

**SALE AND DISPOSAL OF LAND POLICY FOR
2025/2026 FY**



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1. PURPOSE OF POLICY

- Guide council of the procedures to be followed on the alienation of Municipal land;
- Ensure compliance with the applicable legislations, regulations and ordinances;
- Ensure fairness, equitable, transparency, cost effectiveness and competitiveness;
- Ensure speedy availability of land to developers and the residents;
- Ensure that Historically Disadvantaged Individuals are economically empowered;
- Ensure that a racial composition of property ownership is substantially changed;
- Ensure that the economic transformation of the municipality is promoted;
- Ensure the promotion of investment and development.

2. OBJECTIVE OF POLICY

- Income generation
- Empowerment of the Historically Disadvantaged Individual's
- Further the aims and objectives of the Spatial Development Framework (SDF) and the Town Planning Scheme of the Municipality

3. SCOPE

Any Immovable property that is to be disposed.

4. LEGISLATIVE FRAMEWORK

- Constitution of the Republic of South Africa, 1996
- Development Facilitation Act, 1995
- Local Government Municipal Systems Act 32 of 2000
- Local Government: Municipal Finance Management Act 56 of 2003
- Broad Based Black Economic Empowerment Act (Act 53 of 2003)
- Spatial Planning and Land Use Management Bill, 2001-2012
- Intergovernmental Relations Framework Act, 2005
- Housing Act, 1997
- National Development Vision and Plan, 2012
- Spatial Planning and Land Use Management Act 16 of 2013

- Preferential Procurement Policy Framework Act, 2000
- Preferential Procurement Regulations, 2001 as published in government gazette no 34350 dated 08 June 2011 effected from 07 December 2011

5. POLICY PROCEDURE

Public Tender Method

Council shall, in a case where there is an available piece of land to be alienated, place a notice on a local or national newspaper inviting for public to tender. Supply chain policy will also be adhered to, by sending the specifications to the Bid Specifications Committee before a notice and/or advert is done. Upon receipts of applications, tenders received are then referred to the bid committees for evaluation and adjudication.

The bid adjudication committee will recommend and motivate the Municipal Manager as to why the selected candidate is found suitable. The Municipal Manager will make a final decision. A 100% deposit is payable within a period of thirty (30) days by the successful tenderer upon signing of the Deed of Sale, for the property which is alienated. If the tenderer will be financed by financial institution through a bank guaranteed mortgage bond, the settlement of payment should be done within a period of three (3) months. Moreover, property which has been alienated by the municipality, its transfer remains the responsibility of buyer / purchaser and transfer should be concluded within six (6) months after its full payment has been received. Failure to adhere to this clause, the buyer / purchaser will forfeit the funds paid and property back to the municipality.

In terms of the preferential status of tendering, the principles and formulae as stated in the Preferential Procurement Policy Framework Act will be taken into consideration.

6.2. Public Auction Method

The Public Auction Method will be implemented where there is a higher demand for specialized land use e.g. shopping malls, etc, or where the application property is strategically located.

6.4 Residential properties

6.4.1 An advert is placed on the Local Newspaper calling all residents of the municipality to enlist their names as potential buyers for consideration in sale of

municipality sites. Sites then get services (if necessary), and get valued at market related price.

6.4.2 The sites then get sold on a first come bases using the data base. The sites get sold on cash basis using bank guaranteed cheque or any acceptable means of payment. or 10% deposit plus one year period to settle the balance or bank guaranteed mortgage bond is arranged by the buyer.

6.4.4 Bias will be for those who are first time buyers that is, those who don't appear on the municipal valuation roll.

6.4.5 Those who allege to have bought sites in the previous years with no valid proof to validate their claim will automatically lose those sites BUT the council may after listening to the allegation, revalue the land and sell it to the claimant on current values.

6.5 Business Proposals

Certain sites cannot be disposed of using one of the above methods, due to their nature and their intended use, e.g. a particular site is suitable for a big shopping complex development, which therefore excludes the interest of most residents, and might need investors from outside the municipality. A call for development proposal is then made on the Local and national newspapers for the development proposal regarding the subject property.

The proposal gets evaluated, and if necessary, the best applicants are called for presentation. The successful applicant gets awarded the right to purchase or lease the property and develop it in line with business proposal. This shall, amongst others, include the type of development and time frames for implementation.

6. GENERAL POLICY PROVISIONS

Any Immovable property that is to be disposed.

7. PROCEDURES FOR IMPLEMENTING POLICY

Public Tender Method

This method ensures that the public tender method does not favour purchasers with extensive capital resources to the disadvantage of the small businessman or man on the street but enables HDI's to acquire land.

11.2 Evaluation of Tender

The Council will normally award the contract to the tenderer obtaining the highest number of points but will not bind itself to do so if reasonable and justifiable reasons prevail, which will have to be adjudicated upon the circumstances of each tender, however such reasons may not violate the provisions of the Preferential Procurement Policy Framework Act or the provisions of the Preferential procurement Regulations. The Council may however prior to the award of the tender cancel the tender if no acceptable tenders were received.

11.3 Residential Properties

The sites get sold on a first come bases using the database. The sites get sold on cash basis, mortgage bond, bank guarantee or 10% deposit plus one year period to settle the balance.

11.4 Public Auction Method

The purpose of this method is to make the alienation process as fair and transparent in the case of where there is high demand of interest on a particular piece of land e.g. for specialized land use like shopping malls, etc, or where the application property is strategically located.

11.5 Business Proposals

This method works more or less the same to the above-mentioned, e.g. a particular site is suitable for a big shopping complex development, which therefore excludes the interest of most residents, and might need investors from outside the municipality. The proposal gets evaluated, and if necessary, the best applicants are called for presentation. The successful applicant gets awarded the right to purchase the property and develop it in line with business proposal.

**MBHASHE SMME DEVELOPMENT POLICY FOR
2025/2026 FY**



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1. BACKGROUND AND PURPOSE

Small, Medium and Micro Enterprises (SMME's) and Cooperatives across all economic sector remain a panacea to assist the government in its fight to ameliorate the challenges of underdevelopment such as poverty, inequality and joblessness. Millions of people are reliant on SMME sector for employment opportunities and livelihood as formal sector of economy continues to be stagnant and shredding employment. It is therefore again this backdrop that this policy (SMME Development) seeks to radicalize support and development of local SMME's, particularly women, disabled and youth-owned so that they continue being a cogwheel of driving inclusive economic growth that is pro-poor within the jurisdiction of Mbhashe. In addition, the policy takes into account harsh realities that have been exacerbated by emergence of Covid-19 pandemic, particularly for SMME's in the informal sector of economy, as many were forced to completely close their operations during hard-lock down. The government in terms of National Development Plan (NDP), has the following priorities:

- Radical economic transformation, rapid economic growth and job creation
- Rural development, land and agrarian reform and food security
- Ensuring access to adequate human settlements and quality basic services
- Improving the quality of and expanding access to education and training
- Ensuring quality health care and social security for all citizens
- Fighting corruption and crime
- Contributing to a better Africa and a better world
- Social cohesion and nation building.

In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

Radical economic transformation

Government's programme of radical economic transformation is about placing the economy on a qualitatively different path that ensures more rapid, sustainable growth, higher investment, increased employment, reduced inequality and deracialisation of the economy.

The NDP sets an annual growth target of above 5% by 2030 and emphasises measures to ensure that the benefits of growth are equitably shared.

Achievement of economic transformation and inclusive growth will not result from a single intervention, but from a range of mutually supporting initiatives. In many cases, this does not require new strategies, but better implementation of existing ones.

More rapid private sector investment is critical for higher growth, as the private sector accounts for 80% of production and employment. The NDP indicates that South Africa needs to increase its level of investment to at least 30% of GDP by 2030. This requires an economic environment that encourages business investment and rewards competitiveness, especially in sectors that can catalyse longer term growth and job creation.

2. INTRODUCTION

The Mbhashe LM's Policy Framework provide a comprehensive qualitative and quantitative framework for the development of small, medium and micro enterprises (SMMEs) in Mbhashe Local Municipality. This seeks to encourage business investment and job creation in the area. It recognizes the unique roles performed by this diverse and dynamic sector in the area in the creation of employment, contribution to economic growth, and the provision of sustainable livelihoods.

This policy builds on the unique features of the LM and demonstrates the ways in which key national, provincial, district and local actors can work together. It displays the Municipality's commitment to innovation and strengthens its strategic positioning as an agricultural and tourism hub. The policy framework establishes a basis for the design, implementation and assessment of mechanisms and processes that support the development of a more competitive and sustainable SMME sector. It provides a basis for collaboration and coordination among public, private and community actors and creates the space for these actors to contribute to SMME development in Mbhashe in a mutually reinforcing and synergistic manner, while enhancing the opportunities for mobilising resources that can be used to boost the contribution SMMEs make to sustainable social and economic development in the region.

This policy framework recognises the national policy and legislative framework in which SMMEs are defined, promoted and monitored. Thus, the definitions tabled in the National Small Business Act of 1996 are used to define the sector.

The Act defines a "small business" as a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy. The Act sets criteria that should be used to classify businesses into five categories as defined in the table below.

3. DESCRIPTION OF SMALL, MICRO MEDIUM ENTERPRISES (SMME's)

The National Small Business Act divides SMMEs into the following categories:

Category of SMME	Description
Survivalist enterprises	Operates in the informal sector of the economy. Mainly undertaken by unemployed persons. Income generated below the poverty line, providing minimum means to keep the unemployed and their families alive. Little capital invested, not much assets. Not much training. Opportunities for growing the business very small.
Micro enterprises	Between one to five employees, usually the owner and family. Informal - no license, formal business premises, labour legislation Turnover below the VAT registration level of R300 000 per year. Basic business skills and training Potential to make the transition to a viable formal small business.

Very small enterprise	Part of the formal economy, use technology Less than 10 paid employees Include self-employed artisans (electricians, plumbers) and professionals.
Small enterprise	Less than 100 employees More established than very small enterprises, formal and registered, fixed business premises. Owner managed, but more complex management structure
Medium enterprise	Up to 200 employees Still mainly owner managed, but decentralised management structure with division of labour Operates from fixed premises with all formal requirements.

4. WHY DEVELOP SMALL BUSINESS

Unemployment is one of the most important challenges facing the poor people in our country. This has been made worse by the fact that over the last two decades, the formal economy has been shedding jobs and many workers were retrenched. Furthermore, every year hundreds of thousands of new job seekers (the vast majority of them youth) join the army of unemployed.

It is accepted worldwide that the development and growth of small, micro and medium enterprises (SMMEs) can play an important role in turning this situation around. Policies and programmes to support the development of SMMEs are therefore an important part of the democratic government's programmes to create a better life.

A strategy was outlined in a White paper by the Department of Trade and Industry (the lead department for SMME development) entitled: "A National Strategy for the Development of Small Business in South Africa (May 1995)". A year later, the National Small Business Act was passed by Parliament, which provided for the institutions to implement this strategy.

5. PURPOSE

The purpose and objectives of the SMME development policy are as follows:

- Alleviating poverty, by making it possible for poor people to generate income to meet basic needs;
- Reducing poverty through employment creation;
- Redistribution of wealth, income and opportunities; and
- Contributing to economic growth, by improving innovation and thus competitiveness.
- Guide on how the 30% set aside on state procurement from SMMEs, co-operatives as well as township and rural enterprises will be distributed.

6. LEGAL FRAMEWORK

- 1) Broad-Based Black Economic Empowerment Act No 53 of 2003 of the Employment Equity Act No 55 of 1998;
- 2) Preferential Procurement Policy Framework Act No 5 of 2000
- 3) National Small Business Act 102 of 1996;
- 4) Skills Development Act 97 of 1998
- 5) Medium Term Strategic Framework (MTSF); 2014 – 2019

- 6) Preferential Procurement Regulations; 2017
- 7) Cooperative Act

7. CATEGORIES

For the purpose of this policy, SMMEs will be categorised according to the following:-

- 1) Suppliers and Contractors
- 2) Small Enterprises in the manufacturing sector
- 3) Agricultural sector / farming communities
- 4) Informal traders / hawkers
- 5) Co-operatives

Services or funding approaches applicable to each category is:-

1) SUPPLIERS AND CONTRACTORS

- The municipality is assisting the suppliers and contractors through a separate policy named "Incubation Policy"
- The municipality sets out guidelines for the beneficiation of local SMMEs on 30% procurement from local suppliers
- The municipality must create database of all the local SMMEs from the Mbashe Municipal database.
- The SMMEs must then be categorised in terms of their areas of specialisation
- For the contractor's benefit; the Principal Contractor will request proposals from the list of suppliers per category as submitted by the municipality. The team comprised of the Principal Contractor representative, the LED official and the representative from the department where the project resides evaluate the bids.

2) SMALL ENTERPRISES IN THE MANUFACTURING SECTOR

- Many departments have specific strategies in place, for example developing SMMEs in the tourism sector, or developing small and emerging contractors by Housing and Public Works, Land and Agriculture, Arts and Culture and so forth.
- The promotion of SMMEs is also an important part of the different spatial development initiatives.
- As part of the National Skills Development Strategy, the Sector Education and Training Authorities (SETAs) also have a role to play in the development of SMMEs and are supposed to develop programmes that help develop small businesses in their respective sectors.
- There are a number of other government and parastatals which also support small businesses, though mainly at the upper end of the spectrum. These include:-
 - ✓ Independent Development Corporation (IDC): tourism development, venture capital, low interest empowerment and emerging entrepreneur schemes.
 - ✓ South African Bureau of Standards (SABS): through its missing links programme provide quality assistance and awareness to SMMEs.
 - ✓ Economic Development through LRED programs
 - ✓ SEDA
- Therefore, the role of the municipality is organisation of **workshops, training, roadshows** so that the above organisations could present their programs intended for SMME sector.

3) AGRICULTURAL SECTOR / FARMING COMMUNITIES

The farming community of Mbashe receive different funding, assistance, and support from the municipality through various means. They are the following:-

- MOUs signed in partnership with certain communities – funding will be transferred to them.
- Through IDP process; various commodities are prioritised and funded. In the process; the commodity groups are identified. For this particular group, the municipality procures inputs; renovate the dipping tanks, build and renovate shearing sheds, employ EPWP employees on their behalf, organise training and information days for farmers.

4) INFORMAL TRADERS /HAWKERS

- The informal trading is regulated by the Informal Trading by-law. The By-laws refers to registration by the informal traders and a tariff is reviewed on a yearly basis.
- Support of the informal traders therefore refers to only those who are legitimate street traders.
- Support for informal traders come in different forms as discussed with them.
- The following are some of the examples; (i) Training and capacity building (ii) Hawker Stalls (iii) Any other equipment / furniture that may be required from time to time by different categories of informal traders.

5) CO-OPERATIVES

- Co-operatives are regulated by the Co-operatives Development Act.
- The Act provides for support programmes that target emerging co-operatives, specifically those co-operatives that consist of black persons, women, youth, disabled persons or persons in the rural areas and that promote equity and greater participation by its members;
- This policy will ensure that the implementation of the co-operative development support programmes is linked to all the agencies of government including but not limited to Khula, NEF, NPI, SEDA, IDC, SAQI, SABS, CSIR, PIC, DBSA, SALGA, ECDC, LRED and SETA's, and compliance with uniform norms and standards prescribed by this Act.
- The municipality will assist co-operatives or those wishing to be co-operatives to register, proposal writing, and business plan writing and link them with funders outside the municipality.
- For direct funding by the municipality, the co-operative must fill in the application form. The Co-operative must demonstrate ability to sustain the business beyond funding i.e. a Break Even Analysis will have to be conducted before funding is approved.

8. BUSINESS MANAGEMENT SUPPORT SERVICES

- The municipality must provide a wide range of business management support services to entrepreneurs and small enterprises, such as:
 - ✓ Developing business plans
 - ✓ Doing market research
 - ✓ Managing a small business

- ✓ Legal requirements of small businesses
- ✓ Marketing
- ✓ Business development
- ✓ Advice on government tender processes, etc.

9. TARGETS

The targets for local SMME beneficiation shall be 30% of the total Municipal budget

10. REPORTING

In terms of the MTSF objectives; the SMME reports on local SMME spending should be done on a quarterly basis then on annual basis

11. POLICY REVIEWAL

The policy shall be reviewed on an annual basis