



JOINT PORTFOLIO COMMITTEE MEETING

- **Planning & Development**
- **Infrastructure Services**
- **Community Services**
- **Municipal Public Safety**
- **Corporate Services**
- **Financial Services**

A G E N D A / I-AJENDA

DATE / DATUM / UMHLA : 17 MARCH / MAART / MATSHI 2026
VENUE / PLEK / INDAWO : BANQUETING HALL / BANKETSAAL
CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU
HERMANUS
TIME / TYD / IXESHA : 09:00

MUNISIPALITEIT OVERSTRAND MUNICIPALITY

Office of the Municipal
Manager
Municipal Offices
HERMANUS

5 March 2026

NOTICE TO ALL ALDERMEN / COUNCILLORS

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of the **JOINT PORTFOLIO COMMITTEE** will be held in the **Banqueting Hall, Civic Centre, HERMANUS**, on **TUESDAY, 17 MARCH 2026 AT 09:00**, to consider the items set out in the attached agenda.

DR D O'NEILL
MUNICIPAL MANAGER

5 March 2026

KENNISGEWING AAN ALLE RAADSHERE / RAADSLEDE

KENNIS WORD HIERMEE GEGEE dat 'n **GEWONE VERGADERING** van die **GESAMENTLIKE PORTEFEULJEKOMITEE** gehou sal word in die **Banketsaal, Burgersentrum, HERMANUS**, op **DINSDAG, 17 MAART 2026 OM 09:00**, vir oorweging van die items op die meegaande agenda.

DR D O'NEILL
MUNISIPALE BESTUURDER

5 March 2026

ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA

OKU KUKWAZISA ukuba **INTLANGANISO YESIQHELO YEKOMITI ZAMASEBE AHLANGENEYO** ebhunga iza kuba se **Banqueting Hall, kwiZiko LoLUNTU, EHERMANUS, NGOLWESIBINI**, umhla, we **17 MATSHI 2026 ngeye-09:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

DR D O'NEILL
UMPHATHI KAMASIPALA

AGENDA/...

PORTFOLIO COMMITTEE :

PLANNING & DEVELOPMENT

Chairperson :

Ald E Gillion

Committee Members :

**Ald K Brice, Cllrs C Resandt,
M Sihlahla and R Dees**

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Portfolio Committee : Planning and Development
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OPENING

APPLICATIONS FOR LEAVE OF ABSENCE

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
CHAIRPERSON**

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of portion 3 of Farm 566 (Hawston area), ±348,3m² in extent, (hereinafter referred to as the “Property”) to use for the drying and processing of dry kelp, for a temporary period of 1 (ONE) year.

The Applicant is a registered co-operative with ±262 members of which the majority solely relies on a permit to harvest (beach cast and dry kelp), dry and process kelp as a form of income. The current directors of the Applicant are the following people:

- (a) Devery Plaatjies
- (b) Errol Vernon Abrahams
- (c) Harry Stephanus Johnson
- (d) Soretha Montagqu
- (e) Joseph Jonathan Price
- (f) Florina Albertyn
- (g) Roger Owen Natus
- (h) Jene Sezette Adendorff
- (i) Linfred Georg Manuel

The Applicant will use the Property only for the processing of dry kelp. The drying of the kelp will be done naturally on the adjacent beach.

This Property is ideally located near the sea and situated away from the residential community, which ensures that no health and safety risks are posed to the public. The Property is also already equipped with two existing, but dilapidated structures (±29m² in extent each), which the Applicant is prepared to upgrade at its own cost to be used as shelter for workers and storage space of kelp during rainy conditions.

The Applicant is currently busy applying for a permanent allocation of land via the Department of Public Works, but the process will take time, thus the reason for the Applicant applying to lease the Property for a period of 1 year, specifically to be able to proceed with its activities to generate an income.

The Applicant’s “Permit to undertake Commercial Small-Scale Fishing of seaweed” expires on 28 February 2026, however it does have a valid a kelp right for 15 years, although DAFF (Department of Agriculture, Forestry and Fisheries) requires the Applicant, as a small-scale co-operative, to apply for the permit every year, hence the 1-year permit.

The Applicant is committed to utilize the Property responsibly and sustainably, ensuring compliance with all municipal regulations and environmental best practices.

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Evaluation

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.*

Currently the application fee for the “temporary lease of municipal land for the storage of building materials next to building sites or general short-term purposes” is an amount of R800.00 (VAT included). As the purpose of the leasing is to accommodate, uplift and assist small scale fishers, it is suggested that the application fee be waived. For auditing purposes, the Applicant will still be required to complete the formal application form.

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 approval of a direct lease is requested taking into consideration the nature and proposed duration of the lease.

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;

18.3 more than one party, in discretion of the municipality, is interested in the lease of the subject property; and/or

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18.4 by discretion of the municipality, a competitive process will best serve the interests of the community.”

The application is only for a lease period of 1 (ONE) year. Due to the:

- (a) temporary nature of the proposed lease;
- (b) time period associated with a competitive process;
- (c) urgent need for the lease to be approved in order for the Applicant to proceed with its activities to be able to generate income for the ±262 affected families, some of which might be destituted and reliant on the income; and
- (d) the Applicant most probably being the only entity/person issued with this particular permit(s);

it does not make financial and practical sense to follow a competitive process.

The proposed rental to be received for the period will be nominal as per the approved tariffs. The use will not be business related, but purely to generate sufficient income to sustain the members of the Applicant.

A request will thus be to Council to deviate from paragraphs 18 and 21 of the said policy in order to enter into a direct lease with the Applicant.

Paragraph 21.1: “The Municipality may grant a short-term lease of municipal immovable property up to three years without the option of renewal only after the Accounting Officer has approved the lease in principle.”

The Municipal Manager approved the following in principle on 12 December 2025:

“1. The lease a portion of portion 3 of Farm 566 (Hawston area), ±348,3m² in extent, for the purpose of drying and processing of dry kelp to Harries Baai Fishing Primary Cooperative Ltd for a period of one year from 1 January 2026, **subject to Council approving the following:**

- (a) *the deviation from paragraphs 4, 18, and or any other relevant paragraph of the Administration of Immovable Property Policy of 2015 that might be applicable;*
- (b) *a lower rental amount than a market related rental amount or the use of the tariff S34G1 in calculating the rental amount on the sizes of the delapidated buildings and not the whole ±348,3m²;*
- (c) *the Applicant be exempted from the payment of rates.*

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2. *The entering into a lease agreement with the Harries Baai Fishing Primary Cooperative Ltd pending the outcome of all the approvals that must be obtained.*
3. *Giving beneficial occupation to Harries Baai Fishing Primary Cooperative Ltd as soon as possible after obtaining approval to start activities and to work on the buildings pending the signature of the lease agreement.*
4. *The Harries Baai Fishing Primary Cooperative Ltd be informed that no services can be delivered.*
5. *That rental payable by Harries Baai Fishing Primary Cooperative Ltd, pending the outcome of the request be In accordance with the approved tariff for the 2025/2026 financial year for the lease of municipal land for general purposes (≤ 12 months) which is R8.50/m² per month calculated on the estimated size of the buildings it will upgrade to use (also considering the costs of getting the buildings in a usable state) with a small additional portion for a mobile toilet and space for the chipper, thus calculated on ± 65 m² (29m² x 2 plus add of 7m² for the chipper and mobile toilet), which amounts to R552.50 (VAT included) per month.”*

Earlier occupation was given to the Applicant to attend to the necessary works to the buildings. The lease agreement is in the process of being finalised for signature.

Paragraph 21.2: “Immovable property let according to paragraph 21.1 above need not be advertised in terms of paragraph 10.1 and 10.2 and need not be subsequently approved by the Executive Mayor, but shall be subject to the following:

- (a) the lessee shall be responsible for all costs regarding the connection of services, service fees and any other costs associated with the lease;**
- (b) the Municipality shall, if it is not prescribed that market related rental must be charged, determine the rental;**
- (c) the lessee shall undertake in writing to compensate the Municipality for damages caused to the immovable property for whatever reason;**
- (d) the lessee shall indemnify the Municipality against any claims; and**
- (e) the Municipality may request proof of financial viability to honour the lease.”**

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- (a) There are currently no services to the Property and none of the relevant internal departments have indicated whether services can be delivered. The Applicant intends to make use of a chipper and might need electricity. The Applicant will unfortunately have to make arrangements for the use of the chipper and the possible need for electricity. It must be mentioned that the nearest electrical service line is in Marine Drive with result that the provision of services will be costly. An estimate was done to establish what it will cost to deliver electrical services to the Property, this estimate was between R430,000.00 to R520,000.00 depending on whether it will be overhead or underground. If any services can be supplied, the cost will be for the account of the Applicant as there is no need for the Municipality to service the Property. The Applicant indicated that they would make use alternative sources to be able to use the chipper. The Applicant will have to make use of mobile toilet facilities and will, as per discussion with them, provide their own water.
- (b) The payment of rental will be discussed under the relevant paragraph.
- (c) A clause to this effect will be included in the lease agreement, if approved.
- (d) A clause to this effect will be included in the lease agreement, if approved.
- (e) The financial viability of the Applicant will be discussed with them.

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.”*

There is an approved tariff for the 2025/2026 financial year for the lease of municipal land for general purposes (≤ 12 months) which is R8.50/m² per month. If applied to the size of the Property, the rental amount will be R2,958.00 (TWO THOUSAND NINE HUNDRED AND FIFTY-EIGHT RAND) (VAT included) per month (calculated on an estimated lease area of ± 348 m²). This will amount to each member (± 262) contributing an amount of R11.29 (VAT included) per month or if only the directors are going to pay the rental, an amount of R422.57 (VAT included) per month per director.

However, if the intention of the Applicant is not to enclose the Property, then one can rather motivate to calculate the rental amount on the estimated size of the buildings they will upgrade to use (also considering the costs of getting the buildings in a usable state). If this is considered, with a small additional portion for a mobile toilet and space for the chipper, the estimated rental could most probably be calculated on ± 65 m² (29m² x 2 plus add of 7m² for the chipper and mobile toilet). This will amount to a rental of

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R552.50 (FIVE HUNDRED AND FIFTY-TWO RAND AND FIFTY CENTS)
(VAT included) per month.

As another lease in Hawston was approved on the same method of calculation (building size vs the whole leased property) and in an attempt to assist the Applicant and its members, the request will be to approve the lower rental amount.

Should a renewal be considered after the proposed one year, the renewal will have to be at a market related rental for that period.

Paragraph 41: “The lessee shall, as a rule, be liable for the payment of rates, taxes and service charges in respect of the leased property. In the case of leases to certain social care users and sports facilities at rentals lower than market value the Municipality may consider granting a rebate on rates in accordance with the rates policy of the Municipality.”

For the levying of rates and taxes, the Property will have to be valued or a calculation will have to be made, which is not practical considering the short-term nature of the proposed lease. It is requested that the Applicant be exempted from paying rates and taxes.

As the Applicant is not requesting that any services be rendered to the Property, and as services are not available, it is requested that the Applicant be exempted from paying for services.

Paragraph 48: “The lessee shall be responsible for maintaining the leased property including all improvements thereon to the satisfaction of the Municipality.”

The Applicant will be liable for the upkeep of the Property.

It is further confirmed that all the other applicable Conditions of Lease as stipulated in the Administration of Immovable Property Policy, will be included in the lease agreement.

Conclusion

Considering the above discussion, it is recommended that the following be approved:

1. The deviation from paragraphs 4, 18 and 41 of the Administration of Immovable Property Policy of 2015 be approved in order for the Municipality to enter into a lease agreement with the Harries Baai

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Fishing Primary Cooperative Ltd for the lease of municipal property, being a portion of Portion 3 of Farm 566 (Hawston), ±348,3m² in extent, for the purpose of drying and processing of dry kelp, for a period of 1 (ONE) year from 1 January 2026 at a rental amount of R552.50 (FIVE HUNDRED AND FIFTY-TWO RAND AND FIFTY CENTS) (VAT included) per month.

2. That the tariff S34G1: "Temporary use (≤12months) of municipal land for the storage of building materials next to building sites or for general purposes (per m² per month)" be used in calculating the monthly rental instead of a market related rental.
3. That the monthly rental per square metre be calculated on an estimated size of ±65m² (29m² x 2 for the dilapidated buildings plus 7m² for the chipper and mobile toilet) and not the total lease area (±348.3m²).
4. That the monthly rental amount mentioned in 1 above escalates 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 2026;
5. That Harries Baai Fishing Primary Cooperative Ltd be exempted from the payment of rates, taxes and services on the property.
6. That Harries Baai Fishing Primary Cooperative Ltd Forum be exempted from paying the required application fee.
7. That Harries Baai Fishing Primary Cooperative Ltd Forum acknowledges and accepts that no services can be rendered to the property.
8. That Harries Baai Fishing Primary Cooperative Ltd Forum acknowledges and accepts that the lease agreement will be cancelled if their permits are not renewed or no new permits are issued to them during the lease period.

7. Financial Implications

The Municipality stands to gain a minimum rental in the amount of R552.50 (FIVE HUNDRED AND FIFTY-TWO RAND AND FIFTY CENTS) (VAT included) per month. The rental will escalate on 1 July 2026 in terms of the approved tariff in the financial budget of the Municipality.

8. Staff Implications

None

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9. Comments from other Departments, Divisions and Administrations

Town Planner: Town & Spatial Planning: Mr H Olivier

“The property is zoned Agriculture Zone 1. The activities proposed will require that application will have to be made for consent use for Agricultural Industry. Note that this area is an environmentally sensitive area and situated in and EMOZ and HPOZ area. This application will have to be forwarded to the Environmental Branch for comments. The activities may even trigger an EIA application, but the Municipal Environmental Branch will have to advise.”

Comment: The intended lease is only for a temporary period of 1 (ONE) year to allow them to continue with their activities to generate an income for their families. If renewed, for whatever reason, the Applicant will be requested to follow the consent use application. This is mainly as the particular application can take up to 6 months to finalise, if no appeal is received. The comment of the Environmental Branch was obtained and is discussed below.

Senior Superintendent: Traffic Operations: Mr P de Gruchy

“The traffic department has no initial objection towards the application, but on the map identifying the location there is a service road/entrance path leading through the demarcated space. Will this hamper or block vehicles that are allowed to utilize this area legally? If so, then the application will not be supported.”

Comment: The “service road” in our opinion should only be for municipal use, not the public. According to Google Maps, this informal service road stops just past the structures on the Property. The Property Management Division is thus not sure if there is any further access from where the informal road stops and if there is, for what purpose is it actually used. Nonetheless, the lease agreement will make provision for use of this services road by the Municipality. The public will still have access to the beach via the informal road from Marine Drive as indicated on the attached locality map marked Annexure “B”.

Principal Technologist Civil: Mr T Marx

“The Department: Civil Services, Hermanus do not have any objection with regards to this application.”

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Programme Manager: Housing Development: Ms A Cairns

"The Project Management Unit has no objection."

Principal Technologist: Development Control: Mr R Andrew

"The Project Management division has no comment."

Assistant Chief: Fire, Rescue & Disaster Management: Mr E Solomon

"The fire safety department has no objection."

Senior Building Control Officer: Building Control: Mr G Coetzee

"No objection from Building Control."

Senior Superintendent: Technical Planning (Network Simulation Optimization): Mr J Klem

"There are no comments on the proposal."

Manager: Environmental Management & Conservation: Ms P Aplon

"The applicant must be in possession of a valid permit for to "undertake commercial small-scale fishing of seaweed" from DFFE. The applicant must please describe the process for the processing of kelp. Information is required to determine if additional approvals is required in terms of the Air Quality Management (noise/dust/odour). The applicant must describe the operational procedure for the natural drying of kelp on adjacent beach. This addition will provide clarity in terms of the EMOZ regulations. Additional comments will be provided upon receipt of requested information.

Comment: The Applicant provided the following feedback:

- *"The **Identified land** is located close to the beach and not near residential areas, therefor posing **no health or air pollution risk** to the community.*
- *The **kelp drying process is natural**, involving no chemical or industrial methods.*
- *The **only machinery** we will use is a **chipper** to break the dried kelp into small pieces before it is **bagged and stored**.*
- *We are **fully committed to complying** with all municipal and environmental regulation."*

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The relevant internal department subsequently provided the following additional comment after the above response was sent to them:

“If the facility is approved, should any complaint be received in terms of noise, the operator will be requested to implement mitigation measures. Please submit a copy of the valid DFFE permit, once received.”

Comment: The current DFFE permit which is valid until 28 February 2026, was sent to Environmental Department on 3 December 2025. The lease agreement will make provision therefore that a valid permit for the 2026/2027 be provided once received, as the continuation of the lease is reliant on valid permit.

Senior Manager: Expenditure & Assets, Hermanus: Mr J Vorster

As this is a revenue generating proposal with no intention to dispose of the asset, there is no objection.

10. Annexures

Annexure A: Locality map

Annexure B: Locality map indicating access

RECOMMENDATION TO THE COUNCIL:

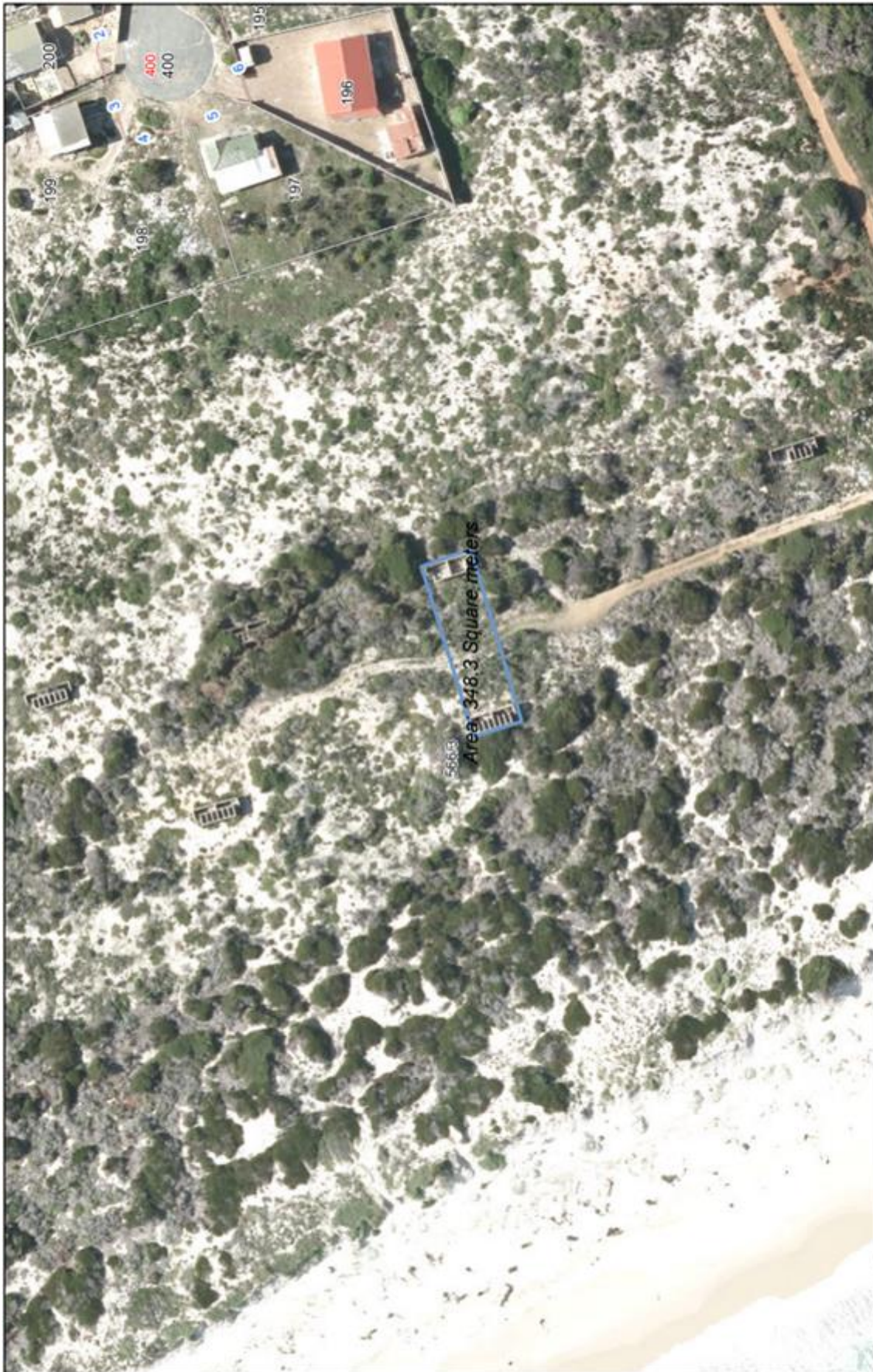
1. the deviation from paragraphs 4, 18 and 41 of the Administration of Immovable Property Policy of 2015 **be approved** in order for the Municipality to enter into a lease agreement with the Harries Baai Fishing Primary Cooperative Ltd for the lease of municipal property, being a portion of Portion 3 of Farm 566 (Hawston), ±348,3m² in extent, for the purpose of drying and processing of dry kelp, for a period of 1 (ONE) year from 1 January 2026 at a rental amount of R552.50 (FIVE HUNDRED AND FIFTY-TWO RAND AND FIFTY CENTS) (VAT included) per month;
2. that the tariff S34G1: “Temporary use (≤12months) of municipal land for the storage of building materials next to building sites or for general purposes (per m² per month)” be used in calculating the monthly rental instead of a market related rental;
3. that the monthly rental per square metre be calculated on an estimated size of ±65m² (29m² x 2 for the dilapidated buildings plus 7m² for the chipper and mobile toilet) and not the total lease area (±348.3m²);

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4. that the monthly rental amount mentioned in 2 above escalates 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 2026;
5. that Harries Baai Fishing Primary Cooperative Ltd be exempted from the payment of rates, taxes and services on the property;
6. that Harries Baai Fishing Primary Cooperative Ltd Forum be exempted from paying the required application fee;
7. that Harries Baai Fishing Primary Cooperative Ltd Forum acknowledges and accepts that no services can be rendered to the property; and
8. that Harries Baai Fishing Primary Cooperative Ltd Forum acknowledges and accepts that the lease agreement will be cancelled if their permits are not renewed or no new permits are issued to them during the lease period.

RESPONSIBLE OFFICIAL :	A LE ROUX
TARGET DATE FOR IMPLEMENTATION:	15 APRIL 2026
TARGET DATE TO INFORM APPLICANT:	15 APRIL 2026
TARGET DATE TO INFORM OBJECTOR:	N/A

ANNEXURE A



ANNEXURE B



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