

# ***DRAFT***

**MUNICIPALITY OF WINDHOEK**

## **SPECIAL RATINGS AREA REGULATIONS (SRAR)**

We invite property owners / interested parties to provide the Municipal Council of Windhoek with comments/inputs to the enclosed **draft** Special Ratings Area (SRA) Regulations.

Kindly forward your comments/inputs to Ms Lisa Figaji, Section Head: Business Development, Economic Development Division via email to **[Lisa.Figaji@windhoekcc.org.na](mailto:Lisa.Figaji@windhoekcc.org.na)** on or before close of business on **Monday, 15 November 2021**.

# ***DRAFT***

## **MUNICIPALITY OF WINDHOEK**

No: \_\_\_\_\_

2019

### **SPECIAL RATINGS AREA REGULATIONS**

The Council of the Municipality of Windhoek has under section 94(1) of the Local Authorities Act, 1992 (Act No 23 of 1992), after consultation with the Minister of Urban and Rural Development, made the regulations set out in the Schedule.

#### **BY ORDER OF THE COUNCIL**

**MUESEE KAZAPUA**  
**CHAIRPERSON OF THE COUNCIL**

Windhoek, \_\_\_\_\_ 2019

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### **SCHEDULE**

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#### **Definitions**

**1.** In these Regulations any word or expression to which a meaning has been assigned in the Act has the same meaning and, unless the context otherwise indicates -

“SRA” means a special ratings area;

“SRA application” means the application for the establishment of a SRA contemplated in regulation 5;

“SRA” means an area determined as a SRA as contemplated in regulation 3(1);

“SRA body” means an improvement district body established and incorporated as contemplated in regulation 12;

“SRA participant” means the owner of rateable property in a SRA or prospective SRA and for this purpose -

- (a) the body corporate of a development scheme as defined in the Sectional Titles Act is deemed to be the owner;
- (b) immovable property registered in the name of more than one person, irrespective of the number of persons, is deemed to be a single owner;

“SRA proposer” means a person drawing up and submitting a SRA application as anticipated in regulation 5(1);

“SRA rate” means a rate contemplated in regulation 3(2) and (3);

“business plan” means the business plan contemplated in regulation 7;

“commencement date” means the date on which the SRA arrangements are to come into force;

"Companies Act" means the Companies Act, 2004 (Act No. 28 of 2004);

"Council" means the municipal council of the Municipality of Windhoek;

“electronic communication” means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa) -

- (a) by means of a telecommunication system falling under the ambit of the Communications Act, 2009 (Act No. 8 of 2009); or
- (b) by other means but while in electronic form;

“local authority area” means the local authority area of the Municipality of Windhoek;

“majority vote” means the majority vote as contemplated in regulation 8;

“Mayor” means the mayor of the Municipality of Windhoek;

“Municipality” means the Municipality of Windhoek;

“Sectional Titles Act” means the Sectional Titles Act, 2009 (Act No. 2 of 2009);

“simple majority”, for purposes of voting, means 50% of the total votes plus one more vote;

“term” means a period not exceeding five years;

"term budget" means the budget of the SRA body over the term period as set out in its business plan;

“the Act” means the Local Authorities Act, 1992 (Act No. 23 of 1992); and

“these Regulations” mean these Business Improvement Districts Regulations.

### **Scope of these Regulations**

2. These Regulations lay down minimum requirements and standards on the determination and operation of SRAs.

### **Special ratings area and SRA rate**

3. (1) The Council may, in accordance with a SRA application as contemplated in these Regulations, determine an area within the local authority area to be a SRA and in this regard the Council must -

- (a) clearly define the boundaries of the SRA;
- (b) based on the business plan, indicate how the SRA is to be improved or upgraded by means of the SRA rate.

(2) In anticipation of the establishment of a SRA body for a SRA and for purposes of raising funds for the improvement or upgrading of the BID area, Council must when, under section 73 of the Act, Council determines a rate or rates for rateable properties in the local authority area, determine and levy a rate or different rates or different rates on different bases on rateable properties in the SRA.

(3) For purposes of these Regulations, the difference between what such rate or rates would have been had no additional funds been required as contemplated in subregulation (2) and the rate or rates determined by the Council for purposes of raising such funds constitutes the SRA rate.

(4) The Council must establish separate accounting and other record-keeping systems for purposes of clearly recording -

- (a) the funds raised by means of the SRA rate; and
- (b) the funds expended on the improvement or upgrading of the SRA.

### **Exemptions from SRA rate**

4. (1) In addition to the compulsory exemptions and reductions provided for in the Act, the Council may after consultation with a SRA proposer, or a SRA body once the SRA

body is established, in accordance with section 73(4)(a)(ii) or (iii) or (b), 75 or 75A of the Act, exempt from the relevant SRA rate, or reduce the relevant SRA rate with regard to, land, buildings, immovable property or rateable property specified in those sections of the Act.

(2) If the Council receives an application for an exemption or reduction contemplated in section 73(4)(a)(ii) or (iii) or (b), 75 or 75A of the SRA rate in a SRA, Council must inform the SRA proposer or SRA body of such application, provide the SRA proposer or SRA body with a copy thereof and allow the SRA proposer or SRA body to provide Council with its response or views on such application and the impact thereof on the relevant SRA.

(3) Prior to granting such exemption or reduction, the Council must give due consideration to the response or views of the relevant SRA proposer or SRA body.

### **Application to establish a SRA**

**5.** (1) Any prospective SRA participant may, in accordance with these Regulations, draw up and submit a SRA application to Council for the establishment of a SRA within a prospective area.

(2) An SRA application must be submitted in writing and for this purpose the Council may determine the form of such application.

(3) An application for the establishment of an SRA must be accompanied by -

(a) the proposed business plan for the SRA;

(b) the written consent by means of the majority vote of prospective SRA participants who will be liable to pay the SRA rate;

(c) the fee (if any) determined by the Council in accordance with subregulation (7).

(4) The following requirements apply to the written consent contemplated in regulation (3)(b):

(a) in the event where the Council determined the form for such consent, the consent must be submitted in that form;

(b) where no form has been determined by the Council, the consent must be submitted in a form deemed sufficient by the SRA proposer but subject thereto that it must clearly evidence the written and signed consent of the majority of prospective SRA participants as contemplated in regulation 8;

(c) where a prospective SRA participant authorised another person to consent on behalf of such a participant, such consent must be attached to the consent form.

(5) The SRA proposer must submit the application for the establishment of an SRA not more than nine months after the date on which the SRA notification meeting referred to in regulation 6 is held or, if an SRA renewal proposal is held as provided for in regulation 7(2), nine months after the date of the second public meeting.

(6) All costs incurred by the SRA proposer in respect of the establishment of an SRA are for the SRA proposer's account subject thereto that after the commencement date the SRA body may reimburse the SRA proposer for some or all of those costs.

(7) The Council may determine a fee for dealing with an SRA application but must ensure that the amount of the fee is reasonable having regard to the cost incurred or likely to be incurred by the Municipality in dealing with the application.

### **BID notification meeting**

**6.** (1) Prior to the submission of an SRA application to the Council, an SRA proposer must hold an SRA notification meeting.

(2) The purpose of the SRA notification meeting is to enable the SRA proposer to consult with prospective SRA participants in the proposed SRA area with regard to the proposed boundaries of the SRA area, the anticipated business plan, the proposed improvement or upgrading of the area and such other matters as deemed relevant by the SRA proposer.

(3) Prior to the holding of the SRA notification meeting, the SRA proposer must -

- (a) consult with the Council as regards the SRA proposer's proposals regarding the establishment of a SRA, the prospective SRA and the manner in which it is intended to improve or upgrade the area;
- (b) duly consider any input given by the Council and, where deemed necessary, incorporate such input in the business plan;
- (c) give notice, by means of electronic communication and placement in local media, to all prospective SRA participants of the SRA proposer's intention to apply to Council for the establishment of an SRA and, for this purpose, to hold an SRA notification meeting.

(4) The notice contemplated in subregulation (3)(c) must -

- (a) state the purpose of the SRA notification meeting;
- (b) contain details of the place, date and time where and when such meeting is to be held;
- (c) indicate the place where copies of documents such as the agenda for the meeting and the proposed business plan can be obtained (which include availing such documents via online means); and
- (d) any such other information as may be deemed relevant.

(5) The SRA notification meeting must be held not less than seven days and not more than 30 days after the date of the notice contemplated in subregulation (3)(c).

(6) The SRA notification meeting must be held at such place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the

prospective SRA. The SRA notification meeting must be chaired by a suitably qualified and experienced person which person must be independent from both the SRA proposer and SRA arrangements and may not be an SRA participant or prospective SRA participant.

- (7) Prospective SRA participants to, or attendees of, an SRA notification meeting must
- (a) prior to the SRA notification meeting be furnished, as anticipated in subregulation (4), with all relevant information relating to the proposed SRA, including the information to be set out in the business plan (excluding information listed in items 2(h), (i) and (j) of Schedule 1); and
  - (b) at the SRA notification meeting, be given an opportunity to ask questions, express their views and make representations.

### **Business plan**

7. (1) An SRA application must include the business plan for the prospective SRA and include the matters set out in Schedule 1.

(2) If, subsequent to the SRA notification meeting referred to in regulation 6, the business plan is materially amended in the opinion of the Chief Executive Officer the SRA proposer must hold an SRA renewal proposal meeting.

(3) The provisions of regulation 6 apply with the necessary changes to an SRA renewal proposal meeting.

### **Voting**

8. (1) Prior to the submission of an SRA application, the SRA proposer must make arrangements for undertaking a voting process and obtaining the majority vote of prospective SRA participants.

(2) The majority vote for purposes of establishing a SRA in -

- (a) a non-residential area, is a simple majority of the prospective SRA participants in that area;
- (b) a residential area, is not less than 60 percent of the prospective SRA participants in that area.

(3) For purposes of these Regulations, a residential area is an area in which more than 50 percent of the rateable properties are residential properties.

(4) Where a rateable property is -

- (a) a development scheme as defined in the Sectional Titles Act, voting must take place by means of an ordinary simple majority resolution of the members of the body corporate;

- (b) an immovable property registered in the name of more than one person, such persons, having a single vote for purposes of these Regulations, must vote jointly.

(5) Voting may be undertaken by means of service of documents as contemplated in section 93 of the Act or, by means of electronic communication or any other means deemed appropriate by the SRA proposer.

(6) In the event of a voting SRA participant being a juristic person, its vote must be duly authorised and substantiated by means of an appropriate resolution or other relevant written decision and such approval and authorisation, whether by means of a resolution or other type of decision, must be attached to the vote.

(7) Council may, in writing, determine any additional procedural requirements relating to voting or any other matter relevant to the establishment of a SRA.

### **Advertising of SRA application**

**9.** (1) The SRA proposer must within 14 days after the application is lodged in accordance with regulation 5, or within such further period which the Chief Executive Officer may approve –

- (a) cause a notice of the SRA application to be published in English in at least two newspapers, of which one must be English, which newspapers are sold on business days and widely circulated within the local authority area; and
- (b) either before or up to seven days after the date of publication of the notice referred to in subregulation (1)(a), give written notice of the application to all prospective SRA participants -
  - (i) by means of service of documents as contemplated in section 93 of the Act; or
  - (ii) if approved in writing by the Chief Executive Officer, by means of electronic communication; or
  - (iii) such other manner as may be approved, in writing, by the Chief Executive Officer which may include that the publication of the notice as contemplated in paragraph (a) is deemed to be sufficient notice.

(2) A notice contemplated in subregulation (1) must state that written objections to the establishment of an SRA in the SRA or the provisions of the business plan may be lodged with the Council by a date specified in the notice, which must not be less than 30 days after the date of publication in terms of subregulation (1)(a), and must state where the documentation specified in subregulation (5) will be available for inspection.

(3) Any prospective SRA participant may submit written objections to the establishment of the SRA or business plan subject thereto that such objections must be motivated and received by the Council not later than the date stipulated in the notice referred to in subregulation (1).



(4) Council must forthwith provide the SRA proposer with a copy of any objection received in accordance with subregulation (4).

(5) In the event of objections being received, Council must as soon as is reasonably possible, hold an SRA objection meeting at which meeting the SRA proposer and any objector to the SRA application may make oral representations which will be recorded in writing for submission to Council.

(6) The SRA application, including the business plan and all objections, must be available for inspection at the offices of the Municipality and at a venue determined by the Chief Executive Officer within the proposed SRA area, for the period referred to in subregulation (2).

## **Decision**

**10.** (1) After the provisions of regulations 5 to 9 have been complied with, the Council must, at a meeting of the Council after the last date for the submission of objections in accordance with regulation 9(2), consider the SRA application and –

- (a) determine the SRA and approve the establishment of an SRA for that area which must be implemented in accordance with the business plan;
- (b) determine the SRA and approve the establishment of an SRA for that area with such amendments or conditions as the Council considers to be in the public interest;
- (c) subject to subregulation (2), refuse the SRA application, in which event the Council must, within 30 days, furnish the SRA proposer with written reasons for not approving the SRA proposal; or
- (d) refer the SRA application back to the SRA proposer for amendment in such manner as the Council may direct.

(2) The Council may refuse the SRA application if the Council is of the opinion that the establishment of such an SRA is likely -

- (a) to conflict to a material extent with the Municipality's strategic plan or with a policy formally adopted by the Council;
- (b) to be a significantly disproportionate financial burden on any person or category of persons (as compared to other prospective SRA participants in the proposed SRA) and that burden -
  - (i) is caused by the manipulation of the geographical location of the proposed SRA or by the structure of the SRA rate; and
  - (ii) is inequitable or would reinforce existing inequalities in the proposed SRA.

(3) When making a determination or decision under subregulation (1), the Council must consider -

- (a) the level of support for the SRA application;
- (b) the nature and extent of a conflict contemplated in subregulation (2)(a);
- (c) the structure of the proposed SRA rate and how the financial burden of the SRA is to be distributed amongst the prospective SRA participants;
- (d) the extent to which the SRA proposer consulted the SRA application with the Council or Municipality and with the prospective SRA participants;
- (e) the cost incurred by the SRA proposer in developing and canvassing the SRA application.

(4) If an SRA application is refused by the Council in accordance with subregulation (1)(c) or referred back to the SRA proposer in accordance with subregulation (1)(d), the SRA proposer may, within 6 months of the Council's decision, re-apply to the Council for the determination of the SRA and the establishment of a SRA for that area, provided that such re-submitted SRA application is appropriately amended in view of the reasons for refusal or referral, as the case may be.

(5) If the business plan is amended in any material respect in the opinion of the Chief Executive Officer at any time before the determination or decision of the Council under subregulation (1), the Council may require the SRA proposer to re-advertise the SRA application in accordance with the provisions of regulation 9, with the necessary changes.

### **Commencement date and SRA rate implementation**

**11.** (1) Once the Council has approved the establishment of an SRA and determined the SRA in accordance with these Regulations, the business plan may only be implemented after the establishment of the SRA body, in accordance with regulation 12 which is deemed to be the commencement date of the SRA.

(2) Council must, by the commencement date, provide for the imposition, administration, collection, recovery and application of the SRA rate in the SRA area of the relevant SRA.

(3) The SRA rate is a debt due to the Council and is payable and must be collected in the same manner as other rates set out in Part XV of the Act.

(4) Subject to subregulation (5), Council must pay over the collected SRA rate to the relevant SRA body.

(5) Prior to the commencement date and the payment of the collected SRA rate to the relevant SRA body, Council and the SRA body must enter into a finance agreement which agreement must, amongst others, include the following matters:

- (a) The mechanisms and manner of payment of the SRA rate to the SRA body;
- (b) the terms on which payments to the relevant SRA body will be made;

- (c) any parameters relating to expenditures;
- (d) the manner in which the Municipality will collect the SRA rate and pay such collected rates over to the SRA body and the responsibilities of the Municipality and of the SRA body (if any) as regards any failure to pay the BID rate;
- (e) arrangements as regards dealing with collected SRA rates in the event of fraud or material irregularities being committed by the SRA body which may include that Council may refuse to pay over the SRA rate until such fraud or material irregularities are resolved and in such instance, while the matter is being resolved, Council may make payments directly to personnel, service providers and other creditors of the SRA body or Council may appoint an interim administrator; and
- (f) if deemed necessary, any obligations on the SRA body to acquire and maintain appropriate insurance.

### **SRA body and other SRA arrangements**

**12.** (1) The SRA proposer must cause to be established an SRA body for the purposes of implementing the SRA arrangements and the business plan.

(2) The SRA body must be a non-profit company incorporated in accordance with the provisions of the Companies Act.

(3) The SRA body must have at least three directors, each with his or her specific portfolio aligned with the business plan.

(4) The Council must oversee compliance by the SRA body with these Regulations, any guidelines or policies adopted by the Council and any agreements entered into between the SRA body and the Council.

(5) The Mayor must, after receiving nominations from the Council, appoint not more than two councillors as observers, to serve on the board of the SRA body.

(6) A councillor appointed in terms of subregulation (5) -

- (a) is merely an observer and does not have the powers and duties of directors of companies as set out in the Companies Act and the memorandum and articles of association of the SRA body;
- (b) is deemed to have vacated his or her position should such observer no longer serve as a councillor and such observer must be replaced in accordance with subregulation (5); and
- (c) may not chair the board of the SRA body or any committee or sub-committee of the board.

(7) Unless a longer period is determined by the Chief Executive Officer, an SRA body must within three months after receiving the monthly SRA rate begin implementing and carrying out its business plan.

(8) An SRA body must, within six months after its commencement date, provide the Council with a progress report.

### **Financial arrangements**

**13.** (1) The financial year of the SRA body must be similar to the financial year of the Municipality.

(2) An SRA body must, no later than three months after its annual general meeting, submit to the Council:

- (a) Its audited financial statements for the immediately preceding year; and
- (b) an annual report on its progress in implementing and carrying out its business plan in the preceding year to improve or upgrade the SRA area.

(3) The SRA body must, prior to the commencement of its financial year (excluding its first financial year) submit its budget and implementation plan for the ensuing financial year to Council for comment.

(4) Excluding its first year of operation, the SRA body must ensure that it has financial reserves of not less than two months' SRA rate monthly revenue except if these funds have been duly allocated to a project or if, upon application, the Chief Executive Officer approved, in writing, a lesser reserve amount.

(5) The SRA body must ensure that its implementation plan aligns with its budget.

(6) Subject to its memorandum and articles of association, the SRA body is entitled to raise its own funds through commercial activities, donations or any other lawful means.

(7) In order to determine or ensure compliance with these Regulations and the finance agreement, the Council may -

- (a) request from the SRA body such information, data, documentation, statements and the like as it deems necessary to evaluate such compliance;
- (b) undertake such investigation or audit into the affairs of the SRA body as it deems necessary.

(8) The Council may, for the purposes of its work and input relating to the administration of the SRA rate and overseeing SRA arrangements, determine an administrative charge to be imposed on the SRA body subject thereto that -

- (a) such charge may not exceed one percent of the collected SRA rate;

- (b) details relating to the charge and the imposition and payment thereof are set out in the finance agreement.

### **Amendment of business plan**

**14.** (1) An amendment to the business plan of an SRA body, including the SRA , shall be approved by the Council on written application by the SRA body at any time after the commencement date.

(2) An application contemplated in subregulation (1) must be motivated based on, amongst others, the following factors –

- (a) an explanation of impact on costs, budget and implementation plan expectations;
- (b) any cross subsidisation or inequalities occurring amongst SRA participants or within the SRA area;
- (c) fairness and equity;
- (d) affordability and sustainability of the SRA;
- (e) priorities of a new area to be incorporated into the existing SRA may differ from the existing SRA priorities; and
- (f) profile of the arrears of the new area.

(3) The Council may approve an application for an amendment contemplated in subregulation (1) where the Council considers it not likely to materially affect the rights or interests of any SRA participant, provided that the Council may require the SRA body to cause a notice of the application for such amendment to be published in the manner determined by the Chief Executive Officer.

(4) Where the Council considers that an amendment contemplated in subregulation (1) is likely to –

- (a) materially affect the rights or interests of any person;
- (b) materially affect the term budget of the SRA; or
- (c) change the geographical boundaries of the SRA,

such amendment may only be approved in accordance with the provisions of regulation (3) to 10 (with the necessary changes).

(5) The Council may, for good reason, on written application by the SRA body, exempt the SRA body from complying with the provisions, or condone any non-compliance with any provisions, of regulations 3 to 10.

- (6) Notwithstanding any provision to the contrary in these Regulations but excluding-

- (a) an amendment to the geographical boundaries of an SRA;
- (b) an amendment to the SRA rate in a manner which would cause -
  - (i) a person to pay the SRA rate who was not previously liable to pay it;
  - (ii) an increase the SRA rate for any person of more than 10% per annum,

the SRA body may amend SRA arrangements in the event where the SRA participants, in the business plan, authorised such amendment and must give notice of such amendment to the Council.

### **Renewal of term**

**15.** An SRA body, wishing to renew its term for a further period, must submit an application to the Council for approval of renewal of the term subject thereto that –

- (a) such renewal and the duration thereof may only be approved by the Council in accordance with the provisions of regulations 3 to 10, with the changes required by the context, and the Council may, for good reason, on written application by the SRA body, exempt the SRA body from complying, or condone any non-compliance, with any such provisions;
- (b) the provisions of regulation 14 apply to any amendment of the business plan necessitated by such renewal.

### **Termination of SRA arrangements**

**16.** (1) The Council may terminate a SRA arrangement in the event where -

- (a) in the opinion of the Council there is good cause to believe that the SRA body will have insufficient finances to meet its liabilities during a financial year and the Council has -
  - (i) offered the SRA body a reasonable opportunity to arrange for financing the shortfall or for a reduction in the works or services under the SRA arrangements which is sufficient to offset the shortfall; and
  - (ii) given the relevant SRA participants an opportunity, at a public meeting, to make representations in relation to the termination of the SRA arrangements; or
- (b) the Council is unable, due to any cause beyond the control of the Council, to provide works and services which are necessary for the BID body to continue and the Council has consulted the SRA body and conducted such consultations with the business community in the SRA area as the Council deems appropriate; or
- (c) the Council received a written application signed by the majority of SRA participants in the relevant SRA and Council has, subsequent to receiving such application, conducted such consultations with the SRA body, the SRA participants

and with the business community in the SRA as the Council deems appropriate and has come to the conclusion that it is in the best interest of the SRA participants and the business community to terminate the SRA arrangements prior to the end of its term.

(2) A SRA body may not, out of own accord, terminate its SRA arrangements until -

- (a) it has consulted with the Council;
- (b) received written approval signed by a simple majority, in the event of a SRA in a non-residential area, or by at least 60% in the event of a SRA in residential area, of its SRA participants approving the termination of the SRA; and
- (c) conducted such consultations with the SRA participants and the business community in its SRA as the Council deemed appropriate.

(3) The Council must notify the SRA body, in writing, of its intention to terminate the SRA arrangements under subregulation (1) at least 60 days before the date of termination.

(4) The SRA body must notify the Council, in writing, of its intention to terminate the SRA arrangements under subregulation (2) at least 60 days before the date of termination.

(5) Where an SRA arrangement is terminated under this regulation Council must, as soon as is reasonably practicable, give notice of the termination, the effective date of such termination and such other information as Council deems appropriate regarding the termination and the consequences thereof to the SRA participants and the business community within the relevant SRA as Council deems appropriate.

(6) Council may make such other determinations regarding the termination of an SRA arrangement as Council deems appropriate to ensure a smooth and efficient termination thereof.

## **SCHEDULE 1**

### **CONTENT OF BUSINESS PLAN**

#### **Components of business plan**

1. The business plan must include the following matters:

- (a) A motivation report;
- (b) an implementation plan;
- (c) the term of the SRA including proposals relating to the renewal of the term; and
- (d) the term budget.

### **Motivation report**

2. The motivation report must include:

- (a) An introduction covering the following matters:
  - (i) A problem statement (that is a summary of the circumstances existing in the prospective SRA giving a rationale for the improvement or upgrading thereof);
  - (ii) an executive summary of the improvement or upgrade proposed for the prospective SRA;
  - (iii) an explanation of how the proposed improvement or upgrade is linked to the geographical area of the prospective SRA;
  - (iv) an explanation of why the prospective SRA as an SRA will not fortify any existing inequalities in that area;
  - (v) an explanation of how the SRA, if established for the prospective SRA, will support the Municipality's strategic plan;
  - (vi) an explanation of the institutional arrangements proposed in relation to the prospective SRA and the SRA to be established;
- (b) the vision, mission and goal of the prospective SRA body;
- (c) a diagram (including a map showing the area) clearly indicating the boundaries of the prospective SRA;
- (d) the proposed management structure of the prospective SRA body as regards -
  - (i) its board of directors including allocation of portfolios;
  - (ii) its staffing; and
  - (iii) its operational arrangements;
- (e) the prospective SRA body's procurement policy (namely outline the transparent process to be implemented when sourcing and appointing service providers to undertake improvements or upgrades);



- (f) as regards the financial impact of a prospective SRA -
  - (i) the proposals on the basis for calculating the SRA rate (as provided for in section 73(1)(a) to (d) of the Act) and the amount thereof subject thereto that the SRA rate, in any rate basis proposed, the SRA rate should not exceed (25%) of the rate levied on a rateable property prior to the implementation of the SRA rate; if it does exceed with (25%), it must be fully motivated;
  - (ii) the proposals (if any) as regards exemptions from, or reductions with regard to, the SRA rate;
- (g) a list of all rateable properties within the prospective SRA, contact details of all the prospective SRA participants and the value of each property as set out in the Council's general valuation roll;
- (h) proof of the consent of the majority of prospective SRA participants in the prospective SRA as set out in these Regulations (subject thereto that for purposes of the SRA notification meeting and an SRA renewal meeting, this is not required to be included in the business plan);
- (i) proof of the notice of the SRA notification meeting, an SRA renewal meeting (if any) and advertisement of the SRA advertisement as contemplated in these Regulations;
- (j) the minutes of the SRA notification meeting and any SRA renewal meeting (if held); and
- (k) an explanation whether any of the cost incurred by the SRA proposer are to be recovered through the SRA rate and the manner in which this will be done;
- (l) a statement of whether the SRA arrangements set out in this Schedule may be altered without a majority vote and, if so, which aspects of the SRA arrangements may be altered this way;
- (m) the full name of the prospective SRA body;
- (n) the date or period when the business plan was compiled.

### **Implementation plan**

**3.** The implementation plan is a schedule of goals to implement improvements or upgrades aligning with the motivation report and must include at least the following matters:

- (a) Milestones;
- (b) tasks per milestone;

- (c) start and finish date per task;
- (d) assigning responsibility per goal, milestone and task;
- (e) performance indicators per milestone; and
- (f) any authorisation granted to the SRA body to make changes to the business plan as contemplated in regulation 14(6).

### **Term**

**4.** (1) The business plan must, under a separate heading, clearly indicate the proposed initial term for the prospective SRA together with a statement of the commencement date and a motivation for the duration thereof.

(2) If it is the intention to apply for a renewal of the term upon the expiration thereof, this must be indicated together with the criteria which will be taken into consideration when a decision is going to be made whether or not to apply for a renewal.

### **Term budget**

**5.** (1) The financial year of an SRA body must commence on 1 July of a year and end on 30 June of the following year in order to align with the financial year of the Municipality.

(2) The term budget of a prospective SRA body must cover each year of the proposed term.

(3) The term budget must, as a minimum, address the following matters:

- (a) Each annual budget per line item;
- (b) budget split for the provision of improvements or upgrades between the different categories of properties or different areas within the prospective SRA.