Small Town Revitalization Programme

Disposal of government-owned properties as an enabler in small towns’ regeneration
Contents

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HISTORICAL LEGACY
Socio Economic Context

- Land Reform, Dispossession as a result of Native land act 1913
- African simply unable to own in economically viable properties
- No Formal Property ownership, limited wealth creation avenue
- Black people could not own property nor could they effectively trade on properties.
- In practice skewed patterns of ownership, participation and benefit remain.
- Administrative, legal and financial constraints restrict the ability of black people to participate in the property market

SOURCE: PROPERTY CHARTER
Current SA Property Portfolio

- Commercially, property ownership is dominated by government, collective investment schemes, property loan stocks and listed property companies.
- Limited participation of black people and black women in ownership & control of these companies.
- Inadequate implementation of preferential procurement and only in response to client’s requirements.
- Enterprise development support is virtually non-existent.
- There is a lack of investment in underdeveloped areas.
- There is little investment in skills development and limited commitment to workplace training.

SOURCE : PROPERTY CHARTER
As the ECPG is a significant land owner in small towns, we must support the creation of a favourable business environment and related infrastructure to enable private enterprise however to deliver prosperity.

This can only be done by supporting the Local government as it has a key role in creating a favorable environment for business development and success. As we implement the intention is to encourage and foster partnerships between the business sector, community interests and municipal government.
LEGISLATIVE CONTEXT
Custodian of provincial government immovable assets and provider of sustainable infrastructure for service delivery

ASSET MANAGEMENT MODEL

**Strategic Realm**
- Integrated Government Delivery Framework
  - Service Delivery Objectives

**Operational Realm**
- Provincial Planning & Budgeting Process
  - Monitoring & Evaluation
- Asset Management Framework
- Assets & Property Holdings
- Portfolio Analysis & Benchmarking
- Client Needs Analysis
- Asset Management Action Plans
- Property Management Policies & Procedures
  - Lease Management, Facilities Management, Property Development, Reporting, Payments & Revenue
- Organisation and People - Skills & Capacity Building
- Property Management Systems
- Procurement Management & Supply Chain Management
Legislative Context

The administration and management of provincial immovable assets is guided by two pieces of legislation:

- Eastern Cape Land Disposal Act, Act 7 of 2000
- Government Immovable Asset Management Act, Act 19 of 2007

Eastern Cape Land Disposal Act, Act 7 of 2000

- Governs the acquisition and disposal of land owned by the ECPG
- Give right to the Premier or Delegated MEC right to dispose
- Rights and limitations to sale
- Delegations to MEC
- Financial Provisions
- Policy Guidance
Legislative Context

Government Immovable Asset Management Act, Act 19 of 2007

- to provide organs of state with guidance in respect of the management of immovable assets throughout their life-cycle;
- to establish uniformity and ensure the application of minimum requirements in managing immovable assets and the related delivery of services;
- to enable the whole of government to ensure demonstrable linkages between service delivery and immovable asset resource planning and co-ordination;
- to establish accountability for the effective, efficient and transparent management of immovable assets; and
- to ensure that decision-making by individual organs of state takes place within a government-wide common framework.
GIAMA IN A NUSTHELL

STRATEGIC ISSUES
- BUDGETS AND PLANNING
- SERVICE DELIVERY OBJECTIVES
- BROADER GOVT OBJECTIVES
- CUSTODIAN / USER OBJECTIVES
- SYSTEMS
- REPORTING PROCEDURES

OPERATIONAL ISSUES
- PROCUREMENT / DISPOSAL
- LEASING
- PROPERTY MANAGEMENT
- ASSET REGISTER
- MAINTENANCE
- BUDGETS
- PROPERTY DEVELOPMENT

PROPERTIES AND INFRASTRUCTURE
- DPW CORE FUNCTIONS

CLIENT NEEDS ANALYSIS
- PPS / BENCHMARKING
- PROCUREMENT ANALYSIS
- DISPOSAL STRATEGIES
DISPOSAL POLICY
CONTEXT AND
PRINCIPLES
Policy Principles

To give effect of GIAMA and EC State Land Disposal Act created the Disposal of Immovable Assets as a Custodian

- To guide the activities of the Custodian to achieve the objectives of the legislation regulating the administration and disposal of immovable properties.

- To sketch the environment in which the Custodian disposes immovable assets based on the information supplied by the User Departments in their asset management surrender plans contained in the User Asset Management Plans (U-AMPs).

- To implement fair, transparent and competitive processes for disposal to enable maximum revenue benefit and to ensure that the socio-economic and transformation objectives of the Province are met.
Policy objectives

- Supports service delivery objectives
- Due consideration
- MEC disposes into delegation
- Asset Disposal Strategy and Management Plan must take cognisance of Asset Surrender Plans
- No official or person employed by the Provincial Government
- Allows for Disposal to a different sphere of Government
Disposal Mechanism*

Sale

Exchange

Donation

Land availability agreement

Registration of a real right in terms of property

Leasehold

PPP concessions

*DPRW Disposal Policy 2010
Choice Of A Disposal Mechanism *

- Satisfies transparency requirements
- Adequate and equal opportunity
- Best return
- Adverse environmental impacts
- Legal requirements
- Supports socio-economic objectives
- Address historically skewed ownership

Limitation On Disposal*

- Strategic significance
- Heritage significance
- Environmental significance
- Socio-economic value
- Government objectives
- Legal status and the presence of encumbrances
- Can’t dispose merely because it’s old
- May have future value

* DPRW Disposal Policy 2010
SMALL TOWN POLICY FRAMEWORK
Small Town Policy Framework

Phase 1: Setting the scene

Phase 2: Establish the Task Team
- Signature of MOA

Phase 3: Perform Land Audit and Develop SDF
- Signature MOU

Phase 4: Implement Recommendations (Disposals)
HIERARCHY OF PLANS

PLAN LEVELS

LARGE AREA
- IDP/SDF
  - LSDF

LOCAL AREA PLANS
- Urban Design
- Heritage Plan
- Development Plans

DIMINISHED AREAS
- DETAILED PROJECTS
  • Project Plans
  • Land Transactions

SCALE/AREA

REGIONAL/MUNICIPAL
- TOWN/AREA
- PORTION/TOWN

CONTEXT

NKONKOBE MUNICIPALITY
- ALICE

ALICE/CBD
- CBD
INDENTIFIED TOWNS
## Identified towns

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<tr>
<th>Province</th>
<th>Identified towns</th>
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<tr>
<td>Alfred Nzo</td>
<td>Mt Ayliff</td>
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<td>Mt Frere*</td>
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<td>Peddie * Hamburg</td>
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<td>Chris Hani</td>
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<td>OR Tambo</td>
<td>Port St Johns*</td>
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<td>Tsolo* Libode</td>
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Government investment across the space economy must be guided by the principles contained in the National Spatial Development Perspective (NSDP). This means that whilst investment in basic infrastructure and services should occur across the board, when it comes to economic fixed capital formation, limited resources should be applied strategically and investment should go into areas that will yield the highest impact in terms of economic output, employment creation and poverty reduction.
Questions and Thank You

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