25. Administrative arrangements

25.1 The accounting officer shall supply the Chief Financial Officer with a copy of each agreement of sale or lease concluded by the municipality in respect of the disposal and letting of immovable property.

25.2 The accounting officer shall keep such records as may be necessary to ensure that details of all property transactions are readily available to audit purposes and that leases are either terminated or renewed at or prior to expiry date.

25.3 It shall be the responsibility of the Chief Financial Officer acting under powers delegated to him by the accounting officer to ensure that the proceeds from the sale of immovable property are collected by or paid to the municipality when due and that all rentals accruing to the municipality are collected in terms of the applicable lease agreements and annually adjusted in terms of escalation or in terms of the applicable provisions of this policy.

26. Conflict

26.1 This policy must be read in conjunction with the Regulations and applicable National Treasury.

26.2 Guidelines and, in the event of conflict, the provisions of the Regulations and such guidelines shall enjoy preference.

27. Name and commencement of policy

This policy shall be called the 'Land Disposal Policy' and shall come into operation on the first day of the month succeeding its adoption by the Council.