



## **GEORGE MUNICIPALITY SPECIAL RATING AREA POLICY**

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**GEORGE MUNICIPALITY**

**Approved by Mayoral Committee on**

**10 November 2022**

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**DEFINITIONS**

In this policy words or expressions shall bear the meaning assigned to them and unless the context otherwise indicates:-

- “additional rate”** means an additional rate contemplated in section 19(1)(d) and 22(1)(b) of the Property Rates Act and section 12(2) of the By-Law;
- “applicant”** means any owner who makes an application for the determination of a special rating area in accordance with Chapter 1 of the By-Law, or if a management body is established in terms of section 10 thereof, any reference to “the applicant” means the management body;
- “business plan”** means the motivation report, implementation plan and term budget as contemplated in section 10 of the By law;
- “By-Law”** means the George Municipality: Special Rating Area By-Law 2022, published in Provincial Gazette no ...
- “CFO”** means the Chief Financial Officer of George Municipality, or his or her nominee;
- “City”** means the City of George established by Provincial Notice no 8505 of 15 October 2021 in terms of Section 12 of the Local Government: Municipal Structures Act 1988 (Act no 117 of 1998);
- “Companies Act”** means the Companies Act, 2008 (Act no 71 of 2008), as amended and replaced;
- “Council”** means the Council of the city;
- “majority”** means the majority of property owners as contemplated in paragraph 5.5 and 5.6 of the Policy;

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<b>“management body”</b>	means the management body of a special rating area to be established in accordance with the provisions of section 11 of the By Law;
<b>“owner”</b>	has the meaning assigned to it in section 1 of the Property Rates Act;
<b>“Policy”</b>	means the Policy for the determination of special rating areas, or any other policy adopted by the Council in relation to special rating areas, as in force from time to time;
<b>“Property Rates Act”</b>	means the Local Government: Municipal Property Rates Act, 2004 (Act no 6 of 2004)
<b>“rateable property”</b>	has the meaning assigned to it in section 1 of the Property Rates Act
<b>“special rating area/ SRA”</b>	means a special rating area approved by Council in accordance with the provisions of section 22 of the Property Rates Act and section 9 of the By-Law;
<b>“Steering committee”</b>	means the steering committee of a special rating area to be established in accordance with the provisions of paragraph 9.1. of the policy;
<b>“term budget”</b>	means the budget of the management body contemplated in paragraph 9.1.1 of the Policy;

**ABBREVIATIONS/ACRONYMS**

AGM	Annual General Meeting
ARPs	Additional Rate Payers
CFO	Chief Financial Officer
CCTV	Closed-Circuit Television
IDP	Integrated Development Plan

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KPI	Key Performance Indicator
MATR	Municipal Asset Transfer Regulations
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MOI	Memorandum of Incorporation
MRP	Municipal Rates Policy
NPC	Non-Profit Company
PAIA	Promotion of Access to Information Act
POPI	Protection of Personal Information Act
PPP	Public Participation Plan
PPPF Act	Preferential Procurement Framework Act
PSIRA	Private Security Industry Regulation Act
SAPS	South African Police Service
SRA	Special Rating Area

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**1. INTRODUCTION**

- 1.1 This policy for the establishment of Special Rating Areas in George Municipality and must be read with the Municipal Property Rates Act, Act no 6 of 2004 (MPRA) and the Municipality's Special Rating Area (SRA) By-Law as in force from time to time.
- 1.2 All words and phrases defined in the MPRA and the By-Law have the same meaning as in this Policy.
- 1.3 In the event of any conflict between the provisions of the By-Law and the provisions of the Policy, the By-Law prevails.
- 1.4 The policy needs to be read together with the Municipality's Rates Policy as reviewed and published on the Municipal website annually.

**2. AIM OF THE POLICY**

This policy aims to-

- 2.1 Set out the Council's position on Special Rating Areas and the factors that will influence Council's decision whether to institute a particular Special Rating Area.
- 2.2 Provide guidance to members of the local community and to decision-makers within the Municipality in relation to the establishment of special rating areas, and
- 2.3 Strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods by-
  - (a) making use of Council resources and structures; or
  - (b) making use of a Non-Profit company structure (refer to paragraph 8.2.3); and to
  - (c) ensure commitment to good, fair and transparent governance by the managing body, by implementing a transparent process when appointing service providers to improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services relate to the SRA and not provided on private properties.

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**3. EXCLUSION**

This policy does not apply to privately owned property developments or to gated developments.

**4. POLICY STATEMENT**

4.1 The Special Rating Area model is based on international best practise. It is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.

4.2 The purpose of the SRA is to-

4.2.1 enhance and supplement the municipal services contemplated under section 8 of the Systems Act in order to improve and upgrade the SRA;

4.2.2 facilitate investment in the SRA;

4.2.3 facilitate a co-operative approach between the George Municipality and the private sector in the provision of additional municipal services;

4.2.4 promote economic growth and sustainable development in a manner complimentary to the municipality's objects and developmental duties under its IDP; and

4.2.5 prevent degeneration of distressed areas and promote urban regeneration through sustainable urban management.

4.2.6 Assist and facilitate community-driven initiatives to establish SRAs.

4.2.7 Provide for municipal oversight of the establishment and management of SRAs.

4.2.8 Ensure transparent and accountable governance of SRAs.

4.3 George Municipality regards a Special Rating Area as a potential tool for allowing it to fulfil its constitutional and statutory obligations to promote;

4.3.1 social and economic development; and

4.3.2 a safe and healthy environment in a way which balances the guiding principals underlying its Rates Policy.



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- 4.4 Special Rating Areas allow property owners within an explicitly defined geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.
- 4.5 Special Rating Areas do not give property owners or the management structures of the SRA's the right to infringe on any of the constitutional rights as enshrined in the Bill of Rights, Chapter Two of the Constitution of South Africa, 1996 of any juristic or natural person in any way. Specifically, the right to freedom of movement and the residence of any juristic or natural person referred to in Section 21 of the Constitution must be guaranteed by the SRA as a pre-requisite for approval by the municipality.

**5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA**

The Council will consider instituting a special rating area where the requirements of Section 22 of the MPRA are complied with, including that-

- 5.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for the improving and upgrading of the area.
- 5.2 the special rating area will not be used to reinforce existing inequalities in the development of the George Municipality's area of jurisdiction;
- 5.3 the determination of the special rating area is consistent with George Municipality's IDP;
- 5.4 residential rating areas mean an area in which more than 40% (forty percent) of the rates based municipal valuation value consists of Residential Property as defined in the Rates policy.
- 5.5 any residential SRA must comply fully with the provision of the By-Law save that with reference to the majority support the applicant must provide written proof to the Council that owners of the rateable property within the boundary of the special rating area who own not fewer than 60% (sixty percent) in number of such properties, approve the formation of the special rating area.

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- 5.6 any non-residential special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area;
- 5.7 the procedural requirements of Section 22 of the MPRA, as well as the By Law and the Policy are complied with, including the community consultation requirement, as determined by the Municipality's CFO.
- 5.8 the proposed improvement or upgrade has been clearly and fully defined;
- 5.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which must be clearly defined;
- 5.10 there is evidence that it will be financially viable to use a SRA to raise funds for the proposed improvement or upgrade;
- 5.11 George Municipality is satisfied with the institutional arrangements proposed in respect of the SRA, and
- 5.12 Ultimately, the decision whether or not to determine a SRA rests with the Council in its sole discretion.

**6. APPLICABILITY OF GEORGE MUNICIPAL RATES POLICY AND OTHER POLICIES**

- 6.1 George Municipality Rate Policy (MRP) applies with the necessary changes to the Policy. In particular, and without limiting the generality of the forgoing, the exemptions, rebates and reductions set out in paragraph H (low-income owners/pensioners) of George Municipality Rates policy apply with the necessary changes in relation to the levying of an additional rate for Special Rating Area purposes.
- 6.2 Notwithstanding the provisions of the paragraph above, when George Municipality grants a partial rebate as set out in paragraph H of the MRP (low-income owners/pensioners), the relevant property owner will be granted a full (100%) rebate in relation to the additional rate.

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- 6.3 Other policies as approved by Council apply, with the necessary changes to the collection of additional rates in terms of the Policy, the By-Law and Section 22 of the MRPA, including, but not limited to, George Municipality's Credit control and debt collection policy.

**7. PROCESS**

This Policy sets out-

- 7.1 The institutional arrangements for special rating areas (paragraph 8)
- 7.2 The establishment requirements which must be followed (paragraph 9);
- 7.3 The information which needs to be submitted to George Municipality in order to motivate a request for determination of a special rating area (paragraph 10); and
- 7.4 The annual requirements which must be followed (paragraph 11)
- 7.5 The amendments and/or extension of term for a special rating area (paragraph 12);
- 7.6 The dissolution requirements which must be followed (paragraph 13);
- 7.7 The financial arrangements (paragraph 14).

**8. INSTITUTIONAL ARRANGEMENTS**

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a Special Rating Area. The structural arrangements that will be supported by the city is the following.

**8.1 ADMINISTRATION BY THE NON-PROFIT COMPANY (NPC)**

- 8.1.1 If the application proposes that the services/upgrades will be managed and implemented by them, George Municipality will require the ratepayers within the special rating area to establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the SRA.
- 8.1.2 This does not entail ratepayers setting the additional rate, which under law can only be done by the George Municipality (paragraph 15).

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- 8.1.3 Councillors who are actively involved in pursuing and promoting the establishment of a special rating area must recuse themselves when Council considers the application for establishment of a Special Rating Area.
- 8.1.4 The administration by the NPC gives a higher degree of control and autonomy to ratepayers and from the perspective of ratepayers who have promoted the special rating area. This places funds collected by government in the hands of the private sector, thus the requirements as set out in this policy must be met.
- 8.1.5 The functions of the structure would include:
- a) Determining the funding required each year (paragraph 15);
  - b) Appointing contractors or service providers to effect the improvement/s or upgrade/s;
  - c) Receiving the additional rate collected by George Municipality and expending the funds in accordance with the approved Business Plan.

## **8.2 STRUCTURAL ARRANGEMENTS**

The following structural requirements will be required when administered by the NPC:

- 8.2.1 Before George Municipality will consider allowing ratepayers in a SRA to carry out administrative and other functions in relation to the area, the Steering Committee must establish a Non-Profit company (NPC) as per the Companies Act 71 of 2008. The provisions of the Companies Act must be complied with, particularly those relating to the non-profit companies.
- 8.2.2 The founding documentation (the "Memorandum of Incorporation") in relation to the structure established by ratepayers, must be in the prescribed format as determined by the CFO, and any amendments thereto must be approved by the CFO.
- 8.2.3 The NPC must be managed under the Companies Act, and also comply with other legislation as a result of the financial connections to Council, and
- 8.2.4 The NPC must have at least 3 (three) directors, each with specific portfolio(s) aligned with the business plan;

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- 8.2.5 the Executive Mayor will appoint councillor(s) as observers and alternate observers to the board of the management body in accordance with sections 11(8), 11(9) and (11) of the By-law. ;
- 8.2.6 the NPC must give a written notice to all the affected property owners within the special rating area of the intention to hold a members' meeting within six months of the establishment of the NPC and thereafter an annual general meeting ("AGM") (paragraph 11.2) on the date stated in the notice by advertising in one English daily newspaper and must also give notice in a community (local) newspaper to accommodate other languages where applicable; and
- 8.2.7 The purpose of the meeting will be to:
- a) Accept new members
  - b) Appoint Directors
  - c) Amend the MOI if required; and with written consent of the CFO
  - d) Approve the following years Budget and Implementation Plan (refer paragraph 14.3)

**9. ESTABLISHMENT PRINCIPLES FOR A SPECIAL RATING AREA**

The process for establishing a SRA as set out in Chapter 1 of the SRA By Law  
Applicant for Establishment of an SRA.

**9.1 INITIATION PHASE**

- 9.1.1 The applicant must be a property owner and form a steering committee that is representative of property owners within the proposed special rating area.
- 9.1.2 The applicant must form a steering committee, made up of a representative sample of property owners within the proposed SRA, for purposes of assisting him/her with the establishment procedure.
- 9.1.3 The Steering Committee must keep a comprehensive portfolio of evidence of the establishment process.
- 9.1.4 The Steering Committee must meet with the CFO before commencing with the establishment process to ensure that the SRA is the appropriate vehicle.

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- 9.1.5 Before meeting with the Municipality as contemplated in clause 9.1.4 above, the steering committee shall submit a written request to the CFO's office, accompanied by the following:
- a) a map depicting the geographical boundaries of the proposed district.
  - b) a brief summary of the nature of the contemplated services or projects to be provided or undertaken by the management body with a view to improving and upgrading the area of the proposed SRA; and
  - c) a written confirmation by each steering committee member that he/she shall keep any personal information of proposed ARPs and local community members which the municipality may provide to them during the preliminary procedures confidential and use such information exclusively for purposes of the establishment process in accordance with the POPI.
- 9.1.5 All documents relating to the establishment process must be approved by the CFO before circulating them to the public.
- 9.1.6 After the Steering Committee confirms in writing that it will engage in the pursuit of establishing a SRA, it must supply the City with a final map depicting the boundaries of the special rating area.
- 9.1.7 The City will extract a property database which the Steering Committee, with the assistance of the City, must verify as correct. Any anomalies must be reported to the City for remedial action.
- 9.1.8 All properties except municipal properties predominantly used for municipal purposes or properties exempted from paying property rates or receiving partial rates relief (paragraph 6.1) will form part of the property database of the proposed special rating area.
- 9.1.9 After the City has prepared a total arrears profile of the area and is satisfied with the outcome thereof, the Steering Committee may proceed with the establishment process.
- 9.1.10 The Steering Committee will be required to conduct an urban management survey (only one survey per property owner) of not less than 20% of properties in the database (proportional split in terms of the usage code is required). In

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addition to a random sample of people within the area, which is equal in number to not less than 5% of the properties in the database, is also required. Where a reduction in the number of survey forms is required, it may be motivated for consideration by the CFO.

9.1.11 The Steering Committee must consult with the respective City Directorates regarding the current service(s) provided and the levels thereof as well as the SRA anticipated service(s) and level thereof must be agreed upon.

9.1.12 The Steering Committee must compile a business plan in accordance with the provisions of paragraph 10 of this policy.

9.1.13 The steering committee is subject to POPI and must not disclose to any person, or make use of, any personal information of property owners, within the proposed SRA, received from the municipality, other than for purposes of compiling the business plan and, ultimately, submitting the application for establishment to Council.

9.1.14 If any member of the steering committee has any doubts as to whether the prohibition under clause 9.1.13 applies to certain information of property owners, he/she must approach the Municipality for guidance before disclosing or making use of such information.

## **9.2 FIRST PUBLIC MEETING**

9.2.1 The public meeting must be conducted in accordance with section 5 of the By-law.

## **9.3 OBTAINING SUPPORT**

9.3.1 Support may only be obtained after the public meeting and on the consent form provided by the City.

9.3.2 All support forms must be filed and cross-referenced to the property database in terms of paragraph 9.1. of the Policy to verify the accuracy thereof.

9.3.3 Any property owner that wants to object to the establishment of a special rating area or to the provisions of the business plan can do so by indicating it on the consent form. The objector will be required to submit an objection letter as per

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paragraph 9.5 once an application for the establishment of a special rating area is submitted to Council.

**9.4 APPLICATION**

9.4.1 An application must be submitted in terms of paragraph 10 of this Policy.

9.4.2 The application must be advertised in terms of paragraph 8.2.6 and also set a date for a second public meeting to occur not more than twenty days or less than seven days before the objection period closes.

9.4.3 Prior to applying the Steering Committee will be required to set up a website that displays the following:

- (a) application letter;
- (b) business plan;
- (c) urban management perception report;
- (d) public meeting presentations and minutes;
- (e) By-law;
- (f) Policy;
- (g) SRA frequently asked questions;
- (h) notices; and
- (i) blank consent / objection form.

9.4.4 The special rating area application must be submitted by 30 September of the financial year preceding the establishment of the special rating area. The CFO may extend this date if a properly motivated request is received. This will depend on Council's ability to accommodate the late application within the budget process.

**9.5 OBJECTIONS**

9.5.1 Consents and objections will be considered only if they are submitted to Council by the last day specified in the application notice.

9.5.2 Property owners objecting to the establishment of a special rating area in terms of paragraph 9.3.3 must do so in writing and include a motivation for their objection.



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9.5.3 The Steering Committee must engage with all the objectors and provide them and Council with minutes of these meetings. The objector/s will be allowed to respond to the minutes.

9.5.4 Any property owner who wants to make oral representations for submission to Council in terms of section 7(4) of the By-law will be assisted by an official to document this for inclusion in the report to be considered by Council.

## **9.6 INAUGURAL PHASE**

9.6.1 The process and appointment of all service providers must be communicated to the property owners on the NPC's website and in newsletters.

9.6.2 The application form to become a member of the NPC must also be available on the website.

9.6.3 Any special rating area that is approved more than nine months prior to the effective date may:

- (a) delay the implementation of the special rating area and commence with year two of the business plan. This will imply that the term is effectively reduced by one year; or
- (b) implement the original business plan.

## **10. BUSINESS PLAN CONTEXT**

The business plan comprises of the following:

- a) a motivation report;
- b) an implementation plan; and
- c) a term budget.

These documents must be to the satisfaction of the Municipality.

### **10.1 MOTIVATION REPORT**

The motivation report must contain the following:

10.1.1 Introduction:

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- 10.1.1.1 an executive summary of the improvement or upgrade proposed for the special rating area as set out in the business plan;
- 10.1.1.2 an explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;
- 10.1.1.3 an explanation of why the proposed special rating area will not reinforce existing inequities in the development of the City;
- 10.1.1.4 an explanation of how the special rating area, if determined, will be consistent with the City's IDP as per the Service Departments' business plans;
- 10.1.1.5 an explanation of the institutional arrangements proposed in relation to the special rating area;
- 10.1.2 Vision;
- 10.1.3 Mission;
- 10.1.4 Goal;
- 10.1.5 A diagram clearly indicating the boundaries of the proposed special rating area;
- 10.1.6 Proposed management structure:
- composition of special rating area board including allocation of portfolios; and
  - operational arrangements;
- 10.1.7 Services: Service providers to be appointed as contemplated in paragraphs 2.3.(c) and 9.6.1.
- 10.1.8 Financial Impact:
- a. provide details regarding the calculation of the additional rate;
  - b. provide details of criteria to qualify for exemption from paying the additional rate as per paragraph 9.1.7;
- 10.1.9 A list of all ratable properties within the proposed special rating area, contact details of all property owners and the value of each property as set out in the Council's general valuation roll. Differentiation between categories of properties, as provided for in section 8 of the Property Rates Act, must be considered;

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10.1.10 Proof of the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

10.1.11 Proof of the notice of the public meeting or meetings contemplated in the By-law;

10.1.12 Minutes of the public meeting or meetings; and

10.1.13 Compilation date.

## **10.2 IMPLEMENTATION PLAN**

The implementation plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

10.2.1 Milestones;

10.2.2 Tasks per milestone;

10.2.3 Start and finish date per task;

10.2.4 Assign responsibility per goal, milestone & task; and

10.2.5 Performance indicators per milestone.

## **10.3 TERM BUDGET**

10.3.1 The budget for the proposed improvements or upgrades must at least address the following:

a) an annual budget per line item commencing on 1 July of the first year and ending on 30 June of the last year of the term; and

b) a budget split for the provision of improvements or upgrades between the different categories of properties.

10.3.2 Subject to the provisions of the Property Rates Act, the additional rate in any category of property must not exceed 25% of the municipal property rate. Any deviation must be fully motivated to Council for consideration.

## **11. ANNUAL REQUIREMENTS**

11.1 The NPC must confirm the property data base which the Steering Committee must verify as correct or report anomalies to the City for remedial action.

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- 11.2 The NPC must hold its AGM before 31 December as per the MOI requirements.
- 11.3 Within two months of the end of each financial year the NPC must provide the CFO with its Audited Financial Statements for the immediately preceding year.
- 11.4 Within three months after the AGM the NPC must provide the relevant sub-council(s) with its audited Financial Statements for the immediately preceding year and an Annual Report on its progress in carrying out the provisions of the Business Plan in the preceding year to improve and upgrade the Special Rating Area.
- 11.5 The NPC must submit an annual budget and implementation plan for comment by the CFO before approval at the AGM (paragraph 15.2), and ensure that -
- a) the quantum of financial reserves is not less than two months of revenue received from the City in terms of the approved budget per SRA except if these funds have been duly allocated to a project;
  - b) the implementation plan is aligned with the proposed budget.
- 11.6 The submission of the annual budget and implementation plan as referred to in paragraph 11.5 will be subject to approval by Council during the City's annual budget process.
- 11.7 The NPC must by 31 January each year provide the CFO with a mid- year performance scorecard based on the activities set out in the implementation plan.
- 11.8 The NPC will within one month after the AGM provide the CFO with draft minutes of the AGM to ensure compliance with the legal requirements.

**12. AMENDMENT AND EXTENSION TO THE BUSINESS PLAN**

- 12.1 In the event that a NPC seeks to amend the boundaries of the SRA and/or the business plan content then the procedures set out in section 14 of the By-law must be followed and submitted by 30 September.

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12.2 Section 14(4) of the By-Law requires good reasons to be provided to not allow non-compliance with Chapter 1 of the By-Law. The following factors, although not limited to, must be addressed in the motivation:

- a) explanation of impact on costs, budget and implementation plan expectations;
- b) cross subsidisation by existing members;
- c) fairness and equity
- d) affordability and sustainability of the existing SRA;
- e) intention of the legislation prescribing that all property owners; must be allowed to participate in the formation of a SRA;
- f) priorities of the new area may differ from the existing SRA priorities; and
- g) arrears profile

12.3 The boundary changes must not affect the vested rights of existing property owners as per the Business Plan.

Boundary changes are subject to the following criteria:

- a) Obtaining by resolution the support from existing NPC members at a members meeting before expansion is pursued;
- b) Determining the profile of the new total SRA as it could change from non-residential to residential and vice versa;
- c) Obtaining the required majority support from the property owners in the new area only, based on the determination referred to in paragraph 12.4.2.
- d) Any boundary changes must be continuous with the existing SRA geographical area.

12.4 Property owners in the new area must follow the establishment process as per Chapter 1 of the By-law.

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12.5 In the event that a NPC seeks to extend the term of the special rating area for a further period then the procedures set out in section 15 of the By-law must be followed.

### **13. DISSOLUTION**

The special rating area may be dissolved by resolution of the Council in terms of section 16 of the By-law. Thereafter the management body may be wound up in terms of the provisions of section 16 of the By-law and the NPC's MOI.

### **14. FINANCIAL CONTROL**

14.1 As stated in the By-law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate is imposed by the Council, is a debt owing to the City and is payable and collected in the same manner as other property rates imposed by the Council. Two different categories of property are identified when imposing an additional rate in a special rating area:

- a) Residential;
- b) Non-residential;

14.2 A property with a municipal valuation of 50% or more of the total municipal valuation of the SRA it is located in will not fund more than 25% of the budget.

14.3 The NPC must submit an annual budget as approved at an AGM or Special General Meeting ("SGM") to the City by 31 January, with appropriate motivation including an implementation plan for the next financial year, and the Council will consider the recommendation during its budgeting process.

14.4 Before the City will pay over any additional rate collected to the NPC, the NPC and the City must have concluded a written finance agreement regulating, amongst other things:

- a) the mechanisms and manner of payment;

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- b) how the additional rate is to be held by the NPC;
- c) any parameters relating to expenditure; and
- d) any obligations on the NPC to take out and maintain appropriate insurance.

14.5 The CFO may request a forensic audit should he deem it necessary.

14.6 The CFO may request a special board meeting.

14.7 The CFO may amend the percentage retained as a provision for bad debt for SRAs with high arrears as contemplated in section 7.8 of the Finance Agreement concluded between the City and each SRA, should he deem it necessary.

## **15. COMMENCEMENT AND IMPLEMENTATION**

15.1 Implementation of this Policy commences on approval of the Policy.

15.2 Where the City is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.

15.3 This Policy and its implementation must be reviewed as and when required.

## **16. COSTS**

Unless otherwise agreed by the Municipal Manager or his/her nominee, the City shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-law.