

1. ITEM NUMBER **SPE 10/09/23**

2. SUBJECT

REDUCTION IN THE 2023/24 ADDITIONAL RATE FOR RESIDENTIAL PROPERTY OWNERS IN THE NEWLY ESTABLISHED PARK ISLAND CITY IMPROVEMENT DISTRICT (PICID)

ONDERWERP

VERMINDERING IN DIE 2023/24- BYKOMENDE KOERS VIR EIENAARS VAN RESIDENSIËLE EIENDOM IN DIE NUUT GESTIGTE PARK ISLAND-STADSVERBETERINGSDISTRIK (PICID)

ISIHLOKO

UKWEHLISWA KWEXABISO ELONGEZELELWEYO LOWAMA2023/24 KUBANINI BEEPROPATI ZOKUHLALA KWISITHILI ESISANDULA UKUSEKWA SOPHUCULO LWESIXEKO SASEPARK ISLAND (PICID)

Q0620

3. DELEGATED AUTHORITY

In terms of delegation Part 7: 1(6) To make recommendations in regard to the setting or revision of tariffs, levies, taxes and duties to the Executive Mayor together with the Mayoral Committee for submission to Council.

This report FOR DECISION BY
is

Committee name :

The Executive Mayor together with the Mayoral Committee (MAYCO)

Council

4. DISCUSSION

With the new general valuation data available it was brought to the attention of the CID Branch by a property owner in the Park Island CID that the additional rates' for the 2023/24 financial year appeared to be excessive.

After testing the rate for affordability and sustainability against the new general valuation 2022 data it was confirmed that the rate was too high and will result in an over-collection of R242,000 and therefore needs to be reduced.

In terms of the MPRA s.22(1)(b) – “A municipality may by resolution of its council - levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area; and ...” – these improvements and upgrades have been approved by the Council as part of the Park Island CID Business Plan (including the budget). The budget reflects the finances required to fund these improvements and upgrades.

In terms of the CID By-law 22(2)(a) - “The additional rate for any financial year of the CID term - shall be calculated with reference to the total proposed expenditure to be funded by the additional rate in the term budget for the relevant period, as may be amended in accordance with section 15(5); and...” – the additional rate-in-the-rand for Residential properties of R0.001568 was approved by Council as part of the City's 2023/24 Budget at the meeting of 31 May 2023. Failing to amend the approved additional rate will result in the City over-collecting with R242,000 (37% of the total approved budget for 2023/24).

In order to collect the approved budget of R651,500 the Residential additional rate-in-rand should be reduced to R0.001133.

If approved by Council the following steps will be taken:

- Amend Annexure 6 - Tariffs, Fees and Charges book and Annexure 3 – City Improvement Districts (CIDs) additional rates
- Include a notice on the municipal account of all residential property owners informing them that the additional rate will be adjusted
- Reverse all billing of additional rates and rebill at the lower additional rate
- Conspicuously display the resolution for a period of at least 30 days at the Cape Town Civic Centre, Fish Hoek Subcouncil office, Muizenberg Library, Fish Hoek Library and Park Island CID website
- Advertise the lower additional rate in the local newspaper
- Promulgate lower additional rate for the residential property owners of the PICID

Financial Implications

None Opex Capex

- Capex: New Projects
- Capex: Existing projects requiring additional funding
- Capex: Existing projects with no additional funding requirements

Policy and Strategy Yes No

Legislative Vetting Yes No

Legal Implications Yes No

Staff Implications Yes No

Risk Implications Yes The risks for approving and/or not approving the recommendations are listed below:

Failing to amend the approved additional rate will result in the City over-collecting with R242,000 (37% of the total approved budget for 2023/24).

No Report is for decision and has no risk implications.

No Report is for noting only and has no risk implications.

POPIA Compliance Yes It is confirmed that this report has been checked and considered for POPIA compliance.

5. RECOMMENDATIONS

- (a) That Council approves the lower additional rate-in-the-land of R0.001133 for residential property owners of the Park Island City Improvement District and that the approved rate-in-the-land of R0.001568 be set aside.
- (b) That the billing of additional rates for residential property owners in the Park Island City Improvement District be corrected retrospectively at the additional rate-in-the-land of R0.001133 from 1 July 2023.

AANBEVELINGS

- (a) Dat die Raad die laer bykomende koers-in-die-rand van R0,001133 vir die eienaars van residensiële eiendom van die Park Island-stadsverbeteringsdistrik goedkeur en dat die goedgekeurde koers-in-die-rand van R0,001568 ter syde gestel word.
- (b) Dat die bykomende belasting op die rekeninge van eienaars van residensiële eiendom in die Park Island-stadsverbeteringsdistrik terugwerkend vanaf 1 Julie 2023 reggestel word teen die bykomende koers-in-die-rand van R0,001133.

IZINDULULO

- (a) Ukuba iBhunga maliphumeze ixabiso elisezantsi elongezelelweyo eliyireyithi kwirandi eyiR0.001133 ngokujoliswe kubanini beepropati zokuhlala zeSithili soPhuculo lweSixeko sasePark Island kwaye ireyithi kwirandi eyiR0.001568 ephunyeziweyo mayibekwe bucala.
- (b) Ukuba ukukhutshwa kwamaxabiso ongezlelweyo kubanini beepropati zokuhlala kwiSithili soPhuculo lweSixeko sasePark Island makulungiswe konke ngexabiso elongezelelweyo lereyithi kwirandi eliyi R0.001133 ukususela ngowo1 kweyeKhala 2023.

ANNEXURES – N/A

FOR FURTHER DETAILS CONTACT

NAME	Joepie Joubert	CONTACT NUMBER	021 400-5138
E-MAIL ADDRESS	joepie.joubert@capetown.gov.za		
DIRECTORATE	Spatial Planning & Environment	FILE REF NO	N/A

Approval Form

Supported for inclusion on the agenda



REDUCTION IN ADDITIONAL RATE FOR PARK ISLAND CID

Report Reference: 523437
Meeting: Section 79 Portfolio Committee - Spatial Planning and Environment
Meeting Date: 07.09.2023
Meeting Venue: Committee Room D

Contact Person: JOEPIE JOUBERT
Contact Telephone: 021 400-5138
Contact Email: JOEPIE.JOUBERT@CAPETOWN.GOV.ZA

Item	Section	Approver	Approval	Approved Date	Approver Comments
01	Legal Compliance		Approved with Comments		
02	Author	JOEPIE JOUBERT	Approved	21.08.2023 09:17:20	
03	Director/Directorate Support Manager	ANDRe MAXWELL	Approved	21.08.2023 09:51:00	
04	Executive Director	Robert Mcgaffin	Approved	21.08.2023 18:13:45	
05	Tariff	Carl Stroud	Approved with Conditions	22.08.2023 11:58:46	As per the MFMA and related circulars, tariffs can be reduced in
06	Legal Compliance	Jason Sam Liebenberg	Approved with Comments	23.08.2023 12:30:29	Certified as legally compliant based on the content of the repor

ECS Officer: