

ITEM TITLE**C72/2026 DIRECTORATE FINANCE: DISPOSAL OF ASSETS***[English version of the report is the original]***FILE NUMBER**

6/1/1/4

PURPOSE OF REPORT

To obtain the Council's approval for the disposal of assets.

BACKGROUND

The Community Services and Technical Department conducted an assessment on their respective assets of which municipal fleet was identified as vehicles that are no longer economical to operate or repair. The survey confirmed that certain vehicles have reached the end of their useful life cycle and are beyond economical repair. As a result, these vehicles have been classified as redundant and are recommended for disposal together with copper cable off cuts identified by the electrical department.

The list has been consolidated and must be presented to the Council for consideration and approval, in compliance with Section 14 (Disposal of Capital Assets) of the Municipal Finance Management Act (MFMA)

The intention is to dispose of said assets in the form of a public auction.

A list of such assets is attached (Annexure "A"). Although the current carrying value is depicted in the attachment it should not be assumed as a reserve price offering.

DISCUSSION

None.

FINANCIAL IMPLICATIONS (ITEM AUTHOR)

All the assets have been paid for. The Council will save on further insurance premium and depreciation (as well as other related expenses).

LEGAL IMPLICATIONS (ITEM AUTHOR)

In terms of Section 14 (2) of the MFMA:

- (2). A Municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection, but only after the municipal council, in a meeting open to the public-

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services.

RISK MANAGEMENT IMPLICATION (ITEM AUTHOR)

None.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that Council approves the disposal of assets per Annexure "A".

RECOMMENDATION BY THE FINANCE COMMITTEE TO EMC: 17 FEBRUARY 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor H Linnerts and seconded by Councillor C Benjamin it was recommended as follows:

That Council approves the disposal of assets per Annexure "A".

RECOMMENDATION BY THE EMC TO COUNCIL: 17 FEBRUARY 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor CT Cloete and seconded by Councillor H Linnerts it was recommended as follows:

That Council approves the disposal of assets per Annexure "A".

RECOMMENDATION TO COUNCIL:

It is recommended that Council approves the disposal of assets per Annexure "A".

RESOLVED BY COUNCIL: 27 FEBRUARY 2026

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor CT Cloete and seconded by Councillor H Linnerts it was resolved as follows:

Council approves the disposal of assets per Annexure "A".

For finalization by the Acting Director: Finance, Mr A Riddles.