



**STELLENBOSCH**  
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2022-06-03

**MAYORAL COMMITTEE MEETING**  
**WEDNESDAY, 2022-06-08 AT 10:00**

**TO** The Executive Mayor, Ald G Van Deventer (Ms)  
The Deputy Executive Mayor, Cllr J Fasser

**COUNCILLORS** R Adams  
FJ Badenhorst  
Z Dalling (Ms)  
R du Toit (Ms)  
P Johnson  
J Joon  
  
L Nkamisa  
  
C van Wyk (Ms)  
  
J Williams

Notice is hereby given that a Mayoral Committee Meeting will be held via **MS Teams** on **Wednesday, 2022-06-08 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

**CHAIRPERSON**

**AGENDA**  
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**2022-06-08**  
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# **APPENDIX 1**

## **Confirmation of Minutes: Mayoral Committee: 2022-05-18**



**STELLENBOSCH**  
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2022-05-18

**MINUTES**

**MAYORAL COMMITTEE MEETING:**

**2022-05-18 AT 10:00**

**MINUTES**  
**MAYORAL COMMITTEE MEETING**  
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**PRESENT:** Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)  
Deputy Executive Mayor, Cllr J Fasser

**Councillors:** R Adams  
FJ Badenhorst  
Z Dalling (Ms)  
R du Toit (Ms)  
P Johnson  
J Joon  
L Nkamisa  
C van Wyk (Ms)  
J Williams

**Also Present:** Councillor P Crawley (Chief Whip)  
Speaker Q Smit  
Councillor W Petersen

**Officials:** Municipal Manager (G Mettler (Ms))  
Director: Corporate Services (A de Beer (Ms))  
Director: Community & Protection Services (G Boshoff)  
Director: Planning and Economic Development (A Barnes)  
Director: Infrastructure Services (D Louw)  
Chief Financial Officer (K Carolus)  
Manager : New Housing (L van Stavel)  
Senior Administration Officer (B Mgcushe (Ms))

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<b>1.</b>	<b>OPENING AND WELCOME</b>
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The Chairperson, Executive Mayor, welcomed everyone present to the Mayoral Committee Meeting.

<b>2.</b>	<b>COMMUNICATION BY THE CHAIRPERSON</b>
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NONE

<b>3.</b>	<b>DISCLOSURE OF INTERESTS</b>
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NONE



4.	APPLICATIONS FOR LEAVE OF ABSENCE
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NONE

5.	CONFIRMATION OF PREVIOUS MINUTES
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The minutes of the Mayoral Committee Meeting held on 2022-03-22 were **confirmed as correct without any changes.**

6.	<b>STATUTORY MATTERS</b>
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6.1	<b>ADOPTION OF THE INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET PROCESS PLAN FOR 2022 – 2027</b>
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Collaborator No: 729652  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 18 May 2022

**1. SUBJECT: ADOPTION OF THE INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET PROCESS PLAN FOR 2022 – 2027**

**2. PURPOSE**

To submit the following to Council for adoption the IDP and Budget Process Plan for 2022 – 2027, attached as **ANNEXURE A**.

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

According to Section 28(1) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP after the start of its elected term within a prescribed period. With the local government election being concluded and the inauguration of the Council in November 2021, an IDP and Budget Process Plan 2022 – 2027 had to be drafted for the development of the new 5-year plan, the Fifth Generation IDP 2022 – 2027.

A Revised SDF / IDP / Budget Time Schedule for 2022/23 was approved by Council on 30 March 2022 to guide the planning, drafting and adoption of the Fifth Generation IDP 2022 – 2027. This in effect moved the adoption of the IDP and Budget Process Plan to May 2022. The approval and adoption of the IDP and Budget Process Plan are subjected to the adoption of the Cape Winelands District Municipality's (CWDM's) Integrated Development Planning District Framework (MSA S27 Framework) by the CWDM. The MSA Section 27 Framework was adopted by the CWDM Council on 28 April 2022. This was to ensure compliance and alignment between the MSA Section 27 Framework of the CWDM and the IDP and Budget Process Plan for 2022 – 2027 of the Stellenbosch Municipality.

The draft IDP and Budget Process Plan for 2022 – 2027 of the Stellenbosch Municipality has been published for public input and comments for a period of 21 days from 04 – 28 April 2022, however, no input or comments have been received on the draft Process Plan by the due date of 28 April 2022.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 6.1**

- (a) that the IDP and Budget Process Plan 2022 – 2027 of the Stellenbosch Municipality to guide the planning, drafting, adoption and review of the Fifth Generation IDP 2022 – 2027 be adopted in terms of Section 28(1) of the MSA, attached as **ANNEXURE A**; and

- (b) that an advertisement be placed on the official website of the municipality and in the local newspapers notifying the public that the IDP and Budget Process Plan 2022 – 2027 has been adopted by the Council.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Geraldine Mettler
<b>POSITION</b>	Municipal Manager
<b>DIRECTORATE</b>	Office of the Municipal Manager
<b>CONTACT NUMBERS</b>	021 – 808 8025
<b>E-MAIL ADDRESS</b>	geraldine.mettler@stellenbosch.gov.za
<b>REPORT DATE</b>	10 May 2022

6.2	<b>ADOPTION OF THE FIFTH GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) 2022 – 2027</b>
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Collaborator No: 729727  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 18 May 2022

**1. SUBJECT: ADOPTION OF THE FIFTH GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) 2022 – 2027**

**2. PURPOSE**

To submit the following to Council for consideration and adoption:

- (a) The Fifth Generation IDP 2022 – 2027, attached as **ANNEXURE A** (will be distributed under separate cover); and
- (b) The IDP and Budget public participation inputs, written submissions and Provincial Government SIME Assessment Report on the Draft Fifth Generation IDP 2022 – 2027 and Draft MTREF 2022 – 2025, attached as **ANNEXURE B**.

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

In terms of Section 25(1) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), each municipal council must after the start of its elected term, within a prescribed period adopt a single, inclusive strategic plan. In this instance, this strategic plan refers to the Fifth Generation IDP 2022 – 2027. The IDP informs the budget of the municipality and also details the municipality's actions to address the vision, mission, strategic objectives and needs of the community.

The municipal IDP must:

- link, integrate and co-ordinate plans and consider proposals for the development of the municipality;
- align the resources and capacity of the municipality with the implementation of the plan;
- forms the policy framework and general basis on which annual budgets must be based; and
- is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 6.2**

- (a) that the Fifth Generation IDP 2022 – 2027 for Stellenbosch Municipality, attached as **ANNEXURE A**, be adopted in terms of Section 25(1) of the MSA;
- (b) that the IDP and Budget public participation inputs, written submissions and Provincial Government SIME Assessment Report on the Draft Fifth Generation IDP 2022 – 2027 and Draft MTREF 2022 – 2025, attached as **ANNEXURE B**, be noted; and

- (c) that an advertisement be placed on the official website of the municipality and in the local newspapers notifying the public that the final Fifth Generation IDP 2022 – 2027 has been adopted by Council.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Geraldine Mettler
<b>POSITION</b>	Municipal Manager
<b>DIRECTORATE</b>	Office of the Municipal Manager
<b>CONTACT NUMBERS</b>	021 – 808 8025
<b>E-MAIL ADDRESS</b>	geraldine.mettler@stellenbosch.gov.za
<b>REPORT DATE</b>	10 May 2022

<b>6.3</b>	<b>MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/2023-2024/2025</b>
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Collaborator No: 729655  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 18 May 2022

**1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/2023-2024/2025**

**2. PURPOSE**

The purpose of this report is as follows:

- a) To consider the views/submissions of the local community in terms of Section 23(1) (a) of Municipal Finance Management Act (Act 56 of 2003), herein after called the MFMA and to allow the Executive Mayor to respond to the views of the public envisaged in terms of Section 23 (2) (a) and (b).
- b) To approve the Medium-Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).
- c) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the amount of R441 million of which over the MTREF R140 million will be required in year one, R160 million in year two and R141 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

**3. DELEGATED AUTHORITY**

**FOR APPROVAL BY MUNICIPAL COUNCIL**

**EXECUTIVE SUMMARY**

**BUDGET**

Attached as **APPENDIX 1** is an executive summary by the Accounting Officer.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 6.3**

- (a) that the High-Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three-year Capital Budget for 2022/2023, 2023/2024 and 2024/2025, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved for public release;

- (e) that the proposed rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved;
- (f) that the new policy and the proposed amendments to the existing budget related policies, by-laws and other policies as set out in **APPENDICES 4 - 31**, be approved;
- (g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R441 millions of which R140 million will be required in year one, R160 million in year two and R141 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- (h) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (i) that Council takes note of MFMA circulars 112 and 115 that was published to guide the MTREF for 2022/2023 to 2024/2025 as set out in **APPENDICES 32 – 33**; and
- (j) that Council takes note that the public comments and submissions were considered with the compilation of the final budget.

<b>6.4</b>	<b>MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR APRIL 2022</b>
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Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

18 May 2022

**1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR APRIL 2022**

**2. PURPOSE**

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2021/2022 to report the deviations to Council.

**3. DELEGATED AUTHORITY**

**Council**

FOR NOTING.

**4. EXECUTIVE SUMMARY**

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2021/2022) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during April 2022.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 6.4**

that Council notes the deviations as listed for the month of April 2022.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Dalleel Jacobs
<b>POSITION</b>	<b>Senior Manager: Supply Chain Management</b>
<b>DIRECTORATE</b>	<b>Financial Services</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8588</b>
<b>E-MAIL ADDRESS</b>	<b>Dalleel.Jacobs@ Stellenbosch.gov.za</b>
<b>REPORT DATE</b>	09 May 2022



7.	<b>CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]</b>
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7.1	<b>PROTECTION SERVICES: (PC: CLLR R BADENHORST)</b>
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7.1.1	<b>SAPS SAFER CITY INITIATIVE</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Good Governance**

**18 May 2022**

**1. SUBJECT: SAPS SAFER CITY INITIATIVE**

**2. PURPOSE OF THE REPORT**

To notify Council of the Safer City Initiative introduced by the South African Police Services and the involvement of Stellenbosch Municipality therein.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The Safer City Initiative aims to create an environment that enhances social and economic transformation in South Africa, through the building of partnerships between communities and government in policing. The concept follows a dedicated integrated and multi-stakeholder approach aimed at achieving safety through technology and other relevant platforms in order to achieve a smart and safer city. Municipalities are to play a key role in delivering this initiative. Registered private security companies, community safety structures and community policing forums will also form an integral part of the project.

Stellenbosch Municipality has a Council approved Community Safety Forum which includes all the role players as per the Safer City Initiative from SAPS. The SAPS is invited and requested to have their Safer City initiative form part of the Stellenbosch Community Safety Forum.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.1.1**

- (a) that the report on the implementation of the Safer City Initiative be noted and supported;
- (b) that the Community and Protection Services Directorate's commitment and participation in the Safer City Initiative, insofar as resources permit, be noted;
- (c) that it be noted that the Mayoral Committee Member for Protection Services, Councillor R Badenhorst will represent Stellenbosch Municipality in engagements with SAPS and other stakeholders;
- (d) that it be noted that the Senior Manager for Protection Services, Mr Charl Kitching will represent Stellenbosch Municipality's Administration in engagements with SAPS and other stakeholders;

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- (e) that where the engagements with SAPS and others impact on the services of other directorates the Mayoral Committee Member and Director for those directorates shall be invited to participate; and
- (f) that the Safer City Initiative of the SAPS form part of Stellenbosch Community Safety Forum and not as another separate Project with the same intention.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Charl Kitching
<b>POSITION</b>	Snr Manager: Protection Services
<b>DIRECTORATE</b>	Community and Protection Services
<b>CONTACT NUMBERS</b>	8815
<b>E-MAIL ADDRESS</b>	<a href="mailto:Charl.Kitching@ Stellenbosch.gov.za">Charl.Kitching@ Stellenbosch.gov.za</a>
<b>REPORT DATE</b>	2022-05-09

<b>7.2</b>	<b>YOUTH, SPORTS AND CULTURE: [PC: CLLR R ADAMS]</b>
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<b>7.2.1</b>	<b>SECOND AMENDMENT TO CHILDREN'S ACT – IMPLICATIONS FOR LOCAL GOVERNMENT</b>
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Collaborator No: 728523  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 18 May 2022

**1. SUBJECT: SECOND AMENDMENT TO CHILDREN'S ACT – IMPLICATIONS FOR LOCAL GOVERNMENT**

**2. PURPOSE**

To inform Council of the proposed Second Amendment Bill to the Children's Act and the resulting financial implications for Local Government.

**3. DELEGATED AUTHORITY**

**FOR DECISION BY MUNICIPAL COUNCIL**

**4. EXECUTIVE SUMMARY**

SALGA requested inputs from municipalities on the proposed Second Amendments to the Children's Act. The proposed amendments have severe financial and staffing implications for municipalities which Council must be made aware of.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.2.1**

- (a) that Council consider the legal and financial impact of the amendments on municipalities; and
- (b) that Council endorse the inputs provided by the CFO and Municipal Manager as a response to SALGA on the matter.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Michelle Aalbers
<b>POSITION</b>	Manager Community Development
<b>DIRECTORATE</b>	Community and Protection Services
<b>CONTACT NUMBERS</b>	8408
<b>E-MAIL ADDRESS</b>	<a href="mailto:Michelle.aalbers@stellenbosch.gov.za">Michelle.aalbers@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	2022-03-22

<b>7.2.2</b>	<b>REVIEW OF THE EARLY CHILDHOOD DEVELOPMENT POLICY</b>
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Collaborator No:  
 IDP KPA Ref No: **Good Governance**  
 Meeting Date: **18 May 2022**

**1. SUBJECT: REVIEW OF THE EARLY CHILDHOOD DEVELOPMENT POLICY**

**2. PURPOSE:**

To obtain Council approval for the Early Childhood Development (ECD) Policy Review

**3. DELEGATED AUTHORITY**

**FOR DECISION BY MUNICIPAL COUNCIL**

**4. EXECUTIVE SUMMARY**

Council approved the Early Childhood Development Policy in March 2018. **(ANNEXURE A)** The review of the policy is due every five years or when new legislative changes require a review. Currently the Children's Bill/Children's Act 38 of 2005 is being reviewed and the mandated function on ECD services is migrating from the Department Social Development to the Department of Education. Both changes will impact the current Stellenbosch ECD Policy.

Although the above changes are in process, it has not been enacted. Changing the Stellenbosch ECD Policy prior to the approval of the Children's Second Amendment Bill and the National Framework for ECD's, under the Department of Education, will be a futile exercise. The expected legislative changes are discussed in this item and no changes are recommended for the Stellenbosch ECD Policy. The policy must however be reviewed again once the above legislative changes has been enacted.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.2.2**

- (a) that council notes the impending legislative changes and the resulting impact on local government capital and operational budgets;
- (b) that council approves this review of the Stellenbosch Municipality ECD Policy without changes; and
- (c) that the policy be reviewed and submitted back to Council once the above-mentioned legislation has been enacted, whereafter the public participation process will ensue.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Michelle Aalbers
<b>POSITION</b>	Manager Community Development
<b>DIRECTORATE</b>	Community and Protection Services
<b>CONTACT NUMBERS</b>	8408
<b>E-MAIL ADDRESS</b>	<a href="mailto:Michelle.aalbers@stellenbosch.gov.za">Michelle.aalbers@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	23-03-2022

7.2.3	<b>PROGRESS REPORT ON THE IMPLEMENTATION OF THE ADOPTED HYBRID SPORT FACILITIES MANAGEMENT MODEL (PLAN) FOR STELLENBOSCH MUNICIPALITY (WC024)</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

18 and 26 May 2022

**1. SUBJECT: PROGRESS REPORT ON THE IMPLEMENTATION OF THE ADOPTED HYBRID SPORT FACILITIES MANAGEMENT MODEL (PLAN) FOR STELLENBOSCH MUNICIPALITY (WC024)**

**2. PURPOSE**

**2.1** To inform Council on the progress that has been made on the implementation of the adopted Hybrid Sport Facilities Management Model (Plan) for Stellenbosch Municipality (WC024).

**2.2** To inform Council of the presentation that was used to illustrate to Sport Councils the key and fundamental focal points of the new adopted Hybrid Sport Facilities Management Model (Plan) for Stellenbosch Municipality (WC024).

**2.3** To inform Council of the first draft Use Agreement that will be workshopped with individual Sport Councils.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Since the approval of the Hybrid Model (SFMP) for implementation by Council, the Department: Community Services engaged with all 15 area sport councils individually to explain and retrieve input and comments on the new facilities management plan.

During these engagements the replacement of the formal Lease Agreement with a revised "Use Agreement" was explained in detail to the various sport council representatives.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.2.3**

that Council takes note of the progress report.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<i>Albert van der Merwe</i>
<b>POSITION</b>	<i>Manager: Community Services</i>
<b>DIRECTORATE</b>	<i>Community and Protection Services</i>
<b>CONTACT NUMBERS</b>	<i>021 808 8165</i>
<b>E-MAIL ADDRESS</b>	<a href="mailto:Albert.vandermerwe@stellenbosch.gov.za">Albert.vandermerwe@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	<i>May 2022</i>

<b>7.3</b>	<b>CORPORATE SERVICES: (PC: CLLR L NKAMISA)</b>
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<b>7.3.1</b>	<b>REQUEST TO SECURE PROPERTY FOR AN AERONAUTICAL SCIENCES SCHOOL IN STELLENBOSCH</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Good Governance**

**18 and 26 May 2022**

**1. SUBJECT: REQUEST TO SECURE PROPERTY FOR AN AERONAUTICAL SCIENCES SCHOOL IN STELLENBOSCH**

**2. PURPOSE**

To consider a request from the Western Cape Government (Education Department) to acquire land to establish a high school within the Stellenbosch Municipality that specialises in Aeronautical Sciences.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The Western Cape Government has initially requested to sub-lease a portion of the Stellenbosch Flying Club's land for the purpose of establishing an aeronautical science school on the flying club's site.

At that time Council had not yet considered the Stellenbosch Flying Club's request for a new Lease Agreement, and for that reason the request for a sub-lease could not be considered. In the meantime the Flying Club indicated that they would not be able to accommodate the building of a school on their site due to the aviation regulations and the size of the property they are leasing. They are willing to discuss the use of their aviation equipment and the usage of the airfield with the school.

For this reason, the Western Cape Government has requested to acquire land from the municipality as close as possible to the flying club to accommodate the building of a school for the purpose of training young people in the aviation industry careers.

The item served at the Mayoral Committee and was referred back for further refinement, i.e. to allow for a public participation process in regard to the possible building of a high school specialising in aeronautical sciences and the impact that may have on noise levels due to a higher usage of planes landing and departing as part of the training sessions of the learners at the school.

An advertisement was placed alerting the public to the intentions of the Municipality and the Department of education (attached as **APPENDIX 6**). The closing date for the comments/inputs/objections was 21 June 2021. Inputs were received from:

- De Zalze Wineland Golf Estate: attached as **APPENDIX 7**

- Graceland Wineyards: attached as **APPENDIX 8**

Council to consider the request as well as Identify a piece of property that may be used. When the land is identified an Information statement will have to be drafted before any decision can

be made to sell the property due to the value of the land involved. There are several issues that should be considered:

- a) Council consider whether to dispose of one of the identified portions of land to the Provincial Government for the purpose of establishing an aeronautical school;
- b) Should Council decide to dispose of a property a decision be made if the disposal will be at market value or free of charge;
- c) The property that was identified to be sold, must be identified as land not needed to provide the minimum level of basic municipal services
- d) Should Council decide to dispose of one of the portions of land, Councils intention to dispose of the land be advertised for public comment/input through the publication of an information statement.
- e) Should the property be disposed of, it be subject thereto that:-
  - i) it be the responsibility of the Provincial Government to attend to the sub-division and rezoning thereof, at their risk and cost; and
  - ii) the Provincial Government be responsible for payment of BICL's (BICL is not in use this should be DCs(Development Contributions)

#### MAYORAL COMMITTEE: 2022-05-18: ITEM 7.3.1

#### RESOLVED

that the item be referred to a joint section 80 committee with Protection Services, Infrastructure and Community services for discussion and advise.

#### FOR FURTHER DETAILS CONTACT:

<b>NAME</b>	<b>Annalene de Beer</b>
<b>POSITION</b>	<b>Director</b>
<b>DIRECTORATE</b>	<b>Corporate Services</b>
<b>CONTACT NUMBERS</b>	<b>021-8088018</b>
<b>E-MAIL ADDRESS</b>	<b>Annalene.deBeer@stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>13 May 2022</b>

<b>7.4</b>	<b>FINANCIAL SERVICES: (PC: CLLR P JOHNSON)</b>
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NONE

7.5	<b>HUMAN SETTLEMENTS: (PC: CLLR J FASSER)</b>
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7.5.1	<b>THE ANNUAL REVIEW OF STELLENBOSCH MUNICIPALITY HOUSING PIPELINE FOR THE MTREF PERIOD OF 2022 – 2025</b>
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Collaborator No: 729804  
 IDP KPA Ref No: Good Governance  
 Meeting Date: 18 and 26 May 2022

**1. SUBJECT: THE ANNUAL REVIEW OF STELLENBOSCH MUNICIPALITY HOUSING PIPELINE FOR THE MTREF PERIOD OF 2022 – 2025**

**2. PURPOSE**

To seek Council's approval of the Stellenbosch Municipality's Housing Pipeline (Projects) for the Medium-Term Revenue and Expenditure Framework (MTREF) period 2022 to 2025 attached herein as **ANNEXURE A**;

To inform Council of the Human Settlement Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant (ISUPG) allocation for human settlements development projects received from the Provincial Department of Human Settlements (PDoHS) for the (MTREF) 2022 to 2025;

To request that the Housing Pipeline be submitted to the Provincial Department of Human Settlements (PDoHS) upon attainment of Council's approval;

To inform Council of the new strategic shifts pertaining the provision of human settlements development from the National Department of Human Settlements (NDoHS) and Provincial Departments of Human Settlements (PDoHS); and

To provide a status report to Council on the progress of existing human settlement development projects that were previously on the approved Housing Pipeline.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

This Council item relates to the annual review of the Stellenbosch Municipality's Housing Pipeline for the MTREF period of 2022 – 2025.

The PDoHS requires that every Municipality must have a Housing Pipeline. The Housing Pipeline is premised on a ten-year horizon and serves as the planning and budgeting tool for the implementation of Human Settlements initiatives. Each Municipality's Housing Pipeline is an integral component of the Department of Human Settlements' Business Plan. It is required that the Housing Pipeline must be annually reviewed.

According to the PDoHS housing demand database, Stellenbosch Municipality's current housing demand waiting list comprises of 17 965 applicants. The Municipality currently has numerous housing development projects under consideration to ensure a healthy delivery pipeline towards fulfilling the housing demand and its legislative mandate. The overall



housing pipeline of the Municipality articulates active housing development projects that are at various stages of planning and implementation.

To give effect to the Stellenbosch Municipality Housing Pipeline, the PDoHS through the Human Settlements Business Plan, has allocated R35 890 000 in grant funding for the 2022/23 financial year. Furthermore, Council has made an allocation of R15 040 000 for human settlements development projects for the same financial year.

The Provincial Department of Human Settlements (PDoHS) presented new strategic shifts in human settlements development projects to enable the residents of the Western Cape to have access to liveable, accessible, safe, and multi-opportunity settlements. The specific strategic objectives are radical acceleration of housing opportunities, radical integration approach to human settlements, radical implementation of innovative solutions and radical economic growth and job creation.

The Department: Spatial Planning has collaborated with the PDoHS to undertake a Housing Market Study for the Stellenbosch CBD to determine the needs and demand for affordable housing within the government housing subsidy programmes and private sector housing developments.

The PDoHS will undertake a study to develop the New Housing Delivery Model for the Western Cape Province in line with the directives and strategic objectives of the National Department of Human Settlements.

#### **RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.5.1**

- (a) that the reviewed annual Housing Pipeline (Projects) for the MTREF period 2022 to 2025 for Stellenbosch Municipality **be noted**;
- (b) that the reviewed annual Housing Pipeline (Projects) for the MTREF period 2022 to 2025 for Stellenbosch Municipality **be approved**;
- (c) that the HSDG and ISUPG allocations for human settlements development projects received from the Provincial Department of Human Settlements (PDoHS) for the (MTREF) 2022 to 2025 **be noted**;
- (d) that the new strategic shifts pertaining the provision of human settlements development from the National Department of Human Settlements (NDoHS) and Provincial Departments of Human Settlements (PDoHS) **be noted**;
- (e) that the submission of the revised Stellenbosch Municipality's Housing Pipeline to the Provincial Department of Human Settlements **be approved**;
- (f) that the progress of the human settlements development projects that are at pre-planning, and/or planning phase as reflected in table 1 below, **be noted**:

**TABLE 1: PRE-PLANNING AND/OR PLANNING PHASE**

Name of Project / Settlement		Estimated Number of Opportunities	Project Phase	Project Progress Update
1	Northern Extension, Kayamandi	± 4000 – 6000 service sites (top structures TBD)	Detailed planning	Service provider has been appointed to obtain development rights for a mixed-use development on the properties known as the Northern Extension.

2	Jamestown Development: Phase 2 & 3	+400 service sites (top structures TBD)	Detailed planning	A service provider will be appointed to undertake planning studies and obtain development rights for a mixed-used housing development.
3	Jamestown Development: Phase 4	+1500 - 2000 service sites and top structures	Feasibility study	A service provider will be appointed to undertake planning studies and obtain development rights for a mixed-used housing development.
4	Erf 7001 Stellenbosch, Cloetesville ("Soekmekaar")	400 service sites / top structures	Feasibility study	A service provider has been appointed to undertake planning studies and obtain development rights for middle to higher GAP housing development.
5	Erf 64 Kylemore	± 600 sites (top structures TBD)	Detailed planning	Feasibility study report has been concluded. Power of Attorney has been obtained by the HDA and will appoint a service provider to obtain development rights. Land has been transferred to the Municipality. HDA to appoint a service provider
6	Erven 412, 217 and 284 Groendal, Franschoek	90 sites	Pre - planning	The consultant has submitted various concept layout options for the consideration by Council. Council Item was submitted to Mayco.
7	Botmaskop	TBD	Feasibility study	Service provider is currently in process to submit a feasibility study report with proposals of various development options.
8	Portion of Erf 7271 Stellenbosch, Cloetesville	170 sites / top structures	Feasibility study	Council has approved the project to proceed with detailed planning studies. Funding application to PDoHS was submitted, await outcome of the application.
9	Erven 6300, 6847, 6886 Stellenbosch, Cloetesville	279 service sites /top structures)	Feasibility study	Council has approved the project to proceed with detailed planning studies. Funding application to PDoHS was submitted, await outcome of the application.
10	Erf 8776 Stellenbosch, Cloetesville	37 service sites / top structures	Feasibility study	Council has approved the project to proceed with detailed planning studies. Funding application to PDoHS was submitted, await outcome of the application.
11	Erf 6705 Stellenbosch, Cloetesville	12 service sites	Feasibility planning	Council has approved the project to proceed with detailed planning studies. Funding application to PDoHS was submitted, await outcome of the application.
12	La Motte Old Forest Station	442 serviced sites; possible temporary relocation units	Feasibility study	Feasibility study report have been concluded. HDA has been appointed to facilitate the transfer of land to finalise planning studies for township establishment. HDA to submit PFR to PDoHS.
13	Adam Tas Corridor	TBD	LSDF	The Department: Spatial Planning is currently undertaking the development of a Local Spatial Development Framework (LSDF) for the ATC development.

14	Droë Dyke	1000 sites (type TBD)	Pre - Planning	Forms part of the Adam Tas Corridor initiative. The property is under investigating for future housing development.
<b>*SOCIAL HOUSING PROJECTS</b>				
	<b>Name of project / settlement</b>	<b>Estimated Number of opportunities</b>	<b>Project Phase</b>	<b>Project Progress Update</b>
1	Teen-die-bult Precinct	180 top structures (units)	Feasibility study	The terms of reference to be prepared to appoint an accredited Social Housing Institute (SHI) to develop social housing project.
2	La Colline Precinct	TBD	Feasibility study	Terms of reference to be prepared to appoint an accredited Social Housing Institute (SHI) to develop social housing project.
3	Farms 81/2 and 81/9 Stellenbosch	± 250 – 350 rental units	Detailed planning	Terms of reference to be prepared to appoint an accredited Social Housing Institute (SHI) to develop social housing project.
4	Lapland Precinct	368 top structures	Feasibility study	Terms of reference to be prepared to appoint an accredited Social Housing Institute (SHI) to develop social housing project.
<b>*FORMALISING AND UPGRADING OF EXISTING SETTLEMENTS</b>				
1	Kayamandi Town Centre	1854 serviced sites and top structures	Detailed planning	Service provider is in the process to submit land use applications to obtain development rights for township establishment for subsidised housing (BNG).
2	Enkanini Informal Settlement	1300 sites (top structures TBD)	Detailed planning	The in-situ upgrade of Enkanini to commence in 2025.
3	Langrug, Franschhoek	1900 sites	Detailed planning	A service provide will be appointed to finalise detailed plans for the rehabilitation of the freshwater dam and implementation of an in-situ upgrade project.
4	Erf 2183 Klapmuts, La Rochelle	100 serviced sites, possible temporary relocation units	Detailed planning	Service provider is in the process to submit land use applications to obtain development rights for enhanced serviced sites.
5	Maasdorp Village, Franschhoek	+ 16 - 32 top structures	Detailed planning	The service provider is in the process to submit a land use application to obtain development rights.
6	De Novo	77 rectifications of existing structures, 300 top structures,	-	The project is being managed and implemented by PDoHS,
7	Five housing projects in Kayamandi	396 erven	Detailed planning	Rezone and subdivide the property and register at the Surveyor General (SG)'s office.
8	3460 Meerlust, Franschhoek (200)	200 units	Feasibility study	Feasibility study report has been concluded. HDA has been appointed to facilitate the transfer of land to finalise planning studies for township establishment.
9	Jonkershoek	Units and sites TBD, together with 40 existing units	Feasibility study	A feasibility study report has been concluded. HDA has been appointed to facilitate the transfer of land to

				finalise planning studies for township establishment.
10	Farm 34 Vaaldraai Elsenburg	283 sites	Feasibility study	The property is owned by the Department of Public Works and Infrastructure (DPW&I). There are ongoing discussions between the Municipality and DPW&I to transfer land to finalise township establishment.

(g) that the projects under construction (within the implementation phase which is dealt by the Department: PMU) as reflected in table 2 below, **be noted**:

<b>TABLE 2: HOUSING PROJECTS AT IMPLEMENTATION PHASE</b>				
<b>Name of project / settlement</b>		<b>Estimated Number of opportunities</b>	<b>Project Phase</b>	<b>Project Progress Update</b>
1	Vlottenburg Longlands	144 sites and 106 top structures	Implementation	The construction of 106 top structures to commence in May 2022.
2	Erf 3229 Mooiwater	253 sites	Implementation	Development rights have been obtained. A contractor will be appointed in July 2022 to implement the project. The project will be implemented in two phases as follows: - <b>Phase 1</b> entails the bulk earth works and site rehabilitation. - <b>Phase 2</b> entails the installation of infrastructure services.
3	Idas Valley	166 sites and 166 FLISP Units	Implementation	The housing development project will be implemented over a period of two years. The construction of 166 top structures to commence in July 2022 until December 2023.
4	The Steps and Orlean Lounge, Cloetesville	161 existing houses	Implementation	Phase two of the project to commence in May 2022.
5	ISSP Kayamandi Zone O (711) UISP	178 sites	Implementation	In the process of appointing a contractor to implement the project. Approximately 55 families must be relocated to a decanting site for the project to commence.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>Lester van Stavel</b>
<b>POSITION</b>	<b>Manager: Housing Development</b>
<b>DIRECTORATE</b>	<b>Planning and Economic Development</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8462</b>
<b>E-MAIL ADDRESS</b>	<b>Lester.vanstavel@stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>7 May 2022</b>

7.6	INFRASTRUCTURE SERVICES : (PC : CLLR Z DALLING (MS))
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7.6.1	EXTENSION OF THE EXISTING APPOINTMENT OF WASTE CARRIERS FOR THE AWARDED TENDER 66/20 FOR THE PROVISION OF WASTE CONTAINERS AND WASTE TRANSPORTATION SERVICES BETWEEN WASTE DISPOSAL FACILITIES FOR THE STELLENBOSCH MUNICIPALITY(S116)
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Collaborator No: 729645  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 18 May 2022

1. **SUBJECT: EXTENSION OF THE EXISTING APPOINTMENT OF WASTE CARRIERS FOR THE AWARDED TENDER 66/20 FOR THE PROVISION OF WASTE CONTAINERS AND WASTE TRANSPORTATION SERVICES BETWEEN WASTE DISPOSAL FACILITIES FOR THE STELLENBOSCH MUNICIPALITY(S116).**

2. **PURPOSE**

To obtain the necessary approval for the extension of the contract for waste transportation services between waste disposal facilities for the Stellenbosch Municipality.

3. **DELEGATED AUTHORITY**

Council.

4. **EXECUTIVE SUMMARY**

BSM 66/20 was awarded in the 2019/20 financial year as a rates tender for a three (3) year contract period. The Directorate has drafted a new tender specification which has been approved (B/SM 39/22) and was advertised on 30 April 2022. There will not be sufficient time to conclude the Supply Chain process that entails evaluation, award and appeal period of 21 days thereafter, to enable the new contractor to commence services on 01 July 2022. The Directorate wishes to extend the current period of the tender by two (2) months or until the new service provider is appointed, whichever comes first. This will ensure for continued service delivery until such time a new service provider is in place.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.6.1**

- (a) that Council note in terms of MFMA Section 116(3) the reasons for the increase of the tender term;
- (b) that Council note that the tender amount (B/SM 66/20) will increase due to the 3 year tender period going beyond 30 June 2022;
- (c) that Council give reasonable notice of the intention to amend the contract or agreement i.t.o. Section 116(3) (b)(i);
- (d) that the local community be invited to submit representations to the Municipality in terms of Section 116 (3)(b)(ii).

**FOR FURTHER DETAILS CONTACT:**

<b><i>NAME</i></b>	Deon Louw
<b><i>POSITION</i></b>	<b><i>Director</i></b>
<b><i>DIRECTORATE</i></b>	<b><i>Infrastructure Services</i></b>
<b><i>CONTACT NUMBERS</i></b>	<b><i>021 808 8213</i></b>
<b><i>E-MAIL ADDRESS</i></b>	<b><i><a href="mailto:Deon.louw@ Stellenbosch.gov.za">Deon.louw@Stellenbosch.gov.za</a></i></b>
<b><i>REPORT DATE</i></b>	<b><i>03 May 2022</i></b>

7.7	<b>PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J JOON)</b>
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NONE

7.8	<b>PLANNING :(PC: CLLR C VAN WYK (MS)</b>
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NONE

7.9	<b>LOCAL ECONOMIC DEVELOPMENT AND TOURISM:(PC: CLLR R DE TOIT (MS)</b>
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7.9.1	<b>REQUEST TO PERMIT THE ROLLOVER OF THE PROVISION OF TRAINING TO SMALL, MICRO AND MEDIUM ENTERPRISES (“SMME”) TO THE 2022/ 2023 FINANCIAL YEAR IN LIEU OF 30 JUNE 2022</b>
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Collaborator No: 729629  
 IDP KPA Ref No: Valley of Opportunity  
 Meeting Date: 18 May 2022

1. **SUBJECT:REQUEST TO PERMIT THE ROLLOVER OF THE PROVISION OF TRAINING TO SMALL, MICRO AND MEDIUM ENTERPRISES (“SMME”) TO THE 2022/ 2023 FINANCIAL YEAR IN LIEU OF 30 JUNE 2022**
2. **PURPOSE OF REPORT**

To provide Council with the pertinent facts to consider the rollover of the funding allocated to the Non-Profit Companies (“NPC”) specifically related to SMME Traing for the 2021 / 2022 financial year, to the 1st Quarter of the 2022 / 2023 fincnail year.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

Stellenbosch Network and Ranyaka are the approved Non-Profit Organisations to perform the SMME Training function on behalf of Council for the 4<sup>th</sup> quarter of the 2021 / 2022 financial year. The breakdown of funding is as follows:

<b>Non-Profit Organisations</b>	<b>2021 / 2022</b>
Stellenbosch Network	235 000.00
Ranyaka	228 600.00
<b>Total Funding Paid</b>	<b>463 600.00</b>

The funding was only received early May 2022 and as a result they will not be able to complete all their training as envisaged by 30 June 2022.

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**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.9.1**

- (a) that Council approved the rollover of the SMME Training Programmes envisaged by Ranyaka up to end September 2022 in lieu of 30 June 2022; and
- (b) that Council approve the rollover of the SMME Training Programmes envisaged by Stellenbosch Network up to end August 2022 in lieu of 30 June 2022.

<b>7.10</b>	<b>RURAL MANAGEMENT: (PC: CLLR J WILLIAMS)</b>
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NONE



<b>7.11</b>	<b>MUNICIPAL MANAGER</b>
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<b>7.11.1</b>	<b>REPORT BACK ON THE REMOVAL OF RESTRICTIVE CONDITIONS AND FALL-BACK CLAUSE: ERF 6128, STELLENBOSCH</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Good Governance**

**18 and 26 May 2022**

**1. SUBJECT: REPORT BACK ON THE REMOVAL OF RESTRICTIVE CONDITIONS AND FALLBACK CLAUSE: ERF 6128, STELLENBOSCH**

**2. PURPOSE**

To report back on the mandate given by Council to enter into discussions with the Owners of Erf 6128 as well to request Council to consider a request for the removal of restrictive conditions from the Title Deed of erf 6128, Stellenbosch, to allow the owner to apply for the rezoning of the erf from Light Industrial to General Business Zone, in order to accommodate the planned retail shops and offices, as per their application.

**3. DELEGATED AUTHORITY**

The Municipal Council must consider the matter.

**4. EXECUTIVE SUMMARY**

The current owners of erf 6128, Stellenbosch bought the property in 2013 for an amount of R12 000 000. The property was registered in their name on 3 March 2014.

They have subsequently demolished the existing buildings, with the view of redeveloping the site for retail shops and offices which will service the community and upgrade the visual impact of the entrance to Stellenbosch.

With the submission of their building plans, they were, however informed that the property must first be rezoned from Light Industrial to General Business Zone to accommodate the proposed development. They have subsequently submitted a rezoning application to this effect, together with an application for the relaxation of the restrictive title deed conditions B.1 and 2, i.e. that the property may only be used for industrial purposes, failing which the property shall revert to the Municipality, subject to certain conditions. It should also be noted that the restriction on the title deed condition in terms of the fall-back clause is only applicable on a portion of the property. The proposed development also is in line with the Municipalities SDF.

The Planning and Development Department has requested that Council consider the matter, i.e. whether they are going to enforce the title deed conditions (buy back the property) or whether the conditions can be removed from the title deed of the erf.

Council at a Special In-Committee meeting of 2021-09-29 item 12.4.2 mandated the Municipal Manager to enter into discussions with landowners to facilitate an amicable solution given by the buy-back clause. The Municipal Manager subsequently met with the owner on 10 March 2022. An agreement, subject to council approval, was reached that an item will be re-submitted to Council to request Council to approve that the restrictive conditions contained in paragraph 2.B.1 and 2.B.2 of the title Deed T10083/2014, as set out in paragraph 6.2.1, be removed, subject thereto that the necessary processes set out in Section 33(4) of the Stellenbosch Land-use Planning By-law be followed.

The re-development of the property is in line with Council's approved SDF as well as the broader objectives of the IDP. It will service the Community of Stellenbosch, upgrade the visual impact of the entrance to Stellenbosch and help with the prevention of crime and security in the area. It should also be noted that the property is currently on the market to be sold.

The matter served before Council on 26 April 2022 and was referred back for further discussion.

Following further discussions, it was established and confirmed by both Infrastructure Services (**APPENDIX 5**) as well as die Developer's Consultant in its Site Development Plan (**APPENDIX 6**) that the planned dualling of Bird Street were taken into consideration. See **APPENDIX 6**, page 5/11 *Diagram 1: Bird Street dualling with Tennant Road link – extract of Conceptual Design*.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-05-18: ITEM 7.11.1**

- (a) that Council notes the feedback from the Municipal Manager;
- (b) that council agrees not to invoke the fallback condition provided that a written agreement is reached that: the development applied for (**APPENDIX 2**) is completed within a period of 24 months and in accordance with the prevailing planning provisions; and
- (c) that should the property be sold prior to the development as per (b) above the fallback clause will be invoked and the property will fall back to the municipality as per the existing restrictive condition in the title deed.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>Geraldine Mettler</b>
<b>POSITION</b>	<b>Municipal Manager</b>
<b>DIRECTORATE</b>	<b>MUNICIPAL MANANGER</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8025</b>
<b>E-MAIL ADDRESS</b>	<b>municipal.manager@stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>2022 -05 -12</b>

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	URGENT MATTERS
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10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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SEE PINK DOCUMENTATION

The meeting adjourned at 11:20

**CHAIRPERSON:** .....

**DATE:** .....

**Confirmed on** .....

6.	<b>STATUTORY MATTERS</b>
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6.1	<b>MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2022</b>
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Collaborator No: 730950  
 IDP KPA Ref No: Good Governance  
 Meeting Date: 08 June 2022

**1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2022**

**2. PURPOSE**

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2021/2022 to report the deviations to Council.

**3. DELEGATED AUTHORITY**

**Council**

FOR NOTING.

**4. EXECUTIVE SUMMARY**

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2021/2022) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during May 2022.

**5. RECOMMENDATION**

that Council notes the deviations as listed for the month of May 2022.

**6. DISCUSSION / CONTENTS**

**6.1. Background/Legislative Framework**

The regulation applicable is as follows:

**GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations**

**Deviation from and ratification of minor breaches of, procurement processes**

**36.** (1) A supply chain management policy may **allow the accounting officer**—  
 (a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—  
 (i) in an emergency;  
 (ii) if such goods or services are produced or available from a single provider only;  
 (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;  
 (iv) acquisition of animals for zoos; or  
 (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

## 6.2. Discussion

Reporting the deviations as approved by the Accounting Officer for May 2022:  
The following deviations were approved with the reasons as indicated below:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 11/22	30 May 22	CJ Distribution	Employee vaccinations	Exceptional case and it is impractical or impossible to follow the official procurement processes.	<p>The municipality must on an annual basis vaccinate staff working with biochemical and hazardous substances. Previously the service providers were appointed through a Formal Quotation process (FQ) but given the estimated cost it was recommended that a tender be issued.</p> <p>The tender process was unsuccessful as there were no responsive service providers: The services providers were non-responsive for one or more of the following reasons:</p> <ul style="list-style-type: none"> <li>– Service providers do not have the capacity to cater for more than 300 employees that needs to be vaccinated</li> <li>– Services providers are not registered on the National Database or do not want to register</li> <li>– Service providers are not tax compliant</li> </ul> <p>SCM also attempted to appoint a service provider through other mechanism but was unsuccessful.</p> <p>It is impractical to follow the normal procurement processes as it yields no responsive (compliant) service providers to</p>	R 301 320,24 (VAT Incl)

					<p>provide the service for the above reasons.</p> <p>To ensure legislative compliance, Stellenbosch Municipality in consultation with the Senior Manager: SCM, Director Corporate Services and Director Infrastructure Services, has embarked on a process of obtaining quotations from pharmaceutical companies and wish to procure the required vaccines directly from it. These vaccines will then be given to the affected staff members by a registered health practitioner (professional nurse). The municipality intends to appoint the health practitioners on a fixed term contract.</p>	
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### 6.3 Legal Implications

The regulation applicable is:

**GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations: Deviations from and ratification of minor breaches of, procurement processes.**

### 6.4 Staff Implications:

No staff implications

### 6.5 Previous / Relevant Council Resolutions:

None

### 6.6 Risk Implications

That the market may not be tested.

The measures in place to deal with deviations mitigate the risk to an acceptable level. The auditor general also audit the deviations during the yearly audit

### 6.7 Comments from Senior Management:

The item was not circulated for comment except to Municipal Manager

**6.8 Municipal Manager**

Supports the recommendations.

**FOR FURTHER DETAILS CONTACT:**

<b><i>NAME</i></b>	Kevin Carolus
<b><i>POSITION</i></b>	<b><i>CFO</i></b>
<b><i>DIRECTORATE</i></b>	<b><i>Finance</i></b>
<b><i>CONTACT NUMBERS</i></b>	<b><i>021 808 8528</i></b>
<b><i>E-MAIL ADDRESS</i></b>	<b><i>Kevin.Carolus@ Stellenbosch.gov.za</i></b>
<b><i>REPORT DATE</i></b>	<b><i>02 June 2022</i></b>

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]
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7.1	PROTECTION SERVICES: (PC: CLLR R BADENHORST)
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NONE

7.2	YOUTH, SPORTS AND CULTURE: [PC: CLLR R ADAMS]
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NONE



7.3	<b>CORPORATE SERVICES: (PC: CLLR L NKAMISA)</b>
7.3.1	<b>SALARY AND WAGE INCREASE: IMPLEMENTATION OF SALGBC COLLECTIVE AGREEMENT: YEAR 2</b>

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

08 June 2022

**1. SUBJECT: SALARY AND WAGE INCREASE: IMPLEMENTATION OF SALGBC COLLECTIVE AGREEMENT: YEAR 2**

**2. PURPOSE**

To inform Council in regard to the salary and wage increase for employees (excluding the Municipal Manager and Section 56 Managers) as per the SALGBC collective agreement 2021 – 2024 – year 2.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

SALGA, SAMWU and IMATU entered into a salary and wage agreement for the period 1 July 2021 until 30 June 2024 during the bargaining process on 16 September 2021. A copy of the agreement is attached as **APPENDIX 1**. In terms of clauses 6.4 and 6.5 of the agreement the increase for the 2022/23 financial year will be the projected CPI average for 2022. The forecast by the Reserve Bank in January 2022 will be used for this projection.

SALGA send the municipality a circular 09 of 2021/2022 in March 2022 (attached as **APPENDIX 2**) in which municipalities are informed that the following increases shall apply from 1 July 2022. Salary 4.9% and the minimum wage will be R9 043.21. The flat rate for Home owners allowance will be R1011.77 and the maximum employer contribution to medical aid will increase to R5 007.00. All benefits linked to salary will increase by 4,9%. The South African Bargaining Council (SALGBC) also send a circular to the parties (01/2022) attached as **APPENDIX 3** setting out the increase for year 2 of the salary and wage collective agreement as well as the Reserve bank predictions.

Where municipalities were not able to afford the increase SALGA should be notified by 31 May 2022. There was provision made for this increase in the budget approved by Council on 25 May 2022. Employees who are not at the maximum of their salary scale are entitled to a notch increase over and above the cost-of-living increase which amounts to around a further 2,5% increase in the salary. The Municipal Manager and 56 Managers are excluded from this agreement and therefore will not be receiving an increase from 1 July 2022.

**5. RECOMMENDATIONS**

- (a) that Council note the circular from the SALGBC dated 9 March 2022; and
- (b) that Council takes note that the increase has been provided for in the approved budget for 2022/23.

## 6. DISCUSSION / CONTENTS

### 6.1 Background

SALGA, SAMWU and IMATU entered into a salary and wage agreement for the period 1 July 2021 until 30 June 2024 during the bargaining process on 16 September 2021. A copy of the agreement is attached as **APPENDIX 1**.

### 6.2 Discussion

In terms of clauses 6.4 and 6.5 of the agreement the increase for the 2022/23 financial year will be the projected CPI average for 2022. The forecast by the Reserve Bank in January 2022 will be used for this projection.

SALGA send the municipality a circular 09 of 2021/2022 in March 2022 (attached as **APPENDIX 2**) in which municipalities are informed that the following increases shall apply from 1 July 2022. Salary 4.9% and the minimum wage will be R9 043.21. The flat rate for Home owners allowance will be R1011.77 and the maximum employer contribution to medical aid will increase to R5 007.00. All benefits linked to salary will increase by 4,9%. The South African Bargaining Council (SALGBC) also send a circular to the parties (01/2022) attached as **APPENDIX 3** setting out the increase for year 2 of the salary and wage collective agreement as well as the Reserve bank predictions.

Where municipalities were not able to afford the increase SALGA should be notified by 31 May 2022. There was provision made for this increase in the budget approved by Council on 25 May 2022. Employees who are not at the maximum of their salary scale are entitled to a notch increase over and above the cost-of-living increase which amounts to around a further 2,5% increase in the salary. The Municipal Manager and 56 Managers are excluded from this agreement and therefore will not be receiving an increase from 1 July 2022.

### 6.3 Financial Implications

Salary 4.9% and the minimum wage will be R9 043.21. The flat rate for Homeowners allowance will be R1011.77 and the maximum employer contribution to medical aid will increase to R5 007.00. All benefits linked to salary will increase by 4,9%. Provision was made in the approved budget for the increases.

A further 2,5 % will apply to employees who are still eligible for a notch increase.

### 6.4 Legal Implications

The provision of this item is in line with legislative provisions and collective agreement of the SALGBC.

### 6.5 Staff Implications

The increase will apply from 1 July 2022. The Municipal Manager and 56 Managers are excluded from this agreement and therefore will not be receiving an increase from 1 July 2022.

**6.6 Previous / Relevant Council Resolutions:**

**SPECIAL COUNCIL [IN-COMMITTEE] MEETING: 2021-09-29: ITEM 12.4.3**

**RESOLVED** (majority vote)

that Council accepts the Salary and Wage collective agreement for implementation.

**6.7 Risk Implications**

Risks are addressed in the content of the policy.

**6.8 Comments from Senior Management:**

The CFO and Municipal Manager supports the recommendations. No comments were requested from other directors.

**ANNEXURES**

**APPENDIX 1: Salary and Wage Collective Agreement**

**APPENDIX 2: SALGA circular 09 of 2021/22**

**APPENDIX 3: SALGBC Circular 01/2022**

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<i>Annalene De Beer</i>
<b>POSITION</b>	<i>Director Corporate Services</i>
<b>DIRECTORATE</b>	<i>Corporate Services</i>
<b>CONTACT NUMBERS</b>	<i>021 – 808 8018</i>
<b>E-MAIL ADDRESS</b>	<a href="mailto:Annalene.Debeer@stellenbosch.gov.za"><i>Annalene.Debeer@stellenbosch.gov.za</i></a>
<b>REPORT DATE</b>	<i>31 May 2022</i>

# APPENDIX 1



**SOUTH AFRICAN LOCAL GOVERNMENT  
BARGAINING COUNCIL**

(Hereinafter referred to as "the "SALGBC or Council")

**SALARY AND WAGE  
COLLECTIVE AGREEMENT**

In accordance with the provisions of the Labour Relations Act, 1995 made and entered into by and between the:-

**SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

(Hereinafter referred to as "SALGA")

and

**INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION**

(Hereinafter referred to as "IMATU")

and

**SOUTH AFRICAN MUNICIPAL WORKERS' UNION**



(Hereinafter referred to as "SAMWU")

(IMATU and SAMWU will together be referred to as the "Trade Unions")

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**1. SCOPE OF APPLICATION**

The terms of this agreement shall be observed in the Local Government Undertaking in the Republic of South Africa by all employers and by all employees who fall within the registered scope of the SALGBC.

**2. EXCLUSIONS**

Municipal Managers and those employees appointed as managers directly accountable to Municipal Managers in terms of Section 54A, Section 56 and Section 57 of the Municipal Systems Act 32 of 2000, as amended, shall be excluded from all the terms of this collective agreement.

**3. PERIOD OF OPERATION**

3.1 Notwithstanding the date of signature, this agreement shall come into operation in respect of the Parties to the agreement on **1 July 2021** and shall remain in force until **30 June 2024**.


3.2 This agreement shall come into operation in respect of non-parties on a date to be determined by the Minister of Employment and Labour and shall remain in force until **30 June 2024**.

**4. OBJECTIVES**

The objectives of this agreement are, *inter alia*, to:

4.1 Provide for general, across the board, salary adjustments as well as increases in the minimum wage for the financial years 2021/2022, 2022/2023 and 2023/2024;

4.2 Provide for annual adjustments to the maximum monthly employer contribution rate to accredited medical schemes for the financial years 2021/2022, 2022/2023 and 2023/2024 respectively, based on the 60/40 principle, subject to clause 10.1.1 below;

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- 4.3 Provide for annual increases to the Home-Owners Allowance for the financial years 2021/2022, 2022/2023 and 2023/2024 respectively, subject to clause 9.1.1 below;
- 4.4 Confirm the Parties' agreement on the terms of the Retirement Fund Collective Agreement as set out in the separate collective agreement, concluded under the auspices of the SALGBC;
- 4.5 Provide for a mechanism of withdrawal from the agreement under specified circumstances;
- 4.6 Outline a process for the review of maternity and paternity benefits as part of the review of the Main Collective Agreement;
- 4.7 Investigate the contractual, legislative, policy and financial arrangements related to the employability and employment of EPWP and CWP workers in the sector;
- 4.8 Provide for an exemption procedure conducted with the minimum of legal formalities; and
- 4.9 Provide for matters connected therewith.

**5. DEFINITIONS**

All expressions used in this agreement, which are defined in the Labour Relations Act, 1995 (hereinafter referred to as "the Act"), shall bear the same meaning as in the Act, unless the contrary intention appears, words importing the masculine gender shall include the feminine.

**6. SALARY AND RELATED INCREASES**

**Financial Year 2021/2022**

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- 6.1 In respect of this financial year, all employees covered by this agreement shall receive an increase of **three and a half percent (3.5%)** with effect from 1 July 2021.
- 6.2 In addition, all employees covered by this agreement shall receive a once-off non pensionable cash allowance as follows:
- 6.2.1 Employees earning a basic salary of **R 12 500** or less as at 1 July 2021, shall receive an amount of **R 4000.00**.
- 6.2.2 Employees earning a basic salary of **R 12 501** or more as at 1 July 2021, shall receive an amount of **R 3000.00**.
- 6.3 Payment of the once-off non pensionable cash allowance shall be made on 31 December 2021, and where not possible, by no later than 31 March 2022.

**Financial Year 2022/2023**

- 6.4 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2022, an increase based on the projected average CPI percentage for 2022.
- 6.5 The forecasts of the Reserve Bank, in terms of the January 2022 Monetary Policy Committee Statement, shall be used to determine the projected average CPI in terms of clause 6.4 above.

**Financial Year 2023/2024**

- 6.6 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2023, an increase based on the projected average CPI percentage for 2023.
- 6.7 The forecasts of the Reserve Bank, in terms of the January 2023 Monetary Policy Committee Statement, shall be used to determine the projected average CPI in terms of clause 6.6 above.

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**7. MINIMUM WAGE**

- 7.1 With effect from 1 July 2021, the minimum wage payable in the sector shall increase by **3.5%** to **R 8 620.79** per month.
- 7.2 With effect from 1 July 2022, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2022/2023 financial year (clauses 6.4 and 6.5 above); and
- 7.3 With effect from 1 July 2023, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2023/2024 financial year (clauses 6.6 and 6.7 above).

**8. RETIREMENT FUNDS**

- 8.1 The employer contributions to retirement funds shall be paid on the adjusted salaries per annum.
- 8.2 This Agreement confirms the Parties' agreement on the terms of the Retirement Fund Collective Agreement as set out in the separate collective agreement concluded under the auspices of the SALGBC.

**9. HOME-OWNERS ALLOWANCE**

- 9.1 The flat rate Home-Owners Allowance, currently at **R964.51**, shall increase as follows:
  - 9.1.1 For the 2021/2022 financial year, with effect from 1 July 2021, by **0%**, remaining at **R964.51**.
  - 9.1.2 For the 2022/2023 financial year, with effect from 1 July 2022, by the same percentage as the salary and wage increase for the 2022/2023 financial year (clauses 6.4 and 6.5 above).

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9.1.3 For the 2023/2024 financial year, with effect from 1 July 2023, by the same percentage as the salary and wage increase for the 2023/2024 financial year (clauses 6.6 and 6.7 above).

## 10. MEDICAL AID

10.1 For the duration of this agreement, and based on the 60/40 principle set out in the Main Collective Agreement, the maximum medical aid employer contribution rate to accredited medical schemes, currently at **R4 773.12**, shall increase as follows:

10.1.1 For the 2021/2022 financial year, with effect from 1 July 2021, by **0%**, remaining at **R4 773.12**.

10.1.2 For the 2022/2023 financial year, with effect from 1 July 2022, by the same percentage as the salary and wage increase for the 2022/2023 financial year (clauses 6.4 and 6.5 above).

10.1.3 For the 2023/2024 financial year, with effect from 1 July 2023, by the same percentage as the salary and wage increase for the 2023/2024 financial year (clauses 6.6 and 6.7 above).

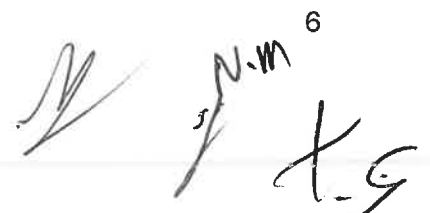
## 11. LINKED BENEFITS AND CONDITIONS OF SERVICE

11.1 Any benefit or condition of service that ordinarily increases by virtue of its link to the increase in the salary of an employee, shall increase by the same rate as the salary increase in each financial year, as set out above.

## 12. MATERNITY AND PATERNITY BENEFITS

12.1 The Parties shall review maternity and paternity leave benefits, in consideration of recent developments and amendments to Labour legislation as part of the upcoming review of the Main Collective Agreement.

12.2 A time-table for the review of the Main Collective Agreement shall be developed by the SALGBC and adopted by the Parties, to ensure that the review process

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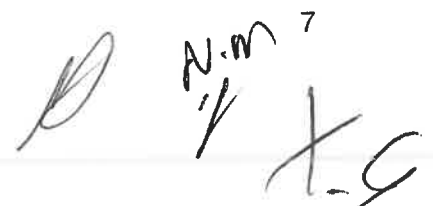
commences forthwith upon the finalisation of the 2021 wage negotiations, and concludes by no later than 30 June 2022.

### 13 EPWP AND CWP WORKERS

- 13.1 It is recognised that a vast number of community members take part in or are employed and/or placed in different municipalities through the Expanded Public Works Programme (EPWP) and the Community Works Programme (CWP). A full SALGBC investigation shall be conducted on the interface of the EPWP and CWP programmes with Local Government generally and Municipalities in particular.
- 13.2 The investigation shall focus on looking at legislative, policy, contractual, and financial arrangements regarding these programmes as well as employment and employability of the participants on these programmes in municipalities.
- 13.3 This investigation shall be concluded within twelve months of the conclusion of this agreement. The Parties shall establish clear terms of reference to enable a report to be submitted to the Executive Committee of the SALGBC for further consideration.

### 14 WITHDRAWAL FROM AGREEMENT

- 14.1 Any Party to this agreement (IMATU, SAMWU or SALGA), not their individual members, shall have the right to withdraw from this agreement by giving reasonable written notice to all Parties in the event of unforeseen circumstances that impact on the financial sustainability of the sector that cause economic hardship.
- 14.2 The notice of withdrawal shall only be effective if given within at least one financial quarter, in line with the municipal financial year, and with full disclosure of the factual circumstances which form the basis of the notice of withdrawal.
- 14.3 Notwithstanding clause 14.1 above, the right of withdrawal shall not apply in respect of the current declaration of a National State of Disaster emanating from the COVID-19 pandemic.

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14.4 In the event that the right of withdrawal is invoked by a Party in terms of clause 14.1, the Parties shall immediately enter into new wage negotiations and the SALGBC shall establish a time-table for such negotiations.

## 15. EXEMPTIONS

### 15.1 Exemptions Process

15.1.1 Any Party or person bound by this collective agreement concluded under the auspices of the SALGBC or which binds the Parties to the SALGBC, shall be entitled to apply for exemption from any provision of the said collective agreement.

15.1.2 All applications for exemption shall be made in writing on the appropriate application form, obtained from the SALGBC, setting out relevant information, including:

15.1.2.1 The provisions of the agreement in respect of which exemption is sought;

15.1.2.2 The number of persons in respect of whom the exemption is sought;

15.1.2.3 The reasons why the exemption is sought;

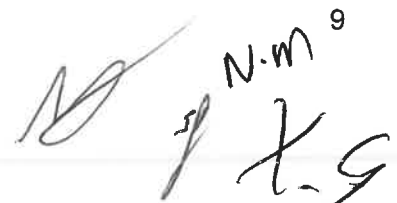
15.1.2.4 The nature and size of the municipality in respect of which the exemption is sought;

15.1.2.5 The duration and timeframe for which the exemption sought;

15.1.2.6 The business strategy and/or the financial recovery plan of the applicant seeking the exemption;

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- 15.1.2.7 The applicant's past record (if applicable) of compliance with the provisions of the Collective Agreement, its amendments and Exemptions Outcome;
  - 15.1.2.8 Confirmation that the trade unions or workforce itself were advised of the exemption application at local level;
  - 15.1.2.9 The relevant financial information which shall include, but not limited to the last audited financial statements together with Section 72 of Municipal Finance Management Act (MFMA) reports, combined with Section 71 reports for the current and preceding two financial years; and
  - 15.1.2.10 Any other relevant evidence / documents for consideration by the Senior Panellist. However, the Senior Panellist shall determine the relevance and weight to be attached to such evidence.
- 15.1.3 An application for exemption from any provision of the collective agreement shall be lodged in writing on the prescribed form with the General Secretary of the SALGBC and the applicant shall serve a copy of the application as follows:
- 15.1.3.1 In the case of a Trade Union or employee applying for exemption from a collective agreement, submit a copy of the exemption application to SALGA and the relevant municipality affected by the application; and
  - 15.1.3.2 In the case of SALGA and/or a Municipality applying for exemption from a collective agreement, forward the exemption application to the national and local offices of IMATU and SAMWU.
- 15.1.4 The Parties referred to in clause 15.1.3, as the case may be, shall be afforded ten (10) days to submit a response to the application for



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exemption to the General Secretary of the SALGBC. The party shall also be obliged to submit the response to the applicant for exemption.

- 15.1.5 The application for exemption shall be considered by the Senior Panellist.
- 15.1.6 All applications considered by the Senior Panellist shall only be based on the written exemption application and written submissions and arguments in respect of the application, if any, by the applicant and any party or person opposing the application, unless determined otherwise by a Senior Panellist. The Senior Panellist shall consider and determine exemption applications in a manner that is fair and transparent. The applications shall be determined as expeditiously as possible and may, in exceptional cases and subject to the decision of the Senior Panellist, include the hearing of evidence, where the matter cannot be decided solely on the documentation.
- 15.1.7 Notwithstanding clause 15.1.2.9 any party to this Agreement shall be free to submit any relevant evidence / documents for consideration by the Senior Panellist. However, the Senior Panellist shall determine the relevance and weight to be attached to such evidence.
- 15.1.8 The Exemptions Process shall be a financial inquiry based on the Exemptions Criteria set out in clause 15.1.15 below, along with the criteria of fairness to the employer and the employees.
- 15.1.9 In the event of applications being made that are frivolous and vexatious, such applications may be dismissed with costs.
- 15.1.10 Where a municipality submits an application for exemption, the municipality's obligation to implement the salary increase is suspended pending the outcome of the exemption application.
- 15.1.11 The Senior Panellist must consider and make a decision and issue an Exemption Outcome within 30 days of the SALGBC having received the exemption application.

*D* *NM<sup>10</sup>*  
*J* *X-5*

15.1.12 The onus to prove the case for the granting of an exemption lies with the applicant.

15.1.13 Parties undertake to make every reasonable effort to assist their members to discharge such onus in a full and proper manner.

15.1.14 National Exemption Panel:

15.1.14.1 The Executive Committee of the SALGBC shall establish a dedicated exemptions panel of arbitrators from the National Panel of conciliators and arbitrators of the SALGBC to constitute the National Exemptions Panel.

15.1.14.2 The Executive Committee of the SALGBC shall also establish a dedicated panel of independent financial experts made up of persons having a qualification in finance and a background and experience in local government finances.

15.1.14.3 For each exemption application, the General Secretary of the SALGBC shall appoint a Senior Panellist from the dedicated exemptions panel of arbitrators together with one financial expert from the appointed panel of financial experts.

15.1.14.4 The Senior Panellist shall hear and determine the application. The financial expert shall assist and provide advice and recommendations to the Senior Panellist.

15.1.14.5 The Senior Panellist shall undertake its duties in a fair and transparent manner and shall have the powers and functions to:

15.1.14.5.1 Grant a full or partial exemption or reject an application for exemption; and



15.1.14.5.2 Approve interim orders in circumstances where this will not affect the final outcome.

15.1.14.6 The Senior Panellist shall grant or reject an exemption application within thirty (30) days after a referral to the General Secretary.

15.1.14.7 The Senior Panellist shall have the power to condone any failure to comply with the time periods provided for in terms of this procedure based on good cause shown.

15.1.14.8 The decisions of the Senior Panellist shall be final and binding, subject to an aggrieved party's right to institute review proceedings in any court having jurisdiction to hear the matter. The Senior Panellist shall provide brief written reasons for its decision.

15.1.14.9 The Senior Panellist shall notify the parties of its decision and that the aggrieved party has the right to institute review proceedings in any court having jurisdiction to hear the matter.

15.1.14.10 An Exemption Outcome which contains the following information shall be signed by the Senior Panellist of the National Exemption Panel:

15.1.14.10.1 The full name of the applicant employer;

15.1.14.10.2 The date of issue;

15.1.14.10.3 The details of the agreement for which exemption is granted;

15.1.14.10.4 The period for which exemption shall operate;

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15.1.14.10.5 The terms and conditions, or remedial requirements of the exemption;

15.1.14.10.6 The reasons for the decision; and

15.1.14.10.7 Any other matter the Senior Panellist deems relevant.

15.1.15 Criteria and Other Factors to be considered by the Senior Panellist:

15.1.15.1 When considering an application for exemption, including an application for the withdrawal of an Outcome of Exemption by the SALGBC, the following criteria shall be taken into account (the order not indicating any form of priority):

15.1.15.1.1 Any written and/or verbal substantiation provided by the applicant or a Party to the SALGBC;

15.1.15.1.2 Fairness to the employer, its employees and other employers and the employees in the local government sector;

15.1.15.1.3 Whether an exemption, if granted would undermine this agreement or the collective bargaining process;

15.1.15.1.4 The employer is unable to afford the costs of the whole or part of this agreement;

15.1.15.1.5 The employer has short-term cash flow problems necessitating a limited exemption;

15.1.15.1.6 Unexpected economic hardship occurring during the currency of this agreement and job creation and/or loss thereof;

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*[Handwritten signature]* X-S

15.1.15.1.7 Whether a budgetary provision, approved by National Treasury, was made for implementation of the obligation arising out of the collective agreement;

15.1.15.1.8 Any process or directives as may be agreed to by the Executive Committee from time to time; or

15.1.15.1.9 Any other factor(s) which is considered appropriate.

15.1.16 For the purposes of this section only, "Day" shall mean calendar day.

**16. ENFORCEMENT OF THIS COLLECTIVE AGREEMENT**

16.1 Despite any other provision in the Act, the SALGBC shall monitor and enforce compliance of this collective agreement in terms of Section 33A of the Act.

16.2 The General Secretary or his appointed designated agent may, in keeping with the SALGBC constitution and Section 33(3) of the Act, issue a compliance order in terms of which any person bound by this collective agreement is required to comply with the terms of this agreement, stipulating the alleged breach and requiring that such breach be rectified within ten (10) days of receipt of such compliance order.

16.3 The SALGBC may refer any unresolved dispute concerning compliance with any provision of this collective agreement to arbitration by an arbitrator appointed by the SALGBC.

16.4 If a party to an arbitration in terms of Section 33A of the Act is not a party to the SALGBC, and objects to the appointment of an arbitrator, the CCMA (herein referred to as "the Commission"), on request by the Council, must appoint an arbitrator.

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16.5 If an arbitrator is appointed by the Commission in terms of clause 16.4:

16.5.1 The council remains liable for the payment of the arbitrator's fee; and

16.5.2 The arbitration is not conducted under the auspices of the Commission.

16.6 An arbitrator conducting an arbitration in terms of Section 33A of the Act has the powers of a commissioner in terms of Section 142 of the Act, read with the changes required by the context.

16.7 Section 138 of the Act, read with the changes required by the context, applies to any arbitration conducted in terms of Section 33A of the Act and clause 16.6.

16.8 An arbitrator acting in terms of Section 33A of the Act and clause 16.6 may determine any dispute concerning the interpretation or application of a collective agreement.

16.9 An arbitrator conducting an arbitration in terms of Section 33A of the Act and clause 16.6 may make an appropriate award, including:

16.9.1 Ordering any party to pay any amount owing in terms of a collective agreement;

16.9.2 Imposing a fine for a failure to comply with a collective agreement;

16.9.3 Charging a party an arbitration fee;

16.9.4 Ordering a party to pay the costs of the arbitration;

16.9.5 Confirming, varying or setting aside a compliance order issued by the General Secretary or his appointed designated agent; and

16.9.6 Any award contemplated in Section 139 (9) of the Act.

 N.M. 15  
  


16.10 Interest on any amount that a party is obliged to pay in terms of this collective agreement accrues from the date on which the amount was due and payable at the rate prescribed in terms of Section 1 of the Prescribed Rate of Interest, Act 55 of 1975, unless the arbitration award provides otherwise.

16.11 An arbitration award in an arbitration conducted in terms of Section 33A of the Act and clause 16.6 is final and binding and may be enforced in terms of Section 143 of the Act.

16.12 If an employer upon whom a fine has been imposed in terms of this Section files an application to review and set aside an award made in terms of this clause 16.6, any obligation to pay a fine is suspended pending the outcome of the application.

**17. DISPUTES ABOUT THE APPLICATION OR INTERPRETATION OF THIS COLLECTIVE AGREEMENT**

17.1 Any person or Party may refer a dispute about the application or interpretation of this agreement to the General Secretary of the SALGBC.

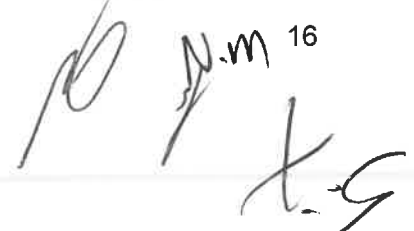
17.2 The General Secretary must appoint a conciliator from the national panel of conciliators, (doing so as far as possible on a rotational basis) to attempt to resolve the dispute.

17.3 If the dispute remains unresolved any of the parties to the dispute may request the General Secretary to appoint an arbitrator from the national panel of arbitrators, (doing so as far as possible on a rotational basis) to arbitrate the dispute.

**18. ENTIRE AGREEMENT, SEVERABILITY, WAIVER AND VARIATION**


18.1 This agreement incorporates the entire agreement between the Parties.

18.2 Any failure by any Party to enforce any provision of this agreement shall not constitute a waiver of such provision or affect, in any way, a Party's right to require

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performance of such provision at any time in the future, nor shall the waiver of any subsequent breach nullify the effectiveness of the provision itself.

18.3 If any provision of this agreement is held to be illegal, invalid or unenforceable, such illegality, invalidity and/or unenforceability shall not affect the other provisions of this agreement which shall continue to remain in force and effect.

  
W.M 17  
K.S

THIS AGREEMENT WAS CONSIDERED, ADOPTED AND APPROVED BY THE BARGAINING COMMITTEE OF THE CENTRAL COUNCIL IN TERMS OF CLAUSE 17.3 OF THE CONSTITUTION.

SIGNED BY THE PARTIES AT DURBAN ON THIS THE 15<sup>th</sup> DAY OF SEPTEMBER 2021.



---

MEMBER OF THE SALGBC  
(REPRESENTING SALGA – MR X GEORGE)



---

MEMBER OF THE SALGBC  
(REPRESENTING IMATU – MR K SWANEPOEL)



---

MEMBER OF THE SALGBC  
(REPRESENTING SAMWU – MR N MOKGOTHO)



---

GENERAL SECRETARY OF THE SALGBC  
MR SS GOVENDER

# **APPENDIX 2**



Enquiries : Jasper van der Westhuizen  
Tel : 021 446 9800  
Fax : 021 418 2709  
E-mail : [jvdwesthuizen@salga.org.za](mailto:jvdwesthuizen@salga.org.za)  
Ref : 11/1/3/5/R

**CIRCULAR WC 09 OF 2021/2022**

**FROM : KHALIL MULLAGIE  
PROVINCIAL DIRECTOR OF OPERATIONS**

**TO : EXECUTIVE MAYOR  
SPEAKER  
MUNICIPAL MANAGER  
CHIEF WHIP  
MAJORITY OPPOSITION PARTY WHIP  
SALGA WOMEN'S COMMISSION  
MPAC CHAIRPERSON  
DIRECTOR: CORPORATE SERVICES  
HR MANAGERS**

**DATE : 14 MARCH 2022**

**SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2022 TO 30 JUNE 2023**

Attached hereto please find SALGBC Circular number 1/2022 dated 9 March 2022 for your attention and implementation.

The Salary and Wage increases as per the 2021 Multi-year Salary and Wage Collective Agreement for the 2022/2023 financial year shall be as follows as from 1 July 2022:

- In terms of Clauses 6.4 and 6.5 the **Salary and Wage increase** shall be 4.9%.
- In terms of clause 7.2 the **Minimum Wage** shall increase to R9 043.21.
- In terms of clause 9.1.2 the **Flat Rate Homeowners Allowance** shall increase to R1 011.77.
- In terms of clause 10.1.2 the **Medical Aid Maximum Employer Contribution** shall increase to R5 007.00.
- In terms of clause 11.1 all **benefits linked to salary** shall increase by 4.9%.

Municipalities that cannot afford to implement the above may in terms of Clause 15 of the said Agreement apply for exemption. Municipalities that want to apply for exemption are requested to please inform SALGA of such a decision as soon as possible, but not later than 31 May 2022.

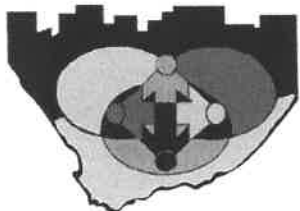
Should you have any questions, please contact Jasper van der Westhuizen ([jvdwesthuizen@salga.org.za](mailto:jvdwesthuizen@salga.org.za) or 083 458 2510).

Kind regards



**KHALIL MULLAGIE**  
**PROVINCIAL DIRECTOR OF OPERATIONS**

# APPENDIX 3



# SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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## HEAD OFFICE

Private Bag X16  
MUSGRAVE  
4062

Tel: (031) 201-8210  
Fax: (031) 201-9788

461 King Dinuzulu Road  
DURBAN  
4001

E-mail: [info@salgbc.org.za](mailto:info@salgbc.org.za)  
Web-site: [www.salgbc.org.za](http://www.salgbc.org.za)

9 March 2022

To All Municipal Managers

The Parties:

SALGA	Mr. X George	(012) 369-8001
SAMWU	Mr. D Magagula	Per Email
IMATU	Mr. J Koen	(012) 460-8444

And To:

Regional Secretaries:		
Gauteng/Johannesburg/Tshwane Division	Ms. E. Sekgweleo	(012) 665 1014
Eastern Cape Division	Mr. C Gqeke	(041) 581-3648
KwaZulu-Natal/eThekweni Division	Mr. V. Nzuzo	(031) 201 9752
Western Cape/ Cape Metro Division	Mrs. W Brink	(021) 917 1145
Northern Cape/Free State Division	Mr. T Mqobongo	(053) 831-3608
North West/Mpumalanga/Limpopo Division	Ms. N Hlangwani	(012) 342-7015

Dear Sir/Madam

## CIRCULAR NO.: 01/2022

### SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2022 TO 30 JUNE 2023

The parties, SALGA, IMATU and SAMWU, at the Executive Committee meeting held on 7 March 2022, agreed that the salary and wage increases for the 2022/2023 financial year as per the Salary and Wage Collective Agreement dated 15 September 2021 shall be, as follows:

1. The salary and wage increase, in terms of clauses 6.4 and 6.5 of the Collective Agreement shall be four comma nine percent (4.9 %), with effect from 1 July 2022.
2. Any linked benefits or conditions of service, as per clause 11.1 of the Collective Agreement shall increase by the same rate of four comma nine percent (4.9 %), with effect from 1 July 2022.
3. The Minimum Wage as stipulated in clause 7.2 of the Collective Agreement shall increase by the same rate of 4.9 %, from R 8 620.79 to R9,043.21. The new Minimum Wage shall be R9,043.21, with effect from 1 July 2022.
4. The flat rate Homeowners Allowance, in terms of clause 9.1.2 of the Collective Agreement, shall increase by the same rate of 4.9 %, from R964.51 to R1,011.77, with effect from 1 July 2022.

-2-

5. In respect of medical aid, the maximum employer contribution rate to an employee's accredited medical scheme as set out in clause 10.1.2 of the Collective Agreement shall increase by the same rate of 4.9 %, from **R4 773.12.** to **R5 007.00**, with effect from 1 July 2022.
6. The following CPI projected (forecast) figures, from the South African Reserve Bank, are used to calculate the salary and wage related increases:

Summary of selected forecast results										
<i>*Figures below the forecast in parentheses represents the previous MPC forecast</i>										
1. Selected forecast results (quarterly)										
Percentage change (year-on-year)	Actual					Forecast				
	1	2	3	4	2021	1	2	3	4	2022
Headline	3.1	4.8	4.8	5.5	4.5	5.6	5.0	4.7	4.3	4.9
CPI	(3.1)	(4.8)	(4.8)	(5.3)	(4.5)	(4.6)	(4.3)	(4.1)	(4.0)	(4.3)

7. The Council requests all municipalities to adhere and implement the above. This circular must be published on all notice boards.

Yours faithfully

  
 \_\_\_\_\_  
**MR. S.S. GOVENDER**  
**GENERAL SECRETARY**

<b>7.3.2</b>	<b>RECRUITMENT AND SELECTION POLICY</b>
--------------	---

Collaborator No:  
 IDP KPA Ref No: **Good Governance**  
 Meeting Date: **08 June 2022**

**1. SUBJECT: RECRUITMENT AND SELECTION POLICY**

**2. PURPOSE**

To inform council of the revision of the Recruitment and selection policy also to be in line with the new staff regulations that is applicable from 1 July 2022 and to recommend the approval of the consulted Recruitment and Selection Policy for approval.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

COGTA, during 2021, promulgated new Staffing Regulations which must be implemented from 1<sup>st</sup> July 2022. In terms of these regulations many of the recruitment process provisions changed and had to be incorporated into our Recruitment and Selection policy to ensure that the Municipality becomes compliant and implement the provisions as from 1<sup>st</sup> July 2022.

The municipality started with the revision of the recruitment and selection policy in 2020. The draft revised policy was submitted to the LLF for consultation. When the process was almost completed the new staff regulations was promulgated and the policy had to be revised even further.

The attached Recruitment and Selection Policy for Stellenbosch Municipality (**APPENDIX 1**) has been consulted with the Labour Unions, SAMWU and IMATU.

The parties have reached consensus on most of the provisions of the policy. The policy has to serve before Council for approval before 1 July 2022 to ensure that we can implement it from 1 July 2022 and therefore the subcommittee of the LLF had no time to resubmit the policy to the LLF for recommendations to Mayco and Council. The parties in the subcommittee agreed that the employer will provide the unions a last opportunity for inputs on/before 17 June 2022.

The policy document however represents the municipality's position and complies with the newly published staff regulations and therefore it is recommended that the policy be approved.

Should changes be needed due to union inputs these will be submitted to the Council meeting for final approval.

**5. RECOMMENDATIONS**

- (a) that Council notes the consultation process for this policy since 2020 within the LLF has now been concluded;
- (b) that Council notes that unions have an opportunity to make final inputs on/before 17 June 2022;

- (c) that Should changes be needed due to union inputs these will be submitted to the Council meeting for final approval; and
- (d) that Council approves the revised Recruitment and Selection policy (2022) for implementation from 1 July 2022.

## 6. BACKGROUND

The policy was last reviewed in 2008 and whilst it was revised and submitted to Council for approval in 2012, the recommendation(s) was not approved.

### 6.1 DISCUSSION

COGTA, during 2021, promulgated new Staffing Regulations which must be implemented from 1<sup>st</sup> July 2022. In terms of these regulations many of the recruitment process provisions changed and had to be incorporated into our Recruitment and Selection policy to ensure that the Municipality becomes compliant and implement the provisions as from 1<sup>st</sup> July 2022.

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The parties have reached consensus on most of the provisions of the policy. The policy has to serve before Council for approval before 1 July 2022 to ensure that we can implement it from 1 July 2022 and therefore the subcommittee of the LLF had no time to resubmit the policy to the LLF for recommendations to Mayco and Council. The parties in the subcommittee agreed that the employer will provide the unions a last opportunity for inputs on/before 17 June 2022.

The policy document however represents the municipality's position and complies with the newly published staff regulations and therefore it is recommended that the policy be approved.

Should changes be needed due to union inputs these will be submitted to the Council meeting for final approval.

### 6.2 FINANCIAL IMPLICATIONS

As per the approved budget. No positions are filled unless budgeted for in the approved budget.

### 6.3 LEGAL IMPLICATIONS

Fair recruitment and selection processes is based on the following legislative framework:

The Constitution - The South African constitution asserts that employment equity is necessary to ensure equality. Section 9(2) of the constitution provides that:

*"Legislative and other measures designed to protect or advance persons or categories of persons, disadvantaged by unfair discrimination may be taken."*

The Labour Relations Act - Schedule 7 of the Labour Relations Act No 66 of 1995 (LRA) stipulates that:

*“An employer is not prevented from adopting or implementing employment policies and practices that are designed to achieve the adequate protection and advancement of persons or groups or categories of persons disadvantaged by unfair discrimination.”*

Municipal Staff Regulations, 2021 (issued in terms of Section 72, read with Section 120 of the Municipal Systems Act 32 of 2000)

#### 6.4 STAFF IMPLICATIONS

The amended policy provisions will not have any negative impact on current employees and complies with the new staffing regulations in which conditions are set in terms of qualifications, experience and competencies that prospective employees must adhere to.

#### 6.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

*SPECIAL COUNCIL MEETING: 2008-09-23: ITEM 3/5/4/1/LLF*

#### 6.6 RISK IMPLICATIONS

The risk is mitigated by the content of the policy and its approval.

### APPENDICES

#### Appendix 1 – Recruitment and Selection Policy 2022

#### FOR FURTHER DETAILS CONTACT:

<b>NAME</b>	Annalene de Beer
<b>POSITION</b>	Director Corporate Services
<b>DIRECTORATE</b>	Corporate Services
<b>CONTACT NUMBERS</b>	021-808 8018
<b>E-MAIL ADDRESS</b>	Annallene.deBeer@stellenbosch.gov.za
<b>REPORT DATE</b>	1 June 2022

# APPENDIX 1





# STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

## RECRUITMENT AND SELECTION POLICY

### THE POLICY

#### 1. PREAMBLE

This policy is intended to create a framework for decision-making in respect of best employment practice/s in regard to the acquisition of staff in the Stellenbosch Municipality. As such it attempts to establish a set of rules for the consistent interpretation and application of legislation governing the acquisition of staff by the Municipality.

The Recruitment and Selection policy and its implementation will be fundamentally aimed at matching the human resources to the strategic and operational needs of the Stellenbosch Municipality and ensuring the full utilization and continued development of these employees.

All aspects of recruitment, selection, and appointment of employees will aim to be non-discriminatory and will afford applicants as far as possible equal opportunity to compete for vacant positions, except as provided in this policy with reference to employment equity.

#### 2. DEFINITIONS

- **“induction”** a formal introduction process into the organization.
- **“nepotism”** means favoritism on the basis of family relationship or friendship.
- **“candidate”** means an applicant for a post
- **“conflict of interest”** means a position where the panel member can directly or indirectly benefit from the employment of the candidate.
- **“recruitment”** means the activities undertaken in the human resource management in order to attract job candidates who have the

necessary potential, experience and qualifications to fill job requirements and to assist the municipality in achieving its objectives.

- **“reference check”** means the gathering of information about candidate’s past employment history
- **“Selection processes”** includes shortlisting and interviews
- **“selection”** means the process of making decisions about the employment of candidates considering the needs of the post and the organisation.
- **“Organised Labour”** means the registered and recognised trade unions active within the Municipality and currently having organisational rights as conferred by the Labour Relations Act.
- **“Consultation”** refers to the process where organised labour is requested to sit in on the shortlisting and interview process.
- **“Authority to appoint”** The delegation to appoint staff in accordance with the established staff structure is sub- delegated to the Director Corporate services in consultation with the applicable Director.
- **Succession Planning**” means making the necessary arrangements to ensure that suitably qualified internal candidates are available to fill posts which will arise within any specific department over forthcoming years.
- **Career Pathing**” Means ensuring that each staff member’s potential is developed and that there is a career mapped out for him/her in the municipal service. The aim should be an attempt to train and develop the Employee to be able to competently undertake the duties attached to that post.
- **“Internal candidate”** means any employee that is employed by the municipality including contractual employees and EPWP workers
- **“Panel members”** means the selection panel appointed by the Municipal Manager or his/her nominee. The panel must consist of three (3) members. The chairperson must be the supervisor of the post or a staff member at least one reporting level higher than the post. The panel must depict the race, gender, skills and expertise necessary to assess the candidates. The unions will be allowed as observers ;
- **“Scoring members”** means the relevant three members that were selected by the municipal Manager or his/her representative and communicated at the shortlisting meeting to score the assessment processes;

- **Executive Management Team** means the Municipal Manager and the Section 56/57 Senior Managers
- **“Declaration of Interests/Confidentiality”** All panel members and trade union delegates attending the shortlisting and interviews sessions will be required to complete a declaration of interest/confidentiality agreement.
- **“Family Members”**: For the purpose of this policy, family are defined as husbands and wives, parents and children, brothers, sisters, and any in-laws of any of the foregoing. Failure to disclose any of the aforementioned relations shall be regarded as nepotism. Family members may not be appointed within the same unit especially where those family members report to a current employee either directly or indirectly.

### 3. LEGAL FRAMEWORK

- The responsibility for the appointment of personnel rests with the Municipal Manager of the Employer or his/her delegated assignee(s) in terms of section 55(1)(e) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- Employment Equity Act (Act 55 of 1998)
- Basic Conditions of Employment Act 1997 (Act No 75 of 1997)
- Labour Relations Act, (Act 66 of 199)
- Any Collective Agreement that may be applicable within the South African Local Government Bargaining Council (SALGBC)
- Constitution of the Republic of South Africa Act 108 of 1996
- Chapter 7 of the Local Government Municipal Systems Act 32 2000
- Skills Development Act 97 of 1998
- Guidelines On Negotiation In Regard to Remuneration (Within the National Negotiated Framework) For The Retention And Attraction Of Staff (24 April 2019)
- Succession Planning and Career Pathing Policy
- Local Government: Guidelines for the Implementation of the Municipal Staff Regulations, 2021 (issued in terms of Section 72, read with Section 120 of the Municipal Systems Act 32 of 2000)

### 4. SCOPE AND APPLICATION

- 4.1 To ensure a fair and equitable employment process, this policy shall apply to all appointments made within the Municipality except for:
- a) Appointments of the Municipal Manager or section 56/57 managers that report directly to the Municipal Manager
  - b) Acting appointments to which staff is selected by Management prerogative.

- c) Staff in the Council Support Unit where appointments are linked to the incumbent of the political office-bearer as those employment relationships require a specific trust basis with the political incumbent.

## **5. OBJECTIVES OF POLICY**

- 5.1 The Municipality recognizes that its employment policies, practices and procedures must comply with the good Human Resources practice principles.
- 5.2 This policy is based on the principles set out below. Human Resources Management in the Municipality must –
  - (a) be characterized by a high standard of professional ethics;
  - (b) promote the efficient, economic, and effective utilization of employees;
  - (c) be conducted in an accountable manner;
  - (d) be transparent;
  - (e) promote good human resource management and career development practices, to maximize human potential; and
  - (f) ensure that the Municipality's workforce is broadly representative of the South African people, with human resources management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

## **6. POLICY CONTENT**

The responsibility for the appointment of personnel rests with the Municipal Manager of the employer or his/her delegated assignee(s) in terms of section 55(1)(e) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

### **6.1. Post Establishment**

- a) Human Resources department will maintain a record of all approved posts and shall monitor all appointments against posts according to the approved staff establishment.
- b) The post structure must be aligned with the municipal IDP and approved system of job evaluation (TASK) as defined by the South African Local Government Bargaining Council.
- c) The staff establishment will be approved as contained in the applicable legislation.

- d) It is recognized that a staff establishment is a living document and changes will be proposed if and when necessitated by the practical and operational requirements of the Municipality.
- e) Changes to the staff establishment will be dealt with in terms of the applicable legislation.

## **6.2 Recruitment**

### **6.2.1 Determining recruitment needs**

The department will request the Recruitment and Selection section to advertise a funded vacant position as per the organogram

6.2.1.1. The abovementioned section shall develop a strategy to:

- a) fill all funded vacant positions as per the Executive Management team's critical list and resolutions taken from time to time
- b) fill all funded vacant posts identified on the funded vacancy list on the staff establishment within six months of a funded post becoming vacant
- c) reduce turnaround times for filling vacant funded posts that include timeframes for the various activities included in the recruitment and selection process.

6.2.1.2. No vacant post on the establishment can be filled unless:

- a) the Municipal Manager or his/her delegated nominee to whom this function is delegated has approved the filling of the post, and the post is budgeted for.
- b) The post has been evaluated on the TASK system.

### **6.2.2. Validation of inherent requirements**

6.2.2.1. The inherent requirements of a job must reflect the needs of the Municipality and must be appropriate to achieve the service delivery interests of the Municipality.

6.2.2.2. Prior to the recruitment process commencing, the outputs, skills, knowledge, competencies, and, stated educational requirements as contained in the competency/ job profile or job description are scrutinized as to relevance and applicability. An updated Job description, as well as a copy of the specific staff unit,

must accompany the request for the filling of the post as well as a completed template request form.

6.2.2.3. Despite the provisions mentioned above:

- a) a municipality may place a staff member on a program to acquire the competency requirements as prescribed for the staff member to be eligible for career opportunities in the municipality.
- b) If a staff member has not attained the competencies as prescribed in this policy, the municipality must utilize the workplace skills plan to identify and address the staff member's competency gaps and development needs.
- c) The Minister may issue a notice in the gazette determining uniform competency-based assessment for specific occupational streams
- d) Stellenbosch Municipality must subject a staff member to a competency assessment for specific occupational streams as determined by the Minister in terms of (c) above.

#### **6.2.4 Recruitment Advertisement**

6.2.4.1. The Recruitment and Selection section shall advertise a post after approval by the Municipal Manager or his/her delegated nominee.

6.2.4.2. This advertisement shall, at least, specify the –

- a) job title
- b) term of appointment
- c) place of work
- d) applicable salary scale or pay range
- e) competency requirements of the post, and where applicable minimum qualifications and experience as set out in Annexure A of the Municipal Staff Regulations
- f) inherent requirements of the job
- g) summary of the core functions
- h) need for the signing of an employment contract and, where applicable, a performance agreement and disclosure of benefits and interest
- i) address where applications must be sent
- j) a place where applicants can obtain the application form;

- k) contact person where information can be obtained
- l) closing date for submission of applications.

6.2.4.3. The advertisement must always contain:

- a) A statement that the Municipality subscribes to the principles of the Employment Equity Act
- b) A statement that the appointment will be permanent or for a fixed term, and the term (if applicable).
- c) A statement that canvassing will disqualify any candidate from being considered for an appointment.
- d) A statement that states that A CV and cover sheet must be attached indicating the detail of the post for which the application is made.
- e) A statement that applications received after the closing date will not be accepted or considered.
- f) A statement that if an applicant does not hear from the municipality within 90 days of his/her application, it be accepted that he/she was unsuccessful.
- g) The designated email address associated with the position per directorate to which the application must be sent.

6.2.4.4. An advertisement may be utilized to create a pool of potential candidates valid for a period not exceeding 6 months from the date of advertisement to fill any other vacancy in Stellenbosch Municipality if:

- a) the job title, core functions, inherent requirements of the job, and the salary level of the other vacancy is the same as the post advertised
- b) the recruitment process has been complied with

6.2.4.5. Stellenbosch Municipality may advertise any funded vacant post, as a minimum, within the municipality, but may also advertise such post – locally or nationwide. The advertising medium must be determined considering the target market of applicants as well as cost implications.

## 6.2.6. Application forms

- 6.2.6.1. All applications for a vacant post must be made on the prescribed form of the Municipality as attached as Annexure B.
- 6.2.6.2. All applications received must be accompanied by the prescribed application form otherwise it will be deemed invalid.

### **6.2.7. Application for a vacant post**

6.2.7.1 An applicant for a post shall disclose

- a) his or her qualifications and experience
- b) his or her contactable references
- c) his or her registration with a relevant professional body, if applicable
- d) full details of any dismissal for misconduct or substandard performance
- e) any disciplinary actions, whether pending or finalized, instituted against the applicant in his or her current or previous employment.

6.2.7.2 Misrepresentation or failure to disclose material information contemplated in clause 6.2.7.1 and the application form is a breach of the Code of Conduct for Municipal Staff and shall be dealt with in terms of the discipline policy

6.2.7.3 The Municipality shall maintain a record of all applications received and the information contained in the applications shall be kept confidential and stored in a secure place on the Municipality's premises.

6.2.7.4 A record of applications shall be disposed of in terms of the National Archives of South Africa Act.

The record shall contain –

- a. the applicants' biographical details and contact information
- b. the details of the post for which the applicants were applying
- c. the applicants' qualifications; and
- d. any other requirements outlined in the application form

### **6.2.8. Unsolicited applications**

- a) Unsolicited applications received during the Municipality's operations will be responded to by requesting the applicant to register on the Municipality's unemployed database from where names may be drawn when a temporary vacancy exists.
- b) Nobody may promise or undertake to accept an unsolicited application for an appointment and to submit it when a vacancy is advertised.



### **6.2.9. Use of Recruitment Agencies**

Where the Municipality does not have the capacity to manage recruitment processes, a recruitment agency shall be appointed to undertake the recruitment processes, including

- a) response handling,
- b) compilation of the long list of applicants who applied for the advertised post,
- c) preliminary list of applicants who meet the requirements,
- d) list of applicants who do not meet all requirements but have the potential and list of applicants who do not meet the requirements: Provided that the advertising and recruitment procedures comply with this policy and that the appointed recruitment agency shall not undertake the selection process.

## **6.3 Selection**

### **6.3.1 General Principles Governing Selection**

- 6.3.1.1 Selection criteria shall be objective and related to the inherent requirements of the job and realistic future needs of the Municipality.
- 6.3.1.2 The central guiding principle for selection shall be competence in relation to the inherent requirements of the job provided that selection shall favour, as determined by the targets, suitably qualified applicants as defined in section 20[3] of the Employment Equity Act, where underrepresentation exists.
- 6.3.1.3 Unless formal or statutory qualifications are clearly justified as essential for the job, relevant experience/performance, training [internal/external] as reflected and measured through competencies, and potential for the prospective vacancy shall be an important criterion.
- 6.3.1.4 The assessment of the criteria will be done through an interview and other assessments.
- 6.3.1.5 Canvassing, i.e. attempting to solicit the influence of any person who could substantially influence the selection process by job applicants, or any other person on behalf of job applicants, for posts within the Council's service is prohibited and evidence thereof will disqualify the applicant's application for consideration for appointment.
- 6.3.1.6 The basic criteria for the appointment and/or promotion of employees in the Municipality shall be appropriate qualifications

and appropriate performance as set forth in the policies of the Council.

### **6.3.2 Selection Process**

6.3.2.1 The purpose of selection is to identify the most suitable candidate(s) from all the persons who applied and to eliminate unsuitable candidates in the fairest way possible.

6.3.2.2 The Municipal Manager or his or her delegated nominee shall appoint a selection panel for each of the advertised posts to recommend the appointment of suitable persons to the vacant post and who in collaboration with Recruitment and Selection shall be responsible to deal with the recruitment process.

6.3.2.3 The selection panel shall comprise of no less than three but not more than five panel members of which one must be on a management level and will act as the chairperson of the panel.

6.3.2.4 In deciding on the composition of the selection panel, the Municipal Manager/ Director or his/her delegated nominee shall consider the following:

- a) nature of the post
- b) gender and race balance of the panel; and
- c) skills, expertise, experience, and availability of the person to be involved

6.3.2.5 A member of a selection panel shall:

- a) disclose any interest or relationship with shortlisted candidates during the short-listing process
- b) recuse himself or herself from the selection panel if –
- c) his or her spouse, partner, close family member or close friend has been shortlisted for the post
- d) the panel member has a de facto relationship or some form of indebtedness to a short-listed candidate or vice versa; or
- e) any other conflict of interest; and
- f) sign a prescribed declaration of confidentiality to avert the disclosure of information to unauthorized persons.

6.3.2.6 If a union representative is allowed to attend interviews as an observer, he or she must sign the declaration form (Annexure B) to prevent the disclosure of information to unauthorized persons.

6.3.2.7 The Head of Human Resources or his/her delegated nominee may provide secretarial or advisory services during the selection process, but may not form part of the selection panel

- 6.3.2.8 Each panel member shall disclose the potential conflict to be considered by the full selection panel at the initial meeting of the panel.
- 6.3.2.9 If a conflict of interest becomes apparent during the selection process, the Municipal Manager or his or her delegate shall take the appropriate steps to remedy the situation, which may include declaring the selection process invalid and commencing a new process.
- 6.3.3 If a conflict of interest becomes apparent after the appointment, the Municipal Manager or his or her delegate shall report the matter to the Council, which shall take remedial action, including possible disciplinary action
- 6.3.3.1 A representative from Human Resource Management will only serve as the third scoring panellist when specifically requested by the relevant director and HR will always provide the administrative services to the panel.
- 6.3.3.2 The labour unions must be invited to the selection processes.
- 6.3.3.3 Organised Labour may attend the proceedings as observers and their absence shall not prohibit the selection and recruitment process from proceeding and being concluded.
- 6.3.3.4 A member of the selection panel is required to withdraw from the panel if he/she has a conflict of interest in or experience partiality with regard to any of the applicants. This is also applicable to Organized Labour.

#### **6.3.4 Compiling of long lists**

After the closing date of an advertisement, all the applications received for every specific position are captured on a long list.

- 6.3.3.1. The long list must contain, in table form, the following particulars in respect of each candidate:
- a) the applicant's surname followed by her/his initials
  - b) the applicant's gender;
  - c) the applicant's race;
  - d) internal or external candidate;
  - e) the applicant's qualifications and experience relevant to the job description and job specification; and
  - f) if applicable, the nature of the applicant's disability.

- 6.3.3.2. The Recruitment and Selection section must submit the long lists, together with the applications to the relevant departmental head for preliminary scrutiny of the applications received within two (2) weeks after the closure of the advertisement unless otherwise approved by the Senior Manager Human Resources.
- 6.3.3.3. This information must be treated as confidential and may not be made available to outside parties or internal employees not part of the recruitment and selection process.
- 6.3.3.4. No documents - the Application form or CV with supporting documentation will be forwarded with long list.
- 6.3.3.5. The Recruitment and Selection section, during the compilation of the long lists, must take all reasonable steps and actions to ensure that the content of the longlist is correct.
- 6.3.3.6. The Recruitment and Selection section, during the compilation of the long lists must take all reasonable steps and actions to establish the validity and accuracy of any certificates, diplomas and other information supplied by an applicant. If any candidate submitted or claimed that she/he had some or other certificate or diploma, qualification or experience that is disproved, such information must be noted next to the name of the candidate in the long list.
- 6.3.3.7. The department must within 7 (seven) days after receipt of the long list provide the Recruitment and Selection unit with a proposed shortlist.

#### **6.3.4. Compiling shortlist(s)**

- 6.3.4.1. A shortlisting panel should within 7 days after the department provided a proposed shortlist be convened and in the event of the department not providing a proposed shortlist the Recruitment and Selection unit should convene a shortlist meeting within these timeframes irrespective.
- 6.3.4.2. Trade unions will be allowed insight into the longlist 24 hours before the shortlisting meeting is scheduled at the recruitment and selection offices. A confidentiality agreement must be signed by the representatives.
- 6.3.4.3. A shortlisting panel consisting of the directorate representatives, Recruitment and Selection, must select from the long list, and with due regard for the numerical goals set in the Municipality's employment equity plan a minimum of three (3) and not more than 5 applicants per post who in their opinion would be the most suitable candidates to be subjected to the selection process.

- 6.3.4.4. The relevant Director may approve a shortlist of less than 3 candidates on the advice of the Senior Manager Human Resources and based the efforts that were made in regard to ensuring that suitable applicants were aware of the vacancies and had the opportunity to apply.
- 6.3.4.5. Where there are more than one (1) post advertised the panel must adjust the maximum number of applicants in line of with the minimum required) and may increase that even further pending on the amount of posts.
- 6.3.4.6. The shortlist of applicants is prepared by Line Management, based on the agreed selection criteria and taking into consideration Employment Equity. Organized Labour can give inputs based on the selection criteria, to the shortlist.
- 6.3.4.7. Any candidate, internal or external, should be placed on the short list only if they meet the requirements of the advertisement and the selection criteria.
- 6.3.4.8. In the case of candidates earmarked for the shortlist of candidate, who failed to attach originally certified copies of qualifications, driver's license or proof of clean criminal record to the application, the Human Resource Department, in a consistent manner, may request these candidates to submit the required documentation prior to the finalization of the shortlist of candidates.
- 6.3.4.9. Shortlisting may give preference to the following: –
- a) Internal applicants
  - b) Local applicants (Stellenbosch WC024)
  - c) Provincial applicants
  - d) National applicants
- 6.3.4.10. The approved Employment Equity Plan of the Stellenbosch Municipality will determine the targets set for the organization when shortlists are approved.

### **6.3.5. References and personal credential verification**

- 6.3.5.1. Reference checks and personal credential verification for short-listed candidates shall be conducted by –
- a) verifying the candidate's inherent requirements of the job with the current or previous employer
  - b) establishing the validity of candidate qualifications and any other verification required by the position before the appointment

- c) determining whether the candidate has been dismissed previously for misconduct or poor performance by another municipality or employer, and, if so, the nature of that misconduct or poor performance; and
- d) verifying any other additional personal credentials as may be required by the nature of the job such as criminal records, credit checks, identification documents, security clearance, etc.

6.3.5.2. A written report on the outcome of the reference checks and personal credential verification shall be compiled before the appointment is concluded.

6.3.5.3. Notwithstanding the absence of a previous employment record shall not disqualify a candidate for an appointment to an advertised post.

### **6.3.6. Notification of shortlisted candidates of selection proceedings**

The Recruitment and Selection section must notify every candidate whose name has been shortlisted of the venue or electronic medium, date and time, and nature of the selection proceedings she/he must attend using the most reliable communications methods available.

### **6.3.7. Expenses Relating to Recruitment and Selection Process**

6.3.7.1. Prior approval from the Director: Corporate Services must be obtained for the payment of travelling costs for candidates attending interviews. The most cost-effective transport (car/air travel) must be utilized and the cheapest form of transport (car/air travel!) will be paid for.

6.3.7.2. The expense incurred for compensating a candidate for attending an interview, must be covered by the budget of the Directorate in which the vacancy exists. All expenses emanating from the interview shall be covered by the budget in which the vacancy exists.

6.3.7.3. Expenses emanating from the interview must be paid back if the employee leaves the employer's service for any reason other than death within 12 months after appointment.

### **6.3.8. Interviewing in respect of vacancies**

6.3.8.1. The list of short-listed candidates and copies of their applications shall be submitted to the selection panel prior to the interviews taking place.

- 6.3.8.2. The selection panel for a post shall once be constituted and remain the same at all times. If a member of the selection panel is unable to proceed with the interviews due to circumstances beyond that member's control, such panel members may be replaced or withdrawn. If the selection panel does not quorate, the panel shall be reconstituted.
- 6.3.8.3. The Municipality shall grant observer status to each of the recognised trade union representatives during the interviews.
- 6.3.8.4. The selection panel shall interview the short-listed candidates.
- 6.3.8.5. Before the interviews for a specific post commence, the selection panel shall confirm the selection criteria for the advertised post, based on the relevant competencies required for the advertised post.
- 6.3.8.6. The selection panel shall keep a written record of the interviewed candidates.
- 6.3.8.7. After considering all the relevant information, the selection panel shall recommend candidates in order of preference. If the recommended candidate declines an offer of employment, the next suitable candidate, where applicable, may be considered for appointment.
- 6.3.8.8. If it is determined that the recruitment process has not attracted suitable candidates, the post may be re-advertised.
- 6.3.8.9. If the post is categorised as a critical and scarce skill post, alternative recruitment methods such as executive search, head-hunting, referrals and/ or re-advertising may be considered. The details of these alternatives shall be agreed to in the Local Labour Forum and approved by Council.
- 6.3.8.10. The recommendations of the selection panel shall be determined by:
  - a. consensus; or
  - b. where the panel fails to reach a consensus, the matter shall be referred to the Municipal Manager or his or her delegate for resolution.
- 6.3.8.11. If the selection panel recommends an appointment to the post, it shall submit its recommendation to the Municipal Manager or his or her delegate for approval.

### **6.3.9. Interview and assessment process**

6.3.9.1 Interviews can be done face-to-face or via electronic virtual mediums.

The interviews will be in the form of an interview question and answer session and a practical written or practical physical assessment. Assessments must take the nature of the post into account.

6.3.9.2 Further assessment may be done where applicants score the same or close in the first assessments or depending on the grading of the post.

6.3.9.3 Interviews shall strictly be based on job-related competency. A standard scoring system will be used. Candidates scoring a combined competency rate of 60% or above will be considered for appointment to a post. The Municipal Manager or his/her nominee may deviate from this requirement on good cause shown and motivation from the affected Director.

6.3.9.4 Once shortlisting has been done, the Human Resources Management Services section will attempt to arrange an interview as soon as possible but not less than three (3) working days' notice.

6.3.9.5 All interviews will be arranged and facilitated by Human Resources Management Services. Prospective candidates must avail themselves for an interview at the organisation's convenience. Applicants who are unable to attend will not be taken into account.

6.3.9.6 All parties involved shall uphold the strictest confidentiality in respect of any information supplied in the recruitment process.

6.3.9.7 Failure to comply with these provisions may result in disciplinary action.

6.3.9.8 All interviews will be conducted in a fair manner and questions shall be non-discriminatory and job-related. Questions pertaining to a candidate's political affiliation are not allowed.

6.3.9.9 The interview panel shall consist of a minimum of 3 (three) members that are delegated by the relevant authority. At least two of the employer representatives must be present to continue with the interviews.

6.3.9.10 The interview shall be conducted by the panel members as agreed on during the preparation meeting for the interviews, through the use of consistent questioning techniques across interviews. The Directorate will be responsible for the practical assessment. Assessments must contain model answers and points. Questions must be related to the requirements for the post and not discriminate on the grounds of race, gender and disability. The questions and practical assessment must be sent to Recruitment and Selection before the interview or assessment.



- 6.3.9.11 The interviewing panel is responsible for ensuring that the interview is structured by using consistent questioning techniques in all interviews so that questioning is related to the requirements for the post and not discriminate on the grounds of race, gender and disability.
- 6.3.9.12 The panel will consult amongst them to get an indication of the reasons for their preferred candidate.
- 6.3.9.13 Stellenbosch Municipality is an Equal Opportunity employer. The requirements of the Employment Equity Act will be considered as part of the selection criteria/process and recommendations for preferred candidates will take this into consideration. The reasons for underrepresented candidates not qualifying will be included in the appointment memorandum. (Revisit before adding)
- 6.3.9.14 The panel will recommend the most suitable candidate to appoint based on the screening process and it may not necessarily be candidate with the highest score.

Completed score sheets must be kept in safe storage by Human resources for a period of at 12 months after an appointment decision has been made.

### **6.3.10 Conducting tests during recruitment process**

- a) One or more relevant tests (e.g. practical assessments like for example typing tests, operating a grader, written assessments etc.) must be conducted before or after an interview is conducted. The test and interview must be relevant to the job requirements that would be expected of the employee. The Selection Panel on the mandate of the relevant Director will determine the type of tests to be done and the weighting attached thereto.
- b) Psychometric tests may be done on agreed shortlisted candidates from posts that are in the Tactical band T16 and upwards and be part of the selection consideration. This may also apply to any post that the Municipal Manager approve on good cause shown.

## **6.4. Headhunting**

- 6.4.1. Headhunting may be done at any stage after a failed The operational requirements and needs should be taken into account when doing headhunting.
- 6.4.2. If a person is being headhunted, he/she will still be subjected to an administrative and recruitment procedure.

- 6.4.3. Targeted persons will be provided with a copy of the advertisement, and they will be allowed to apply on their own accord and must comply with the requirements of the post. Applications must be made by returning their CV and a cover page to the Municipality within a certain time frame.
- 6.4.4. Any headhunting will be disclosed and recorded in writing as part of the recruitment process

## **7. Succession Planning and Career Pathing**

- 7.1. Where there is an identified successor(s) who has been properly assessed and developed in line with the requirements for the position, this person can be considered for the vacancy. Care must be taken that this is an unbiased and objective process.
- 7.2. There must be adequate historical documentation, proof of training, qualifications and development and sound assessment data to support decisions taken regarding identified successors in the Municipality's workforce.
- 7.3. A committee for each directorate titled the Staff Succession Plan Committee (hereinafter referred to as the Committee) may be established if and when necessary comprising of the following stakeholders:
- Director: Corporate Services
  - Relevant Director
  - Relevant Manager (if applicable)
  - Senior Manager: Human Resources (Secretariat of committee)
  - One representative from SAMWU
  - One representative from IMATU
- 7.4. The Committee is tasked to identify the individuals that forms part of the Directorate's Succession Plan, which will provide guidance and oversight supporting the staff succession process.

### **7.5. Succession Planning Programme**

- 7.5.1. Identification of occupational areas and key positions for succession planning.
- 7.5.2. The Committee must identify and assess the Municipality's current and future projected needs in terms of staff and expected staff vacancies.
- 7.5.3. When a post becomes vacant, the pool of employees who were identified and placed on the Succession Planning Programme

and have obtained the required qualifications and skills will be able to apply for the post, however this will not necessarily guarantee employment in the position they are prepared for. All candidates will compete equally, that is, they will be subjected to the Municipality's normal recruitment and selection processes whereby is included, but not limited to the provisions of the Municipality's Employment Equity Policy and Employment Equity Plan as from time to time.

## **7.6 Implementation of the Succession Planning Programme**

- 7.6.1 For each of the key positions identified, the skills, competency and knowledge required for incumbents must be identified and qualifications and unit standards must be attached to such positions. The objective of the Committee is to identify at least one or more candidates for each of the planned posts included in the Staff Succession Plan.
- 7.6.2 Employees can be invited to participate in the Succession Planning Programme by means of a notice and such applications must be submitted to the Department: Human Resources before or on the closing date specified in the notice.
- 7.6.3 The Committee must identify training requirements.
- 7.6.4 Training interventions, for purposes of the career development of the relevant employees, are to be identified and agreed upon with the relevant employees.
- 7.6.5 The Committee may refer specific candidates to the mentoring process that may be applicable.
- 7.6.6 Participants must sign an agreement of understanding acknowledging the fact that the achievement of a qualification or skill will not necessarily guarantee employment in the position they are prepared for or for any other position.
- 7.6.7 Feedback must be documented and placed on the relevant employee's file.

## **8. Appointment**

### **General requirements for the appointment of staff members**

- 8.1 No person may be appointed as a staff member on a fixed-term contract, permanent basis, ~~or probation~~, to any post on the approved staff establishment of the Municipality, unless he or she –

- a) is a South African citizen, permanent resident or foreign national with a valid work permit; and
  - b) possesses the relevant competencies, qualifications, and experience, as set out in the Municipal Staff Regulations.
- 8.2 The appointment of the suitable applicant takes place in accordance with the requirements of the post concerned as reflected in the advertisement of the post linked to the job description of the post.
- 8.3 Any person appointed as a staff member in the Municipality shall, where applicable, have competencies, and comply with the minimum requirements or educational qualifications, work experience, and knowledge as set out in Annexure A of the Municipal Staff Regulations.
- 8.4 A staff member who was appointed before these Regulations came into effect and who does not meet the minimum competency requirements of the relevant post as prescribed, shall be deemed to be meeting the requirements of the post. This does not apply to conditions given to staff members for obtaining certain qualifications for a current position before 1 July 2022.
- 8.5 An applicant may be appointed as a staff member only if they –
- a) are not disqualified in terms of the policy provisions on the re-employment of dismissed municipal staff.
- 8.6 The Municipal Manager or his/her delegated nominee to whom this function is delegated shall :
- consider the recommendations of the selection panel; and decide –
- a) on whom to appoint; and
  - b) the terms and conditions of employment.
- 8.7 Before making a decision to appoint, the Municipal Manager or his/ her delegate shall satisfy himself or herself that the candidate meets the relevant requirements of the post as provided in the competency framework of the Municipal Staff Regulations.
- 8.8 An appointment shall only take effect after the Municipal Manager or his or her delegate has approved the appointment.
- 8.9 The Municipal Manager or his/her delegated nominee shall ensure that all the interviewed candidates are informed whether or not they were successful.
- 8.10 Unsuccessful candidates shall on request be provided with, or given reasons, in writing why they were not successful or appointed.

## **8.11 Appointment of support staff to ward offices and full-time councillors (public office bearers).**

8.11.1 An applicant appointed to a post on the staff establishment in order to support the full-time office bearers and as ward administrators shall either be –

- a. seconded from a post on that Municipality's current staff establishment or
- b. appointed on a fixed-term contract of employment.

8.11.2 The duration of the secondment or fixed-term employment contract in this regard may not be longer 30 days after the full-time councillor or ward councillor vacates office.

## **8.2 Re-employment of dismissed municipal staff**

8.2.1 A person who was dismissed from a municipality for any reason stated in the Municipal Staff Regulations may not be employed in the Municipality before the period set out, or any concurrent periods set out, has expired.

8.2.2 Notwithstanding clause 8.2.1, a person who has lodged a dispute in terms of any applicable legislation, may be appointed subject to the outcome of the dispute.

8.2.3 The Municipality shall maintain a record of staff dismissed for misconduct and staff who resigned prior to the finalisation of any disciplinary proceedings.

8.2.4 The record shall contain –

- a) full names and identity number of the person
- b) title of the post that the person occupied
- c) nature of the misconduct
- d) date of suspension, if any
- e) conditions of suspension, if any
- f) date on which the misconduct was referred to a disciplinary hearing or pre-dismissal arbitration
- g) date of commencement of the disciplinary hearing or pre-dismissal arbitration

- h) finding
- i) whether a dispute was referred to the SALGBC or the Labour Court
- j) costs incurred by the municipality; and
- k) date of resignation or dismissal of the person.

### 8.3 Retention of staff

- 8.3.1 The Municipality is from time to time confronted with situations where permanent staff is offered promotional opportunities at other municipalities/employers.
- 8.3.2 The Municipality may want to retain the skills of such employees which are considered essential to maintaining a high level of service delivery.
- 8.3.3 To retain staff the Municipal Manager or delegated nominee must be put in a position to make counter offers to existing permanent staff when it is believed that it is critical to retain such staff member due to a specific skill he/she has and very good performance in the functions he/she performs. The Municipal Manager or delegated nominee must also be able to make a counteroffer to retain the current employee for a position within the salary framework that exists. The Municipal Manager has the authority to appoint an employee on a salary that will fall within the National Framework which currently is TASK.
- 8.3.4 Counteroffers offers to existing staff may be approved by the Municipal Manager or delegated nominee in terms of the Systems Act, subject to the following:-
  - 8.3.4.1 A request in writing by a Director when an existing employee receives an offer from another employer, to consider a counteroffer to the existing permanent staff member. The request must be addressed to the Municipal Manager or delegated nominee accompanied by a full motivation for such proposal as well as a copy of the written offer by the other employer.
  - 8.3.4.2 The motivation must include an indication of the performance of an existing employee who received an offer from another employer. The performance must be measured in general and on specific aspects for example attendance, quality of work over the last 12 months, years' service, qualifications, and skills
  - 8.3.4.3 The counteroffer will be limited to the maximum notch of the post level of the advertised post and not more than 10 % scarce skills allowance where the post falls within a scarce skills grouping

- 8.3.4.4 The experience of the employee requesting a counteroffer must be taken into account to ensure consistency within the organisation.
- 8.3.4.5 Where an internal employee receives an offer from another employer a more senior post in the Stellenbosch Municipality may be considered provided that:
- a) The more senior post is vacant
  - b) The employee has the necessary qualifications for the more senior position
  - c) No other employee in the organisation can lay claim to the senior post through natural career pathing.
- 8.3.4.6 The Municipal Manager, on advice from the relevant Director retains the discretion whether to consider a counteroffer to the affected employee or not.
- 8.3.4.7 No employee should have any expectations of receiving a counter offer from the municipality.
- 8.3.4.8 The higher salary notch should as a rule match the offer received and not be more than 2 (two) notches higher than a proven salary offer received from the other employer or what the employee is currently earning.
- 8.3.4.9 Where an employee applies for a more senior position in the Municipalities' staff establishment, but earns more than the top notch of the salary scale at which the post has been advertised such employee may be allowed to retain the current salary personal to incumbent. No notch increases will apply in such instance. When such post is evaluated and the salary falls in the scale, so evaluated, the employee be put on the nearest highest notch with implementation of the evaluation result.

#### **8.4 Remuneration negotiations**

- 8.4.1 The Municipality is also from time to time confronted with situations where a new applicant requests to negotiate his/her salary for the post. In the negotiation process, the impact the negotiated salary will have on other employees in the organisation, and possible precedents that are set must be taken into account.
- 8.4.2 When employees are appointed it is done on the basis of the first notch of a salary scale applicable to the post. It often happens that candidates request to negotiate their salaries and provide proof of their previous remuneration.
- 8.4.3 The negotiations in terms of salary should be initiated by the candidate in writing within 5 days of receipt of the employment offer. In

considering alternative offers the following principles must/may be considered: years of experience; other employees in the organisation doing the same job etcetera

8.4.4 The higher salary notch should as a rule match the offer received and not be more than 2 (two) notches higher than a proven salary offer received from the other employer or what the employee is currently earning.

8.4.5 Posts are advertised reflecting the minimum and maximum notches of the salary range/ salary band associated with the post (as evaluated through job evaluation or based on a benchmark where the post is not evaluated yet) to avert unrealistic earning expectations. All salary offers are made in consultation with the Director Corporate Services

## **8.5 Additional allowances**

8.5.1 Additional responsibility allowances are paid when an employee takes on additional duties or responsibilities of a higher graded post for a limited period of time as per the additional allowance policy.

8.5.2 An individual would receive an additional responsibility allowance if they are asked to:

- a. Undertake part of the duties and responsibilities of a higher graded post for a continuous period which would normally be for a minimum of four (4) weeks and a maximum of six (6) months.
- b. Criteria to qualify for an additional responsibility allowance:

8.5.3 Taking on a % of the duties and responsibilities of the higher post in the event that the higher post is vacant or the incumbent is on extended sick leave/maternity leave/special leave and the employee cannot act in the post;

## **9 Appointment contract**

**9.1.1.** The employment contract of a person must include, subject to applicable labour legislation, details of –

- a) the remuneration, benefits and other terms and conditions of employment of the employer and employee.
- b) include a provision for cancellation of the contract, in the case of non-compliance with the employment contract or a performance agreement; and
- c) be subject to the provisions of the values and principles referred to in Section 50, the Code of Conduct set out in Schedule 2 in the Systems Act.



## 9.1.2. Appointment of employees to posts on a temporary basis

### 9.1.2.1. Advertisement

Refer to clause 6.2.4 above and 9.1.2.2 below

### 9.1.2.2. Selection

- Appointment of a temporary employee(s) must be consistent with the Recruitment and Selection Policy.
- Appointment must be in line with the inherent requirements as per advertisement.
- Appointments must be in line with employment equity requirements, unless no suitable candidate are available or the post needs to be filled on an urgent basis.
- Will be required to sign an agreement; and
- In addition to an employment contract, committing themselves to full participation in the educational and workplace assignments in accordance with policies and procedures.
- The employer may utilise the jobseeker's database (EPWP inclusive) for selection;
  - The person must be unemployed at the time of inclusion on the data base and when the opportunity becomes available;
  - The person must be a South African citizen;
  - The person must be a resident of the Stellenbosch Municipality area;
  - The person must be of a legally employable age;
  - The person must be physically fit to work in relation to requirements of position;
  - Selection from the database is not a guarantee of employment;

9.1.2.3. The department who request a temporary appointment must provide a written motivation indicating the operational reasons for the temporary appointment. The motivation must indicate the post on the organogram as well as the cost centre from which the appointment will be financed.

- 9.1.2.4. The motivation must be signed by the relevant Director of the directorate in which the appointment is requested and must be submitted to HR. HR must obtain the input from the Director: Corporate Services before submitting it to the Municipal Manager for approval;
- 9.1.2.5. Temporary appointments for less than three (3) months may be done from the previous shortlists (not older than 6 months) or the jobseekers database provided they meet the minimum requirements for appointment and are unemployed at that date;
- 9.1.2.6. When making temporary appointments for more than three (3) months the candidates will be interviewed before appointing the preferred candidate(s).
- a) The Human Resources section will contact the candidates selected by the department to enquire on their availability and invite them for a departmental interview;
  - b) A member of HR will oversee the process and keep record of the proceedings;
  - c) HR will inform the recommended candidate and offer him/her the temporary position and ensure that necessary paperwork is completed after approval of appointment by the Municipal Manager; and
  - d) No person may start work without
- 9.1.2.7. All temporary appointments must comply with the provision set out in section 198B of the LRA if the contract is to run for more than three months and above the determined threshold.
- 9.1.2.8. In exceptional circumstances the department may motivate for the renewal or extension of the temporary employment contract of a specific temporary employee; and
- A recommendation will be provided by the Director to the Municipal Manager or delegated authority for approval.
  - The trade unions must be informed of the recruitment process days prior to the interviews and a representative of each union may attend the process as an observer

## **9.2. Appointment to a permanent position**

- 9.2.1. The Recruitment and Selection section must present every newly appointed employee with a letter of appointment, signed by the Director: Corporate Services or his/her nominee not later than the day on which she/he starts working in terms of section 29 of the Basic Conditions of Employment Act 1997.
- 9.2.2. Whenever any of the details contained in such a letter change the Human Resources Services must inform the employee in writing of such changes.
- 9.2.3. In the event of an employee that cannot read Recruitment and Selection must explain the content of such letter and any amendment thereof to every such employee in a language that she/he understands.

## **9.3. Probation**

- 9.3.1.1. The appointment of a person as per this policy shall be effective on a probationary period of six months that can be extended to a maximum probationary period of 12 months.
- 9.3.1.2. The probationary period shall be determined on the basis of the complexity of the job and the minimum period required to establish whether performance is satisfactory or not.
- 9.3.1.3. The Municipal Manager or his or her delegate shall –
  - a) inform the staff member within the first two weeks of employment of that member's performance requirements
  - b) ensure that the staff member completes the Municipality's induction programme; and
  - c) assess the staff member's performance and provide the staff member with feedback on a quarterly basis on that member's performance.
- 9.3.1.4. If a staff member's performance is not satisfactory, the Municipal Manager or his or her delegate shall advise the staff member of any aspects that the staff member is considered to be failing to meet the required performance standards.
- 9.3.1.5. If the Municipal Manager or his or her delegate believes that the staff member's performance does not meet the required standards, he or she may extend the probationary period or dismiss the staff member, provided that –
  - a. the staff member shall first be given a reasonable period

- of time for assessment, training, guidance or counselling;  
and
- b. the staff member's performance continues to be unsatisfactory after a reasonable period has been given to the staff member to improve his or her performance.

- 9.3.1.6. Notwithstanding clause 9.3.1.1, the Municipal Manager or his or her delegate may extend the probationary period by a period not exceeding six months, in order to afford the Municipality an opportunity to further assess the staff member's performance.

Within one month after the completion of the probationary period, the Municipal Manager or his or her delegate shall –

confirm the appointment if –

- a. the staff member's performance during the probationary period was satisfactory; and
- b. the staff member complied with all the conditions of the probationary appointment.

subject to the Labour Relations Act, terminate the appointment if –

- a. the staff member's performance was not satisfactory during the probationary period; and
- b. the staff member did not comply with all the conditions of the probationary appointment.

#### **9.4. Promotion**

- 9.4.1. A staff member who is appointed in accordance with this chapter to a post in a municipality that is higher in salary level or job grade than the one that he or she previously occupied in that municipality is deemed to be promoted to that post.

- 9.4.2. A staff member who is promoted does not forfeit his or her years of service and the benefits which accrued from those years of service.

#### **9.5. Transfer of staff**

- 9.5.1. A municipality may transfer any staff member in the service of that municipality to any equivalent post in the municipality or, subject to section 197 of the Labour Relations Act, to an equivalent post in another municipality.

- 9.5.2. A staff member may only be transferred—

- a) if the staff member requests or consents, in writing, to the transfer; or
- b) in the absence of consent, if the transfer is fair taking into consideration—
- c) the operational requirements of the affected institutions, including whether the transfer of the staff member would address such requirements;
- d) written representations from the staff member prior to the proposed transfer; and
- e) the extent to which the interests and circumstances of the staff member may be fairly accommodated.

9.5.3. The salary and other conditions of service of a staff member may not be adversely affected by a transfer under this regulation without the written consent of that staff member.

9.5.4. A staff member may not be demoted, promoted or transferred to a position at a level which is lower or higher than the staff member's current post level.

## **9.6. Secondment of staff to another municipality**

9.6.1. A municipality may second a staff member with the relevant competencies to act in a post that is vacant in another municipality.

9.6.2. The municipalities must conclude a written agreement regarding the secondment that specifies—

- a) the municipality responsible for the costs of secondment;
- b) the duration of the secondment, which may not exceed a period of twelve months;
- c) the person to whom the seconded staff member must report;
- d) the place at which the seconded staff member must work; and
- e) the new job description of the seconded staff member.

## **9.7. Secondment of other government employees to municipality**

9.7.1. A municipality may request national or provincial government, another municipality, or any state organ as the case may be, to second a person with the relevant competencies to act in a vacant post for a specified period or until such time that a suitable candidate has been appointed.

9.7.2. The municipality must inform the MEC of any such secondment and the terms and conditions associated with that secondment.

## **9.8. Acting appointment**

- 9.8.1. An acting appointment may be made to a funded post in order to ensure that the disruption of services is minimized.
- 9.8.2. A staff member who is acting in a higher post in the same municipality must continue to perform the duties of the post that the staff member ordinarily occupies during the acting period.
- 9.8.3. A person acting in a higher post has no right or expectation to be appointed to that post.
- 9.8.4. A staff member may only act in a post that is equivalent to or one reporting level higher than the post that the staff member ordinarily occupies.
- 9.8.5. The appointment to act in a post must be with the consent of the staff member; in writing; and authorized.
- 9.8.6. The staff member appointed to act must have the requisite competencies to be able to perform the duties associated with the post.
- 9.8.7. A person may only be appointed in an acting position for a period not exceeding three months.
- 9.8.8. The municipal manager, or delegate, may extend the period for a further period of three months, if there is a justifiable reason to do so.
- 9.8.9. Any further extensions shall not exceed a period of nine consecutive months.
- 9.8.10. The performance of a staff member appointed to act in a post must be assessed in terms of these Regulations

## **10. Induction**

- 10.1. All permanent appointments will be subjected to a induction process through Human Resources. This can be done at a venue with the providers physically there or via a virtual medium if necessary.
- 10.2. The Recruitment and Selection Section shall ensure, in conjunction with the incumbent, that all appointment documentation has been completed and processed.
- 10.3. The Recruitment and Selection section will arrange a tour /explanation for the new incumbent of the range of services.

- 10.4. The Directorate will explain and provide a copy of the job description relating to the new employee's specific position / job function (line management is expected to conduct a full job orientation).
- 10.5. The Recruitment and Selection section will also explain and provide a copy of the Councils Human Resources Policy and Procedure Manual.
- 10.6. The Directorate is responsible for the induction of each employee in his/her department in order to familiarise the employee with the department in which he/she has been appointed.

## **11. Relocation of Newly Appointed Employees**

- 11.1 The Municipality shall pay 100% of an employee's cost (excluding VAT) of moving from his/her current residence on his or her appointment at Stellenbosch Municipality, but excluding any packing and packaging cost, as indicated on the cheapest of the quotations, regardless of the quotation the employee accepts.
- 11.2 The employee must obtain three written quotations for the relocation of that employee's household and appoint a removal company to relocate her/his household goods. The written quotations obtained by the employee must be attached to her/his claim for reimbursement.
- 11.3 The employee must reimburse the full amount of the costs to the Municipality if her/his employment with the Municipality is terminated for whatever reason within one year after the relocation claim had been paid. If an employee's service are terminated before two years have been completed the employee must reimburse 50% of the moving costs.

## **12. DEVIATION**

The Municipal Manager may deviate from the provisions of this policy on good cause shown.

## **13. IMPLEMENTATION AND MONITORING**

This policy will be implemented and effective once approved by Council.

## **14. COMMUNICATION**

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

## **15. RECORD KEEPING**

Adequate records of the entire selection process need to be maintained, including selection and shortlisting criteria; reasons for inclusion/exclusion of candidates; structured interview guide; copies of all other assessments utilised; comprehensive notes on assessment of each candidate; assessment ratings; reference checks. As in the recruitment process, these records need to be maintained as per the Archive legislation and record management schedules.

## **16. DISPUTE RESOLUTION**

Unsuccessful candidates shall utilise the mechanisms of the Labour Relations Act to address any unhappiness about an appointment made.

## **17. POLICY REVIEW**

This policy will be reviewed every two years or as necessary.

\* Archive legislation: Unsuccessful candidates – 1 year, hortlisted and unsuccessful - 5 years



<b>7.3.3</b>	<b>REVISED OVERTIME AND STANBY POLICY FOR STELLENBOSCH MUNICIPALITY</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

08 June 2022

**1. SUBJECT: REVISED OVERTIME AND STANBY POLICY FOR STELLENBOSCH MUNICIPALITY**

**2. PURPOSE**

To request Council's approval of the consulted Revised Overtime and Standby Policy.

**3. DELEGATED AUTHORITY**

The delegated authority for approval of this policy is Council.

**4. EXECUTIVE SUMMARY**

The Revised Overtime and Standby Policy is intended to guide management on the principles that apply in the instance of work performed by employees. The policy is furthermore aimed at regulating and maintaining cost effectiveness for the Stellenbosch Municipality particularly considering the fact that the payment of overtime although operationally required, is more expensive than actually performing the work during office hours.

During 2018 the previous policy was revised and replaced with a new policy that respectively served before MAYCO and Council on the 09<sup>th</sup> and 28<sup>th</sup> of November 2018. Clause 5 of the existing 2018 Overtime Policy requires for the policy to be revised bi-annually.

The Overtime Policy was not reviewed as there was no need for same at the time. Due to the new earnings threshold and the Municipality's decision to further restrict overtime, the policy was referred to the Human Resources Development Sub-Committee and was discussed at the meetings of 30 August 2021. The final Revised Overtime and Standby policy was discussed at the LLF on 25 April 2022 where agreement was reached to support the policy and recommend it to MAYCO and Council for approval.

**5. RECOMMENDATIONS**

- (a) that Council note the consultation process followed in the LLF with the trade unions over the period 30 August 2021 to 25 April 2022; and
- (b) that the Revised Overtime and Standby Policy (2022) be approved by Council.

**6. DISCUSSION / CONTENTS**

**6.1 Background**

Overtime is regulated by the Conditions of Service Collective Agreement for the Western Cape Division of the SALGBC but also Section 10 of the Basic Conditions of Employment Act 75 of 1997, as amended

Only employees below the earnings threshold set by the Minister of Labour, is entitled to paid overtime unless such employee is on standby and then called out for emergency

work. Currently that earnings threshold falls at the top notch of Grade 9. The current earnings threshold is R224 080.48.

The initial overtime and standby policy guidelines were approved during 2008/2009 and the revised policy was again submitted during 2012. The 2012 overtime policy was reviewed and replaced with a new overtime policy that was approved by Council on the 09 and 28 November 2018 respectively.

## **6.2 Discussion**

Overtime and the payment of same are regulated in terms of the Conditions of Service Collective Agreement for the Western Cape Division of the SALGBC but also Section 10 of the Basic Conditions of Employment Act 75 of 1997, as amended.

The working of overtime is subject to very strict control measures and therefore only staff in a supervisory capacity who has been given written permission by his / her Director, shall be entitled to approve the performance of any overtime by subordinates.

Due to the new earnings threshold and the Municipality's intention to further restrict overtime the 2018 policy was referred to the Human Resources Development Sub-Committee and was discussed at the meetings of 30 August 2021, 06 September 2021 and 20 January 2022 at which stage it was agreed that the final draft Revised Overtime and Standby Policy may be submitted to the LLF.

The item was referred back to the Human Resources Development Sub-Committee at the LLF of 28 March 2022 for the recordings to be checked with reference to the resolution made by the sub-committee. The Human Resources Development Sub-Committee then met on the 11<sup>th</sup> of April 2022 where it was resolved that both the Employer and Employee component will obtain mandates pertaining to the amendment made in Clause 6.5.6.2 of the Revised Overtime and Standby Policy and will submit those mandates for discussion at the LLF of April 2022. The final Revised Overtime and Standby policy was discussed at the LLF on 25 April 2022 where agreement was reached on the amendment to Clause 6.5.6.2 and the policy was accepted and recommended to MAYCO and Council for approval.

## **6.3 Financial Implications**

As per approved budget.

## **6.4 Legal Implications**

The provision of this policy is in line with legislative provisions and collective agreements of the SALGBC and SALGA guidelines.

## **6.5 Staff Implications**

Staff will be appropriately remunerated for overtime or may receive time off for working longer hours to complete work related requirements.

## **6.6 Previous / Relevant Council Resolutions:**

The previous revised overtime policy was approved by Council on 09 and 28 November 2018.

**6.7 Risk Implications**

Approval of the policy will minimize risks as there will be set guidelines or rules on when overtime can be work and whether same will be payable or time off granted.

**6.8 Comments from Senior Management:**

The final draft served at the Director's meeting and the policy is supported.

**ANNEXURES****Annexure A: Revised Overtime and Standby Policy for Stellenbosch Municipality****FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<i>Annalene De Beer</i>
<b>POSITION</b>	<i>Director Corporate Services</i>
<b>DIRECTORATE</b>	<i>Corporate Services</i>
<b>CONTACT NUMBERS</b>	<i>021 – 808 8018</i>
<b>E-MAIL ADDRESS</b>	<a href="mailto:Annalene.Debeer@stellenbosch.gov.za">Annalene.Debeer@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	<i>31 May 2022</i>

# **ANNEXURE A**



# STELLENBOSCH

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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

## OVERTIME AND STANDBY POLICY 2022

### 1. Preamble

The Municipality acknowledges that overtime work is a necessary element of service delivery and thereby make necessary arrangements for employees to access the benefit. The policy does not take precedence over any collective agreement which may be in force at the time of its approval. The Municipality will apply for exemption in regard to any provisions that are not in line with any applicable collective agreements.

### 2. Purpose

This policy serves to guide management regarding overtime worked and payment thereof, as required by the Basic Conditions of Employment Act. Where employees earn above the threshold set for payment of overtime, the employer will provide time of in lieu of overtime worked as indicated in this policy. All personnel must be made aware that even though overtime work is needed to adhere to operational requirements, payment thereof is more expensive than actually performing the work during office hours. It is important to note that the cost implication for Council must be taken into consideration when overtime is authorized.

### 3. Definitions

- 3.1 "Overtime" means the time that an employee works during a day or a week in excess of ordinary hours of work, as defined in the Basic Conditions of Employment Act and the Collective Agreement on Conditions of Service. A full day's work (8 hours) must first be worked before such employee is eligible for overtime. This excludes staff that work shifts and are required to stand in for another person who did not come in for his/her shift. People who are called out to cover a shift will be paid overtime.
- 3.2 "Emergency work" refers to work that must be done without delay because of circumstances for which the employer could not reasonably have been expected to make provision and which cannot ~~not~~ be performed by employees during their ordinary hours of work. Emergency work excludes the performance of routine maintenance work outside normal working hours.
- 3.3 "Senior Manager" means a municipal manager, manager directly accountable to the Municipal Manager, appointed in terms of the applicable legislation, and includes an acting Municipal Manager or Acting Manager directly accountable to the municipal manager appointed in terms of section 56 of the Act referred to as Directors of Stellenbosch Municipality.

- 3.4 "Operational employee(s)" refers to all employees up to and including T13 (skill level 3)
- 3.5 "Managerial Employee(s)" refers to all employees on T14 and above
- 3.6 "Shift worker", is an employee engaged in a scheduled continuous process which activity is deemed to be one in which continuous working by means of daily shifts is necessary.
- 3.8 "Standby" means when an employee is requested by written instruction to be available for duty after working hours to deal with emergency situations.

## 4. Policy

### Legal framework

- Constitution of the Republic of South Africa Act 108 of 1996
- Municipal Systems Act 32 of 2000
- Municipal Structures Act 117 of 1998
- Municipal Finance Management Act 56 of 2003
- Labour Relations Act 66 of 1995
- Employment Equity Act 55 of 1998
- Local Government: Regulations on the appointment and conditions of employment of Senior Managers, dated 17 January 2014
- Local Government: Municipal Staff Regulations, 2016 (issued in terms of Section 72, read with Section 120 of the Municipal Systems Act 32 of 2000)
- Local Government: Guidelines for the Implementation of the Municipal Staff Regulations, 2016 (issued in terms of Section 72, read with Section 120 of the Municipal Systems Act 32 of 2000)
- Basic Conditions of Employment Act 75 of 1997 amended in 2005 (BCEA)South African Local Government Bargaining Council Main Collective Agreement
- Western Cape Conditions of Services Collective Agreement
- Any other legislation requiring that certain work be done within a prerequisite time:
  - Electricity Regulation Act with reference to NRS 047 and 048
  - Water Services Act
  - National Environmental Management Act
  - Occupational Health and Safety Act

## 5. Scope and application

This policy document shall apply to all employees appointed by the Stellenbosch Municipality excluding EPWP employees or employees working on a specific project.

## 6. POLICY PROVISIONS

### 6.1 Remunerated Overtime

6.1.1 Remunerated overtime is calculated on the basis of hours worked in excess of

prescribed working hours.

- 6.1.2 Duty performed by an employee during a period of any leave is not considered for purposes of the payment of remunerated overtime.

## 6.2 Calculation of Overtime Payment

- 6.2.1 Mondays to Saturdays - 1½ x normal pay calculated on an hourly rate.
- 6.2.2 Sundays and Public Holidays – 2 x normal pay calculated on an hourly rate. An employee who normally works shifts on a Sunday will be remunerated according to the provisions in the BCEA.
- 6.2.3 The normal amount paid towards shift work will be the average hours worked in a month

## 6.3 Conditions for Remunerated Planned Overtime

- 6.3.1 Employees shall not be required or permitted to work planned overtime for a period exceeding:
- 6.3.1.1 ten (10) hours a week (BCEA 10(b))
  - 6.3.1.2 Three (3) hours on any working day (BCEA 10(1A))
  - 6.3.1.3 This provision excludes employees earning above the threshold as determined by the Minister from time-to-time and must be read with the Western Cape Conditions of Service Collective agreement (BCEA 6(31).
- 6.3.2 No employee shall perform planned overtime before the relevant person with delegated authority has granted the necessary approval in writing on a prescribed pre-approval form.
- 6.3.3 Employees that earn above the top of the notch of the T scale within which the earnings threshold falls shall be granted time off, based on one hour for every hour worked.
- 6.3.4 Employees earning less than the overtime earnings threshold provided for in the Basic Conditions of Employment Act as amended, will, subject to the provisions of this policy, be remunerated for planned overtime, in line with the Basic Conditions of Employment Act.

## 6.4 Standby

- 6.4.1 Only Employees who have been pre-approved to do standby work may do Emergency Standby. Employees who must perform overtime duty will be on standby (up to T13) and will not be required to obtain prior approval unless they have already performed 60 hours emergency overtime in the month.

- 6.4.2 The time off will be granted on the basis of one hour for every hour worked to employees who are not on standby but is required to attend to the emergency work.
- 6.4.3 IN exceptional situations where an employee earning above the threshold is placed on standby the Director must motivate the necessity for such standby to the Municipal Manager who must approve the standby.
- 6.4.4 Employees' currently above T13 whose post graded on T13 and lower will be placed on standby using their post gradings, thus standby and overtime will be paid against the salary of the post grade and not the salary of the employee.

## 6.5 **Overtime in regard to Emergency Work**

- 6.5.1 This type of overtime occurs unexpectedly where work must be done immediately and cannot wait till the next working day.
- 6.5.2 When employees not on standby is required to work overtime the Director must authorise such overtime verbally prior to performing such work and follow it up in writing. Payment for the overtime will either be time of in lieu of overtime worked or paid overtime if authorised by the Municipal manager.
- 6.5.3 The relevant Senior Manager / Director shall be responsible for managing these hours.
- 6.5.4 Payment will be calculated as per clause 6.2 above.
- 6.5.5 Where overtime in emergency situations cause an employee to work past midnight on a day, the employee will be entitled to a break of at least 8 hours before the employee is required to report for normal duty, without negatively impacting on his salary.
- 6.5.6 An employee shall not be allowed to claim overtime unless the relevant Director has ensured that the reasons for non-compliance with the below indicated conditions are reported to the Human Resources Management Department when a claim form for such hours is submitted. The Municipal Manager must approve such deviation from conditions:
  - 6.5.6.1 An employee may not book overtime for Sunday if the emergency was reported on Saturday and not attended to on the Saturday.
  - 6.5.6.2 If an employee took vacation, sick or special leave on a Friday **more than once in six months**, that employee shall not be allowed to claim overtime for either the Saturday or Sunday.

## 6.6 **Time off in-lieu of overtime worked**

- 6.6.1 Time off in lieu of overtime worked shall be granted to employees earning above the threshold, who is not on standby and whose overtime was approved by the municipal manager or who worked planned overtime.



- 6.6.2 Application for time off in lieu of overtime worked shall be done on the prescribed application form.
- 6.6.3 Time off in lieu of overtime worked must be taken within 3 months from date of accrual. Time off not taken within 3 months will be forfeited. This 3-month period may, for operational reasons, be extended to a maximum of 6 months by the Municipal Manager or his/her delegate.
- 6.6.4 Time off in lieu of overtime worked cannot be encashed and compulsory leave must still be taken irrespective of time of in lieu of overtime worked.

## **7. General**

- 7.1 The following information shall be provided when an application for overtime is submitted for approval:
  - 7.7.1 The circumstances that necessitated the performance of the overtime duty where the employee was not on standby.
  - 7.7.2 The names and ranks of the employees who will be required to perform overtime duty.
  - 7.7.3 The duration of the planned overtime duty.
  - 7.7.4 Specific indication about the responsible manager who shall supervise the remunerated overtime.
  - 7.7.5 Overtime work is subject to the provisions of the Basic Conditions of Employment Act as amended, the Collective Agreement on Conditions of Service: Western Cape Division and the provisions of this policy. In case of conflict between this policy and the provisions of the Basic Conditions of Employment Act as amended, the provisions of the Act will prevail.
  - 7.7.6 An employee may not be required or permitted to work planned overtime for a longer period than 10 hours during any working week, these hours may only be increased to 15 hours by means of an agreement between the employee and the employer.
  - 7.7.7 An employee may not work more than 12 hours on any working day (normal + overtime hours), except in case of work related to emergency situations and employees performing essential services.
  - 7.7.8 Only officials with delegated authority may approve overtime work and
  - 7.7.9 Overtime can only be claimed for actual hours worked and exclude travelling time except for standby staff. Overtime for the latter group starts from the time of call out.
  - 7.7.10 No overtime will be paid for attendance of functions/prize giving, etc. and/or by personal invitation.
  - 7.7.11 Should an employee who is appointed on a part-time or 5/8th basis be required (and agree) to work overtime, payment or time off in lieu of overtime worked would only be affected after 5 hours worked on that specific day. The hours

worked in excess of such an employee's ordinary working hours will be paid at straight time up to 5 hours and only thereafter at overtime rates.

- 7.7.12 If an employee is granted time off it cannot be converted to normal leave.
- 7.7.13 Each Director is responsible and accountable to constantly monitor and review the provisions for overtime on his/her budget and to ensure that trends are noted early; funds are adequate; justified and provided for timeously.
- 7.7.14 Attendance registers, time sheets and overtime approval forms, which should indicate dates, starting and ending times, must be kept at source for three years in respect of all employees who qualify for overtime payment or time off in terms of this policy. Attendance registers/time sheets serve as source documents to complete overtime sheets.
- 7.7.15 Overtime forms must be submitted monthly before the 10th of the month to the Remuneration Section. Forms that are not submitted within 1 month after overtime worked must be supported with valid reasons for the late submission.
- 7.7.16 The following information shall be provided when an application for overtime is submitted for approval:
  - 7.7.16.1 The circumstances that necessitated the performance of the overtime duty where the employee was not on standby.
  - 7.7.16.2 The names and ranks of the employees who will be required to perform overtime duty.
  - 7.7.16.3 The duration of the overtime duty.
  - 7.7.16.4 The estimated expenditure and total hours on the planned overtime duty,
  - 7.7.16.5 Specific indication about the responsible manager who shall supervise the remunerated overtime, if authorised.

## 8. Deviation

The Municipal Manager is authorised or may deviate from the provisions of this policy in line with Legislation, Collective Agreements and the approved system of delegation based on operational requirements.

## 9. Policy Review

This policy shall be reviewed every second year or as and when the need arises and replaces any other policy relating to overtime and standby.

Pre-approval forms/ timesheets/ standby rosters to be standardized and updated as and when required.

<b>7.4</b>	<b>FINANCIAL SERVICES: (PC: CLLR P JOHNSON)</b>
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<b>7.4.1</b>	<b>APPROVAL OF DEBT AGREEMENT</b>
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Collaborator No: 730948  
 IDP KPA Ref No: Good Governance  
 Meeting Date: 08 June 2022

**1. SUBJECT: APPROVAL OF DEBT AGREEMENT**

**2. PURPOSE**

To obtain Council's approval for the raising of an external loan in terms of Section 46 (2) of the Municipal Finance Management Act (Act No 56 of 2003).

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

During March 2022 an advertisement was placed inviting interested parties to make submissions regarding the financing of the proposed loan of R144 million. Submissions were received from 6 authorised financial institutions:

- (a) Development Bank of Southern Africa (DBSA);
- (b) ABSA Bank;
- (c) Nedbank;
- (d) Standard Bank
- (e) First National Bank (FNB); and
- (f) INCA

After due process, in terms of the municipality's approved Supply Chain Policy, the offer of *Standard Bank for the term of 10 years*, was adjudicated by the Bid Adjudication Committee and approved by the Municipal Manager as being the most favorable for Council.

**5. RECOMMENDATIONS**

- (a) that Council approves the debt agreement as stipulated in **APPENDIX 1**; and
- (b) that the Municipal Manager be mandated to enter into a loan agreement with Standard Bank.

**6.1 Background**

that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R144 millions.

**6.2 Discussion**

The following infrastructure projects, as included in the capital budget and approved by Council on 26 May 2021, requires external loan funding, but it can possibly be used on other capital items as well:

<b>Projects</b>	<b>External Funding Amount</b>
Expansion of the landfill site (New cells)	2 000 000
Landfill Gas To Energy	2 000 000
Transfer Station: Stellenbosch Planning and Design	1 000 000
Alternative Energy	15 000 000
Electricity Network: Pniel	3 500 000
General System Improvements - Franschoek	2 000 000
General Systems Improvements - Stellenbosch	3 451 000
Infrastructure Improvement - Franschoek	1 500 000
Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units	12 392 036
Laterra Substation	2 000 000
System Control Centre & Upgrade Telemetry	94 406
Bulk water supply Klappmuts	11 893 709
Bulk Water Supply Pipeline & Reservoir - Jamestown	500 000
New Reservoir & Pipeline: Vlotenburg	7 000 000
New Reservoir Rosendal	11 396 840
Reservoirs and Dam Safety	500 000
Water Conservation & Demand Management	3 000 000
Waterpipe Replacement	5 693 042
Upgrade of WWTW Wemmershoek	25 078 967
Upgrade of WWTW: Pniel & Decommissioning Of Franschoek	34 000 000

**6.3 Financial Implications**

The total estimated cost of the borrowing over the repayment period is disclosed in the table below.

<b>DESCRIPTION</b>	<b>10 YEAR TERM</b>
Capital	R144 000 000
Interest	R 75 303 153
<b>Total</b>	<b>R 219 303 153</b>

**6.4 Legal Implications**

In terms of Section 160(2) of the Constitution, a Council may not delegate the function to raise a loan. Section 160(3) stipulates that any decision regarding the raising of a loan must be taken by Council with the supporting vote of the majority of its members.

The procedures to be followed in order to raise a loan, is stipulated in Section 46 of the Municipal Finance Management Act (MFMA). According to Section 46 of the MFMA, the following procedures must be followed:

s.46(2)(a) A Council resolution must be obtained to approve the debt agreement. The Mayor must then sign such a resolution.

s.46(3)(a) The Accounting Officer (Municipal Manager) must sign the Debt Agreement.

s.46(3)(a) An information statement must be made public 21 days prior to the Council meeting. The public, National Treasury and the Provincial Treasury must be invited to submit written comments in respect of the proposed loan.

**Comment:** A copy of the information statement is attached as **APPENDIX 2** and was published in the Eikestadnuus. In the information statement the public was invited to submit written comments in respect of the proposed loan. National Treasury and the Provincial Treasury were invited by letter to submit their comments in respect of the proposed loan. S46(3)(b) The information statement must be submitted to Council at least 21 days prior to the Council meeting at which Council is to consider taking up the loan.

**Comment:** The information statement, as well as other supporting documentation, was distributed to each individual councillor on 19 May 2022.

The closing date for comments was 9 June 2022 and all comments received will be distributed and included for Council's consideration.

#### 6.5 **Staff Implications**

This report has no staff implications to the Municipality.

#### 6.6 **Previous / Relevant Council Resolutions:**

Council approved the external loan funding at the Council meeting held on 26 May 2021.

#### 6.7 **Risk Implications**

This report has no risk implications for the Municipality.

#### 6.8 **Comments from Senior Management:**

##### 6.8.1 **Municipal Manager:**

Agree with the recommendations

#### FOR FURTHER DETAILS CONTACT:

<b>NAME</b>	Monique Steyl
<b>POSITION</b>	Senior Manager: Financial Management Services
<b>DIRECTORATE</b>	Financial Services
<b>CONTACT NUMBERS</b>	021 808 8512
<b>E-MAIL ADDRESS</b>	Monique.Steyl@stellenbosch.gov.za
<b>REPORT DATE</b>	02 June 2022

# APPENDIX 1

**TERM LOAN AGREEMENT**

by and between

**THE STANDARD BANK OF SOUTH AFRICA LIMITED**

and

**STELLENBOSCH MUNICIPALITY**

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**ANNEXURES**

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Annexure A      NOTICE OF DRAWDOWN



## 1. PARTIES

The parties to this agreement are:

- 1.1 The Standard Bank of South Africa Limited; and
- 1.2 Stellenbosch Municipality.

## 2. DEFINITIONS

2.1 In this Agreement, unless clearly inconsistent with or otherwise indicated by the context:

- 2.1.1 **Agreement** means this agreement, together with all appendices hereto and letters and notices given in terms hereof from time to time, all read together;
- 2.1.2 **Bank** means The Standard Bank of South Africa Limited (Registration Number 1962/000738/06), a public company duly incorporated with limited liability according to the company laws of South Africa and its successors in title and assigns;
- 2.1.3 **Borrower** means Stellenbosch Municipality, a municipality established in accordance with the Local Government: Municipal Structures Act 117 of 1998 and the municipal laws of South Africa;
- 2.1.4 **Borrower's Loan Account** means the loan account in the Borrower's name in the Bank's books in respect of the Loan Facility;
- 2.1.5 **Business Day** means a day other than a Saturday, Sunday or proclaimed public holiday in South Africa;
- 2.1.6 **Calendar Month** means a full calendar month in any year, namely, January, February, March, April, May, June, July, August, September, October, November and December;
- 2.1.7 **Collateral** means any security, indemnity or undertaking provided to the Bank to secure the Borrower's payment and other obligations in terms of this Agreement;
- 2.1.8 **Collateral Provider** means each person or entity who is to provide Collateral to the Bank in respect of the due performance by the Borrower of its payment and other obligations in terms of this Agreement;
- 2.1.9 **Early Repayment** means any payment made by the Borrower in advance and in addition to the repayment set out in 8 of this Agreement, as part payment of the Loan Facility;
- 2.1.10 **FICA** means the Financial Intelligence Centre Act 38 of 2001;
- 2.1.11 **Group** means Standard Bank Group Limited, its subsidiaries and their subsidiaries;
- 2.1.12 **Indebtedness** means the total balance of the capital amount outstanding on the Loan Facility plus any interest, fees and costs in respect of the Loan Facility which are owed by the Borrower to the Bank from time to time;
- 2.1.13 **Limit** shall have the meaning ascribed to it in clause 5;
- 2.1.14 **Loan Facility** means the term loan facility referred to in this Agreement;
- 2.1.15 **Margin** means:
  - 2.1.15.1 1.79% (one point seven nine percent) per annum in respect of Option 1; or
  - 2.1.15.2 1.9% (one point nine percent) per annum in respect of Option 2;
- 2.1.16 **Material Adverse Event** means any event, circumstance or matter or combination of events, circumstances or matters which, in the reasonable opinion of the Bank, has or may have a material adverse effect on the:
  - 2.1.16.1 business, assets, operations, property or financial condition of the Borrower taken as a whole;
  - 2.1.16.2 ability of the Borrower to perform its obligations in terms of this Agreement;
  - 2.1.16.3 ability of a Collateral Provider to perform its obligations in terms of the Collateral; or
  - 2.1.16.4 validity or enforceability of this Agreement or the Collateral or any other documents provided under this Agreement or the rights or remedies of the Bank thereunder;
- 2.1.17 **MFMA** means the Local Government: Municipal Finance Management Act 56 of 2003, including all schedules and regulations thereto;
- 2.1.18 **Option #1**, means the option referred to in clause 8.1.1;
- 2.1.19 **Option #2** means the option referred to in clause 8.1.2;8.1.1

- 2.1.20 **Parties** means the Bank and the Borrower and Party means any one of them as the context may indicate;
- 2.1.21 **Personal Information** means information about an identifiable, natural person and where applicable, a juristic person, including, but not limited to information about: race; gender; sex; pregnancy; marital status; nationality; ethnic or social origin; colour; sexual orientation; age; physical or mental health; well-being; disability; religion; conscience; belief; culture; language; birth; education; medical, financial, criminal or employment history; any identifying number, symbol, e-mail, postal or physical address, telephone number; location; any online identifier; any other particular assignment of the person; biometric information; personal opinions, views or preferences of the person or the views or opinions of another individual about the person; correspondence sent by the person that is implicitly or explicitly of a private or confidential nature or further correspondence that would reveal the contents of the original correspondence; and the name of the person if it appears with other personal information relating to the person or if the disclosure of the name itself would reveal information about the person;
- 2.1.22 **Prime Rate** means the publicly quoted variable base rate of interest per annum ruling from time to time at which the Bank lends on overdraft, available on the Bank's website: [www.standardbank.co.za](http://www.standardbank.co.za) (or as certified by any manager or business unit head of the Bank, whose appointment it shall not be necessary to prove and which certification shall be binding on the Parties absent manifest error);
- 2.1.23 **Process** means any operation or activity, automated or not, concerning Personal Information, including: alteration, blocking, collation, collection, consultation, degradation, destruction, dissemination by means of transmission, distribution or making available in any other form, erasure, linking, merging, organisation, receipt, recording, retrieval, storage, updating, modification, or the use of information; Processing and Processed will have a similar meaning;
- 2.1.24 **Rand** means the South African Rand, the currency of South Africa;
- 2.1.25 **Sanctioned** means listed on all or any one of the Sanction Lists or subject to any Sanctions;
- 2.1.26 **Sanction List** means the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the Department of Treasury of the United States of America or the United Nations Security Council list of persons or entities suspected to be involved in terrorist related activities or the funding thereof or any other list of Her Majesty's Treasury of the United Kingdom or the European Union's Common Foreign and Security Policy;
- 2.1.27 **Signature Date** means the date of signature of this Agreement by the Party signing last in time;
- 2.1.28 **South Africa** means the Republic of South Africa;
- 2.1.29 **Term** means either:
- 2.1.29.1 in respect of Option #1 the term referred to in clause 8.1.1; or
- 2.1.29.2 in respect of Option #2 the term referred to in clause 8.1.2
- 2.1.30 **VAT** means value added tax in terms of the Value Added Tax Act, 89 of 1991.
- 2.2 Any reference in this Agreement to legislation or subordinate legislation is to such legislation or subordinate legislation at the Signature Date and as amended or re-enacted from time to time.
- 2.3 Words importing the singular shall include the plural, and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and *vice versa*, and words importing natural persons shall include legal persons, and *vice versa*.
- 2.4 The head notes to the clauses to this Agreement are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.
- 2.5 If any provision in the definition clause is a substantive provision conferring rights or imposing obligations on a Party, then notwithstanding that such provision is contained in this clause, effect shall be given thereto as if such provision were a substantive provision in the body of the Agreement.
- 2.6 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.
- 2.7 Unless otherwise provided, defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 2.8 The words include and including mean include without limitation and including without limitation. The use of the words include and including followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.

- 2.9 When any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last day.
- 2.10 If the due date for performance of any obligation in terms of this Agreement is a day which is not a Business Day then (unless otherwise stipulated) the due date for performance of the relevant obligation shall be the immediately preceding Business Day.
- 2.11 Any reference in this Agreement which requires that the Bank exercise its discretion in respect of any matter stated herein shall mean that the exercise thereof shall be as determined by the Bank in its reasonable discretion.
- 2.12 When any condition of this Agreement requires fulfilment by the Borrower, or any information, evidence, proof or documentation is required to be furnished by the Borrower, such condition shall be required to be fulfilled and information, evidence, proof or documentation shall be required to be furnished, in a form and substance to the satisfaction of the Bank.
- 2.13 Unless the context indicates a contrary intention, any reference in this Agreement to material or materially shall mean material or materially as determined by the Bank in its reasonable opinion.
- 2.14 No provision of this Agreement shall (unless otherwise stipulated) constitute a stipulation for the benefit of any person (*stipulatio alteri*) who is not a Party to this Agreement.
- 2.15 The terms and conditions of this Agreement having been negotiated by the Parties, no provision herein shall be construed against or interpreted to the disadvantage of any Party by reason of such Party having or being deemed to have structured, drafted or introduced such provision.
- 2.16 Any reference in this Agreement to a specific requirement under the MFMA shall not derogate from or exclude the application of any provisions not specifically referred to herein.
- 3. LOAN FACILITY**  
The Bank has agreed to grant the Borrower the Loan Facility, on and subject to the terms and conditions hereinafter set out.
- 4. RANKING OF LOAN FACILITY**  
The Borrower represents, warrants and undertakes that the Loan Facility comprises senior debt and ranks at least equally with all other senior debt in terms of servicing, repayment and collateral rights and the claims of all of the Borrower's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.
- 5. LIMIT**
- 5.1 The aggregate amount to be advanced to the Borrower under the Loan Facility is R144,000,000 (one hundred and forty four million Rand) (**Limit**).
- 5.2 To the extent that a drawdown under the Loan Facility would cause the Limit to be exceeded, the Borrower shall not be entitled to make such a drawdown.
- 6. AVAILMENT AND PURPOSE**
- 6.1 The Loan Facility may only be utilised on fulfilment to the satisfaction of the Bank or waiver by the Bank of all the conditions precedent referred to in clause 11 and provided that drawdown must be made by the Borrower under the Loan Facility within 3 (three) months from the date of such fulfilment or waiver of all of the conditions precedent set out in clause 11, following which date, any unutilised portion of the Loan Facility shall be reduced by such unutilised amount. The Borrower shall be obliged to give the Bank prior written notice of a requested drawdown by not later than 11:00 am at least 2 (two) Business Days before the proposed date of drawdown in the form of **Annexure A** hereto.
- 6.2 The Loan Facility shall be utilised by the Borrower to fund the Borrower's capital expenditure projects as contemplated in section 46(1)(a) of the MFMA namely, infrastructure and vehicles as approved by the Borrower's Municipal Council for the Borrower's 2021/2022 financial year.
- 6.3 The Bank shall not, however, be under any obligation to verify or monitor that the Borrower will utilise the Loan Facility for the aforesaid purpose.
- 7. INTEREST**
- 7.1 The Loan Facility shall bear interest at the Margin above the Prime Rate per annum. The Margin is indicative and the Margin and the Prime Rate are subject to change. Any amendment to the Margin and/or Prime Rate will be advised by the Bank to the Borrower in writing on the date of first drawdown of the Loan Facility.
- 7.2 The interest payable by the Borrower is calculated on a nominal annual compounded monthly in arrears basis on the Indebtedness and is calculated on a 365 (three hundred and sixty five) day year, irrespective of whether it is a leap year.

- 7.3 The interest payable by the Borrower will be:
- 7.3.1 charged monthly in arrears;
- 7.3.2 debited to the Borrower's Loan Account on a date convenient to the Bank and shall be payable in accordance with clause 8.
- 7.4 The Bank may immediately amend the pricing structure of the Loan if there is a change in:
- 7.4.1 law or the issue of a directive with which the Bank must comply; or
- 7.4.2 market conditions resulting in an increasing cost to the Bank.
- 7.5 If the Bank amends the pricing structure of the Loan, it will advise the Borrower accordingly.

## 8. DURATION AND REPAYMENT

- 8.1 The capital and interest amount of the Loan Facility is to be repaid (**Repayments**) Borrower over either:
- 8.1.1 **Option #1:** a period of 10 (ten) years in 20 (twenty) equal bi-annual instalments; or
- 8.1.2 **Option #2:** a period of 15 (fifteen) years in 30 (thirty) equal bi-annual instalments, in terms of the Repayment schedule to be prepared by the Bank on receipt of the drawdown notice referred to in clause 6 and delivered by the Bank to the Borrower at the address set out clause 18.15.1.2 or 18.15.2.2.
- 8.2 The first Repayment shall be due on 31 December 2022 and shall thereafter be due and payable on the last business day of June and December of each and every succeeding year.
- 8.3 All Repayments pursuant to this Agreement shall be made by means of electronic funds transfer, in permanent reduction of the Loan Facility, into a bank account the details of which will be communicated to the Borrower in writing.
- 8.4 The Bank reserves the right in its sole discretion, to accept payment made other than by electronic funds transfer.
- 8.5 The Parties agree that the Repayment schedule will be amended by the Bank from time to time to cater for variations in the interest rate, changes in the interest period due to fluctuations in the interest calculations and/or in the event that the Bank becomes entitled to amend the pricing structure of the Loan Facility in accordance with this Agreement. The Bank will deliver the amended Repayment schedule to the Borrower at the address set out clause 18.15.1.2 or 18.15.2.2.

## 9. EARLY REPAYMENTS

- 9.1 The Borrower shall be entitled to make an Early Repayment of the Loan Facility. If the Borrower wishes to make an Early Repayment of the Loan Facility which is:
- 9.1.1 in permanent reduction of the Loan Facility, then:
- 9.1.1.1 the Early Repayment must be made on not less than 90 (ninety) Business Days' written notice (or such shorter notice period as the Bank may agree to in writing) of the Borrower's intention to make such Early Repayment; and
- 9.1.1.2 the Repayments over the remainder of the Term will be rescheduled by agreement in writing between the Parties; or
- 9.1.2 not in permanent reduction of the Loan Facility then:
- 9.1.2.1 an Early Repayment must be in multiples of R100,000 (one hundred thousand Rand);
- 9.1.2.2 only 1 (one) Early Repayment may be made in any Calendar Month; and
- 9.1.2.3 the Borrower may drawdown in part or in full up to the amount of such Early Repayment, provided that:
- 9.1.2.3.1 the Borrower provides the Bank with a drawdown notice by not later than 11:00 am at least 2 (two) Business Days before the proposed date of drawdown in the form of **Annexure A** hereto;
- 9.1.2.3.2 the purpose for the drawdown is and remains the same as contemplated in clause 6 and consistent with section 46(1) of the MFMA;
- 9.1.2.3.3 such drawdowns are in multiples of R100,000 (one hundred thousand Rand);
- 9.1.2.3.4 only one such drawdown may be made in any Calendar Month; and

9.1.2.3.5 the Bank may, however, on written notice to the Borrower, refuse a drawdown of an Early Repayment where there has been an event of default set out in clause 14 or any change(s) in circumstances set out in clause 16.

9.2 To the extent that an Early Repayment is made, this will not result in any waiver of any rights by the Bank in terms of this Agreement or relieve the Borrower of its obligations to comply with the provisions of this Agreement.

#### 10. EARLY SETTLEMENT

In the event of an early repayment as contemplated in clause 9.1.1 and 9.1.2. above, the Borrower will fully compensate the Bank for the costs, expenses, liabilities or losses incurred or suffered in connection with, or following the modification, breaking, or unwinding, or funding from other sources, or any arrangement which the Bank may have made for investing any repayments of the Loan Facility and/or hedging the Loan Facility for the Term.

#### 11. CONDITIONS PRECEDENT

11.1 The Borrower shall only be entitled to drawdown the Loan Facility if all of the following conditions precedent are fulfilled or waived by the Bank, which conditions precedent shall be fulfilled or waived by no later than close of business on the 90<sup>th</sup> (ninetieth) day after the Signature Date:

- 11.1.1 that the Borrower has undergone the Bank's Know Your Customer (KYC) process pursuant to the provisions of FICA;
- 11.1.2 that the Bank is provided with a copy of this Agreement signed by the accounting officer of the Borrower, accepting the terms and conditions stipulated herein, in accordance with section 46(2)(b) of the MFMA;
- 11.1.3 that the Bank has been provided with the certified copy of the resolution of the Municipal Council, signed by the Mayor, approving the Loan Facility and the agreement(s) relating thereto, in accordance with section 46(2)(a) of the MFMA
- 11.1.4 that the Borrower has provided the Bank with a written disclosure, in form and substance acceptable to the Bank, that the purpose of the Loan Facility is to fund capital expenditure on property, plant or equipment as contemplated in section 46(1)(a) of the MFMA;
- 11.1.5 that the Borrower has provided the Bank with a certified copy of the information statement, in form and substance acceptable to the Bank, signed by the Mayor, prepared in terms of section 46(3) of the MFMA in respect of the Loan Facility;
- 11.1.6 that the Borrower has provided the Bank with a letter of award, in form and substance acceptable to the Bank, in favour of the Bank, in terms of which the Borrower informs the Bank that it has been successful in bidding to provide the Loan Facility;

##### Financial

- 11.1.7 that the Borrower has provided the Bank with the:
  - 11.1.7.1 approved annual budget;
  - 11.1.7.2 integrated development plan or multi-year business plan referred to in section 87(5)(d) of the MFMA, if applicable;
  - 11.1.7.3 repayment schedules pertaining to its existing short-term and long-term debt;
  - 11.1.7.4 the audit report prepared by the Auditor General in terms of section 126(3) of the MFMA in respect of the 2020/2021 financial statements;
- 11.1.8 if applicable, that the Borrower has provided the Bank with a copy of the adjustments budget tabled in terms of the MFMA and that the Bank is satisfied as to the manner in which the Loan Facility has been dealt with in such adjustment budget;
- 11.1.9 that the Borrower has provided the Bank with written confirmation (in a form and substance acceptable to the Bank) from the Accounting Officer or any other duly authorised representative of the Borrower confirming:
  - 11.1.9.1 that the Borrower is not in breach of any material contracts to which the Borrower is a party; and
  - 11.1.9.2 the absence of any material pending (which has a reasonable prospect of occurring) industrial action; litigation, investigation or proceeding against the Borrower; and

11.1.9.3 that there has been no material deterioration in the financial position of the Borrower between the date of acceptance of this Agreement and the date of the first drawdown under the Loan Facility;

11.1.10 that, in the Bank's opinion, there has been no material deterioration in the financial position of the Borrower between the Signature Date and the date of first drawdown of the Loan Facility by the Borrower;

**Other**

11.1.11 that the Bank has been provided with written confirmation signed by the accounting officer of the Borrower in a form and substance acceptable to the Bank, confirming that the Borrower has, in relation to the Loan Facility:-

11.1.11.1 obtained all authorisations (including exemptions, approvals, consents) and no steps have been taken to revoke, adversely modify or cancel any such authorisations and the authorisations are not subject to any conditions which the Borrower does not expect to be satisfied; and

11.1.11.2 complied with all laws or regulations applicable to it, including but not limited to the provisions of the MFMA and the Preferential Procurement Policy Framework Act 5 of 2000, including all schedules and regulations thereto, as amended from time to time.

11.2 The above conditions precedent are inserted for the benefit of the Bank, which may in writing on or before the dates for fulfilment of the conditions set out in clause 11.1, extend the period for fulfilment or waive any of the said conditions precedent in its sole discretion. Unless and until the above conditions precedent are either waived or fulfilled, the Borrower shall not be entitled to drawdown the Limit.

11.3 Notwithstanding any provision to the contrary, if the Bank, in the erroneous belief that all the conditions precedent have been fulfilled or waived (as the case may be), makes any advances or any portion of the Limit (Advanced Amount) available to the Borrower and if it subsequently transpires that any one (or more) of the conditions precedent has in fact not been fulfilled or waived (as the case may be):

11.3.1 the terms and conditions of this Agreement shall apply in respect of the amount of the Advanced Amount (subject to clauses 11.3.2 and 11.3.3);

11.3.2 the Bank shall be entitled to declare the amount of the Advanced Amount to be immediately due and payable by the Borrower to the Bank; and

11.3.3 the Bank shall not be obliged to make any further advances to the Borrower.

**12. ONGOING CONDITIONS AND FINANCIAL COVENANTS**

**12.1 Financial covenants**

The Borrower undertakes that during the Term it shall maintain the following financial covenants the breach of which shall constitute an event of default, based on the financial information in the most recent management accounts and/or draft financial statements and/or audited financial statements (as the case may be): The financial covenants will also be measured on a rolling annual basis, for the periods ending on the last day of June each year as opposed to each financial year or part thereof.

12.1.1 **Debt to Revenue Ratio** to be maintained at a level that is less than or equal to 50% (fifty percent) of revenue. For purposes of this clause "Revenue" includes billings and all other income and grants received by or accruing to the Borrower and "Debt" shall mean the aggregate of moneys borrowed (both long and short term).

12.1.2 **Billings to Collections** rate to be maintained at a level that is greater than or equal to 90% (ninety percent). For purposes of this clause, "Collections" shall mean the amount received by the Borrower from its debtors and "Billings" shall mean the aggregate amount in respect of accounts rendered by the Borrower for assessment rates, services and consumption charges and other regulated municipal imposts and levies.

12.1.3 **Interest paid to total costs** to be maintained at a level that is less than or equal to 7.5% (seven point five percent) of total expenditure.

12.1.4 **Debt Service Cover Ratio** to be maintained at a level that is greater than or equal to 1 (one) times, calculated as the sum of net cash from operating activities plus finance charges incurred, less capital grant funding received to cover the sum of capital redemption and interest paid on interest bearing debt as reflected in the cash flow statement.

**12.2 Compliance certificate**

The Borrower undertakes that during the Term it shall provide the Bank with a certificate signed by the accounting officer of the Borrower (in the format as agreed between the Parties from time to time) stipulating

that the Borrower has complied with the financial covenants applicable in terms of this Agreement and the calculations used by the Borrower in calculating same, by no later than 60 (sixty) Business Days from the end of the financial year to which it relates.

**12.3 Signing Authorities**

In the event of there being any variation in the signing authorities during the Term, the Borrower is then to furnish the Bank with written resolution and amended mandate instructions timeously.

**12.4 Management Accounts**

The Borrower undertakes that during the Term it shall provide the Bank with the management accounts of the Borrower (in the format as agreed between the Parties from time to time) by no later than 15 (fifteen) Business Days after the end of the Calendar Month to which they relate and which management accounts shall not differ materially from the signed financial statements (prepared in compliance with the relevant Financial Reporting Standard) of the Borrower for the particular year.

**12.5 Financial Statements**

12.5.1 The Borrower shall furnish the Bank with signed copies of the audited annual financial statements of the Borrower annually within a period of 180 (one hundred and eighty) days from the date that they are due in terms of the MFMA together with any other information as the Bank may reasonably require.

12.5.2 The draft audited annual financial statements submitted to the Bank shall not differ materially from the signed audited annual financial statements in respect of the previous financial year.

**12.6 Notification of event of default**

The Borrower hereby undertakes to the Bank that it will advise the Bank immediately on becoming aware of the occurrence of an event of default or of any circumstances that could potentially result in an event of default as contemplated in clause 14.

**12.7 Reporting Requirements**

While the Loan Facility remains available or any amount or commitment remains outstanding to the Bank the following conditions shall apply, the Borrower shall:

12.7.1 provide the Bank with information relating to its draft budgets, approved budgets, adjustment budgets as well as a copy of the quarterly reports required in terms of the MFMA within 5 (five) days of such information being due in terms of the MFMA for a particular period;

12.7.2 inform the Bank, as soon as possible after identification of any financial problems facing the Borrower, including any emerging or impending financial problems in terms of the provisions of section 54 of the MFMA that could reasonably be expected to affect the Borrower's ability to repay any amounts outstanding under the Loan Facility; and

12.7.3 provide the Bank with confirmation, if requested by the Bank, in form and substance acceptable to the Bank, that it submits to its mayor and the Provincial Treasury the monthly reports required in terms of section 71 of the MFMA within 10 (ten) days after the month to which they relate.

**12.8 Annual Review**

12.8.1 The Loan Facility is subject to annual review by the Bank, with the first annual review falling due by 30 June 2023 and annually thereafter in light of the following information:

12.8.1.1 annual audit report required in terms of the MFMA;

12.8.1.2 audited annual financial statements;

12.8.1.3 approved annual budget;

12.8.1.4 annual revised integrated development plan; and

12.8.1.5 repayment schedules pertaining to the Borrower's existing short-term and long-term debt.

12.8.2 The above information must be given to the Bank before the review date. In the event of a delay in receipt of this information, the Bank may reduce or restructure the Loan Facility until such time as such required information has been received and the review undertaken.

12.8.3 Without limitation to the Bank's other rights under this Agreement, the Bank reserves the right to reassess and to renegotiate the Loan Facility in the event of there being any change in the:

12.8.3.1 management and/or legislated governance of the local authority;

- 12.8.3.2 overall structure of the local authority;
- 12.8.3.3 structure of revenue streams; or
- 12.8.3.4 any deterioration in the Borrower's financial position; or
- 12.8.3.5 an existing or pending material (which has a reasonable prospect of occurring) industrial action, litigation, investigation or proceeding against the Borrower.

**13. EVENTS OF DEFAULT**

- 13.1 An event of default will occur if:
  - 13.1.1 the Borrower fails to pay any sum due and payable by it to the Bank in terms of this Agreement;
  - 13.1.2 the Borrower commits a breach of any of the other terms and conditions of this Agreement, and such breach is not remedied within a period of 14 (fourteen) days of written notice having been given to the Borrower to do so;
  - 13.1.3 the Borrower or any Collateral Provider commits a breach of any of the terms and conditions of any Collateral and such breach is not remedied within a period of 14 (fourteen) days' of written notice having been given to the Borrower to do so;
  - 13.1.4 the Borrower ceases to carry on its business in a normal and regular manner;
  - 13.1.5 the Borrower defaults in the due payment of any amount falling due for payment under any suretyship or guarantee to which it is a party;
  - 13.1.6 the Borrower suffers any default judgment against it which remains unsatisfied for 21 (twenty one) days, or is refused a rescission of any default judgment;
  - 13.1.7 the Borrower permits any of its assets to be attached under a warrant of execution which is not set aside within a period of 21 (twenty one) days after service thereof on the Borrower;
  - 13.1.8 the Borrower defaults in the due and punctual performance under any other agreement including but not limited to any other agreement concluded between the Borrower and a third party or any other loan/credit facility between the Borrower and the Bank and (if such default is capable of being remedied) same has not been remedied to the satisfaction of the Bank within 14 (fourteen) days' from the date of any written notice given by the Bank to the Borrower to remedy the default;
  - 13.1.9 the Borrower meets the conditions of a mandatory provincial intervention (as contemplated in section 139 and 140 of the MFMA);
  - 13.1.10 any representation, or warranty or undertaking made either in respect of the Borrower or in connection with this Agreement or in any documents delivered under this Agreement, is not complied with or is materially incorrect in any respect;
  - 13.1.11 the Borrower's auditors in any financial statements of the Borrower published after the date of the last set of financial statements furnished to the Bank or if none have been so furnished, after the Signature Date, materially qualifies that annual statement in any respect, or inserts a note in the supporting documents to that financial statement relating to any material irregularity;
  - 13.1.12 there is a material deterioration in the Borrower's financial position;
  - 13.1.13 the whole or any part of the Collateral furnished is judicially attached, or becomes subject to any lien, hypothec or other encumbrance without the Bank's prior written consent;
  - 13.1.14 the Borrower is unable to pay its debts, suspends or threatens to suspend payment of all or a material part of (or of a particular type of) its indebtedness to any other creditors, commences negotiations or takes any other step with the view to the deferral, rescheduling or other re-adjustment of all of (or all of a particular type of) its indebtedness to creditors (or of any part of such indebtedness which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a part of the indebtedness of the Borrower;
  - 13.1.15 if the Loan Facility and/or charges related to or associated with the Loan Facility is not budgeted for in the Borrower's budget in any particular year;
  - 13.1.16 if the Borrower becomes aware of any over expenditure or potential over expenditure in respect of its budget or adjustments budget;
  - 13.1.17 if the payment of all amounts under the Loan Facility/and or charges is not retrospectively approved by means of an adjustments budget within the prescribed time period in terms of the MFMA; or



- 13.1.18 if there is at any time a change in the demarcation of the area falling within the jurisdiction of the Borrower as at the Signature Date;
- 13.1.19 if at any time after the Signature Date there is any change in (including but not limited to repeal of legislation) or addition to, the legislation to which the Borrower is subject and which in the reasonable opinion of the Bank could be expected to adversely affect the ability of the Borrower to comply with any of its obligations hereunder;
- 13.1.20 if the Borrower defaults in the due payment or due performance of any amount payable or obligation to be performed under any agreement, which amount or which obligation the Bank considers to be material in its reasonable opinion;
- 13.1.21 if any material indebtedness or obligation for monies borrowed constituting indebtedness of the Borrower shall become due and payable prior to its specified maturity by reason of default, or shall not be paid when due;
- 13.1.22 any Collateral Provider who may have provided additional Collateral for, the whole or part of the Indebtedness commits any act, or omits to do anything, referred to in this clause 13 or if any of the events referred to in this clause 13 occurs in respect of any such person, or in relation to that person's own affairs;
- 13.1.23 a Material Adverse Event occurs;
- 13.1.24 the Borrower generally does or omits to do anything which may cause the Bank to suffer any loss or damage;
- 13.1.25 the Borrower or any Collateral Provider becomes or is, in the opinion of the Bank, likely to become Sanctioned, or the Bank in any way knows or suspects that the Borrower's Loan Account (or any other bank accounts held with the Bank) is being used fraudulently, negligently, for illegal or terrorist activities, or for any purpose that does not comply with the law or the Borrower is involved in any illegal or terrorist activities.
- 13.2 The Bank, may without prejudice to any other rights hereunder or at law, at any time after the happening of an event of default, by written notice to the Borrower:
- 13.2.1 decline any request by the Borrower to drawdown any further monies under the Limit and cancel the Limit forthwith;
- 13.2.2 require immediate repayment all the Indebtedness, which Indebtedness shall become immediately become due, owing and payable;
- 13.2.3 require immediate payment of all "breakage costs" being all costs, charges, expenses, losses or reduced receipts which the Bank may have sustained or incurred in relation to the termination or modification of any arrangements the Bank may have made on account of or in respect of funds borrowed, contracted for or utilized to fund any amount payable or advanced under the Loan Facility; or
- 13.2.4 increase the rate of interest charged.
- 13.3 The Bank's rights under this clause shall not be exhaustive but shall be in addition to and without prejudice to any other rights which it may have under this Agreement or the law.
- 13.4 If any of the events specified in clause 13.1 (other than in clause 13.1.2 become applicable in respect of any Collateral Provider (and for such purpose, a reference to "Borrower" in clause 13 shall be read and construed as a reference to such person), then, on the occurrence of such event, an event of default shall be deemed to have taken place for the purposes of this Agreement thereby entitling the Bank to avail itself of the remedies specified in clause 13.2.
- 13.5 **Penalty Interest**
- At any time after the occurrence of an event of default set out in clause 13.1 above or otherwise as contemplated in this Agreement, the Bank shall be entitled, but not be obliged, in respect of any amount falling due or payable to the Bank, to increase the interest rate in clause 7.1 by a rate of 2.5% (two point five percent) per annum on such overdue amount (compounded monthly from the due date to the date of payment to the Bank), without prejudice to any rights which the Bank may otherwise have as a result of that event of default.

#### 14. REPRESENTATIONS AND WARRANTIES AND UNDERTAKINGS

The Borrower represents and warrants to the Bank that as at the Signature Date and for the Term, that:

- 14.1 it is a Municipality duly constituted and existing under the laws of South Africa;
- 14.2 it has full power to enter into and perform in terms of this Agreement and has taken all necessary corporate, regulatory and other actions to authorise the borrowings hereunder;

- 14.3 the execution, delivery and performance of any agreements applicable to the Loan Facility do not violate any law, including the MFMA;
- 14.4 it has complied with all the provisions of the MFMA in relation to the Loan Facility and undertakes that it will continue to do so for the currency of the Loan Facility;
- 14.5 it has disclosed all guarantees, suretyships and other off-balance sheet items to the Bank;
- 14.6 its annual budget as well as its approved annual budget contains all of the information referred to in section 17 of the MFMA;
- 14.7 there are no circumstances resulting in a Material Adverse Event, and in the reasonably exercised opinion of the Borrower no such circumstances are likely to arise;
- 14.8 it is not in breach of any law applicable to it, nor in breach of any material contract by which it is bound, or to which it is a party, and in its reasonably exercised opinion, no such breach is likely to occur or arise;
- 14.9 the terms of this Agreement do not conflict with and do not constitute a breach of the terms of any other agreement or undertaking or act or legislation that is binding on the Borrower;
- 14.10 there is no material industrial action or litigation or similar proceedings, to the knowledge of the Borrower, presently pending or threatened which would result in a Material Adverse Event;
- 14.11 no event of default specified in clause 13.1 has occurred and is continuing;
- 14.12 the Loan Facility and the charges associated with the Loan Facility have been provided for in an approved budget, which has been properly approved in terms of the MFMA and that payment of the amount of the Loan Facility and any charges associated with the Loan Facility will not result in the total amount of the budget being exceeded. These requirements will be met in future as well;
- 14.13 it will not utilise savings with regards to an unrelated expenditure in a budget to defray any excess expenditure that may be required for satisfying a claim under a loan agreement;
- 14.14 its acceptance in terms of the Loan Facility has been duly authorised and to the best of its knowledge and belief does not contravene any law or any contractual obligation binding upon it;
- 14.15 the terms and conditions applicable to any loans provided by any other long term funders, are not, and shall not, be more favourable than the terms and conditions applicable to the Loan Facility;
- 14.16 the Loan Facility shall be used solely for the purposes set out in clause 6;
- 14.17 all information supplied or to be supplied to the Bank by the Borrower concerning the Borrower's business as contained in the Borrower's balance sheets, trading and profit and loss accounts, cash flows and other financial statements or accounts, is true and correct in all material respects and will in future be true and correct in all material respects;
- 14.18 the Borrower has, in relation to the conduct of its business, obtained and complied with all the necessary consents, registrations, filings, certificates, licences, approvals, permits and insurances;
- 14.19 there has been no material deterioration in the financial position of the Borrower;
- 14.20 this Agreement constitutes legal, valid, binding and enforceable obligations of the Borrower;
- 14.21 it is in full compliance with all applicable laws, regulations and practices relating to the protection of the environment applicable to it in each jurisdiction in which the Borrower conducts business (its "Environmental Responsibility") and hereby undertakes to continue to do so for so long as the Borrower is indebted to or owes any obligations to the Bank under or in terms of this Agreement;
- 14.22 that it is not aware of any circumstances which may prevent full compliance with its Environmental Responsibility in future;
- 14.23 it will ensure that the Collateral Providers, at all times comply with all legislation and other laws, including anti-money laundering and combating the financing of terrorism regulations;
- 14.24 neither the Borrower nor any of the Collateral Providers are subject to any law prohibiting the borrowing of funds or ownership of the property by non-resident individuals or limiting the borrowing of funds by companies and other entities in which non-residents have a 75% (seventy five percent) or greater interest or, if such law does apply, that the Borrower shall deliver to the Bank before the first advance written evidence to the Bank's satisfaction of the written permission of the exchange control authorities entitling the Borrower to obtain the Loan Facility;

**18.2 Legal Charges**

- 18.2.1 Each Party shall bear its own costs and expenses of and incidental to the negotiation, preparation and completion of this Agreement.
- 18.2.2 All legal costs (on the attorney and own client scale), commissions or fees and other charges and expenses in connection with this Agreement including but not limited to all costs incurred by the Bank in the enforcement of any of its rights hereunder, the preparation of any documentation relating hereto, the registration and eventual cancellation of any bonds referred to herein, and the premiums on the insurance policies which may be ceded in security to the Bank, will be for the account of the Borrower and payable on demand.

**18.3 Fees and Charges**

- 18.3.1 The Bank may charge and recover fees and charges in respect of this Agreement.
- 18.3.2 All fees and charges will be debited to the account nominated by the Borrower for this purpose.
- 18.3.3 Where there is a change in the frequency or time for payment of a fee or charge, the Bank will give the Borrower written notice setting out the particulars of the change.
- 18.3.4 The Borrower must pay to the Bank all applicable fees and charges set out in this Agreement.
- 18.3.5 The Bank may charge and recover from the Borrower interest on and in respect of any unpaid fees and charges referred to in this Agreement.
- 18.3.6 The fees and charges applicable will be set out in the Bank's annual pricing schedule (amended from time to time) which will be issued to the Borrower or available on the Bank's website [www.standardbank.co.za](http://www.standardbank.co.za).
- 18.3.7 The Bank reserves the right to charge separate fees for any indulgences granted, or additional services provided by the Bank in connection with this Agreement. The Bank shall advise the Borrower in writing of these fees, as well as the payment terms associated therewith.

**18.4 Free of Deduction**

All amounts paid to the Bank under this Agreement shall be made free of deduction or set-off. Should the Borrower be compelled by law to withhold or deduct any taxes or other charges from any amounts payable to the Bank, the amounts payable to the Bank shall be increased to the extent necessary to ensure that the Bank receives the amounts payable, free of such withholding or deduction.

**18.5 Allocation of Payments**

The Bank will be entitled to allocate any payments received under this Agreement to any indebtedness of the Borrower to the Bank and the Borrower waives any rights it may have to name the debt in respect of which payment is made.

**18.6 Set-off and Realisation**

Should (i) the Bank demand repayment in accordance with clause 8, or (ii) the Borrower commits an event of default as set out in clause 13.1 or elsewhere in this Agreement and the Bank exercises its rights in terms of the provisions of clause 13.2, the Bank may in addition to any rights the Bank has and to the extent that it may be lawful:

- 18.6.1 set-off any credit balances held in any other account which the Borrower has with the Bank whether due and payable or not, against the Indebtedness; or
- 18.6.2 realise any Collateral held by the Bank and use the proceeds in payment of the Indebtedness,
- on written notice to the Borrower.

**18.7 Collateral**

On the incurrence of an event of default in clause 13.1 or elsewhere in this Agreement, or if the value of any Collateral held by the Bank to secure the Indebtedness is no longer adequate, or if in the opinion of the Bank the Borrower's account conduct increases the Bank's risk regarding the Indebtedness or any other amount owing to the Bank by the Borrower in terms of any other agreement, the Bank shall have the right to:

- 18.7.1 request the Borrower to provide the Bank with additional Collateral to secure repayment of the Indebtedness;
- 18.7.2 reduce the Limit;
- 18.7.3 require repayment of all or some of the Loan Facility; and/or
- 18.7.4 increase the interest rate in accordance with the provisions of clause 13.5.

- 14.25 it will not use (or otherwise make available) the proceeds of the Loan Facility for the purposes of financing, directly or indirectly, the activities of any person or entity which is Sanctioned or in a country which is subject to any Sanctions;
- 14.26 it will not contribute or otherwise make available, directly or indirectly, the proceeds of the Loan Facility to any other person or entity if such party uses or intends to use such proceeds for the purpose of financing the activities of any person or entity which is subject to any Sanctions;
- 14.27 it is not involved in any illegal or terrorist activities; and
- 14.28 none of the bank accounts held by the Borrower with the Bank are being used fraudulently, negligently, for illegal or terrorist activities, or for any purpose that does not comply with any law.

#### 15. INDEMNITIES

- 15.1 The Borrower hereby indemnifies the Bank against any loss, damage, claims, costs, charges, expenses or any other liability, which may arise (because of this or any other banking facility or the Bank having an interest in the Borrower's assets) in respect of a breach of, or a failure, by the Borrower to meet its Environmental Responsibility.
- 15.2 The Borrower hereby indemnifies and holds the Bank harmless against any actions, proceedings, claims or demands that may be brought against the Bank and all losses, damages, costs, charges and expenses which the Bank may incur or sustain, in connection with or arising out of:
  - 15.2.1 the seizure, blocking or withholding of any funds by any Sanctioning Body; and
  - 15.2.2 the breach of any warranties as set out in clause 14.
- 15.3 The Borrower shall be bound by all instructions transmitted by it to the Bank by facsimile transceiver or by means of an e-mail message, and hereby waives any rights it may have or obtain against the Bank arising directly or indirectly from any losses or damages which the Borrower may suffer as a result of the Bank acting on any purported faxed or e-mailed instruction. The Borrower further indemnifies the Bank in respect of any claims, demands or actions made against the Bank or losses or damages suffered by the Bank as a result of the Bank acting on the said faxed or e-mailed instruction.

#### 16. CHANGE(S) IN CIRCUMSTANCES

- 16.1 If at any time or times during the Term there is:
  - 16.1.1 any change in or introduction of any law, regulation, ruling, directive, policy, requirement, request or guidelines (whether or not having the force of law) or any other similar event with which the Bank or any of its divisions is obliged to comply or which is in accordance with the practice of a responsible banker, or any interpretation or administration thereof,  
without derogating from the generality of the foregoing:
  - 16.1.2 any change in banking practice, as it affects or is applied generally by any financial institution in South Africa;
  - 16.1.3 a requirement or a request by any authority, to pay taxes or other amounts whatsoever or to maintain special deposits or reserve assets;
  - 16.1.4 any compliance by the Bank with any reserve, cash ratio, special deposit or liquidity requirements (or any other similar requirements) in respect of the Loan Facility;
  - 16.1.5 any compliance with or application of (whether mandatory or not) any capital adequacy or similar requirements, including but not limited to the provisions of the International Convergence of Capital Measurement and Capital Standards (a revised framework) (i.e. BASEL II) or any other standards or guidelines published by the Basel Committee on Banking Supervision (including BASEL III) by the Bank or any of its divisions, or any interpretation or administration thereof, results in any increase in the Bank's costs in providing the Loan Facility to the Borrower;
  - 16.1.6 any change to any present or future law, ruling or regulation;
  - 16.1.7 any change in the interpretation or administration of any law, ruling or regulation by any relevant monetary or fiscal authority;
  - 16.1.8 any amendment to the Banks Act, 94 of 1990; or
  - 16.1.9 any compliance by the Bank with any directive or request, whether or not having the force of law, from any monetary or fiscal authority;

which would or does:

- 16.1.10 subject the Bank to any taxes, duties, or other charges in respect of the Loan Facility or change the basis of taxation of the Bank in respect of payments of principal or interest/fees payable to the Bank (except for changes in the rate of taxation on the overall net income of the Bank);
- 16.1.11 impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank; or
- 16.1.12 impose on the Bank any other obligation or condition affecting the Loan Facility or its commitment in terms of this Agreement,

and the result of any of the above is to increase the cost to the Bank of making any advance or maintaining the Loan Facility or to reduce any amount or amounts received or receivable or loanable by the Bank hereunder by a material sum, then the Borrower shall pay to the Bank on demand and while such circumstances continue, such fee as the Bank may impose or such additional amount or amounts which will compensate the Bank for such additional cost or reduced receipts.

- 16.2 The Bank shall give the Borrower 30 (thirty) days' written notice of all amounts payable in terms of clause 16.1. A certificate signed by any manager or divisional head of the Bank (whose appointment it shall not be necessary to prove) as to such additional amount/s shall be prima facie proof for all purposes in the absence of manifest error.
- 16.3 If the Borrower is required to pay additional amount/s to the Bank pursuant to clause 16.1, it shall be entitled to prepay any amounts owed in terms hereof without penalty, or to forthwith cancel any unutilised portion of the Loan Facility by giving the Bank 30 (thirty) days' written notice thereof.
- 16.4 Without detracting from any other rights that the Bank may have, the Borrower furthermore acknowledges that the Bank has approved and is providing the Loan Facility based on the present circumstances of the Borrower and the industry and environment within which it operates. The Borrower understands and agrees that certain circumstances, including but not limited to those circumstances set out in clause 16.1.1, may rise that would have the effect of materially altering the basis on which said Loan Facility was/is given. Should any event or series of events accordingly occur which, in the reasonable opinion of the Bank have or may be expected to have an adverse effect on the ability of the Borrower to comply with its obligations hereunder the Bank shall, by giving reasonable written notice, have the right to change the terms of the Loan Facility with the Borrower. Should the new terms on which the Bank is prepared to continue to make the Loan Facility available not be acceptable to the Borrower, all outstanding amounts will, without further notice, immediately become due and payable and the Borrower, or any other entities indebted in terms of the Loan Facility will immediately effect payment of such outstanding amounts.

#### 17. CERTIFICATE OF INDEBTEDNESS

A certificate signed by any manager or business unit head of the Bank (whose authority, qualification or appointment need not be proved) setting out the amount of any Indebtedness of the Borrower to the Bank in terms hereof, the rates of interest and any other fact, shall, on its mere presentation, be sufficient proof, unless the contrary is proved, of the Indebtedness and of such other facts contained therein.

#### 18. GENERAL TERMS

##### 18.1 Matters requiring the Bank's consent

The Borrower may not without the Bank's prior written consent, which shall not be unreasonably withheld:

- 18.1.1 cease carrying on business;
- 18.1.2 change the nature of its business;
- 18.1.3 become surety, guarantor for or give any indemnity on behalf of any third party whomsoever or render itself liable in any way whatsoever for the debts or engagements of any other party, other than encumbrances as agreed to by the Bank;
- 18.1.4 pledge, cede, mortgage, hypothecate or otherwise encumber or further encumber any of its movable or immovable assets to secure any liability of any nature;
- 18.1.5 sell or otherwise dispose of or attempt to sell or dispose of any of its assets except in the ordinary course of its business;
- 18.1.6 incur any further borrowings, including but not limited to guarantees provided, other than permitted indebtedness as agreed to by the Bank. This restriction shall include off-balance sheet commitments;
- 18.1.7 advance credit to third parties other than in the ordinary course of business; and/or
- 18.1.8 make material changes to the accounting policies, standards or conventions of the Borrower or any Collateral Provider.

**18.8 Renunciation of benefits**

The Borrower hereby renounces the benefits of the following legal defences to any claim brought by the Bank:

- 18.8.1 the Borrower has received no value for its obligations to the Bank;
- 18.8.2 no money has been paid to the Borrower;
- 18.8.3 there is no underlying cause for the Borrower's obligation to the Bank; and
- 18.8.4 the Bank made an error in calculating the Indebtedness. The Bank will revise its accounts in respect of the Indebtedness if they are incorrect.

**18.9 Whole Agreement, Variation of Terms**

- 18.9.1 This Agreement by the Borrower and the Bank shall constitute the whole agreement between the Bank and the Borrower relating to the subject matter hereof.
- 18.9.2 No addition to, variation, or amendment, or consensual cancellation of any of the terms contained in this Agreement, shall be of any force or effect unless it is recorded in writing and is signed on behalf of the Bank by one of its authorised officials and accepted by the Borrower. This requirement will only be satisfied if such amendment or variation is made in a written, paper based form. The provisions of the Electronic Communications and Transactions Act, 25 of 2002 do not apply to this clause.

**18.10 Illegality**

If at any time after the Signature Date it is or becomes unlawful in any jurisdiction, or contrary to any lawful and binding request from or requirement of the South African Reserve Bank or other South African governmental department or authority, for the Bank to perform any of its obligations under this Agreement, then the Bank shall promptly after becoming aware of the same notify the Borrower by way of a certificate signed by any manager or divisional head of the Bank (whose authority, qualification or appointment need not be proved) and the Borrower shall repay any and all amounts due under this Agreement as required by law.

**18.11 No Indulgence**

- 18.11.1 No indulgence shown or extension of time given by the Bank shall operate as an estoppel against the Bank or waiver of any of the Bank's rights unless recorded in writing and signed by the Bank.
- 18.11.2 The Bank shall not be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the conclusion of any agreement created by acceptance of the Loan Facility or whether it was negligent or not.

**18.12 Good Faith**

The Parties undertake at all times to do all such reasonable things, perform all such reasonable actions and take all such reasonable steps open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions or import of this Agreement, provided that nothing herein shall prevent the Bank from exercising its rights under the Agreement in the event of the occurrence of an event of default.

**18.13 Severability**

Each provision of this Agreement is severable, the one from the other and, if at any time any provision is or becomes or is found to be illegal, invalid, defective or unenforceable for any reason by any competent court, the remaining provisions shall be of full force and effect and shall continue to be of full force and effect.

**18.14 Governing Law**

The terms of this Agreement shall be governed by and interpreted in accordance with the laws of South Africa.

**18.15 Domicilium and Notices**

- 18.15.1 The Parties choose as their *domicilium citandi et executandi* (address for the purpose of legal proceedings) their respective addresses set out below, at which addresses all processes and legal notices arising out of or in connection with this Agreement, its breach or termination may validly be served on or delivered to the Parties:
  - 18.15.1.1 as regards the Bank:
    - Attention: Group Governance / Legal
    - Standard Bank Centre,
    - 9th Floor, Reception 1, 5 Simmonds Street, Johannesburg, 2001
    - With a copy to be sent to:

Attention: Head Public Sector Business Banking : Timothy Matlala  
7th Floor West Wing, 30 Baker Street, Rosebank, 2196  
Telephone Number: 011 721 7389; and

18.15.1.2

as regards the Borrower:

Attention: Municipal Manager : Me G Mettler  
Stellenbosch Municipality, Plein Street, Stellenbosch, 7599  
Telephone Number: 021 808 8025,

or at such other physical address, not being a post office box or *poste restante*, of which the Party concerned may notify the other Party in writing.

18.15.2

Any other written notices in connection with this Agreement shall be addressed as follows:

18.15.2.1

as regards the Bank:

at the address set out in clause 18.15.1.1

Email address: Timothy.Matlala@standardbank.co.za; and

18.15.2.2

as regards the Borrower:

at the address set out in clause 18.15.1.2

Email address: municipal.manager@stellenbosch.gov.za

or at such other address of which the Party concerned may notify the other in writing.

18.15.3

Any notice given in terms of this Agreement shall be in writing and shall:

18.15.3.1

if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

18.15.3.2

if delivered by a recognised international courier service, be deemed to have been received by the addressee on the first business day following the date of such delivery by the courier service concerned;

18.15.3.3

if posted by prepaid registered post will be deemed to have been received by the addressee on the 8<sup>th</sup> (eighth) Business Day following the date of such posting; and

18.15.3.4

if sent electronically, shall be deemed to have been received on the first Business Day following the successful transmission thereof as evidenced by the electronic confirmation of receipt (unless the contrary is proven). It is recorded, for the avoidance of doubt, that a legal notice sent by a Party shall not be regarded as valid legal notice, if sent electronically in terms of this clause 18.15.

18.15.4

Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by a Party at its chosen address set out above, shall be an adequate written notice of communication to such Party.

18.15.5

Where the post office does not effect street deliveries at the Borrower's Notice Address, the Bank may send any notices in terms of this Agreement to the Borrower's post office box number.

#### 18.16 Counterparts

This Agreement may be signed by the signatories hereto in counterparts and each signed copy shall together constitute one document.

#### 18.17 Cession

18.17.1

The Borrower shall not be entitled to cede or assign its rights or obligations in terms of this Agreement to any party.

18.17.2

The Bank shall, on written notification to the Borrower, be entitled at any time to cede any or all of its rights or delegate any or all of its obligations under or in terms of this Agreement to any party.

18.17.3

To the extent that any cession, assignment or transfer by the Bank of its rights or obligations under or in terms of this Agreement to any party results (whether directly or indirectly) in a splitting of claims against the Borrower, the Borrower hereby irrevocably and unconditionally consents to such splitting of claims.

18.17.4

On cession, assignment or transfer in accordance with the provisions of clause 18.17.2 and without limitation to clause 18.18 18.18the Bank shall be entitled to divulge and disclose such information or

documents relating to the Borrower or any of its subsidiaries, which would otherwise be deemed to be confidential, to the cessionary, assignee or transferee as the Bank may deem necessary.

#### 18.18 Data protection

- 18.18.1 The Borrower consents to the Bank collecting its Personal Information from the Borrower and where lawful and reasonable, from public sources for credit, fraud and compliance purposes as well as and the purposes set out below.
- 18.18.2 If the Borrower gives the Bank Personal Information about or on behalf of another person (including, but not limited to, account signatories, shareholders, principal executive officers, trustees and beneficiaries), the Borrower confirms that it is authorised to: (a) give the Bank the Personal Information; (b) consent on their behalf to the Processing of their Personal Information, specifically any cross-border transfer of Personal Information into and outside the country where the products or services are provided; and (c) receive any privacy notices on their behalf.
- 18.18.3 The Borrower consents to the Bank Processing its Personal Information:
- 18.18.3.1 to provide products and services to the Borrower in terms of this Agreement and any other products and services for which the Borrower may apply;
- 18.18.3.2 to carry out statistical and other analyses to identify potential markets and trends, evaluate and improve our business (this includes improving existing and developing new products and services);
- 18.18.3.3 in countries outside the country where the products or services are provided. These countries may not have the same data protection laws as the country where the products or services are provided. Where the Bank can, the Bank will ask the receiving party to agree to the Bank's privacy policies;
- 18.18.3.4 by sharing the Borrower's Personal Information with the Bank's third-party service providers, and insurers, locally and outside the country where the products or services are provided. The Bank asks people who provide services to the Bank, including its insurers, to agree to the Bank's privacy policies if they need access to any Personal Information to carry out their obligations;
- 18.18.3.5 within the Group.
- 18.18.4 The Borrower consents to the Bank disclosing its Personal Information to Collateral Providers.
- 18.18.5 The Borrower will find the Bank's Processing practices in the Group and the Bank's privacy statements. These statements are available on the Group's websites or on request.
- 18.18.6 If the Borrower is unsure about its tax or legal position because the Borrower's Personal Information is Processed in countries other than where the Borrower lives or conducts business, the Borrower should get independent advice.

#### 18.19 Recordal of Conversations

The Borrower agrees that the Bank may record telephone conversations with the Borrower's representative for the purpose of creating a record of the Borrower's instructions or requests given telephonically by the Borrower to the Bank.

#### 18.20 Independent Advice

- 18.20.1 The Borrower acknowledges and agrees that it has not relied in any way on any information or advice given by the Bank in preparation, negotiation or implementation of this Agreement and that it has taken all reasonable actions to satisfy itself as to the consequences of entering into this Agreement.
- 18.20.2 The Borrower further acknowledges that:
- 18.20.2.1 the Bank does not provide any tax advice. The Borrower is responsible for any tax consequences associated with any account the Borrower has with the Bank;
- 18.20.2.2 it has been free to secure independent legal and other advice as to the nature and effect of all the provisions of this Agreement, and that it has taken such independent legal and other advice or dispensed with the necessity of doing so; and
- 18.20.2.3 all of the provisions of this Agreement, and the restrictions herein contained, are fair and reasonable in all the circumstances and are part of the overall intention of the Parties in connection with this Agreement.



SIGNED AT \_\_\_\_\_ ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2022

NOT FOR SIGNATURE

Signature \_\_\_\_\_

Full Names \_\_\_\_\_

Designation \_\_\_\_\_

For and on behalf of:  
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**  
Who warrants his/her authority hereto

As witnesses:

1 \_\_\_\_\_ Full names: \_\_\_\_\_

ID number: \_\_\_\_\_

2 \_\_\_\_\_ Full names: \_\_\_\_\_

ID number: \_\_\_\_\_

SIGNED AT \_\_\_\_\_ ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2022

NOT FOR SIGNATURE

Signature \_\_\_\_\_

Full Names \_\_\_\_\_

Designation \_\_\_\_\_

For and on behalf of:  
**STELLENBOSCH MUNICIPALITY**  
Who warrants his/her authority hereto

As witnesses:

1 \_\_\_\_\_ Full names: \_\_\_\_\_

ID number: \_\_\_\_\_

2 \_\_\_\_\_ Full names: \_\_\_\_\_

ID number: \_\_\_\_\_

**ANNEXURE A**

**NOTICE OF DRAWDOWN**

**TO BE TYPED ON THE BORROWER'S LETTERHEAD**

Addressed to:

The Manager  
The Standard Bank of South Africa Limited  
Attention:

Date:

Dear Sir/Madam

**Notice of drawdown**

1. Stellenbosch Municipality (**Borrower**) hereby requests drawdown of R ..... (..... Rand) (**Drawdown Amount**) under the loan facility on the 2<sup>nd</sup> (second) Business Day after the Business Day on which this drawdown notice is received by The Standard Bank of South Africa Limited (Registration number: 1962/000738/06), ("**Bank**") pursuant to the provisions of clause 6.1 of the Term Loan Agreement concluded between the Bank and the Borrower on \_\_\_\_\_.
2. Please credit the Drawdown Amount to the Borrower's current account number \_\_\_\_\_ held in the books of the Bank's \_\_\_\_\_ branch.

Yours sincerely

NOT FOR SIGNATURE

\_\_\_\_\_  
For: **STELLENBOSCH MUNICIPALITY**

Full name of signatory: \_\_\_\_\_

Capacity of signatory: \_\_\_\_\_

Date of authorising resolution: \_\_\_\_\_

# APPENDIX 2

## Annexure A

## INFORMATION STATEMENT: RAISING OF EXTERNAL LOAN

In terms of Section 46(3) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) read together with Section 21A of the Local Government Municipal Systems Act (Act 32 of 2000), the following information statement is made public.

AMOUNT	R144 000 000	
PURPOSE	Stellenbosch Municipality has approved a budget on 26 May 2021 and made provision for incurring long-term debt to the amount of R144 000 000 for the funding of capital projects.	
	PROJECT NAME	EXTERNAL LOAN FUNDING
	Expansion of the Landfill Site (New cells)	R2 000 000
	Landfill Gas To Energy	R2 000 000
	Transfer Station: Stellenbosch Planning and Design	R1 000 000
	Alternative Energy	R15 000 000
	Electricity Network: Pniel	R3 500 000
	General System Improvements - Franschhoek	R2 000 000
	General System Improvements - Stellenbosch	R3 451 000
	Infrastructure Improvement - Franschhoek	R1 500 000
	Jan Marais Upgrade: Remove Existing T x 1 and 2 and replace with 20 MVA units	R12 392 036
	Laterra Substations	R2 000 000
	System Control Centre & Upgrade Telemetry	R94 406
	Bulk Water Supply Klapmuts	R11 893 709
	Bulk Water Supply Pipeline & Reservoir: Jamestown	R500 000
	New Reservoir & Pipeline: Vlottenburg	R7 000 000
	New Reservoir Rosendal	R11 396 840
	New Reservoir and Dam Safety	R500 000
	Water Conservation & Demand Management	R3 000 000
	Waterpipe Replacement	R5 693 042
Upgrade of WWTW Wemmershoek	R25 078 967	
Upgrade of WWTW: Pniel & Decommissioning of Franschhoek	R34 000 000	
PROPOSED BORROWING DETAIL	REPAYMENT PERIOD	10 Years
	FINANCIAL INSTITUTION	The Standard Bank of South Africa
	TYPE OF INSTRUMENT	Long Term Loan
	AMOUNT OF PROPOSED DEBT	R144 000 000
	SECURITIES TO BE PROVIDED	None
	INTEREST RATE	9,69%
	- BASE RATE	7,90%
	- CREDIT MARGIN	1,14%
	INSTALMENTS	Six Monthly (Interest And Redemption)
	NUMBER SIX MONTHLY INSTALMENT	20 Payments
	ESTIMATED SIX MONTHLY INSTALMENTS	R10 965 158
	ESTIMATED INTEREST REPAYMENTS	R75 303 153
	ESTIMATED REDEMPTIONS REPAYMENTS	R144 000 000
	ESTIMATED TOTAL REPAYMENTS	R219 303 153
SCHEDULE OF CONSULTATION	Written comments or representations are invited from the public and can be lodged with the Municipal Manager on the 3rd Floor, Town House Complex, Plein Street, Stellenbosch on or before 09 June 2022. Enquiries in this regard can be directed to Adele Wagenaar at 021 808 8512 or Adele.Wagenaar@stellenbosch.gov.za	

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7.5	<b>HUMAN SETTLEMENTS: (PC: CLLR J FASSER)</b>
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NONE

7.6	<b>INFRASTRUCTURE SERVICES : (PC : CLLR Z DALLING (MS))</b>
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NONE

7.7	<b>PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J JOON)</b>
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NONE

7.8	<b>PLANNING :(PC: CLLR C VAN WYK (MS)</b>
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NONE

7.9	<b>LOCAL ECONOMIC DEVELOPMENT AND TOURISM:(PC: CLLR R DE TOIT (MS)</b>
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NONE

7.10	RURAL MANAGEMENT: (PC: CLLR J WILLIAMS)
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NONE

7.11	MUNICIPAL MANAGER
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NONE

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	URGENT MATTERS
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10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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