



**ORDINARY MEETING OF THE MAYORAL
COMMITTEE**

**GEWONE VERGADERING VAN DIE
BURGEMEESTERSKOMITEE**

**INTLANGANISO YESIQHELO YEKOMITI
KASODOLOPHU**

A G E N D A

I-AJENDA

**DATE / DATUM / UMHLA : 21 FEBRUARY / FEBRUARIE /
FEBHRUWARI 2022
AUDITORIUM, CIVIC CENTRE
HERMANUS**

TIME / TYD / IXESHA : 10:00

MUNICIPALITY / MUNISIPALITEIT / UMASIPALA WE-OVERSTRAND

Office of the Municipal
Manager
Municipal Offices
HERMANUS

16 February 2022

NOTICE TO ALL ALDERMEN AND COUNCILLORS

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of the **MAYORAL COMMITTEE** will be held in the **AUDITORIUM, CIVIC CENTRE, HERMANUS** on **MONDAY, 21 FEBRUARY 2022** at **10:00** to consider the items set out in the attached agenda.

D O'NEILL
MUNICIPAL MANAGER

16 Februarie 2022

KENNISGEWING AAN ALLE RAADSHERE EN RAADSLEDE

KENNIS WORD HIERMEE GEGEE dat 'n **GEWONE VERGADERING** van die **BURGEMEESTERSKOMITEE** gehou sal word in die **ODITORIUM, BURGERSENTRUM, HERMANUS** op **MAANDAG, 21 FEBRUARIE 2022** om **10:00** vir oorweging van die items op die meegaande agenda.

D O'NEILL
MUNISIPALE BESTUURDER

16 Febhruwari 2022

ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA

INTLANGANISO YESIQHELO YEKOMITI KASODOLOPHU WE-OVERSTRAND

OKU KUKWAZISA ukuba intlanganiso **YESIQHELO yeKOMITI KASODOLOPHU**, iza kuba se **I-ODITHORIYAM, kwiZiko, eHERMANUS** Umvulo **UMHLA, 21 FEBHRUWARI 2022** ngeye-**10:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

D O'NEILL
UMPHATHI KAMASIPALA

AGENDA/...

OVERSTRAND MUNICIPALITY

MAYORAL COMMITTEE MEETING

21 February 2022

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1. OPENING

2. APPLICATIONS FOR LEAVE OF ABSENCE

3. CONFIRMATION OF MINUTES

3.1 Minutes of an **Ordinary Meeting** of the **Mayoral Committee** held on **Wednesday, 24 November 2021 at 09:00**

3.2 Minutes of a **Special Meeting** of the **Mayoral Committee** held on **Monday, 10 January 2022 at 10:00**

3.3 Minutes of a **Special Meeting** of the **Mayoral Committee** held on **Monday, 24 January 2022 at 14:00**

4. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE EXECUTIVE MAYOR / DEPUTY EXECUTIVE MAYOR

5. SCHULPHOEK HOUSING PROJECT: ESTABLISHMENT OF A NEW SOCIAL COMPACT

12/2/3/4/7/1

FRJ Williams

10 February 2022

Director: Community Services

(028) 313 8156

1. Executive Summary

To request Council to consider the abolishment of the existing Social Compact (Housing Committee) of the Schulphoek Housing Project with the purpose to establish a new Social Compact inclusive of potential beneficiaries from Wards 4,5,6 and 12 (Mount Pleasant, West Cliff and Zwelihle).

2. Service Delivery and Budget Implementation Plan - IGNITE

Community Services
Housing Administration

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment
The encouragement of structured community participation in the matters of the municipality

4. Delegated Authority

None

5. Legal Requirements

Constitution of South Africa, 1996
Housing Act 107 of 1997
The National Housing Code 2009
Overstrand Municipality: Housing Selection Policy for Beneficiaries in Ownership-based Subsidy Project
Overstrand Municipality Amendment By-Law on Municipal Land Use Planning, 2020

6. Background/Discussion

Background

The housing project at Schulphoek was announced as a Greater Hermanus Catalytic Housing project for beneficiaries of Greater Hermanus. The election of members of the Social Compact included interested and affected parties from

the Greater Hermanus geographical area (Wards 3,4,5,6,7,8,12 and 13). The current Social Compact was constituted at a meeting held by way of physical- (Banqueting Hall, Hermanus) and virtual attendance by various interested and affected stakeholders on Monday, 31 May 2021. Councillor Lindile Ntsabo was also elected as Chairperson at a meeting held on 3 June 2021. The Council of Overstrand Municipality also resolved at a Special Council meeting held on 22 December 2021 that Councillor Lindile Ntsabo be confirmed as the Chairperson of the Social Compact for the Schulphoek Housing Project.

A Schulphoek Plan of Action was completed by the Municipal Manager and signed on 31 January 2022 by both the Municipal Manager and the Executive Mayor. Refer to Annexure A.

Discussion

Action Item number 2 of the Schulphoek Plan of Action states, *“Council decision to change the scope of the project to only include beneficiaries from Wards 4,5,6 and 12 in the Overstrand.”*

The rationale behind the abolishment of the existing Social Compact and establishment of a new Social Compact as stated under item 3 of the mentioned plan are as follows: *“It should be noted that the representatives from Schulphoek and Marikana were never interested to participate in the Social Compact. The view is held that they were never convinced that beneficiaries of this project should be from the Greater Hermanus and should only be identified from the current residents of the above informal areas. Also, that the Social Compact for the project should only be established with these residents and not include any organization or individual that does not have a direct interest.*

The Social Compact is functional, but its composition must change to reflect the actual beneficiaries of the project. It is proposed that council and the department revisit and revise the decision that the project should be for the benefit of the Greater Hermanus and only include possible beneficiaries from Wards 4,5,6 and 12. The current Social Compact must then be abolished, and a new process started for the establishment of a new Social Compact. Any other interested and affected parties will have the opportunity to participate when the land use planning applications are published for comment.” Reference can be made to Sections 47 and 48 of the Overstrand By-Law on Municipal Land Use Planning, 2020.

Under item number 5.2 of the Housing Selection Policy for Beneficiaries in Ownership-based Subsidy Project of Overstrand Municipality it is stated that, *“in a regional town, the Municipality will reserve 90% of the opportunities in the project component for entries which are resident within the catchment area where development take place and indicate a location preference for the catchment area of the project town.*

In respect of the remaining 10% split, preference be given across the other catchment areas in the Municipality in proportion to the number of waiting/active

entries relevant for the project component in question resident in each of the other catchment areas. Households selected from the other catchment areas must indicate a preference to in the particular project within a period of 30 days of receipt of official notice. In instance where selected participants do not accept the offer the opportunity to participate in the project, the housing opportunity be given to the potential beneficiaries from the community in the catchment area where project takes place”.

The last-mentioned means that 10% of the opportunity created in the envisaged project must be offered to potential beneficiaries from catchments outside of Wards 4,5,6 and 12. Council will therefore be requested to deviate from the last-mentioned policy statement.

7. Financial Implications

Unique key	:	20220207991112
Cost account	:	10500221470000
Item description	:	Advertising, Publicity and Marketing: Corporate and Municipal Activities
Budget provision 2021/22	:	R41,199.13
Estimated Expenditure (this report)	:	R16,676.00

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Schulphoek Plan of Action dated 31 January 2022

RECOMMENDATION TO THE COUNCIL:

1. that the current Social Compact for the Schulphoek Housing Project be abolished with immediate effect;
2. that the scope of the Schulphoek Housing Project only includes beneficiaries from Wards 4, 5, 6 and 12; and
3. that the new Social Compact for the Schulphoek Housing Project be established and to only include potential beneficiaries (informal settlement and backyard dwellers) registered on the Housing Demand Databases for Wards 4 ,5, 6 and 12 as the Community Based Partner.

RESPONSIBLE OFFICIAL :**FW FRANS****TARGET DATE FOR IMPLEMENTATION :****1 MARCH 2022**

SCHULPHOEK PLAN OF ACTION

1. BACKGROUND

Following a meeting between Speaker Masizole, Premier Winde, Minister Simmers as well as Mayor Rabie, Deputy Mayor Ntsabo, other MayCo members and the MM OF Overstrand Municipality on Wednesday, 26 January 2022, the Mayor requested a status report and a plan of action to give traction to the Schulphoek Housing Project. It is common cause that the Schulphoek housing development was initiated by the community riots in Hermanus in December 2018 and the subsequent landgrabs and settlement on what was then a privately owned piece of land. With the intervention of then Premier and Minister of Human Settlements, funding to purchase the land was made available and eventually on 19 December 2019, the transfer of the land to the municipality was finalized. During this time, people continually settled further on the land, in fact people started settling on the land since August 2019.

The common understanding since the start of the unauthorized settlement was that it would be a project that needed special intervention from the provincial government, and this was confirmed when Minister Simmers declared in September 2019 that it would be a Provincial Catalytic Project. The project would be implemented by the DoHS, as the Municipality did not have the capacity to deal with a project of this scale and complexity.

2. PURCHASING OF THE LAND

The view is held that this decision was taken to enable the Provincial Government to fast track the availability of funding for the project. It should be noted that initially the abovementioned department would purchase the land and develop it accordingly. The Department of Human Settlements (DoHS) started by obtaining a valuation of the land and entered negotiations with the owners of the land to purchase the land. The DoHS also appointed a multi-disciplinary project team for the project.

On 15 May 2019 the DoHS requested the Municipality to purchase the land on their behalf, as they received a legal opinion indicating that they could not do so legally. They undertook to provide the funding for the purchase price and all costs associated with the purchase. The agreement was that the Municipality would purchase the land and immediately make it available to the DoHS for implementation of the project. The funding was approved on 15 July 2019, the Deed of Sale was signed on 28 August 2019, and the property was registered in the name of the Municipality on 19 December 2019. The preamble to the Deed of Sale states clearly, and I quote; " *WHEREAS the DoHS has agreed to provide additional funding to the PURCHASER to purchase the Property and take transfer thereof and that the DoHS will then develop the Property to be utilised for the purposes of inter alia, provision of housing and possibly*

recreational and commercial activities.” Thus, clearly stating the intent that the DoHS will be the responsible entity for the development.

At the abovementioned meeting (26 January 2022) Minister Simmers undertook to sign the Land Availability Agreement (LAA) once the municipality have met all the obligations as stated therein. Paragraph 6 of the LAA reads as follows.

6. UNDERTAKINGS BY THE MUNICIPALITY

The Municipality undertakes to –

- 6.1 *grant possession and occupation of and full control over the Properties on a gratis basis to the DoHS;*
- 6.2 *provide a special power of attorney to the nominee of the DoHS to transfer the subdivided Erven to the Beneficiaries or Purchasers;*
- 6.3 *provide the DoHS with such reasonable assistance and co-operation as may be required to obtain all necessary permits, approvals and clearance certificates to give effect to the servicing and Development of the Properties and selling and transferring of the subdivided Erven;*
- 6.4 *not to conclude sale agreements, option agreements or grant any right of first refusal in respect of the Properties to any third party;*
- 6.5 *where required to render the necessary support in any litigation regarding the Properties in accordance with the security plan attached as Annexure D to be concluded between the Parties; and*
- 6.6 *to take control of the Engineering Services, public places and public roads on the completion of a phase in the Development and only after a completion certificate is obtained for the Engineering Services and occupation certificates are obtained for the physical occupation of housing units and only after occupation of same, for that phase.*

Items 6.1, 6.2, 6.3, 6.4 and 6.6 can only be dealt with after the projects have been completed and regarding item 6.5, the Security Plan was already provided to the department on 03 September 2020. It can thus be concluded that there are no outstanding obligations from the municipality and that the LAA can be concluded.

It is proposed that the Department of Human Settlements sign the Land Availability Agreement by 28 February 2022 to ensure that they have the proper authorization to utilize the land for the above intended purposes as a matter of urgency.

3. SOCIAL COMPACT

Further investigations showed that there was agreement that the municipality will proceed with the establishment of the social compact. The housing project at Schulphoek was also announced as a Greater Hermanus Catalytic Housing project for beneficiaries of Greater Hermanus. Therefore, the election of

members of the Social Compact included interested and affected parties from Greater Hermanus (Wards 3,4,5,6,7,12,13). Ward Committee members are furthermore in terms of statutory provisions, members of the Social Compact. An advertisement for the election of the Social Compact was also placed in the local newspaper in September 2019 and public meetings were held in October 2019.

Participation with the broader community is normally held through duly elected representatives. Representatives from the following areas/geographical blocks and interested and affected parties had been elected during October 2019 as members of the Social Compact:

NO AREA GEOGRAPHICAL BLOCK

- | | | |
|---|----------------|--|
| 1 | Hawston | Backyard dwellers; informal settlement |
| 2 | Mount Pleasant | Backyard dwellers; informal settlement |

INTERESTED AND AFFECTED PARTIES

- | | | |
|---|--|--------------------------|
| 1 | Whale Coast Business and Community Forum Greater Business | Greater Hermanus |
| 2 | Overstrand Heritage Foundation | Culture and Heritage |
| 3 | Hermanus Beach Club community | Neighbouring |
| 4 | Schulphoek Action Group culture, by-laws, and building | Law and order, heritage, |
| 5 | Sandbaai Community Safety | Community Safety |
| 6 | New Harbour Precinct residential planning, property values, environmental impact | Security on the area, |
| 7 | Estate Agent for Hermanus Greater Hermanus | Homeowners for |

The agreed representation from Zwelihle were:

- Councillors: 7
- Ward Committee Members (2x3 wards): 6
- Backyard dwellers: 6
- o Old Location (x2)
- o 460 sites (x2)
- o Kwasa Kwasa (x2)
- Informal settlements: 6

- o Schulphoek (x4)
- o Marikana (x2)
- o Other interested parties to register, e.g. Taxi Association, etc.

The Social Compact in its current form was eventually constituted at a meeting held in May 2021. Minutes were kept of both the election meetings as well as the subsequent Social Compact meetings. It should be noted that the representatives from Schulphoek and Marikana were never interested to participate in the Social Compact. The view is held that they were never convinced that the beneficiaries of this project should be from the Greater Hermanus and should only be identified from the current residents of the above informal areas. Also, that the Social Compact for the project should only be established with these residents and not include any organization or individual that does not have a direct interest.

The Social Compact is functional, but its composition must change to reflect the actual beneficiaries of the project. It is proposed that council and the department revisit and revise the decision that the project should be for the benefit of the Greater Hermanus and only include possible beneficiaries from Wards 4, 5, 6 and 12. The current Social Compact must then be abolished, and a new process started for the establishment of a new Social Compact. Any other interested and affected parties will have the opportunity to participate when the land use planning applications are published for comment.

4. LAND USE PLANNING

The DoHS appointed a panel of consultants to work on the settlement layout and housing methodology that will inform the different land uses of the erven, roads, parks, and community facilities, like schools and clinics, to name but a few. Although no formal decisions can be found, it was established that there was apparent agreement on the so-called Better Living Model within the Social Compact. However, once again, as the residents in these informal areas were not represented, they are not in agreement with the abovementioned methodology and rather wants serviced erven and they are also quite specific on the sizes of these erven. There were thus no formal town planning and land use decisions taken and hence no formal application process has commenced at this time. In fact, the only documents available are basic layouts and sketches.

The further effect of this is that no work could be done on the planning, design and costing of both bulk and internal services, hence council is unable to make informed decisions regarding the current and future implications of its budget.

After the 2020 Local Government Elections the Mayor and her team, including the MM, attended public and internal meetings with both the communities in Dubai and Baghdad as well as the councillors for these areas. In these meetings the message was clear that the only way to move forward with the

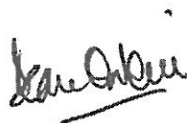
project is to include the beneficiaries in the abovementioned wards in the planning of the project.

In this regard it is proposed that the provincial consultants be instructed to take the needs of the affected community into account and prepare the necessary drafts for council's consideration and approval to allow the commencement of the statutory applications.

5. PLAN OF ACTION

1. Signing of the LAA by DoHS by 28 February 2022
2. Council decision to change the scope of the project to only include beneficiaries from Wards 4, 5, 6 and 12 in the Overstrand. This meeting is scheduled for 17 February 2022 at 09:00.
3. The DoHS and Overstrand Municipality to meet within one week after the signing of the LAA to discuss and agree upon
 - 3.1 Securing the perimeter of Schulphoek;
 - 3.2 Managing further land invasion in terms of the Security Plan;
 - 3.3 Putting up an appropriate development sign before the 31 March 2022.

Overstrand Municipality will continue with providing access control to the site from Schulphoek Drive, ensuring the no further structures are erected and monitor the activities on the site.



Dean O'Neill
Municipal Manager



Annelie Rabie
Executive Mayor