



Kleinmond Special Rating Area BUSINESS PLAN

for the term from 1 July 2025 to 30 June 2030

This business plan was compiled by the Board of Directors
of the Kleinmond Special Rating Area in accordance with:

the *Overstrand Municipality: Special Rating Area By-law 2016*, promulgated in the
Provincial Gazette Extraordinary 7692 (21 October 2016);

the requirements of *Section 22 of the Municipal Property Rates Act of 2004*;

the *Overstrand Municipality: Special Rating Area Policy* (31 May 2024) and
the Financial Agreement between Overstrand Municipality and the Kleinmond Special
Rating Area NPC as closed on 25 July 2021.

It is aimed at assisting the Council in the fulfilment of its objectives and developmental
duties as set out in its

Final Integrated Development Plan (IDP) review and amendment 2024-25 – 31 May 2024



Basic information

Name of special rating area:

Kleinmond Special Rating Area / Kleinmond Spesiale Aanslaggebied

Town: Kleinmond

Municipality: Overstrand Municipality

Contact person: Dr P.J.L (Vic) Brink

Email address: info@kleinmondsag.co.za

Board of Directors:

Dr Philippus Jacobus Lodewicus (Vic) Brink (Chairperson)

Col David Alan Peddle (Vice Chairperson)

Mr Charles Cecil Swartz

Mr Steven Raymond Loder

Mr Marthinus Louw Jonker

Abbreviations

AGM: Annual General Meeting

CFO: Chief Financial Officer (That is the OM Director Finance)

IDP: Integrated Development Plan

JOCOM: Joint operational committee

KSRA: Kleinmond Special Rating Area

MOI: Memorandum of Incorporation

NPC: Non-profit company

OM: Overstrand Municipality

SAPS: South African Police Service

SRA: Special Rating Area

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1. Executive summary

This business plan describes the intention of the Board of Directors of the Kleinmond Special Rating Area NPC to apply for the extension of the term of KSRA for a further five years. The *Overstrand Municipality: Special Rating Area By-law 2016* allows property owners to supplement municipal services with top-up services considered by them to be appropriate for satisfying the peculiar needs of their community. This business plan describes these envisaged services and how they would align with the provision of law enforcement and a healthy urban environment as intended in the Overstrand's Integrated Development Plan (*Final IDP review and amendment 2024-25 - 31 May 2024*). The boundaries of the KSRA enclose all properties between the mountain and the coastline, and within the area of Kleinmond between Heuningkloof in the east and Palmiet and Overhills in the west.

A survey among property owners indicated that the vast majority of respondents are satisfied with the additional services provided by KSRA and are in favour of extending the term.

KSRA plans to proceed with the objectives in the initial business plan as approved by the OM council on 17 March 2020, and aims to continue assisting the Overstrand Municipality by:

- improving the monitoring of public areas using advanced technology;
- identifying, reporting and following up any need for restoring public spaces to prevent urban decay;
- maintaining a clean and healthy environment through inspection and by reporting and following up any threat to the environment and any aberration of acceptable levels of cleanliness and appearance of public spaces;
- maintaining a safe environment for all the residents and visitors to the town; and
- monitoring the violation of municipal by-laws and reporting inappropriate behaviour in public areas by informing law enforcement services to deal with these issues.

The cost of providing these services is expected to be in the region of R1,6 million annually at 2025/6 monetary value, sourced by the Municipality from rateable property owners' property rates as envisaged in the five-year budget and implementation plan described in this business plan.

The KSRA non-profit company was established on 28 January 2021 and registered with the Companies and Intellectual Property Commission.

It is managed by a Board of Directors elected by the members of the company at Annual General Meetings.

2. What is a special rating area?

"The special rating area model is based on international best practice. It is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.

*"The Overstrand Municipality recognises special rating areas as a potential tool for assisting it to fulfil its constitutional and statutory obligations to allow property owners within a geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate."*¹

The Western Cape Government promulgated the *Special Rating Area By-law* (Appendix A) in 2016 and the Overstrand Municipality approved the *Overstrand Municipality: Special Rating Area Policy* (Appendix B) in 2019, revised in 2024, thereby setting the platform for property owners to establish such areas in the Overstrand Municipal area.

The Kleinmond Special Rating Area Steering Committee identified special rating area (SRA) legislation as a sustainable means of both addressing issues regarding a safe environment and preventing urban degeneration due to deterioration and neglect of the environment.

After the majority of Kleinmond property owners gave their consent to have Kleinmond declared a special rating area in 2019 and the application in terms of the by-law and policy was approved by the OM Council on 17 March 2020, the KSRA NPC with members was established on 28 January 2021. This establishment was delayed for one year because of the Covid 19 lockdown.

The company is managed by property owners from Kleinmond and is responsible for providing and managing supplementary services in addition to those already provided by the Municipality (OM). In accordance with the regulations, Kleinmond's property owners pay a monthly amount in addition to the normal property tax so that the supplementary services can be delivered.

This business plan is an update of the originally approved business plan and explains how it will be implemented in the second five-year term. The supplementary services that will be delivered on behalf of all property owners will still include the provision of systems through which issues related to a safe, healthy, and clean environment can be monitored and any problems can be reported to the authorities.

KSRA will still be funded through a special levy by the Municipality (OM) and will apply to the owners of approximately 3500 properties according to the OM's database. The additional annual levy will be calculated at a rate (currently 0.000346) in the rand on the municipal property valuation.

It is collected from the property owners in the area by the municipality and transferred to the KSRA non-profit company, which is responsible for managing the SRA. The funds are used to cover KSRA's expenses and for no other purpose. The additional levy that property owners in the SRA must pay will be proportional to the municipal valuation of their property and will be used for the benefit of the community as a whole. This additional levy and the services provided with it will not only offer individual property owners the benefit of a well-managed, safe town but also give them a sense of pride in their community and social responsibility.

3. Why should Kleinmond be an SRA?

3.1 Background and motivation

The Overstrand Municipality (OM) has an **Integrated Development Plan (IDP)** (available in pdf format as *Final IDP review and amendment 2024-25 - 31 May 2024*) at <https://www.overstrand.gov.za/integrated-development-plan-idp/final-idp-review-and-amendment-2024-25-31-may-2024-1/?layout=default> which describes the effective management of its municipal area. The IDP intends to satisfy the basic needs of the various communities and areas within the large geographical area OM serves.

The *creation and maintenance of a safe and healthy environment* is listed as one of the five strategic goals of OM.²

One of the areas of major concern in Kleinmond is the safety risks that compromise a safe environment. In the IDP these risks are identified.³

Residents of Kleinmond have first-hand experience of these problems and realize that OM's capacity to deliver a sustainable and high-quality service to all its residents is hampered by the large area it serves, shortage of resources and the fact that most of the offences do not occur within normal office hours.

3.2 Kleinmond Special Rating Area

The Kleinmond Special Rating Area (KSRA) is a geographical area which includes all residential areas of Kleinmond. It is the property owners in this area who will contribute in a sustainable manner – by means of a monthly additional rate levied on their property taxes – towards supplementary services, thereby ensuring a safer, healthy and cleaner environment for the community as a whole. This additional rate should continue to be affordable to property owners and its impact on the average property owner's rates should be as low as possible.

For more detail about estimated costs to property owners see par 8 of this business plan. The proposed supplementary services include an advanced monitoring system of CCTV cameras in identified hotspots in the town. The system will be linked to a control room which will be staffed 24/7 as well as an internet-based databank which can be utilised in cooperation with OM Protection Services when needed. In the light of existing cooperation between OM Law Enforcement and other law enforcement agencies (within the confines of their mandated functions), all the role-players will be able to access this information under strict confidentiality requirements and within the boundaries of what is legally permitted. It will be done in compliance with the *Protection of Personal Information act* (POPI) as well as the *Promotion of Access to Information act*. (See par 7 for the implementation plan.)

3.3 Boundaries of the KSRA

The boundaries of KSRA are the eastern boundary of Heuningkloof, the coastline as southern boundary, the western boundary of Palmiet and the informal settlement, and the mountain as northern boundary.



Kleinmond Spesiale Aanslaggebied / Special Rating Area

3.4 Link to the geographical area

A safe environment and the general appearance of the town concern every resident of Kleinmond. Unfortunately, contempt of municipal regulations, littering, substance abuse, alcohol abuse in public places, and other offences that have a negative impact on a safe environment

will increase, if not countered through a combined strategy among role-players in the safety of the town.

Kleinmond has two road entrances, one on each side of the town. To the north the town is bordered by a mountain, to the south by the ocean. It is therefore logical to regard the town as a unit when a safe environment and the town's general appearance and health are considered. Residents' lives are intertwined; all share the same public spaces. Any initiative to benefit the community should consider and include all who make this town their home.

4. Overstrand Municipality's IDP

The proposed supplementary service will be in line with and linked to OM's IDP (*Final Integrated Development Plan (IDP) review and amendment 2024-25 - 31 May 2024*). To make sure that the service complies with the directives of the IDP, this business plan has been compiled in consultation with officials of the OM. Everything possible has been done to make sure that the plan is consistent with the Overstrand Municipality's IDP as per the Service Departments' business plans.

Every stage of the plan has been and will be submitted to the office of the CFO for comments, suggestions and approval, also in coordination with municipal departments.

5. Public opinion survey

5.1 Database of rateable properties

In accordance with par 10.1.6 of the *OM Special Rating Area Policy*, OM has provided the steering committee with the contact details of property owners in Kleinmond.

The database is updated annually. The KSRA Board signed an agreement of confidentiality. Property owners' contact details were and shall only be used for communicating with ratepayers about matters concerning KSRA. It will not be made available to a third party.

5.2 Methodology

The KSRA Board has conducted a public opinion survey aimed at determining, among other things, how safe respondents feel in public spaces during the day and night, testing perceptions regarding the activities of KSRA, identifying what respondents believe KSRA should focus on, determining whether property owners believe they are getting value for their money, and assessing whether respondents are in favour of extending the KSRA term for another five years.

The internet-based platform SurveyMonkey was used to gather and process responses.

A link to the survey was e-mailed to all property owners of whom the steering committee had e-mail addresses, together with the request to complete the survey. This request was repeated three times. It was also posted multiple times on social media. SurveyMonkey recorded each respondent's IP address and these, together with the responses, are available for verification purposes. Respondents were also asked to provide their names and addresses and, where applicable, the address and name of the trust under which the property was registered. This was done for verification purposes and is not included in the publicly released report in order to maintain the anonymity of respondents. The platform was open for respondents from 28 May to 26 June 2024, after which the results were processed.

5.4 Responses analysed

SurveyMonkey analysed the responses and the unabridged analysis is provided in Appendix C and D.

- **Participation**
571 respondents participated in the survey. This represents more than 16% of the total number of individual property owners, which, in terms of generally accepted norms for the validity of surveys of this nature, is far more than sufficient.
- **Status of respondents**
87.22% of the respondents are property owners and
9.11% are authorized representatives of property owners.
- **Categories of property**
97.36% are owners of residential property,
1.05% own businesses and,
1.58% own vacant land.
- **Use of property**
71.25% use it as their primary residence,
23.67% as a holiday home,
4.24% as a rental property and
0.88% as a business.
- **Knowledge about KSRA**
70.6% of respondents say they understand the functions and responsibilities of KSRA,
21.83% say they know little about it,
4.93% say they only know that they pay for it and
2.64% say they have no idea what it is about.
- **Daytime safety when alone in public spaces**
Respondents were asked to rate their sense of safety on a scale from 1 (least safe) to 5 (completely safe):
2.28% chose 1 or 2,
8.06% chose 3 and
89.67% chose 4 or 5.
- **Evening safety when alone in public spaces**
Respondents were asked to rate their sense of safety on a scale from 1 (least safe) to 5 (completely safe):
18.21% chose 1 or 2,
25.57% chose 3 and
56.22% chose 4 or 5.
- **Late-night safety when alone in public spaces**
Respondents were asked to rate their sense of safety on a scale from 1 (least safe) to 5 (completely safe):
36.42% chose 1 or 2,
29.07% chose 3 and
34.5% chose 4 or 5.

- **Daytime safety when in a group in public spaces**
 Respondents were asked to rate their sense of safety on a scale from 1 (least safe) to 5 (completely safe):
 1.4% chose 1 or 2,
 5.08% chose 3 and
 93.52% chose 4 or 5.
- **Evening safety when in a group in public spaces**
 Respondents were asked to rate their sense of safety on a scale from 1 (least safe) to 5 (completely safe):
 6.13% chose 1 or 2,
 17.69% chose 3 and
 76.19% chose 4 or 5.
- **Late-night safety when in a group in public spaces**
 Respondents were asked to rate their sense of safety on a scale from 1 (least safe) to 5 (completely safe):
 19.26% chose 1 or 2,
 23.12% chose 3 and
 57.62% chose 4 or 5.
- **The Role of KSRA in crime prevention**
 79.12% of respondents believe that KSRA plays an important role in crime prevention in public areas,
 12.11% think its role is limited,
 1.93% believe it doesn't really make any difference and
 6.84% are unsure.
- **The importance of cooperation in crime prevention**
 94.22% of respondents agree with KSRA's position that cooperation between various stakeholders in crime prevention to increase effectiveness, is important,
 3.68% think it has a limited impact,
 0.35% see no need for cooperation and
 1.75% are unsure.
- **Focus areas**
 55.09% of respondents request that more poles with cameras be erected at strategic locations,
 34.74% believe that the current number of poles with cameras should be maintained and that investment should instead be made in improved monitoring and response and
 10.18% are unsure.
- **Reporting crime**
 95.04% of respondents say that when they are victims of crime or by-law violations, they report it to the police or municipal law enforcement and only
 4.96% do not report it, giving various reasons recorded in the full report (Appendix D).
- **Reporting environmental issues**
 80.63% of respondents believe that KSRA plays an important role in monitoring and reporting issues related to a clean and healthy environment and following up on these in monthly meetings with the councillor and municipal officials.
 10.21% think its impact is limited,

2.82% believe it doesn't really make any difference and
6.34% are unsure.

- **Perceptions of how KSRA promotes safety in public areas**

Respondents were asked to rate their satisfaction on a scale from 1 (most unsatisfactory) to 5 (highly satisfactory):

3.86% chose 1 or 2,

14.01% chose 3 and

82.14% chose 4 or 5.

- **Perceptions of how well KSRA promotes a clean and healthy environment**

The respondents were asked to rate this on a scale from 1 (most unsatisfactory) to 5 (highly satisfactory):

7.18% chose 1 or 2,

17.34% chose 3, and

75.48% chose 4 or 5.

- **Perceptions of KSRA's monthly reports via email and the media**

The respondents were asked to rate this on a scale from 1 (most unsatisfactory) to 5 (highly satisfactory):

4.03% chose 1 or 2,

5.95% chose 3, and

90.02% chose 4 or 5.

- **Opinions about the KSRA Board of Directors**

The respondents were asked to indicate their trust in the governance and management capabilities of the KSAG Board of Directors on a scale from 1 (no at all confident) to 5 (very confident).

3.17% chose 1 or 2,

9.68% chose 3, and

87.15% chose 4 or 5.

- **Value for money**

The respondents were asked to indicate their opinion on the value for money provided by KSRA's services, measured against their monthly contribution, on a scale from 1 (not at all valuable) to 5 (extremely valuable).

4.57% chose 1 or 2,

14.24% chose 3, and

81.2% chose 4 or 5.

- **Should KSRA's term be extended?**

The respondents were asked to indicate on a scale from 1 (strongly oppose) to 5 (strongly support) whether they support the extension of the KSAG term for another five-year period.

3.34% chose 1 or 2,

5.61% chose 3, and

91.05% chose 4 or 5.

6. Vision, mission and goals

6.1 Vision

The vision of KSRA is to ensure that Kleinmond remains a safe, clean and healthy town for the benefit of all its residents and visitors so that Kleinmond can remain the retirement, residential and workplace as well as holiday destination of choice for all its residents and visitors.

6.2 Mission

It is the mission of KSRA to deliver supplementary municipal services as determined by the community itself to ensure, in a sustainable manner, a safe, healthy and clean environment for residents and visitors. The service should be supplementary to those services already provided and rendered by OM.

6.3 Goals

6.3.1 Management

- To manage the proposed KSRA effectively and sustainably.

To reach this goal a non-profit company (NPC) with members was formed as defined in section 1 of the Companies Act No 71 of 2008.

6.3.2 Safe environment

- To promote and enhance a safe environment for all residents within the framework of the relevant OM legislation together with OM Protection Services and community involvement.
- To put in place a CCTV camera system linked to a control room.
- To comply with OM's strategies and other applicable legislation/policies/by-laws in relation to, among others, regulation of external and internal privately owned CCTV cameras on OM property, inclusive of open spaces, road intersections, road reserves, etc.
- To comply with OM CCTV policy.
- To obtain the service of a properly equipped local control room for 24/7 monitoring.
- To appoint a service provider accredited according to the Private Security and Investigative Services Act (PSISA) and registered at the Private Security Industry Regulatory Authority (PSIRA).
- To provide monitoring and reporting services as supplementary support for the OM Community Safety department. The service provider should be enabled to act in public places and address problems within its legal mandate until the responsible OM Law Enforcement officials or the SAPS arrive at the scene.
- To give access to data collected by the monitoring system so that any criminal acts or acts in violation with municipal by-laws can be investigated by OM Law Enforcement or the SAPS and the necessary evidence for successful prosecution can be found.
- To establish an effective communication system with regular tips and suggestions regarding a safe environment.
- To facilitate communication with property owners.

- To create and maintain a database with relevant information about residents that will be available in emergency situations. This information will be confidential and will not be shared with any third party.
- To provide input regarding the creating, testing, implementing and updating of an emergency plan for Kleinmond as supplementary to the OM Disaster Management Plan.
- To coordinate community involvement, if needed, during the execution of the emergency plan.
- To build on existing working relationships with the Community Safety Forum and other organisations involved with maintaining a safe environment through the relevant OM departments.

6.3.3 Clean and healthy environment

- To support OM by monitoring problem areas in order to report on illegal littering; rubbish dumping; blockage of storm water canals; areas and residences that constitute a fire hazard; alcohol abuse in public areas; issues regarding problem animals, the need for the clearing of alien vegetation and fire breaks and the maintenance of foot paths and board walks.

7. Implementation plan

7.1 Services

Service providers will be outsourced for the following:

7.1.1 Monitoring

- Erecting a high technological camera monitoring system within the boundaries of Kleinmond.
- Maintaining the monitoring system.
- Providing facilities and 24/7 monitoring in a well-managed control room within the boundaries of OM.
- Providing an internet service for the system.
- Supplying software for the system.
- Supplying internet connection to the LPR database within the requirements of the *Protection of Personal Information (POPI)* and the *Promotion of Access to Information* acts.

7.1.2 Monitoring and enforcement services

Providing monitoring and response staff with the necessary qualifications as well as a shared or dedicated response vehicle for Kleinmond.

Service providers will be appointed by the KSRA Board according to the tender requirements of the KSRA.

7.2 Implementation of goals

Tasks	Responsibility	Performance indicator
Management and control		
Direction and leadership for the Board	Board Chairperson	Successful implementation of set goals.
Day-to-day management and operations	KSRA Board	Monthly reports by Board members submitted to the Board.
Oversight over service providers	KSRA Board	Regular meetings with service providers. Service providers' compliance with standard operational procedures.
Placement and control of staff (monitoring and reaction)	Service provider	Monthly reports by service provider submitted to Board.
Board meetings	KSRA Chairperson	Monthly meetings.
Communication and KSRA membership update	KSRA Administrator	Monthly reports by administrator submitted to Board.
Reports to property owners	KSRA Administrator	Monthly report published in media and e-mailed to property owners.
Financial bookkeeping	Service provider	Monthly financial reports submitted to Board.
Audit of financial bookkeeping	Service provider KSRA Board	Unqualified audit report approved by Board and ratified by members at the AGM.
Financial reports to OM CFO	Service provider	Monthly reports submitted to CFO.
Annual General Meeting	KSRA Board	Notice of meeting given appropriately, chairperson's annual report delivered, audit report approved, auditors appointed, budget approved, amending approved MOI if required and minutes taken and published on the KSRA website.
Safe environment		
Enhance structures to promote community involvement in community safety issues	KSRA Board	Active involvement in OM represented structures such as the OM Public Safety Forum and the JOCOM meetings.
Identify current shortcomings that relate to a safe environment and develop and implement effective strategies to address them.	KSRA Liaison and Operations Directors in consultation with the Board.	Active participation in OM represented structures and the JOCOM meetings where these issues are discussed. Liaison with other partners in the safety of the town such as the local police, security companies, Kleinmond Street Watch, Proteadorp Street Watch and Kleinmond Ratepayers Association.
Inputs in the review and maintenance of the Community Safety Strategy specifically aimed at the needs in Kleinmond with clear deliverables to guide monitoring services by the appointed service provider and to evaluate levels of services provided.	KSRA Operations Directors in consultation with the KSRA Board.	Active participation in OM represented structures. Present a community safety strategy for Kleinmond.
Maintenance and improvement of the camera monitoring system	Service provider	Poles with cameras erected and operational at strategic points in Kleinmond. Regular maintenance of infrastructure and replacement of faulty equipment. Regular maintenance reports to the KSRA Board.

Electronic connections to the control room for monitoring cameras	Service provider	Electronic connections established, operational and linked to control room.
Power supply to cameras in liaison with OM Directorate: Infrastructure and Planning	Service provider, OM electrical services	Power supply and backup battery systems established for each camera.
Updating of computer hardware and software in control room	Service provider	Efficient equipment and security in control room. Upgrade to new software with automatic intelligence to capture and store data.
Further refinement of control room functions and reaction strategies	Service provider KSRA directors for operations	Service provider compliance with standard operational procedures. Best possible strategy is developed to maximise the value of the system.
Deploy resources (monitoring and reaction staff and vehicles) for visible monitoring and enforcement services in liaison with OM Directorate: Protection Services and the SAPS	Service provider	Service provider compliance with standard operational procedures. Monthly reports to KSRA Board.
Assistance to OM Protection Services and the SAPS	Service provider.	Provision of access to relevant data within the set standard operations and procedures and other legal terms and conditions.
Establish an effective communication strategy with the community regarding a safe environment and operations during disasters or emergencies. All communication in this regard will be relayed in compliance with OM's official Communication Policy	KSRA Administrator	System for communication with community via e-mail, social media, SMS, WhatsApp and local newspaper.
Maintain the community involvement strategy in the OM disaster management plan	KSRA Board KSRA Administrator	Community involvement strategy in the disaster management plan approved by the OM Council, tested and communicated to the community.
Healthy and clean environment		
Identify issues regarding a clean and healthy environment and report to OM.	KSRA Director for Healthy and Clean Environment	Issues are documented and reported to OM council members and relevant OM officials in Kleinmond in an orderly way. Monthly meeting with local councillors and OM officials to discuss issues and find solutions.
Monitor illegal dumping, littering, fires and arson and report to OM.	KSRA Director for Healthy and Clean Environment	Video footage of offenders recorded by the monitoring system and made available to OM for their perusal.
Monitor illegal alcohol misuse and report to OM Law Enforcement	KSRA Director for Healthy and Clean Environment	Video footage of offenders recorded by the monitoring system and made available to OM for their perusal.
Promoting waste minimization and recycling through education and awareness	KSRA Director for Healthy and Clean Environment KSRA Administrator	Regular articles on this topic published to improve public awareness.

7.3 Placement of monitoring cameras

KSRA cooperates with OM Protection Services, the local police, the Street Watches and security companies to combat crime in public areas.

To achieve this KSRA has installed 17 poles with 41 cameras at strategic positions in all the suburbs. This was done after the approval of OM in terms of its CCTV Policy. The cameras are monitored by KSRA's service provider, in a dedicated control room.

The system captures information in public areas that can be used whenever footage is needed about incidents in the vicinity of a camera. At night the cameras are set up to activate automatically when there is human or vehicle movement in their field of vision. These movements are monitored and, if deemed suspicious, the response vehicle is sent out to investigate. If there is a likelihood of criminal activity, the police or OM Law Enforcement is called in to investigate further. If the recorded material can assist the police or the OM Law Enforcement in their investigation, and a case is opened, the relevant footage can be requested.

7.4 Further phases of implementation

The KSRA Board plans to erect three more poles with seven cameras at strategic positions in the next phase.

8. Financial Impact

KSRA (NPC) will be funded by OM through a special rate payable by all property owners who do not receive rates exemption. The OM has identified properties that qualify in terms of policies as the source of the additional rate. This list of properties will be regularly amended to accommodate changes in ownership as time goes by.

8.1 Source of funds

Funding of KSRA will be provided by OM and sourced from an SRA rate charged by OM and applied to the owners of valid rateable properties on the OM property database.

The additional monthly rate payment for KSRA will be determined by the property's municipal valuation and will amount to a rate (currently 0.000346) in the rand on the municipal property valuation per annum. The table below (provided by OM), gives an indication of how much property owners would be required to pay in the 2025/6 year of implementation.

KSRA Tariff for 2025/26 (4% increase on 2024/25 tariff)

0.000346

	Residential	Business	Vacant
Municipal valuation	Estimated monthly special rate	Estimated monthly special rate	Estimated monthly special rate
Less than R50 000	R0	R0 - R1.50	R0 - R1.50
R50 001 - R100 000	R0	R1.50 - R3.00	R1.50 - R3.00
R100 001 - R300 000	R0	R3.00 - R9.00	R3.00 - R9.00
R300 001 - R600 000	R0 - R13.20	R9.00 - R18.00	R9.00 - R18.00
R600 001 - R1 000 000	R13.20 - R22.80	R18.00 - R30.00	R18.00 - R30.00
R1 000 001 - R1 500 000	R22.80 - R34.80	R30.00 - R45.00	R30.00 - R45.00
R1 500 001 - R3 000 000	R34.80 - R70.80	R45.00 - R90.00	R45.00 - R90.00
R3 000 001 - R6 000 000	R70.80 - R142.80	R90.00 - R180.00	R90.00 - R180.00

8.2 Criteria to qualify for exemption

In this matter KSRA will follow the Overstrand Municipality Special Rating Area policy:

“7.1 The Overstrand Municipality’s rates policy applies with the necessary changes to this Policy. In particular, and without limiting the generality of the afore-going, Section 17 of the Property Rates Act, the exemptions, rebates and reductions set out in the Rates Policy apply with the necessary changes in relation to the levying of an additional rate for special rating area purposes.

“7.2 Notwithstanding the provisions of paragraph 7.1 above, when the Municipality grants a partial rebate as set out in the Rates Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional rate.

“7.3 Other policies approved by the 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 Property Rates Act, including, but not limited to, the Overstrand Municipality Credit Control and Debt Collection Policy.”⁴

Property owners who qualify for full or partial exemption from property tax do not have to pay the special KSRA rate.

8.3 Five-year term budget

According to the OM’s SRA policy the budget for the proposed improvements or upgrades must at least address the following:

- *“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*
- *a budget split for the provision of improvements or upgrades between the different categories of properties.*
- *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.”⁵*

However, while the above is the official policy, it is the aim of the KSRA Board that the additional rate should not exceed 10% of the municipal property rate.

Draft operational budgets for the periods 1 July to 30 June

	2025/26	2026/27	2027/28	2028/29	2029/30
	R	R	R	R	R
Income	1 687 689	1 754 476	1 823 935	1 896 173	1 971 300
Additional rates	1 669 689	1 736 476	1 805 935	1 878 173	1 953 300
Interest received	18 000	18 000	18 000	18 000	18 000

Administrative expenses	211 307	223 039	235 574	248 000	259 360
Audit fees	8 063	8 667	9 317	10 016	10 767
Accounting fees	23 680	25 101	26 607	28 204	29 896
Administration expenses	25 440	26 966	28 584	30 299	32 117
Advertising and promotions	6,563	6,891	7,235	7,597	7,977
Annual return fees	450	450	450	450	450
Bank charges	2,200	2,266	2,334	2,404	2,476

Computer expenses / software	1,100	1,200	1,300	1,400	1,400
Refreshments at meetings	1,200	1,250	1,250	1,250	1,250
E Mail platform expenses	15,000	15,500	16,000	16,500	16,500
General expenses	10,000	10,000	10,000	10,000	10,000
Insurance	54,166	57,416	60,861	64,513	68,383
Internet	5,500	5,600	5,700	5,800	5,800
Printing, stationery and postage	6,500	6,500	6,500	6,500	6,500
CCTV - replacement of equipment	15,000	16,500	18,000	19,000	19,000
Radio data and server fees	29 283	31 479	33 840	36 378	39 107
Secretarial fees	663	702	744	789	836
Travel to meetings	5,000	5,000	5,250	5,250	5,250
Website maintenance	1,500	1,550	1,600	1,650	1,650

Control room expenses	1,310,952	1,389,610	1,472,986	1,561,365	1,655,047
Video analysis monitoring	548,020	580,901	615,755	652,701	691,863
CCTV maintenance	59,233	62,787	66,554	70,547	74,780
Response fee - shared	513,040	543,822	576,452	611,039	647,701
NAVIC monitoring fee	7,929	8,405	8,909	9,443	10,010
Network bandwidth fee	62,731	66,495	70,484	74,713	79,196
Additional monitoring expenses	120,000	127,200	134,832	142,922	151,497

	2025/26	2026/27	2027/28	2028/29	2029/30
	R	R	R	R	R
Contribution to reserves	160 000	130 000	110 000	60 000	10 000
Maintenance and replacement reserve	150 000	120 000	100 000	50 000	0
Operational capital reserve	10,000	10,000	10,000	10,000	10,000
Operational budget surplus	5 429	11 828	5 376	26 808	46 893

Expected surplus funds for the periods 1 July to 30 June

	2025/26	2026/27	2027/28	2028/29	2029/30
	R	R	R	R	R
Balance of surplus funds	221 001	202 431	211 258	216 634	243 442
Budget surplus for the year	5 429	11 828	5 376	26 808	46 893
Expected add surplus for the year	0	0	0	0	0
Estimate surplus funds at end of year	226 431	214 258	216 634	243 442	290 335

Projects - CAPEX (ex surplus funds)	24,000	3,000	0	0	0
KSW - loan repayments **	24,000	3,000	0	0	0

202 431	211 258	216 634	243 442	290 335
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** The monthly payments resulted from seed capital advanced by KSW as a preliminary loan to KSRA to pay for the startup expenses of KSRA.

8.4 Other requirements

“Before the Overstrand Municipality will pay over any additional rates collected to the NPC, the NPC and the Overstrand Municipality must have concluded a written finance agreement regulating, amongst other things:

- *the mechanisms and manner of payment;*
- *how the additional rate is to be held by the NPC;*
- *any parameters relating to expenditure; and*
- *any obligations on the NPC to take out and maintain appropriate insurance.”⁶*

This agreement was closed on 20 July 2021.

8.5 Existing inequities

As in every other town in the country inequities exist in Kleinmond. One of these is the inequity in financial means. It is important that inequities should not be exacerbated by establishing an SRA as required by the policy par 6.2. KSRA funding will be based on the municipal valuation of properties. This means that every rateable property owner will contribute as an additional rate the same number of cents in the rand value of his/her property, as every other property owner.

Standard municipal rebates and exemptions as currently exercised will also apply to this special rate.

9 Management Structure

The KSRA non-profit company was established on 28 January 2021 and registered with the Companies and Intellectual Property Commission.

9.1 Board of Directors

The NPC currently has 5 (five) directors, each with specific portfolio(s) aligned with the business plan of the KSRA.

The Board of Directors is appointed by the members of the KSRA NPC at Annual General Meetings and consists of the following portfolios:

- A Chairperson (currently responsible for administration and communication)
- A Vice Chairperson (currently responsible for operational functions, liaison with the service provider and networks, such as the Overstrand Joint Public Safety Forum, JOCOM and the OM Ward 9 committee)
- A second Operational Director (responsible for operational functions, infrastructure, liaison with the service provider and networking with community leaders)
- A Financial Director (oversees the work of the appointed Financial Administrator regarding the KSRA budget and financial management and liaison with the OM CFO)
- A Director for a clean and healthy environment (responsible for monitoring and reporting issues regarding a clean and healthy environment.)

The KSRA Financial Administrator serves in an advisory capacity on the Board.

The Board of Directors has monthly meetings except for December.

“The Executive Mayor will appoint councilor(s) as director(s) and alternate director(s) as representative(s) of the Municipality, who shall attend and participate in, but not vote at

meetings of the management body, to the board of the management body in accordance with sections 11(4) and 11(5) of the By-law. The director(s) appointed by the Executive Mayor will not have the powers and duties of directors as set out in the Companies Act and the management body's MOI;”⁷

9.2 Annual General Meeting

An AGM will be scheduled within two months after the end of each financial year.

The AGM will be responsible for:

- the appointment of directors;
- the review of the chairperson's Annual Report;
- the approval of the audited financial statements;
- the approval of the following year's budget and implementation plan;
- the appointment of an auditor;
- the amending of the NPC's MOI if required and with prior written consent of the CFO and
- the approval for the KSRA Board to apply for the extension of the KSRA term once every five years.

10. Website

KSRA has a website which has the following content:

- The KSRA business plan;
- The public opinion survey report;
- The agendas, reports, presentations and minutes of AGMs;
- the Overstrand Municipality Special Rating Area By-law;
- the Overstrand Municipality's policy for the determination of special rating areas;
- The KSRA Memorandum of Incorporation;
- Information about membership of the KSRA NPC and
- Notices.

The address for the website is <https://www.kleinmondsag.co.za/en/>

References

1. Overstrand Municipality. 2024. Special Rating Area Policy. Par 5.1 and 5.3, p 4, 5
2. Overstrand Municipality. 2024. Final IDP review and amendment 2024-25 - 31 May 2024, p 75.
3. Overstrand Municipality. 2024. Final IDP review and amendment 2024-25 - 31 May 2024, p 18.
4. Overstrand Municipality. 2024. Special Rating Area Policy. Par 7, p 6
5. Overstrand Municipality. 2024. Special Rating Area Policy. Par 11.3.1, p 11
6. Overstrand Municipality. 2024. Special Rating Area Policy. Par 16.3, p 13
7. Overstrand Municipality. 2024. Special Rating Area Policy. Par 9.2.5, p 7

Appendix A

Overstrand Municipality: Special Rating Area By-law 2016

Available in pdf-format at <https://www.kleinmondsag.co.za/en/>

Appendix B

Overstrand Municipality: Special Rating Area Policy 2024

Available in pdf-format at <https://www.kleinmondsag.co.za/en/>

Appendix C

Unabridged analysis of Public Opinion Survey.

Available in pdf-format at <https://www.kleinmondsag.co.za/en/>

Appendix D

KSRA responses on Q14 of Public Opinion Survey June 2024

Available in pdf-format at <https://www.kleinmondsag.co.za/en/>