CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

CITY OF CAPE TOWN'S IMMOVABLE PROPERTY ASSET MANAGEMENT POLICY (Policy number 69663)

Approved by Council: 24 April 2025

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Making progress possible. Together.

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Economic Growth Directorate

Property Transactions Department

IMMOVABLE PROPERTY ASSET MANAGEMENT POLICY

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Definitions

In this policy, unless the context indicates otherwise:

"accountability" means the responsibility for use, management and control of an immovable property asset including but not limited to ensuring the execution of all activities associated with operations, relationship management, security, maintenance, budgeting, income and expenditure management and performance reporting. Accountability is assigned through the principles of Reservation or Deemed Reservation.

"asset life cycle" means the cycle of immovable property asset ownership including the phases of planning, acquisition, holding and disposal.

"asset life cycle management" means the execution of all necessary activities involved in the active management of an immovable property asset through each of the identified life-cycle phases. During the asset life cycle period the owner and the community expect to derive benefits from the control and/or use of the immovable property asset/s.

"business partner" means a person or entity appointed and managed by the immovable property asset user to deliver a service to - or on behalf of - such user, and "service provider" bears the same meaning.

"City" means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority

"custodian" means the Director: Property Transactions who is tasked with the role of oversight over immovable property assets and Users thereof. This role is distinct from that of "owner" and "user department" and does not by definition include responsibility for the execution of all activities pertaining to the day to day management and control of all City-owned immovable property assets.

"**change in use"** means the transactional process used to authorise, guide and record the permanent change in the use of an immovable property asset from current use, or use at time of Reservation, Deemed Reservation and Transfer of Reservation benefit, to a different use.

"deemed reservation" means where an immovable property asset is historically linked to a specific functional use aligned to the operations of a particular City department or where the service delivery activities associated with such immovable property asset are linked to the mandate or basket of services of such a department, such immovable property asset is deemed to have been formally reserved for the use, management and control of such department and for which such department becomes accountable.

"departmental assessors" means officials of a user department identified and appointed by the Director of such user department to measure and record the performance of immovable property assets of such user department in support of the Immovable Property Asset Management System.

"departmental query contact" means an official identified and appointed by the Director of a user department to be the initial point of entry for, and where necessary to distribute for action, all day- to-day queries pertaining to the immovable property assets under the use management and control of such user department.

"departmental representative" means an official of a user department identified and appointed by the Director of such user department to represent the user department in engagement and interaction with the custodian in the execution of the Immovable Property Asset Management Framework.

"directive" means an instruction or clarifying document, in terms of the Immovable Property Asset Management Framework, approved and issued by the Executive Director for the directorate within which the Property Transactions Department is situated in terms.

"expression of interest" means the transactional process used to guide and record the formalisation of the interest of a City department in an immovable property asset under the use, management and control of a different user department.

"immovable property asset" means immovable property or real right in such property, with associated improvements, ownership of which is registered or vested in the name of the City.

"Immovable Property Asset Management Framework" means the framework to further the objective of bringing about improved immovable property asset management and comprises of an inventory component (Immovable Property Asset Register - IPAR), a portfoliorisation and performance component (Immovable Property Asset Management System - IPAMS) and components of Custodial Governance and Compliance.

"Immovable Property Asset Management System" means the system to measure, evaluate and report performance of immovable property assets with associated support systems and business processes for system and performance data management.

"Immovable Property Asset Register" means a repository for the management and storage of data specific to the immovable property assets owned by the City with associated support systems and business processes for system and data management.

"inappropriate performance" means, in respect of an immovable property asset or group of immovable property assets, which when performance is measured is not in alignment with the required and benchmarked performance range for such asset or group of assets.

"multi-use asset" means City-owned immovable property asset with more than one functional use and which may have more than one immovable property asset user department, as opposed to single use asset which refers to a single functional use and which has one immovable property asset user department

"Multi-use Asset Management Plan" means a documented plan identifying components, roles, management and control activities, and recording responsibilities of users of a m ulti-use asset.

"Operational-level Agreement" is specific to multi-use assets and means a written agreement which defines the interdependent relationships among Primary and Secondary Users required to support the execution of the Multi-use Asset Management Plan and includes activities, timeframes and quality standards.

"owner" in respect of immovable property assets means the City.

"performance benchmarking" means a set of performance standards/ targets set at a Usage Type, Portfolio, Sub-portfolio, individual immovable property asset level, or at the level of a geographically defined area, against which the performance of such assets will be assessed/analysed and reported.

"performance measurement" means the measurement and evaluation of the performance of immovable property assets against predetermined criteria.

"performance measurement framework" means a collection of criteria in the form of key performance areas, indicators, norms and standards and benchmarks against which the performance of immovable property assets will be measured.

"portfolio" means a grouping of immovable property assets of similar typology for purposes of performance measurement and custodial oversight.

"portfoliorisation" means the allocation of an immovable property asset to a specific portfolio.

"portfolio framework" means a matrix of Portfolios with associated Sub-portfolios – each with associated Usage types.

"primary user" means a user department identified as the predominate user in a Multi-use Asset.

"reservation" means the formal reservation of an additional or new immovable property asset for the use, management and control by a user department for operational purposes authorised by the custodian and for which such department becomes accountable.

"reservation benefit" means the benefit derived from the use, management and control of an immovable property asset by a user department.

"secondary user" means a user department of a Multi-use Asset other than the Primary User.

"sub-portfolio" means a subset of a Portfolio.

"transfer of reservation benefit" means the transactional process used to authorise, guide and record the mutually agreed and permanent transfer of reservation benefit from one user department to another user department.

"temporary transfer of reservation benefit" means the transactional process used to authorise, guide and record the mutually agreed and temporary transfer of reservation benefit from one user department to another user department for a defined period of time.

"user department" means the accountable City department to which an immovable property asset has been allocated for operational use, management and control by means of the Reservation or Deemed Reservation principle and for which such department is accountable.

"**usage type"** means the typology description allocated to an immovable property asset based on the characteristics of such immovable property asset and the services and activities for which such immovable property asset is deployed and used.

"User Asset Management Plan" means a strategic/ high-level plan in accordance with which the user department will use, manage, control the immovable property assets allocated for service delivery purposes and shall include elements of subject typologies, inventory, performance benchmarks, lifecycle tracking, future demand scoping, performance and remediation.

Acronyms

IPAMF	Immovable Property Asset Management Framework
IPAR	Immovable Property Asset Register
IPAMS	Immovable Property Asset Management System
IPA	Immovable Property Asset
GIS	Geographic Information Systems
MUAMP	Multi-use Asset Management Plan
OLA	Operational Level Agreement

1 Problem Statement

Immovable property and property information are significant resources that when managed and utilised optimally provide a critical and sustainable platform for service delivery and have the potential to create opportunities for city driven partnerships aimed at leveraging economic and social development benefits to a range of stakeholders. These benefits could contribute towards the enablement of effective and efficient achievement of community socio-economic empowerment, economic growth, efficient service delivery and the generation of revenue from alternative sources.

Effective immovable property asset management is a legal requirement and an imperative for sound and effective governance.

While substantial improvements have been realised since the introduction of the Immovable Property Asset Management Framework and Immovable Property Asset Management Policy in 2015, certain operational practices around the day-to-day management of immovable property assets remain characterised by lack of uniformity, norms and standards, monitoring and evaluation.

The management of immovable property requires a systematic, structured process covering property related activities on a life cycle basis. It typically includes activities associated with planning, acquisition, holding of property (use and occupancy) and finally disposal.

Historical and prevailing societal challenges such as unemployment, poverty, crime, rapid urbanisation and service-inequity indicate the imperative for a more direct and focused (forward planning) approach to the use and management of immovable property assets including but not limited to:

- Optimal deployment;
- Efficiency in use;
- Forward planning and demand scoping;
- Alignment with strategic objectives, including spatial targeting;
- Effective life-cycle management;
- Compliance management; and
- Fact-based evaluation, monitoring and reporting methodology to enable executive oversight, timeous guidance and remedial action where required.

There is scope for improving the extent to which the management of immovable property assets is aligned with City strategic objectives, guidelines from external stakeholders and best practice.

2 Desired Outcomes

This Policy is a key enabler of the introduction and implementation of the Immovable Property Asset Management Framework aimed at driving improved immovable property asset deployment, use and performance, with specific outcomes including—

2.1 Effective Custodial Oversight of the deployment, use, management, control and performance of immovable property assets through the further development and implementation of the Immovable Property Asset Management Framework;

2.2 Clarity and entrenchment of the principle of accountability for immovable property assets and what this means for user departments;

2.3 Clarity and entrenchment of the various roles associated with the oversight, use, management and control of Immovable property assets and the responsibilities for the execution of activities associated with such roles;

2.4 Establishment of uniformity in practice and defined process in the allocation and transfer of accountability and the maintenance of records of accountability throughout the lifecycle of immovable property assets;

2.5 Development, implementation and maintenance of a systemic solution for the benchmarking of performance pertaining to the use, management and control of immovable property assets;

2.6 Development, implementation and maintenance of a structured stakeholder and role-player engagement and management model to drive awareness around immovable property asset management and provide training for role-players;

2.7 Further development and implementation of the performance measurement of the use and management of immovable property assets, development of remediation plans and monitoring, evaluation and reporting of the execution of such remediation activities;

2.8 Improved alignment of immovable property asset use and deployment with strategic objectives, spatial distribution objectives and service delivery imperatives;

2.9 Further development, implementation, maintenance and integration of business system solution and management tools on corporate information technology platforms to enable and support the Immovable Property Asset Management Framework;

2.10 Introduction, implementation and maintenance of a systemic approach to the use, management and control of IPAs including, but not limited to master data modelling and business system solution development and integration to support full life-cycle management;

2.11 Development, implementation and maintenance of standardised methodology and format for reporting of management information pertaining to immovable property asset deployment, accountability, use and performance;

2.12 Development, implementation and maintenance of a methodology and format for measurement and reporting of compliance with provisions of this policy at the level of Department and Directorate in alignment with the standard organisational performance monitoring and reporting systems;

2.13 Development, implementation and maintenance of processes and systems for the cyclical modelling of future demand for immovable property assets by user departments; and

2.14 Development implementation and maintenance of a comprehensive Immovable Property Asset Management Strategy incorporating the life-cycle stages of ownership being Planning, Acquisition, Holding and Disposal.

3 Strategic Intent

3.1 This policy aligns with the Strategic Plan articulated in the City's Integrated Development Plan, being—

The Vision - A City of Hope for All.

Priority Programmes that will deliver the outcomes in support of the Vision - Economic Growth, Safety, Basic Services, Housing, Public Space & Environment & Amenities and Transport, and

Foundational Programmes that support the delivery of the 6 Priority Programmes - A Resilient City, A more Spatially Integrated & Inclusive City and A Capable and Collaborative City Government.

Specifically:

3.1.1 Supporting equitable distribution and access to immovable property for community and service delivery purposes;

3.1.2 Leveraging the City`s immovable property assets as a catalyst and enabler for economic growth and sustainable development;

3.1.3 Using immovable property assets to address social issues; and

3.1.4 Ensuring appropriate custodial governance and oversight of the efficient and effective deployment, use and performance of the City's immovable property assets.

4 Policy Parameters

4.1 This policy is concerned with the immovable property assets in the ownership of the City including land, buildings and rights in property, both within and outside of the demarcated municipal area.

4.2 This policy has transversal implications as the parameters extend across all users of the City's immovable property assets, that is, all directorates, departments and branches including associated business partners and service providers that are included in the definition of User.

4.3 The parameters further include the custodianship of the City's immovable property, which role is vested in the Property Transactions Department.

4.4 This policy is intended to cater for high level and generic principles which will be applicable to immovable property assets. Operational matters pertaining to the day-to-day use, management and control of immovable property asset will be dealt with by means of detailed Directives in order to support flexibility and responsiveness to the constantly changing operating environment.

4.5 This policy is not intended to deal with property transactional matters such as leases and disposals, nor with organisational structure issues pertaining to mandates of user departments, functional clustering of activities or centralisation of functions. These are strategic and tactical decisions falling within the ambit of the Political and Administrative leadership of the City.

5 Roles, Role-players & Stakeholders

The following role players and stakeholders are identified for the purpose of implementing the provisions of this policy:

5.1 The following roles have been identified pertaining to the use, management and control of immovable property assets:

5.1.1 ***Custodial***

This role will be performed exclusively by the Property Transactions Department and involves custodial oversight of immovable property assets including allocation, re-allocation, performance measurement and associated business system solution development, implementation and maintenance. In addition, this role will include the authorisation of the initiation of certain regulation-controlled processes which support property transactions (creation and retirement of assets), make recommendations on portfolio strategy and business plans, optimisation and rationalisation of assets and portfolios, benchmarking in respect of performance, user asset management plans, asset lifecycle management, change in use, project initiation and new builds.

5.1.2 ***Advisory***

This role will be performed by the Property Transactions Department and will involve providing an advisory service in respect of property related regulations and compliance, property transactions, accountability, acquisitions, disposals, leases, management agreements, optimisation, rationalisation, land surveying, GIS, market valuations, road closures, demolitions and multi-use assets.

5.1.3 ***Agency***

This role will be performed by the Property Transactions Department in respect of immovable property assets other than those subject to Human Settlements related Legislation, Policy, Mandate and operations - unless otherwise agreed with the Human Settlements cluster - and includes management and execution of all transactional activities relating to property and rights in property including but not limited to acquisition, disposal, servitudes, lease negotiations, lease contract management, lease-ins, etc.

5.1.4 ***Operational***

This role will be performed by all user departments for which IPAs have been reserved - through the principles of reservation and deemed reservation - and involves the direct use, management and control of immovable property assets reserved for service delivery.

5.2 The following role players and stakeholders are identified for the purpose of implementing the provisions of this policy:

5.2.1 The Political and Administrative Leadership of the City being responsible for the economic, efficient and effective deployment and use of immovable property assets must provide strategic direction, leadership and support in IPAMF implementation.

5.2.2 The Director: Property Transactions shall fulfil the role of custodian of all immovable property assets and shall initiate, undertake and facilitate all required activities to give effect to the Desired Outcomes articulated in Clause 2 above. In execution of such role the Property Transactions Department shall engage, consult, advise, guide and instruct users on the appropriate and compliant use, management and control of immovable property assets.

5.2.3 Immovable Property Asset User Directorates and Departments:

Where User City Directorates and Departments use, manage and control immovable property assets in the course of service delivery activities, such Users must:

(a) Use immovable property assets for purposes reserved. Any proposed change in the primary use of an IPA must be submitted to the Custodian for consideration and approval prior to implementation of such change;
(b) Inform the Property Transactions Department of any changes in the attributes of immovable property assets that might impact on the data in IPAR and the integrity thereof;
(c) Embrace accountability for immovable property assets allocated for the execution of mandated functions, and ensure execution of the necessary activities associated with such accountability including but not limited to operations, relationship management, security, maintenance planning and execution, budgeting, income and expenditure management, life-cycle planning and performance reporting;
(d) Use, manage and control immovable property assets, as far as possible, in an economic (in terms of costs of consumption and contracted services), efficient (in terms of space utilisation and time), and compliant (in terms of the regulatory framework) manner;
(e) Engage Property Transactions Department where necessary as Custodian in the execution of activities and responsibilities pertinent to the use, management and control of immovable property assets;
(f) Participate actively in the implementation and operation of the IPAMF by confirming inventory data, accurately recording performance data and collaborating with Custodian on development and execution of portfolio remediation strategies and plans, and the development and maintenance of User Asset Management Plans, Immovable

Property Asset Future Demand Models and Multi-use Asset Management plans - including the periodic review and renewal of these; and

(g) Ensure establishment and capacitation of the roles of departmental representative, departmental query contact and departmental assessors in support of the IPAMF implementation.

5.2.4 The Information Systems and Technology Department is responsible for the provision and maintenance of system solution support and integration.

6 Regulatory Context

6.1 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

Regulates the financial management practices of municipalities. It establishes a fiscal governance framework for local government and clarifies roles and responsibilities. Clause 78. (1 e) and (2) of the Act makes reference to the accountability of senior managers when managing IPAs.

6.2 Integrated Development Plan of the City of Cape Town,

The Integrated Development Plan (IDP) is the central strategy of the City and it communicates to residents, businesses and investors the City's long-term vision, and how the City plans to achieve it. The IDP is required in terms of the Local Government: Municipal Systems Act, (Act No. 32 of 2000), which defines the IDP as a municipality's principal strategic planning instrument that guides all municipal planning.

6.3 City of Cape Town's Asset Management Policy

This policy establishes a framework for the accounting treatment and safeguarding of Property, Plant and Equipment.

6.4 Management of Certain of the City of Cape Town's Immovable Property Policy.

This policy generally sets out the City's Property Management objectives and aligns principles, activities and outcomes with the Municipal Asset Transfer Regulations promulgated in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

6.5 Municipal Spatial Development Framework

This Framework is a long term (20 years+) plan to guide and manage current and future growth of the City as informed by various, sector-specific strategies and guided by the Vision of the City.

7 Policy Directives

7.1 Policy Directives - General

Immovable Property Asset Management Framework (IPAMF) Implementation

7.1.1 The Property Transactions Department shall develop and oversee the implementation of the IPAMF. The IPAMF shall incorporate elements of inventory (IPAR), performance measurement (IPAMS), compliance with regulatory context (Policy, Directives, Individual Performance Management, Job Profiles) and business strategy (Service Delivery Budget Implementation Plans).

7.1.2 The objective of the IPAMF is the pursuance of improved immovable property asset management through:

(a) Maximising service potential of existing immovable property assets – appropriate use, maintenance, safeguarding and risk mitigation;
(b) Optimisation of life cycle costs of ownership;
(c) Improved alignment of use and deployment of immovable property assets with strategic, spatial transformation and service delivery objectives;
(d) Reduction in demand for new immovable property assets – optimal usage and demand management; and
(e) Formalisation and maintenance of clear roles, responsibilities and accountability for immovable property assets and associated performance.

7.1.3 All User Directorates and Departments that use, manage or control immovable property assets in the course of daily functions and core business must participate in the IPAMF as set out in Clauses 5.2.3 and 5.2.4 of the Policy.

Immovable Property Asset Register (IPAR)

7.1.4 The Immovable Property Asset Register is a core component of the IPAMF and shall be established and maintained by the Property Transactions Department with the objective of–

(a) Being the repository for the management and storage of data specific to immovable property assets and rights in property owned by the City.

(b) Providing the data base upon which immovable property asset performance management will be conducted.

(c) Being the definitive record of the City's immovable property assets and which Directorates and Departments are accountable for such assets.

(d) Being aligned with relevant regulatory guidelines and the Records Management Policy of the City of Cape Town.

7.1.5 The Immovable Property Asset Register shall -

(a) Comprise of both spatial and attribute data at an appropriately granular level so as to record actual use on the ground with such data being appropriately linked and synchronised.

(b) Be supported by system solutions incorporated and maintained within the City's corporate information technology platforms and tools.

(c) Be integrated with other specifically identified City information technology systems as far as practically possible in order to provide comprehensive information, store historical or corroboratory documentation to support identification of accountability and to enable extraction of quantitative performance data.

(d) Provide appropriate levels of access for queries and investigations into ownership and accountability to stakeholders on a self - help basis.

(e) Provide regular and appropriate reports on immovable property assets including but not limited to changes in numbers of assets and accountability for assets.

(f) Provide capability for extraction of information at various levels of granularity and in a segmented manner in respect of, inter alia, User Departments, Portfolios, Sub-portfolios, Usage Types, Attributes and geographic definition on a cyclical frequency basis or on request.

7.1.6 Immovable Property Asset Register Data shall -

(a) Be effectively managed to ensure integrity through controlled access and appropriate segregation of duties in the management of additions, deletions and changes to the data as well as appropriate business processes and standard operating procedures.
(b) Be defined and maintained at a level reflective of the actual usage on the ground.

7.1.7 Management, maintenance and control of IPAR shall be the responsibility of the Property Transactions Department with the support and assistance of all immovable property asset user departments and the Information Systems and Technology Department.

7.1.8 User departments must inform the Property Transactions Department of any changes on the ground that may impact on the data in IPAR and the integrity thereof. The Property Transactions Department must update IPAR on receipt of verified information from user departments.

7.1.9 The Property Transactions Department must undertake reconciliation of the data pertaining to immovable property assets for which such user departments are accountable subject to:

(a) Such reconciliation being undertaken in collaboration with affected User Departments;
(b) Such reconciliation being undertaken on a cyclical basis with the period between reconciliations not exceeding 24 months; and
(c) Reconciliations undertaken as part of the preparation for performance assessments shall suffice as the reconciliation for the affected user department/s or usage type/s.

Immovable Property Asset Management System (IPAMS)

7.1.10 The Immovable Property Asset Management System is a core component of the IPAMF and will be established and maintained by the Property Transactions Department with the following objectives:

(a) Defining usage types for immovable property assets owned by the City, development and maintenance of a matrix of portfolios (portfolio framework), sub-portfolios, aligning usage types to these and allocating immovable property assets to usage types, sub-portfolios and portfolios;
(b) Measuring the performance of immovable property assets in alignment with the performance measurement framework;
(c) Analysing and interpreting performance results;

(d) Reporting asset performance to immovable property asset users and stakeholders;
(e) Developing, in collaboration with user departments and stakeholders, appropriate remedial measures to address areas of inappropriate performance; and
(f) Monitoring, evaluating and reporting on the implementation of remedial measures, which are approved by a user department.

7.1.11 The Immovable Property Asset system shall -

(a) Be used to allocate immovable property assets to portfolios and sub-portfolios for the purposes of custodial oversight and performance measurement;
(b) Be used to measure performance against a standard set of Key Performance Areas using Key Performance Indicators;
(c) Be used to compare performance between immovable property assets, between portfolios or sub-portfolios, at time intervals and against benchmarks for performance;
(d) Be supported by system solutions incorporated, where applicable, and maintained within the City's corporate information systems, technology platforms and tools;
(e) Be integrated with IPAR, and also with other appropriate City information technology systems as far as practically possible in order to enable extraction of relevant quantitative data pertaining to immovable property assets including but not limited to utility service consumption, contracted services, maintenance and value;
(f) Provide appropriate levels of access for viewing of performance measurement results;
(g) Provide appropriate reports on performance of immovable property assets; and
(h) Embrace flexibility to enable development and alignment with developing trends and best practice in public sector immovable property asset management.

7.1.12 Management, maintenance and control of IPAMS will be the responsibility of the Property Transactions Department with the support and assistance of all immovable property asset user departments and the Information Systems and Technology Department.

7.1.13 Immovable property asset user departments must participate actively in the development and implementation of performance benchmarks, the measurement of performance of immovable property assets and engage with Property Transactions Department representatives in order to develop appropriate remediation measures to address areas of inappropriate performance.

Compliance

7.1.14 Participation in the IPAMF by immovable property asset users is mandatory in terms of the regulatory context around immovable property assets. To this end appropriate references and requirements to give effect to implementation of immovable property asset management must be included, where necessary, in-

(a) Council's System of Delegations;
(b) Departmental Business Plans and Service Delivery Budget Implementation Plans;
(c) Relevant Job Profiles; and
(d) The Individual Performance Management system.

7.2 Policy Directives – Accountability

7.2.1 The Property Transactions Department must develop and maintain a suite of detailed directives and standard operating procedures in order to guide activities pertaining to the use, management and control of immovable property assets by user departments including management reporting.

7.2.2 Such detailed directives and standard operating procedure shall be formally approved and issued by the Executive Director for the Directorate within which the Property Transactions Department is situated. Directives will be based on broad principles as may be recommended by Property Transactions Department.

7.2.3 The City acquires immovable property assets through various processes including (but not limited to) purchases, expropriation, donation, cession, devolution and by order of court. City departments that are involved in (request/mandate/initiates) any process resulting in the acquisition of immovable property assets must take the necessary action to -

(a) Identify the Usage Type of the immovable property asset being acquired;
(b) Based on such Usage Type, identify a potential accountable user department/s to which it will be allocated for use, management and control;
(c) Engage such identified Departments and facilitate confirmation of accountability for the subject immovable property asset; and
(d) Engage the Property Transactions Department for assistance in an advisory capacity during the process and provide this Department with evidence of the completion of allocation of accountability.

7.2.4 Where a City Department processing an acquisition fails to comply with Clause 7.2.3 above resulting in the subject immovable property asset/s being unallocated, accountability for the use, management and control of such immovable property asset/s will be allocated to such City Department that processed the acquisition.

7.2.5 Various City departments become involved in the planning and development of immovable property assets including (but not limited to) processes of rezoning, subdivision and construction. City departments that are involved in the lead role in achieving the desired outcome of such processes must, in respect of the resultant immovable property assets, take the necessary action to -

(a) Identify the Usage Type/s of the immovable property asset/s resulting from such processes;
(b) Based on such Usage Type/s, identify potential accountable user department/s to which such assets will be allocated for use, management and control;
(c) Engage such identified Department/s and facilitate confirmation of accountability for the resultant immovable property asset/s; and
(d) Engage the Property Transactions Department for assistance in an advisory capacity during the process and provide this Department with evidence of the completion of allocation of accountability.

7.2.6 Where a City Department leading the development of immovable property assets described above fails to comply with Clause 7.2.3 above resulting in the resultant immovable property asset/s being unallocated, accountability for the use, management and control of the resultant immovable property asset/s will be allocated to the City Department that led the development.

Reservation and Deemed Reservation

7.2.7 Allocation of immovable property assets to departments or directorates shall generally follow the Reservation process and be recorded in IPAR.

7.2.8 Where a department or directorate already uses, manages or controls immovable property assets, whether or not evidence of formal Reservation exists, such assets will be deemed to have been reserved for the use, management and control of such department.

7.2.9 Where an immovable property asset is historically linked to a specific functional use aligned to the operations, service mandate or basket of services of a particular department or directorate, whether or not evidence of formal Reservation exists, such asset is deemed to have been formally reserved for the use, management and control of such department.

7.2.10 Reservation or Deemed Reservation of an immovable property asset for a user department effectively assigns to such user department accountability for the asset with responsibility for ensuring execution of all day-to-day activities associated with the use, management and control of such asset - including but not limited to operational, relationship and financial management, as well as security and maintenance.

Cancellation of Reservation Benefit

7.2.11 Where a user department has held a reservation benefit over an immovable property asset for a period of time and has not used it nor shown tangible evidence of the intent to use it in the foreseeable future and where there is a clear demand from another Department for the use of the subject immovable property asset for a defined purpose, the Director: Property Transactions may cancel such reservation benefit subject to:

(a) The user department being given notice of the intent to cancel the reservation benefit;
(b) The user department being given 15 working days to present motivation why the reservation benefit should not be cancelled, with such motivation supported by evidence of progress made in preparing the immovable property asset for the intended use in the foreseeable future; and
(c) The Director: Property Transactions giving due consideration to the motivation and evidence submitted in making the final decision whether or not to cancel the reservation benefit.

7.2.12 Where disputes arise in the determination of Reservation, Deemed Reservation and in the Cancellation of Reservation Benefit the final decision will be made by the Executive Director for the Directorate within which the Property Transactions Departments is situated based on the salient facts. Such decision shall be final and binding on the user department identified.

Preliminary Determination of Accountability

7.2.13 Where it is necessary from an operational or risk management perspective to speedily determine accountability for an immovable property asset the Property Transactions Department shall undertake the Preliminary Determination of Accountability process in order to identify a prospective accountable department subject to:

(a) Such process shall include investigation into the attributes of the immovable property asset, historical use, how it came into existence and the operational service mandates and baskets of services of city departments;
(b) Where the investigation results in more than one department being identified as the potential accountable user department, the Director: Property Transactions shall make the preliminary determination on the principle of best-fit in terms of alignment with operations, mandate and services of a user department;
(c) The identified user department shall be given 10 working days from the date of notification of the preliminary determination of accountability to either accept or challenge the preliminary determination;
(d) Where the identified Department accepts the preliminary determination or fails to respond within the stipulated time-frame accountability will be deemed to have been assigned to such Department and the appropriate records will be updated in IPAR;
(e) Where the identified Department challenges the preliminary determination the Deemed Reservation process will be initiated by the Director: Property Transactions subject to the identified Department providing substantive motivation and documented evidence to support such challenge.

7.2.14 Where it is not possible to link the historical, current or intended use of a City-owned immovable property asset to the operational mandate, functions or basket of services of a particular user department in terms of the Deemed Reservation principle and it is also not possible to link such immovable property asset to a department as an outcome of a development process, accountability for such immovable property asset/s shall be allocated to the Property Transactions Department. This principle shall be limited in application to immovable property assets with zoning types including education, business, residential (excluding housing delayed transfer, hostels and rental stock) industrial, agricultural, utility, community, mixed use, rural and limited use.

Arrangements and Relationships

7.2.15 Where an immovable property asset user department elects not to execute the activities associated with the use, management and control of immovable property asset/s for which it is accountable and enters into arrangements with other departments, business partners or service providers to execute such activities, such arrangements shall not transfer accountability for the immovable property asset nor the responsibility for ensuring the execution of the required activities to such other department, business partner or service provider. Accountability for the immovable property asset and the responsibility to ensure the execution of the activities associated with the use, management and control of such asset/s remains with the City Department identified as the user department.

7.3 Policy Directives – Transactional and Activity-specific

Transfer of Reservation Benefit

7.3.1 Where a user department no longer requires the use of an immovable property asset and is desirous of transferring the reservation benefit and accountability to another user department, with the approval of the receiving user department, the current user department must -

(a) Engage the Property Transactions Department as Custodian;
(b) Ensure as far as is reasonably possible that the immovable property asset is in a satisfactory condition;
(c) Participate actively in the transfer of reservation benefit and accountability;
(d) Comply with stipulations of all relevant Corporate Directives in this regard;
(e) Ensure that all necessary documentation is completed prior to transfer;
(f) Maintain full operational use, management control of the asset including security and maintenance until the reservation benefit and accountability is transferred; and
(g) Inform the Property Transactions Department when the physical handover of control of the subject immovable property asset has been completed.

7.3.2 Authority for the approval of the Transfer of Reservation Benefit shall rest with the Director: Property Transactions and all Transfers of Reservation Benefit shall be recorded against the relevant Immovable property assets in IPAR with appropriate evidentiary documentation loaded in Records Management and linked to the IPAR object.

7.3.3 Transfers of Reservation Benefit shall not be applicable where the subject immovable property asset -

(a) Is exceptionally large in extent;
(b) Is strategic or complex in nature;
(c) Would undergo a change in use;
(d) Is identified as being politically or community sensitive; and
(e) Would undergo substantial change in extent.

Change in use

7.3.4 User departments must use immovable property assets for the purpose for which such assets were reserved - this includes where Deemed Reservation is applicable. Where a user department wishes to change the use of an immovable property asset it must –

(a) Engage the Property Transactions Department as Custodian;
(b) Confirm and substantiate that the proposed use is aligned with the user department's operational service mandate and basket of services;
(c) Confirm and substantiate that the proposed use is reasonably aligned with the strategic and spatial transformation objectives of the City;
(d) Comply with stipulations of all relevant Corporate Directives in this regard; and
(e) Confirm commitment to the sustained accountability for the use, management and control of the subject immovable property asset and the availability of resources for the establishment and sustainability of the proposed use.

7.3.5 Authority for the approval of a change in use of an immovable property asset shall rest with the Director: Property Transactions and all such changes in use shall be recorded against the relevant Immovable property assets in IPAR.

Temporary Transfer of Reservation Benefit

7.3.6 Where it is agreed between an accountable user departments and another City department that an immovable property asset or part thereof may be temporarily occupied and used by such City department (i.e. the temporary user department), the two departments must engage the Property Transactions Department to execute a Temporary Transfer of Reservation Benefit. The Property Transactions Department shall execute the

Temporary Transfer of Reservation Benefit which shall be subject to, inter alia, the following conditions:

(a) The Temporary Transfer of Reservation Benefit shall be for a defined area, for a specific declared use and for a defined period of time;
(b) For the period of the Temporary Transfer of Reservation Benefit accountability for the subject immovable property, or part thereof, will rest with the Temporary User Department; and
(c) Application of the Temporary Transfer of Reservation Benefit shall be limited as set out in Section 7.3.3 (a) to (e) above.
(d) At the expiry of the defined period of the Temporary Transfer of Reservation Benefit, accountability for the subject immovable property asset area shall revert to the original user department subject to the temporary user department ensuring that the subject immovable property asset area is vacated by all occupants, all improvements are removed and it is restored, as far as is reasonably possible, to the state it was at the time of the execution and approval of the Temporary Transfer of Reservation Benefit - unless the two departments agree otherwise in writing.

7.3.7 Authority for the approval of the Temporary Transfer of Reservation Benefit shall rest with the Director: Property Transactions and all Temporary Transfer of Reservation Benefits shall be recorded against the relevant Immovable property assets in IPAR.

Expression of Interest

7.3.8 Where a City Department develops/indicates an interest in an immovable property asset or part thereof which is already under the use, management and control of an accountable user department, it must -

(a) Notify the accountable user department of such interest and seek consensus in respect of access to the subject immovable property asset area in order to carry out necessary assessments, investigations and testing;
(b) Engage the Property Transactions Department as Custodian for the execution of the Expression of Interest process in respect of the subject immovable property asset area;
(c) Comply with stipulations of all relevant Corporate Directives in this regard; and
(d) Ensure that all necessary documentation is completed.

7.3.9 The Property Transactions Department shall execute the Expression of Interest process subject to the City Department seeking to register the Expression of Interest -

(a) Providing written evidence of consent from the user department;
(b) Providing a clear indication of the subject area, purpose, expected duration of the Expression of Interest as well as a list of activities that will take place during the period of the Expression of Interest;
(c) Agreeing and acknowledging in writing to respect at all times the reservation benefits of the accountable user department and ensure that the use, management and control of the immovable property asset is not substantially compromised;
(d) Committing in writing to ensure that any negative impact on the immovable property asset is mitigated and that the immovable property asset will, as far as is reasonably possible, be restored to the state it was at time of registration of the Expression of Interest; and
(e) Committing to inform the Property Transactions Department when the need for the Expression of Interest is terminated or expires and to ensure the appropriate recordal of the termination of the Expression of Interest with the accountable user department.

7.3.10 Accountability for the use, management and control of the subject immovable property asset that is subject to the Expression of Interest remains with the accountable user department during the period of the Expression of Interest.

7.3.11 Authority for the approval of an Expression of Interest shall rest with the Director: Property Transactions and all Expressions of Interest shall be recorded against the relevant Immovable property assets in IPAR.

Immovable Property Assets no longer required by User Department for Operational Purposes

7.3.12 Where a user department no longer requires the use, management and control of an immovable property asset and has not identified and negotiated transfer of reservation benefit to an alternative user department, such user department shall:

(a) Pro-actively engage the Property Transactions Department as Custodian;
(b) Comply with stipulations of this Policy and all relevant Corporate Directives in this regard;
(c) Maintain full operational management control of the immovable property asset, including but not limited to security and maintenance, until an alternative user

department is identified and reservation benefit and accountability is transferred, or purchaser takes transfer of ownership; and

(d) Ensure, as far as possible, that the immovable property asset is in a lettable or saleable condition.

7.3.13 The Property Transactions Department must investigate the most appropriate treatment for such immovable property asset which may include redeployment to another user department, leasing out for appropriate use or disposal by means of demolition or transfer if appropriate and in accordance with the prevailing policy and regulatory framework, and market conditions.

Multi-use Immovable Property Assets

7.4. Where an immovable property asset is identified as a multi-use asset:

(a) The Primary User and Secondary User/s shall be identified in consultation with the Property Transactions Department based on, inter alia, the predominant use of the subject immovable property asset, the extents occupied by the various user departments and the operating models of the user departments - centralised or devolved. As a general principle the user department enjoying the predominant use and occupying the largest extent of the Multi-use Asset will be assigned the role of Primary User unless agreed otherwise by the departments involved in the Multi-use Asset.

(b) Role players and roles and responsibilities pertaining to the activities required for the effective use, management and control of the multi-use asset shall be defined and documented in a Multi-Use Asset Management Plan.

(c) A Multi-use Asset Management Plan shall be formulated by the Primary User through a consultative process and with the full co-operation of the Primary and Secondary User/s and in consultation with the Property Transactions Department.

(d) The Primary User shall be responsible for the co-ordination of activities required for the effective management of the multi-use asset.

(e) Secondary Users shall be party to multi-use asset management plans and play a comprehensive supportive role in the management of such asset.

(f) Relationships and dependencies between the parties and any additional parties or service providers will be governed by the formulation and execution of Operational-level Agreements (OLA). The OLA must be read in conjunction with the MUAMP and vice-versa.

(g) Accountability for such multi-use asset remains jointly and severally with both Primary and Secondary User/s.

7.5. Where disputes arise in Transfer of Reservation Benefit, Change of Use, Temporary Transfer of Reservation Benefit, Expression of Interest and Multi-Use Asset Management Plan processes the final decision will be made by the Executive Director for the Directorate within which the Property Transactions Department is situated based on the salient facts. Such decision shall be final and binding on the user department/s involved.

Consequence Management

7.6. Development and implementation of oversight mechanisms such as inventory reconciliation, performance benchmarking, performance measurement, demand modelling, management information and compliance reporting, and User Asset Management Plans will enable and support the inclusion of measurable criterion/indicators pertaining to the use, management and control of immovable property assets in Service Delivery Business Implementation Plans, Scorecards, Job Profiles and Performance Assessments. Evidence of poor performance must be dealt with in terms of the City's Consequence Management Policy, principles, system and processes.

8 Implementation

This policy will come into effect on approval by Council.

9 Monitoring, Evaluation and Review

The Property Transactions Department shall include progress of the roll-out of the IPAMF in the standard, cyclical reporting to the relevant Portfolio Committee.

The Property Transactions Department shall undertake a review of the policy every five years, or upon request or recommendation from the relevant Portfolio Committee.