

**AGENDA of the  
Portfolio Committee : Planning and Development  
4 June 2025  
(Also the agenda for the Mayoral Committee Meeting : 11 June 2025)**

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**2.**

**A PORTION OF PORTION 18 OF FARM NO 644 (STANFORD): DEVIATION FROM PARAGRAPH 18 OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF 2015 ALLOWING THE MUNICIPALITY TO ENTER INTO A DIRECT LEASE AGREEMENT WITH FOOD FOUR THOUGHT COMMUNITY PROJECTS NPC**

**A Le Roux  
5 May 2025**

**Divisional Manager: Property Management**

**(028) 316 5623**

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**1. Executive Summary**

To obtain approval from the Executive Mayor to enter into a further lease agreement for a period of 3 (THREE) years with Food Four Thought Community Projects NPC (“Food for Thought”) in respect of a portion of Portion 18 of Farm No. 644 (Stanford), ±6,000m<sup>2</sup> (APPROXIMATELY SIX THOUSAND SQUARE METRES) in extent, hereinafter referred to as “the Property”, for agricultural purposes (vegetable farming only); and

To obtain approval from Council for the deviation from paragraph 18 of the Administration of Immovable Property Policy (as approved by Council on 25 November 2015) allowing the Municipality to enter into a direct lease agreement with Food for Thought in respect of the Property for agricultural purposes (vegetable farming only), without following a competitive process.

See Locality maps attached marked Annexures “A1” and “A2”.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Planning and Development  
Property Management

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
Promotion of tourism, economic and social development

**4. Delegated Authority**

Partly delegated to the Executive Mayor

**5. Legal Requirements**

- Municipal Asset Transfer Regulations (R. 878 of 2008)

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

## **6. Background/Discussion/Evaluation/Conclusion**

### **Background/Discussion**

Food for Thought initially submitted an application in 2021 to lease a portion of municipal property for agricultural purposes, specifically vegetable farming to help rejuvenate the local economy and provide a source of healthy food for the community. The application was approved in principle by the Municipal Manager, being the delegated authority, for a short-term period of 3 (THREE) years, subject to Council's approval of a deviation from paragraph 18 of the Administration of Immovable Property Policy (as approved by Council on 25 November 2015) to allow the Municipality to enter into the agreement directly with Food for Thought without following a competitive process. In the interim, for administrative and audit purposes, a written lease agreement was signed that was subject to Council's approval of the deviation.

On 27 June 2022 a report was submitted to Council requesting approval for a deviation from the relevant paragraph(s) of the Municipality's Administration of Immoveable Property policy, however the report was referred back for further investigation to establish which activities are being performed on the Property. Subsequently, two additional reports were again submitted to Council for approval respectively on 24 April 2023 and 14 February 2024 and both reports were withdrawn and referred back again.

The report was submitted to Council for consideration again and on 12 March 2025 Council approved the deviation from paragraph 18 of the Administration of Immovable Property Policy (as approved by Council on 25 November 2015) to allow the Municipality to enter into the agreement directly with Food for Thought without following a competitive process.

The said agreement expired on 30 November 2024. Although the period of this lease has expired, Food for Thought submitted an application to renew the agreement for a further period. Unfortunately, the renewal process was delayed due to Council not approving the first request for a deviation before the end date of the lease agreement.

The lease area is ±25,500m<sup>2</sup> (TWENTY-FIVE THOUSAND FIVE HUNDRED SQUARE METRES) in extent. According to the GIS system and Google maps it is apparent that Food for Thought is not using the full extent of the Property and thus it is recommended that the lease area be reduced to the extent which is currently being used for vegetable farming. The size of the Property is thus being reduced to ±6,000m<sup>2</sup> (SIX THOUSAND SQUARE METRES) in extent.

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No complaints were received from the community during the previous lease periods. The municipal account is paid up to date.

**Evaluation**

A: Administration of Immovable Property Policy of the Overstrand Municipality:

The following paragraphs of the Administration of Immovable Property Policy are applicable:

**Paragraph 4: “No application for the purchase, lease of or encroachment on immovable property (save for the instances mentioned in paragraphs 58 to 62 and 64.1 below) shall be processed unless the prescribed application fee as per tariff approved in the annual budget for that financial year has been paid, nor shall any proposed lease or encroachment (save for the instances mentioned in paragraphs 58 to 62 and 64.1 below) be advertised unless the applicant has confirmed, in writing, that he/she will bear all costs involved in such transaction including - but not limited to - legal, survey, re-zoning, sub-division, consolidations, advertisement, relocation or provision of services and, where applicable, a deposit as per prescribed rate to cover incidental costs has been paid.”**

As the application for renewal was received before the expiry of the last agreement there is no need for a formal application form to be completed and no application fee is payable.

**Paragraph 17: “Taking into consideration the nature and duration of the lease to be entered into, the leasing of immovable property may be affected by means of either:**

- 17.1 a competitive process, which may include a closed or public tender or proposal call, specifically in circumstances listed in paragraph 18 below; or**
- 17.2 a direct lease.”**

The Property Management Division will be recommending a direct lease on the reasons provided in the report.

**Paragraph 18: “A competitive process must at all times be followed in circumstances where:**

- 18.1 the lease is for a long term with an income value in excess of R10 million;**
- 18.2 the lease is for a formal business premises with a market related rental;**

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- 18.3 more than one party, in discretion of the municipality, is interested in the lease of the subject property; and/or  
18.4 by discretion of the municipality, a competitive process will best serve the interests of the community”.**

- 18.1 The income derived from the lease agreement will not exceed 10 (TEN) million Rand. The lease is for a property zoned for agricultural uses and will be used as such.
- 18.2 Whilst agricultural activities and farming is generally a business related operation from which profit is derived, in this case Food for Thought is a nonprofit company and cannot use any proceeds from the sale of vegetables as profit and furthermore, the project is aimed at revitalising the local economy and providing food security in the community.
- 18.3 To the user department’s knowledge, there have been no applications for agricultural purposes on this specific piece of land, however there is general interest in the Overstrand area for agricultural land.
- 18.4 Considering that Food for Thought is a nonprofit company, and the service it delivers to the community will be in the best interest of the community, it is recommended that a direct lease be entered into for a further period with Food for Thought without following a competitive process. Therefore, it is recommended that Council approves a deviation from paragraph 18.

**Paragraph 20: “Long term lease of municipal immovable property with an income value less than R10 million:**

**20.1 The Municipality may grant a long term lease of municipal immovable property with an income value of less than R10 million only after:**

- (a) the Accounting Officer has approved the lease in principle;**
- (b) in the case of a direct lease, the proposed lease was advertised in terms of paragraph 10.1 and 10.2 above to invite the local community and other interested parties to submit comments or representations; and**
- (c) the Executive Mayor, as delegated authority, has subsequently approved that the right may be granted.”**
- a) Although the request is only for a 3 (THREE) year period it is a request for renewal and the continued lease period is thus for a long-term period of more than 3 (THREE) years. Food for Thought applied for the renewal of the lease agreement which was approved

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in principle by the Municipal Manager on 5 August 2024 for a period of 3 (THREE) years, subject to a public participation process being followed, the final approval of the Executive Mayor as delegated authority of the long-term lease, and Council's approval for deviation from paragraph 18 of the Administration of Immoveable Property policy to enter into a direct lease with Food for Thought without following a competitive process.

- b) The proposed lease was advertised in the Gansberg News on 30 May 2025 for a 30 (THIRTY) day comment/objection period and no objections have been received.
- c) The Executive Mayor's approval is hereby requested for the lease period.

**Paragraph 26: *"In cases where a rental amount has been approved in the annual budget of the Municipality for certain types of leases and encroachments, the approved amount will be used for purposes of determining the rental amount."***

The tariff for the lease of municipal property to registered Social Care Institutions/ Organisations/ NPO's/ PBO's/ Sport facilities/ Community organisations will be levied. The rental is R188.70 (ONE HUNDRED AND EIGHTY-EIGHT RAND AND SEVENTY CENTS) (VAT excluded) per month. The agreement will stipulate that the rental amount will escalate annually in accordance with the tariff as approved in the Annual Budget.

**Paragraph 36: *"All costs pertaining to a transaction, e.g. survey, advertisements, valuation, relocation or provision of services where necessary, shall be borne by the Lessee. The Municipality may, however, waive its right to claim all or any portion of the costs. Where necessary a deposit to cover the costs may be required."***

Food for Thought will be liable for the payment of all costs relating to the lease agreement which in this case so far is only the advertisement costs.

**Paragraph 47: *"Subject to paragraph 46 above, immovable property let by the Municipality shall be inspected at least once a year by the Municipality to ensure compliance with the terms and conditions of the agreement of sale or lease."***

The Property will be inspected by the Property Management Division at least once a year.

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It is further confirmed that the other Conditions of Lease as stipulated in paragraph 36 - 50 will be included in the lease agreement entered into with Food for Thought.

**B: Advertisement / Notification:**

An advertisement for the lease of the Property to Food for Thought was published in Gansberg News on 30 May 2025 for a 30 (THIRTY) day objection/comment period. No objections/comments were received.

**Conclusion**

Taking the above into consideration, it is recommended that:

- (a) The Executive Mayor approves the renewal of the lease of municipal property, being a portion of Portion 18 of Farm No. 644 (Stanford), ( $\pm 6,000\text{m}^2$  in extent), to Food Four Thought Community Projects NPC as from 1 December 2024 for agricultural purposes (vegetable farming only) at the rental amount of R188.70 (ONE HUNDRED AND EIGHTY-EIGHT RAND AND SEVENTY CENTS) (VAT excluded) per month for a period of 3 (THREE) years subject to Council approving a deviation from paragraph 18 of the Administration of Immovable Property Policy.
- (b) Council approves a deviation from paragraph 18 of the Administration of Immovable Property Policy, in order to enter into a direct lease with Food Four Thought Community Projects NPC without following a competitive process.

**7. Financial Implications**

The Municipality gained a rental amount equivalent to the rental amount approved for leases to non-profit organisations, being R188.70 (ONE HUNDRED AND EIGHTY-EIGHT RAND AND SEVENTY CENTS) (VAT excluded) per month for the 2024/2025 financial year. This amount will escalate annually on the 1<sup>st</sup> of July to an amount in accordance with the Municipality's tariffs for the specific financial year, with the next escalation to be on 1 July 2025.

**8. Staff Implications**

None

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**9. Comments from other Departments, Divisions and Administrations**

**Town Planner: Mr. Petrus Roux**

*“No objection from my side the property is zoned Agricultural Zone 1: Agriculture, which means that farming activities are allowed. Please note the any tunnels/shade netting or intensive horticulture will require a land use application for agricultural industry.”*

**Divisional Manager: Building Control: Mr. Louis Coetzee**

*“No objection. Any proposed structure (including fences) on site will require a building plan application that must comply with all applicable law.”*

**Socio Economic Officer: Mr. G Smit**

*“No objection. The department supported with some planter boxes and dozens of seedlings. It is our understanding that the vegetable gardens are well looked after and provide food, work and an income to many of the people living in Die Kop. We support the extension of their lease.”*

**Acting Divisional Manager: Expenditure, Fleet and Asset Management:  
Mr C Oppelt**

*“As this is an income generating proposal, with no intention of selling the asset, there is no objection against the application.”*

**10. Annexures**

Annexures A1 & A2: Locality Maps

**RECOMMENDATION TO THE EXECUTIVE MAYOR:**

1. that the lease of municipal property, being a portion of Portion 18 of Farm No. 644 (Stanford), (±6,000m<sup>2</sup> in extent), to Food Four Thought Community Projects NPC for agricultural purposes (vegetable farming only) at the rental amount of R188.70 (ONE HUNDRED AND EIGHTY EIGHT RAND AND SEVENTY CENTS) (VAT excluded) per month for a period of 3 (THREE) years from 1 December 2024 in terms of the Administration of Immovable Property Policy of the Overstrand Municipality, **be approved**;
2. that the rental amount mentioned in 1 above escalate every year on the 1st of July in accordance with the tariffs stipulated in the Annual Budget as approved by Council, the next escalation to be on 1 July 2025; and

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3. that the approval in 1 be subject to Council approving a deviation from paragraph 18 of the Administration of Immovable Property Policy of 2015.

**RECOMMENDATION TO THE COUNCIL:**

that the deviation from paragraph 18 of the Administration of Immovable Property Policy allowing a direct lease to Food Four Thought Community Projects NPC for agricultural purposes (vegetable farming only), **be approved.**

<b>RESPONSIBLE OFFICIAL :</b>	<b>R OCTOBER</b>
<b>TARGET DATE FOR IMPLEMENTATION :</b>	<b>2 JULY 2025</b>
<b>TARGET DATE TO INFORM APPLICANT :</b>	<b>9 JULY 2025</b>
<b>TARGET DATE TO INFORM OBJECTOR :</b>	<b>N/A</b>

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**A Le Roux  
5 May 2025**

**Divisional Manager: Property Management**

**(028) 316 5623**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON 4 JUNE 2025, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE EXECUTIVE MAYOR:**

1. that the lease of municipal property, being a portion of Portion 18 of Farm No. 644 (Stanford), ( $\pm 6,000\text{m}^2$  in extent), to Food Four Thought Community Projects NPC for agricultural purposes (vegetable farming only) at the rental amount of R188.70 (ONE HUNDRED AND EIGHTY EIGHT RAND AND SEVENTY CENTS) (VAT excluded) per month for a period of 3 (THREE) years from 1 December 2024 in terms of the Administration of Immovable Property Policy of the Overstrand Municipality, **be approved**;
2. that the rental amount mentioned in 1 above escalate every year on the 1st of July in accordance with the tariffs stipulated in the Annual Budget as approved by Council, the next escalation to be on 1 July 2025; and
3. that the approval in 1 be subject to Council approving a deviation from paragraph 18 of the Administration of Immovable Property Policy of 2015.

**RECOMMENDATION TO THE COUNCIL:**

that the deviation from paragraph 18 of the Administration of Immovable Property Policy allowing a direct lease to Food Four Thought Community Projects NPC for agricultural purposes (vegetable farming only), **be approved**.

**RESPONSIBLE OFFICIAL :** R OCTOBER

**TARGET DATE FOR IMPLEMENTATION :** 2 JULY 2025

**TARGET DATE TO INFORM APPLICANT :** 9 JULY 2025

**TARGET DATE TO INFORM OBJECTOR :** N/A



ANNEXURE A2

