



PUBLIC POLICY

MANGAUNG LOCAL MUNICIPALITY	
SUBJECT: HOME-STAY PROGRAMME	POLICY NO: 8(PP) / 2010
DIRECTORATE: ECONOMIC DEVELOPMENT AND PLANNING	COUNCIL ITEM:
SUB-DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT	DATE APPROVED:
GENERAL MANAGER: LOCAL ECONOMIC DEVELOPMENT	EFFECTIVE DATE:

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1. PREAMBLE

- 1.1 The Mangaung Local Municipality is often the host of events attracting many visitors to the Municipality and especially so during the 2010 Soccer World Cup™ in South Africa.
- 1.2 By way of comparison with classic tourism destinations in South Africa, and understanding the dynamics of what constitutes a tourism destination, it suffices to say that the Mangaung municipal area is an Events, Conference and Business Tourism Destination. Various events, varying from sports to cultural events, are hosted in Mangaung on an annual basis.
- 1.3 At times the destination experiences an extremely high influx of visitors and tourists in the main that are spending on average 3days within Mangaung. This consequently bears on the supply of accommodation within the locality, as locations far outside the municipal borders, or too far from host venues poses other logistical challenges.
- 1.4 As at end September 2009 Mangaung has 10 000 – 11 000 beds on its inventory, meaning that should an event at any given time draws 11 000 or more delegates from outside our borders, the destination cannot meet the demand should every single delegate need accommodation.
- 1.5 As a 2010 Host City, Mangaung is faced with the challenge where accommodation in other locations in the country is an option, but where spectators and visitors do not want to be accommodated far outside the match venue.
- 1.6 When looking at the Beyond 2010 Legacy, logistical challenges like accommodation, will be solved when a Home-stay Programme is in place and provides accommodation when the formal accommodation Sector cannot meet the demand for beds at any given point in time.

2. DEFINITIONS

- 2.1 All terminology used in this policy shall bear the same meaning as in the applicable legislation.
- 2.2 “**Grading**” means the measuring and awarding of a certain grade to a service provider for different levels of services and facilities offered by home-stay providers;
- 2.3 “**Home-stay**” means a programme in terms of which the Municipality facilitates unique supplement accommodation in a home, property or family dwelling that is made available to a visitor on his or her request on condition that the visitors make use of the available facilities, furniture, and amenities, and pay for such services. **Home-stay Programme** has a corresponding meaning.
- 2.4 “**Home-stay participant**” means the owner or legal occupier of a home or property who registers the said home or property with the Municipality for reasons of inclusion in the Home-stay programme;
- 2.5 “**Home-stay provider**” means a home or family dwelling registered with the Municipality and participating in the Home-stay programme;
- 2.6 “**Municipality**” means the Mangaung Local Municipality and **MLM** shall have a corresponding meaning.

- 2.7 “**Tourist**” means a person who is travelling and staying outside of his / her usual environment for a period of time. A distinction is therefore further made between a domestic and international tourist. **Domestic** - a South African, and **international** - a person from abroad

3. LEGAL FRAMEWORK

- The *White Paper on the Development and Promotion of Tourism (1996)*. This paper highlights the responsibility of Local Government to facilitate local community participation in the tourism industry.
- *White Paper on Local Government (1998)*. This paper highlights two very important elements, i.e. Local Government’s (municipalities) responsibility to provide basic household infrastructure, promotion of development of mixed-use and mixed-income, and facilitation of community participation in the socio-economic life of the city.
- *Constitution of the Republic of South Africa (No. 108 of 1998)*. The Constitution determines two crucial aspects, i.e. the municipality’s responsibility to provide tourism / other information services, as well as the promotion of Local Tourism within its locality.

4. SCOPE AND APPLICATION

- 4.1 The aim of the Mangaung Home-stay Programme Policy is to provide an operational framework in which individual or a group of home owners, and agencies could provide their private or contracted family dwelling to visitors / tourists for accommodation in exchange for remuneration.
- 4.2 Home-stay accommodation is not to be seen as competition to the formal accommodation sub-sector within the tourism sector, but complimenting supplement accommodation, at instances where the formal sector is not able to meet the demand for accommodation. Home-stay opportunities would only be available during the occasions on which the Municipality is of the opinion that the accommodation provided by the formal accommodation sector would not be sufficient. For these purposes the Home-stay participants should enquire from the Municipality from time to time to ascertain when they can provide accommodation in terms of the Home-stay Programme.

5. OBJECTIVES OF THIS POLICY

- 5.1 This policy serves to encourage and promote the participation by home-owners or other legitimate participants in the municipality’s accommodation enhancement Home-stay programme.
- 5.2 The Home-stay Programme aims to achieve the following objectives:
- Social benefits (cultural exchange, etc.).
 - Providing of guidelines for processes of registration.
 - Provision of selection criteria of qualifying homes, and/ or accommodation facilities;
 - Establishment of rate brackets for various accommodation facilities participating in the Home-stay Programme; and

6. PRINCIPLES AND PROCEDURES

6.1 Uniformity and standardisation

This policy take into cognisance that various private sector interests has been stimulated and mobilised, and have availed themselves as agents who act on behalf of homeowners, by selling rooms to visitors on behalf of the latter. It is for these reasons that standardisation of home role out and management of home-stays are essential.

6.1.1 Rates Bracket (Ceiling Pricing)

The policy creates a rate bracket that will be used for pricing of rooms, and / or facilities that visitors would be able to book. Affordability to both the homeowner and the visitor is of utmost importance. Certain guidelines on room rates that are employed by the formal accommodation sub-sector will be adapted and applied to home-stays. There will be various categories of accommodation, and factors like location, standard of facilities, amenities, etc. will influence fixation of rates.

6.1.2 Quality assurance and standards

The policy provides a systems framework to set quality standards for homes by awarding a Rose Grading. The concept of roses stems from the know brand "City of Roses", and is also aimed at enhancing the image of the main city centre, Bloemfontein, with regards to aesthetics.

6.1.3 Simplicity

The policy sets a platform that will provide for an easy to administer, and a user-friendly system (process of registration, procedures, etc.) that are easily understood by users, service providers and home owners.

6.1.4 Cooperative governance

The system will be used by relevant government players, and private sector tourism players. This will in itself foster closer working relations between different organs of state.

6.1.5 Continued control and monitoring

The policy makes provision for the continuous monitoring of the overall home-stay operational framework, and will have inherent flexibility to ensure adaptation at any given point in time, without overregulation that would result in complexity of the programme.

6.1.6 Affordability

The policy provides for the most cost effective way to participate in the home-stay programme. Homeowners and agencies of home-stays should not be burdened with too many fees in terms of registration, annual renewal, handling fees, etc. To make the participation of a home or property in this programme viable, the property rates or zoning of a property or home would not be affected adversely simply due to its participation in the home-stay programme. For the afore-mentioned reason a person may not avail more than three rooms per night for home-stay purposes.

6.1.7 Targeted

All interested home / property owners are targeted and agencies or individuals acting as independent agents who are sourcing and providing home-stay accommodation at a fee. This policy is thus not applicable to formal accommodation providers such as guesthouses, hotels, bed-and breakfast establishments, boarding houses, backpackers, self-catering accommodation, caravan parks, resorts or youth hostels, etc.

6.2 Criteria for selection of homes / home owners

- 6.2.1 Persons or groups registering their interest with MLM, or its designated agency (if applicable), must be the legitimate owners of the property or alternatively, have a long-term agreement to utilise the property, as well as provide proof (a written consent) from the owner/s to use the property as a home-stay.
- 6.2.2 Owners must sign an undertaking that they would be members of the home-stay programme for medium to long-term periods, and that they will adhere to prescribed stipulations.
- 6.2.3 Only homes/properties that are of acceptable standard and that meet certain minimum safety standards will be signed up as participants in the home-stay programme. Unless owners agree to become compliant within a specific period and qualify within the stipulated period, they will not be registered as participants in the home-stay programme.
- 6.2.4 All participants or members must sign and adhere to a code of conduct for home-stay participants.
- 6.2.5 Owners must comply with all terms and conditions set out by the programme (safety standards, quality assurance, capacity building, period of operation, etc.).

6.3 Criteria for selection of a programme management agency / agencies

Should MLM appoint an agency or agencies, such agency(ies):

- 6.3.1 Must provide clear registration procedures (registration/membership fees, cancellation, etc.);
- 6.3.2 Must have a management system to manage the programme;
- 6.3.3 Is obliged to provide a central booking computerised system;
- 6.3.4 An agency must establish a database of members & their accommodation specifications, and have network access to other services like transport, information services, attractions, etc;
- 6.3.5 Must provide a plan for a membership recruitments and retention;

- 6.3.6 Must provide a relevant and validated of rate for room rates as per accommodation categories;
- 6.3.7 An agency must provide a quality assurance system appropriate and relevant to the Mangaung Destination;
- 6.3.8 Must formulate guidelines for basic safety & security standards (this would include insurance / liability cover, etc. that would also cover visitors.);
- 6.3.9 Must provide for a Code of Conduct, approved by MLM;
- 6.3.10 Must have a capacity building programme, or have access to a programme for the training of homeowners or their representatives; and
- 6.3.11 Must provide for reporting mechanisms (owners & management agency).

6.4 Registration Procedures

6.4.1 Registration Procedures for Agencies

- (a) Any agency that contracts home-stay accommodation must register with the Mangaung Local Municipality before they can commence with home-stay contracting.
- (b) Agencies need to submit proof of their registration as an agency.
- (c) A database of members who signed up with such an agency must be submitted with the municipality, and updated on a monthly basis.
- (d) Upon registration and payment of prescribed fees, the municipality will issue a permit to the agency that confirms such registration.
- (e) Any permit issued shall be valid for one year, and thus renewable on an annual basis.

6.4.2 Registration Procedures for Individual Homeowners

- (a) Individual homeowners who register on the municipality home-stay programme must complete a prescribed home-stay application form to register their interests in participating in the home-stay programme.
- (b) Proof of ownership or written consent from the rightful owner to operate as a home-stay must be submitted.
- (c) A Homeowner Registration Fee is payable upon registration.
- (d) Upon selection, a home-stay permit will be issued which will be valid for the stipulated operational period.

6.5 Registration Fees

The policy provides for a Home-stay Owner's registration fee and for a Home-stay Agency Registration fee for agencies who enter into agreements with homeowners to out-contract their homes for renting to visitors. Both fees are payable to the Mangaung Local Municipality prior to commencing with operation in terms of this programme.

6.5.1 Home-stay Agency Registration & Operational Fees

- (a) All agencies that are promoting or selling home-stay accommodation must register with the Mangaung Local Municipality.
- (b) Agency registration is mandatory, and non-compliance is punishable by the levying of a minimum fine of R 5000.00 and a maximum of R10 000.00.
- (c) Any agency that registers must pay an initial Home-stay Agency Registration Fee of R2000, renewable annually. The Registration renewal fee will be R 1 500.00 per annum.
- (d) Agencies shall pay to the Municipality a fee of 8% of the value of every unit or bed-night sold to visitors. In cases where a unit has been availed only for the day, the required payment of 8% will still apply. The Agency Registration Fee covers the operational permit fees.

6.5.2 Homeowner Registration and Operational Fees

- (a) All homeowners that are promoting or selling home-stay accommodation must register with the Mangaung Local Municipality.
- (b) A once-off registration fee of R60 is payable upon registration.
- (c) The registration fee is valid for a period of one year from the date of payment.
- (d) Renewal of registration must be done on an annual basis to participate in the Home-stay Programme.
- (e) Homeowners shall pay to the Municipality a fee of 8% of the value of every unit or bed-night sold to visitors. In cases where a unit has been availed only for the day, the required payment of 8% will still apply. The Agency Registration Fee covers the operational permit fees.
- (f) Monies are payable to the Mangaung Local Municipality.

6.6 Price Structures

Some of the determining factors in determination of the grading and subsequent pricing for home-stay participants are complimentary surrounds like tourist attractions, public and private facilities, transport accessibility, proximity to events venues, etc. However as primary factor, due cognisance is given to the fact that home-stay accommodation is at the peak of seasonality, in that it is events driven. It could therefore be considered as the highest degree of seasonality. Local home owners will most likely up the standards of their existing home to ensure that visitors will have a pleasant and memorable experience. It is for this reason that pricing for home-stay rewards homeowners for their participation and investment and at the same time ensures sustainability of the programme.

6.7 Price determination and Operational Permit

A grading systems known as the Rose Quality Assurance Framework will be applicable to participants in the home-stay programme and all homes or properties will be placed in the most suitable category. Homes or properties in a particular Rose grading will have the amount awarded to the grading as their ceiling price. Prices do not include breakfast or any other meals or refreshments.

- **Category 1: 1 Rose** – Homes within this category may not exceed a maximum rate of R 150 per person per night, and not more than R280 per double (2 persons).
- **Category 2: 2 Roses** – Homes within this category may not exceed a maximum rate of R 220 per person per night, and not more than R 400 per double (2 persons).
- **Category 3: 3 Roses** – Homes within this category may not exceed a maximum rate of R 280 per person per night, and not more than R 540 for a double (2 persons).

- **Category 4: 4 Roses** – Homes within this category may not exceed a maximum rate of R 350 per person per night, and not more than R 640 for a double (2 persons).
- **Category 5: 5 Roses** - Homes within this category may not exceed a maximum rate of R 500 per person per night, and not more than R960 for a double (2 persons).

All properties participating in the Home-stay Programme must be issued with an Operational Permit, issued by the Municipality after the grading of the property was done as set out in this paragraph above, prior to receiving visitors .

These rates remain standard and valid for a year, regardless of peak or low season. These rates are revisable on an annual basis, as determined by the municipality.

7. FINES

Fines for non-compliance for agencies and homeowners:

7.1.1 Agency Fines

- Agencies that fail to register in terms of the compulsory agency registration with the Mangaung Local Municipality will be fined with an amount not exceeding R3000.
- Any home-stay agency that fails to provide its database, or a true reflection of its membership base will be fine an amount of R2000.
- Failure of an agency to regulate its members in terms of quality, adherence to operational periods, adherence to prescribed rates, or failure to comply with this policy. will be fined per case, a minimum amount of R 1000 and a maximum amount of R5000 – depending on the nature and degree of transgression.

7.1.2 Homeowners

- Homeowners that fail to register with the Mangaung Local Municipality / or its agency, yet operate illegally as a home-stay, will be fined an amount not exceeding R2000.
- Homeowners that operate as home-stay who does not adhere to the stipulated operational permit period, will be fine an amount of R500.
- Homeowners who drop the standard of their facilities will be placed in a category suitable for their standards at the point of annual inspections.

It is important to note that persistence in non-compliance will result in membership being revoked, with an option of reapplication on after two years.

8. GENERAL PROVISIONS

- 8.1 Compliance with all relevant legislative arrangements shall be strictly observed and complied with.
- 8.2 The City Manager may from time to time amend, vary or deviate from any Provision of this policy, if such act is informed by bona fide operational requirements of the municipality.

9. COMMUNICATION

- 9.1 This policy must be communicated to all residents in the Municipality by using the communication methods available to the municipality.

10. POLICY REVIEW

- 10.1 This policy will be reviewed from time to time and revised as deemed necessary.

11. BUDGET AND RESOURCES

- 11.1 The financial and resource implication/s related to the implementation of this policy should be qualified and quantified.

12. ROLES AND RESPONSIBILITIES

- 12.1 The City Manager accepts overall responsibility for the implementation and monitoring of the policy.

13. DISPUTE RESOLUTION

Any dispute arising from this policy due to ambiguous wording or phrasing must be referred to the Council for adjudication.

14. AUTHORITY

Formulation	:	Policy / By-law Management Team
Authorisation and approval	:	Council
Ownership and maintenance	:	ED Economic Development and Planning

15. IMPLEMENTATION

This internal policy will be effective from the first day of the calendar month following the date on which Council has approved the internal policy.