



RB9.1.2/28-03-2019

2019/2020 DRAFT ANNUAL BUDGET

Draft Annual Budget Speech by the Executive Mayor:

“Dit is my voorreg, eer en as Uitvoerende Burgemeester my plig om ingevolge artikel 16 (2) van die Wet op Munisipale Finansiële Bestuur die 2019/2020 to 2021/2022 Medium Termyn Inkomste en Uitgawe Raamwerk ter tafel te lê.

Aangesien hierdie begroting die voorgestelde finansiële plan vir die volgende 3 jaar insluit, het dit natuurlik 'n impak op die gemeenskap as geheel en dit is dus uiters belangrik om die gemeenskap te raadpleeg om bewusheid te skep en om gesamentlike eienaarskap en verantwoordelikheid te ondersteun in die bestuur van die munisipaliteit se finansiële sake.

Die 2019/20-begrotingsoorsig beklemtoon dat, hoewel globale risikofaktore hoog bly, die wêreld ekonomie steeds 'n ondersteunende platform bied vir Suid-Afrika om handel en belegging uit te brei. Die ekonomiese groei in die wêreld is op sy hoogste sedert 2014 en hou steeds tred met die groei in bruto binnelandse produk (BBP) wat oor al die breë ekonomieë toeneem.

Suid-Afrika het 'n tydperk van uitgerekte swak ekonomie ervaar wat privaat belegging verminder. Dit kan toegeskryf word aan huishoudelike beperkinge, wat verband hou met politieke onsekerheid en dalende sake- en verbruikersvertroue. Die plaaslike ekonomie begin vroeg in 2017 herstel ná 'n kort resessie, maar die verbetering is onvoldoende. Die groei het stagneer op minder as 2% en die werkloosheid bly hoog op 26,7%. Die voorvereistes vir verhoogde inkomste en uitgebreide dienslewering is vinniger groei, belegging en werkskepping.

Die hoofrisiko's vir die ekonomiese vooruitsigte is voortgesette beleidsonsekerheid en agteruitgang in die finansies van staatsbesit. Die

droogte wat in verskeie provinsies ervaar word, bied groot risiko's vir landbou en toerisme vir die komende tydperk, en dit kan werk in hierdie sektore bedreig. Die huidige waterkrisis in die Wes-Kaap en ander provinsies sal ekonomiese groei beïnvloed. Terwyl die droogte se impak onduidelik is, hang baie af van hoe lank dit sal heers, die mate waarin spesifieke opvanggebiede geraak word, en die sukses van versagtende maatreëls.

Hierdie ekonomiese uitdagings sal voortgaan om druk uit te oefen op munisipale inkomste- en invorderingsvlakke. Daarom word 'n konserwatiewe benadering aangeraai vir inkomsteprojektsies. Munisipaliteite wat deur die droogte geraak word, moet ook die impak daarvan op inkomste voortbrenging oorweeg. Daarbenewens sal munisipaliteite hul pogings moet verbeter om nie-prioriteitsbesteding te beperk en streng maatreëls vir kostebepanking te implementeer.

Cederberg Munisipaliteit is geensins immuun teen die harde ekonomiese realiteite nie. Cederberg Munisipaliteit, soos soveel ander munisipaliteite in Suid-Afrika, word gekonfronteer met verskeie uitdagings wanneer gehalte basiese dienste gelewer moet word op die finansiële en administratiewe vermoëns van die munisipaliteit. Hierdie uitdagings sluit in, maar is nie beperk tot die volgende nie:

- Verouderde infrastruktuur as een van die grootste bedreigings vir volhoubare dienslewering;
- Bevolkingsgroei plaas druk op die munisipale infrastruktuur om aan dienslewering behoeftes te voldoen;
- Behuisingsagterstande;
- Armoede in die munisipale gebied en die vermoë om vir basiese dienste te betaal; en
- Uitputting van kontantreserwes

Die BBP-groeikoers word in 2019 op 1,5% voorspel en 2,1% in 2021. Swak ekonomiese prestasie en oorblywende probleme in belastingadministrasie het groot inkomste tekorte tot gevolg gehad

Die verslegtende finansiële posisie van staatsbeheerde maatskappye het addisionele druk op die openbare finansies geplaas. In die lig van hierdie oorwegings is die begrotingsprioriteite van 2019 die volgende:

Beperk die begrotingstekort.

Ondersteun herstrukturering van die elektrisiteitsektor.
Hernu ekonomiese groei deur private beleggings te versterk.
Verbetering in die beplanning en implementering van
infrastruktuurprojekte.

Die Cederberg-gebied se hoofbron van inkomste en werksgeleentheid is van landbou. Met die huidige droogte wat ons in die gesig staar en die Clanwilliam-damvlakke onder 50% is, is daar 'n risiko dat werkloosheidsyfers gedurende hierdie droogtydperk kan styg.

Bestuur binne plaaslike regering speel 'n belangrike rol in die versterking van die skakel tussen die inwoner en die owerheid se oorhoofse prioriteite en bestedingsplanne. Die doel moet wees om dienslewering te verbeter wat daarop gemik is om die lewensgehalte vir alle mense binne die Cederberg-streek te verbeter.

Begroting handel hoofsaaklik oor die keuses wat die munisipaliteit moet maak tussen mededingende prioriteite en fiskale realiteite. Die uitdaging is om meer te doen met die beskikbare hulpbronne. Ons moet gefokus bly op die effektiewe lewering van die kern munisipale dienste deur die toepassing van doeltreffende en effektiewe diensleweringsmeganismes.

Die toepassing van gesonde finansiële bestuursbeginsels vir die samestelling van die munisipaliteit se finansiële plan is noodsaaklik en krities om te verseker dat die munisipaliteit finansiëel lewensvatbaar bly en dat munisipale dienste volhoubaar, ekonomies en billik aan alle gemeenskappe voorsien word.

Die Munisipale Begrotings en Verslagdoenings regulasies skryf 'n nuwe formaat en inhoud van die jaarlikse begroting en ondersteunende dokumentasie voor. Hierdie regulasies het op 1 Julie 2009 in werking getree. Die jaarlikse begroting moet aan die raad voorgelê word in ooreenstemming met hierdie nuwe regulasies tesame met MFMA sirkuleer 94 en aankope planne vir transaksies bo R 30 duisend.

Die saamgestelde jaarlikse begroting kan soos volg opgesom word.

Buitengewone Provinsiale Koerant nr 8058 gedateer 05 Maart 2019

- Finansiële Bestuur Ondersteuningstoekenning van R480 duisend
- Finansiële Bestuurs kapasiteitsbou toekenning van R380 duisend
- Menslike nedersettingsontwikkelingstoekenning van R12.8 miljoen
- Vervangingsbefondsing vir Biblioteke van R4.6miljoen
- Paaie ondersteuningstoekenning R 69 duisend

Staats Koerant nr 42217 gedateer 08 Februarie 2019

- Equitable Share van R49.2 miljoen
- Finansiële bestuur toekenning van R 2 miljoen
- Munisipale Infrastruktuur toekenning van R15,6 miljoen
- Waterdiens Infrastruktuur toekenning van R30 miljoen
- Geïntegreerde Nasionale Elektrifiseringsprogram van R 9.6 miljoen
- Uitgebreide publieke werke Program van R 1.9 miljoen,

Die inkomste begroting het in totaal gestyg met R22.7 miljoen (7.3%) en kan as volg opgesom word:

- Eiendomsbelasting R46.9 miljoen
- Diensteheffings R150.8 miljoen
- Rente verdien uitstaande Debiteure R3.7 miljoen
- Verkeers Boetes R20.9 miljoen in terme van iGRAP1
- Verkeers Agentskapdienste R3.3 miljoen

Die Uitgawe begroting het in totaal gestyg met R22.4 miljoen (7.5%) en kan as volg opgesom word:

- Werknemersverwante koste R118.5 miljoen
- Finansieringskoste R8.4 miljoen
- Grootmaat elektrisiteit en water aankope R 82.3 miljoen
- Gekontrakteerde dienste R16.2 miljoen
- Die munisipaliteit is genoodsaak om vir die eerste keer brandweerfunksies te begroot vir R 2.6 miljoen .
- Groot fokus in die begroting is om roetine herstelwerk asook om aan wetgewing te voldoen in terme van vullisverwydering.

Top Tien Projekte bedrae sonder BTW

1. WSIG: Citrusdal Riool Suiwerings netwerk: R 20 miljoen
 2. Opgradering van Grootmaat Water en Riool Voorsiening (Behuising) – Lambertsbaai: R 17.8 miljoen
 3. Water Dienste Infrastruktuur Skenking: R 10 miljoen
 4. Opgradering van Paaie en Stormwater Infrastruktuur: Citrusdal: R 9.7 miljoen
 5. Geïntegreerde Nasionale Elektrifiseringsprogram: R 9.6 miljoen
 6. Busroete Lambertsbaai- R 3.1 miljoen
 7. Voltooiing van Clanwillam Sportveld : R 3 miljoen
 8. Nuwe vloot voertuie : R 3 miljoen
-

Tariewe

Tariewe is in lyn soos voorgeskryf in MFMA sirukleer 94 gedateer 08 Maart 2019

Eiendomsbelasting verhoog met 6%.Die raad gaan ook nie op die eerste R 50 000 van die waarde van die eiendom geen belasting hef nie.Belasting korting is ook in gebring vir pensionarisse op n glyskaal.

Water tariewe verhoog met 6%

Elektrisiteit tariewe in konsep behorting verhoog met 11.2% in lyn met riglyne van SALGA aangesien geen NERSA kommunikasie beskikbaar was met die opstel van die konsep begroting.Die Munisipaliteit het op 27 Maart 2019 kommunikasie ontvang dat die verhoging vir verbruikers 13.87% en vir munisipaliteite 15.63% onderskeidelik gaan wees.

Vullisverwydering verhoog met 6% op basies heffings en 15% vir die fisiese diensgelwer in lyn met lewensvatvaarheid studie wat gedoen is om die koste van die streeks stortingsterein te dek.

Riooldienste verhoog met 6%

Vakansieoorde en algemene tariewe verhoog met 6%

Deernis kliente

Die armes van die armes kry die volgende gratis dienste vanaf die munisipaliteit.

50 eenhede gratis Elektrisiteit

6 Kiloliter gratis Water

40% afslag op Eiendomsbelasting asook vrystelling van waarde tot op R 50 000.

100% afslag op Riool

Vullisverwyderings word die basiese heffings vrygestel.

Een van die belangrikste funksies van politieke leierskap en strategiese bestuur is om bykomende fondse te verkry deur proaktiewe beplanning van projekte en die indien van sakeplan aan provinsiale en nasionale regeringsdepartemente. Die administrasie is positief dat hulle die kapitaalbegroting kan spandeer op die broodnodige kapitaalprojekte om die lewensgehalte van ons inwoners te verbeter. My span en ek wil graag vir elke inwoner van Cederberg verseker dat ons onvermoeid sal werk om dorpe van uitnemendheid vir almal te skep met die fondse wat aan ons toevertrou is.

Dankie vir elke raadslid wat die begroting inset sessies bygewoon het. Die administrasie gaan datums kommunikeer aan die raad vir die finale insette op die konsep begroting sodat die dokumente en beleide gewerkswinkel kan word voor die finale goedkeuring van die begroting einde Mei.

Geagte Speaker in die item wat voor die Raad dien en die aanbevelings soos uiteengesit in die jaarlikse begrotings item, lê ek hiermee formeel die aanbevelings aan die Raad voor vir, oorweging en goedkeuring van die konsep jaarlikse begroting 2019/2020 tot 2021/2022 vir die publiek se insette in terme van Seksie 21A van die Munisipale Stelsel Wet 2000 (Wet 32 van 2000).'

RESOLVED:

1. Council approves the draft annual budget Report APPENDIX A.
2. Council approves the draft annual budget tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX B.

3. Council approves the draft annual budget supporting tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX C.
4. Council approves the Quality Certificate signed by the Accounting Officer, as set out in APPENDIX D.
5. Council approves the revised budget related policies, as set out in APPENDIX E.
 - Absenteeism and Desertion Policy
 - Accounting Policy to the AFS
 - Asset Management Policy
 - Borrowing Policy
 - Budget Policy
 - Cash Management Policy
 - Cederberg Risk Management Policy Annex A - rating scales amended
 - Code of Ethics Policy
 - Consumer Service Charter - Cederberg LM
 - Customer Care Improvement Policy
 - Customer Care, Credit Control and Debt Collection Policy
 - Drought Communication Strategy
 - E3-Sexual Harassment policy
 - Education Training and Development Policy
 - Employment Equity Policy
 - Enterprise Risk Management Policy
 - Enterprise Risk Management Strategy
 - Finance Management Internship Policy
 - Fleet Management Policy
 - Fleet Pol. 1 Trip Authorisation - Outside Cederberg

- Fleet Pol. 2 - After Hours Usage authority
- Fleet Pol. 3 - Monthly inspection register
- Fleet Pol. 4 Accident report form
- Fleet Pol. 5- Motor Claim Form
- Fleet Pol. 6 - Log sheet
- Fleet Pol. 7 - Pre - Trip Inspections
- Fleet Pol. 8 Trip Authorisation form - Pool Vehicles
- Fleet Pol. 9 Logstate inhandig
- Fraud and Corruption Prevention Policy
- Fraud and Corruption Prevention Strategy

- Free Basic Energy Policy Guidelines
- Funding and Reserves Policy
- HIV AND AIDS Workplace Policy
- ICT Data Backup and Recovery Policy
- ICT Municipal Corporate Governance of ICT - Cederberg
- ICT Operating System Security Controls Policy
- ICT Security Controls Policy
- ICT User Access Management Policy
- ICT Strategy Implementation Plan

- IGR Policy
- Indigent Support Policy
- Insurance Management Policy
- Investment Policy
- Kollektiewe ooreenkoms rakende Dissiplinere Prosedure
- Long-Term Financial Plan Policy
- Out of Pocket Expenses Policy
- Overtime & Standby Policy
- Performance Management Framework Policy
- Petty Cash Policy
- Property Rates Policy
- Records Management Policy
- Revenue Enhancement Policy
- Risk and Ethics Management Committee Terms of Reference
- Risk assessment Methodology
- Risk Management Committee Charter
- Risk Management Policy
- Risk Management Risk Appetite Framework
- Risk Management Strategy
- Social Media

- Special Rating Areas Policy
- Study Bursary Policy
- Substance Abuse Policy
- Supply Chain Management Policy - Cederberg Municipality 2018
 - Annexure A: General principles governing the municipality in its interaction with bidders
 - Annexure B: Criteria to Evaluate Technical and Financial Ability
 - Annexure C: The Code of Conduct for Supply Chain Management Practitioners and Other Role Players
 - Annexure D: National Small Business Amendment Act, 2003 - Schedule
 - Annexure E: Delegations for Supply Chain management Policy
- Tariff Policy
- Travel and Subsistence Allowances Policy
- Virement Policy - MSCOA compliant
- Watermeter Vervangings Beleid
- Whistle Blowing Policy
- Write-Off Policy

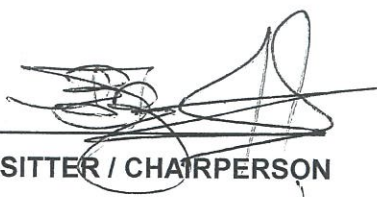
6. Council approves the property rates and charges on properties, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX F.

7. That council approves the Procurement Plans & Budget Locking certificate, as set out in APPENDIX H & I

8. The Draft Budget for the period 2019/2020 is made available to the public for comment.

Proposed: Cllr. R Pretorius

Seconded: Cllr. F Sokuyeka

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned above a horizontal line.

VOORSITTER / CHAIRPERSON

28-03-2019

DATUM / DATE



CEDERBERG
Cederberg Municipality

INCENTIVES FOR BUSINESSES – CEDERBERG MUNICIPALITY

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1. Incentive policy preamble

This incentive policy represents Cederberg Municipality's intent with respect to the offering and management of incentives as an additional tool for attracting and securing lucrative and sustainable investments in certain geographical areas and the greater Cederberg in general. Investment incentives are inducements offered to investors to encourage them to invest within a particular area.

~~Investment incentives can serve as useful signaling devices that sought to maintain or change the perception of a location as an attractive investment destination. However, focus should not be removed from the provision of excellent services by all municipal Directorates as a means to attract investors.~~

The key feature of this policy is to provide a pre-approved incentive list and associated administrative procedures relating to the application for and uptake of these incentives. The aim is to speed-up the investors' negotiation process and as such increase Cederberg's competitiveness within the investment market. This is a rules-based incentive scheme, with a transparent policy that provides set guidelines.

This policy intrinsically recognises that the investment situation is subject to continuous change and hence the policy will have to be revisited annually.

This policy focuses on supporting new investments on the basis of their potential future contribution to economic growth within the municipal area. This policy should not be utilised as loophole or precedent for cash poor developers to circumvent standard municipal charges such as Capital Contributions and service charges.

2. Legislative and Policy Framework

The development of this policy is guided by the following legislation as amended and policy prescripts:

- The Constitution of Republic of South Africa (Act No. 108 of 1996).
- The Public Finance Management Act (PFMA, 1999).
- Municipal Finance Management Act (MFMA, 2003).
- Property Rates Act (Act No. 6 of 2004).
- The Municipal Systems Act (Systems Act, 2000).

- National Development Plan 2011.
 - Cederberg Municipality Tariff Policy.
 - Cederberg Municipality Rates Policy.
 - Cederberg Municipality Integrated Tourism Strategy 2013.
 - Cederberg Municipality Municipality Annual Tariff List (as published).
 - Cederberg Municipality Integrated Development Plan (IDP) 2012 – 2017.
 - Cederberg Municipality ordinances and by-laws.
-

3. Purpose, intent and objective of incentive policy

It is the purpose, intent and objective of this policy to:

- Attract lucrative additional sustainable industrial, commercial or service-related investments into Cederberg thus generating employment opportunities and providing backward and forward linkages among industries within the region;
- Provide the necessary principles, processes, approval procedure, roles and responsibilities to enable a professional, consistent and transparent incentive management dispensation;
- Specify the qualification criteria that investors would have to comply with in order to be considered for incentives;
- Facilitate the transformation of specific geographical areas within the municipal area into highly developed commercial, tourist, investment and financial centres of the region.

4. Principles Underlying the Policy

4.1 Affordability

The introduction of an incentive should not create a cost to the municipality and the income forgone should not have a severe effect on the revenue stream of the municipality.

4.2 Transparency and Uniformity

The granting of an investment incentive will be done according to a set of predetermined criteria and information on the actual granted incentive will be open for public knowledge.

4.3 Targeted geographical areas and specific criteria

The investment incentive will specifically target certain areas but will also be open if certain criteria are met to all businesses. The aim is to attract and/or push specific investment into areas where it fits with the long term spatial planning for the municipal area.

4.4 Simplicity and continuity

The structure and administration of the investment incentive has to be easily understandable and should not require a complex administration so as to minimise staff and financial impacts. This will ensure quick turnaround times for applications.

5. Investment context

At present no single Directorate can negotiate or facilitate incentive packages that could entice or influence the decision to the benefit of the town.

In order to attract and streamline investor support, it has become imperative to have a municipal policy to ensure that this pre-application incentive process can be managed in a professional and constructive manner expeditiously within an incentive approval procedure and policy.

It is important to also consider newly identified growth nodes and corridors with the view to incentivise and thus speed up the move towards a transformed, inclusive spatial economy.

6. Types of incentives

There are different types of incentives that may be offered from time to time. The incentives are divided into two main categories namely, administrative related, and rates and service-charges related. These types of incentives will be available in different combinations across the different incentive categories and areas.

6.1 Administrative related

This type of incentive relates to discounts or rebates on fees required during the development approval process such as building plan approval costs. There are also some non-monetary benefits that could be classified here such as prioritised treatment of application processes.

6.2 Rates and charges related

A business can apply for discounts on taxes and service charges which are aimed at lowering startup costs. This can for example be achieved via discounts for service payments or phased payments/discount of capital contributions.

7. Incentive Management Principles

It is acknowledged that the investment environment is dynamic and the considerations and governance is therefore essentially in a “continuous” state of flux. The following principles are the main drivers for the relevant procedures:

7.1 Service-orientated approach

The incentive scheme is dependent on a service-orientated marketing approach. The first impression that new investors get from Cederberg Municipality is largely based on the service they receive when requesting information. A service-orientated approach is mandatory to attract investments. It is furthermore important to have an approved procedure within which negotiations can proceed in a short time to ensure a proper response time to investors. It is proposed that different incentive schemes and criteria be applicable depending on the type of organisation and the geographical area. Approvals should be completed within 14 days of receiving all the applicable documentation.

7.2 Central Business District

This incentive scheme is applicable to new investments in Central Business District. Cederberg Municipality has identified the central business districts as the geographical areas in which development should be incentivised. The Clanwilliam, Citrusdal, Lambert’s Bay Eland’s Bay cbd’s, as well as the broader Cederberg mountain area have been specifically identified as major tourism attractions.. Most of the CBD’s are already developed and businesses located in the CBD would most likely be in established buildings where building plans and capital contributions are not applicable. The business/organisation will also in most instances be the tenant and not the property owner so any incentive offered should benefit the tenant. The incentives on offer as per this policy will be limited to new investments in Cederberg.

The following specific businesses/organisations will qualify for incentives in the CBD:

- Professional consulting firms such as medical practices, accounting firms, legal firms, architects etc.
- Coffee shops and restaurants
- Fresh produce markets
- Book stores
- Delicatessens
- Pet shops
- Antiques and designer furniture shops
- Art and craft shops
- Art galleries
- Photography shops
- Guest houses and B&B's
- Banks
- Florists
- Pharmacists
- Information Technology

7.3 Industrial Development

Erf 168 in Lambert's Bay has been identified as an area which specifically should be

developed. Lambert's Bay in general is a favourable investment destination, as the town possesses all the required bulk infrastructure. Investments linked to Operation Phakisa, the "Gaza" development and other residential development are particularly supported, and the following criteria and incentives are suggested:

- New investment and not relocation from one area to another
- At least ten direct permanent job opportunities excluding manager on payroll within two years of establishment
- Development desirable in terms of spatial development framework and precinct plans if applicable

Other areas and businesses/organisations may be added in future to include newly identified growth nodes and corridors. The availability of bulk services will have to be considered when considering and approving incentives.

Clanwilliam	Citrusdal	Lambert's Bay	Eland's Bay	Graafwater
Truck stop	Industrial Development	Industries linked to Operation Phakisa	Tourism development linked to economic corridor	Agriculture and Rooibos-linked businesses
Agriculture and Rooibos-linked businesses	Mall development?	Gaza Development	Service station	Tourism and related businesses
		Residential development	Truck stop	

7.4 Desirable Developments

The incentive is applicable to Desirable Developments in Cederberg. Furthermore, the following developments have been identified as desirable in Cederberg and every effort must be made to make incentives as attractive as possible in order to attract such businesses:

- Call Centre
- Conference Centre (at least 1 in region)
- Film studio (Graafwater, Cederberg Mountain area)
- Education and Skills Facilities
- Scientific research centre or laboratories
- Recycling initiatives

Cederberg would like to attract a Call Centre as this creates jobs and there is no existing Centre in Cederberg. There is also a need for a Conference Centre as this creates jobs and brings feet to Cederberg. Cederberg's close location to the world-famous Cederberg Mountain range, scenic beauty, climate and ample accommodation make it an ideal location for a film studio..

Furthermore, a film studio would also be a great asset to Cederberg especially in terms of marketing and tourism. An Education and Skills Centre as well as a Scientific Research Centre and laboratories are also considered desirable to promote economic development and job opportunities in Cederberg.

The following criteria are proposed for each of these developments:

Create at least ten permanent direct job opportunities excluding manager on payroll within two years of establishment.

Can be located anywhere in the municipal area of Clanwilliam in line with planning policies of Council and the spatial development framework. The availability of bulk services will have to be taken into consideration when considering and approving incentives.

8. Incentive Management Procedures

8.1 Maintenance of this incentive policy

- The incentive policy shall be reviewed at least annually to coincide with the budget approval cycle.
- The Council can approve changes to the policy from time to time bearing in mind that tariffs cannot be adjusted or amended during a financial year.
- Incentives on tariffs will be approved annually by Council.
- Updated approved incentive qualifier conditions shall be maintained on the municipal website.

8.2 Investments evaluation

- A single point of contact e.g. an investors' service desk is a pre-requisite for success. This desk will be based in the Office of the Municipal Manager – Strategic Services Unit.
- Applications for incentives must be lodged in the planning phase of a development and well before construction commences. This serves to ensure contact with the investor at an early stage of a development and will aid officials in ensuring sufficient time to assess the desirability and feasibility of proposed developments.
- The approval procedure needs to be accompanied with clear indication as to

the location of the development.

- It must also be specified that organisations/businesses and developments which have not followed correct procedures and processes in terms of building plan approvals and land use processes etc. will not qualify for any incentives.
- Investments shall firstly be screened against the set criteria to evaluate whether minimum participation criteria are met (geographical and other criteria) by the responsible official in the office of the Municipal Manager.
- If minimum criteria are not met, applicants will be informed of none compliance and discussions may be entered into around adjustments to scope which could ensure further consideration.
- Negotiations shall proceed within the incentive approval procedure if the qualification criteria (minimum and geographical, if applicable) are met.
- Only the officially approved policy shall be used to establish the economic contribution of an investment.
- An evaluation report shall be completed together with a draft incentive contract by the responsible official.

8.3 Approval procedure

An ad-hoc committee on incentives consisting of the Executive Mayor, Chief Financial Officer, Director: Integrated Development Services, Municipal Manager, Head: Legal Services, Manager: Manager: Strategic Services and 1 Councillor from the Mayoral Committee (Finance, Economic Development, Planning and Technical Services) will evaluate the report from the responsible official.

The committee will consider whether the application meets all minimum qualifying criteria and is recommended by the respective official. Factors which must be considered include:

- The investment qualifies for incentive management.
- The economic contribution of the investment is positive.

- The economic contribution is sustainable.
- The criteria of the policy are complied with.

If the committee is satisfied that the application complies with the above criteria and the incentive policy, a recommendation will be made to the Municipal Manager.

The Municipal Manager will consider the recommendation of the ad hoc committee and approve the incentive if it complies with the policy.

The final incentive contract, signed by the Municipal Manager, shall become the legal binding agreement between Cederberg Municipality and the investor. The Cederberg Municipality incentive approvals shall be in accordance with the applicable delegated authorities determined from time to time. Approvals should be completed within 14 days of receiving all the applicable documentation.

The following conditions require approval from Council:

- Large-scale projects, outside of the policy framework and criteria, which will require special assistance or is of special importance to the development of the economy.
- Any recommendations or contracting outside the policy criteria on geographical location
- Where recommended or requested incentives are outside of the parameters set in this policy
- Annual or ad hoc changes to the incentive policy
- Annual approval of incentives

The responsible official shall maintain a documented audit trail of adherence to the approval procedure, and shall report to Council on each new investment incentive approved/ not approved on a bi-annual basis.

8.4 Implementation of approvals

The respective Directorates shall implement the contracted incentives. The contract conditions shall be monitored for adherence by the Strategic Services Unit.

Adjustments to the incentives shall be initiated for implementation or renegotiations where contract conditions are not met by the investor.

8.5 Incentives may only be allocated within this approved policy

The ad-hoc committee needs to have a clear set of guidelines in terms of this policy to eliminate discretionary decision-making. In the event that criteria for incentives are not met, the ad-hoc committee may refer the matter to Council if they are of the opinion that the development could be advantageous to Cederberg.

The policy gives mandated authority to responsible officials according to pre-determined conditions for authorising incentive negotiations and recommendations. This is necessary to speed-up the negotiation and approval process to ensure the best chance of obtaining lucrative investments for Cederberg.

The incentives which will apply will be approved annually in Council's tariff policy.

Implication

- The delegation to the Municipal Manager needs to be clear and pre-approved by Council
- The normal Cederberg Municipality approval processes shall be applicable once an investment does not conform to the requirements stipulated in this policy.

9 Roles and responsibilities

This policy gives the broad roles and responsibilities for each Directorate/Section. Each of these shall develop and maintain its own internal procedures as necessary to support this policy.

The Directorates/Sections have the following main roles and responsibilities:

9.1 Finance & Corporate Services

9.1.1 To assist with investors' negotiation processes where appropriate.

9.1.2 To assist in development, structure and cost of appropriate incentives.

9.2 Local Economic Development / Strategic Services

9.2.1 Secretariat role for major negotiations led by ad-hoc team.

9.2.2 Marketing of this policy.

9.2.3 Solicit CBD investment as well as desirable development.

9.3 Integrated Development Services

9.3.1 Develop and maintain healthy relationships with investors (service orientation).

9.3.2 To implement and maintain this policy.

9.3.3 To facilitate all commercial incentive programme negotiations within the approval procedure.

9.3.4 To facilitate special incentive negotiations outside the approval procedure.

9.3.5 To assist with negotiation process where appropriate.

9.3.6 To assist with discounts on Capital Contributions (in consultation with Technical Services and Financial Services) and building plans.

9.3.7 To do annual reporting on incentive policy and investors' performance

9.3.8 To evaluate continuously the added value of this incentive policy

9.3.9 To monitor and manage investor compliance with the agreement in conjunction with LED.

10 **Commencement**

This policy will be implemented as of

Annexure A: Incentives

Central Business District

The following incentives are proposed:

- 50% discount on building plan fees
- 50% discount on Capital Contributions with the balance to be paid over two years
- One-part pre-payment electricity tariff for new businesses locating in the above geographical area up to 60 amps indefinitely. In the case of connections exceeding 60 amps, the consumer will be refunded 50% of the transformer costs after a period of one year provided that the electricity consumption for the installation is not less than 1000kwh/month or 12000kwh/annum
- Commercial refuse tariff up to a maximum of three refuse bags indefinitely

Industrial Developments

The following incentives are proposed:

- 50% discount on building plans
- 50% discount on Capital Contributions and the balance to be paid over two years
- One-part electricity tariff up to 60 amps indefinitely. In the case of connections exceeding 60 amps, the consumer will be refunded 50% of the transformer costs after a period of one year provided that the electricity consumption for the installation is not less than 1000kwh/month or 12000kwh/annum
- Commercial refuse tariff up to a maximum of three refuse bags indefinitely
- No sewerage service charges to be levied for the first year

Desirable Developments

The following incentives are proposed:

- 50% discount on building plans
- 25% discount on Capital Contributions and the balance to be paid over two years

- One-part electricity tariff up to 60 amps indefinitely. In the case of connections exceeding 60 amps, the consumer will be refunded 50% of the transformer costs after a period of one year provided that the electricity consumption for the installation is not less than 1000kwh/month or 12000kwh/annum.
- Commercial refuse tariff up to a maximum of three refuse bags indefinitely
- No sewerage service charges to be levied for the first year.