

NDLAMBE MUNICIPALITY



AGENDA

SPECIAL OPEN NDLAMBE COUNCIL MEETING

DATE: FRIDAY, 06 JULY 2018

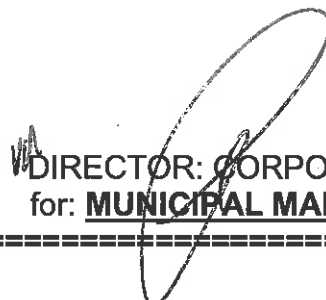
TIME: 10H00

**VENUE: COUNCIL CHAMBERS,
CAMPBELL STREET,
PORT ALFRED.**

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
FRIDAY, 06 JULY 2018 AT 10H00 IN THE COUNCIL CHAMBERS, CAMPBELL
STREET, PORT ALFRED**

NOTICE is hereby given that a NDLAMBE SPECIAL OPEN COUNCIL meeting will be held in the COUNCIL CHAMBERS, CAMPBELL STREET, PORT ALFRED on FRIDAY, 06 JULY 2018 AT 10H00.

PORT ALFRED
05 July 2018


DIRECTOR: CORPORATE SERVICES
for: **MUNICIPAL MANAGER**

TO: Councillor N V Maphaphu (In the Chair)

Councillors: P Faxi, K Daweti, N Gamlashe, J P Guest, C B James, Y P Kani,
A L Marasi, M Mateti, T Mazana, T D Mbekela, T M Mbunge, M E Njibana,
N A Ngqosha, M Raco, R L Schenk, L Shahzad, S Venene, N E Xhasa, M W Yali

Municipal Manager, Directors: Financial Management, Corporate Services,
Infrastructural Development, Community / Protection Services.

Deputy Directors: Financial Management, Infrastructural Development (Port Alfred),
Community and Protection Services, Manager: Local Economic Development,
Manager: Human Resources, Manager: Town Planning, Manager: Housing,
Manager: Integrated Development Plan, Manager: Administration, Communication
Officer, SAMWU and IMATU.

SNCA001/07/2018
OPENING

SNCA002/07/2018
APPLICATION FOR LEAVE OF ABSENCE
3/2/4

SNCA003/07/2018
OFFICIAL ANNOUNCEMENTS BY THE SPEAKER
3/2/1

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
FRIDAY, 06 JULY 2018 AT 10H00 IN THE COUNCIL CHAMBERS, CAMPBELL
STREET, PORT ALFRED**

SNCA004/07/2018
COMMUNICATION BY THE MAYOR
3/2/1

SNCA005/07/2018
**DISCLOSURE OF INTEREST BY COUNCILLORS (SCHEDULE 1 OF MUNICIPAL
SYSTEMS ACT)**

Attached as Annexure SC.01

SNCA006/07/2018
**DISCLOSURE OF INTEREST AND BENEFITS BY MUNICIPAL STAFF MEMBERS
(SCHEDULE 2 OF MUNICIPAL SYSTEMS ACT)**

Attached as Annexure SC.02

SNCA007/07/2018
**REPORT DATED 5 JULY 2018 FROM THE MUNICIPAL MANAGER TO COUNCIL:
APPROVAL OF RESIDENTIAL AREAS FOR NATIONAL SOLAR WATER HEATED
GYSER ROLLOUT PROGRAM**

PURPOSE

For Council to consider and approve the list of residential areas and how the beneficiary list is to be compiled for submission to the Department of Energy (DoE) for Implementation of National Solar Water Heater Program.

BACKGROUND

In 2010, National government mandated ESKOM to install 1,000,000 solar geysers funded through conditional grants to;

- Reduce electricity demand and greenhouse gases
- Protect poor from electricity tariff increases
- Facilitate local manufacturing industry and create employment

Installations were done by Deloitte and ESKOM. On about 2015, Department of Energy evaluated progress made on implementing the decision. A number of problems were identified and not much progress was made. In August 2015, Department of Energy invited all Municipalities and briefed them on the program.

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Municipalities were informed about the decision that Department of Energy will be taking over the program from Eskom and Deloitte. Installation activities will be managed and administered by Department of Energy. The Municipality will play a role in facilitating a feasibility exercise within its jurisdiction, i.e. identification of pilot areas, provision of water quality data and assisting with facilitating appointment of people to be trained for installations.

A number of processes were to be followed by Department of Energy after which Municipalities would be invited to participate. Ndlambe made follow-ups with Department of Energy on the rollout progress. On the 22nd 21 July 2017, Mr Albert Janse, made a presentation to the Executive Committee, requesting that he be considered for the Municipal role during the rollout program. According to him Department of Energy has invited Municipalities to participate in the rollout program and require municipalities to sign participation agreements.

In terms of "Resolution number 028/08/2017", Ndlambe municipality signed the participation agreement between Ndlambe Local Municipality and DoE. Recently, DoE sent us a communication dated 18th June 2018 advising that Ndlambe has been nominated to participate in the NATIONAL SOLAR WATER HEATED GEYSER ROLLOUT PROGRAM (NSWHP).

For the rollout program, DoE requires a Council Resolution approving residential areas in which National Solar Water Heated Rollout Programme (NSWHP) will be rolled out.

DISCUSSION

According to the Department of Energy communication received, rolling out the program will follow a phased approach, being approval of residential areas, submission of beneficiary lists, technical and field work, See Annexure SC.03

It must be noted that, that the communication received from Department of Energy provide no details on;

- a) the number of units allocated
- b) how to choose the eligible households.

The communication requires us to engage with the department on other details. Given further engagements that are to happen, I suggest Council take a principle decision on this matter that;

- a) the program be rolled out in all wards except ward 10.
- b) the program be ring-fenced indigent households only
- c) in the event our allocation being lower than the total number of Ndlambe registered indigent households, the allocation per ward be a ratio of ward indigents relative to the total number of Ndlambe registered indigents on the date of drawing the list.
- d) in the event our allocation being higher than the total number of Ndlambe registered indigent households, the "additional units" be allocated in the same principle as in (c) to indigents in the areas that did not benefit.
- e) indigent households with operational electric geysers be excluded from the list.

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
FRIDAY, 06 JULY 2018 AT 10H00 IN THE COUNCIL CHAMBERS, CAMPBELL
STREET, PORT ALFRED**

RECOMMENDATIONS TO COUNCIL

1. THAT the NATIONAL SOLAR WATER HEATED GEYSER ROLLOUT PROGRAM (NSWHP) BE APPROVED and implemented in the following RESIDENTIAL areas;

Residential Area Name	Ward Number
KwaNonkqubela	Ward 1
Wentzel Park	Ward 2
Marsel	Ward 3
Klipfontein	Ward 3
Ekuphumleni	Ward 4
Nolukhanyo/Freestone	Ward 5
Thornhill	Ward 6
Stationhill	Ward 9
Nemato/Nkwenkwezi	Ward 7/8/9

2. THAT the program be rolled out in all Wards with formal housing structures and water reticulation.
3. THAT the program be ring-fenced for indigent households only.
4. THAT in the event that our allocation being lower than the total number of Ndlambe registered indigent households, the allocation per ward be a ratio of ward indigents relative to the total number of Ndlambe registered indigents on the date of drawing the list.
5. THAT in the event our allocation being higher than the total number of Ndlambe registered indigent households, the **"additional units"** be allocated in the same principle as in (4) above to indigents in the areas that did not benefit as per list in (1) but part of the Ndlambe's ward list.
6. THAT indigent households with operational electric gysers be excluded from the list.
7. THAT the date of drawing the list will be the date on which the indigent list would be deemed as an updated and latest Ndlambe indigent register.
8. THAT Installation of Solar Heated Water geysers to the eligible households will be subject to DoE technical assessments terms being met.
9. THAT Administration follow up with Department of Energy to finalise all the necessary to roll out the program.

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
FRIDAY, 06 JULY 2018 AT 10H00 IN THE COUNCIL CHAMBERS, CAMPBELL
STREET, PORT ALFRED**

SNCA008/07/2018

**REPORT DATED 05 JULY 2018 FROM THE OFFICE OF THE MUNICIPAL MANAGER
TO COUNCIL: GRANTING OF LONG TERM LEASE OF CANNON ROCKS TOURISM
FACILITY SITUATED ON PORTION 0 OF ERF 528 CANNON ROCKS**

PURPOSE

To formalise the use of the property by the existing tenant by means of entering into a valid Lease Agreement.

BACKGROUND

Council at its meeting held on 31st of August 2016, Resolution NCM029/08/2015, resolved as follows:

- That authority BE GRANTED to commence with obtaining public input on entering into a long term contract for a service provider to undertake the management functions of the Cannon Rocks Hospitality Project on behalf of the Ndlambe Municipality.
- That the contract term for the lease of Cannon Rocks Hospitality Project be 4 years 11 months with an option to renew.
- That the renewal of contract after the term Council should consider the value of local context on marketing of the facility.
- That a detailed report informing the council on how the Cannon Rocks Hospitality Projects is operating should be submitted.

Item NCA037/10/2016 dated 31st of October 2016 was tabled before Council on the 31st of October 2016 by the Office of the Municipal Manager to grant permission to Siwelele Co-Operative to utilize the Cannon Rocks Tourism Facility, known as the Cannon Rocks Hospitality Project for a tourism resort.

-See **Annexure S.C 04**

Resolution NCM/10/2016 dated 31st of October 2016 emanated from the above report, which states as follows:

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STREET, PORT ALFRED**

- “1. THAT Siwelele Cooperative BE GRANTED authority to lease the facility for a period of 4 years 11 months as per Council Resolution.
2. THAT Resolution No. NCM029/08/2015 “That the contract term of the lease of Cannon Rocks Hospitality Project be 4 years 11 months with an option to renew” BE RESCINDED and amended”.

Discussion

It was however noted that the above resolution did not reflect the monthly rental chargeable as no valuation determining the market related rental was obtained as per the prescribed legislation which has made it impossible for the Estates Section of the Directorate Infrastructural Development to conclude the necessary Agreement of Lease.

Subsequently to the above, three (3) quotations in accordance with the 2017/2018 Supply Chain Management Policy were obtained and the lowest quotation accepted where after an appraisalment was submitted by John Muirhead & Associates

-See Annexure-S.C 04

According to the valuation, the property is in a spectacular condition. The valuator has submitted a comprehensive report which details the existing improvements on site.

According to the Directorate Financial Services, the municipality is paying an amount of R27 000.00 per month towards to security of the property. Leasing the property will free the Municipality from the expenditure currently incurred on maintenance and the security for the building.

RECOMMENDATIONS TO COUNCIL

- a) THAT it BE NOTED that the immovable asset has already been established and therefore Council does not expect that this property shall be required for purposes of providing basic municipal services.
- b) THAT it BE APPROVED that the Cannon Rocks Tourism Facility, known as the Cannon Rocks Hospitality Project, ± 1140 m² in extent, situated on Portion 0 of Erf 528 Cannon

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STREET, PORT ALFRED**

Rocks, in proximity to the east entrance of Cannon Rocks, as depicted on Locality Plan No. PTN 0 ERF 528/CANNON ROCKS, be leased to Siwelele Co-Operative for the purposes of operating and managing a Tourism Resort, subject to the following conditions:-

- i) The Lease is entered into from the date of signature by both parties for a period not exceeding 4 years 11 months, without an option to renew.
 - ii) The rental is R6 000.00/month as per the valuation dated 7th of August 2017, escalating at CPI rate per annum (to be determined by Directorate Financial Services).
 - iii) Any additional services to the property are borne by the lessee.
 - iv) The costs of the valuation are borne by the Co-operative.
 - v) The lessee is liable for the payment of all municipal services rendered.
 - vi) The lessee undertakes at their own cost to maintain the property.
 - vii) The monthly cost of the existing alarm system and monitoring/ security fees are payable by the Co-Operative.
 - viii) The Office of the Municipal Manager: LED section, monitors the operation of the facility
 - ix) The Co-Operative provides the Estates Section with a copy of their Certificate of Registration.
- c) THAT it BE APPROVED that the applicant first indicates in writing as to whether the conditions are accepted before the transaction is concluded.

SNCA009/07/2018
URGENT REPORTS BY THE MUNICIPAL MANAGER

**AGENDA OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON,
FRIDAY, 06 JULY 2018 AT 10H00 IN THE COUNCIL CHAMBERS, CAMPBELL
STREET, PORT ALFRED**

**SNCA010/07/2018
CLOSURE**

SPECIAL OPEN NDLAMBE COUNCIL MEETING

HELD ON FRIDAY, 06 JULY 2018

DISCLOSURE OF INTEREST BY COUNCILLORS
(SCHEDULE 1 OF MUNICIPAL SYSTEMS ACT)

ANNEXURE SC.01

NDLAMBE MUNICIPALITY



DECLARATION OF INTEREST BY COUNCILLOR

In accordance with Councillor's Code of Conduct Section 5(1)a, A Councillor must disclose to the Municipal Council or to any Committee of which that Councillor is a Member, any direct or indirect personal or private business interest that the Councillor or any Spouse, Partner or Business Associate of that Councillor may have in any matter before the Council or the Committee.

I, Councillor declare that I recuse myself during the discussion of the following items:

.....
.....
.....

And I will recuse myself on the abovementioned items.

Signed at: on this day of 2018

.....
Signature of Councillor

Witnesses:

1. Signature:

2. Signature:

SPECIAL OPEN NDLAMBE COUNCIL MEETING

HELD ON FRIDAY, 06 JULY 2018

**DISCLOSURE OF INTEREST BY MUNICIPAL
STAFF MEMBERS
(SCHEDULE 2 OF MUNICIPAL SYSTEMS ACT)**

ANNEXURE SC.02

NDLAMBE MUNICIPALITY



DECLARATION OF INTEREST BY STAFF

In accordance with Code of Conduct for Municipal Members under Section 4 Personal Gain
(1) a Staff Member of the Municipality may not:
b) take a decision on behalf of the Municipality concerning a matter in which that Staff Member's Spouse, Partner or Business Associate, has a direct or indirect personal or private business interest.

I, Identity Number

Staff Number employed by Ndlambe Council as

Hereby declare that I have an interest on the following items:

.....
.....
.....

And I will recuse myself on the abovementioned items.

Signed at: on this day of 2018

.....
Signature of Staff

Witnesses:

1. Signature:

2. Signature:

SPECIAL OPEN NDLAMBE COUNCIL MEETING

HELD ON FRIDAY, 06 JULY 2018

REPORT DATED 5 JULY 2018 FROM THE
MUNICIPAL MANAGER TO COUNCIL: APPROVAL
OF RESIDENTIAL AREAS FOR NATIONAL SOLAR
WATER HEATED GYSER ROLLOUT PROGRAM

ANNEXURE SC.03



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

DE 10

Private Bag X86; PRETORIA 0001, Matimona House, 152 C/o Visagie & Paul Kruger Street; PRETORIA, 0001
Enquiries: Ms Mokgadi Modisa; Tel: 012 406 7643; Email: Mokgadi.Modisa@energy.gov.za

Mr Rolly Dumezweni
Municipal Manager
Ndlambe Local Municipality
PO Box 13
PORT ALFRED
6170

Email: Tmagawu@ndlambe.co.za / rdumezweni@ndlambe.co.za
Tel: (046) 604 5566

Dear Mr Dumezweni,

RE: REQUEST TO SUBMIT OUTSTANDING APPROVED COUNCIL RESOLUTION ON THE IDENTIFIED RESIDENTIAL AREAS PROPOSED FOR SOLAR WATER HEATER INSTALLATION IN YOUR MUNICIPALITY

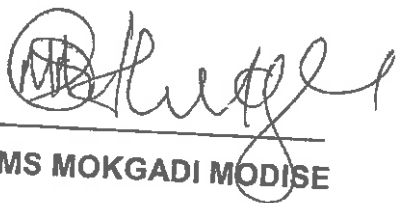
Pursuant to the approved Solar Water Heater allocation to your municipality, the Department has not yet received the approved Identified Residential Areas as proposed by the municipality with the support of a Council Resolution for implementation of the National Solar Water Heater programme. Subsequently, the municipality is expected to submit a list of beneficiaries in line with the approved allocations and the approved Designated Installation Area(s).

This request was also substantiated upon at the Solar Water Heater Programme Inception workshop held with municipalities held in Pretoria on the 31 May 2018. Should your municipality require guidance or assistance on how to address the outstanding submission in order to prevent any delay in commencing with preliminary activities such as Technical Feasibility Assessment and Social

Facilitation support services, please contact Mr Pheladi Masipa, Acting Project Manager: Renewable Energy Initiatives (REI) at Office telephone: (012) 406 7650 or Email: Pheladi.Masipa@energy.gov.za and copy Mokgadi.Modise@energy.gov.za and SWHAdmin@energy.gov.za . The SWH Team is also available to come and present the programme to the Executive or Council as soon as the date is confirmed.

It will be appreciated if the municipality can kindly cooperate and submit the outstanding information by Friday, 29 June 2018.

Sincerely,



MS MOKGADI MODISE
ADDG: CLEAN ENERGY
DATE: 18/06/2018

SPECIAL OPEN NDLAMBE COUNCIL MEETING

HELD ON FRIDAY, 06 JULY 2018

REPORT DATED 05 JULY 2018 FROM THE OFFICE
OF THE MUNICIPAL MANAGER TO COUNCIL:
GRANTING OF LONG TERM LEASE OF CANNON
ROCKS TOURISM FCILITY SITUATED ON
PORTION 0 OF ERF 528 CANNON ROCKS

ANNEXURE SC.04

**NDLAMBE
MUNICIPALITY
PORT ALFRED**



**NOTICE: GRANTING OF RIGHTS
TO USE, CONTROL OR MANAGE
MUNICIPAL ASSET- CANNON
ROCKS HOSPITALITY PROJECT**

Pursuant to the Local Government Municipal Finance Management Act, 2003 Municipal Asset Transfer Regulations, Ndlambe Local Municipality identified a legal entity in the form of Sawelele Cooperative to use, control and manage the Cannon Rocks Facility through a Long Term Lease contract of 4 years 11 months as per Council Resolution NCM29/08/2015.

The project consists of fully furnished five Chalets (each sleeping six), a conference facility (seats 70 - 100), Guard room, paved driveways, an office, laundry room and parking area.

The facility has been handed over to the Ndlambe Local Municipality, who is the owning agency. Ndlambe Local Municipality will appoint a management entity to run this facility.

On the 31 August 2015, the Council resolved on the Cannon Rock Hospitality Project, that:

- That authority **BE GRANTED** to commence with obtaining public input on entering into a long term contract for a service provider to undertake the management functions of the Cannon Rocks Hospitality Project on behalf of the Ndlambe Municipality.
- That the contract term for the lease of Cannon Rocks Hospitality Project be 4 years 11 months with an option to renew.
- That the renewal of contract after the term Council should consider the value of local context on marketing of the facility.
- That a detailed report informing the council on how the Cannon Rocks Hospitality Project is operating should be submitted.

For further information contact Ms Qawe Mampana on 046-604 5592.

Comments to the above must be kindly forwarded in writing to LED Office, 44 Campbell Street, PORT ALFRED, 6170, clearly marked "COMMENTS- CANNON ROCKS HOSPITALITY PROJECT" by no later than 30th September at 12h00, Friday, 2016.

NOTICE NUMBER: 115/2016

**R. DUMEZWENI
September 2016 MUNICIPAL MANAGER**

JOHN MUTRHEAD & ASSOCIATES. APPRAISERS.

P. O. BOX 534
PORT ALFRED
6170
TEL: 082 8006 596

johnphil@imaginet.co.za



I HAVE BEEN REQUESTED TO PLACE MONTHLY MARKET RENTAL AS WELL AS RENTAL TO A NON PROFIT ORGANIZATION ON THE CANNON ROCKS TOURISM FACILITY SITUATED ON PORTION OF ERF 528 CANNON ROCKS, NDLAMBE MUNICIPALITY.

SITUATION:

THE SUBJECT PROPERTY BEING SITUATED IN CLOSE PROXIMITY TO THE EAST ENTRANCE OF CANNON ROCKS.



IMPROVEMENTS:

EXTENT OF IMPROVEMENTS:

CONFERENCE CENTRE 190 SQ. M.

5 RESIDENTIAL COMPLEXES: 124 SQ. M. EACH. (TWO UNITS PER COMPLEX).

GATE HOUSE: 20 SQ. M.

IMPROVEMENTS INCLUDE THE FOLLOWING:

GATED ENTRY, GUARD HOUSE AND FACILITIES.

CONFERENCE AND DINING FACILITIES, OUTDOOR ENTERTAINMENT AREAS.

FIVE RESIDENTIAL UNITS, EACH HAVING TWO SELF CONTAINED FLAT LETS WITH OUTDOOR ENTERTAINMENT AREAS, CAR PORTS.

THE PROPERTY IS SECURED WITH A WALL AND PALISADE FENCING ALONG THE ROAD SIDE AND PALISADE FENCING ON ALL OTHER BOUNDARIES.

FURTHER IMPROVEMENTS BEING A LARGE AMOUNT OF PAVED AREAS.



CONFERENCE CENTRE.

KITCHEN.

CONFERENCE FACILITY.



ACCOMMODATION UNIT WITH TWO FLAT LETS AND CAR PORTS.

PREAMBLE:

THE SUBJECT PROPERTY BEING AN UPMARKET CONFERENCE CENTRE WITH FULL KITCHEN / DINING FACILITIES.

ACCOMMODATION BEING 10 FULLY SERVICED UNITS WITH CAR PORTS, OUTDOOR BRAAI FACILITIES AND SATELLITE TELEVISION.

NEW REPLACEMENT COST:

BUILDINGS: 830 SQ. M. X R8 000 = R6 640 000

BRICK PAVING: R1 103 000

BOUNDARY WALLS AND PALISADE FENCING: R522 000

TOTAL NEW REPLACEMENT COST: R8 265 000

DEMOLITION AND PROFESSIONAL FEES: R826 500

INFLATION: R826 500

**TOTAL NEW REPLACEMENT COST / INSURANCE VALUE/ COST: R9 918 000
RENTAL VALUE:**

**FAIR OPEN MONTHLY MARKET RENTAL SHOULD BE RELATED TO POSSIBLE INCOME
ACHIEVED FROM THE PROPERTY.**

IT IS NOTED THAT THERE ARE 10 RENTAL UNITS AVAILABLE:

SHOULD A RENTAL RATE OF R500 PER UNIT PER NIGHT BE APPLIED AS FOLLOWS.

R500 PER NIGHT FOR 30 DAYS PER UNIT=R15 000 INCOME PER UNIT PER MONTH

TOTAL INCOME TEN UNITS PER MONTH: R15 000 X 10 UNITS = R150 000.

**THE HOSPITALITY INDUSTRY CONSIDERS AN OCCUPANCY RATE OF 30% AS AT THE
PRESENT TIME.**

REAL ANTICIPATED MONTHLY RENTAL: 30% OF R150 000 = R45 000.

DUE TO THE REMOTENESS OF THE AREA AN OCCUPANCY RATE OF 20% IS UTILIZED.

**GROSS MONTHLY RENTAL INCOME FROM PROPERTY, EXCLUDING INCOME FROM
CONFERENCE CENTRE: R30 000.**



ENTERTAINMENT AREA.

CONFERENCE ROOM.

UNIT BEDROOM.



NORTH FACING ASPECT.

PARKING.

ROADSIDE.

FAIR OPEN MARKET RENTAL:

TAKING THE ABOVE INTO CONSIDERATION I PLACE FAIR OPEN MARKET RENTAL AT AN AMOUNT OF:

R6 000 PER MONTH, WITH THE TENANT BEING RESPONSIBLE FOR THE UPKEEP OF THE PROPERTY.

RENTAL FOR A NON PROFITABLE ORGANIZATION TO BE IN ACCORDANCE WITH AN AMOUNT OF R3 000 PER MONTH WITH THE TENANT BEING RESPONSIBLE FOR THE UPKEEP OF THE PROPERTY.

SIGNED AT PORT ALFRED THIS 7TH DAY OF AUGUST 2017.

JOHN MUIRHEAD B.Sc.
APPRAISER

ASSUMPTIONS AND LIMITING CONDITIONS

NEITHER ALL NOR ANY PART OF THIS REPORT SHALL BE CONVEYED TO THE PUBLIC OR ANYBODY OTHER THAN THE ADDRESSEE OR HIS PRINCIPALS THROUGH ADVERTISING, PUBLIC RELATIONS, NEWS SALES OR ANY OTHER MEDIA WITHOUT THE WRITTEN CONSENT OF THE AUTHOR.

THIS PARTICULARLY PERTAINS TO THE VALUATION CONCLUSION AND THE IDENTITY OF THE APPRAISER.

NO RESPONSIBILITY IS ASSUMED FOR MATTERS LEGAL IN NATURE.

INFORMATION PROVIDED BY PROPERTY OWNERS, PARTIES TO SALES AND OTHERS IS ASSUMED TO BE RELIABLE BUT ITS ACCURACY IS NOT GUARANTEED.

IT IS ASSUMED THAT THE TITLE TO THE PROPERTY IS MARKETABLE, THAT THE PROPERTY OTHER THAN WHERE STATED IN THIS REPORT IS FREE AND CLEAR OF ANY LIENS OR ENCUMBRANCES, AND THAT THERE ARE NO DEFECTS IN TITLE.

THIS APPRAISAL WAS MADE FOR THE PURPOSE STATED IN THIS APPRAISAL AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE.

THE VALUE ASSIGNED FOR THE LAND AND IMPROVEMENTS, WHERE IT IS APPLICABLE TO DO SO, IS THEIR RELATIONSHIP TO EACH OTHER AND SHOULD NOT BE USED SEPARATELY EXCEPT AS STATED.

IT IS ASSUMED THAT THE LEGAL DESCRIPTION OF THE PROPERTY AND THE AREA AS FURNISHED TO ME ARE CORRECT.

JOHN MUIRHEAD B.Sc.
APPRAISER

**ADDENDUM OF AN OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON
MONDAY, 31 OCTOBER 2016 AT 09H00 IN THE COUNCIL CHAMBERS,
CAMPBELL STREET, PORT ALFRED**

NCA037/10/2016

**REPORT DATED 27 OCTOBER 2016 FROM THE OFFICE OF THE MUNICIPAL
MANAGER TO COUNCIL: GRANTING OF LONG TERM LEASE OF CANNON ROCKS
TOURISM FACILITY TO SIWELELE COOPERATIVE**

BACKGROUND

In line with implementation of the National Tourism Plan and the Ndlambe Tourism Sector Plan in regards to development of Tourism Products and ensuring the participation of previously disadvantaged communities within the Tourism Sector, National Department of Tourism has built a Tourism Facility on behalf of Ndlambe Local Municipality to the cost of 23 million. The facility was opened and handed over to Ndlambe Local Municipality by the Honourable Deputy Minister of Tourism, Ms Thoko Xasa in April 2015.

DISCUSSION

MBB Consulting Services (EC), (MBB) was appointed by the National Department of Tourism (NDT) to implement the EC Ndlambe Tourism Project. The project is located at Cannon Rocks within Ndlambe Local Municipality (NLM) with the scope of the project consisting of the following:

- Construction of palisade fencing
- Construction of two new chalets converted into 4 fully furnished accommodation units.
- Renovating 3 existing houses into 6 fully furnished accommodation facilities
- Renovating and extending one existing house into a fully furnished conference facility (seats 70 people). The conference building also comprises of an office, laundry room, storage room and kitchenette together with a dining area seating 50 people
- Construction of new paved walkway and parking area
- Construction of new guard house and refuse room.

In 2014, the project was completed and handed over to Ndlambe Local Municipality, who is the current owning agency. Ndlambe has since nominated beneficiaries of the project, a local community cooperative, however the management and sustainability of the project remains a challenge due to issues like marketing, capacity of the beneficiaries in managing such a facility and financial resources. The municipality is currently responsible for well maintenance and security of the facility.

On the 31 August 2015, the Council resolved on the Cannon Rock Hospitality Project, that

- That authority **BE GRANTED** to commence with obtaining public input on entering into a long term contract for a service provider to undertake the management functions of the Cannon Rocks Hospitality Project on behalf of the Ndlambe Municipality.

**ADDENDUM OF AN OPEN NDLAMBE COUNCIL MEETING TO BE HELD ON
MONDAY, 31 OCTOBER 2016 AT 09H00 IN THE COUNCIL CHAMBERS,
CAMPBELL STREET, PORT ALFRED**

- That the contract term for the lease of Cannon Rocks Hospitality Project be 4 years 11 months with an option to renew.

An advert requesting comments on the Leasing of the facility at Cannon Rocks to Siwelele Cooperative as per the advert published on the Talk of the Town for 30 days, from the 30th August 2016 closing on the 30th September 2016.

By the 30th September 2016, the following THREE (3) responses were received:

1. Volo Wreck B&B
2. Ndlambe Tourism & Cultural Heritage Village Cooperative
3. Mr Hotels (Pty) Ltd

From the responses received, two did not comply with the brief as per the advert, instead of submitting comments on the proposed lease; they forwarded their company/organisational profiles and proposals reflecting their experience on the hospitality industry and what they can offer.

Only Ndlambe Tourism & Cultural Heritage Village Cooperative made comments on the granting of rights to use, control or manage Cannon Rocks Tourism Project. The claim being made by Ndlambe Tourism & Cultural Heritage Village Cooperative emanates from the funding that National Department of Tourism made available for the establishment of a Cultural Village. This initiative never got off the ground due to lack of a suitable place to build the Cultural Village.

After a number of years the department rolling over the funding, it gave the municipality an ultimatum to use the funding or else the funding would be withdrawn and directed to other areas where the department saw the compelling need.

After a sequence of meetings between the Municipality and the Department, an agreement was reached to revamp the Cannon Rocks Facility as a Tourism Resort. The Cultural Village concept would be considered when the issues relating to land suitability have been sorted out, Please find the Attached Copy of Advert sent out and Three (3) Responses received, as Annexure C.20

RECOMMENDATION TO COUNCIL

1. THAT Siwelele Cooperative BE GRANTED authority to lease the facility for a period of 4 years 11 months as per Council Resolution.
