

# COMMENTS ON PROPERTY RELATED REPORTS

ITEM C-CORP (18-2010)  
CORP 12/01/2010

**POLICY PROCEDURE: REQUIREMENTS TO PROVIDE  
COMMENTS ON PROPERTY RELATED REPORTS  
WITHIN TWENTY ONE (21) WORKING DAYS**

## RESOLVED

1. **That** the contents of the report to set a policy procedure for all departments to provide comments on property related reports within a period of twenty one (21) working days, **BE NOTED**.
2. **That** it **BE NOTED** that disposal and leasing of municipal properties is affected by the poor responses from the departments as shown on **Annexure A** attached to the report.
3. **That** it **BE FURTHER NOTED** a workshop to assist departments on the implementation of the Asset Transfer Regulations took place on 13 May 2009 and 120 departmental representatives attended.
4. **That** it **BE ACCEPTED** as a requirement for all departments to **provide** comments on all property related reports within a period of **21 working days** from the date of the request to allow Council to make informed decisions in compliance with the Asset Transfer Regulations.
5. **That** the requirement to provide comments within 21 working days **BE COMPLIED WITH** by all departments without exception.
6. **That** should **no comments** be received from the departments listed hereunder after the expiry of the 21 days period it **BE ACCEPTED** that they have no need for the specific property to render basic municipal services in terms of Section 14(2) of the MFMA and therefore fully support the disposal or leasing of such property. These departments are:
  - Information and Communication Technology (ICT)
  - Health and Social Development
  - Human Resources Management & Development (HRM & D)
  - Directorate for Integrated Development Plan (IDP)
  - Directorate for Internal Audit
  - Directorate for Marketing and Communication
7. **That** should **no comments** be received from the departments listed hereunder after the expiry of the 21 days period such reports **BE SUBMITTED** to Council and relevant Executive Director/General Manager to provide reasons on non-compliance to policy directive. These departments are:
  - Infrastructure Services Department (Water, Sewer, Roads & Stormwater)
  - Electricity and Energy
  - City Development
  - Environmental Development

- Finance
- Housing
- Sport, Recreation, Arts and Culture (SRAC)
- Economic Development

8. **That** the City Manager or nominee oversee compliance with the above and **BE AUTHORISED** to take necessary corrective actions if necessary.

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## REPORT

**EKURHULENI METROPOLITAN MUNICIPALITY**  
**CORPORATE SERVICES AND CITY PLANNING PORTFOLIO COMMITTEE**  
**MEETING**  
**2010.01.12**  
**ITEM C–CORP (18-2010)**

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**POLICY PROCEDURE: REQUIREMENTS TO PROVIDE COMMENTS ON PROPERTY RELATED REPORTS WITHIN TWENTY ONE (21) WORKING DAYS**

**PURPOSE**

To set a policy procedure for all departments to provide comments on property related reports within a period of twenty one (21) working days.

**RECOMMENDATION:**

1. **That** the report to set a policy procedure for all departments to provide comments on property related reports within a period of twenty one (21) working days **BE NOTED**.
2. **That** it **BE NOTED** that disposal and leasing of municipal properties is affected by the poor responses from the departments as shown on **Annexure** attached to the report.
3. **That** it **BE FURTHER NOTED** a workshop to assist departments on the implementation of the Asset Transfer Regulations took place on 13 May 2009 and 120 departmental representatives attended.
4. **That** it **BE ACCEPTED** as a requirement for all departments **to provide** comments on all property related reports within a period of **21 working days** from the date of the request to allow Council to make informed decisions in compliance with the Asset Transfer Regulations.
5. **That** the requirement to provide comments within 21 working days **BE COMPLIED** with by all departments without exception.
6. **That** should no comments be received from the departments listed hereunder after the expiry of the 21 days period it **BE ACCEPTED** that they have no need for the specific property to render basic municipal services in

terms of Section 14(2) of the MFMA and therefore fully support the disposal or leasing of such property. These are:

- Information and Communication Technology (ICT)
- Health and Social Development
- Human Resources Management & Development (HRM & D)
- Directorate for Integrated Development Plan (IDP)
- Directorate for Internal Audit
- Directorate for Marketing and Communication

7. That should **no comments** be received from the departments listed hereunder after the expiry of the 21 days period such reports **BE SUBMITTED** to Council and relevant Executive Director/General Manager to provide reasons on non-compliance to policy directive. These are:

- Infrastructure Services department (Water, Sewer, Roads & Stormwater)
- Electricity and Energy
- City Development
- Environmental Development
- Finance
- Housing
- Sports Recreation Arts and Culture (SRAC)
- Economic Development

8. That the City Manager or nominee oversee compliance with the above and **BE AUTHORISED** to take necessary corrective actions if necessary.

## MOTIVATION

The processing of applications for leasing and alienation of municipal properties is a key focus area of the Legal and Administrative Services Department. The department had also made commitment in the service charter to timeously process all applications received. On a quarterly basis, the Department is expected to report on applications received and processed as part of the Service Delivery and Budget Implementation Plan (SDBIP). As part of the process, all departments are expected to provide comments on applications based on the operations of such departments taking into account the long-term strategies and plans of the EMM. The departmental comments enable Council to make determination in instances where:

- (i) A specific asset (property) which is a subject of application is required for rendering a basic municipal service. In terms of Section 14(2)(1) of the MFMA such properties cannot be sold or disposed.
- (ii) A specific asset (property) is not developable due to soil conditions therefore not prudent to alienate.

Therefore, solicitation of comments is a requirement that cannot be avoided or ignored.

Presently in the EMM, on average, it takes about **15 months** to receive complete set of comments from departments. The delay push a turnaround time to between **15 and 24 months** to process an application from the date of receipt to a final decision by Council. Obviously, this situation has to change as it reflects badly on our processes as the Metro.

Various attempts at the departmental level have been made to address the situation. Some of the attempts involved direct liaison between officials. The recent attempt was selection of 30 items with outstanding comments in respect of the Asset Transfer Regulations. These reports were first circulated **in 2007** with the coming into effect of the Asset Transfer Regulations, they were re-circulated in April 2009. In realising that the departments were experiencing challenges on the implementation of the said Regulations, a workshop was arranged on **13 May 2009** to assist the departments. The workshop was well attended by **120** representatives of all departments. As evidenced in the attached **Annexure**, out of the 30 selected reports only one (1) report received all comments.

## **DISCUSSION**

The challenge regarding the submission of comments is a performance issue. Council as the highest authority can insist on certain performance requirements to enable it to execute its function. It is therefore against this background that we suggest a policy decision be taken on this matter. The suggestion is that all departments must provide comments to all property related matters. This is important because of the fact that the MFMA and Asset Transfer Regulations instruct that the decision to permanent disposal and transfer the asset cannot be reversed.

It is therefore suggested that the departments be given **21 working days** to comment on property reports. Failure to provide comments within this period will result in Council resolving in terms of Section 14(2)(a) that a particular asset is not needed to provide basic municipal service. Therefore, the following departments will be regarded as supporting the report for disposal or leasing of such property(ies):

- Information and Communication Technology (ICT)
- Health and Social Development
- Human Resources Management & Development (HRM & D)
- Directorate for Integrated Development Plan (IDP)
- Directorate for Internal Audit
- Directorate for Marketing and Communication

Should no comments be received from the following departments whose comments are crucial, it is suggested that the respective Executive Director/General Manager be called to explain to Council (Portfolio Committee) as to why the comments of his/her department have not been submitted. These departments are:

- Infrastructure Services department (Water, Sewer, Roads & Stormwater)
- Electricity and Energy

- City Development
- Environmental Development
- Finance
- Housing
- Sports Recreation Arts and Culture (SRAC)
- Economic Development

## **CONCLUSION**

That Council positively considers the recommendation and approves the policy procedure as an attempt to improve on service delivery.