



# STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2023-01-17

## **MAYORAL COMMITTEE MEETING**

### **THURSDAY, 2023-01-19 AT 10:00**

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

**COUNCILLORS** R Adams  
Z Dalling  
R du Toit  
P Johnson  
J Joon  
  
L Nkamisa  
  
C van Wyk  
  
J Williams

Notice is hereby given that a Mayoral Committee Meeting will be held via **MS Teams** on **Thursday, 2023-01-19 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER

**CHAIRPERSON**

**AGENDA**  
**MAYORAL COMMITTEE MEETING**  
**2023-01-19**  
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Minutes: Mayoral  
Committee:  
2022-11-16**



**STELLENBOSCH**  
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2022-11-16

**MINUTES**

**MAYORAL COMMITTEE MEETING:**

**2022-11-16 AT 10:00**

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

**Councillors:** R Adams  
R 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  
W Petersen (MPAC Chairperson)

**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 (S Chandaka)  
Chief Financial Officer (K Carolus)  
Senior Manager: Planning and Economic Development (C Alexander)  
Senior Manager: Development Management (S Carstens)  
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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The Chairperson, Executive Mayor, indicated that she will make her full communication in the Council meeting next week.

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

<b>4.</b>	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b>
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NONE



5.	<b>CONFIRMATION OF PREVIOUS MINUTES</b>
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The minutes of the Mayoral Committee Meeting held on 2022-10-19 were **confirmed as correct without any amendments.**

6.	<b>STATUTORY MATTERS</b>
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6.1	<b>ADJUSTMENTS BUDGET 2022/2023</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

16 November 2022

**1. SUBJECT: ADJUSTMENTS BUDGET 2022/2023**

**2. PURPOSE**

Is to table the adjustments budget for the 2022/2023 financial year to Council for approval. The adjustments budget emanates from a roll-over allocation approval received from Western Cape Provincial Government, National Treasury and an additional allocation received from Cape Winelands District Municipality.

**3. DELEGATED AUTHORITY**

**FOR APPROVAL BY MUNICIPAL COUNCIL**

**4. EXECUTIVE SUMMARY**

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: 2022-11-16: ITEM 6.1**

- (a) that the Adjustments Budget for 2022/2023 as set out in **APPENDIX 2**, be approved;
- (b) that the Adjustments Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 3**, be approved; and
- (c) that the Service Delivery and Budget Implementation Plan be adjusted accordingly inclusive of the non-financial information (performance measurement).

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>MONIQUE STEYL</b>
<b>POSITION</b>	<b>SENIOR ANAGER: FINANCIAL MANGEMENT SERVICES</b>
<b>DIRECTORATE</b>	<b>FINANCIAL SERVICES</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8512</b>
<b>E-MAIL ADDRESS</b>	<b>Monique.Steyl@ Stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>04 November 2022</b>

6.2	<b>MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR OCTOBER 2022</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Good Governance and Compliance**

**16 November 2022**

**1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR OCTOBER 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 2022/2023 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 (2022/2023) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during October 2022.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 6.2**

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

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Dalleel Jacobs
<b>POSITION</b>	<i>Senior Manager Supply Chain</i>
<b>DIRECTORATE</b>	<i>Finance</i>
<b>CONTACT NUMBERS</b>	<i>021 808 8528</i>
<b>E-MAIL ADDRESS</b>	<i>Dalleel.jacobs@ Stellenbosch.gov.za</i>
<b>REPORT DATE</b>	04 November 2022

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER]
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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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7.2.1	REPORT ON A PUBLIC FACILITY MANAGEMENT PLAN FOR THE DIRECTORATE: COMMUNITY AND PROTECTION SERVICES
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Collaborator No: 738430  
IDP KPA Ref No: Good Governance  
Meeting Date: 16 November 2022

1. **SUBJECT: REPORT ON A PUBLIC FACILITY MANAGEMENT PLAN FOR THE DIRECTORATE: COMMUNITY AND PROTECTION SERVICES**

2. **PURPOSE**

To report on the finalisation of the Key Performance Indicator D2602, namely updating of a Public Facility Management Plan for the Directorate Community and Protection Services.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

One of the Key Performance Indicators for the Directorate for the 2021/2022 financial year is that a Public Facility Management Plan for the Directorate Community and Protection Services must be compiled. The due date is 30 June 2022. The report has been finalised. The Plan will be attached as **ANNEXURE A**.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.2.1**

that Council takes note of the Public Facility Management Plan for the Directorate Community and Protection Services.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<i>Albert van der Merwe</i>
<b>POSITION</b>	<i>Senior Manager: Community Services</i>
<b>DIRECTORATE</b>	<i>Community and Protection Services</i>
<b>CONTACT NUMBERS</b>	<i>8161</i>
<b>E-MAIL ADDRESS</b>	<i>Albert.vandermerwe</i>
<b>REPORT DATE</b>	

<b>7.2.2</b>	<b>WEMMERSHOEK BOXING GYM FACILITY</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

16 November 2022

**1. SUBJECT: WEMMERSHOEK BOXING GYM FACILITY**

**2. PURPOSE**

Is to obtain approval from Council to upgrade and utilise a section of the Wemmershoek Community Hall for the purpose of a boxing and gym facility.

**3. DELEGATED AUTHORITY**

The executive mayor in consultation with the mayoral committee has delegated authority to resolve on lease agreements less than 10 years and less than 5 million value, all other matters council must resolve on.

**4. EXECUTIVE SUMMARY**

The Wemmershoek Community Hall currently has a unoccupied section adjacent to the hall. All upgrades done in creating the boxing gym facility will be managed and facilitated by Neopharm who will be appointing Agritek for architectural services.

All upgrades will be financed by Neopharm and upon completion of the boxing gym, Neopharm will establish a working committee to manage and control the boxing gym.

**EXECUTIVE MAYORAL COMMITTEE: 2022-11-16: ITEM 7.2.2**

**RESOLVED**

- (a) that the section of the Wemmershoek Community Hall be identified as property not fully needed for Municipal functions;
- (b) that Council approves the request by Neopharm to utilise the vacant space to upgrade the unoccupied section of the Wemmershoek Community Hall and establishment of a boxing gym in principle;
- (c) that Council in principle approves a lease agreement of 9 years and 11 months as reflecting in the Memorandum of Understanding; and
- (d) that the intention of Council to enter into a lease agreement as indicated above be advertised for public input and whereafter the same be submitted after the public participation process.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Garth Abrahams
<b>POSITION</b>	Manager: Recreation, Sports grounds and Halls
<b>DIRECTORATE</b>	Community and Protection Services
<b>CONTACT NUMBERS</b>	021 808 8160
<b>E-MAIL ADDRESS</b>	Garth.abrahams@ Stellenbosch.gov.za
<b>REPORT DATE</b>	02 November 2022

7.3	<b>CORPORATE SERVICES: (PC: CLLR L NKAMISA)</b>
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7.3.1	<b>APPROVAL OF THE DRAFT EMPLOYMENT EQUITY POLICY</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

16 November 2022

**1. SUBJECT: APPROVAL OF THE DRAFT EMPLOYMENT EQUITY POLICY**

**2. PURPOSE**

To obtain Council's approval for the draft Employment Equity Policy after consultation with the unions.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Council does not have an approved Employment Equity policy but there was an Employment Equity Plan that was approved and effective for a five-year term from 2013 to 2018.

Normally in the last year (2018) a revision should have been undertaken and the plan and policy would be amended or revised or changed. Due to the re-organisation of the municipality during 2017 Council established and adopted a new structure which was then populated with current staff since early 2018. Since the new structure almost doubled the staff structure in size an annual plan was developed and reported on, this was done in consultation with the unions and the Department of Labour. The population of the organogram was only completed in early 2021. We identified the need for the development of an Employment Equity policy and the development of a new five-year plan is a legislative requirement.

Council approved the draft Employment Equity Policy on 22 June 2022 for consultation with the unions. The matter was tabled in July 2022 at the Local Labour Forum (LLF) for consultation. The consultation process was referred to a sub-committee and the consultation process was finalised on 2 November 2022. The unions had no additions to the draft policy.

The draft policy (**APPENDIX 1**) is therefore tabled at Council for approval. The plan will be consulted after the Employment Equity Committee is established after approval of the policy. The policy has been drafted with due consideration of the provisions of the Employment Equity Act and the plan will be aligned to reflect the current organogram figures and filled positions as well as setting targets to attain said targets within the 5-year period framework.

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**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.3.1**

that Council approves the draft Employment Equity Policy for implementation.

**FOR FURTHER DETAILS CONTACT:**

<b><i>NAME</i></b>	Annalene de Beer
<b><i>POSITION</i></b>	Director Corporate Services
<b><i>DIRECTORATE</i></b>	Corporate Services
<b><i>CONTACT NUMBERS</i></b>	021-808 8018
<b><i>E-MAIL ADDRESS</i></b>	Annalene.deBeer@stellenbosch.gov.za
<b><i>REPORT DATE</i></b>	01 June 2022

<b>7.3.2</b>	<b>PROGRESS REPORT ON THE EMPOWERMENT INITIATIVES OF LICIACEPT (PTY) LTD AND KLEINE ZALZE WINES (PTY) LTD</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Good Governance**

**Meeting Date:**

**16 November 2022**

**1. SUBJECT: PROGRESS REPORT ON THE EMPOWERMENT INITIATIVES OF LICIACEPT (PTY) LTD AND KLEINE ZALZE WINES (PTY) LTD**

**2. PURPOSE**

Is to report to Council on the progress made by Liciaccept (Pty) Ltd and Kleine Zalze Wines (Pty) Ltd on the empowerment of BBBEE initiatives.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Stellenbosch Municipality and Liciaccept (Pty) Ltd and Kleine Zalze Wines (Pty) Ltd concluded the Cession and Assignment of the Lease Agreement in terms of Leasing Area 1 over Erf 9190 and Area 1 over Farm 377F, subject thereto that the cession will be reviewed after June 2020, whereby the progress on the empowerment of BBBEE initiatives must be considered. On 26 May 2021, a further extension of the Cession and Assignment of Lease Agreement was granted to give effect to the conditions set by the Municipality.

Liciaccept (Pty) Ltd and Kleine Zalze Wines (Pty) Ltd submitted a summary in the form of a presentation on the progress made over the past year, specifically focussing on the development and registration of the brand "Visio Vintners" and the production and sale of the first Visio Vintners wines in the overseas market and South Africa. They further indicated that the presentation refers to "Liciaccept" and "Visio Vintners" interchangeably as the official registered name of the BEE company is Liciaccept while the brand that has been developed and registered in the name of the company is Visio Vintners. It is imperative to note that AdVini SA, who purchased Kleine Zalze Wines (Pty) Ltd with effect from 1 September 2022 in introduced.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.3.2**

that Council notes the progress report of Liciaccept (Pty) Ltd and Kleine Zalze Wines (Pty) Ltd on the empowerment of BBBEE initiatives.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>Annalene de Beer</b>
<b>POSITION</b>	<b>Director: Corporate Services</b>
<b>DIRECTORATE</b>	<b>Corporate Services</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8018</b>
<b>E-MAIL ADDRESS</b>	<b>Annalene.deBeer@stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>10 November 2022</b>

<b>7.3.3</b>	<b>APPROVAL OF INFORMATION STATEMENT: TRANSVALIA COMPLEX</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

16 November 2022

**1. SUBJECT: APPROVAL OF INFORMATION STATEMENT: TRANSVALIA COMPLEX**

**2. PURPOSE**

Is for Council to approve the draft information statement to indicate Council's intention to dispose of the erven or portions thereof for economic development. The disposal will take the form of a long-term lease and the information statement must be published in terms of the Asset Transfer Regulations.

**3. DELEGATED AUTHORITY**

Council must consider the matter.

**4. EXECUTIVE SUMMARY**

The Transvalia complex as it is commonly known consists of erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160. A copy of the map indicating the erven is attached as **(APPENDIX 1)**. Erven 1125 and 1130 is used as a street and provides access to the private erven situated adjacent to it. Erf 825 provides access to the Stelkor complex and is mainly used for parking for the middle of town as the Checkers centrum lies across the street.

The "Dorp Street flats" currently rented to the IEC (unit 1) and used as office space for the Informal Settlements Department and some of Infrastructure Directorate (PMU) staff, are situated along Dorp Street and is located on portions of erven 1123, 1133, 1128, 1134, 1142. These buildings are heritage buildings and to make any changes to them will require approval from Heritage Western Cape. All heritage approvals will have to be obtained.

Any development will have to take the need of parking into account and will have to not only supply parking for the development, but also the same amount of parking that is currently available to the residents and visitors that make use of the parking area will still have to be available to the public. The areas that are used as streets and to provide access should ideally be subdivided from any area that is put out for development, consolidated, and not form part of any development proposals.

The development requirements for the area within which the erven are situated must be considered as far as height and depth of any underground development is concerned. It must compliment the architectural character of Stellenbosch and be sensitive to the historic character of the existing buildings. The Municipality does not want to dispose of the erven in question by selling them, but rather providing a long-term lease to the developer that will be doing the development that will fit into the business district and will contribute to the economic upliftment of the area like for example restaurants, tourist accommodation.

As the development will mean additional traffic on that corner a traffic impact study will probably be required. How pedestrians can be incorporated, and the non-motorised transport plan must be indicated in any proposal. The development must maximise the economic development opportunities in the area and stimulate economic activity within the town and therefore allow for business, tourism, and accommodation. The erven will likely need to be rezoned and any application in this regard will have to follow the normal process.



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**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.3.3**

- (a) that Council provisionally identifies the erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160 is not needed for Municipal Services; and
- (b) that the information statement be approved for public participation.

**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>2022 – 11 - 09</b>

7.3.4	<b>REQUEST TO RELEASE ERVEN 622 AND 623, STELLENBOSCH FOR RESTITUTION PURPOSES TO THE REGIONAL LAND CLAIMS COMMISSIONER: WESTERN CAPE</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

16 November 2022

1. **SUBJECT: REQUEST TO RELEASE ERVEN 622 AND 623, STELLENBOSCH FOR RESTITUTION PURPOSES TO THE REGIONAL LAND CLAIMS COMMISSIONER: WESTERN CAPE**

2. **PURPOSE**

To consider a request by the Regional Land Claim Commissioner: Western Cape (RLCC: WC) for the release of erven 622 and 623, Stellenbosch for restitution purposes (now part of erf 9672, Stellenbosch).

3. **DELEGATED AUTHORITY**

Council must consider the request.

4. **EXECUTIVE SUMMARY**

The Rynse Sending Gemeente Kerk lodged a claim when the RLCC: WC on 1997-03-25 and has indicated that they would prefer restoration of the properties as preferred method of compensation. The claim has subsequently been accepted by the RLCC WC as a *prima face* complaint.

They have requested Stellenbosch Municipality, the current owner of erf 9672, Stellenbosch, to release the property to the RLCC WC at a minimal cost or gratis, for restitution purposes. Council must consider the request.

**EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.3.4**

**RESOLVED**

that this matter be referred back to Administration.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>Annalene de Beer</b>
<b>POSITION</b>	<b>Director Corporate Services</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>09.11.2022</b>

<b>7.4</b>	<b>FINANCIAL SERVICES: (PC: CLLR P JOHNSON)</b>
<b>7.4.1</b>	<b>PREFERENTIAL PROCUREMENT POLICY</b>

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

16 November 2022

**1. SUBJECT: PREFERENTIAL PROCUREMENT POLICY**

**2. PURPOSE**

That Council approves the New Preferential Procurement Policy and revisions to the Supply Chain Management Policy

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

To give effect to the New Preferential Procurement Regulations (2022 Regulations) under the Preferential Procurement Policy Framework Act, 2000 (PPPFA) that were gazette by the Minister of Finance on 4 November 2022.

In light of this newly gazetted Preferential Procurement Regulations, The Stellenbosch Municipality are compelled like all other municipalities to table a New Preferential Procurement Policy that must comply with the newly gazette Preferential Procurement Regulations.

Further to the above Stellenbosch Municipality need to repeal its previously adopted and approved Preferential Procurement Policy.

Amendments to the current Supply Chain Management policy will also be drafted and included that will ensure the effective functioning of our Supply Chain Management system.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.4.1**

- (a) that the New Preferential Procurement Policy be advertised for public comment; and
- (b) that the revised Supply Chain Management Policy be advertised for public comment

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<i>Dalleel Jacobs</i>
<b>POSITION</b>	<i>Senior Manager Supply Chain</i>
<b>DIRECTORATE</b>	<i>Finance</i>
<b>CONTACT NUMBERS</b>	<i>021 808 8137</i>
<b>E-MAIL ADDRESS</b>	<i>Dalleel.jacobs@stellenbosch.gov.za</i>
<b>REPORT DATE</b>	<i>04 November 2022</i>

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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7.6.1	<b>SEPTEMBER 2022 QUARTERLY STATUS REPORT ON THE GENERATION OF ALTERNATE ELECTRICITY ENERGY SUPPLIES</b>
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Collaborator No: 737545  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 16 November 2022

**1. SUBJECT: SEPTEMBER 2022 QUARTERLY STATUS REPORT ON THE GENERATION OF ALTERNATE ELECTRICITY ENERGY SUPPLIES**

**2. PURPOSE**

To inform Council of the progress with the augmentation of the electricity energy supplies to Stellenbosch Municipality in order to drastically reduce the impact of electricity loadshedding on Stellenbosch Municipality.

**3. DELEGATED AUTHORITY**

For notification by the Municipal Council.

**4. EXECUTIVE SUMMARY**

Previously Council made the following resolutions of Alternate Electricity Generation:

- 1) That Council notes the status of the Alternate Electricity Energy investigations and studies being performed and in particular:
  - a) Memorandums of Understanding entered into with:
    - i) University of Stellenbosch
    - ii) Council of Scientific & Industrial Research (CSIR)
    - iii) Western Cape Government (WCG)
  - b) Service Levels Agreements entered into with:
    - i) University of Stellenbosch
    - ii) Council of Scientific & Industrial Research (CSIR)
    - iii) Western Cape Government (WCG) That Council notes the commencement with the following projects:
      - Rooftop Solar Photo Voltaic Investigation

2) that Council notes the commencement with the following projects:

(i) Rooftop Solar Photo Voltaic Investigation

(ii) Energy Master Plan creation

This report indicates how the above has commenced and currently realised completion dates of various parts of the project and sub-projects to date.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.6.1**

that Council notes the status of the Alternate Electricity Energy investigations and studies being performed up to 30 September 2022 and the dates of proposed completions of sub project next steps.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Shane Chandaka
<b>POSITION</b>	<i>Director Infrastructure Services</i>
<b>DIRECTORATE</b>	<i>Infrastructure Services</i>
<b>CONTACT NUMBERS</b>	021 808 8213
<b>E-MAIL ADDRESS</b>	<a href="mailto:shane.chandaka@ Stellenbosch.gov.za">shane.chandaka@ Stellenbosch.gov.za</a>
<b>REPORT DATE</b>	30 September 2022

<b>7.6.2</b>	<b>REQUEST FOR APPROVAL OF STELLENBOSCH ROADS MASTER PLAN</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

16 November 2022

**1. SUBJECT: REQUEST FOR APPROVAL OF STELLENBOSCH ROADS MASTER PLAN**

**2. PURPOSE**

That Council approves the 2022 Roads Master Plan (RMP).

**3. DELEGATED AUTHORITY**

Municipal Council.

**4. EXECUTIVE SUMMARY**

Stellenbosch Municipality undertook the development of its first Roads Master Plan (RMP) in 2012 and the new RMP is a full review of the previous edition.

The aim of the Roads Master Plan (RMP) is to analyse the capacity of the current road network and identify the current and future road infrastructure requirements. This is undertaken with the aid of a Roads Simulation Model, that simulates existing and future road traffic scenarios. Results of the simulations are analysed and recommendations are made for infrastructure that will ensure an effective road layout for the Municipality.

The Draft Roads Master Plan (RMP) has been tabled at Council in April 2021, where the Draft Roads Master Plan (RMP) was accepted by Council and advertised for public comment. Comments were received from Friends of Stellenbosch Mountain (FSM), Stellenbosch Ratepayers Association (SRA), Stellenbosch Interest Group (SIG) and the University of Stellenbosch (US).

Two interest groups in Stellenbosch expressed their concern for the Draft Roads Master Plan (RMP) in general, while others expressed concerns relating to listed projects. Amendments to the Draft Roads Master Plan (RMP) has been brought about to align with the public comments received.

The Directorate's view is that the analysis carried out through the compilation of the RMP ensures that it is suitable for its purpose, i.e. as an aid to planning processes, providing input in the Comprehensive Integrated Transport Plan (CITP).

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.6.2**

- (a) that Council notes that the Roads Master Plan that was published for public comment;
- (b) that Council notes the comments received, and the Directorate's views; and
- (c) that Council approves the 2022 Roads Master Plan.

## FOR FURTHER DETAILS CONTACT:

<b>Name</b>	Shane Chandaka
<b>Position</b>	<i>Director</i>
<b>Directorate</b>	<i>Infrastructure Services</i>
<b>Contact Numbers</b>	021 808 8213
<b>E-mail Address</b>	<a href="mailto:Shane.Chandaka@ Stellenbosch.gov.za">Shane.Chandaka@ Stellenbosch.gov.za</a>
<b>Report Date</b>	9 November 2022

7.6.3	<b>APPROVAL OF THE LONG-TERM BERG RIVER – VOELVLEI AUGMENTATION SCHEME (BRVAS) WATER SUPPLY AGREEMENT BETWEEN DEPARTMENT OF WATER AND SANITATION (DWS) / STELLENBOSCH LOCAL MUNICIPALITY</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Good Governance and Compliance**

**16 November 2022**

**1. SUBJECT: APPROVAL OF THE LONG-TERM BERG RIVER – VOELVLEI AUGMENTATION SCHEME (BRVAS) WATER SUPPLY AGREEMENT BETWEEN DEPARTMENT OF WATER AND SANITATION (DWS) / STELLENBOSCH LOCAL MUNICIPALITY**

**2. PURPOSE**

To obtain Council's approval for the publication of the Information statement as part of the public participation process and the in-principle approval of the long-term agreement for Berg River – Voelvlei augmentation water supply scheme (BRVAS) between Department of Water and Sanitation and Stellenbosch Municipality

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The purpose of this item is to obtain Council approval for the participation in the Berg River-Voelvlei Augmentation Scheme (BRVAS) and the proposed BRVAS water supply agreement.

The BRVAS will benefit the Municipality with increased water security over the long term at a favorable cost.

By entering into the agreement the Municipality agree to purchase its allocated water supply. For the first 20 years the rate payable is estimated at the initial BRVAS-Capital Unit Charge (CUC) commencing on 1 July 2023, based on the base financial, economic and Projected Costs information is R4.2690/m<sup>3</sup> in June 2023 terms, excluding VAT. The water from the BRVAS still needs to be treated to potable standards. After this 20-year period, only the catchment charge, presently R 0.45/m<sup>3</sup>, will be payable which makes the scheme very feasible for the municipality in the long term.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.6.3**

- (a) that the Municipality's participation in the Berg River- Voelvlei Augmentation Scheme (BRVAS) be approved;
- (b) that the Municipal Manager be delegated to attend to all negotiations and sign the Berg River – Voelvlei Augmentation Scheme (BRVAS) Water Supply Agreement on behalf of the Municipality;
- (c) that according to Clause 33 of the Municipal Finance Management Act (MFMA), the required process for contracts with budgetary implications for more than 3 years be followed; and



- (d) that Council approve the information statement (**ANNEXURE I**) to be published as part of the public participation process.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Shane Chandaka
<b>POSITION</b>	<i>Director</i>
<b>DIRECTORATE</b>	<i>Infrastructure Services</i>
<b>CONTACT NUMBERS</b>	<i>021 808 8213</i>
<b>E-MAIL ADDRESS</b>	<a href="mailto:shane.chandaka@ Stellenbosch.gov.za"><u>shane.chandaka@Stellenbosch.gov.za</u></a>
<b>REPORT DATE</b>	<i>09 November 2022</i>

7.6.4	<b>TRANSFER OF PORTIONS OF FARM 502 (PORTIONS OFF 502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF) OWNED BY STELLENBOSCH MUNICIPALITY, TO WESTERN CAPE GOVERNMENT FOR ROAD PURPOSES</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

16 November 2022

1. **SUBJECT: TRANSFER OF PORTIONS OF FARM 502 (PORTIONS OFF 502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF) OWNED BY STELLENBOSCH MUNICIPALITY, TO WESTERN CAPE GOVERNMENT FOR ROAD PURPOSES**

2. **PURPOSE**

Is to consider a request from the Provincial Government of the Western Cape (PGWC) to acquire from Stellenbosch Municipality, portions of Farm 502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF, for road purposes.

3. **DELEGATED AUTHORITY**

Municipal Council.

4. **EXECUTIVE SUMMARY**

Farm No. 502 has been subdivided into various portions and is located just south of Stellenbosch and surrounded by agricultural areas. Annandale Road, also referred to as Divisional Road (DR) 1050, runs through a portions of the subdivided portions (502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF) of Farm 502. **(APPENDIX 4)**

The Provincial Government of the Western Cape (PGWC) proposed the acquisition of the above-mentioned portions of land along the road - to supplement the existing road reserve. The additional portions will have to be subdivided from the mentioned portions (502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF) and be incorporated into the new road reserve.

The Provincial Government of the Western Cape (PGWC) is prepared to compensate the Municipality, the market value of the properties that is required of Farms 502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF. **(APPENDIX 2)**

In addition to the financial gain, community value will be gained from the transfer of the portions of land which will increase mobility for commuters within the Municipal area.

The wider road reserve is required for upgrades to Annandale Road, these upgrades have been completed and the fence-line have been relocated to the new road reserve boundary, the transfer of land will have minimum impact on surrounding agricultural operations.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.6.4**

- (a) that Council identifies that the subject portions of Farms **502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF (APPENDIX 4)** is not required for the provision of basic municipal services;

- (b) that new valuations be obtained for consideration when the item is returned after public participation (**APPENDIX 2**);
- (c) that Council considers the community value (increased mobility of commuters) that will be gained as a result of the transfer (**APPENDIX 4**);
- (d) that Council approves the transfer of the subdivided portions of Farms 502AA;502AB;502AC;502ADN; 502BH; 502BK; 502AE; 502AF 502 (**Appendix 4**) in principle;
- (e) that the intention to transfer the subdivided portions of Farms 502AA; 502AB; 502AC; 502ADN; 502BH; 502BK; 502AE; 502AF, be advertised for public comment;
- (f) that, after the public participation process, the comments be considered by Council, before a final decision is made; and
- (g) that the Municipal Manager then be authorized to conclude the deed of sale. (**APPENDIX 3**)

**FOR FURTHER DETAILS CONTACT:**

<b>Name</b>	Shane Chandaka
<b>Position</b>	Director
<b>Directorate</b>	Infrastructure Services
<b>Contact Numbers</b>	021 808 8213
<b>E-mail Address</b>	<a href="mailto:Shane.Chandaka@ Stellenbosch.gov.za">Shane.Chandaka@ Stellenbosch.gov.za</a>
<b>Report Date</b>	9 November 2022

7.7	<b>PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J JOON)</b>
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7.7.1	<b>STELLENBOSCH MUNICIPALITY INVASIVE ALIEN PLANT MANAGEMENT PLAN (5-YEAR REVIEW)</b>
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Collaborator No: 738427  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 16 November 2022

**1. SUBJECT: STELLENBOSCH MUNICIPALITY INVASIVE ALIEN PLANT MANAGEMENT PLAN (5-YEAR REVIEW)**

**2. PURPOSE**

The Stellenbosch Municipality Invasive Alien Plant (IAP) Management Plan, adopted by Council in 2017, have been reviewed (5-year cycle) in consultation with the Department of Forestry, Fisheries and the Environment (**ANNEXURE 1**).

The latter document (September 2022) is herewith presented to Council for approval as Stellenbosch Municipality's 2<sup>nd</sup> generation IAP Management Plan prepared in terms of the National Environmental Management Biodiversity Act, 10 of 2004 (NEMBA).

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

As local authority and as landowner of various portions of nature areas throughout the WC024 area, Stellenbosch Municipality is required (in terms of NEMBA) to have an invasive alien monitoring, -control and -eradication plan in place. Stellenbosch Municipality responded to this requirement by adopting its first IAP Management Plan during June 2017 (Council decision included below). The latter plan required that it be reviewed and updated in accordance with the status of invasive alien plant investigation of the relevant municipal property included in the plan as well as alien clearing work undertaken.

The Stellenbosch Municipality IAP Management Plan, as contained in this item, has been finalized in collaboration with the Department of Forestry, Fisheries and the Environment.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.7.1**

that Council approves and adopts the Stellenbosch Municipality Invasive Alien Plant Management Plan (September 2022) as its 2<sup>nd</sup> Generation invasive alien monitoring, -control and -eradication plan prepared in terms of NEMBA.

**FOR FURTHER DETAILS CONTACT:**

NAME	Schalk van der Merwe
POSITION	Environmental Planner
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	021 808 8679
E-MAIL ADDRESS	schalk.vandermerwe@stellenbosch.gov.za
REPORT DATE	19 October 2022

<b>7.7.2</b>	<b>STELLENBOSCH MUNICIPALITY: AIR QUALITY MANAGEMENT PLAN (5-YEAR REVIEW)</b>
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**Collaborator No:** 738428  
**IDP KPA Ref No:** Good Governance and Compliance  
**Meeting Date:** 16 November 2022

**1. SUBJECT: STELLENBOSCH MUNICIPALITY: AIR QUALITY MANAGEMENT PLAN (5-YEAR REVIEW)**

**2. PURPOSE**

The Stellenbosch Municipality: Air Quality Management Plan (October 2018) has been reviewed in terms Section 15 (1) of the National Environmental Management: Air Quality Act, 39 of 2004.

The Stellenbosch Municipality: Air Quality Management Plan (September 2022) (**ANNEXURE A**) has been finalized in collaboration with the Cape Winelands District Municipality Air Quality Officer and the Department of Environmental Affairs and Development Planning's Directorate: Air Quality Management. The latter document is herewith presented to Council for approval as Stellenbosch Municipality's 3<sup>rd</sup> Generation Air Quality Management Plan.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Section 15 (1) of the National Environmental Management: Air Quality Act, 39 of 2004, places an obligation on Municipalities to develop Air Quality Management Plans (AQMPs) to manage air quality in their regions. Stellenbosch Municipality's 1<sup>st</sup> Generation AQMP dates back to 2013. This document was reviewed and the updated document adopted by Council in 2018. The Stellenbosch Municipality: AQMP (September 2022) (Annexure A) serves as Stellenbosch Municipality's 3<sup>rd</sup> Generation AQMP, 5-year review and update of the latter. The Stellenbosch Municipality: AQMP (September 2022) is based on the above (2013 and 2018) plans and is informed by the updated Western Cape AQMP (2021) and the Cape Winelands District Municipality AQMP (2018).

The Stellenbosch Municipality: AQMP, as contained in this item, has been finalized in collaboration with the Cape Winelands District Municipality Air Quality Officer and the Department of Environmental Affairs and Development Planning's Directorate: Air Quality Management.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.7.2**

that Council approves and adopts the Stellenbosch Municipality: Air Quality Management Plan (September 2022) as its 3<sup>rd</sup> Generation Air Quality Management Plan.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Schalk van der Merwe
<b>POSITION</b>	Environmental Planner
<b>DIRECTORATE</b>	Community and Protection Services
<b>CONTACT NUMBERS</b>	021 808 8679
<b>E-MAIL ADDRESS</b>	schalk.vandermerwe@stellenbosch.gov.za
<b>REPORT DATE</b>	17 October 2022

7.8	PLANNING :(PC: CLLR C VAN WYK
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7.8.1	APPROVAL OF THE CORE FESTIVE PERIOD AND ARRANGEMENTS FOR THE PROCESSING OF LAND USE AND BUILDING PLAN APPLICATIONS AND ASSOCIATED PUBLIC PARTICIPATION
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Collaborator No: 738311  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 16 November 2022

**1. SUBJECT: APPROVAL OF THE CORE FESTIVE PERIOD AND ARRANGEMENTS FOR THE PROCESSING OF LAND USE AND BUILDING PLAN APPLICATIONS AND ASSOCIATED PUBLIC PARTICIPATION**

**2. PURPOSE**

Is to seek approval for arrangements for the processing and associated public participation pertaining to land use planning and building plan applications over the festive period.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Land use and building development applications are subject to prescribed legislative timeframes and associated public participation processes. During the festive season most families undertake extended holiday breaks away from home, which presents a challenge when most staff is also on holiday breaks and during which notices are not received by potential interested and affected parties on land use applications. For this purpose, it has become a practice to determine a core festive period during which public participation is not permitted or, alternatively, that such periods are disregarded with the extension of notice periods, and that such core festive period is also not taken into account in the prescribed timeframes for the processing for such applications. It is consequently proposed to adopt these arrangements to ensure ongoing compliance with legislative prescripts on timeframes as well as fair administrative processes regarding public participation for any potential interested and affected parties.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.8.1**

that the core festive period determined as 15 December 2022 to 9 January 2023 **BE APPROVED** for the purpose:

- (a) That no serving or publishing of land use and land development application notices be undertaken during the determined core festive period.
- (b) That the determined core festive period is not taken into account for purposes of calculating the number of days for public participation and/ or the processing of land use and building development applications, and that any such periods affected be accordingly extended.
- (c) That any new land use and building plan applications submitted during the determined core festive period will not be administratively processed and that this period will also

not be taken into account for the purpose of calculating any of the legislative prescribed timeframes for the processing of land use and building plan applications.

- (d) That no appeal period can commence which will be affected by the core festive period and that no notifications of decisions on land use applications will be communicated after 1 December 2022, and only be communicated from 9 January 2023.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Stiaan Carstens
<b>POSITION</b>	Senior Manager: Development Management
<b>DIRECTORATE</b>	Planning and Economic Development
<b>CONTACT NUMBERS</b>	021 808 8674
<b>E-MAIL ADDRESS</b>	Stiaan.carstens@stellenbosch.gov.za
<b>REPORT DATE</b>	7 November 2022

<b>7.8.2</b>	<b>APPOINTMENT OF ADDITIONAL BUILDING CONTROL OFFICERS</b>
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Collaborator No: 738321  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 16 November 2022

**1. SUBJECT: APPOINTMENT OF ADDITIONAL BUILDING CONTROL OFFICERS**

**2. PURPOSE**

Is to request to Council to appoint additional officials in the employ of the Municipality as Building Control Officers (BCO's) in order to complement the existing appointed BCO's to enhance service delivery.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

A Local Authority is required to appoint a Building Control Officer (BCO) to perform the prescribed duties in terms of the National Building Regulations and Buildings Standards Act, 1977 (Act 103 of 1977), hereafter referred to as "the Act". The designation and appointment of a BCO in accordance with the Act

is a requirement of the Act, which qualified person is permitted to make recommendation to the authorised decision maker to decide on a building plan application. The purpose of this Item is to request to Council to appoint additional officials in the employ of the Municipality as BCO's in terms of the Act in order to complement the existing appointed BCO's to enhance service delivery.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.8.2**

The appointment of the following suitably qualified officials in the employment of the Stellenbosch Municipality as Building Control Officers in terms of such designation in Section 5 of the National Building Regulations and Buildings Standards Act, 1977 (Act 103 of 1977), **BE APPROVED:**

- (a) Me. Liezel Poulten
- (b) Mr. Aubrey Langeveldt

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Stiaan Carstens
<b>POSITION</b>	Senior Manager: Development Management
<b>DIRECTORATE</b>	Planning and Economic Development
<b>CONTACT NUMBERS</b>	021 808 8674
<b>E-MAIL ADDRESS</b>	Stiaan.carstens@stellenbosch.gov.za
<b>REPORT DATE</b>	7 November 2022



<b>7.8.3</b>	<b>APPROVAL OF THE DELEGATIONS OF THE POLICY FOR THE NAMING AND RENAMING OF STREETS, PUBLIC PLACES, NATURAL AREAS, ARTEFACTS AND COUNCIL-OWNED BUILDINGS AND FACILITIES</b>
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Collaborator No: 738334  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 16 November 2022

**1. SUBJECT: APPROVAL OF THE DELEGATIONS OF THE POLICY FOR THE NAMING AND RENAMING OF STREETS, PUBLIC PLACES, NATURAL AREAS, ARTEFACTS AND COUNCIL-OWNED BUILDINGS AND FACILITIES**

**2. PURPOSE**

To request Council to adopt the delegations of the Policy on Naming and Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities for Stellenbosch Municipality.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The subject policy was approved by Council on 27 July 2022. The associated and required delegations to implement the subject policy did not accompany the item for approval, and the purpose of this item is the rectify the matter and obtain approval for the required delegations in order to effectively implement the subject policy.

The policy sets out the responsibilities of the relevant parties involved in the process of naming and renaming of streets, public places, natural areas, artefacts and council-owned buildings and facilities, as well as the numbering of streets. It provides criteria to guide how these names or numbers are allocated and approved and rules for effective administrative and decision-making procedures.

Under Section 59: Delegations of the Municipal Systems Act, Council is to approve the delegation of powers in terms of this policy to key officials and incorporate these into the System of Delegations. The proposed delegations are included in **ANNEXURE 1**.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.8.3**

that the Delegations for the Policy on Naming and Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities for Stellenbosch Municipality (WC024) attached as **ANNEXURE 1, BE APPROVED** and to be attached to the System of Delegations.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Stiaan Carstens
<b>POSITION</b>	Senior Manager: Development Management
<b>DIRECTORATE</b>	Planning and Economic Development
<b>CONTACT NUMBERS</b>	021 808 8674
<b>E-MAIL ADDRESS</b>	<a href="mailto:Stiaan.Carstens@stellenbosch.gov.za">Stiaan.Carstens@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	07 November 2022

7.8.4	<b>REVIEW OF THE STELLENBOSCH BY-LAW ON MUNICIPAL LAND USE PLANNING</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

16 November 2022

**1. SUBJECT: REVIEW OF THE STELLENBOSCH BY-LAW ON MUNICIPAL LAND USE PLANNING**

**2. PURPOSE**

Is to present to Council a proposed revised draft By-law on municipal land use planning in terms of Section 12(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (MSA), and to request Council's permission to release the same for the purpose of public participation and input as contemplated in terms of Section 12(3)(b) of the MSA.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The current By-law on Municipal Land Use Planning was adopted in 2015. During the years of implementation many areas for improvement, shortcomings and omissions, as well as errors have been identified. This prompted the need for the review of the subject by-law, which will ensure that the Municipality applies the planning laws accurately and improve their ability to deliver land use planning services. The purpose of this report is to introduce to Council the resulting proposed draft revised By-law for the purpose of releasing same for the required public participation process.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.8.4**

- (a) that the revised draft by-law on municipal land use planning, attached as **ANNEXURE "A", BE NOTED**; and
- (b) that the publishing of the proposed draft by-law on municipal land use planning, attached as **ANNEXURE "A"**, for the purpose of public comments and representations in terms of section 12(3)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), **BE APPROVED**.

**FOR FURTHER DETAILS CONTACT:**

NAME	Stiaan Carstens
POSITION	Senior Manager: Development Management
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 8674
E-MAIL ADDRESS	<a href="mailto:Stiaan.carstens@ Stellenbosch.gov.za">Stiaan.carstens@ Stellenbosch.gov.za</a>
REPORT DATE	3 November 2022

7.9	<b>LOCAL ECONOMIC DEVELOPMENT AND TOURISM:(PC: CLLR R DE TOIT (MS)</b>
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7.9.1	<b>PERMISSION TO ALLOW FOR MOBILE UNITS TO TRADE AT PRE-DETERMINED SITES WITHIN THE WC024 AREA</b>
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**Collaborator No:** 737594  
**IDP KPA Ref No:** Valley of Opportunity  
**Meeting Date:** 16 November 2022

**1. SUBJECT: PERMISSION TO ALLOW FOR MOBILE UNITS TO TRADE AT PRE-DETERMINED SITES WITHIN THE WC024 AREA**

**2. PURPOSE**

To provide Council with the pertinent facts to approve the pilot project to permit mobile trading on predetermined sites for food trucks & coffee carts, etc. for a period of one (1) year, or until such time the draft Informal Trading Bylaw is adopted by Council.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Council to approve the request to allow the Department: Development Planning to pilot informal trading in the form of mobile trading within pre- determined areas, as stipulated within the draft Informal Trading By-law.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.9.1**

- (a) that Council approves the request of the Directorate: Planning & Economic Development for the pilot period of one (1) year in order to issue permits to informal traders using mobile units to trade within pre-determined areas in accordance with the terms and conditions as set out under 6.2 of this report;
- (b) that Council approve that such mobile informal trading also be allowed on the premises of the Stellenbosch Municipality's Traffic Department (Stellenbosch), Jan Marais Park, or any other identified municipal property, with approval from the user Department of such property; and
- (c) that the Section: Economic Development & Tourism in consultation with the Director: Community & Safety Services and Directorate: Infrastructure Services allocate such trading bays and areas within the premises of the Traffic Department (Stellenbosch) or on any other pre-determined areas.

**FOR FURTHER DETAILS CONTACT:**

NAME	Carmen Saville
POSITION	Economic Development Officer
DIRECTORATE	Planning & Economic Development
CONTACT NUMBERS	021 808 8151
E-MAIL ADDRESS	Carmen.Saville@stellenbosch.gov.za
REPORT DATE	29 August 2022

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

7.11	<b>MUNICIPAL MANAGER</b>
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7.11.1	<b>COMMUNITY INPUTS AND SUBMISSIONS RECEIVED DURING THE PUBLIC PARTICIPATION PROCESSES IN SEPTEMBER AND OCTOBER 2022</b>
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Collaborator No: 738035  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 16 November 2022

**1. SUBJECT: COMMUNITY INPUTS AND SUBMISSIONS RECEIVED DURING THE PUBLIC PARTICIPATION PROCESSES IN SEPTEMBER AND OCTOBER 2022**

**2. PURPOSE**

To table to Council for notification:

- (a) The community inputs and submissions made during the public participation period in September 2022 on the 1<sup>st</sup> Review on the 5<sup>th</sup> Generation IDP 2022 – 2027 and budget for the 2023/24 financial year, attached as **ANNEXURE A**.

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

Each municipality is legally required to embark on a public participation process to solicit community inputs in preparation for the review of the IDP and budget for the next financial year.

The public participation process for the 1<sup>st</sup> Review of the 5<sup>th</sup> Generation IDP 2022 – 2027 was held during 07 – 28 September 2022. A sector engagement was also held on 06 October 2022.

All the inputs received were submitted to the relevant ward councillors to workshop the inputs with their respective ward committees and to review (if so required) their ward priorities for the 2023/24 financial year in line with the inputs received.

In addition, the inputs were also submitted to the various directorates to consider the same in their respective strategies, plans and master plans.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-11-16: ITEM 7.11.1**

- (a) that Council **takes note** of the community inputs received during the September and October 2022 public participation process, attached as **ANNEXURE A**;
- (b) that Council **takes note** that the ward councillor will, in consultation with the ward committee, review the ward priorities of the respective ward; and

- (c) that Council **takes note** that the [re]prioritised ward priorities and community inputs will be considered by the municipality for implementation in the 2023/24 and or outer financial years.

**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>	03 November 2022

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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The meeting adjourned at 11:25

**CHAIRPERSON:** .....

**DATE:** .....

**Confirmed on** .....

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6.	STATUTORY MATTERS
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6.1	TABLING OF THE DRAFT ANNUAL REPORT 2021/22
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

19 January 2023

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**1. SUBJECT: TABLING OF THE DRAFT ANNUAL REPORT 2021/22**

**2. PURPOSE**

- (a) To table to Council the Draft Annual Report 2021/22 for consideration and to be released for public comment.
- (b) Furthermore, it is also the purpose of this submission, after the adoption of the Draft Annual Report 2021/22 by the Council, to refer the Draft Annual Report 2021/22 to the Municipal Public Accounts Committee (MPAC) to fulfil the role of an Oversight Committee and to make a recommendation to Council as contemplated in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

The Annual Report must be tabled, by the Executive Mayor, within 7 months after the end of the financial year. The Draft Annual Report must be made public and the Municipal Manager must invite the public to provide input into the draft report. It has become a practice that the MPAC also invites the public to make verbal representations at meetings where the report is being discussed.

A schedule with proposed dates for the MPAC meetings is also attached hereto as **ANNEXURE A**. Council resolved that MPAC has, as part of its terms of reference, the role to sit as the Oversight Committee to consider the Draft Annual Report 2021/22.

**5. RECOMMENDATIONS**

- (a) that Council takes note of the Draft Annual Report 2021/22;
- (b) that Council takes note that the Municipal Manager will make the Draft Annual Report 2021/22 public for comment on the official website of the Stellenbosch Municipality, the local print media and at the offices of the municipality for 21 days; that the commencement of the public participation process will be the date the Draft Annual Report 2021/22 is published on the municipal website;
- (c) that Council refer the Draft Annual Report 2021/22 (**ANNEXURE B**) to the MPAC to consider the Draft Annual Report 2021/22 and to make a recommendation to Council as contemplated in terms of Section 129(1) of the MFMA;
- (d) that Council takes note of the proposed dates for the MPAC meetings where the Draft Annual Report 2021/22 will be discussed, as detailed in **ANNEXURE A**

hereto. These dates are subject to change. Final dates will be published on the municipality's website and in the local media;

- (e) that Council approves the MPAC's mandate to co-opt two members of the public with expertise in specific fields to assist and advise the MPAC; and
- (f) that Council approves that the co-opted members can be remunerated in line with the recommendations of National Treasury Regulation in this regard.

*Rates for additional nominated community members as per Treasury Regulation 20.2.2. The once-off preparation tariff was used as a guide since the National Treasury does not have guidance in that regard. Consultation must take place to decide if the rate will remain the same.*

Tariff	Number of co-opted Members	Not exceeding no. of hours	Remuneration
Per-hour tariff for attendance of meeting as a member	2	45 hours	R 327.00 per hour
Once-off Tariff for duties performed in preparation	2	6 hours	R 1 500 (for six hours)

## 6. DISCUSSION

### 6.1 Background

The MFMA promotes transparency and accountability for the fiscal and financial affairs of all municipalities and municipal entities through in-year and annual reporting. This can be achieved where there is a clear link between the strategic objectives agreed upon with the community, the Integrated Development Plan (IDP), the Budget, the Service Delivery and Budget Implementation Plan (SDBIP), performance agreements of senior management and officials, in-year reports, annual financial statements, annual performance report and the Annual Report.

All these forms one process to ensure that the actual performance is reported against what was planned and contained in the IDP. In this manner, the annual reporting reflects financial and non-financial performance for the financial year that ended and was audited. It is therefore a post-financial year document.

The Annual Report requires collecting and consolidating a range of financial and non-financial performance information about the municipality. It provides an authoritative record of the activities and performance of the municipality for each financial year. Over time it will serve as a key historic record of the municipality revealing the progress, growth and development of municipal services and performance.

In terms of Section 121(3) of the MFMA, the Annual Report of a municipality or municipal entity must include the following core components. These core components are normally annexed to the Draft Annual Report:

- a) The Annual Financial Statements as submitted to the AGSA (Section 121(3)(a));
- b) the AGSA's audit report in terms of section 126(3) on those financial statements (Section 121(3)(b));
- c) the annual performance report of the municipality prepared by the municipality in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) (Section 121(3)(c));
- d) the AGSA's audit report in terms of section 45(b) of the MSA (Section 121(3)(d)); and



- e) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d) in the MFMA (Section 121(3)(g)).

Council should take notice that the Draft Annual Report 2021/22 is submitted to Council within seven months after the financial, thereby satisfying Section 127(2) of the MFMA.

Furthermore, Council should also take notice that the Draft Annual Report 2021/22 is complete as it contains all relevant information and all the core components listed in Section 121(3) of the MFMA.

## 6.1 **Financial Implications**

There are no financial implications beyond what was approved in the 2021/22 MTREF Budget.

## 6.2 **Legal Implications**

Section 121(3) of the MFMA states that the annual report of a municipality must include—

*(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);*

*(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;*

*(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;*

*(d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;*

*(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;*

*(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;*

*(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);*

*(h) any explanations that may be necessary to clarify issues in connection with the financial statements;*

*(i) any information as determined by the municipality;*

*(j) any recommendations of the municipality's audit committee; and*

*(k) any other information as may be prescribed.*

Section 127(2) of the MFMA states that, "*The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.*"

Furthermore, Section 127(3) of the MFMA states that *“If the mayor, for whatever reason, is unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality’s sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must— (a) promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and (b) submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.”*

### **6.3 Staff Implications**

This report has no additional staff implications for the municipality.

### **6.4 Risk Implication**

None.

### **6.5 Comments from Senior Management**

#### **6.5.1 Director: Community and Protection Services**

Supported

#### **6.5.2 Chief Financial Officer**

Supported

#### **6.5.3 Director: Infrastructure Services**

Supported

#### **6.5.4 Director: Corporate Services**

Supported

#### **6.5.5 Director: Planning and Economic Development**

Supported

#### **6.5.6 Comments from the Municipal Manager**

Supported

### **ANNEXURES**

**Annexure A: Schedule of MPAC Meetings**

**Annexure B: Draft Annual Report 2021/22**

**Annexure C: APAC Report**

# **ANNEXURE A**



# STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

## DRAFT MPAC MEETING SCHEDULE TO REVIEW THE DRAFT ANNUAL REPORT 2021/22

<b>Date:</b>	09, 10, 14, 21, 23 February and 01 March 2023
<b>Time:</b>	09:00
<b>Venue:</b>	To be confirmed
<b>Objectives</b>	
<ol style="list-style-type: none"> <li>To discuss and evaluates the content of the Annual Report 2021/22; and</li> <li>To ensure a credible annual and oversight report is recommended to Council for approval.</li> </ol>	

Date	Time	Activity	Responsible Officials
<b>09 February 2023</b>	08:30 – 12:00	Orientation	Mr A Vorster
	<b>Lunch</b>		
	14:00 – 16:30	Review of Chapters 1, 2 and 3	MM and Directors
10 February 2023	09:00 – 13:00	Review of chapters 4, 5 and 6	MM and Directors
<b>14 February 2023</b>	<b>10:00 – 12:00</b>	<b>Public Hearing</b>	<b>Public / Council</b>
21 February 2023	09:00 - 09:30	Feedback discussion on Chapters	<b>Office of the MM:</b> IDP/PMS/PP
	09:30 – 10:00		<b>Directorate: Infrastructure Services</b> MM, Director: Infrastructure Services and Snr Managers
	10:00 – 10:30		<b>Directorate: Planning and Economic Development</b> MM, Director: Planning and Economic Development and Snr Managers
	10:30 – 11:00		<b>Directorate: Community and Protection Services</b> MM, Director: Community and Protection Services and Snr Managers
	11:30 – 12:00		<b>Directorate: Corporate Services</b> MM, Director: Corporate Services and Snr Managers
	12:00 – 12:30	<b>Directorate: Financial Services</b> MM, CFO and Snr Managers	
23 February 2023	<b>10:00 – 12:00</b>	<b>Site Visit</b>	<b>MPAC</b>
01 March 2023	09:00 -09:30	Signing off on Oversight Report 2021/22	MPAC

**Cllr W Pietersen**  
**MPAC Chairperson**

# **ANNEXURE B**



**STELLENBOSCH**

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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

# DRAFT ANNUAL REPORT 2021/22

The Draft Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)





## List of Abbreviations

Abbreviation	Description
<b>ABS</b>	Access to Basic Services
<b>ACDP</b>	African Christian Democratic Party
<b>AGSA</b>	Auditor-General of South Africa
<b>AH</b>	Agri-Hub
<b>AMEU</b>	Association of Municipal Electricity Utilities
<b>ANC</b>	African National Congress
<b>ANPR</b>	Automatic Number Plate Recognition System
<b>BAC</b>	Bid Adjudication Committee
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BEC</b>	Bid Evaluation Committee
<b>BICLS</b>	Bulk Infrastructure Development Contribution Levies
<b>CAC</b>	Civic Amenity Centre
<b>CAPEX</b>	Capital Expenditure
<b>CBD</b>	Central Business District
<b>CBP</b>	Community-Based Planning
<b>CCTV</b>	Closed Circuit Television
<b>CDW</b>	Community-Development Worker
<b>CEB</b>	Compressed Earth Block
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CGI</b>	Compliance and Governance Index
<b>CIGFARO</b>	Chartered Institute of Government Finance, Audit and Risk Officers
<b>CITP</b>	Comprehensive Integrated Transport Plan
<b>CoCT</b>	City of Cape Town
<b>COGTA</b>	Cooperative Governance and Traditional Affairs
<b>COPE</b>	Congress of the People
<b>CRSES</b>	Centre for Renewable Energy Studies
<b>CWDM</b>	Cape Winelands District Municipality
<b>DA</b>	Democratic Alliance
<b>DCAS</b>	Department of Cultural Affairs and Sport
<b>DEA and DP</b>	Department of Environmental Affairs and Development Planning
<b>DEDAT</b>	Department of Economic Development and Tourism
<b>DOE</b>	Department of Education
<b>DORA</b>	Division of Revenue Act
<b>DSD</b>	Department of Social Development
<b>DWS</b>	Department of Water and Sanitation
<b>ECD</b>	Early Childhood Development
<b>EE</b>	Employment Equity
<b>EHP</b>	Emergency Housing Policy
<b>EIA</b>	Environmental Impact Assessment
<b>EPWP</b>	Expanded Public Works Programme
<b>ESTA</b>	Extension of Security of Tenure Act
<b>FBAR</b>	Final Basic Assessment Report



Abbreviation	Description
<b>FPSU</b>	Farmer Production Support Unit
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>GDP-R</b>	Gross Domestic Product - Regional
<b>HCE</b>	Housing Consumer Education
<b>HR</b>	Human Resources
<b>HSDG</b>	Human Settlements Development Grant
<b>IBR</b>	Inverted Box Rib
<b>ICT</b>	Information and Communication Technology
<b>IDP</b>	Integrated Development Plan
<b>iGRAP</b>	Interpretations of Standards of Generally Recognised Accounting Practice
<b>IFRS</b>	International Financial Reporting Standards
<b>IIC</b>	Infrastructure Innovation Committee
<b>IMATU</b>	Independent Municipal Trade Union
<b>IMESA</b>	Institute of Municipal Engineers of South Africa
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>IPC</b>	Integrated Planning Committee
<b>IRDPA</b>	Integrated Residential Development Programme
<b>ISAMAO</b>	The Institute of South African Municipal Accounting Officers
<b>IWMP</b>	Integrated Waste Management Plan
<b>IWAA</b>	Integrated Water Availability Assessment
<b>IZS</b>	Integrated Zoning Scheme
<b>JPI</b>	Joint Planning Initiative
<b>JSE</b>	Johannesburg Stock Exchange
<b>KIWMF</b>	Kraaifontein Integrated Waste Management Facility
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>LETRP</b>	Large Employer Trip Reduction Programme
<b>LGMTEC</b>	Local Government Medium Term Expenditure Committee
<b>LGSETA</b>	Local Government Sector Education and Training Authority
<b>LM</b>	Local Municipality
<b>LR</b>	Labour Relations
<b>LUMS</b>	Land Use Management System
<b>LUPA</b>	Land Use Planning Act
<b>LUPO</b>	Land Use Planning Ordinance
<b>MAYCO</b>	Executive Mayoral Committee
<b>MOBI</b>	Municipal Benchmarking Initiative
<b>MERO</b>	Municipal Economic Review Outlook
<b>MFMA</b>	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
<b>MGRO</b>	Municipal Governance Review and Outlook
<b>MIG</b>	Municipal Infrastructure Grant
<b>MILE</b>	Municipal Institute of Learning
<b>MINMAY</b>	Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers





Abbreviation	Description
<b>MIQ</b>	Municipal Data and Intelligence
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of the Mayoral Committee
<b>MMF</b>	Municipal Managers Forum
<b>MOU</b>	Memorandum of Understanding
<b>MPAC</b>	Municipal Public Accounts Committee
<b>MPC</b>	Multipurpose Centre
<b>MPI</b>	Municipal Productivity Index
<b>MRF</b>	Material Recovery Facility
<b>MSA</b>	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>MTAB</b>	Metropolitan Transport Advisory Board
<b>MTECH</b>	Medium Term Expenditure Committee
<b>MVA</b>	Mega Volt Amp
<b>NDP</b>	National Development Plan
<b>NDPW</b>	National Department of Public Works
<b>NEMA</b>	National Environment Management Authority
<b>NGO</b>	Non-Governmental Organisation
<b>NHBRC</b>	National Housing Building Regulation Council
<b>NMT</b>	Non-Motorised Transport
<b>NPO</b>	Non-Profit Organisation
<b>NRTLEC</b>	National Road Traffic Legislation Enforcement Code
<b>NT</b>	National Treasury
<b>OHS</b>	Occupational Health and Safety
<b>OPEX</b>	Operating Expenditure
<b>PDO</b>	Predetermined Objectives
<b>PDoHS</b>	Provincial Department of Human Settlement
<b>PIE</b>	Prevention of Illegal Evictions
<b>PMS</b>	Performance Management System
<b>PPDO</b>	Provincial Predetermined Objectives
<b>PPP</b>	Public Private Partnership
<b>PRASA</b>	Passenger Rail Agency of South African
<b>PSDF</b>	Provincial Spatial Development Framework
<b>PSP</b>	Provincial Strategic Plan
<b>PT</b>	Provincial Treasury
<b>RBIG</b>	Regional Bulk Infrastructure Grant
<b>REFSO</b>	Renewable Energy Finance and Subsidy Office
<b>RUMC</b>	Rural Urban Market Centre
<b>SAB</b>	South African Breweries
<b>SABS</b>	South African Bureau of Standards
<b>SALGA</b>	South African Local Government Association
<b>SAMDI</b>	South African Management Development Institute
<b>SAMRAS</b>	South African Municipal Resource Accounting System
<b>SAMWU</b>	South African Municipal Workers Union



Abbreviation	Description
<b>SANEDI</b>	South African National Energy Development Initiative
<b>SANS</b>	South Africa National Standards
<b>SAPS</b>	South African Police Service
<b>SASSA</b>	South African Social Security Agency
<b>SCA</b>	Stellenbosch Civic Association
<b>SCMU</b>	Supply Chain Management Unit
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SEDA</b>	Small Enterprise Development Agency
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small Medium Micro Enterprises
<b>SMS</b>	Short Message Service
<b>SOP</b>	Standard Operating Procedure
<b>SPA</b>	Stellenbosch People's Alliance
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>SPV</b>	Special Purpose Vehicles
<b>SSI</b>	Stellenbosch Safety Initiative
<b>STOD</b>	Sustainable Transit-Oriented Development Plan
<b>SWWTW</b>	Stellenbosch Waste Water Treatment Works
<b>TASK</b>	Tuned Assessment of Skills and Knowledge
<b>TIATCP</b>	Technical Innovation Agency Technical Centre Programme
<b>VTS</b>	Vehicle Testing System
<b>WC</b>	Western Cape
<b>WCO24</b>	Greater Stellenbosch
<b>WoF</b>	Working on Fire
<b>WRC</b>	Water Research Commission
<b>WWF</b>	World Wildlife Fund



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# CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It is an honour to present the Annual Report of Stellenbosch Municipality for the 2021/22 financial year. This report builds on the municipality's reporting in previous years and aligns as far as possible with the recommendations of the 2016 King Report on Corporate Governance for South Africa (or King IV) as well as internationally accepted standards for integrated reporting.

In my capacity as Executive Mayor over the past financial year, I have been hugely impressed by how not only the municipality's employees but also most residents have embraced our vision of becoming a true Valley of Opportunity and Innovation.

Our municipality, with all its unique towns, stands as a shining example to the rest of South Africa of what can be achieved when people work together towards a shared vision of a better future.

Thank you to all the residents, stakeholders, investors, and visitors for always keeping us on our toes and for supporting us in our efforts to achieve our goals. Based on the achievements of the past financial year, in many instances in the face of significant challenges, I have every confidence that, together, we will continue to make steady progress in the years to come. At a management level and a political level, our organisation stands strong, and it is from this firm foundation that we can focus all efforts on improving lives and livelihoods.

This report provides information about the municipality's financial, operational, social, and environmental performance over the past 12 months under review, namely the period from 01 July 2021 to 30 June 2022. It also reflects on the progress made towards reaching our objectives as set out in the Integrated Development Plan (IDP).

The Annual Report will show that the Stellenbosch Municipality is in a very stable position, with excellent financial controls in place. We are committed to good governance practices, and our zero-tolerance approach to misconduct and corruption ensures that every cent of public money is spent on the people.

The maintenance, upgrade, and development of our infrastructure remained key priorities for Council. During the period under review, special attention was given to the upgrading of bulk infrastructure and the maintenance of critical infrastructure to ensure that service delivery can continue on a sustainable basis.

Team Stellenbosch has shown incredible resilience and an ability to pull together as a government and as residents. Thank you to every municipal employee who is working to make excellent service delivery happen and to ensure that this great municipality becomes even better. This report must





inspire all of us to work even harder to position Stellenbosch firmly as one of the best-run and financially stable municipalities in the country.

The content of this report is linked to various material issues in the municipality's IDP and other sector plans. These are issues that we intend to address as part of delivering our service mandate in the context of our five strategic focus areas and long-term vision.

I believe that the 2021/22 Annual Report will provide you with a fair and accurate overview of the administration's financial, operational, social, and environmental performance for the 12 months under review.

---

**ADV GESIE VAN DEVENTER**  
**EXECUTIVE MAYOR**



## COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW



In reflecting on the 2021/22 financial year, I am pleased to report that the Stellenbosch Municipality has performed well concerning service delivery, governance, and financial management.

This report provides information on the municipality's performance for the 12 months under review and will show that we have weathered the COVID-19 storm and delays caused by the lockdown as best as we could.

There were unavoidable delays in construction on projects due to the lockdown period, which impacted negatively on the timely completion of some projects, but essential municipal service delivery and emergency services continued uninterrupted.

I am proud of the clean audit opinion we once again received from the Auditor General of South Africa. A clean audit demonstrates good management, effective control measures, and compliance with audit requirements. My sincere appreciation to my management team, all our officials, and the Council for your dedication towards achieving our clean audit status.

The Annual Report will show that the Stellenbosch Municipality is in a fiscally healthy position, with all senior management positions filled and all municipal departments fully operational.

As a caring local government guided by our values of innovation, integrity, accountability, and transformation, we have continued to invest heavily in infrastructure upgrades, development, and maintenance, as this report will demonstrate. Key priorities of the municipality remain safety and security, ensuring dignified living opportunities, and creating an environment conducive to economic growth and opportunities.

The municipality is not in the business of merely making promises. Commitments are monitored and reported on, but if not fulfilled, action is taken. We are an outcomes-based organisation that is open to the scrutiny of residents. Thank you to all municipal employees, management, and executives for your diligence, passion, and hard work over the past year. It is an honour to be part of an organisation that is so determined to make a positive difference in the lives of those it serves.

I extend my sincere appreciation to the Executive Mayor and Mayoral Committee, the entire Council, the Audit and Performance Audit Committee, my management team, and all our officials for their contribution to delivering on our vision of becoming a true Valley of Opportunity and Innovation for all.

Let this Annual Report not only reflect on the challenges and achievements of the past year but also motivate us to do even better as we head into the future together.

---

**MS GERALDINE METTLER**  
**MUNICIPAL MANAGER**



# COMPONENT C: EXECUTIVE SUMMARY AND MUNICIPAL OVERVIEW

## 1.1 Introduction

This Annual Report 2021/22 addresses the performance of the Stellenbosch Municipality, in the Western Cape, South Africa, in respect of its core legislative obligations. Local government must create a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the municipal councils provide regular and predictable reporting on programme performance and the general state of affairs in their locality.

The report reflects on the performance of the Stellenbosch Municipality for the period of 01 July 2021 to 30 June 2022. The layout of the annual report is prepared in terms of Section 121(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in terms of which the municipality must prepare for each financial year.

### **The Annual Report comprises six chapters with the following broad overview:**

- Chapter 1:** An overview of the municipality's overarching strategy, accountability processes, social and demographic profile, and key highlights and challenges regarding finance, institutional transformation, and key basic service delivery.
- Chapter 2:** Details about the governmental workings of the municipality and addressing the key aspects of good governance.
- Chapter 3:** Highlights the municipality's performance for the year, with a focus on service delivery and the municipality's predetermined objectives.
- Chapter 4:** Provides insight into the municipality's human resources and organisational management areas, focussing on organisational structure and legislation.
- Chapter 5:** An overview of the municipality's financial performance, reflecting on the municipality's financial position, assets, cash flow, and intergovernmental grants received by the municipality.
- Chapter 6:** An overview of the audit key findings as per the Auditor-General of South Africa.

The purpose is to establish a transformed and well-governed municipal environment that remains robust and will continue to stimulate the growth and well-being of the constituents of the Stellenbosch municipal areas.



# **VISION AND MISSION STATEMENT**



**THE STELLENBOSCH MUNICIPALITY HAS COMMITTED ITSELF TO THE FOLLOWING VISION AND MISSION:**

# Vision

**“An Integrated Valley of Opportunity and Innovation”**

# Mission

**Our mission is to deliver services in an enabling environment through sustainable, cost-effective and accountable services for our community**

**IN ALL OUR WORK AND ENGAGEMENTS WITH THE COMMUNITY AND OTHER STAKEHOLDERS, WE SUBSCRIBE TO THE FOLLOWING**

# Values

**Integrity:**

As servants of the public, we undertake to perform the functions and operations of the municipality in an honest and ethical manner.

**Accountability:**

As responsible public servants, we pledge to perform our duties in a manner that is open to oversight and public scrutiny. This commitment is shaped by our understanding to give an account of our actions to individuals, groups and organisations.

**Transformation:**

We, as custodians of hope, will work tirelessly at transforming our municipality, communities and broader society by unlocking the endless possibilities that our valley holds and treasures. This commitment is shaped by our understanding of the historical, spatial, social and economic inequalities in our valley.

**Innovation:**

We will continuously review our systems, procedures and processes to make them less bureaucratic and more responsive to customer needs. We will acknowledge and reward initiatives that show creativity and ingenuity.

**Excellence:**

As a municipality, we will strive to deliver excellent services for all areas within the greater Stellenbosch.

**Responsiveness:**

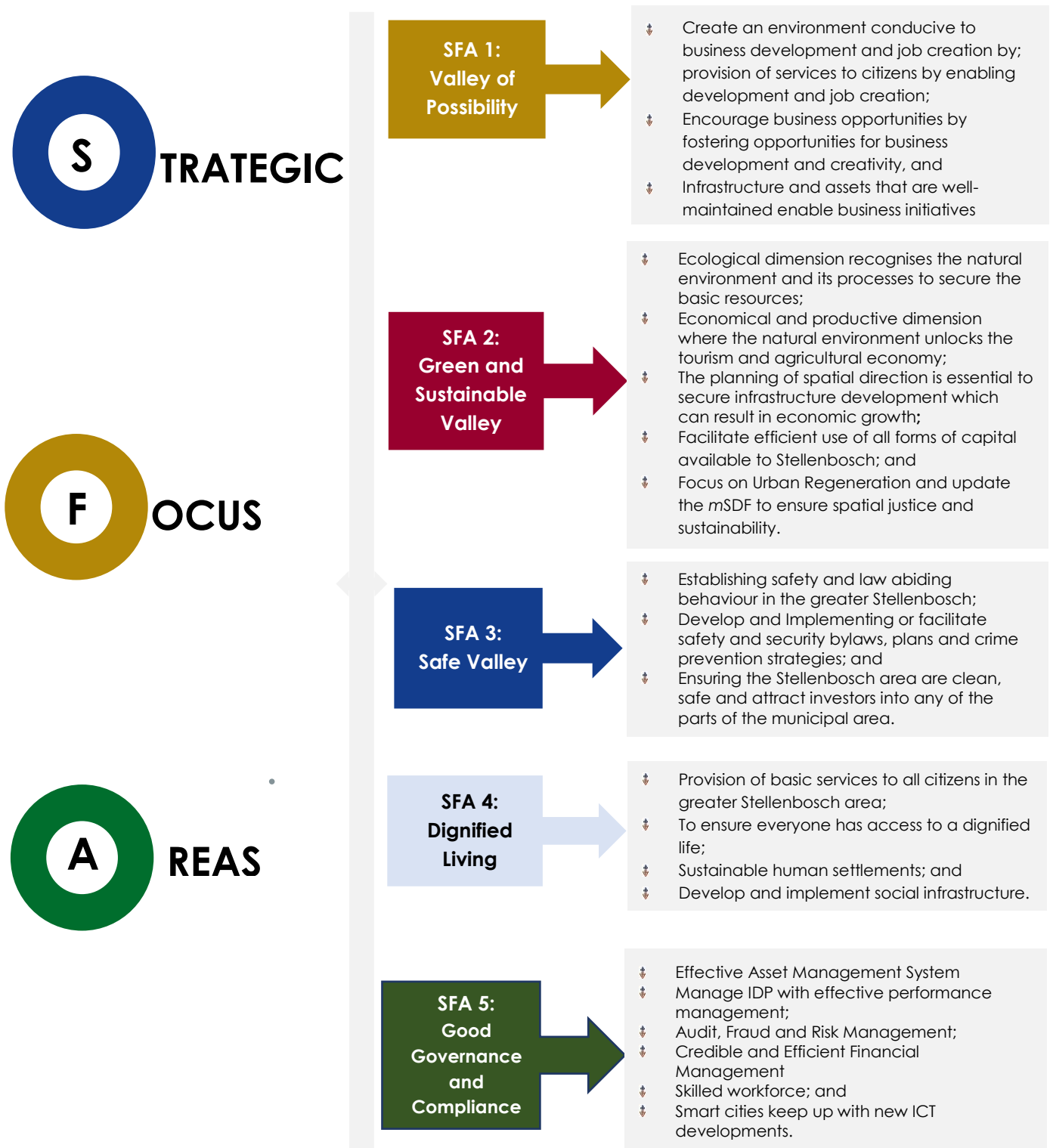
The municipality is a responsive municipal entity with zero tolerance for corruption and illegal actions.



## 1.2 Strategic Focus Areas

The strategic focus areas within a municipality are the building blocks of the Council's strategy. The focus areas as depicted in the diagram below illustrate the expansion of the vision statement and create structure around how the municipality will achieve its strategic goals. The Service Delivery and Budget Implementation Plan (SDBIP) is developed in a more detailed way to indicate the deliverables against the activities that should be met in a certain timeframe.

Figure 1: Strategic focus areas

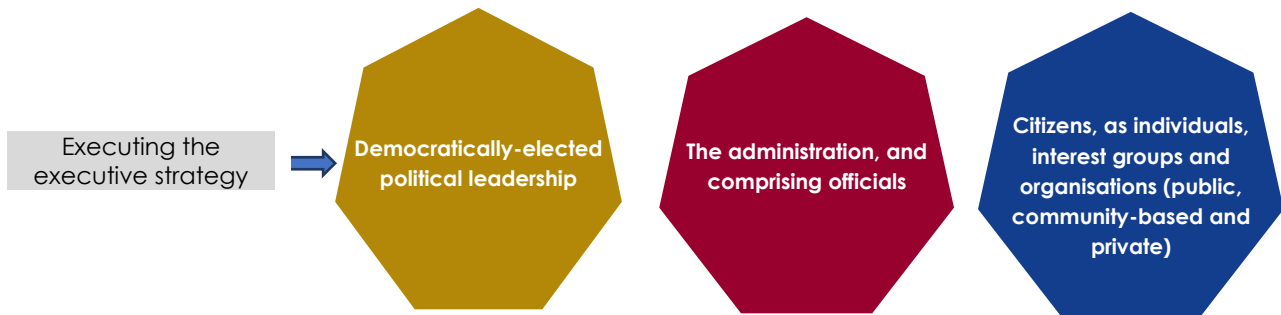




### 1.3 Core Principles in Executing the Strategy

This section refers to the linkage between political leadership, the administration and the community. The diagram below illustrates the three components a municipality should encompass:

**Figure 2: Core principles in executing strategy**



For sustainable municipal management, political leadership and the administration must work closely together. Ultimately, democratically-elected political leadership is responsible for policy direction. The administration provides advice and implements policy.

International best practice shows that the only way to carry out sustainable urban management is to engage in meaningful partnerships with communities, where communities take full responsibility for the development of their neighbourhoods. Stellenbosch Municipality is committed to ensuring that the real social and economic development of its poorest communities is realised through proper community input and ownership. It is not generally realised that communities are legally part of the municipality. This being the case, however, means that local communities cannot simply play the role of critic or passive bystander. Local communities must play an active part in the planning and implementation of projects and programmes in their neighbourhoods.

A component of community participation focuses on ward-based planning, where the desired outcome is to have a ward-based plan for each of the 22 wards. Ward-based plans are a form of participatory planning designed to promote community action, with clear linkages to the IDP. These plans mobilise communities and citizens to take responsibility for their destinies and capture what communities see as their desired outcomes. These plans also help to fast-track the implementation of the IDP. This ensures that the focus areas of the IDP become the collective responsibility of community members, ward councillors, ward committees, the business community, NGOs and CBOs and all other stakeholders in the greater Stellenbosch.

Participatory processes present an opportunity for visionary local leaders to implement a shared agenda and show tangible and measurable results through collectively addressing the ward priorities.



## 1.4 Alignment with Institutional Structures and Processes

The municipality focuses on prudent arrangements that provide internal and external alignment to its organisational strategies. This best supports the execution of the long-term goals and purposes, which require all stakeholder engagements, both external and internal, to be aligned with and committed to achieving the vision of the organisation.

The administration strongly focuses on action against deliverables, which in turn creates effectiveness and efficiency in decision-making as well as delivering services to all citizens.

Planning techniques are used to bridge the gap between local experiential knowledge, the technical needs of strategy development, and the demand for strategic frameworks to be ready to cope with rapid decision-making to reduce the risk of unforeseen issues. Through extensive, organised information-sharing and planning workshops, this procedure aims to establish a starting position about how to guide the development and administration of the town. The first plan is drafted, and provisions are created for influencing today's decisions and the character of future work in a way that supports the strategy. The strategy becomes the overarching strategic framework, which is then built on with technical work.

## 1.5 The tools of governance

**Policy:** defining / framing the position of government and direction for action concerning issues where clear choices exist (for example, to focus on private or public transport, to grow a settlement outwards or contain it inwards).

**Plan making:** indicating where resources should focus functionally or spatially, in what form, and when.

**Legislation:** directing, constraining and rewarding (potentially) the behaviour of different actors in society (in the interest of all citizens).

**Regulation:** the process of directing, constraining, and potentially rewarding (potentially) the behaviour of various actors in society (in the best interests of all citizens).

**Fiscal measures:** service fees, charges, and taxes used to raise government revenue and direct action in support of policy and legislation (via fiscal "incentives").

**Financial measures:** the priorities and areas of government spending, including investments in infrastructure, facilities, and programmes to support spatial and sectoral or functional area policies and plans.

**Institutional measures:** arrangements for decision-making, the allocation of powers, responsibilities, agreements and relationships between government and other actors, human resource capacity / competency, and measurement systems within government and between government and other actors.

**Asset management:** the approach taken to the management of government assets (land, public facilities, and so on).

**Knowledge and information management:** the government's investment in and dissemination of knowledge about existing / anticipated conditions that require management.

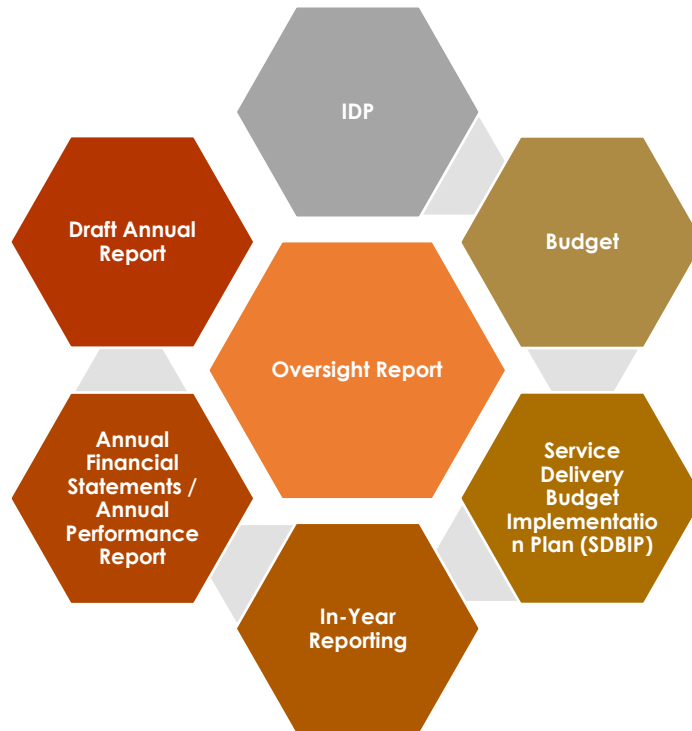
**Advocacy:** the "positive" and "negative" positions taken by the government on issues. This could be through the media, public meetings / engagements events, and so on.





To ensure alignment between Council's strategic processes is adhered to, the municipal accountability cycle needs to be implemented:















**Figure 3: Accountability Process flow**





## 1.6 Demographical Overview of the Greater Stellenbosch at a Glance

Table 1: Socio-economic summary

Demographics		Population Estimates, 2022; Actual households, 2021							
	Population <b>199 325</b>		Households <b>50 792</b>						
Education		2021		Poverty		2021			
	Matric Pass Rate	<b>87.9%</b>			Gini-Coefficient	<b>0.63</b>			
	Learner Retention Rate	<b>79.1%</b>			Poverty Head Count Ratio (UBPL)	<b>58.91</b>			
	Learner-Teacher Ratio	<b>27.2</b>							
Health				2021/22					
	Primary Health Care Facilities <b>8 (excl. mobile / satellite)</b>	Immunisation Rate <b>55.8%</b>	Maternal Mortality Ratio (per 100 000 live births) <b>61.1</b>	Teenage Pregnancies – Delivery rate to women U/18 <b>13.2%</b>					
Safety and Security		The annual number of reported cases in 2021/22							
	Residential Burglaries <b>958</b>	DUI <b>252</b>	Drug-related Crimes <b>1125</b>	Murder <b>87</b>	Sexual Offences <b>226</b>				
Access to Basic Service Delivery			Percentage of households with access to basic services, 2021						
Water <b>99.3%</b>		Refuse Removal <b>82.1%</b>		Electricity <b>96.8%</b>		Sanitation <b>96.4%</b>		Housing <b>74.5%</b>	
Road Safety 2021/22		Labour, 2021/22 <sup>1</sup>		Socio-economic Risks					
Fatal Crashes	<b>31</b>	Unemployment Rate (narrow definition)	<b>34.5%</b>	<b>Risk 1</b>	Job Losses				
Road User Fatalities	<b>39</b>			<b>Risk 2</b>	Informal Sector Expansion				
				<b>Risk 3</b>	Low skills base (Labour)				
Largest 3 sectors			Contribution to GDP, 2020						
Finance, insurance, real estate and business services		Wholesale and retail trade, catering and accommodation			Manufacturing				
<b>26.5%</b>		<b>17.5%</b>		<b>16.3%</b>					

Source: Western Cape, Social-Economic Profile 2022

<sup>1</sup> According to the Quarterly Labour Force Survey (QLFS) – Q1:2022, the official unemployment rate was 34.5% in the first quarter of 2022. The official unemployment rate was 34.5% in the first quarter of 2022.



## 1.7 State of the Greater Stellenbosch

Stellenbosch Municipality is located at the edge of the City of Cape Town but still manages to retain its distinct small-town character. This undoubtedly gives Stellenbosch a strong competitive advantage – sharply contrasting with similarly sized towns located 400 km or more from the nearest metropolis. Aside from being a mere 50 km from Cape Town's central business district (CBD) and being flanked by the N1 and N2 main routes, Stellenbosch is also just 30 km away from the sea (at Somerset West/Strand) and only a few kilometres away from one of the most attractive mountain ranges of the Boland.

In addition, Stellenbosch is a mere 28 km from Cape Town International Airport, one of South Africa's top (air) links to the global economy, and not much further away from Cape Town harbour, the shipping portal to both the Atlantic and the Indian Oceans.

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives, which in turn means that it can sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km<sup>2</sup>.

The municipality's area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as several rural communities such as Wemmershoek, La Motte, De Novo, Kylemore, Pniël, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes several informal settlements.

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in 1679. Today, the area has become primarily known for its extraordinary wines and fruits. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect their heritage and traditions, but also divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch and several prestigious schools. It has a strong business sector, varying from major South African businesses and corporations to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. Wine farms and cellars abound and the area is the home of the very first Wine Route in South Africa.



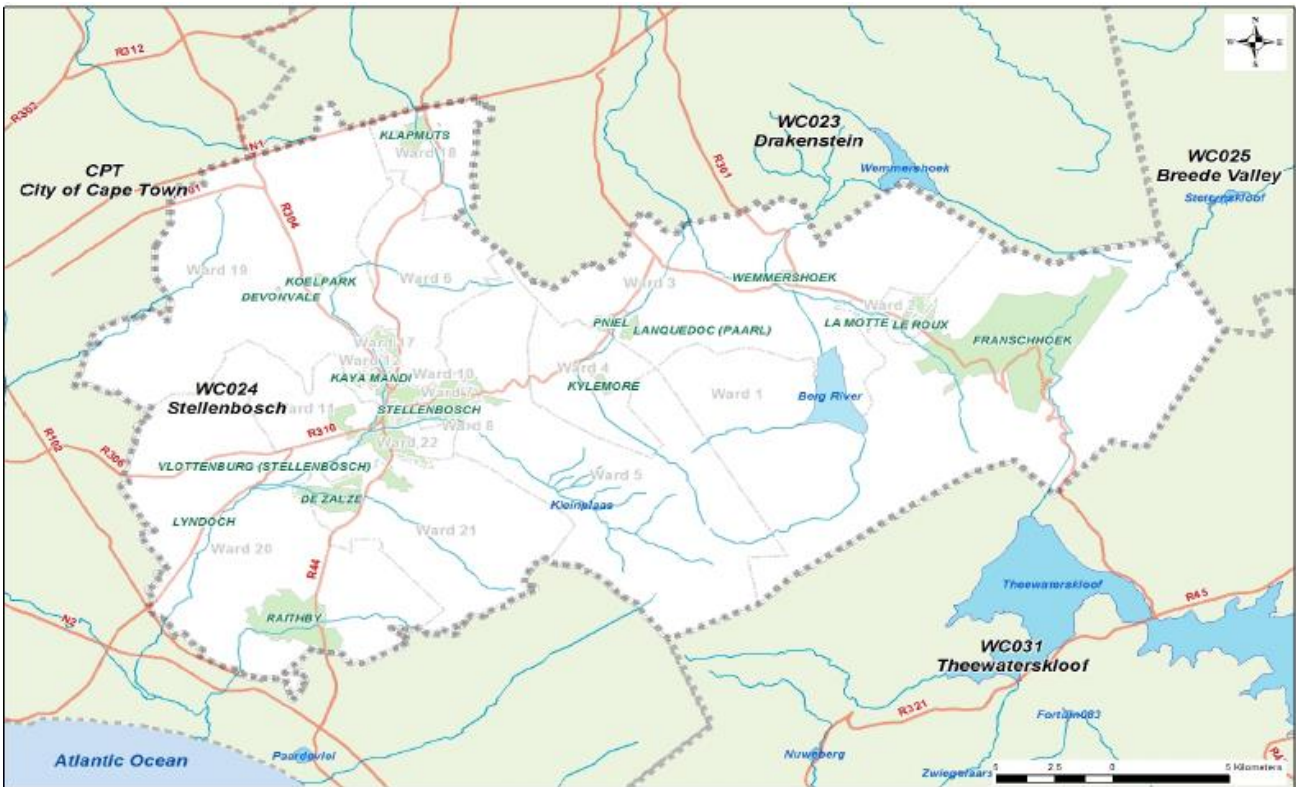
A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The Municipal area is surrounded by arts and culture characters such as the Stellenbosch University's HB Thom Theatre, Oude Libertas Amphitheatre (renowned for its summer season of music, theatre and dance), Spier Amphitheatre, as well as Klein Libertas Theatre, Dorp Street at Theatre and Aan de Braak Theatre.

The following municipalities share their borders with Stellenbosch Municipality:

- The City of Cape Town (South);
- Drakenstein Municipality, (North);
- Breede Valley Municipality, (North-east); and
- Theewaterskloof Municipality, (South-west).

Below is a map of the Stellenbosch Municipality's area of jurisdiction:

**Map 1: Locality map of municipal boundaries**





## 1.8 Ward Demarcation

The ward demarcation was structured according to the election outcomes on 01 November 2021 which increased from 22 to 23 wards for the year under review.

**Table 2: Municipal Ward Demarcation**

Ward	Areas
1	Mooiwater, Franschhoek Town and Surrounding Farms
2	Langrug, La Motte, Dennegeur, Groendal
3	Lanquedoc, Wemmershoek to La Motte Wine Farm and Leopard Leap Wine Farm
4	Kylemore, Johannesdal, Pniël and Surrounding Farms
5	Ida's Valley (Hillside Village, La Gratitude Park (Kreefgat), The Ridge, La Roche, Lindida, Bloekomlaan (Moses / Martin) Lindley)
6	The Hydro, Rustenberg and Surrounding Farms, Kelsey Farm
7	Mostersdrift, Karindal, Rozendal, Uniepark, Simanswyk and Universiteitsoord
8	Stellenbosch University campus and university residence area; Coetzenburg, (partially:) Koloniesland
9	Stellenbosch CBD, Part of the US campus (residential areas within both these areas), the Southern border is the Eerste River, the Northern border is Merriman Street, the Eastern border is Die Laan and the Western border is Bird Street
10	Tenantville, Lakay Street, Titus Street, Langsuid Street up to Lakay Street, Tennant Street, Lapan Street, Bell Street, Bird Street, La Colline (Dr Malan Street, Dan Pienaar Street, Paul Roos Street, Tobruk Park, Irene Park, La Colline Road, Conde Street, Taylor Street, Mount Albert Street), Kromrivier Road, Jan Celliers Street, Hammanshand, Ds Botha Street, Voorplein Street, Bird Street, Langenhoven Street, Du Toit Station, Ryneveld Street, Karee Street, Oliehout Street, Banghoek Rd, Acedemia, Bosman Street, Smuts Rd, Joubert Street, De Beer Rd, De Villiers Rd from Ryneveld Street to Cluver Rd on the left-hand side
11	Boundaries of the ward are: Kridge Rd, Herte Street, Skone Uitsig Rd onto Alexander Street onto Du Toit Street toward Merriman Avenue towards Adam Tas Rd onto George Blake Street, Mark Street, Distillery Rd, Santhagen Rd, Swawel Avenue, Kanarie Rd, Tarentaal Rd, Bokmakierie Rd, Fisant Rd, Devon Valley Rd, Kiewiet Rd, Dagbreek Rd, Pelikaan Street, Patrys Rd, Hammerkop Rd, Loerie Rd, Muldersvlei Landgoed, and all areas in Onder Papegaaiberg and businesses
12	Kayamandi: Zone A, Chris Hani Drive, 10th and 13th Street, School Crescent, Snake Valley, Enkanini, Watergang, Watergang TRA 2 and Watergang Informal Settlements
13	Kayamandi: Zone J, Red Bricks, Zone K and L, Hostels, Dairy and University Hostels, Old Bricks Houses Red Roofs, Zwelitsha, Costaland
14	Kayamandi: Zone P, I, F, D and O, Costaland, Marikana, Watergang, Smarties (Mgabadel Street), Monde Crescent
15	Kayamandi: Zone M, N, O, 4 <sup>th</sup> and 5 <sup>th</sup> Avenue, 10 <sup>th</sup> , 12 <sup>th</sup> and 14 <sup>th</sup> Street, Long Street, Retreat Street, Forest Drive
16	The borders are Tenant Rd, Long streets, Crombi Rd to the end of Gabriels Rd. Asalea Rd, 2nd Road, Noble Rd, Bailey Rd, Eike Street, Curry Street, Hoop Rd, Pansy Rd, West Rd, Laai Rd, Anthony Rd, Carriem Rd, Archilles Rd, Bergstedt Rd, Davidse Rd, Cupido Rd, Pearce Rd, Robyn Rd, Gonzalves Rd, Hercules Rd, Chippendale Rd, Afrika Rd, Arnolds Rd, September Rd, Jakaranda Street, Short Rd, Quarry Rd, Middle Rd, Primrose Street, Pine (Bo en Onder), North End, Vredelust, Gemsbok, Daffodil Single, Steps, Sylvia Street, Eiland Street, Last Street (White City), Frikkadel Dorp, September Street
17	A part of Cloeteville (Lakay Rd towards Langstraat -Suid Rd, Kloof Street, Fir Street, Fontein Rd, Williams R towards Gabriels Rd towards February Rd, Valentyn Rd, Pool Rd, Raziet Rd, Ortell Rd, Rhode Rd, King Rd, Hine Rd, Hendrikse Rd, Rhode Rd), as well as Welgevonden, Green Oaks, Stellita Park, Weltevrede, Welgevonden Estate ( Red Oak Rd, Belladonna Street, Wildeklawer Welgevonden Boulevard, Olive Rd, Sonnedou Rd, Mountain Silver Rd, Silver Oak Rd, Froetang Rd, Katbos Rd, Everlasting, Fynbos Street, Sourfig Street, Scarlet Crescent, Pin Oak Street, Evergreen, Autumn Close, Nenta, Cherrywood, Candelabra, Froetang, Candelabra, Kouter, Protea Street, Minaret, Gooseberry, Honeybush), Klein Welgevonden (La Belle Vie, Chablis) and the Municipal Flats in Rhode, Kloof and Long Streets, Bertha Wines and Weltevreden Estate, 15 Weltevreden Estate.) The borders of the ward are the R44 Klapmuts road and Long streets.
18	Klapmuts Town Centre, Bennitsville, Weltevrede Park, Klapmuts New Houses, Mandela City and La Rochelle Informal Settlement, Klapmuts Farms (The Purple Windmill, Arra Vineyards, Hidden Gems Wines, Gravel Junction Wine and Spiritis Company, Wine Estate Le Bonheur, Anura Vineyard, Dalewood Farms, Blueberry Bar, Klapmuts Transfer Station, Trophy SA, DKL Transport Pty, Welgelee Estate)
19	De Novo, Kromme Rhee, Vaaldraai, Muldersvlei, Koelenhof and surrounding Farms, Koelenhof Station, Slayley, Hunting, Koelenhof Farms, Poultry / Mariendahl, De Hoop, Nootgedacht Village, Bottelary and Surrounding Farms, De Waalshof, Weltevrede 1, Weltevrede 2, Smartie Town.
20	Vlottenberg, Raithby, Mooiberge, Lynedoch

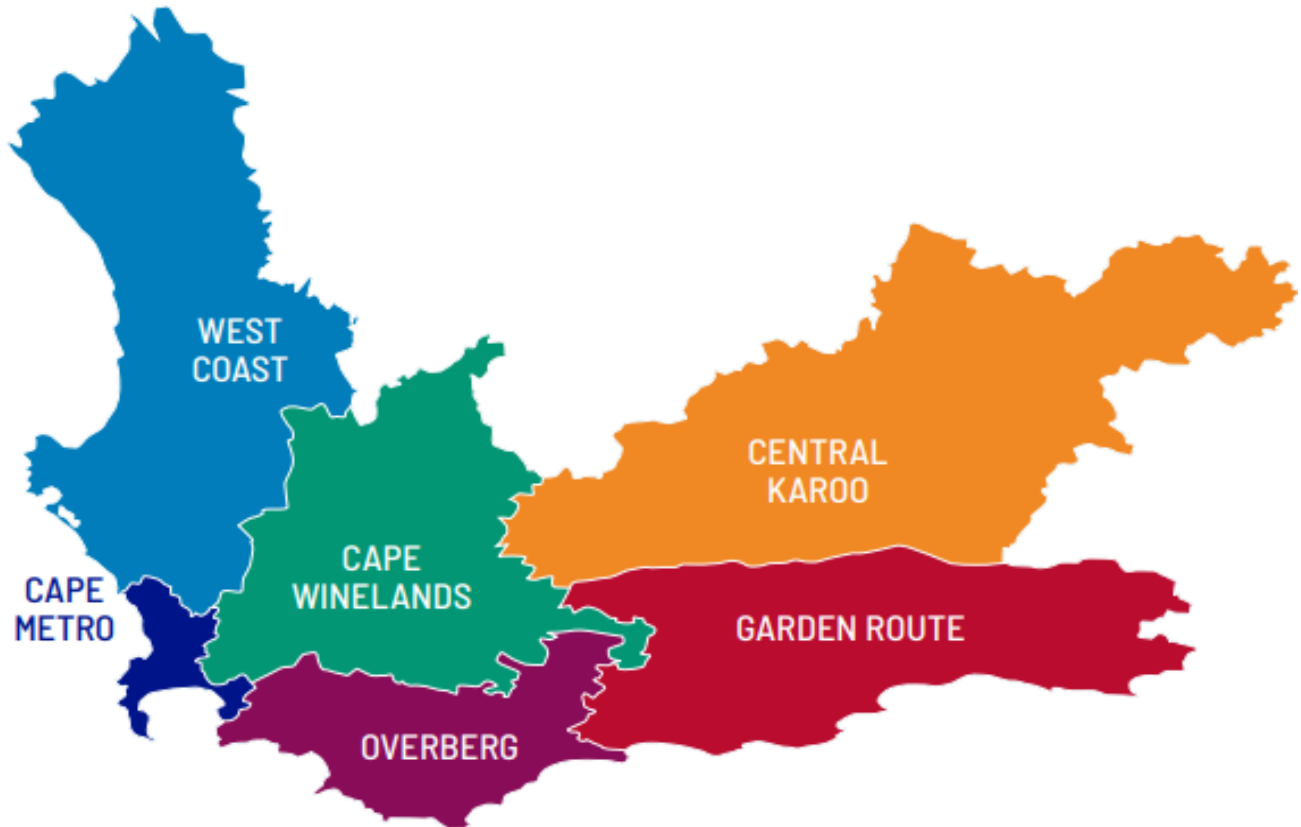


Ward	Areas
21	Brandwacht Aan Rivier, Paradyskloof, Stellenbosch Golf Course, Blaauwklippen / Stellenzicht Farms, De Zalze, Jamestown, Mountainview, Stellenbosch Airfield
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm
23	Dorp Street, Krige, Hamman Streets, Schroder Rd, Die Braak, Bird Street from Dorp Street, Denniseg area, Muller Rd, Banghoek Road, Reyneveld Street, Plankenburg Industrial area and Kayamandi Corridor.

Source: Statistics South Africa

Below is a map of the Cape Winelands District in relation to the provincial district boundaries:

**Map 2: Locality of Cape Winelands in relation to Provincial Boundaries**



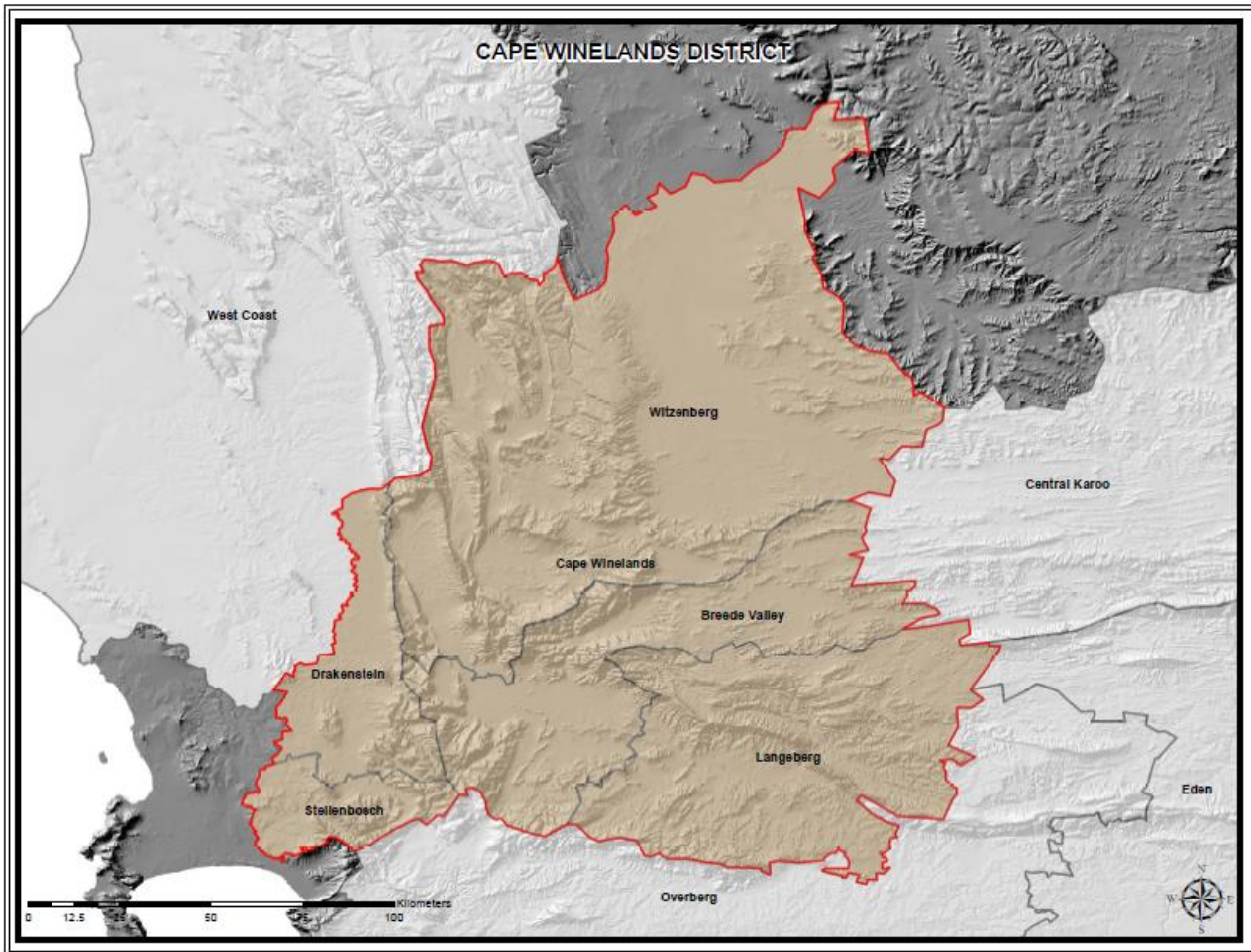
The Western Cape Province makes up 10.6% of the country's land surface and encompasses an area of 129 462 km<sup>2</sup>. The province spatial area includes 1 metropolitan area (City of Cape Town), 5 district municipal areas (Central Karoo, Eden renamed Garden Route, Overberg, Cape Winelands and West Coast) and 24 local municipalities.

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Below is a map of the municipalities of the Cape Winelands District:

**Map 3: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries**




The Cape Winelands District Municipality is located within proximity of the City of Cape Town, which offers excellent access to trade opportunities, routes, and infrastructure such as expanding broadband networks, an international airport (with direct flights to international cities), the second largest container port in the country, and a comprehensive road and rail network. This makes the Cape Winelands district ideally located as an investment destination. The Cape Winelands District municipal area incorporates Drakenstein, Stellenbosch, Breede Valley, Langeberg and Witzenberg local municipalities.

## 1.9 Socio-Economic Context

All socio-economic information is sourced from the Local Government Socio-Economic Profile 2022. The statistical data are primarily sourced from Statistics South Africa, administrative data from sector departments, the Municipal Review and Outlook (MERO), Global Insight Regional Explorer and Quantec.



### 1.9.1 Population Growth

The current population of Stellenbosch in 2022 are 199 325 persons, which is the most populated municipal area in the Cape Winelands District (CWD). This total is  expected to grow to 215 456 by 2026, equating to an average annual growth rate of 2.0 per cent for the period.


The estimated population growth rate of Stellenbosch is therefore 0.3 percentage and points higher than the estimated average annual population growth rate of the Cape Winelands District which is 1.7 per cent.

The table below depicts the population growth from 2022 to 2026:

**Table 3: Population Growth**

Area	2022	2023	2024	2025	2026
%					
Stellenbosch	3.3	2.3	2.0	2.0	1.6
Cape Winelands	2.7	1.8	1.6	1.6	1.6
Western Cape	2.9	1.8	1.7	1.7	1.6

### 1.9.2 Sex Ratio

The overall sex ratio depicts the number of males per 100 females in the population. The data indicates that as of 2022, there are more females than males in the Stellenbosch municipal area with a ratio of 51.1 per cent (females) to 48.9 per cent (males). 

The sex ratio is therefore 96, meaning that for every 100 women there are 96 men. The ratio increases slightly towards 2023 and remains unchanged from 2023 to 2026. This could be attributed to a wide range of factors such as an increase female mortality rates as well as the potential inflow of working males to the municipal area.

The table below depicts the sex ratio within the Stellenbosch municipal area.

**Table 4: Sex Ratio**

Year	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
2022	98.0	108.9	97.6	95.7	93.9	96.1
2023	98.7	110.0	98.4	96.2	94.4	96.9
2024	98.8	110.3	98.5	96.3	94.4	97.0
2025	98.9	110.6	98.6	96.3	94.3	97.1
2026	99.0	110.3	98.9	96.3	94.3	97.4

### 1.9.3 Age Cohorts

The age cohorts are composed according to the population of Stellenbosch. These groupings are expressed as a dependency ratio which indicates those who are part of the workforce (Age 15 – 64) and those who are dependent on them (children or senior citizens). A higher dependency ratio implies greater pressure on social systems and the delivery of basic services.





Between 2022 and 2026, the largest population growth projection was recorded in the 65+ age cohort of 2.7 per cent. This reflects possible improvements in life expectancy (an ageing population) or that more people are choosing the Stellenbosch municipal area as a retirement destination. Notable growth is also expected in the working age cohort, which results in an overall decrease in the dependency ratio towards 2026.

The table below depicts the age cohorts between 2022 and 2026.

**Table 5: Age Cohorts**

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2022	43 801	144 203	11 321	38.2
2024	45 272	150 716	11 932	38.0
2026	76 765	156 091	12 600	38.0
Growth	1.7%	2.0%	2.7%	-

#### 1.9.4 Household sizes

Household size refers to the number of people per household. The average size of households is expected to remain constant at 3.6 people per household from 2022 to 2026. The trend of the constant average household size could be attributed to a wide range of factors but are not limited to, lower fertility rates, ageing population, divorce, cultural patterns surrounding intergenerational co-residence, as well as socioeconomic factors that shape trends in employment, education, and housing markets.



The table below depicts the household sizes from 2022 to 2026:

**Table 6: Household Sizes**

Year	2022	2022	2022	2022	2022	2022
Household Size	3.6	3.6	3.6	3.6	3.6	3.6



### 1.9.5 Population density



Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision-makers in mitigating environmental, health and service delivery risks. In 2022, the population density of the Cape Winelands District was 45 persons per square kilometer. In order of highest to lowest, the various local municipal areas compare as follows:

↓	Stellenbosch	240 people/km <sup>2</sup> ;
↓	Drakenstein	194 people/km <sup>2</sup> ;
↓	Breede Valley	51 people/km <sup>2</sup> ;
↓	Langeberg	27 people/km <sup>2</sup> ; and
↓	Witzenberg	14 people/km <sup>2</sup> .

According to the above comparison, Stellenbosch has the highest density in the Cape Winelands District. This is helped a lot by the fact that the municipal Spatial Development Framework (mSDF) says that urban development should stay within the limits of the urban edge.

### 1.9.6 Education

Education and training improve access to employment opportunities and help sustain and accelerate overall development. Quality Education is the 4th Sustainable Development Goal, while the National Development Plan (NDP) emphasises the link between education and employment as well as the significant contribution it makes to the development of the capabilities and well-being of the population.

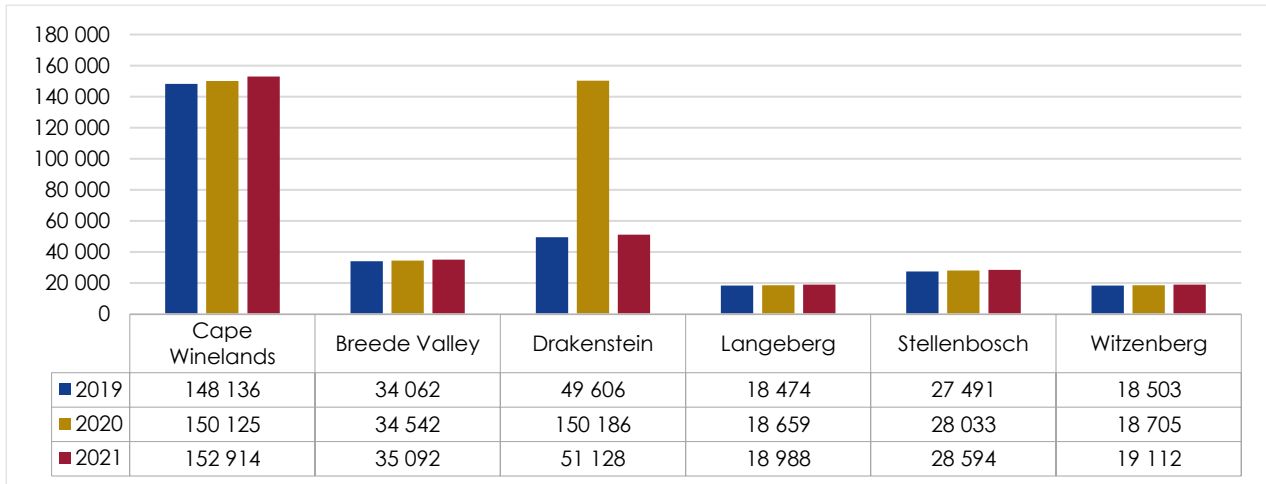


### 1.9.7 The learner enrolment, learner-teacher ratio and learner retention rate

Learner enrolment in Stellenbosch increased from 27 491 enrolments in 2019 to 28 594 in 2021 (more than 1 104 learners were enrolled compared to 2019).

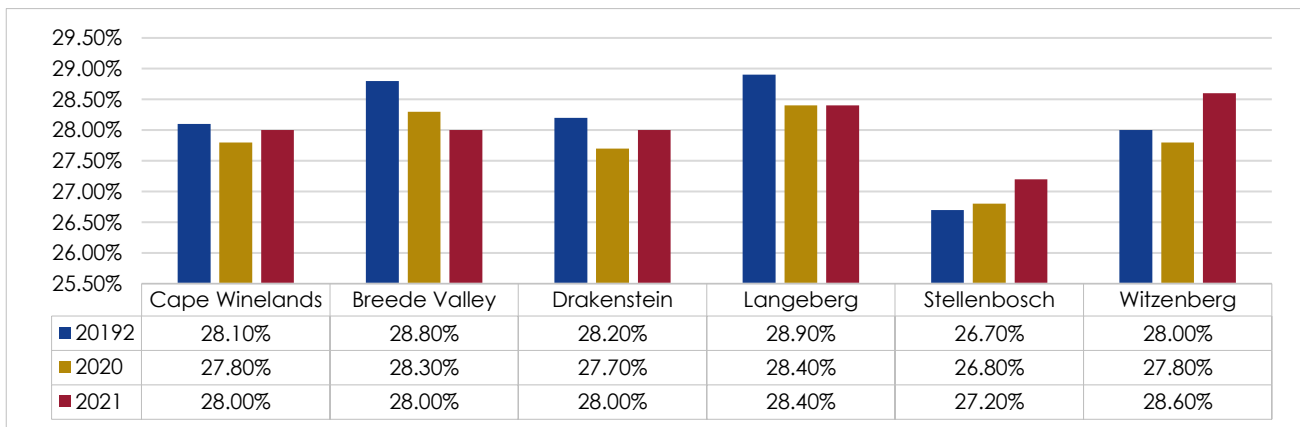
The graphics below depict the learner enrollments, learner-teacher ratio and learner retention from 2019 to 2021.

**Graph 1: Learner enrolment**



Source: Western Cape, Socio-Economic Profile 2022

**Graph 2: Learner-teacher ratio**



Source: Western Cape, Socio-Economic Profile 2021

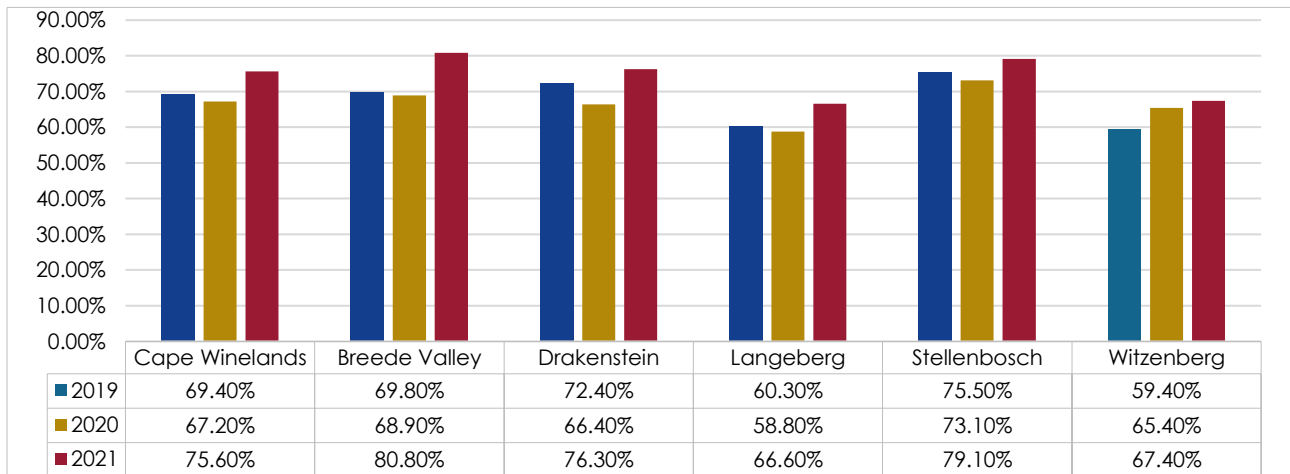
The learner retention rate measures the proportion of learners in Grade 12 who were in Grade 10 two years prior.

The inverse of the learner-retention rate is commonly referred to as the drop-out rate. The learner retention rates are influenced by a wide array of factors, including low socio-economic background, student attitudes towards education, overcrowded classrooms, critical thinking skills, study skills and other personal circumstances which can make it difficult for the learner to focus on education.



Although the learner retention rate in the Stellenbosch municipal area improved from 75.5 per cent in 2020 to 79.1 per cent in 2021, more than 20 per cent of the learners did not complete their studies.

**Graph 3: Learner retention rate**



Source: Western Cape, Socio-Economic Profile 2022

### 1.9.8 Education Infrastructure, Number of schools and no-fee schools

The number of schools within the Stellenbosch municipal area is recorded at 39 in 2021. A total of R90 million will be spent in the Stellenbosch municipal area across the MTEF. This allocation will be used for upgrading and additions as well as new and replacement infrastructure in the following schools; Aviation, Elsenburg Agri School, New Klappmuts PS and HS, and New Stellenbosch PS.

The No-fee Schools policy abolishes school fees in the poorest 40 per cent of schools nationally for learners from Grade R to Grade 9. As per the policy schools that do not charge fees will be allocated a larger amount of funding from the national budget per learner to make up for the fees that would have been charged.

The proportion of no-fee schools in the Stellenbosch municipal area remains at 64.1 per cent in 2021.

### 1.9.9 Schools with libraries and media centres

The Stellenbosch municipal area consist of 39 schools in 2021 of which 27 (69 per cent) were equipped with libraries. The availability of library facilities within schools contributes towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes.



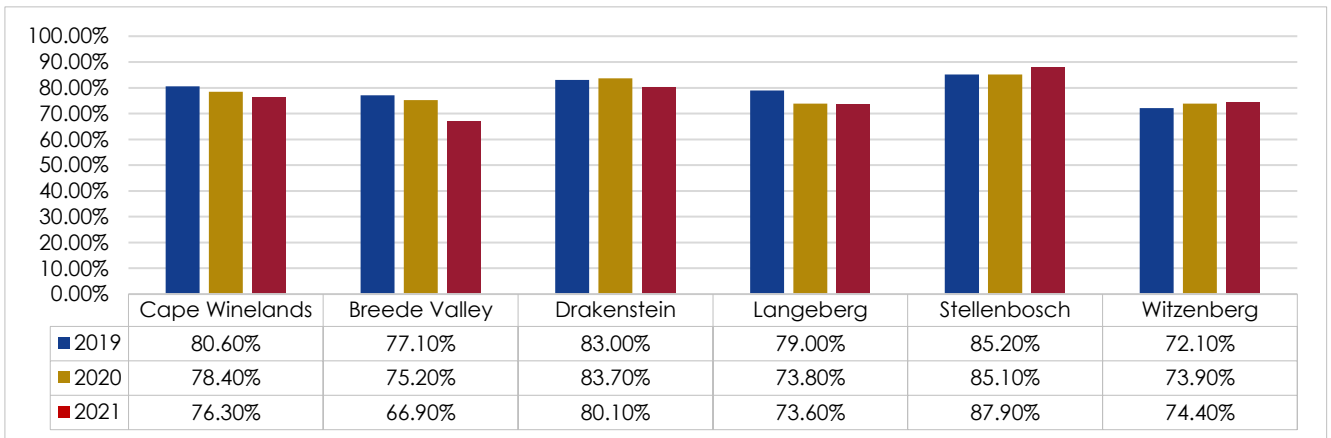
### 1.9.10 Education Outcomes (Matric Pass Rates)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised. Stellenbosch's matric pass rate improved from 85.1 per cent in 2020 to 87.9 per cent in 2021; recording the highest matric pass rate in the district in both 2020 and 2021 in the Cape Winelands District.



The graph below depicts the Matric pass rates from 202019 to 2021.

**Graph 4: Matric pass rate**



Source: Western Cape, Socio-Economic Profile 2022

### 1.9.11 Health

According to the LGSEP 2022, In 2021, the Stellenbosch municipal area had 8 fixed primary healthcare facilities, comprising 7 fixed clinics, 1 community day centre as well as 6 mobile / satellite clinics. In addition to these primary healthcare facilities, there is one district hospital, 9 ART treatment sites and 10 TB clinics. The municipal area has 14 out of the (17.9 per cent) of the 78 primary healthcare facilities within the Cape Winelands district.





The table depicts the total healthcare facilities.

**Table 7: Healthcare facilities**

Area	PHC facilities (Fixed clinics, CHCs and CDCs)		Community Health Centres <sup>2</sup>	Community Day Centres <sup>3</sup>	Hospitals		Treatment Sites	
	PHC Clinics (Fixed)	PHC Clinics (Satellite and Mobile)			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	9	10
Cape Winelands District	40	33	0	5	4	2	49	100

Source: Western Cape, Socio-Economic Profile 2022

### 1.9.12 Emergency Medical Services

The provision of more operational ambulances can provide greater coverage of emergency medical services. The Stellenbosch municipal area had a total of 6 ambulances servicing the region, which translates to 0.3 ambulances per 10 000 people in 2021. This number only refers to Provincial ambulances and excludes all private service providers and remained unchanged between 2020/21 and 2021/22.

### 1.9.13 HIV / AIDS and TB

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area increased by one patient between 2020/21 and 2021/22. In total, 6 915 registered patients received antiretroviral treatment in the Stellenbosch municipal area in 2021/22. In turn, the number of new patients receiving ART also increased from 460 in 2020/21 to 481 in 2021/22. There has been an average annual increase of 3.65 per cent between 2020/21 (849) and 2021/22 (880) in the number of registered patients receiving TB treatment in the Stellenbosch municipal area.



**Table 8: HIV/AIDS Management**

Area	Registered patients receiving ART		Number of new ART patients	
	2020/21	2021/22	2020/21	2021/22
Stellenbosch	6 914	6 919	460	481
Cape Winelands District	32 949	32 719	2 825	3 780

Source: Western Cape, Socio-Economic Profile 2022

<sup>2</sup> **Community Health Centre:** A facility that normally provides primary health care services, 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and which normally has a procedure room but not an operating theatre.

<sup>3</sup> **Community Day Centre:** A health facility that provides a comprehensive health care services during day hours, including mother and child health, chronic diseases care, women's health, HIV and TB care, men's health, acute services, physio therapy, mental health services and oral health care.



### 1.9.14 Child Health

The immunisation coverage rate for children under the age of one in the municipal area improved slightly from 52.7 per cent in 2020/21 to 55.8 per cent in 2021/22. The overall CWD rate increased from 60.6 per cent to 62.2 per cent across the same period. The number of malnourished children under five years of age (severe acute malnutrition) per 100 000 people in the municipal area increased notably from 0.9 in 2020/21 to 1.5 in 2021/22.



The CWD also increased from 1.8 per cent to 2.2 per cent while the Provincial average changed from 0.9 to 1.3 per cent. The neonatal mortality rate (deaths per 1 000 live births before 28 days of life) for the municipal area declined from 6.3 in 2020/21 to 3.1 in 2021/22. The rate was still notably below the CWD average of 8.0. A total of 9.8 per cent of all babies born in a facility in the municipal area in 2021/22 weighed less than 2 500 grams, indicating possible challenges with long-term maternal malnutrition and poor health care during pregnancy.

**Table 9: Child Health**

Area	Low Birth Rate		Neonatal Mortality Rate per 1000		Acute Malnutrition Rate (Under 5) per 100 000		Immunisation Rate (Under 1)	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
<b>Stellenbosch</b>	8,5	9,8	6,3	3,1	0,9	1,5	52,7	55,8
<b>Cape Winelands District</b>	<b>15,5</b>	<b>16,0</b>	<b>10,7</b>	<b>8,0</b>	<b>1,8</b>	<b>2,2</b>	<b>60,6</b>	<b>62,2</b>

Source: Western Cape, Socio-Economic Profile 2022

### 1.9.15 Maternal Health

In 2020/21, the Stellenbosch municipal area recorded the lowest number of maternal deaths (57.3) and teenage pregnancies (11.4 per cent) in the CWD, however, this increased to 61.1 per cent (maternal deaths) and 13.2 per cent (teenage pregnancies) in 2021/22. However, the termination of pregnancy rate (0.6 per cent) remained unchanged across this period.

**Table 10: Maternal Health**

Area	Maternal Mortality Rate		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
<b>Stellenbosch</b>	57.3	61,1	11.4	13,2	0.6	0,6
<b>Cape Winelands District</b>	<b>118.3</b>	<b>120,1</b>	<b>13.6</b>	<b>14,0</b>	<b>0.7</b>	<b>0,7</b>

Source: Western Cape, Socio-Economic Profile 2022

### 1.9.16 Poverty

#### a) GDPR Per Capita

An increase in the real regional gross domestic product (GDPR) per capita, i.e., GDPR per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDPR per capita reflects changes in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDPR per capita indicator.

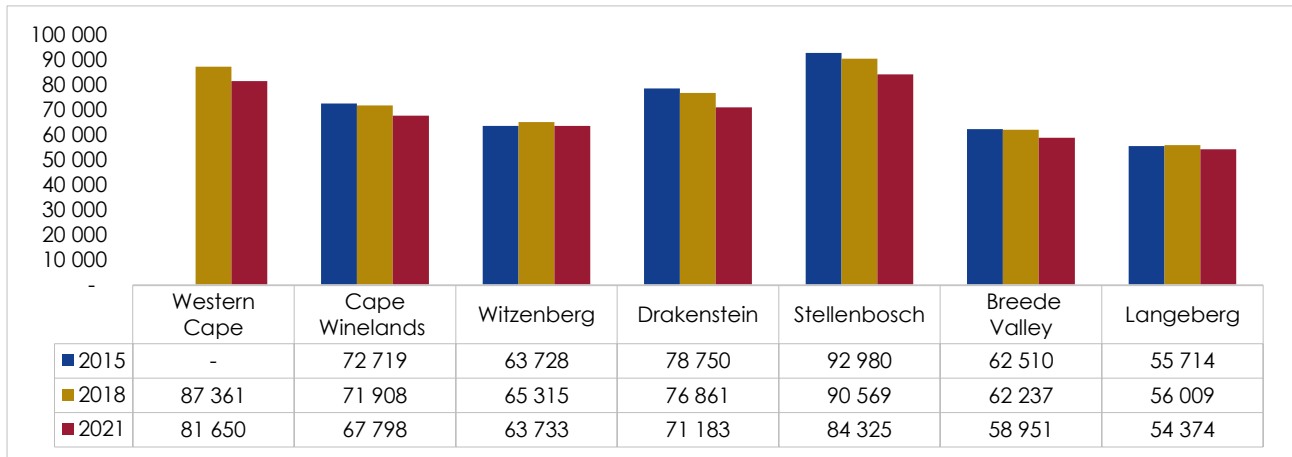
An increase in GDPR per capita, i.e., GDPR per person, is experienced only if the economic growth rate exceeds the population growth rate. At R67 798 in 2021, the Cape Winelands District's real



GDPR per capita is below that of the Western Cape's figure of R81 650 for the same period. However, Stellenbosch has outperformed both the District and the Province by recording a per capita income figure of R84 325 in 2021.

Cape Winelands District recorded the highest figure across 2021. While the 2021 figure has regressed moderately for the period 2015 – 2021, the robust economic potential of the municipality is highlighted by its persistent high level of per capita incomes recorded, despite the recent recessionary economic environment coupled with COVID-19 which restricted economic activity both regionally and globally.

**Graph 5: GDPR Per Capita**



Source: Western Cape, Socio-Economic Profile 2022

**b) Income Inequality**

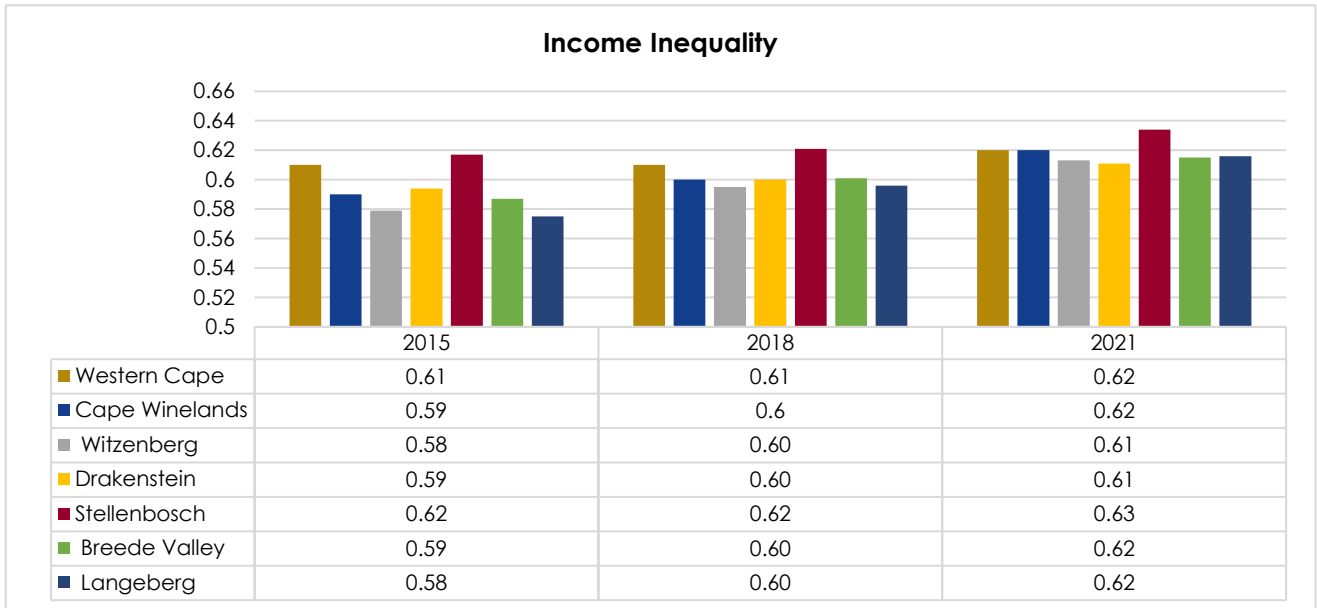
South Africa suffers among the highest levels of inequality in the world when measured by the commonly used Gini index. Inequality manifests itself through a skewed income distribution, unequal access to opportunities, and regional disparities.

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Income inequality has increased in Cape Winelands District between 2015 (0.59) and 2021 (0.62). These disparities in income are certain to worsen across the ensuing MTREF given the potential aftereffects of the COVID-19 pandemic. Stellenbosch has displayed a similar trend to that of the District's trajectory with inequality levels worsening from 0.62 in 2015 to 0.63 in 2021.





**Graph 6: Income Inequality**



Source: Western Cape, Socio-Economic Profile 2022

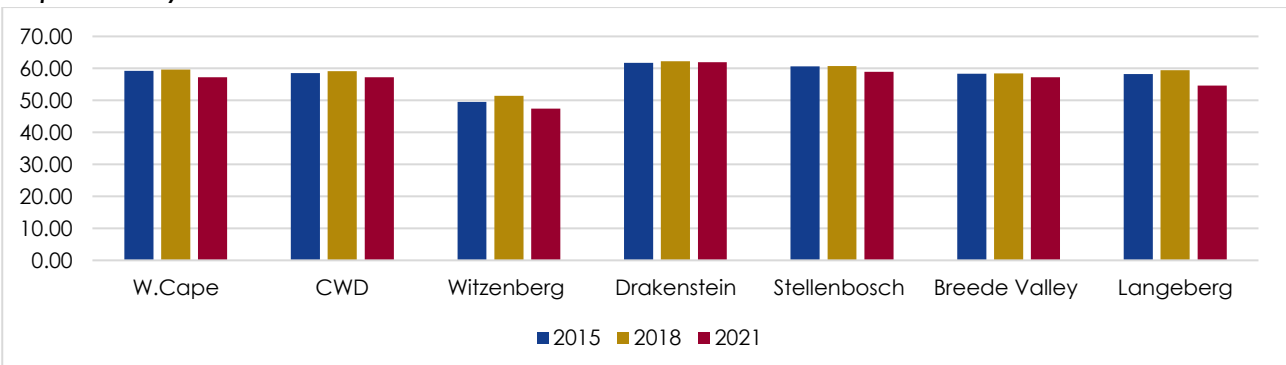
**c) Poverty Line**

The Upper Bound Poverty Line (UBPL) head count ratio is the proportion of the population living below the UBPL i.e., that cannot afford to purchase adequate levels of food and non-food items. The UBPL in South Africa is R1 227 (in April 2019 prices) per person per month.

Poverty affects the social development of communities through lower life expectancy, malnutrition and food insecurity, higher exposure to crime and substance abuse, lower educational attainment and poor living conditions. The NDP aims to eliminate poverty by 2030.

In 2021, 58.91 per cent of Stellenbosch's population fell below the UBPL. This figure improved marginally from the 60.62 per cent and 60.76 per cent recorded for the periods 2015 and 2018, respectively. Stellenbosch along with Drakenstein (61.96 per cent in 2021) represent the highest proportion of people living in poverty across the Cape Winelands District, while the Stellenbosch figure of 58.91 per cent is marginally above that of the District figure (57.26 per cent) recorded in 2021.

**Graph 7: Poverty Line**



Source: Western Cape, Socio-Economic Profile 2022



### 1.9.17 Basic Service Delivery

The Constitution stipulates that every citizen has the right to access adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living.



This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2021. The latest official statistics were collected by Statistics South Africa for the 2016 Community Survey; the 2021 Census will provide the updated official statistics. The information on free basic services is obtained from Statistics South Africa's Non-Financial Census of Municipalities survey findings.

#### a) Housing and Household Services

With a total of 50 792 households in the Stellenbosch municipal area, 74.5 per cent had access to formal housing. This is lower than the Cape Winelands District average of 82.4 per cent. The area also had a substantially higher proportion of informal dwellings, a total of 24.7 per cent compared with the District's total of 16.9 per cent.

Service access levels within the municipal area were considerably higher than the access to formal housing, with access to piped water inside the dwelling / yard or communal / neighbour's tap at 99.3 per cent, access to a flush or chemical toilet at 96.4 per cent, access to electricity (including a generator) for lighting at 96.8 per cent and the removal of refuse at least weekly by the local authority at 82.1 per cent of households. These access levels were above the District figures for electricity and refuse removal services.

#### b) Free basic services

Municipalities also provide a package of free basic services to households that are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Stellenbosch municipal area has declined sharply in 2020. The stressed economic conditions are expected to exert additional pressure on household income, which will likely increase the demand for free basic services and in turn the number of indigent households. However, this is area specific and dependent on the qualifying criteria which are used.



## 1.9.18 Safety and Security

**Murder** is defined as the unlawful and intentional killing of another person.

Within the Stellenbosch area, the number of murders increased from 67 in 2019/20 to 70 in 2020/21, increasing further to 87 in 2021/22. The Stellenbosch municipal area's murder rate (per 100 000 people) increased from 36 in 2020/21 to 44 in 2021/22, and the murder rate (per 100 000 people) for the Cape Winelands District also increased from 42 to 43 for the same period.

**Table 11: Murder cases per 100 000**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	67	70	87	36	36	44
Cape Winelands District	381	394	414	41	42	43

Source: Western Cape, Socio-Economic Profile 2022

### a) Sexual Offences

**Sexual offences** include rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.

In 2022, there were 226 sexual offences in the Stellenbosch area compared to 806 reported cases in the Cape Winelands District. The incidence of sexual offences (per 100 000 people) in the Stellenbosch municipal area (115) was higher than that of the District (84) in 2021/22.

**Table 12: Sexual Offences per 100 000**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	204	230	194	108	119	99
Cape Winelands District	885	969	752	96	103	79

Source: Western Cape, Socio-Economic Profile 2022

### b) Drug-related Offences

**Drug-related** crimes refer to the situation where the perpetrator is found to have, been under the influence of, or selling illegal drugs.

Drug-related crime within the Stellenbosch area decreased from 1 589 cases in 2020/21 to 1 125 cases in 2021/22. The Cape Winelands District's drug-related offences decreased sharply from 5 903 in 2020/21 to 5 729 in 2021/22. When considering the rate per 100 000 people, with 575 drug-related offences per 100 000 people in 2021/22, the Stellenbosch area's rate is below the District's 600 per 100 000 population.

**Table 13: Drug-Related Offenses per 100 000**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
<b>Stellenbosch</b>	2 188	1 589	1 125	1 163	826	575
<b>Cape Winelands District</b>	7 933	5 903	5 729	859	628	600

Source: Western Cape, Socio-Economic Profile 2022

### c) Driving under the influence (DUI)

A situation where the driver of a vehicle is found to be over the legal blood alcohol limit.

The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area increased from 153 in 2020/21 to 252 in 2021/22. This translates into a rate of 128 per 100 000 people in 2021/22, which is above the District's 86 per 100 000 people.

**Table 14: DUI Offenses**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
<b>Stellenbosch</b>	256	153	252	136	80	128
<b>Cape Winelands District</b>	980	495	819	106	53	86

Source: Western Cape, Socio-Economic Profile 2021

### d) Road user fatalities

The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians.

The number of road user fatalities in the Stellenbosch area increased from 35 in 2020/21 to 39 in 2021/22. While the number of fatal crashes decreased from 34 to 31 for the same reference period.

**Table 15: Road user fatalities**

Area	Stellenbosch		
	2019/20	2020/21	2021/22
<b>Fatal Crashes</b>	34	34	31
<b>Road User Fatalities</b>	37	35	39

Source: Western Cape, Socio-Economic Profile 2022

### e) Residential Burglaries

The unlawful entry of a residential structure with the intent to commit a crime, usually theft.

The number of residential burglaries in the Stellenbosch area decreased from 971 in 2020/21 to 958 in 2021/22. Stellenbosch municipal area's rate of 489 per 100 000 population is above the District's 448 for 2021/22.

**Table 16: Residential Burglaries per 100 000**

Area	Actual Number			Per 100 000		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Stellenbosch	1 273	971	958	677	505	489
Cape Winelands District	5 529	4 884	4 273	599	519	448

Source: Western Cape, Socio-Economic Profile 2022

## 1.9.19 Economy and Labour Market Performance

### a) Sectoral Overview

In 2020, the economy of Stellenbosch was valued at R18 625.6 billion (current prices) and employed 71 911 people. Historical trends between 2016 and 2020 indicate that the municipal area realised an average annual growth rate of -0.7 per cent. The 2020 recession made a substantial dent in the average growth rate over the period, but load shedding and the drought within the Province also played a major role in prior years.

Estimates for 2021 however indicate a marked recovery in growth (4.6 per cent) from the effects of the COVID-19 related restrictions on economic activity in 2020. It was largely driven by growth in the wholesale & retail trade, catering and accommodation (7.8 per cent) as tourism activity resumed; as well as the finance, insurance, real estate and business services (3.5 per cent); and manufacturing (5.0 per cent) sectors. The mining and quarrying (-14.2 per cent), construction (-1.0 per cent) and general government (-0.9 per cent) sectors were the only sectors that experienced a further economic decline after the easing of restrictions.

Despite the economic recovery experienced in 2021, the economy continued to shed jobs, with an estimated 2 435 net jobs lost. This was largely driven by job losses in the wholesale and retail trade, catering and accommodation (-945 jobs); manufacturing (-338 jobs); and agriculture, forestry and fishing (-328) sectors, reflecting that employment creation is lagging behind the improved GDP. Only the general government sector was able to create jobs during the year.

### b) Formal and Informal Employment

It is estimated that Stellenbosch's total employed will in 2021 amount to 69 476 workers, of which 55 435 (79.8 per cent) are employed in the formal sector and 14 041 (20.2 per cent) are informally employed. Employment in the formal sector had an annual average increase of only 0.2 per cent from 2016 to 2020 while the informal sector suffered an annual average decline of 5.9 per cent over this period. The informal economy was responsible for the majority of the job losses in 2021. This is a concern as the informal economy should be able to act as a buffer during times of economic recession.

Most of the formally employed consisted of semi-skilled (42 per cent) and low-skilled (32 per cent) workers. The skilled category only contributed 25.8 per cent to total formal employment. The skilled and semi-skilled categories grew at a pace of 0.7 per cent per annum from 2016 to 2020 and notably outpaced low-skilled employment which shed 0.9 per cent of jobs per annum. The growth in the skilled categories reflects the increasing market demand for skilled labour and the need for skills development initiatives, especially with the growing tertiary sector in the Stellenbosch municipal area.



### c) Unemployment

To protect South African citizens from COVID-19, the government announced a national lockdown in March 2020 that brought about a shutdown of the economy, which in turn resulted in a shock in the labour market and a big change in the way people went about doing their work.

According to the Quarterly Labour Force Survey (StatsSA,2021), The number of unemployed persons decreased by 60 000 to 7,9 million in the 1st quarter of 2022 compared to the previous quarter. The number of discouraged jobseekers decreased by 54 000 (1,4%) and the number of people who were not economically active for reasons other than discouragement decreased by 112 000 (0,8%) between the two quarters resulting in a net decrease of 166 000 not economically active population.

The above changes in employment and unemployment resulted in the official unemployment rate decreasing by 0,8 of a percentage point from 35,3% in the fourth quarter of 2021 to 34,5% in the first quarter of 2022.

The unemployment rate according to the expanded definition of unemployment also decreased by 0,7 of a percentage point to 45,5 % between April and June 2022 compared to January to March 2022.

The biggest job gains were recorded in Community and Social Services (281 000), Manufacturing (263 000) and Trade (98 000). However, there were job losses in Private households (186 000), Finance (72 000), Construction (60 000) and Agriculture (23 000). The total number of persons employed was 14,9 million in the first quarter of 2022.



The table below indicates the economic sector overview:

**Table 17: Economic Sector Overview**

SECTOR	GDP			
	R million (2020)	%	Trend (2016 – 2020)	Real GDP growth 2021e
<b>Primary Sector</b>	R1 059.7	(5.7%)	0.5	6.7
Agriculture, forestry and fishing	R1 022.6	5.5%	0.5	7.2
Mining and quarrying	R37.1	0.2%	1.6	-14.2
<b>Secondary sector</b>	R3 948.9	21.2	-3.7	3.8
Manufacturing	R3 039.7	16.3%	-3.4	5.0
Electricity, gas and water	R222.1	1.2%	-2.0	3.3
Construction	R687.2	3.7%	-5.0	-1.0
<b>Tertiary sector</b>	R13 616.9	73.1%	0.1	4.7
Wholesale and retail trade, catering and accommodation	R3 257.3	17.5%	-1.5	7.8
Transport, storage and communication	R1 522.3	8.2%	-0.8	6.9
Finance, insurance, real estate and business services	R4 943.2	26.5%	1.9	3.5
General government	R1 849.5	9.9%	0.7	-0.9
Community, social and personal services	R2 044.7	11.0%	-0.9	6.2
<b>Stellenbosch</b>	<b>R18 625.6</b>	<b>100%</b>	<b>-0.7</b>	<b>4.6</b>

Source: Western Cape, Socio-Economic Profile 2022

**Table 18: Skill Levels Formal employment**

Skill Levels Formal employment	Number of jobs	
	2019	2020
Skilled	14 305	14 433
Semi-skilled	23 353	23 327
Low-skilled	17 688	17 675
<b>Total</b>	<b>55 346</b>	<b>55 435</b>

Source: Western Cape, Socio-Economic Profile 2022

**Table 19: Informal employment**

Informal Employment	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
<b>Number of informal jobs</b>	11 632	12 161	13 329	13 505	14 052	12 921	13 168	12 704	12 022	9 863	8 2
<b>% of Total</b>	26,9	26,7	27,5	27,6	27,3	25,2	25,6	24,5	23,1	20,4	17,5



<b>Employment</b>											
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Source: Western Cape, Socio-Economic Profile 2022





Table 20: Unemployment Rates

Unemployment rates	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Stellenbosch	10	9,9	9,6	10	9,3	10,2	10,6	10,6	11,6	12,9	16,1
Cape Winelands	10,3	10,1	9,7	10,1	9,1	9,9	10,4	10,3	11,2	12,4	15,4

Source: Western Cape, Socio-Economic Profile 2022

## 1.10 Basic Service Delivery Highlights and Challenges

### 1.10.1 Key Basic Services Delivery Highlights

The following key basic services areas were achieved by the municipality:

Service Area	Highlight	Description
<b>Roads and Transport</b>	Rehabilitation and resealing of roads	<p>During the period under review, 12km of municipal roads were resealed in the following areas:</p> <ul style="list-style-type: none"> <li>• Cloetesville;</li> <li>• Ida's Valley;</li> <li>• Die Boord;</li> <li>• Noordwal;</li> <li>• Mostertsdrif;</li> <li>• Kayamandi;</li> <li>• Dalsig and</li> <li>• Jamestown.</li> </ul>
<b>Water</b>	Water Losses	Maintain water losses under the norm of 15%. The actual water losses accounted for 12.7%.
<b>Electricity</b>	Installation of Rooftop Photovoltaic	Stellenbosch Municipality has embarked on a Rooftop Solar Photovoltaic project where five municipal buildings were identified, and rooftop PV has been installed. The combined capacity of the five plants amounts to 710 kWp. There are other renewable energy projects planned to be implemented in 2022-23.
	Network upgrades in Langrug	Network upgrades in Langrug were effected to realise 20 electrical connections.
	Electrification of Enkanini	The municipality constructed an electricity network in Enkanini to cater for 1000 connections in 2020/21. In 2021/22 the Kayamandi Bulk Infrastructure Project was initiated to strengthen the bulk infrastructure to provide for the remaining backlogs in Enkanini.
	Refurbishment of Klein Mooiwater electricity infrastructure	Klein Mooiwater electricity infrastructure that was vandalised, was rehabilitated: Seven (7) households were supplied with electricity.
<b>Refuse removal</b>	Street Bins	Additional street bins were procured and delivered in February 2022.
	Builders' rubble diverted	Total builders' rubble diverted = 17 667 tons.
	Garden rubble waste diverted	Total garden waste diverted = 5 460 tons.
	Appointments of Area Cleaning operators / supervisors	Nine (9) operators / supervisors were appointed to enhance service delivery within the WC024.
	Recycling	Recyclable waste is now also being collected via a door-to-door service rendered by an appointed contractor. 39 tons of recyclable waste was collected during the 2021/22 financial year.
<b>Integrated Human Settlements</b>	Erf 7001, Cloetesville ("Soekmekaar")	<p>The goal of this development is the delivery of the medium to upper (GAP) housing market and not aimed at BNG housing units (free houses).</p> <p>A new tender was advertised and closed on 26 July 2021. A service provider was appointed to undertake a Broad Conceptual Urban Design framework for Erf 7001, Cloetesville to obtain town planning and development rights. The project is ongoing.</p>



Service Area	Highlight	Description
	Jamestown (Phases 2, 3 and 4)	The municipality appointed a service provider to undertake a Broad Conceptual Urban Design framework and to obtain town planning and development rights. The process and timeframe for Phases 2 and 3 will be concluded over a period of two (2) years. The project is ongoing.
	Erf 64, Kylemore	The Housing Development Agency (HDA) has been appointed to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality. The HDA must also further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS). On 15 November 2021, the NDPW issued a Power of Attorney for the municipality to develop the property.
	Housing Pipeline (annual review for the MTREF period of 2022 – 2025)	The Council approved unanimously on 25 May 2022, the annual review of the Stellenbosch Municipality Housing Pipeline for the MTREF period of 2022 – 2025. The Housing Pipeline indicates the planning and implementation of the different housing projects over a particular period for the greater Stellenbosch area.
	Rental stock	The Section: Housing Administration is implementing programmes within the budget constraints, to address this challenge.
		Contract management regarding allocations and legalisation in line with the appropriate policies is 50.
	Housing support and demand	Successful handover of 90 Title Deeds to beneficiaries in the following areas: Klappmuts (47), Pniël (2), Jamestown (4), Kayamandi (22), Kylemore (2), Cloeteville (7) and Ida's Valley (6).
		The Provincial Department of Human Settlements approved subsidies for 98 beneficiaries in the Longlands housing project.
		The appointment of two Conveyancing Attorney firms for a period of three years was effected to finalise the transfer of subsidised houses to their beneficiaries.
Papplaas relocation	Eleven (11) families were successfully relocated from the dumping site to a safer location.	
Enkanini 1 000 electrical connections	Surveyed all the beneficiaries, created space for installation of the service and facilitated excellent cooperation between the municipality and community.	

The detailed highlights and challenges will be discussed in Chapter 3 under each respective service.



## 1.10.2 Key Basic Services Challenges

Despite the highlights, challenges were experienced by the municipality as outlined below, however, actions were put in place to address these challenges:

**Table 21: Key Basic Service Challenges**

Department	Service Area	Challenge	Actions to address
Electricity	Staff Shortages	Pniël Network took over without any additional staff identified to render the service under the distribution license conditions.	Motivations for the identified vacancies to be filled have been submitted.
	Eskom streetlights	Eskom has without any formal handover stopped maintenance of streetlights in the WC024 for which Eskom was responsible. Although a thorough assessment is still required, it has been observed that the streetlight infrastructure is in a dilapidated state. This is also evident from the number of streetlight complaints received from the public.	Motivation for the filling of vacancies is being compiled. The exercise to determine the cost saving from the maintenance fee paid to Eskom has been conducted, which revealed that the municipality would incur a larger expenditure than savings, to move and maintain the infrastructure to acceptable standards.
	Lack of Preventative Maintenance	Due to staff shortages, the preventative maintenance of electricity infrastructure is requiring attention.	The municipality is currently conducting internal investigations on the prioritisation of the filling of critical vacancies and budget considerations.
Waste Management	Lack of staff	Absence of a Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness.	The municipality will explore filling the position within the department to undertake social engagement and awareness activities.
		Staff Constraints	Optimal recruitment and selection process.
	Illegal dumping	Increase in illegal dumping	Appointment of Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness activities.
Integrated Human Settlements	Langrug, Franschhoek	The density in the number of structures impeded the implementation of these planning interventions. Recent land invasions at Langrug exacerbated the implementation of these projects. To implement the in-situ upgrading projects, a decanting site is required to relocate households to create enough space for upgrading.	To commence with the re-blocking of Langrug, a decanting site on Erf 3229, Mooiwater, Franschhoek is being developed (basic services), the process of which is currently underway. The Section: PMU to go out on tender to appoint a service provider to finalise detailed planning for the rehabilitation of the freshwater dam and implement an in-situ upgrading project.
	La Motte, Franschhoek	The property that the housing projects are earmarked on belongs to the National Department of Public Works and Infrastructure (NDPW&I). The development rights can only be obtained when the property is transferred to the municipality or a Power of Attorney (PoA) is provided.	The Housing Development Agency (HDA) submitted a new request for the State Land Release for the subject properties by DPW&I to HDA through Power of Attorney. The target timeframe for releasing land in the 2022/23 and 2023/24 financial year, respectively. The HDA is to submit a Project Feasibility Report (PFR) requesting funding for land use rights for these projects.
	Meerlust, Franschhoek		
	Jonkershoek		



Department	Service Area	Challenge	Actions to address
	Rental stock Watergang Informal Settlement	Experiencing uncooperative and unruly tenants with disregard for the law and the lease agreement with the municipality.	HCE is about anti-social behaviour on a daily. Interviews and warning letters are sent to transgressors.
		Insufficient funds to provide security services for vulnerable tenants.	The Section: Housing Administration is implementing programmes within the budget constraints, to address this challenge.
		Township establishment matters which have not been finalised are delaying the transfer of the erven within subsidised housing projects.	The appointment of a Consultant (in terms of a tender) responsible for the submission of the necessary Land Use Planning applications for processing and a decision, was done by the Section: Housing Development.
		Structures in the way to install services.	Negotiations with the structure owners to create space for ablution facilities are ongoing.

## 1.11 Proportion of Households with Minimum Access to Basic Services

The source of the information below indicates municipal statistics:

**Figure 22: Households with minimum level of Basic Services**

The proportion of Households with a minimum level of Basic services	2019/20	2020/21	2021/22
Electricity Connections (% Share of HHS)	32 967	33 708	35 402
Water - available within 200 m of the dwelling	42 615	52 220	52 220
Sanitation - Households with at least VIP service	42 615	44 909	44 909
Waste collection - kerbside collection once a week	38 990	49 300	52 374

## 1.12 Financial Viability Highlights

**Table 23: Municipal Viability Highlights**

Highlight	Description
Long-Term Financial Plan	The municipality developed a long-term financial planning tool, that can be updated regularly for strategic planning.
Current ratio	The municipality maintained a very good current ratio of 1.68:1. This compares well with the norm of 1.5 to 2:1.
Collection rate	The municipality maintained a good collection rate for service debtors of 96% which is above the norm of 95%. This indicates that the municipality creditor control and debt collection processes are in place and the revenue is managed effectively.
Finance Charges	Finance charges represent 2.30% of the total operational expenditure. This compares favourably with the norm of 6% to 8%.
Liability Management	Capital Cost (Interest Paid and Redemption) represent 3.37% of total operating expenditure. This indicates that the municipality can take on additional financing from borrowing to invest in infrastructure projects.
mSCOA Specimen Financial Statements	The municipality implemented the National Treasury mSCOA specimen annual financial statements preparation template, where the financial statements are compiled utilising the data strings extracted from the financial system.
Debt Management	The municipality's total debt represents 13% of the total operational expenditure. This compares favourably with the norm of 45% and is an indication that the municipality can take on additional financing from borrowings.



## 1.13 Financial Viability Challenges

**Table 24: Financial Viability Challenges**

Challenge	Description
Financial Viability	The traceability of all debtors poses a challenge to the debt collection process. Low economic growth, increase in unemployment and above-inflation increases in the cost of water impacts on affordability of municipal accounts.
Revenue Leakage	An integrated revenue enhancement approach was followed to combat revenue leakages.

## 1.14 Financial Overview

**Table 25: Financial Viability and Management Financial Overview (000')**

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>			
Grants (Operating and Capital)	309 867	337 576	289 060
Taxes, Levies and Tariffs	1 561 765	1 560 236	1 490 856
Other	236 008	229 250	248 370
<b>Sub-Total</b>	<b>2 107 640</b>	<b>2 127 062</b>	<b>2 028 286</b>
<b>Less Expenditure</b>	<b>2 017 459</b>	<b>1 977 679</b>	<b>1 925 898</b>
<b>Net surplus / (deficit)</b>	<b>90 181</b>	<b>149 383</b>	<b>102 388</b>

### 1.14.1 Operating Ratios

**Table 26: Operating Ratios**

Detail	Expected norm	Actual	Variance
Employee Cost	35%-40%	29%	-(6%-11%)
Repairs and Maintenance	15%	3.34%	-11,6%
Finance Charges	15%	2.30%	-12.7%

Employee cost is below the national norm of between 35% to 40%, representing a positive outcome, Repairs and maintenance are below the norm, which indicates that expenditure on repairs and maintenance would have to be increased in future budgets to properly maintain Council's assets. Finance charges are 12.7% lower than the norm of 15%, this can be attributed mainly to the municipality's ability to fund its capital programmes to some extent from its resources (CRR) and not external finance.

### 1.14.2 Total Capital Expenditure

**Table 27: Total Capital Expenditure (000')**

Detail	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000						
Original Budget	452 759	463 792	418 057	528 041	558 276	375 751	406 054
Adjustment Budget	437 183	482 580	499 855	563 550	577 905	453 880	403 508
<b>Actual</b>	<b>348 861</b>	<b>410 562</b>	<b>433 682</b>	<b>493 303</b>	<b>405 931</b>	<b>392 941</b>	<b>347 610</b>



## 1.15 Municipal Standard Chart of Accounts

MFMA Circular No. 80: Municipal Financial Systems and Processes requirements in support of the Municipal Standard Chart of Accounts (mSCOA) issued in terms of the Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA). In MFMA SCOA Circular 1 it was indicated that mSCOA is a business reform rather than a mere financial reform and requires a multi-dimensional relationship.

The municipal standard chart of accounts was implemented in Stellenbosch Municipality on 01 July 2017. The municipality is in continuous engagement with the service provider, National Treasury and other municipalities through various working groups as well as online platforms to improve mSCOA compliance and functionality.

## 1.16 Organisational Development Overview

The municipality regarding municipal transformation and organisational development achieved the following highlights:

**Table 28: Organisational development highlights**

Highlight	Description
Filling of critical posts	Critical posts are filled as and when required with the availability of funds.
Organisational Stability	All staff placements were made in terms of the new organisational structure.

## 1.17 MFMA Competencies

In terms of section 83(1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

To assist the aforementioned officials in acquiring the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect, as of 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."



The table below provides details of the financial competency development progress as required by the regulation (Government Notice 493 of 15 June 2007):

**Table 29: Financial Competency Development: Progress Report**

Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	4	0	4	4	4	4
Any other financial officials	1	0	1	1	1	1
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	2	0	2	2	2	1
<b>Total</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>9</b>

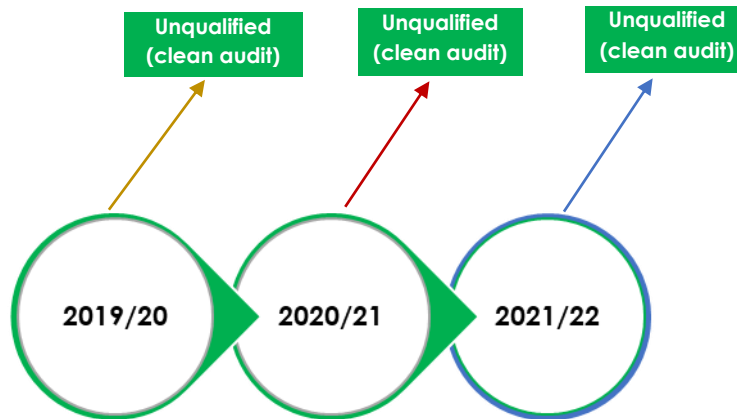
## 1.18 Auditor General Report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen the country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This process is concluded by annually checking all government spending.



The diagram below indicates the audit outcome progress from 2019/20 to 2021/22.

**Figure 4: Audit outcomes from 2019/20 - 2021/22**



The audit outcomes of a municipality are based on the fair presentation and absence of significant misstatements in financial statements; performance information for predetermined objectives that was reliable and credible and all financial / non-financial information that complied with laws and regulations.





## CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### 2.1 Introduction

Good Governance is an approach of government that is committed to creating a system founded on strengthening democracy, promoting transparency, building public administrative capacity, responding to public needs, and respecting human rights. It is measured by eight factors **namely participation, rule of law, transparency, responsiveness, consensus-oriented countability, effectiveness and efficiency, equitability, and inclusivity**. Within the context of good governance, corruption is minimised, the views of minorities are considered and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### 2.2 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

**Table 30: National KPI - Good Governance and Public Participation**

KPA and Indicators	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.	85.08%	86.5%	87.5%	70.25%	86.57%	84.29%

### 2.3 Performance Highlights - Good Governance and Public Participation

**Table 31: Highlights of Good Governance and Public Participation**

Highlight	Description
Council	New Council was established and remained stable and well-functioning throughout 2021/22.
Audit Outcomes	Clean Audit for three consecutive years.
MSA Sections 79 and 80 Committees of Council	The establishment of functional S.80 and S.79 Committees of Council and held meetings regularly.
Public Participation	The new Council had the opportunity to participate in the IDP sessions held in January 2022 and April 2022 with all 23 wards. The public participation processes were successfully done via online platforms and hybrid spaces. Interested and affected parties were encouraged to participate online and provide feedback on the IDP and Budget through the Stellenbosch Citizen App and email.
Communication	The municipality stays abreast with communication trends. Public participation has been rolled out via online streaming at satellite offices.
Compliance	The municipality adhered to all laws and regulations in terms of compliance.



## 2.4 Challenges - Good Governance and Public Participation

**Table 32: Challenges of Good Governance and Public Participation**

Description	Actions to address
Fraud and Corruption Management	Through the fraud hotline, direct calls received and walk-ins, active reporting has been ongoing. Unfortunately, it has become apparent that the fraud hotline and in particular the Regulations for Senior Managers (Misconduct and Financial Misconduct) are being abused to unfairly target individuals and management.

## 2.5 Public satisfaction with municipal services

No formal community surveys were developed – the community makes use of the social space to state their satisfaction or dissatisfaction with services and the municipality will try its utmost best to address the needs of the public.



## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### 2.6 Political Governance Structure

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly as well as facilitate political debates and discussions. Apart from their functions as policymakers, Councillors are also actively involved with community work and in the various social programmes in the municipal area.

Stellenbosch Municipality is represented by 45 councillors of whom 23 were elected directly as ward councillors. The rest of the councillors were elected based on the proportion of votes cast for the different political parties. The political composition of the Council is as follows from the previous Council and the newly elected Council:

### 2.7 Council – 01 July 2021 to 30 June 2022

Below is a table below that categorises the councillors within their specific political parties and wards.

**Table 33: Council for the period 01 July 2021 to 31 October 2021**

Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
F Adams	Part-time	DNCA	Proportional Representative (PR)
FJ Badenhorst	MayCo member from 20 November 2019	DA	Ward Councillor: Ward 21
F Bangani-Menziwa [Ms]	Part-time	ANC	Ward Councillor: Ward 13
Ald PW Biscombe	Single Whip	DA	Ward Councillor: Ward 17
G Cele [Ms]	Part-time	ACDP	PR
P Crawley [Ms]	MayCo member	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor: Ward 20
Z Dalling [Ms]	Part-time	DA	Ward Councillor: Ward 9
R Du Toit [Ms]	Part-time	DA	Ward Councillor: Ward 10
J Fasser	Part-time	DA	PR
A Florence	Part-time	DA	PR
A Frazenburg	MayCo member	DA	Ward Councillor: Ward 1
E Fredericks [Ms]	Part-time	DA	Ward Councillor: Ward 18
T Gosa	Part-time	DA	PR
E Groenewald [Ms]	MayCo member	DA	Ward Councillor: Ward 22
J Hamilton	Part-time	DA	PR
AJ Hanekom	Part-time	DA	Ward Councillor: Ward 7
DA Hendrickse	Part-time	EFF	PR Councillor
JK Hendriks	Part-time	DA	Ward Councillor: Ward 19
LK Horsband [Ms]	Part-time	EFF	PR Councillor
N Jindela	Deputy Executive Mayor; Speaker from 14 Nov 2019	DA	PR Councillor
MC Johnson	Part-time	DA	Ward Councillor: Ward 4
DD Joubert	Part-time	DA	Ward Councillor: Ward 5



Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
N Mananga-Gugushe [Ms]	Part-time	ANC	Ward Councillor: Ward 12
C Manuel	Part-time	DA	Ward Councillor: Ward 3
NE Mcombring [Ms]	Part-time	DA	Ward Councillor: Ward 6
XL Mdemka [Ms]	MayCo member	DA	PR Coucillor
C Moses [Ms]	Part-time	ANC	PR Coucillor
RS Nalumango [Ms]	Part-time	ANC	PR Coucillor
N Olayi	Part-time	DA	PR Coucillor
MD Oliphant	Part-time	ANC	PR Coucillor
SA Peters	MayCo member	DA	PR Coucillor
WC Petersen [Ms]	Speaker; Deputy Executive Mayor from 14 November 2019	DA	Ward Councillor: Ward 2
MM Pietersen	MayCo member	DA	PR Coucillor
WF Pietersen	Full-time MPAC Chairperson	PDM	PR Coucillor
SR Schäfer	Part-time	DA	PR Coucillor
Ald JP Serdyn [Ms]	Part-time	DA	Ward Councillor: Ward 11
N Sinkinya [Ms]	Part-time	ANC	Ward Councillor: Ward 15
P Sitshofi [Ms]	Part-time	ANC	Ward Councillor: Ward 14
Q Smit	MayCo member	DA	Ward Councillor: Ward 8
LL Stander	Part-time	ANC	PR Coucillor
G van Deventer [Ms]	Executive Mayor	DA	PR Coucillor
E Vermeulen [Ms]	Part-time	DA	Ward Councillor: Ward 16

#### Council from 01 November 2021 – 30 June 2022

Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
JS Fasser	Deputy Executive Mayor including Human Settlements portfolio	DA	PR
Q Smit	Speaker	DA	PR
A Hanekom	Part-time	DA	PR
A Crombie (Ms)	Part-time	DA	PR
X Kalipa	Part-time	DA	PR
P Crawley (Ms)	Chief Whip	DA	PR
X Mdemka (Ms)	Part - time	DA	PR
N Olayi	Part-time	DA	PR
R Pheiffer	Part-time	DA	Ward Councillor: Ward 1
WC Petersen (Ms)	Part-time	DA	Ward Councillor: Ward 2
C Manuel	Part-time	DA	Ward Councillor: Ward 3
R Adams	MayCo Member	DA	Ward Councillor: Ward 4
RB van Rooyen	Part-time	DA	Ward Councillor: Ward 5
NE Mcombring (Ms)	Part-time	DA	Ward Councillor: Ward 6
A Ferns (Ms)	Part-time	DA	Ward Councillor: Ward 7
C van Wyk (Ms)	MayCo Member	DA	Ward Councillor: Ward 8
Z Dalling (Ms)	MayCo Member	DA	Ward Councillor: Ward 9



Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
R du Toit (Ms)	MayCo Member	DA	Ward Councillor: Ward 10
J Serdyn (Ms)	Part-time	DA	Ward Councillor: Ward 11
E Vermeulen (Ms)	Part-time	DA	Ward Councillor: Ward 16
P Johnson	MayCo Member	DA	Ward Councillor: Ward 17
J Anthony (Ald)	Part-time	DA	Ward Councillor: Ward 18
J Williams	MayCo Member	DA	Ward Councillor: Ward 19
J Joon	MayCo Member	DA	Ward Councillor: Ward 20
R Badenhorst	MayCo Member	DA	Ward Councillor: Ward 21
E Groenewald (Ms)	Part-time	DA	Ward Councillor: Ward 22
L Mkamisa	MayCo Member	DA	Ward Councillor: Ward 23
RS Nalumango (Ms)	Part-time	ANC	PR
N Ntsunguzi (Ms)	Part-time	ANC	PR
MG Rataza	Part-time	ANC	PR
N Mananga – Gugushe (Ms)	Part-time	ANC	PR
A Tomose	Part-time	ANC	Ward Councillor: Ward 12
M Nkopane (Ms)	Part-time	ANC	Ward Councillor: Ward 13
MM Danana	Part-time	ANC	Ward Councillor: Ward 14
EP Masiminini	Part-time	ANC	Ward Councillor: Ward 15
CD Noble	Part-time	GOOD	PR
RB Hendrikse (Ms)	Part-time	GOOD	PR
M van Stade	Part-time	GOOD	PR
ZR Ndalasi	Part-time	EFF	PR
NM Mkhontwana (Ms)	Part-time	EFF	PR
OL Jooste	Part-time	ACDP	PR
W Pietersen	Part-time	PDM	PR
J Andrews	Part-time	PA	PR
I De Taillefer (Ms)	Part-time	VF Plus	PR

The table below indicates the Council meetings attendance for the 2021/22 financial year.

**Table 34: Council meetings for the 2021/22 financial year**

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-Attendance
28 July 2021	30	100%	-
24 August 2021	11	100%	-
29 September 2021	12	100%	-
28 October 2021	No meeting	-	-
23 November 2021	9	100%	-
10 December 2021	11	100%	-
28 January 2022	18	100%	-
23 February 2022	8	100%	-
30 March 2022	23	100%	-
26 April 2022	17	100%	-
25 May 2022	17	100%	-



Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-Attendance
22 June 2022	19	100%	-

## 2.8 Executive Mayoral Committee

The Executive Mayor of the municipality, assisted by the Mayoral Committee, heads the political executive arm of the municipality. The Executive Mayor is at the centre of the system of governance since executive powers are vested in the executive mayor to oversee the day-to-day affairs. This encompasses an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, in addition, delegated powers by the Council were assigned.

Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in consultation with the Mayoral Committee.

The Executive Mayoral Committee positions were occupied as follows.

**Table 35: Executive Mayoral Committee**

Executive Mayoral Committee 1 July 2021 – 31 October 2021		Executive Mayoral Committee 01 November 2021 – 30 June 2022	
Name of member	Portfolio	Name of member	Portfolio
G van Deventer (Adv) [Ms]	Executive Mayor	Alderman G van Deventer	Executive Mayor
N Jindela	Deputy Executive Mayor; Chairperson: Human Settlements Committee	Cllr J Fasser	Deputy Executive Mayor, including Integrated Human Settlements
WC Petersen (Ms)	Speaker	Cllr P Johnson	MayCo member: Financial Services
FJ Badenhorst	MayCo member: Chairperson: Community and Protection Services	Cllr Z Dalling	MayCo member: Infrastructure Services
P Crawley [Ms]	MayCo member: Chairperson: Financial Services	Cllr R Badenhorst	MayCo member: Protection Services
A Frazenburg	MayCo member: Chairperson: Corporate Services	Cllr L Mkamisa	MayCo member: Corporate Services
E Groenewald [Ms]	MayCo member: Chairperson: Planning and Economic Development	Cllr R Adams	MayCo member: Youth, Sport and Culture
XL Mdemka [Ms]	MayCo member: Chairperson: Parks, Open Spaces and Environment	Cllr J Williams	MayCo member: Rural Management
SA Peters	MayCo member: Chairperson: Rural Management and Tourism	Cllr R du Toit	MayCo member: Local Economic Development and Tourism
J Fasser	MayCo member: Chairperson: Youth, Sport and Culture	Cllr J Joon	MayCo member: Community Development (Parks, Open Spaces and Environment)
Q Smit	MayCo member: Chairperson: Infrastructure Services	Cllr C van Wyk	MayCo member: Planning

The table below indicates the dates of the Executive Mayoral Committee meetings and the number of reports submitted to the Council for the 2020/21 financial year.



**Table 36: Executive Mayoral Committee Meetings held for the period 01 July 2021 – 31 October 2021 to 01 November 2021 – 30 June 2022**

Meeting dates	Number of items submitted
21 July 2021	9
18 August 2021	9
15 September 2021	7
15 October 2021	4
17 November 2020	4
21 January 2022	11
16 February 2022	6
23 March 2022	23
19 April 2022	10
18 May 2022	12
08 June 2022	9

## 2.8.1 Portfolio Committees

In terms of Section 80 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), if a council has an executive committee, it may, in terms of Section 79, appoint committees of councillors to assist the executive committee or executive mayor. Section 80 stipulates that committees are permanent committees that specialise in a specific functional area of the municipality and, in some instances, may make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to the council.

The tables below show a comparison of the portfolio committees and meeting dates from 01 July 2021 until 31 October 2021 and the newly elected mayoral committee from 01 November 2021 until 30 June 2022.

### 2.8.1.1 Planning and Economic Development Portfolio Committee

**Table 37: Planning and Economic Development Committee**

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
E Groenewald [Ms]	Portfolio Chairperson
J Fasser	Committee member
T Gosa	Committee member
AJ Hanekom	Committee member
RS Nalumango [Ms]	Committee member

### 2.8.1.2 Planning and Economic Development Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021

**Table 38: Planning and Economic Development Portfolio Committee Meeting dates**

Period 01 July 2021 – 31 October 2021	
Meeting dates	Number of reports submitted
NONE	



### 2.8.1.3 Planning Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 39: Planning Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
C Van Wyk	Chairperson

### 2.8.1.4 Planning Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

**Table 40: Planning and Economic Development Portfolio Committee Meeting dates**

Period 01 July 2021 – 31 October 2021	
Meeting dates	Number of reports submitted
13 June 2022	2
20 June 2022	2

### 2.8.1.5 Local Economic Development and Tourism Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 41: Local Economic Development and Tourism Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
R Du Toit (Ms)	MayCo member
N Mcombring (Ms)	Committee member
R Pheiffer	Committee member
I De Taillerfer	Committee member

### 2.8.1.6 Local Economic Development and Tourism Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

**Table 42: Local Economic Development and Tourism Portfolio Committee Meeting dates**

Period 15 November 2021 – 30 June 2022	
Meeting dates	Number of reports submitted
20 June 2022	2





## 2.8.1.7 Infrastructure Committee

**Table 43: Infrastructure Services Portfolio Committee**

Period 01 July 2021 – 30 June 2022	
Name of member	Capacity
Q Smit	Portfolio Chairperson
AJ Hanekom	Committee Member
NE Mcombring [Ms]	Committee Member
C Moses [Ms]	Committee Member
Ald JP Serdyn [Ms]	Committee Member

## 2.8.1.8 Infrastructure Services Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 44: Infrastructure Services Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
Z Dalling (Ms)	MayCo member
R van Rooyen (Ms)	Committee member
N Mcombring (Ms)	Committee member
R Nalumango (Ms)	Committee member
Z Ndalasi (Ms)	Committee member

## 2.8.1.9 Infrastructure Services Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

**Table 51: Infrastructure Services Portfolio Committee Meeting dates**

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
None	

## 2.8.1.10 Financial Services Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 45: Financial Services Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
P Johnson	Portfolio Chairperson
W Petersen (Ms)	Committee Member
E Groenewald (Ms)	Committee Member
A Tomose	Committee Member
R Hendrickse (Ms)	Committee Member



### 2.8.1.11 Financial Services Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

**Table 46: Financial Services Portfolio Committee Meeting dates**

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
14 June 2022	1

### 2.8.1.12 Community and Protection Services Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 47: Community and Protection Services Portfolio Committee**

Period 1 July 2021 – 31 October 2021	
Name of member	Capacity
FJ Badenhorst	Portfolio Chairperson
JK Hendriks	Committee Member
C Manuel	Committee Member
N Olayi	Committee Member
P Sitshoti [Ms]	Committee Member
LL Stander	Committee Member

### 2.8.1.13 Community and Protection Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021

**Table 48: Community and Protection Services Portfolio Committee Meeting Dates**

Meeting dates	Number of reports submitted
04 August 2021	7
01 September 2021	3

### 2.8.1.14 Protection Services Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 49: Protection Services Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
R Badenhorst	Chairperson
C Manuel	Committee member
A Hanekom	Committee Member
M Nkopane (Ms)	Committee member
N Mkhontwana (Ms)	Committee member



### 2.8.1.15 Protection Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

**Table 50: Protection Services Portfolio Committee Meeting Dates**

Period	
15 November 2021 – 30 June 2022	
Meeting dates	Number of reports submitted
None	

### 2.8.1.16 Parks, Open Spaces and Environment Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 51: Parks, Open Spaces and Environment Portfolio Committee**

Period	
01 July 2021 – 31 October 2021	
Name of member	Capacity
XL Mdemka [Ms]	Portfolio Chairperson
F Adams	Committee Member
Ald JP Serdyn [Ms]	Committee Member
E Vermeulen [Ms]	Committee Member

### 2.8.1.17 Parks, Open Spaces and Environment Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 52: Parks, Open Spaces and Environment Portfolio Committee**

Period	
15 November 2021 – 30 June 2022	
Name of member	Capacity
J Joon	Chairperson
E Vermuelen (Ms)	Committee member
A Hanekom	Committee member
M Nkopane (Ms)	Committee member

### 2.8.1.18 Parks, Open Spaces, and Environment Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

**Table 53: Parks Open Spaces and Environment Portfolio Committee Meeting Dates**

Period	
01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
11 August 2021	2
08 September 2021	4



### 2.8.1.19 Corporate Services Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 54: Corporate Services Portfolio Committee**

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
AR Frazenburg	Portfolio Chairperson
F Bangani-Menziwa [Ms]	Committee Member
Z Dalling [Ms]	Committee Member
R Du Toit [Ms]	Committee Member

### 2.8.1.20 Corporate Services Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 55: Corporate Services Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
L Nkamisa	Portfolio Chairperson
J C Anthony	Committee member
J Serdyn (Ms)	Committee member
M Rataza	Committee member

### 2.8.1.21 Corporate Services Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

**Table 56: Corporate Services Portfolio Committee Meeting Dates**

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
13 June 2022	1



### 2.8.1.22 Human Settlements Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 57: Human Settlements Portfolio Committee**

Period 01 July 2021 – 31 October 2021	
Name of member	Capacity
N Jindela	Portfolio Chairperson (until 13 November 2019)
WC Petersen [Ms]	Portfolio Chairperson (from 14 November 2019)
G Cele [Ms]	Committee member
A Crombie [Ms]	Committee member
LK Horsband [Ms]	Committee member
DD Joubert	Committee member

### 2.8.1.23 Human Settlements Portfolio Committee for the period of 15 November 2021 until 30 June 2022

**Table 58: Human Settlements Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
J Fasser	Deputy Executive Mayor - Chairperson
E Vermeulen (Ms)	Committee member
J Serdyn (Ms)	Committee member
N Ntsunguzi (Ms)	Committee member
M van Stade	Committee member

### 2.8.1.24 Human Settlements Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

**Table 59: Human Settlements Portfolio Committee Meetings**

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
None	

### 2.8.1.25 Rural Management and Tourism Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 60: Rural Management and Tourism Portfolio Committee**

Period 1 July 2021 – 31 October 2022	
Name of member	Capacity
SA Peters	Portfolio Chairperson
A Crombie [Ms]	Committee Member



Period 1 July 2021 – 31 October 2022	
Name of member	Capacity
JK Hendriks	Committee Member
LK Horsband [Ms]	Committee Member

### 2.8.1.26 Rural Management Portfolio and Tourism Portfolio Committee meetings for the period of 01 July 2021 until 31 October 2021

**Table 61: Rural Management Portfolio Committee Meeting dates**

Period 01 July 2021 – 31 October 2021	
Meeting dates	Number of reports submitted
None	

### 2.8.1.27 Rural Management Portfolio Committee for the period of 15 November until 30 June 2022

**Table 62: Rural Management Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
J Williams	Chairperson
X Mdemka	Committee member
C Manuel	Committee member
E Masimini	Committee member

### 2.8.1.28 Rural Management Portfolio Committee meetings for the period of 15 November 2021 until 30 June 2022

**Table 63: Rural Management Portfolio Committee Meeting dates**

Period 15 November 2021 – 30 June 2022	
Meeting dates	Number of reports submitted
June 2022	

### 2.8.1.29 Youth, Sport and Culture Portfolio Committee for the period of 01 July 2021 until 31 October 2021

**Table 64: Youth, Sport and Culture Portfolio Committee**

Period 1 July 2021 – 31 October 2021	
Name of member	Capacity
MM Pietersen	Portfolio Chairperson
R Du Toit [Ms]	Committee Member
DA Hendrickse	Committee Member



Period 1 July 2021 – 31 October 2021	
Name of member	Capacity
N Sinkinya [Ms]	Committee Member
E Vermeulen [Ms]	Committee Member

### 2.8.1.30 Youth, Sport and Culture Portfolio Committee for the period of 15 November until 30 June 2022

**Table 65: Youth, Sport and Culture Portfolio Committee**

Period 15 November 2021 – 30 June 2022	
Name of member	Capacity
R Adams	Chairperson
R Pheiffer	Committee member
R van Rooyen	Committee member
C Noble	Committee member
J Andrews	Committee member

### 2.8.1.31 Youth, Sport and Culture Portfolio Committee meetings for the period of 01 July 2021 until 30 June 2022

**Table 66: Youth, Sport and Culture Portfolio Committee Meeting Dates**

Period 01 July 2021 – 30 June 2022	
Meeting dates	Number of reports
05 August 2021	4
02 September 2021	4
01 September 2022	6

## 2.8.2 Section 79 Committees

### 2.8.2.1 Municipal Public Accounts Committee (MPAC)

**Table 67: MPAC Committee**

Period 01 July 2021 – 31 October 2021		Period 15 November 2021 – 30 June 2022	
Name of member	Capacity	Name of member	Capacity
WF Pietersen	Chairperson	WF Pietersen	Chairperson
E Fredericks [Ms]	Committee Member	A Crombie	Committee Member
N Mananga-Gugushe [Ms]	Committee Member	A Ferns	Committee Member
SR Schäfer	Committee Member	O Jooste	Committee Member
NE McOmbring	Chairperson	X Kalipa	Committee Member
RS Nalumango (Ms)	Committee Member	N Mananga-Gugushe [Ms]	Committee Member



Period 01 July 2021 – 31 October 2021		Period 15 November 2021 – 30 June 2022	
Name of member	Capacity	Name of member	Capacity
MC Johnson	Committee Member	N Olayi	Committee Member

**Table 68: MPAC Meeting Dates**

Meeting dates	Number of reports
17 June 2022	4
19 August 2022	

### 2.8.2.2 Appeals Committee

**Table 69: Appeals Committee**

Name of member	Capacity
N Jindela	Chairperson
G Cele [Ms]	Committee Member
P Crawley [Ms]	Committee Member
MD Oliphant	Committee Member
Q Smit	Committee Member
N Jindela	Chairperson
G Cele [Ms]	Committee Member

**Table 70: Appeals Committee Meeting Dates**

Meeting dates	Number of reports
None	

### 2.8.2.3 Local Labour Forum (LLF)

**Table 71: Local Labour Forum (LLF)**

Period 01 July 2021 – 31 October 2021		Period 15 November 2021 – 30 June	
Name of member	Capacity	Name of member	Capacity
N Jindela	Chairperson	L Nkamisa	Chairperson
Q Smit	Committee Member	NS Louw	Committee Member
MD Oliphant	Committee Member	I De Tailerfer (Ms)	Committee Member
P Crawley [Ms]	Committee Member	C Van Wyk	Committee Member
G Cele (Ms)	Committee Member	N Olayi	Committee Member
-	-	R Pheiffer	Committee Member
-	-	N Mananga-Gugushe (Ms)	Committee Member

**Table 72: Local Labour Forum Meeting Dates**

Meeting dates	Number of reports
26 July 2021	11
28 February 2022	15
28 March 2022	10





25 April 2022	13 (Re-scheduled for 16 May 2022)
16 May 2022	13

## 2.8.2.4 Employment Equity Committee

**Table 73: Employment Equity Committee**

Name of member	Capacity
E Groenewald [Ms]	Portfolio Chairperson
J Hamilton	Committee Member
LK Horsband [Ms]	Committee Member
XL Mdemka [Ms]	Committee Member
WC Petersen [Ms]	Committee Member

**Table 74: Employment Equity Committee Meeting dates**

Meeting dates	Number of reports
None	

## 2.8.2.5 Councillor Disciplinary Committee

**Table 75: Councillor Disciplinary Committee Portfolio Committee**

Name of member	Capacity
Q Smit	Portfolio Chairperson
A Frazenburg	Committee Member
E Groenewald [Ms]	Committee Member
N Sinkinya [Ms]	Committee Member
LL Stander	Committee Member

**Table 76: Councillor Disciplinary Committee Portfolio Committee meeting dates**

Meeting dates	Number of reports
None	

## 2.8.2.6 Rules Portfolio Committee

**Table 77: Rules Portfolio Committee**

Name of member	Capacity
WC Petersen [Ms] (until 13 November 2019)	Portfolio Chairperson
N Jindela (from 14 November 2019)	Portfolio Chairperson
Ald PW Biscombe	Committee Member
G Cele [Ms]	Committee Member
P Crawley [Ms]	Committee Member
J Hamilton	Committee Member
P Sitshoti [Ms]	Committee Member



Table 78: Rules Portfolio Committee Meeting dates

Meeting dates	Number of reports
None	

## 2.9 Strategic Governance Structure

The Municipal Manager is the Chief Accounting Officer of the municipality and the head of the administration and serves as chief custodian of service delivery and implementation of political priorities. The municipal manager is assisted by the directors, which constitute the Management Team, whose structure is outlined in the diagram below. All the executive team have signed performance agreements for the year under review.

Figure 5: Top Management Structure

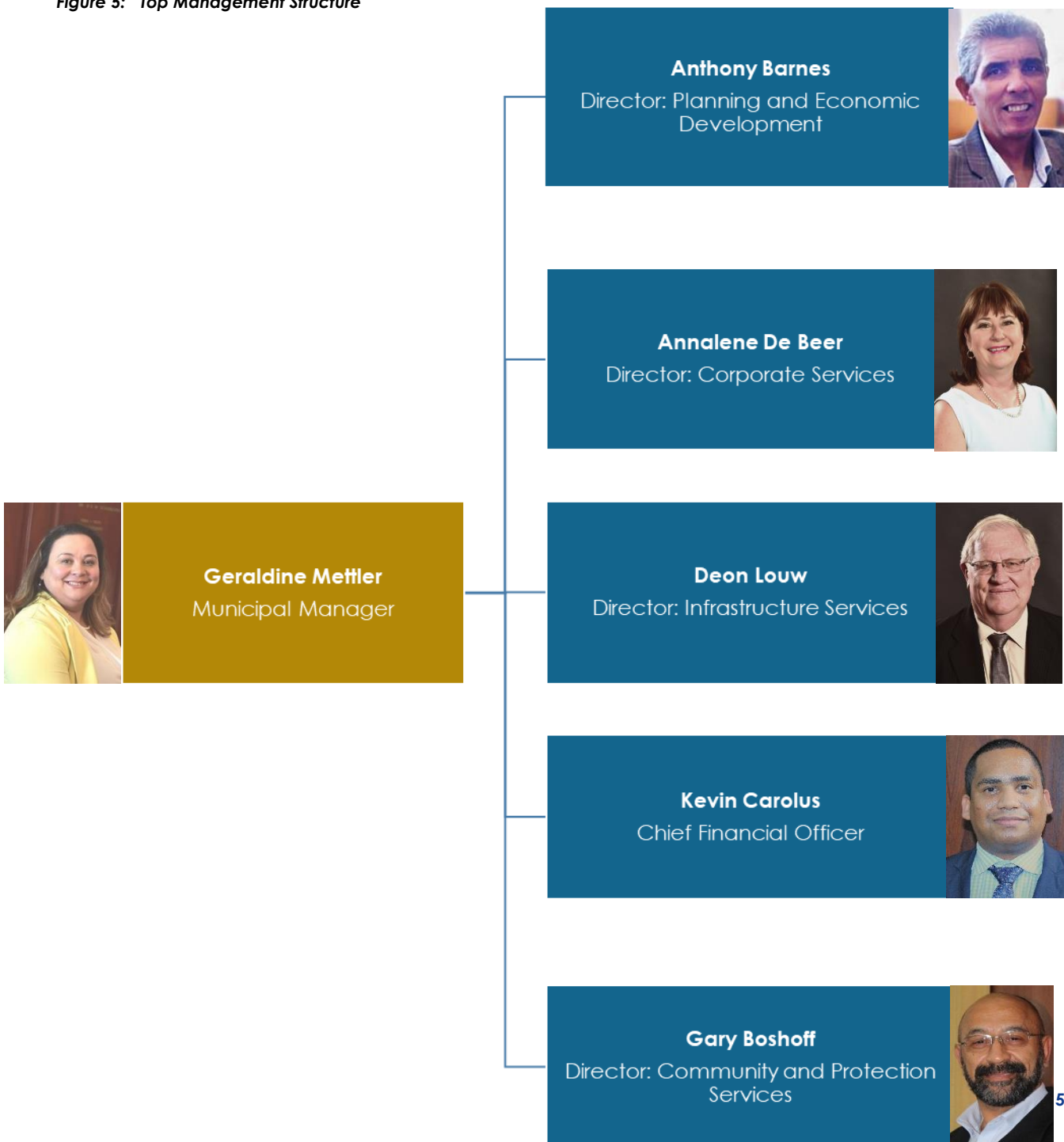
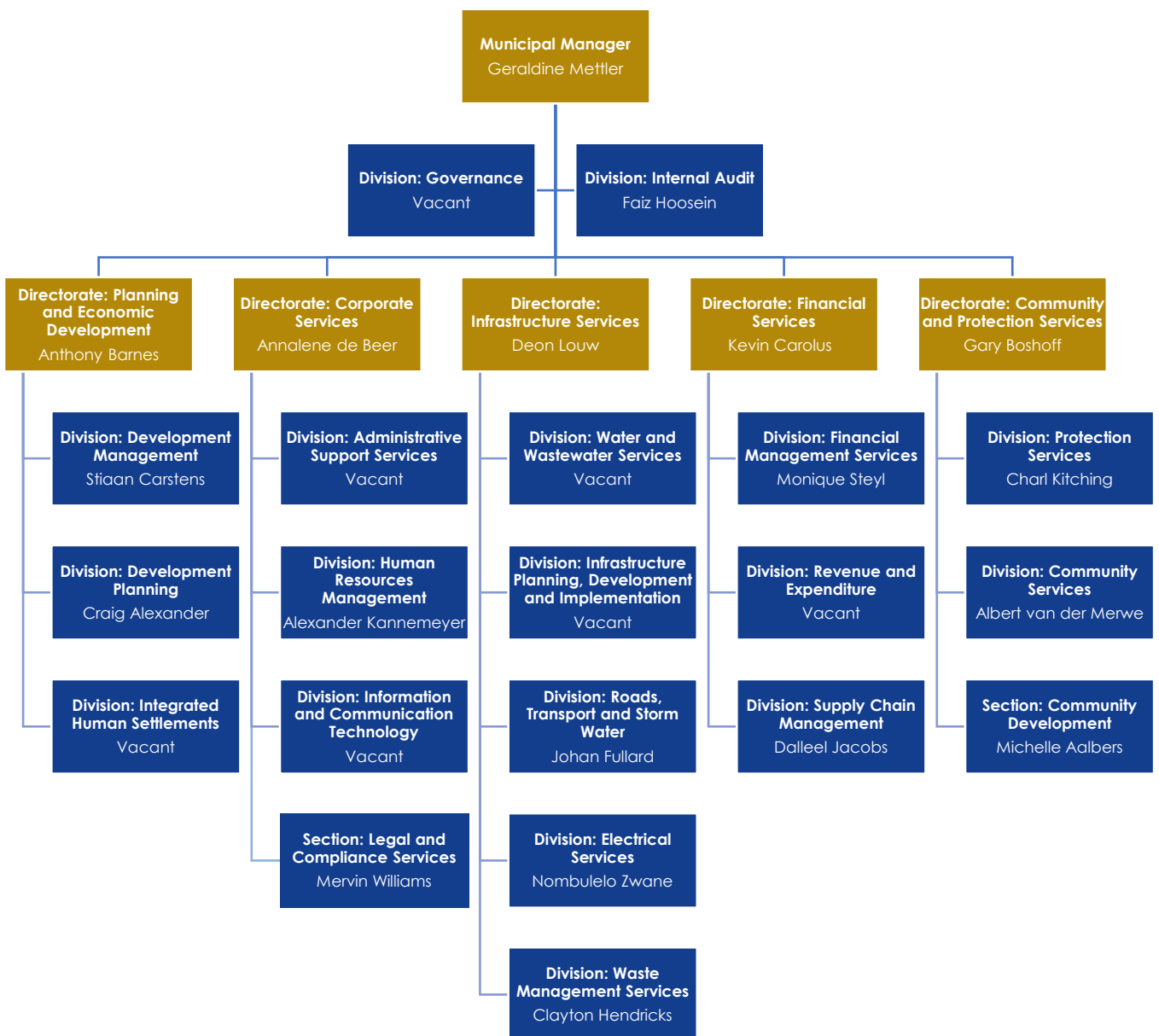




Figure 6: Macro Structure





## COMPONENT B: PUBLIC ACCOUNTABILITY

MSA section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

The participation outlined above is required in terms of the:

- ‡ preparation, implementation and review of the IDP;
- ‡ establishment, implementation and review of the performance management system;
- ‡ monitoring and review of performance, including the outcomes and impact of such performance; and
- ‡ preparation of the municipal budget.

### 2.10 Intergovernmental Relations

#### 2.10.1 National Intergovernmental Structures

The National Forum, i.e. The Municipal Managers Forum, facilitated by the Department of Cooperative Government and Traditional Affairs (COGTA) meets twice per annum. New legislation and its implications, as well as challenges for local government, e.g. financial sustainability, professionalism and oversight structures, are discussed.

The Directorate: Infrastructure Services represented by the Director: Infrastructure Services as a member of the national WRC / SALGA Municipal Benchmarking Initiative in Water Services, which collaborates in a national programme towards the improvement of water services, co-driven by SALGA and the Water Research Commission (WRC) and in collaboration with eThekweni Municipality, MILE (Municipal Institute of Learning), representatives of other municipalities, the Institute of Municipal Engineers (IMESA) and the Department of Water and Sanitation (DWS).

#### 2.10.2 Provincial Intergovernmental Structures

##### a) Office of the Municipal Manager

The Stellenbosch Municipality is a keen participant in joint intergovernmental planning initiatives of the Provincial Government. MinMay (Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers) and the Premier's Coordinating Forum are provincial forums for fruitful interaction regarding local government cooperation and challenges. These meetings are held bi-annually. The Provincial Municipal Managers Forum meets quarterly.

Chief Audit Executive and Chief Risk Officer fora are held quarterly in conjunction with Provincial Treasury where all municipalities share best practices and consult on areas of improvement.

Stellenbosch is represented on the Provincial IDP Managers Forum, and the Provincial Public Participation and Communication Forum, all of which are facilitated by the Provincial Department of Local Government.



## **b) Financial and Corporate Services**

The Directorate: Financial Services participates in several provincial fora quarterly. The fora include the Supply Chain Management Forum, the Municipal Property Rates Act Forum, the Management Accountants Forum as well as the Chief Financial Officer Forum.

The Municipal Court is in full operation and collaborates with the Department of Justice regularly.

## **c) Planning and Economic Development**

The municipality is represented by the Manager: Spatial Planning on the task team set up by DEA&DP to revise the Provincial Spatial Development Framework (PSDF). Through this inter-governmental process, Stellenbosch Municipality can provide input into the format and substance of this document that will have a legal bearing on all local municipalities in the Western Cape.

The DEA&DP and the municipality established a working group to consult monthly or more regularly as the need arises about environmental authorisation applications and land use (spatial planning) matters. Slow response times to applications by developers, entrepreneurs, farmers, service providers (Eskom, Telkom, cellular operators, etc.), waste management bodies, mining operators and road authorities, cause delayed investment and infrastructure provisions. This has negative effects on the economy, hence the working group was established to increase the speed with which the applications are administered.

The working group consists of the technical role players and it is overseen by the portfolio councillors of the municipality. This structure ensures prior commitment to and understanding of matters to be reported to the relevant portfolio committees or council. The working group is administered by the DEA&DP and meetings are in liaison with the Directorate: Planning and Economic Development, which must invite and ensure attendance by affected internal role players.

Monthly Technical Meetings between the Provincial Department of Human Settlements (PDoHS) and Stellenbosch Municipality:

- a) The PDoHS and the municipality meet monthly to discuss all Housing Development policies and budget-related matters in housing delivery. During the meeting, the overall performance of each municipality is discussed in detail as mitigating options if the need arises.
- b) Applications of new and existing projects are also discussed with the PDoHS. The municipality receives information relating to beneficiary administration, outstanding approvals, informal settlement challenges, title deed transfers, farmworker evictions and other matters with regards to housing delivery. Legislation and court rulings are also discussed to ensure that senior officials are aware of any new implementation programmes, circulars and legal precedents.
- c) The Section: Informal Settlements also represents the municipality at the bi-monthly Informal Settlements Support Programme (ISSP) meetings of the Provincial Department of Human Settlements (PDoHS). The latter programme aims to interpret National and Provincial guidelines with respect to upgrading of the informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region; and
- d) The Section: Informal Settlements furthermore collaborates between various municipal departments and Stats SA. The collaboration is aimed at regularising the municipality's data



collection efforts into a format that is acceptable to Stats SA and that the collected data eventually will meet the standards as required by Stats SA.

#### **e) Infrastructure Services**

The Directorate participates in the Stellenbosch River Collaborative Steering Committee with the aim of developing a multi-stakeholder collaborative governance process within which to deal with issues of water quality and pollution in the Stellenbosch rivers. The participants include the Winelands Water Users Association, Stellenbosch Municipality, Department of Water Affairs, the Department of Environmental Affairs, Cape Nature, WWF, Wildlands and key stakeholders in the wine industry such as Spier and the Distell group.

The 3rd Generation Integrated Waste Management Plan (IWMP), gives direction regarding Waste-to-Energy, Alternate Waste Management options and Waste Management projects proposals. This innovative approach was recognised by the DEA&DP when the municipality was requested to assist three other local municipalities in taking this approach. The municipalities of Beaufort West, Prins Albert and Laingsburg were assisted in this manner by the visit of the Waste Management Department team, who trained their local officials as well as assisted within the first data collection exercise.

Stellenbosch Municipality is represented at the quarterly Waste Management Officers Forums; where best practices, changing legislation, feedback from national and provincial government policy changes, etc. are discussed to keep all municipalities in the Western Cape abreast of all issues about waste management. The Western Cape Recycling Action Group (RAG) quarterly forums, although more geared at private-sector contributions to waste minimisation, also provide the platform for municipalities to engage with each other and the private sector for waste minimisation opportunities.

The Department: Electrical Services is extensively involved with other local municipalities' electricity departments through the Association of Municipal Electricity Utilities (AMEU). The AMEU promotes quality of service and management excellence amongst its members in the field of electricity supply, and facilitates communication between its members and between members and the technical, economic and political environment, in order to influence that environment.

#### **f) Community and Protection Services**

Traffic Services liaises with Western Cape Government: Department Transport and Public Works continuously on matters related to transport administration and licensing, traffic law administration (motor-vehicle licensing) and issuing of learner and driving licenses.

The department further engages with RTIA, RTMC, Director of Public Prosecutions and the Department of Justice regarding legislative requirements and adherence.

To execute the Safely Home Programme, the department interacts with various engineering entities such as provincial engineers and Cape Winelands District Council. The Western Cape Government developed the Provincial Strategic Plan (PSP) which gave rise to policies, programmes and projects forming partnerships amongst government, citizens, civil society and business. Various spheres of government are being engaged to co-create a culture of wellness and safety in the workplace and to promote wellness and safety through integrated service delivery models to address the social determinants of health through interaction with Department of Education (DoE), Department of Health Department and SAPS.



The municipality engages in numerous partnerships to facilitate service delivery.

**Table 79: Municipal Partnerships**

Name of Partner / Partnership	Purpose
Mayor / Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the university's expertise and resources.
Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU)	Cooperation in terms of closed-circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
IMESA (Institute for Municipal Engineers South Africa)	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Integrated Development Committee (IPC)	A partnership with the university and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and university.
Department Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focussing on common issues within WC024.
SALGA Municipal Benchmarking Initiative	The partnership is aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing and iterative performance improvements.
Bergriver Improvement Programme	The partnership was formed to improve the quality of the stormwater run-off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
LTAB	The partnership was formed between political leaders to discuss Land Transport-related matters that affect transport in the area.
Transport Working Group	The Transport Working Group was established to discuss transport related matters that affect Stellenbosch, including all relevant governmental institutions and other role players.
IPC	The Integrated Planning Committee is a working group between the City of Cape Town, Stellenbosch, Saldanha, Overstrand, Theewaterskloof, and Drakenstein Municipality that discuss all transport related matters to effectively promote regional planning
NMT Working Group	A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consist of NMT users, officials, representatives from the university and the disabled fraternity.
Drought Steering Committee	This is a committee consisting of a panel of roll players in the drought intervention plan including consultants to discuss, plan, manage and action the Drought Intervention strategies that culminated from various source documents including WCWDM strategies, WSDP, Audit Reports and various Master Plans and processes. It also oversees the SCM and construction phase of the plans.
GreenCape	The GreenCape partnership represents a cooperation with the province's 110% green initiatives, focussing on alternative waste management initiatives and energy efficiency.
CSIR	The partnership is aimed at multidisciplinary research and development by supporting innovation in Stellenbosch.
Genius of Space	This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River.
General	Municipal Partnerships.
<b>District Intergovernmental Structures</b>	
District Coordinating Forum	This forum meets quarterly and seeks to promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the district. The Stellenbosch Municipality participates in this forum and the Cape Winelands District Municipal Managers Forum and benefits from this involvement by being exposed to good practises in other municipalities and strengthening the relationship with the district municipality in forging joint partnerships in the interest of good governance and service delivery. The Cape Winelands District Municipality supports community development and uses indigenous sports to create social cohesion amongst communities in the

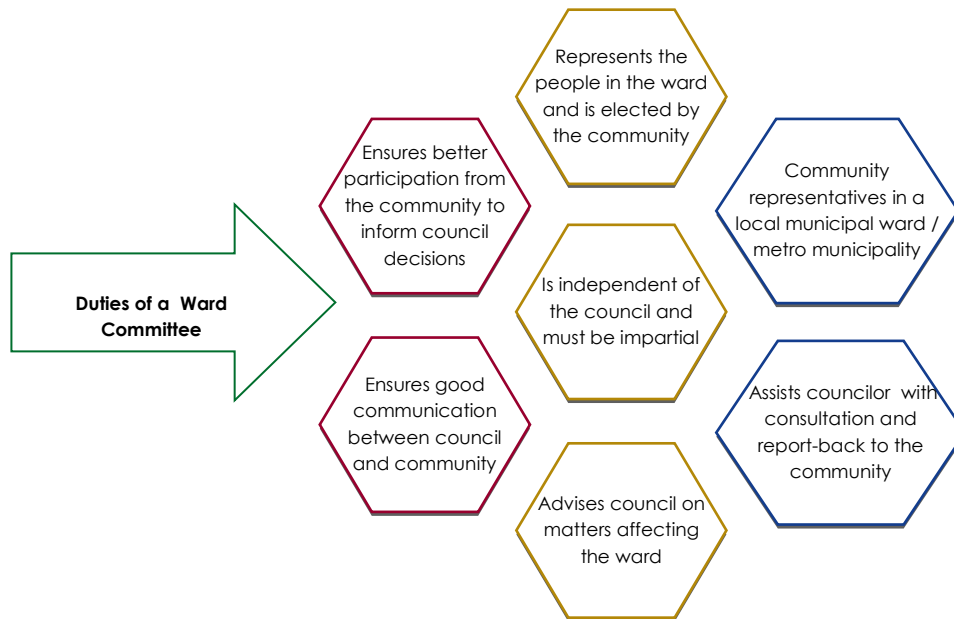


Name of Partner / Partnership	Purpose
	<p>district. Special focus and attention were given to communities in rural areas. The Stellenbosch, Drakenstein and Breede Valley Municipalities have participated in various indigenous games which were hosted by the Cape Winelands Municipality. The relationship between Stellenbosch Municipality and the district municipality has improved and the Department: Community Services have managed to exceed all expectations. A targeted approach was followed and sports were used as a catalyst to cement this relationship with the district.</p> <p>The areas that the Department of Community Services targeted were communication, sharing of resources, capacity building and financial resources. The improved relationship between the district municipality and Stellenbosch Municipality enabled the communities to also participate in the Provincial and National Indigenous Games.</p>

### 2.10.3 Ward Committees

Stellenbosch Municipality has a Ward Committee system in place, which plays a crucial role in achieving the aims of local governance and democracy, as mentioned in the Constitution of 1996. A ward committee is independent of the Council and not politically aligned. The figure below depicts the main duties of the ward committees.

**Figure 7: Duties of ward committees**



The dawn of democracy in 1994 brought about a new democratic local governance system that promotes certain basic values and principles. Such values and principles include transparency, accountability and an open and inclusive system of governance through community involvement in governance, and planning and democratisation of development. This certainly placed South Africa on par with other democratic governments throughout the world and positioned it as a reputable reference for an effective decentralised system of government.

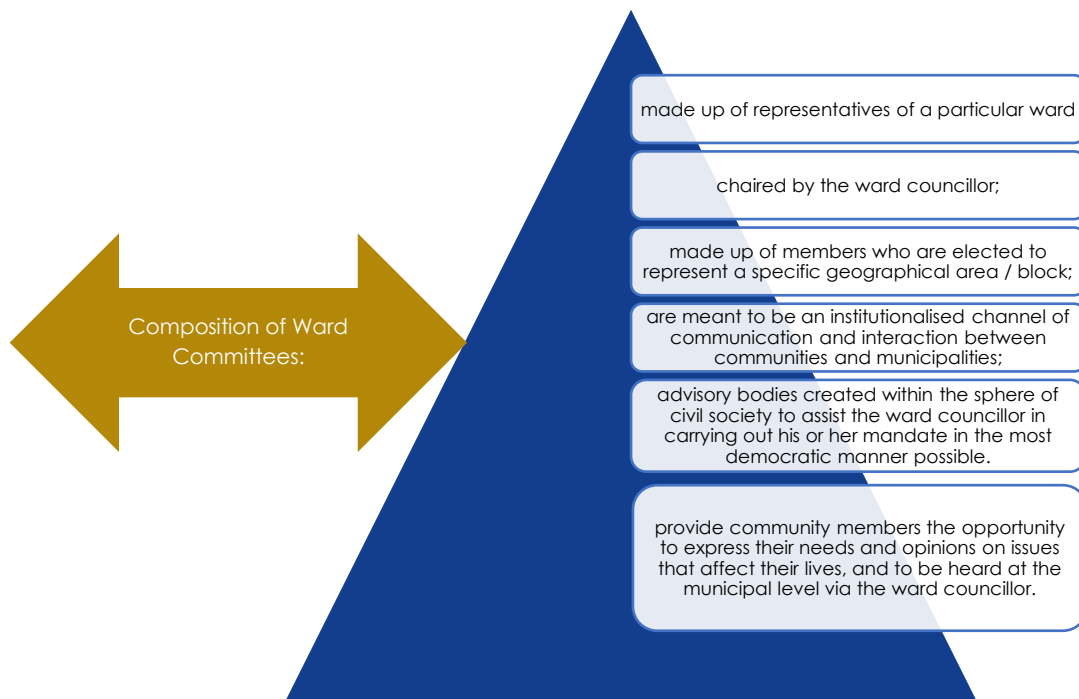
The view of participation remains a key pillar of good governance and constitutes an integral component in the policymaking process, development planning and budgeting. Section 152 of the Constitution, places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and the MSA provides the legislative framework for the establishment of Ward Committees by municipalities.





Section 42 of the MSA stipulates that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of said Act, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.



Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward committee supports the ward councillor, who receive reports on development, participate in development planning processes and facilitates wider community participation. The municipality constantly strives to ensure that all ward committees function optimally in terms of the provision of community information, convening meetings, ward planning, service delivery, IDP input and performance feedback to communities.

On 1 November 2021 the South African local government elections were held to elect councils for all district, metropolitan and local municipalities in all nine provinces. For Stellenbosch Municipality the number of wards increased from 22 to 23 wards, with new demarcation for some of the wards. This also meant that new ward committees had to be established for all wards within the municipality.



In terms of section 73 of the Local Government: Municipal Structures Act, no 117 of 1998 and Regulations, ward committees must be established for each ward within the municipal area within 120 days after the election.

The system of delegations of the Stellenbosch Municipality (S6 and S7) designates the Speaker of Stellenbosch Municipality to facilitate the establishment of ward committees in line with the provisions and stipulations of the Municipal Structures Act and Council's policy for the establishment of ward committees.

At the meeting of 23 November 2021 Council resolved that ward committees must be established for each ward, and that the Speaker must facilitate the establishment of ward committees in line with the provisions and institutions of the Municipal Structures Act and Council's policy for the establishment of ward committees taking into consideration the COVID-19 protocol as outlined in paragraphs 22(3) and 30(4) of Council's Policy and Procedures for Ward Committees. Ward councillors were commissioned to on or before 30 November 2021 submit to the Office of the Speaker a lay-out of their geographic and/or sectors for their respective wards.

Subsequent to this an advertisement was placed on the municipal website, various social media platforms and the local newspapers in December 2021 and January 2022 inviting nominations from registered voters with cut-off date for nominations on 17 January 2022.

Stellenbosch Municipality rolled out the establishment of the 23 ward committees from 24 January to 23 February. Insufficient nominations for wards 3 and 4 prompted the Speaker to allow an extension for said wards to submit nominations at a later stage. Further to this a total of four ward committee establishment meetings adjourned without electing ward committee members and each reconvened at a later stage with ward committee members duly elected.

The tables specifies the comparison of ward committees prior the election and newly established ward committees:

**Ward 1:** Franschhoek town, Bo-Hoek Farms, Mooiwater

**Table 80: Ward 1 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Frazenburg	Councillor	R Pheiffer	Councillor
AH Bauer	Bo-hoek farms	R Plaatjies	Geographic Block 1 and 4
H Diedericks	Beaucop De Leau to School Street	M Nyanga [co-opted In May 2022]	Geographic Block 1
AP Kilian	Calais Street to Hugenote Road	W Jeffthas	Geographic Block 2
PG Mihalopoulos	Akademie to De Villiers Street	B Mnqayi	Geographic Block 3
M Nyanga until Nov 2020	Beaucop De Leau to Dalibuhle School	S Schäfer	LED, Tourism and Agriculture
F Ahmed	Upper farms	A Bauer	Youth Sports, Culture and Community Safety
C Daniels until Nov 2020	Beaucop De Leau to School Street	A Killian	Infrastructure and Community Services
E Morris	Ward Administrator	G Mihalopoulos	Town Planning and Property
-	-	A Tefani [co-opted in May 2022]	None



Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
-	-	L Juries [co-opted in May 2022]	None
-	-	K Brown	Ward Administrator

**Ward 2:** Langrug, La Motte, Dennegeur, Groendal, Domaine des Anges

**Table 81: Ward 2 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
W Petersen	Councillor	W Petersen	Councillor
N Gertse	Dennegeur	S Peters	Geographic Block 1
N Fata	Zwalitcha	F Simons	Geographic Block 2
A Jeffthas	Jaffthas to Boonzaier Road	J Petersen	Geographic Block 3
Vacant	La Motte	N Fata	Geographic Block 5
N Noboza until Nov 2020	Mazaleni	M Phori	Geographic Block 5
M Van Zyl until Jan 2021	Domain Des Anges	J Jacobs	Geographic Block 7
A Manuel until Feb 2021	Berg River Dam Houses	J Manuel	Geographic Block 8
M Hoffman	School Street to R45	R Pearce	Ward Administrator
G Jeffthas	Santa Rosa to R45 Unknown	-	-
K Mpongo until Nov 2021	Ikhanini	-	-
S Silo from Feb 2021	Mazaleni	-	-
R Pearce	Ward Administrator	-	-

**Ward 3:** Lanquedoc, Meerlust, Wemmershoek, Maasdorp and Surrounding

**Table 82: Ward 3 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
C Manuel	Councillor	C Manuel	Councillor
Vacant	Vygje, Kerk, Hoof Street - Lanquedoc	M Pieterse	Geographic Block 1
MP Krediet	Vygje, Kerk, to Gravel Road - Lanquedoc	G Moodie	Geographic Block 2
J Plaatjies	Meerlust and Farms	L Cloete	Geographic Block 3
J Nomdoe	Angelier, Prins Afrika, Leeubekkie, Vygje Streets - Wemmershoek	M Adams	Geographic Block 4
C Stuurman	Hoof, Kerk, Vygje Streets - Lanquedoc	L Plaatjies	Geographic Block 5
G Moody	Vygje, Angelier Streets - Wemmershoek	B Kwago	Geographic Block 5
L Cloete	Wemmershoek	W Moses	Geographic Block 8
D Booysen	Vygje, Kerk, Hoof Street -	G Viljoen	Ward Administrator



Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
	Lanquedoc		
G Viljoen	Ward Administrator	-	-

**Ward 4:** Pniël, Kylemore and Johannesdal

**Table 83: Ward 4 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
M Johnson	Councillor	R Adams	Councillor
S Charles	Malva, Arum, Gousblom, Freesia, Daffodil, School Streets and Farms	Y Carolissen	Geographic Block 2
G Jacobs	Johannesdal	S Jooste	Geographic Block 2
A Williams	Panorama, Simonsberg, Pine and Silvermine Streets	A Lackay	Geographic Block 3
D Lackay	Panorama, Simonsberg, Pine and Silvermine Streets	K April	Geographic Block 3
J Myburgh	Kloof, Hill, Dahlia, Oak Kleigat Streets	A Williams	Geographic Block 5
R van Wyk until Jan 2021	Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets	S Phillips	Geographic Block 6
B Lewak	Malva / Arum / Gousblom / Freesia / Daffodil / Skool Streets and Farms	K Petersen	Geographic Block 7
R Sauls	Johannesdal	E Parks	Ward Administrator
M Simpson	Ward Administrator	-	-

**Ward 5:** The Ridge, Lindida and Ida's Valley (Hydro in the direction of Ida's Valley and Omega Street to Jonkershoek)

**Table 84: Ward 5 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
D Joubert	Councillor	R van Rooyen	Councillor
A Pieterse	Hydro and Surrounding Farms	N Rhode	Geographic Block 1
RB Van Rooyen until Feb 2021	The Ridge	R Arends	Geographic Block 2
L Hendricks	Bo-vlei	C Toutie	Geographic Block 3
K Marais until Feb 2021	Schoongezicht Farms	J Meyer	Geographic Block 4
P Herandien	Lindida, Kreefgat, Uppervlei	J Naude	Geographic Block 4
W Johannes	Jonkershoek Upper	G Louw	Geographic Block 6
J Naude	Lindida, Kreefgat, Uppervlei	E Hendricks	Geographic Block 6
N Rhode	Jonkershoek	A Pieterse	Geographic Block 8
S Zass	Ward Administrator	D February [co-opted in April 2022]	-
-	-	L Hendricks [co-opted in April 2022]	-



Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
-	-	D Jeffthas	Ward Administrator

**Ward 6:** Ida's Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)

**Table 85: Ward 6 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
N Mcombring	Councillor	N Mcombring	Councillor
G August	Protea to Sonneblom Streets	D Jones	Geographic Block 1
O Bergstedt	Tindall to Luckhoff Streets	G August	Geographic Block 2
J Brandt	Speler to Botmaskop Streets	P Gordon	Geographic Block 4
P Constable	Farm areas to North	M Davids	Geographic Block 5
F Fortuin	Tindall to Luckhoff Streets	O Bergstedt	Geographic Block 6
P Gordon	Rustenburg Rd to Lelie Street	M Hendricks	Geographic Block 7
M Hendricks	Botmaskop	J Brandt	Geographic Block 7
F Poole	Old Helshoogte to Lelie Streets	P Constable	Geographic Block 8
P Roets until January 2021	Rustenburg Rd to Lelie Street	L Leith	Ward Administrator
D Jones	Lindley to Weber Streets	-	-
C Van Rooyen	Ward Administrator	-	-

**Ward 7:** Mostertsdrif, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord and De Weides

**Table 86: Ward 7 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Hanekom	Councillor	A Ferns	Councillor
CD Cillie	Simonswyk	B Buys	Geographic Block 1
PE Claassen	Mostertsdrif	P Carstens	Geographic Block 2
GA Giliomee	Karindal	A Marent-Hegewisch	Geographic Block 3
GG Groenewald	Mostertsdrif	B Swanepoel	Geographic Block 4
AB Meiring	Karindal	D Botha	Geographic Block 5
WJ Van Aswegen	Simonswyk	J Wiese	Environment sector
R Pheiffer	Ward Administrator	J Turkstra	Elderly sector
-	-	W van Aswegen	Security sector
-	-	A Gantz	Business sector
-	-	R Loffie-Eaton	Ward Administrator


**Ward 8:** University Areas: Marais, Merriman, Helderberg Street

**Table 87: Ward 8 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
Q Smit	Councillor	C van Wyk	Councillor
R De Villiers	Van Riebeeck, The Avenue, Coetzenburg Road	L Erasmus	Geographic Block 1
CL Macleod	Van Riebeeck, Die Laan, Neethling, Eerste River	M Khan	Geographic Block 1
M Wannenburg	Merriman, Marais, Hofmeyer, Bosman	M Wiehman	Geographic Block 2
E Beukman	Merriman, Marais, Hofmeyer, Bosman	S van der Bank	Geographic Block 2
D Madire	Victoria, Neethling, Bosman, Van Riebeeck	A van Wyk	Geographic Block 3
L Van Wyk from Aug 2020	Victoria, Neethling, Bosman, Van Riebeeck	R de Villiers	Geographic Block 4
J Gilliomme	Ward Administrator	R Segers	Ward Administrator

**Ward 9:** Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, The Avenue

**Table 88: Ward 9 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
ZJ Dalling	Councillor	ZJ Dalling	Councillor
JM Calitz	Geographic	A Louw	Geographic Block 1
GG Cillié	Geographic	W Sezoe	Geographic Block 1
JMK Meyer	Geographic	J Meyer	Geographic Block 1
A Louw	Geographic	C van der Bank	Geographic Block 2
H Esterhuizen	Geographic	D Pieterse	Geographic Block 2
W Sezoe from Apr 2021	Geographic	T Kumm	Geographic Block 3
L Combrink	Geographic	K Morake	Geographic Block 3
K Britz	Geographic	K Brits	Geographic Block 4
T Kumm	Geographic	D Hall	Geographic Block 4
J Gilliomme	Ward Administrator	Dr L Combrinck	Geographic Block 5
-	-	R Segers	Ward Administrator



**Ward 10:** Tennant Street, Bell Street, Lappan Street, Lackey Street, Langstraat- Suid , La Colline – Faure Street, Dr Malan Street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria), Molteno Avenue to Paul Kruger Street and Banghoek Avenue

**Table 89: Ward 10 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
R du Toit	Councillor	R du Toit	Councillor
P Hough	Tennantville	P Hough	Geographic Block 1
B Samuels	Tennantville	G Lamberts	Geographic Block 1
P Stone	Lapland	D Smit	Geographic Block 2
S Williams	Lapland	S Adonis	Geographic Block 2
K Malgas	La Coline	R Hind	Geographic Block 3
L Atson	-	S Williams	Geographic Block 3
M Michaels	Ward Administrator	L Neff	Geographic Block 3
-	-	G Daniels	Geographic Block 3
-	-	N Nketane [co-opted in May 2022]	-
-	-	N Moffat	Ward Administrator

**Ward 11:** Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder-Papegaaiberg and surrounding businesses.

**Table 90: Ward 11 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
J Serdyn	Councillor	J Serdyn	Councillor
P Carinus	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road	E Schreiber	Geographic Block 2
D Cupido until Mar 2021	Devon Valley and Farms	R Fourie	Geographic Block 3
I Fourie	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road	P Carinus	Geographic Block 4
M Snyman	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road	C Roux	Geographic Block 4
B Brand	Dorp Street	S Spangenberg	Geographic Block 5
CF Schreiber	Tarentaal Street to Patrys Street	M Snyman	Geographic Block 5
K Wesselman from Apr 2021	Dennesig	F Malan	Geographic Block 5
Dr E Basson from Apr 2021	Bosmans Crossing	I Fourie	Geographic Block 6
J Giliomee	Ward Administrator	M Claassen	Geographic Block 6
		R Segers	Ward Administrator



**Ward 12:** Kayamandi: Enkanini, Snake Valley, Watergang, Thubelitsha, New Watergang(106), Zone O (next to Enkanini), Chris Hanu Drive, Municipal Flats (10th and 13th Street), School Crescent, Ekuphumleni, Siyahlala, Zone A, George Blake

**Table 91: Ward 12 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
N Managa-Gugushe	Councillor	A Tomose	Councillor
L Dangisa	Geographic	T Naku	Geographic Block 1
M Galada	Geographic	P Lamia	Geographic Block 2
S Mdoana	Geographic	P Menze	Geographic Block 3
S Mdutyana	Geographic	A Mxokozeli	Geographic Block 4
N Ntanjana	Geographic	T Ohu	Geographic Block 5
M Qondani	Geographic	T Gugushe	Geographic Block 6
N Sifumba	Geographic	Z Mantshi	Geographic Block 7
S Siguba	Geographic	Y Makuleni	Geographic Block 8
Y Makuleni	Geographic	T Ntshinga [co-opted in May 2022]	-
N Jodo	Geographic	N Ntshwanti [co-opted in May 2022]	-
S Mafenyang	Ward Administrator	G Zongolo	Ward Administrator

**Ward 13:** Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks, Old Hostels

**Table 92: Ward 13 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Capacity representing	Name of representative	Capacity representing	Name of representative
F Bongani-Menziwe	Councillor	M Nkopane	Councillor
N Bhayibhile	Geographic	A Fayu	Geographic Block 1
NVV Finini	Geographic	Z Ndlovu	Geographic Block 1
N Nojoko	Geographic	M Ndebe	Geographic Block 2
V Hani	Geographic	S Maxhavulana	Geographic Block 3
JZ Jekem	Geographic	Z Magadana	Geographic Block 4
S Magade	Geographic	S Lobi	Geographic Block 5
PN Makasi	Geographic	S Mngwazana	Geographic Block 6
S Mcako	Geographic	M Zondiwe	Geographic Block 7
B Takisa	Geographic	N Bhayibhile	Geographic Block 8
M Zondiwe	Geographic	M Naku	Geographic Block 9
N Tolibisa	Ward Administrator	Z Mithi	Ward Administrator





**Ward 14:** Kayamandi: Zone I Setona Street), Zone O(lower part) Mgabadeli Crescent, Monde Crescent , Costa Land, Strong Yard, Zone M (8th Avenue), Zone P

**Table 93: Ward 14 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
P Sitshoti	Councillor	M Danana	Councillor
MH Gxilishe	Geographic	L Magazi	Geographic Block 1
MD Masimini	Geographic	A Mpanyu	Geographic Block 1
O Manthsi	Geographic	D Mdunyelwa	Geographic Block 3
E Mgoqi	Geographic	B Mbaqa	Geographic Block 4
N Mpemnyama	Geographic	A Bululu	Geographic Block 4
NA Mthiya	Geographic	N Semente	Geographic Block 5
S Oliphant	Geographic	L Mbasane	Geographic Block 6
N Zweni	Geographic	N Boyce	Geographic Block 7
M Brown	Geographic	N Mpemnyama	Geographic Block 8
P Tina	Geographic	E Mpemnyama	Ward Administrator
B Lesaoana	Ward Administrator	-	-

**Ward 15:** Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corobrik Hostels, Mdala Street(Old Hostels)

**Table 94: Ward 15 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
N Sinkinya	Councillor	E Masimini	Councillor
T Dishi	Geographic	N Sesman	Geographic Block 1
NJ Kepu	Geographic	T Lepheana	Geographic Block 2
M Kumalo	Geographic	M Nongogo	Geographic Block 3
TJ Lepheana	Geographic	N Kuni [elected in May 2022]	-
EP Masimini	Geographic	M Moni [elected in May 2022]	-
P Nyakaza	Geographic	E Jumat [elected in May 2022]	-
N Ngwevela	Geographic	L Xelenga [elected in May 2022]	-
T Tshatani until Dec 2020	Geographic	L Gula [elected in May 2022]	-
L Xelenga	Geographic	P Nyakaza	Ward Administrator
V Maramnco	Ward Administrator	-	-



**Ward 16:** Long Street, Eike Street, Jakaranda Street, Short Street, Curry Street, Quarry Street, Primrose Street, Pine Street, Hoop Street, North End Street, Vredelust Street Noord Vredelust West Street, Laai Street, Last Street, Arnolds Street, Anthony Street, Carriem Street, Davids Street, Cupido Street, Ismael Street, Crombi Street, Chippendale Street Bergstedt Street, Achilles Street, Africa Street, Cornelson Street Cloetesville

**Table 95: Ward 16 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
E Vermeulen	Councillor	E Vermeulen	Councillor
J Beneke	Curry, Pine, Primrose, Silvia, Quarry	C Williams	Geographic Block 1
A Flink	Last to North End Streets	M Bailey	-
M Fredericks	Curry, Pine, Primrose, Silvia, Quarry	J Williams	Geographic Block 1
E Gordon	From Sports Field to last Street	N Willemse	Geographic Block 1
M Johannes	White City	P Fray	Geographic Block 2
A Meyer until Dec 2020	Tenantville and Slabtown	M Fredericks	Geographic Block 2
J Williams	Long Short, Jakaranda, Eike Streets	A Flink	Geographic Block 3
Y Lamberts	Ward Administrator	M Johannes	Geographic Block 4
-	-	P Appollis	Geographic Block 4
-	-	J Isaacs	Geographic Block 4
-	-	Y Lamberts	Ward Administrator

**Ward 17:** Longstreet, Kloof Street, Fir Street, Williams Street, Rhode Street, Hendrickse Street, February Street, Weltevrede 2 and Welgevonden, King Street, Hine Street, Fontein Street, Wilger Street, Raziet Street, Pool Street, Valentyn Street, Ortell Street, King Street, Isaac Street, Stellita Park, Gabriel Street, Part of Lackay Street

**Table 96: Ward 17 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
P Biscombe	Councillor	P Johnson	Councillor
J Joon	Rietenbosch	G Jacobs	Geographic Block 2
D Smith	Flats: Kloof and Long Streets	L van der Rheede	Geographic Block 2
A Van der Westhuizen	Huis Ebenhaezer	B Louw	Geographic Block 4
M Wagner	Rhode Street Flats	T Crombie	Geographic Block 4
D Robyn	Stellita Park	G Noble	Geographic Block 5
S Frederick	Kloof Street Flats	D Smith [co-opted in April 2022]	Geographic Block 5
J September until Feb 2021	-	S Jacobs	Ward Administrator
J Isaacs	-	-	-
H Sauls	Ward Administrator	-	-


**Ward 18:** Klapmuts and surrounding farms

**Table 97: Ward 18 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
E Fredericks	Councillor	JCAnthony	Councillor
J Kleinsmith	New Houses, Brickfields	G Wentzel	Geographic Block 1
J Fredericks	Koelpark	W Johannes	Geographic Block 2
W Johannes	Sand, Bell, Merchant, Railway Houses	E Mbikwana	Geographic Block 3
A Michel	Weltevrede Park 1	S Hector	Geographic Block 4
N Mtaba	Mandela City, Lawson	N Peter	Geographic Block 5
J September	La Rochelle, Pinotage Village	N Hector	Geographic Block 6
J Fochessati	New Houses / Brickfield	P Nogwaza	Geographic Block 7
G Wentzel	Rozenmeer, Police Station, Farms	M Everts	Sport sector
G Hector	Weltevrede Park 2	Pastor W Cloete	Religious sector
B Foster	Ward Administrator	G du Toit	Safety sector
-	-	M Malaqua	Ward Administrator

**Ward 19:** Elsenburg, Vaaldraai, Slaley, Kromme Rhee, De Novo, Bottelary, De Hoop, Simonsig and surrounding farms

**Table 98: Ward 19 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
JKI Hendriks	Councillor	J Williams	Councillor
V Fortuin	Elsenburg	A Afrika	Geographic Block 4
F Hansen	De Novo	J May	Geographic Block 6
A Kamfer	Bottelary Farms	A Kamfer	Geographic Block 8
C Martins	Bottelary Farms	C Pedro	Geographic Block 8
J May	Koelenhof / Koelpark	R Kinnear [elected in May 2022]	-
C Adriaanse	Weltevrede / Smartietown	A van der Westhuizen [elected in May 2022]	-
Z Daniels	Kromme Rhee	C Februarie [elected in May 2022]	-
James Williams	Ward Administrator	A September [elected in May 2022]	-
-	-	C Wesso	Ward Administrator



**Ward 20:** Vlottenburg, Raithby, Lynedoch, Mooiberge, Meerlust and Polkadraai

**Table 99: Ward 20 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
A Crombie	Councillor	J Joon	Councillor
AT Joon until Apr 2021	Vlottenburg	C Matthys	Geographic Block 1
D Fortuin	Vlottenburg	C Steenkamp	Geographic Block 1
CHO Gordon	Raithby	R Muller	Geographic Block 2
P Taaibosch	Vlottenburg	I Johnson	Geographic Block 3
M James	Raithby	E Jacobs	Geographic Block 3
G Pojie	Vlottenburg	H Brink	Geographic Block 4
E Jacobs	Lynedoch Farms	P Esau	Geographic Block 4
A Malgas	Meerlust Farms	P Taaibosch	Religious sector
Vacant	Polkadraai	J Casper	Health sector
E Mpemnyama	Ward Administrator	J Fortuin	Ward Administrator

**Ward 21:** Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen and surrounding farms

**Table 100: Ward 21 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
R Badenhorst	Councillor	R Badenhorst	Councillor
V Malmnas	De Zalze	P de Wet	Geographic Block 1
S McNaughton	Blaauwklippen	A Verwey	Geographic Block 2
R Kriel	Paradyskloof	R Kriel	Geographic Block 2
A Levendal	Jamestown	R Spies	Geographic Block 3
HC Eggers	Paradyskloof	S McNaughton	Geographic Block 4
O Meyer	Jamestown	W Adams [co-opted in April 2022]	-
A Verwey	Paradyskloof	S de Wet [co-opted in April 2022]	-
B Pieterse	Jamestown / Mountainview	A Okkers [co-opted in April 2022]	-
N Williams	Ward Administrator	N Williams	Ward Administrator

**Ward 22:** Krigeville, Dalsig, Welgelegen, Brandwacht, Die Boord and Kleingeluk

**Table 101: Ward 22 Committee Members**

Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name of representative	Capacity representing	Name of representative	Capacity representing
E Groenewald	Councillor	E Groenewald	Councillor
M Vlok	Bo-Brandwacht, Faber, Kolbe, Mazot, LeSeuer, Linne	P Schaafsma	Geographic Block 1
P Kruger	Van Taak, Wege, Robbertz, De Wet, Barry	C Neethling	Geographic Block 2



Period 1 July 2021 – 31 October 2021		Period 1 January 2022 – 30 June 2022	
Name representative of	Capacity representing	Name of representative	Capacity representing
A Pelser	Constantia, Welgevallen Alpen, Draailaan	I Maree	Geographic Block 3
I Maree	Rokewood Mairina, Saffraan, Kaneel, Blenheim	W Joubert	Geographic Block 4
E Slabber	Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nooitgedacht	H Slabber	Geographic Block 5
A Coetzee	Skadu, Lower, Binnekring, Buitekring	S Wilson	Geographic Block 6
R Lambrechts	Rhodes Noord, Van Rheede, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade	A Pelser	Geographic Block 7
P Schaafsma	Upper-Lovell, Fairways, Peeka and other, Elbertha, Lovell, Forelle, Santa Rosa	H Hill	Geographic Block 8
S Wilson	Dalsig, Dennerand, Coligny, Dennesig, Park	Prof P Kruger	Geographic Block 9
W Crowley	Ward Administrator	M Vlok	Geographic Block 10
-	-	N Gulube	Ward Administrator

**Ward 23:** From Eerste Rivier, Piet Retief street, Mill street, Bird Street, Merriman Avenue, Ryneveld street, Jan Celliers Street, George Blake drive, Du Toit street, Bergzicht, Herte Street, Krige Street

**Table 102: Ward 23 Committee Members**

Period 1 January 2022 – 30 June 2022	
Name of representative	Name of representative
L Nkamisa	Councillor
J Venter	Geographic Block 1
M Serfontein	Geographic Block 1
A Parrott	Geographic Block 2
A Nompume	Geographic Block 2
T Seyisi	Geographic Block 3
M Lokhat	Religious sector
T Dube	Education and Youth sector
L van Wyk	Education and Youth sector
N Gulube	Ward Administrator

### 2.10.3.1 Functionality of Ward Committees

The purpose of a ward committee is to:

- ✚ create formal communication channels between the community and Council;
- ✚ advise the Ward Councillor in identifying the needs and concerns of the community;
- ✚ support the Ward Councillor in informing the community about their rights and responsibilities; and
- ✚ support the Ward Councillor in consulting and providing feedback to the community.



The COVID-19 pandemic has undoubtedly brought about a dramatic change in the world prompting governments including local governments to be responsive to the plight of their citizens specifically marginalised individuals and vulnerable groups.

In an effort to limit the spread of the COVID-19 pandemic, large gatherings were banned including all public meetings, ward meetings at the local government level and other invited or created spaces of engagement. The rapid transmission of the pandemic with various variants thereof across the globe caused panic and its prevention became the number one priority to be addressed.

The biggest casualty of the COVID-19 pandemic is public participation. The local government has the responsibility to provide the platforms / tools thereby enabling people to be part of the public participation activities that local governments embark upon.

Public participation is crucial in the collective response to the COVID-19 pandemic from adherence to the regulations to the steps needed to be taken on easing the restrictions imposed by National Government.

Ward committees need to find new ways of conducting business inter alia through platforms such as virtual meetings, MS Teams meetings, etc which produce various challenges for some constituencies. All 22 wards and 23 were successfully established.

The table below provides a comparison of the information on the establishment of Ward Committees and their functionality from 2020/21 to 2021/22 financial years.

**Table 103: Ward Committees and their functionality**

Ward Number	Number of reports submitted to the Speakers/IDP Office		Number of Public meetings		Meeting dates of ward committees		Committee functioning effectively	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	Yes / No	
							2020/21	2021/22
1	0	0	1	1	29 Oct 19 Nov 3 Dec 25 Feb 25 Mar 29 Apr 27 May 17 Jun	12 Apr 16 May	Yes	Yes
2	0	0	1	2	15 Jul 19 Aug 15 Sep 21 Oct 18 Nov 14 Dec 18 Feb 18 Mar 22 Apr 27 May 17 Jun	22 Apr 24 May	Yes	Yes
3	0	0	1	2	3 Mar 20 Apr 4 May	14 Apr	Not fully functional	Yes
4	0	0		1	8 Sept 13 Oct 13 Nov 9 Feb 9 Mar 11 May 8 Jun	12 May	Yes	Yes
5	0	0	2	1	25 Mar 29 Apr	04 Apr 17 May	Not fully functional	Yes
6	0	0	1	1	17 Sept	11 Apr	Yes	Yes



Ward Number	Number of reports submitted to the Speakers/IDP Office		Number of Public meetings		Meeting dates of ward committees		Committee functioning effectively	
							Yes / No	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
					8 Oct 4 Nov 2 Dec 3 Feb 3 Mar 7 Apr 5 May 2 Jun	03 May		
7	0	0	-	1	28 Sept 25 Nov 27 Jan 21 Mar 29 Jun	20 Apr 30 May	Yes	Yes
8	0	0	2	1	20 July 18 Aug 9 Sept 7 Oct 4 Nov 2 Dec 3 Feb 3 Mar 7 Apr 5 May 2 Jun	24 May 06 Jun	Yes	Yes
9	0	0	2	1	7 Jul 4 Aug 1 Sept 6 Oct 3 Nov 1 Dec 2 Feb 3 Mar 6 Apr 4 May 3 Jun	11 Apr 17 May	Yes	Yes
10	0	0	1	1	22 Sept 6 Oct 3 Nov 1 Dec 2 Mar 6 Apr 4 May 1 Jun	05 Apr 3 May	Yes	Yes
11	0	0	2	2	14 Jul 11 Aug 8 Sept 13 Oct 10 Nov 9 Feb 9 Mar 13 Apr 11 May 8 Jun	4 May 01 Jun	Yes	Yes
12	0	0	-	1	20 Oct 2 Dec 6 Feb 23 Mar 2 Jun	04 May 07 Jun	Yes	Yes
13	0	0	1	1	16 Oct 2 Mar 13 Apr 18 May 2 Jun		Yes	Yes
14	0	0	-	1	19 Feb 19 Mar 12 May 17 Jun		Yes	Yes



Ward Number	Number of reports submitted to the Speakers/IDP Office		Number of Public meetings		Meeting dates of ward committees		Committee functioning effectively	
							Yes / No	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
15	0	0	-	1	26 Oct 17 Nov 25 Feb 23Mar 20 Apr 18 May 22 Jun		Yes	Yes
16	0	0	1	1	4 Dec 22 Feb 17 Mar 8 Apr 11 May 8 Jun		Yes	Yes
17	0	0	2	1	14 Oct 18 Nov 3 Mar 7 Apr 5 May 9 Jul		Yes	Yes
18	0	0	1	1	18 Jul 15 Aug 12 Sept 10 Oct 07 Nov 05 Dec		Yes	Yes
19	0	0	2	1	29 Sept 13 Oct 10 Nov 1 Dec 29 Jan 9 Mar 8 Apr 4 May 10 Jun		Yes	Yes
20	0	0	-	1	17 Sept 29 Oct 26 Nov 12 Apr 17 Jun		Yes	Yes
21	0	0	1	1	8 Sept 6 Oct 3 Nov 1 Dec 9 Feb 2 Mar 6 Apr 4May 1 Jun		Yes	Yes
22	0	0	1	1	5 Aug 2 Sept 7 Oct 4 Nov 2 Dec 20 Jan 3 Feb 3 Mar 7 Apr 5 May 9 Jun		Yes	Yes
23	-	0	-	1	-	04 May 07 Jun	Yes	Yes





## COMPONENT C: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.11 Risk Management

Section 62 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, as well as the effective, efficient and economical use of the resources of the municipality.

This responsibility was delegated to the Chief Risk Officer. During the year under review, the following was done:

- ✦ continuous awareness raising throughout the municipality;
- ✦ the Risk Management Committee was established to facilitate and govern the risk management process, with a term of reference, and has been operational since January 2013;
- ✦ the Chief Audit Executive has a seat on the Risk Management Committee where all risk and fraud management related activities are reported;
- ✦ the Risk Management Committee reports to the Audit and Performance Committee;
- ✦ risk registers have also been completed at an operational level;
- ✦ the previous year's strategic registers were revisited and an acceptable risk appetite was determined;
- ✦ the revised risk register was adopted by Council; and
- ✦ risks were also identified which could prevent the achievement of the predetermined objectives and were noted in the SDBIP.

Although the Chief Risk Officer is responsible for coordinating and facilitating risk management at all levels within the municipality, the municipal manager and management are the drivers of risk management and the mitigation of risk exposure in the municipality.

During the latter part of 2021, the COVID-19 pandemic started to lose momentum and as more and more individuals were vaccinated the legislation and stringent regulations were gradually phased out as society was now accustomed to the so called new normal.

In the beginning of 2022 views, comments and predictions started to surface globally as the possible conflict in Europe started to become a reality. A Russian invasion of Ukraine dominated in February 2022 and immediately the impact of the said had to be rated, assessed, and discussed. Thus, risk no 7 was developed to monitor the ongoing situation.

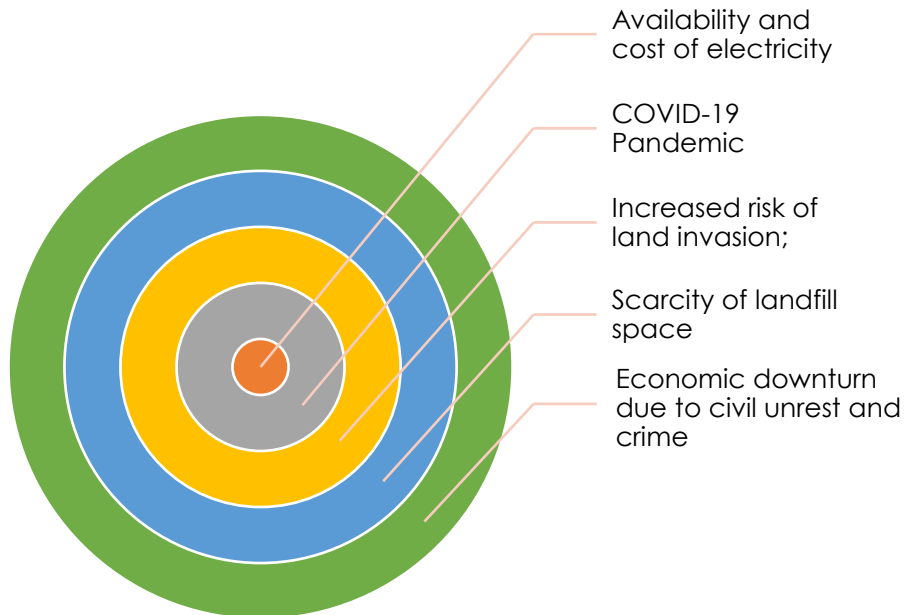
As municipalities entered the new financial year, the electricity and energy generating crisis started to raise red flags again as the pandemic started to be less of a threat and focus started to shift. The availability and cost of electricity then again was assessed as the number 1 risk for the municipality.



In March 2022 a new risk policy as , as well as enterprise risk management framework, approved by Council. The Strategic and Operational Risk Register was also approved In March 2022.

The top 5 risks identified for 2021/22 are as follows:

**Figure 8: The top 5 risks identified for 2021/22**



**a) Likelihood rating scale**

**Table 104: Risk likelihood rating scale**

Impact and Likelihood Rating		
Likelihood Grading		
10	Certain	91% - 100% chance of occurring
9	Almost Certain	81% - 90% chance of occurring
8	Expected	71% - 80% chance of occurring
7	Probable	61% - 70% chance of occurring
6	Possible	51% - 60% chance of occurring
5	Potential	41% - 50% chance of occurring
4	Occasional	31% - 40% chance of occurring
3	Remote	21% - 30% chance of occurring
2	Improbable	11% - 20% chance of occurring
1	Rare	0% - 10% chance of occurring
Impact Grading		
10	Catastrophic	A critical event resulting in the long-term cessation of the majority or all core organisational activities. Inability to achieve the municipality's strategy and objectives. Requires external support.
9	Critical	A critical event resulting in the long-term cessation of several core organisational activities. Drastically reduced ability to achieve the municipality's strategy and inability to achieve the majority of the objectives. Requires intervention from Council.
8	Major	A major event resulting in the long-term cessation of a core organisational activity. Severely reduced ability to achieve the municipality's strategy and inability to achieve certain objectives. Material at the organisational level.



Impact and Likelihood Rating		
Likelihood Grading		
		Requires intervention from the Municipal Manager and Audit Committee involvement.
7	Significant	Significant long-term disruption of services. Significantly reduced ability to achieve the municipality's strategy and objectives. Requires intervention from the Director.
6	Moderate	Short / medium-term disruption of services. Reduced ability to achieve the municipality's strategy and objectives. Requires intervention from the Head of the Department.
5	Marginal	Disruption of normal operations / services. Limited effect on the achievement of the municipality's strategy and objectives. Requires intervention from the Line Manager.
4	Immaterial	Irritation in rendering or receiving services. No material impact on the achievement of the municipality's strategy and objectives. Can be dealt with by senior staff.
3	Minor	The impact will be coped with in short term through normal operational processes performed by staff
2	Insignificant	Impact of adverse events is minimal.
1	Negligible	Impact of adverse event has little (if any) impact on services.

The rating determines the risk exposure. Through this management gets to understand the extent to which potential events might impact their objectives on a scale from 1 as a minimum and 100 as a maximum.

## b) Inherent risk exposure

**Table 105: Inherent risk exposure grid**

Inherent Risk Exposure: the inherent risk exposure is determined by comparing the inherent risk rating against the risk appetite		
Inherent Risk Exposure		
Inherent Risk	Magnitude	Definition
0 -25	Low Risk	Level of inherent risk is within the risk appetite – Low level of a control intervention required if any.
26 -50	Moderate Risk	Unacceptable level of risk – Moderate level of control intervention is required to achieve an acceptable level of residual risk.
51 – 75	High Risk	Unacceptable level of risk – High level of control intervention is required to achieve an acceptable level of residual risk.
76 – 100	Extreme Risk	The extreme level of risk – Immediate level of control. Intervention is required to achieve an acceptable level of residual risk.

The strategic risk register below indicates all the focus areas, risk and mitigation measures taken to address these identified risks within the organisation.



## 2.11.1 Strategic Risks Identified

Table 106: Risk register

Strategic Risks						
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Directorate
1	Availability and cost of electricity.	Unavailability of suitable land; costs of SLAs and alternative waste disposal; legislative requirements i.e. EIA applications and approvals etc	Green and Sustainable Valley, Dignified Living	10	10	Directorate: Infrastructure Services
2	Increased risk of a land invasion.	Legal precedents are set under disaster management declaration limiting the municipal scope to evict. Illegal invasions and land grabs. Compromising housing development and housing opportunities	Dignified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	10	10	All Directorates
3	COVID-9 Pandemic.	Manage the COVID-19 pandemic within the context of the prescribed regulations, taking the possible 4 <sup>th</sup> wave and intensity of new infections into account.	Safe Valley, Dignified Living	10	8	All Directorates
4	Scarcity of landfill space.	Unavailability of suitable land; costs of SLAs and alternative waste disposal; legislative requirements i.e. EIA applications and approvals etc.	Green and Sustainable Valley	10	8	Directorate: Infrastructure Services
5	Economic downturn due to civil unrest and crime.	Increase in criminal activities, civil unrest, and reputational risk due to perceived increase in the said activities.	Dignified Living, Safe Valley	10	8	Directorate: Community and Protection Services
Operational Risks						
1	Insufficient burial space in the greater Stellenbosch	Planning and funding; land availability. Insufficient funding.	Dignified Living	8	8	Directorate: Community and Protection Services
2	Timeous Capital Spending	A steady increase in budget allocation; growing population and demand for services; demand management.	Good Governance and Compliance	10	4	Directorate: Financial Services
3	Business Continuity	Disasters, electricity outages; hacking of systems.	Good Governance and Compliance	8	4	Directorate: Corporate Services
4	Climate Change	Changing weather patterns, unpredictable rainfall, flash floods, drought natural disasters, fires (seasonal and other).	Green and Sustainable Valley; Safe Valley	8	4	Office of the Municipal Manager
5	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, and quality and timeous service delivery need to be provided by all departments.	Good Governance and Compliance	8	4	Directorate: Corporate Services



## 2.11.2 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while the MFMA, section 112(1)(m) (i), identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms are put in place and the separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

Management and Council have taken ownership of combatting fraud and corruption throughout the municipality.

The Anti-Fraud and Corruption Prevention Policy was consulted with key internal stakeholders and the Audit and Audit Performance Committee. The policy intends to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption management at all levels.

The fraud hotline or tip-off line is also fully functional and managed by an independent service provider. A toll-free number and e-mail service are available to members of the public to report any suspected fraudulent or corrupt activities.

## 2.12 Functions of the Audit and Performance Audit Committee

The Municipal Audit and Performance Audit Committee's objectives and functions are based on Section 166(2) (a-e) of the MFMA, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter approved 28 March 2018 by Council.

The objectives of the Audit and Performance Audit Committee (APAC) of the Stellenbosch Municipality are to:

- ‡ Assist the Council in discharging its duties relating to the safeguarding of the Council's assets;
- ‡ Develop and oversee the operation of an adequate internal process and control system;
- ‡ Oversee the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards;
- ‡ Provide support to the Council on the risk profile and risk management of the Council; and
- ‡ Ensure that there is an internal audit function in place and that the roles of the internal and external audit functions are coordinated.

The APAC is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters and mainly makes recommendations to management.

The responsibilities of the APAC are further to review the:

- ‡ Effectiveness of the Council's system of internal control and risk management;
- ‡ Financial reporting and financial statements;
- ‡ Internal Audit function;
- ‡ Auditor General's report;
- ‡ Council's compliance with legislation and regulation;
- ‡ Compliance with the Council's Code of Conduct and ethics; and
- ‡ Performance Management System to make recommendations in this regard to Council.



The APAC members are as follows:

**Table 107: Members of the Audit and Performance Audit Committee**

Period 01 July 2021 – 29 March 2022		Period 28 June 2022 – 30 June 2022	
Name of representative	Capacity	Name of representative	Capacity
Dr NL Mortimer	Chairperson (re-appointed for a second term 1 April 2019 – term ended 31 March 2022)	LC Nene	Chairperson (appointed 1 May 2022)
VJ Botto	Member (appointed 1 September 2017)	VJ Botto	Member (appointed 1 September 2017)
TW Lesihla	Member (appointed 1 September 2017)	TW Lesihla	Member (appointed 1 September 2017)
J Williams (Ms)	Member (appointed 1 April 2019)	J Williams (Ms)	Member (appointed 1 April 2019)

**Table 108: APAC meetings held from 01 July 2021 to 30 June 2022**

Period 01 July 2021 – 30 June 2022
Meeting dates
27 August 2021
14 December 2021
20 January 2022
29 March 2022
28 June 2022

The APAC advises Council, political office-bearers, the Accounting Officer and management of the municipality on the matters about duties as described in the Audit and Performance Audit Committee Charter.

The APAC is also accountable to identify major risks to which Council is exposed and determine the extent to which risks have been mitigated.

## 2.13 Internal Auditing

Section 165(2)(a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must: –

- a. prepare a risk-based audit plan and an internal audit programme for each financial year; and
- b. advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to:
  - ‡ internal audit;
  - ‡ internal controls;
  - ‡ accounting procedures and practices;
  - ‡ risk and risk management;
  - ‡ performance management;
  - ‡ loss control; and
  - ‡ compliance with this Act, the annual Division of Revenue Act and other applicable legislation.



c. perform such other duties as may be assigned to it by the Accounting Officer.

Stellenbosch Municipality's Internal Audit function is performed by in-house staff. The main focus areas were compliance with applicable laws, regulations, policies and procedures which resulted in both assurances as well as consulting work. During the year under review, the internal audit activity was able to effectively execute 87% of the initially adopted risk-based audit plan.

In addition, process flowcharts for all identified audit areas have been documented, highlighting the key controls and / or control gaps for process owners / line managers to consider and implement. Follow-up reviews were conducted relating to previously reported matters during the previous financial year.

### 2.13.1 Risk Register and Three-Year Strategic Plan

**Table 109:** ✓ Confirms audit activity completed in the financial year

Audit Activity/ Audit Universe	Year 1	Year 2	Year 3	Combined Assurance Provider
	2022/2023	2023/2024	2024/2025	
<b>Statutory Internal Audits</b>				
MFMA Compliance	✓	✓	✓	IA and AG
MSA Compliance	✓	✓	✓	IA and AG
DORA Compliance	✓	✓	✓	AG
Performance Management and SDBIP (Quarterly)	✓	✓	✓	IA
<b>Risk-based audits (Auditable Areas)</b>				
Office of the Municipal Manager: Pre-review of MM and Directors' performance evaluations	✓	✓	✓	IA
Financial Services: Supply Chain Management	-	✓		IA and AG
Financial Services: Asset Management	✓	✓	-	IA (rolled over from 2021/2022)
Financial Services: Expenditure Management	-	-	-	AG
Financial Services: Budget Process (Included in MFMA Audit)	N/A	N/A	N/A	AG
Financial Services: Revenue Management (Income and Debtors)		-	✓	IA
Financial Services: Cash Receipts, Banking and Investments	-	-	-	AG
Financial Services: Accounting and Financial Reporting	-	-	-	AG
Financial Services: Year-end Inventory review – stores (direct assistance for the AG)	✓	✓	✓	IA
Corporate Services: Recruitment and Selection	✓	-	-	IA
Corporate Services: Information and Communication Technology	✓	✓	✓	Outsource
Corporate Services: Archives/ Records Management (Audit Conducted by Western Cape Provincial Government)	N/A	N/A	N/A	External Assurance
Corporate Services: Staff Regulations	-	✓	✓	IA
Planning and Economic Development: Housing Administration	-	✓	-	IA



Audit Activity/ Audit Universe	Year 1	Year 2	Year 3	Combined Assurance Provider
	2022/2023	2023/2024	2024/2025	
Community and Protection Services: Traffic Services and Administration	-	-	✓	IA
Community and Protection Services: Fleet Management	-	✓	✓	IA
Infrastructure Services: Distribution Losses (Water and Electricity)	✓	✓	✓	IA
<b>Other</b>				
Internal Quality Assurance review	✓	✓	✓	IA
State of Records review (direct assistance for the AG)	✓	✓	✓	IA
AG audit action plan	✓	✓	✓	IA
Governance	✓	✓	✓	IA
Risk Management	✓	✓	✓	IA
Follow up audits	✓	✓	✓	IA
Ad hoc review(s) / Special requests	✓	✓	✓	IA

Legend				
No coverage				
High risk (Annual audit of a business process)	■	■	■	■
Medium risk	■	■	■	■
Low risk	■	■	■	■
Compliance (Statutory requirement)	■	■	■	■

Risk assessment updates were performed during the 2020/21 financial year and all relevant risks were populated into an updated Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2020/21 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2020/21 in consultation with the Risk Management Committee. This will ensure that adequate audit coverage is obtained from Internal Audit in consultation with the Auditor General and management.

### 2.13.2 Annual Risk-Based Audit Plan

The Risk-Based Audit Plan for 2021/22 was implemented with available resources. The table below provides detail on audits completed.

**Table 110: Annual Risk-Based Audit Plan**

Audit Activity	Status
DoRA Compliance	Combined Assurance – AG
MGRO 1 and 2 (MGAP)	Report submitted to PT
<b>IA follow-up review:</b>	
Allowances (Overtime, Standby and Scarcity skills)	Final report submitted
Performance Management System	Final report submitted
AG Audit Action plan 2020/21	Final report submitted





Audit Activity	Status
<b>Quarterly Key Control reviews (SORR):</b>	
Quarter 4	Final report submitted
Quarter 1	
Quarter 2	
Quarter 3	
<b>Performance Management:</b>	
Pre-determined Objectives	
Quarter 4	Final Report submitted
Quarter 1	Final Report submitted
Quarter 2	Final Report submitted
Quarter 3	Final Report submitted
Performance Reviews: MM and Directors (annual assessments)	Final Report submitted
<b>Information Technology:</b>	
ITGC, Applications review and support services equipment	Approved rollover 2022/23
Review of Cobit compliance	Approved rollover 2022/23
<b>Other:</b>	
Risk Management	Final Report submitted
Supply Chain Management: Tender management	Final Report submitted
Supply Chain Management: Contract management	SOP submitted
Stores Inventory Review	IA provided direct assistance on behalf of the AG(SA)
Asset Management	Approved rollover 2022/23
Infrastructure services: Development Contributions	Final Report submitted
Mont Rochelle (Ad-hoc review)	Item submitted to Council

### 2.13.3 PMS Audits

The actual performance was subjected to an internal audit review the and results of their were findings submitted to the APAC. Quarterly audits were performed and reported to the APAC.

## 2.14 Supply Chain Management

The Supply Chain Management (SCM) Policy applicable to the 2021/22 financial year was revised and adopted by the Council on 26 May 2021 (as Appendix 17 of the budget-related policies, in the Council item) in terms of section 17(1) – (3) of the MFMA.

The changes referred to above will ensure that the Department: Supply Chain Management (SCM) has the required legislative mandate to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

### 2.14.1 Competitive bids in excess of R200 000

The following table details the number of Bid Committee meetings held for the 2021/22 financial year:

**Table 111: Bid Committee Meetings**

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
46	220	64



The attendance figures of members of the Bid Specification Committee are as follows:

**Table 112: Attendance of Members of the Bid Specification Committee**

Member	% Attendance
Supply Chain Management Representative	100%
Relevant technical expert responsible for a function	100%

The attendance figures of members of the Bid Evaluation Committee are as follows:

**Table 113: Attendance of Members of the Bid Evaluation Committee**

Member	% Attendance
Supply Chain Management Representative	100%
Relevant technical expert responsible for a function	100%

The attendance figures of members of the Bid Adjudication Committee are as follows:

**Table 114: Attendance of Members of Bid Adjudication Committee**

Member	% attendance
Chief Financial Officer (Chairperson)	100%
Director Planning and Economic Development	100%
Director: Infrastructure Services	100%
Director: Community and Protection Services	100%
Director: Corporate Services	100%

The percentages indicated above include the attendance by those officials acting in the position of a bid committee member and / or chairperson.

## 2.14.2 Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 77 bids with a value of R 285 588 974.13, excluding annual tenders awarded based on approved rates. The ten highest bids awarded by the bid adjudication committee are as follows:

**Table 115: Ten Highest Bids Awarded by Bid Adjudication Committee**

Bid number	Title of bid	Directorate and Section	Successful Bidder	Value of bid awarded
B/SM 82/21	Refurbishment of Rozendal Reservoir.	Infrastructure Services	Empa Structures	R 9 491 272.75
B/SM 24/22	Upgrading / Maintenance of Heritage Buildings: Voorgelegen, Rhenish and Bergzicht until 30 June 2024.	Corporate Services	Xiqombe	R 9 232 053.53
B/SM 12/22	Implementation of 11kV Network Upgrades in The Pniël Area of Stellenbosch: Period ending 30 June 2024.	Infrastructure Services	VE Reticulation (Pty) Ltd	R 8 891 414.71
B/SM 62/22	Underwriting and Management of Short-Term Insurance Portfolio, For a Contract Period, ending 30 June 2023.	Financial Services	Kunene Makopo Risk Solutions	R 8 558 580.62
B/SM 110/21	Refurbishment of 11kv Substation Buildings and Installation of Switchgear Supplied by Stellenbosch Municipality for The Period Ending 30 June 2024.	Infrastructure Services	VE Reticulation (Pty) Ltd	R 7 949 721.12
B/SM 111/21	Jan Marais Substation Upgrade (Civil, Electrical and Structural Works).	Infrastructure Services	Leafy Space (Pty)Ltd	R 6 599 175.57
B/SM 22/22	The Enabling Works for The Construction of a Local Economic Development Hub and Transport Facility at Bird Street,	Planning and Economic Development	Raycon Properties	R 5 079 053.43



Bid number	Title of bid	Directorate and Section	Successful Bidder	Value of bid awarded
	Stellenbosch.			
B/SM 06/22	Upgrading of Kayamandi Tourism and Economic Corridor	Corporate Services	Bambana Management Services	R 4 724 787.65
B/SM 19/22	Supply and Delivery of a Multi-Purpose Armoured Personnel Carrier Vehicle (Nyala)	Community and Protection Services	TFM Industries (Pty)Ltd	R 4 222 306.65
B/SM 115/21	A Professional Service Provider to Assemble a Multi-Disciplinary Team of Professionals	Planning and Economic Development	Zutari (Pty)Ltd	R 3 819 344.19

### 2.14.3 Awards made by the Accounting Officer

In terms of paragraph 5.2 of the Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is over R 10 million. The authority to make such an award may not be sub-delegated by the Accounting Officer.

The table below indicates the bids awarded by the Accounting Officer are as follows:

**Table 116: Awards made by the Accounting Officer**

Bid number	Title of bid	Directorate and Section	Value of bid awarded
B/SM 25/22	THE CONSTRUCTION OF THE POLKADRAAI WATER SUPPLY SCHEME	Infrastructure Services	R 103 410 198.46
B/SM 79/21	CONSTRUCTION OF NEW DISTILLERY ROAD BRIDGE, REHABILITATION, ROADWAYS AND ANCILLARY WORKS	Infrastructure Services	R 29 750 000.00
B/SM 40/22	INTERNAL REFURBISHMENT OF THE NPK BUILDING ON ERF 1852, STELLENBOSCH FOR ADMINISTRATIVE OFFICES FOR STELLENBOSCH MUNICIPALITY.	Corporate Services	R 23 957 544.77
B/SM 23/22	IMPLEMENTATION OF MEDIUM VOLTAGE NETWORK UPGRADES IN KAYAMANDI, STELLENBOSCH	Infrastructure Services	R 14 014 568.89
B/SM 21/22	ENGINEERING, PROCUREMENT AND CONSTRUCTION OF GRID-TIED ROOFTOP PV SYSTEMS AT VARIOUS MUNICIPAL BUILDINGS IN STELLENBOSCH.	Infrastructure Services	R 12 482 222.16
B/SM 123/21	EVALUATION OF TENDER FOR ZONE O, KAYAMANDI, HOUSING PROJECT: CONSTRUCTION OF INTERNAL CIVIL ENGINEERING SERVICES – PHASE 3	Infrastructure Services	R 12 120 851.13

### 2.14.4 Objections Lodged

The table below indicates the total objections lodged during the year under review.

**Table 117: Objections Lodged**

Tender Nr	Description	Date of finalisation of the appeal
B/SM 92/21	Khauleza IT solutions	22-Sep-22
B/SM 61/21	Lewendal Attorneys	23-Sep-22
B/SM 33/21	Blackbird	6-Oct-22
B/SM 100/21	VINLAB	21-Oct-21
B/SM 67/21	Contour	6-Dec-21
B/SM 114/21	Elexpert	11-Feb-22
B/SM 17/21	Timber City / Julobyte	4-Nov-22



Tender Nr	Description	Date of finalisation of the appeal
B/SM 41/21	Xmoore Transport	14-Jun-22
B/SM 32/21	Language Teaching Centre	13-Oct-21
B/SM 32/21	Sharons Driving School	15-Oct-21
B/SM 73/21	FB Protection Services	17-Nov-21
B/SM 69/21	Beatrice Nina	18-Jan-22
B/SM 73/21	Securitem	18-Feb-22
B/SM 19/21	OTT	11-Apr-22

The municipality also had eight (8) appeals which were resolved together with six (6) objections which were also dealt with.

## 2.14.5 Formal Quotations (above R30 000 and below R200 000) Procurement Processes

The number of formal quotations approved by the Snr. Manager: Supply Chain Management for the year under review follows:

**Table 118: Formal Quotations (above R 30 000 and below R 200 000)**

Description	Financial Years				2021/22
	2017/18	2018/19	2019/20	2020/21	
Number of Awarded Formal Quotations	206	203	145	122	89
Total Formal Quotations advertised	264	249	159	139	131
<b>Percentage awarded</b>	<b>78.03%</b>	<b>81.53%</b>	<b>91.19%</b>	<b>88%</b>	<b>67.94%</b>

## 2.14.6 Deviation from normal Procurement Processes

Paragraph 4.36 of the Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. The following table indicates the number of certificates of emergencies and deviations approved in terms of section 4.36 of the SCM Policy.

**Table 119: Deviation from Normal Procurement Process**

Description	Financial Years			
	2018/19	2019/20	2020/21	2021/22
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	0	0	0	0
<u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	42	32	19	12
<b>TOTAL</b>	<b>42</b>	<b>32</b>	<b>19</b>	<b>12</b>

Deviations from the normal procurement processes have been monitored closely to mitigate the risk associated with them.



## 2.14.7 Disposal Management

The system of disposal management envisages the following:

- ‡ immovable property is sold only at market-related prices except when the public interest or the plight of the poor demands otherwise;
- ‡ movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market-related prices, whichever is the most advantageous;
- ‡ firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- ‡ immovable property is let at market-related rates, except when the public plight of the poor demands otherwise;
- ‡ all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- ‡ where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- ‡ in the case of the free disposal of computer equipment, the Provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

The municipality complies with section 14 of the MFMA which deals with the disposal of capital assets as well as with the Asset Transfer Regulations.

## 2.14.8 Supply Chain Management Performance Management

The SCM policy requires that an internal monitoring system be established and implemented to determine, based on retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an ongoing process. Procedure manuals for various SCM processes have been developed, approved and are being implemented

## 2.14.9 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:

- a) Service provider means a person or institution or any combination of persons and institutions that provide a municipal service;
- b) External service provider means an external mechanism referred to in section 76(b) that provides a municipal service for a municipality; and
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its account or on behalf of the municipality.

Section 121(b) of the MFMA and section 46 of the MSA further state that a municipality should include the following aspects related to service providers in its annual report:

- ‡ The performance of each service provider;
- ‡ A comparison of the performance with targets set for and performance in the previous financial year; and



‡ Measures are taken to improve performance.

## 2.14.10 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad-Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. Under the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission, the following table provide details on the municipality's compliance concerning broad-based black economic empowerment which only focus on the organisational aspect of the compliance reform: It should be noted that a consultant is currently in process to do an in-depth rating of the BBEE compliance in terms of supply chain and socio-economic activities.

### a) Management Control

**Table 120: B-BBEE Compliance Performance Information - Management Control**

Category	% for each category	Race Classification			Gender		Disability
		A	C	W	F	M	
Directors	4 / 6 = 66.67%	0	4	2	2	4	0
Senior Management	18 / 25 = 72%	3	15	7	4	21	0

### b) Skills Development

**Table 121: B-BBEE Compliance Performance Information- Skills Development**

Category	% for each category	Race Classification		Gender		Disability	Total amount spend
		Category	Total	Category	Total		
Black Employees	278	A	996	F	79	None	Total Spent: R3 267 622 R3 071 564.68 (94% of the total spent)
		C	179	M	199		
		I	0				
Non-Black employees	19	W	19	F	2	None	R196 057.32 (6% of total spent)
				M	17		
Black People on internships, apprenticeships, learnership	40	A	13	F	16	None	R424 790.86 (13% of total)
				M	24		
Unemployed black people on any programme under the learning programme matrix	2	C	2	M	2	None	R19 605.73 (0.6% of total spent)
Black people absorbed at end of learnership, internship and apprenticeship	0	0	0	0	0	None	0



## 2.15 By-Laws and Policies

Section 11 of the MSA gives municipal councils the executive and legislative authority to pass and implement by-laws and policies.

Budget-related policies reviewed in the 2021/22 financial year are listed below.

**Table 122: Budget Related Policies Reviewed**

Policies Revised	Date Adopted
Traffic Calming Policy	24.08.2020
Land Use Enforcement Policy for Stellenbosch Municipality, March 2019	24.08.2020
Performance Management Policy	29.07.2020
Parking Policy for Council	28.10.2020
Policy and procedures for ward committees, including COVID-19 protocols	25.11.2020
Universal Access Policy Review	27.01.2021
Non-Motorised Transport Policy	21.04.2021
Consequence Management Policy	26.05.2021
Accounting Policy	26.05.2021
Asset Management Policy	26.05.2021
Borrowing, Funds and Reserves Policy	26.05.2021
Budget Implementation and Monitoring Policy	26.05.2021
Cash Management and Investment Policy	26.05.2021
Cost Containment Policy (2019-09-25)	26.05.2021
Credit Control and Debt Collection Policy	26.05.2021
Development Charges Policy	26.05.2021
Financing of External Bodies Performing Municipal Functions Policy	26.05.2021
Grants-In-Aid Policy	26.05.2021
Indigent Policy	26.05.2021
Inventory Management Policy	26.05.2021
Irrecoverable Debt Policy	26.05.2021
Liquidity Policy	26.05.2021
Petty Cash Policy	26.05.2021
Preferential Procurement Policy	26.05.2021
Property Rates Policy	26.05.2021
SCM Policy for Infrastructure Procurement and Delivery Management	26.05.2021
Special Rating Area Policy	26.05.2021
Supply Chain Management Policy	26.05.2021
Tariff Policy	26.05.2021
Travel and Subsistence Policy	26.05.2021
Virement Policy	26.05.2021
Ward Allocation Policy	26.05.2021
Wayleave Policy (2021-03-31)	26.05.2021
Development Charges Policy	26.05.2021

**Table 123: Bylaws reviewed**

Bylaws	Date of Approval
Stellenbosch Liquor Trading Hours By-Law	29.07.2020
Problem Properties By-Law	29.07.2020
Stellenbosch Municipality By-Law on Stormwater	25.11.2020
Stellenbosch Municipality By-Law on Integrated Waste Management	25.11.2020



Bylaws	Date of Approval
Stellenbosch Municipality By-Law on Parking	28.04.2021
Stellenbosch Municipality By-Law Roads and Street	28.04.2021
Stellenbosch Municipality By-Law on Posters (Draft)	28.04.2021
Property Rates By-Law	26.05.2021
Tariff By-Law	26.05.2021
Special Areas Rating By-Law	26.05.2021
By-Law on Stormwater	26.05.2021

## 2.16 Municipal Website

The municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget-related documents and policies.

Below is a website checklist to indicate compliance with Section 75 of the MFMA.

**Table 124: Municipal Website Checklist**

Documents Published on the Stellenbosch Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
Current annual and adjustment budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
The annual report for 2021/22	-	Pending
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2021/22	Yes	Within legislated period
All service delivery agreements for 2021/22	Yes	Within legislated period
All long-term borrowing contracts for 2021/22	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2021/22	Yes	Within legislated period
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2021/22	Yes	Within legislated period

## 2.17 Communication

Local government has a statutory obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996, section 152(1)(e), in setting out the objectives of local government, states that municipalities must "encourage the involvement of communities and community organisations in the matters of local government". Section 160(7) of the Constitution further says that "a municipal council must openly conduct its business, and may close its sittings, or its committees, only when it is reasonable to do so".

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, the municipality must act with high levels of transparency, accountability, openness, participatory democracy and direct communication with communities to improve the lives of residents. At the heart of the Communication Policy, adopted by Council in July the 2020, lies the notion of improved communication that facilitates public participation.





Communication platforms played a vital role during the year under review and as the country was hit by the COVID-19 pandemic. It was the municipality's duty to inform the greater Stellenbosch of all newsworthy information. Ensuring that the right messages reach the intended audiences on the most appropriate platforms and continuously facilitating conversations through the various communication platforms, contributes to the strengthening of the municipality's corporate identity and brand. The relationship with the media became crucial and also the vehicle to steer the communication to all stakeholders. Comprehensive responses were prepared to all media enquiries from the community, and local, regional and national publications / broadcasters every week. Positive news stories are being disseminated through the proactive release of media statements. These statements and positive news stories are also amplified to reach audiences online by sharing them on the municipal website and other social media platforms. The communication informed the community of the COVID-19 pandemic and how to practice social distancing and good health as well as to educate and encourage the residents to stay safe by vaccinating. Daily statistics are still being broadcast on all communication platforms.

Members of the public can report faults or refer enquiries through an e-mail link on the website to the [contact.stellenbosch@stellenbosch.gov.za](mailto:contact.stellenbosch@stellenbosch.gov.za) mailbox. This mailbox is monitored daily and enquiries, compliments and complaints are forwarded to the relevant departments daily. The municipal website is updated with new and official notices, formal quotations, tenders, news stories, vacancies and as well as meeting agendas and minutes on an ongoing basis. The website is increasingly made more user-friendly and plans are already in place to simplify navigation and increase overall customer satisfaction by restructuring the website.

The municipal Facebook page and the Twitter account have been growing steadily and now reaches a much larger, ever-growing audience. Apart from being used to publicise municipal news stories, photos and videos, social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through the municipality's social media platforms. Municipal advertisements are regularly placed in the community and regional newspapers and contribute to building the municipality's brand. The Executive Mayor's monthly newsletter, pamphlets, posters, notice boards and regular IDP / Ward meetings provide the municipality with additional platforms for communicating with residents and other stakeholders.

To improve internal communication within the organisation, the interdepartmental communication forum has been established and meetings of this forum have proved to be invaluable. The interdepartmental communication forum meets at least quarterly. Improved internal communication is further achieved through the newsletter of the Municipal Manager, internal memos, notice boards, a bulk SMS system and regular staff meetings.

Below is a communication checklist for compliance to with the communication requirements.

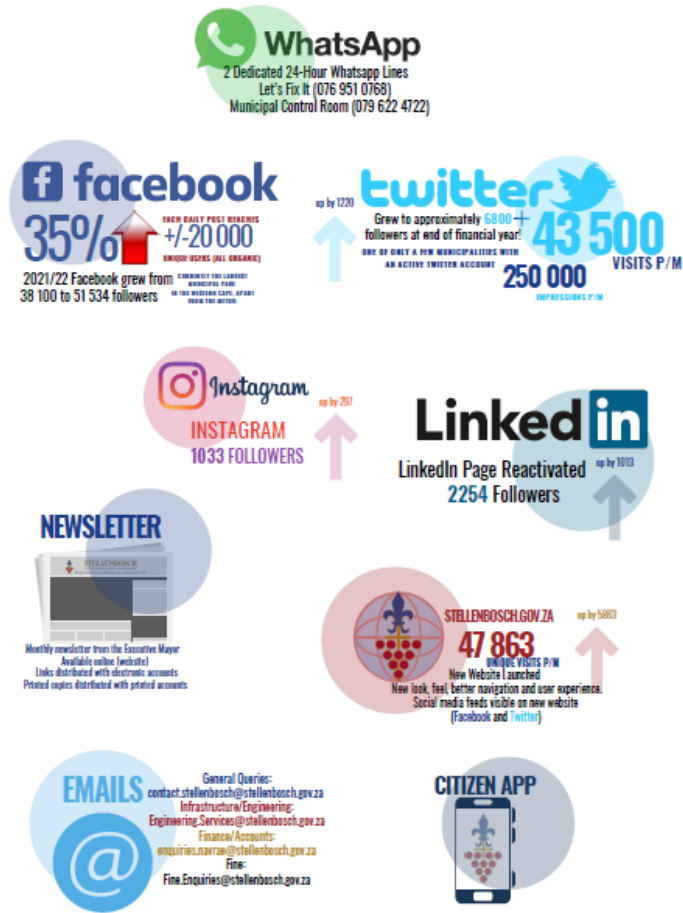
**Table 125: Communication Activities**

Communication activities	Yes / No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes



The image below illustrates the volume of visitors to the municipality's social media platforms.

Figure 9: Social Space Statistics





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.1 Overview of performance within the organisation

This section provides an overview of the key service achievements of the municipality that came to completion during 2021/22 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

To improve performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

- ‡ Departmental operational plans were developed for monitoring and reporting operational programmes. An electronic performance management system is operational within the municipality. The same system forms the basis of performance evaluations of the Directors and the Municipal Manager; and
- ‡ The municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time-bound, thus making them measurable.

### COMPONENT A: BASIC SERVICES

This component includes the municipal functions, basic service delivery highlights and challenges, details of services provided for water, wastewater (sanitation), electricity, waste management, housing services and a summary of free basic services.

### 3.2 Municipal Functions

#### 3.2.1 Analysis of Functions

The municipal functional areas are indicated below.

**Table 126: Municipal Functional Areas i.t.o. the Constitution**

Municipal Function	Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Air pollution	Yes
Building regulations	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No



Municipal Function	Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes from 2013
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes



### 3.3 National Key Performance Indicators – Basic Service Delivery

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

**Table 127: Basic Service Delivery**

KPA and Indicators	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Basic Service Delivery*</b>							
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- a number of registered Indigent households are being reported)	100%	100%	100%	100%	100%	100%	100%
Service for water, sanitation and refuse removal (Average)	7 042	5 686	6 453	6 813	6 666	7 283	4 681

*\*The data emanates from the Indigent Register of the Stellenbosch Municipality*

### 3.4 Water Provision

Water is the most fundamental and indispensable of available natural resources – fundamental to life, the environment, food production, hygiene and power generation.

Poverty reduction / alleviation and improved water management are closely linked. Schedule 4B of the Constitution lists water and sanitation services, limited to potable water supply systems and domestic wastewater and sewerage disposal systems, as a local government function.

Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

After the drought disaster and better rainfall seasons during 2020 and 2021, the municipalities in the Western Cape lifted water restrictions. Stellenbosch Municipality had no water restriction in place during the year under review. The municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

- ⚡ Stellenbosch: Eerste River treated at Ida's Valley WTP – (Own source);
- ⚡ Stellenbosch: DWS allocation from Western Cape Water Supply Scheme (WCMSS) via the tunnel treated at Paradyskloof WTP – (Theewaterskloof Dam);
- ⚡ Franschhoek: Du Toits River treated at Franschhoek WTP – (Own source);
- ⚡ Dwarsrivier and rest of Franschhoek: Potable water purchased from CoCT (Wemmershoek Line);
- ⚡ Raithby, Klapmuts, Koelenhof, etc.: Potable water purchased from CoCT (Blackheath WTP, Faure WTP and Wemmershoek Line); and
- ⚡ Boreholes BH1: Die Braak, BH2: Meerlust and BH3: Van der Stel, treated in Containerised Package Plants. This system was not utilised in the 2021/2022 financial year.

The total population supplied with water in the Stellenbosch Municipal area amounted to approximately 136 036 people. Water is also supplied to a fairly extensive industrial area.



The municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschoek, which is a micro water treatment plant. The potable water supply from these works amounted to 20.27 MI/d and a further 8.93 MI/d was obtained from the City of Cape Town (CoCT) during the 2021/22 financial year, ensuring a supply of approximately 29.21 MI/d to the municipality's area of responsibility.

Areas supplied by the Wemmershoek Dam and water treatment works include half of Franschoek town, La Motte, Wemmershoek, Pniël, Boschendal, Johannesdal, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied by Blackheath water treatment works include Polkadraai, Spier and Vlottenburg.

Areas supplied by Faure water treatment works (from Steenbras Dam – CoCT) are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although these treatment works fall within the sphere of responsibility of the City of Cape Town, their impact with regard to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 118 reservoirs / holding tanks / sumps and water towers, 69 water pump stations, 41 pressure-reducing valve installations and 704 kilometres of pipeline. The system is fully controlled and operated by a telemetry system.

The total bulk water input into the water network for the 2021/22 financial year was 10 661 MI, with an annual average daily demand of 29 208 kl/day. 41.5% of the water supplied is purified from the municipality's water sources at the Ida's Valley and Franschoek water treatment plants. The balance is supplied by the CoCT (30.6%) and from the treatment of raw water at Paradyskloof WTP as supplied by the Department of Water and Sanitation (27.9%). Potable water supplied from the CoCT is analysed monthly.

Ida's Valley and Paradyskloof water treatment works are equipped with some analytical capabilities and routine plant analyses are performed in-house. A full water quality monitoring programme is further performed for the municipality by an accredited external laboratory / contractor. Maintenance of equipment for all three plants is outsourced to external contractors.

Based on the municipality's IWA Water Balance sheet for the 2021/22 financial year under review, the municipality recorded 21.9% for "non-revenue" water, which is an increase of 3.8% from the previous financial year and 12.7% for Real Network Losses. Refer to the municipality's International Water Association (IWA) Water Balance Sheet.

**System input volume: July 2021 to June 2022 ; kl \*    10 660 846    100%**  
(water demand in reticulation system)

<b>Potable water system</b>	Authorised consumption 81,3%	Revenue water 78,1%	Billed metered	7 807 027	73,2%
	Water losses 18,7%	Non-revenue water 21,9%	Billed unmetered	521 538	4,9%
			Un-billed metered	319 825	3,0%
			Un-billed unmetered	21 322	0,2%
			Commercial losses	639 651	6,0%
			Physical losses	1 351 483	12,7%
				<b>8 328 565</b>	
			<b>2 332 281</b>	<b>21,9%</b>	
			<b>1 351 483</b>	<b>12,7%</b>	



The non-revenue water for the 2021/22 financial year is 21.9% which is below the target set of 25%. The real physical network losses are at 12.7% which is below the best practice value of 15%.

The table above is the International Water Association table to compute the water balance and is also accepted in the DWS reporting structure. This forms the basis of the information needed and what is currently used to calculate water losses. This is combined with monitoring systems installed on all bulk water supply points to determine and ensure accurate data on the water provided. The consumption data for all water users are drawn from the SAMRAS system with a regular data download to determine the total water sold. The figure above is used as far as possible to reflect the water balance and water losses in the water systems. The water readings of all areas are also sent to the DWS on a three-monthly basis to monitor and control water usage and allocations of water.

The municipality has developed a comprehensive Water Conservation and Water Demand Management (WC&WDM) strategy, which includes a 10-year financial plan. The strategy has two goals: the municipality will prioritise the implementation of WC&WDM and will ensure ongoing planning, management, monitoring and an enabling environment. The WC&WDM initiatives include a water pipe replacement programme, indigent domestic leak repair and meter replacement programme, Stellenbosch water meter audit and Stellenbosch in-house water services operations and maintenance.

The municipality implemented level 6 B water restrictions from 19 February 2018 – 31 October 2020 which were lifted with effect from 01 November 2020. The City of Cape Town is currently not implementing water restrictions. Stellenbosch Municipality is also currently not implementing water restrictions, but the public should be aware of the current predictions on future drought situations.

The following table reflects the current status of the dam levels supplying the WCWSS with water and the status of Stellenbosch's dam levels.

**Table 128: Western Cape Dams**

Major dams	2020	2021	2022
	(%)	(%)	(%)
Berg River	81.2	100.8	87.9
Steenbras Lower	49.9	89.9	78.6
Steenbras Upper	99.6	84.6	85.8
Theewaterskloof	55.8	101.9	76.1
Voëlvlei	54.5	88.1	63.2
Wemmershoek	43.3	97.7	65.5
<b>Total Stored (MI)</b>	<b>540 023</b>	<b>879 173</b>	<b>679 794</b>
<b>% Storage</b>	<b>59.7</b>	<b>97.4</b>	<b>75.2</b>



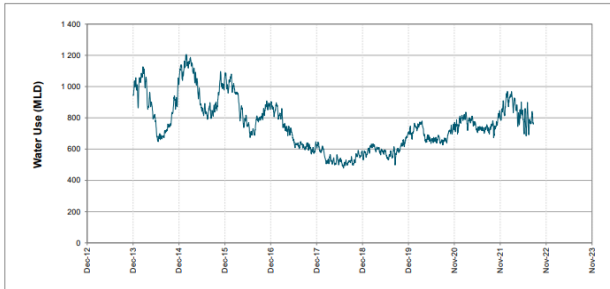
The table below depicts the Stellenbosch dams and overall water usage trends in the region (from CoCT Dam Levels Report, August 2022):

**Stellenbosch's own Dams**

**Table 129: Stellenbosch dams**

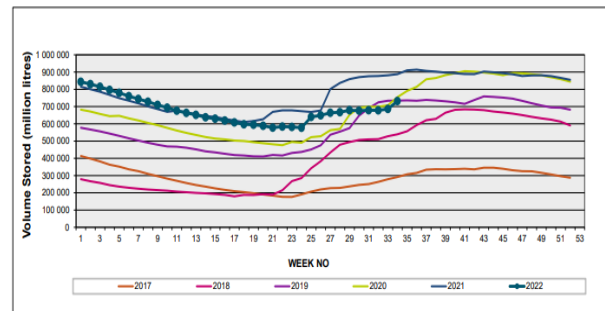
Ida's Valley 1	100	100	80
Ida's Valley 2	100	100	100

**Overall Water Usage Trend (2010 - Present)**



WCWSS means Western Cape Water Supply System  
MLD means million litres per day  
More information on Water Saving and Restrictions is available on the City of Cape Town's 'ThinkWater' website

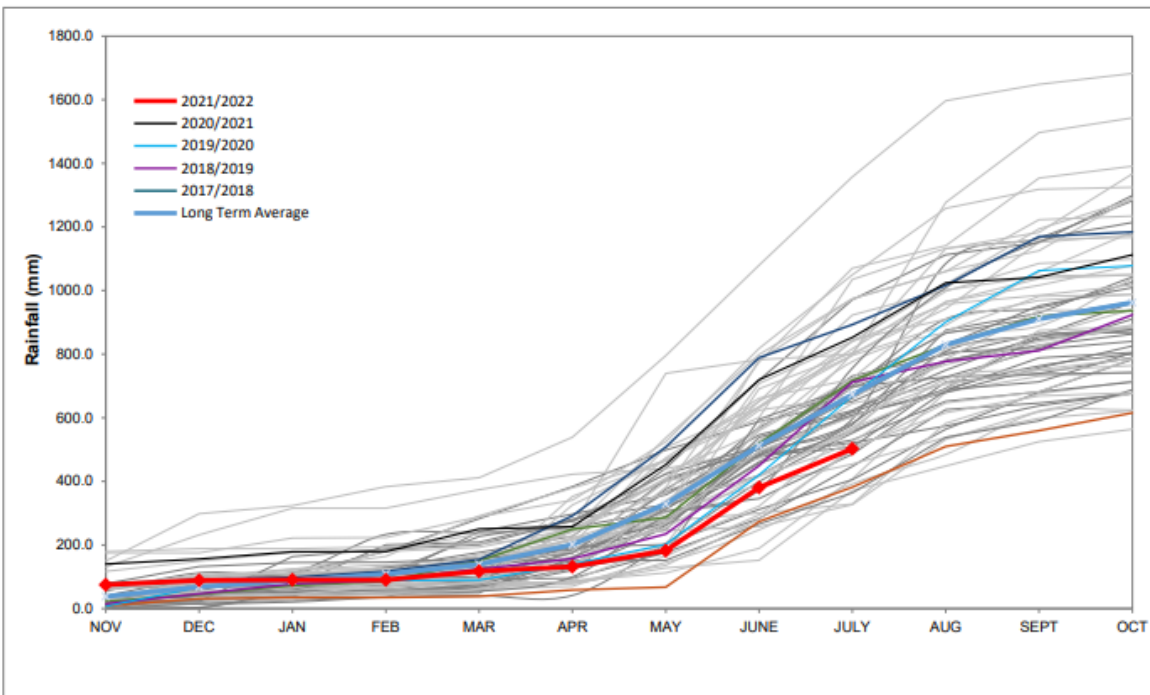
**WCWSS Comparative Storage Graph**



Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

**Accumulated Monthly Rainfall at Wemmershoek**

Note: Wemmershoek station used due to long record and mountainous location







### 3.4.1 Service Statistics – Water Services

The table below outlines water usage totals per category:

**Table 130: Total Use of Water**

Total Use of Water (Mℓ)					
Year	Total Water into the System (Mℓ)	Total Water Sold (Mℓ)	Non-Revenue Water	% Non-Revenue Water	% Physical Water Loss
2014/15	14 876	11 556	3 320	22.3%	10.3%
2015/16	13 889	10 498	3 391	24.4%	12.4%
2016/17	12 220	9 572	2 648	21.8%	9.7%
2017/18	8 661	6 779	1 882	21.7%	8.2%
2018/19	8 058	6 380	1 676	20.8%	6.9%
2019/20	8 015	6 374	1 640	20.5%	6.5%
2020/21	10 003	7 701	1 815	18.1%	9.9%
2021/22	10 080	8 174	1 906	18.9%	9.7%

### 3.4.2 Water Service Delivery Levels

As a priority, it is the responsibility of Stellenbosch Municipality to ensure that adequate and appropriate investments are made to ensure the progressive realisation of the rights of all people in its area of jurisdiction to receive at least a basic level of water and sanitation service. While the provision of basic water services is the most important and immediate priority, Water Services Authorities are expected to provide intermediate and higher levels of services (for example water on site) if it is practical and provided it is financially viable and sustainable to do so.

All water services provided by Stellenbosch Municipality to consumers within its borders are linked to the municipality's Tariff Policy and Tariff By-laws, and poor households are incorporated through the municipality's Indigent Policy.

A large number of residents in the lowest income groups (living in informal areas) pose a major challenge to the municipality to provide suitable housing. Stellenbosch Municipality strives towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system.

All the formal households in the urban areas of Stellenbosch Municipality's Management Area are provided with water connections and waterborne sanitation facilities inside households (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. The municipality is aware of the fact that communal standpipes represent in all likelihood the weakest part of a network's water supply services, and constantly repairs and monitors the system of operation and maintenance thereof.

The table below specifies the different water service delivery levels per household:

**Table 131: Water Service Delivery Levels**

Description	2015/16 (audited)	2016/17 (audited)	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Household</b>							
<b>Water: (above minimum level)</b>							
Piped water inside	37 902	37 989	38 027	40 321	42 615	38 120	38 120



Description	2015/16 (audited)	2016/17 (audited)	2017/18	2018/19	2019/20	2020/21	2021/22
Piped water inside the yard (but not in a dwelling)	3 596	3 596	3 596	3 596	3 596	3 596	3 596
Using public tap (within 200m from dwelling)	8 491	9 238	9 699	11 327	12 955	10 504	10 504
Other water supply (within 200m)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Minimum Service Level and Above Sub-Total</b>	<b>49 989</b>	<b>50 823</b>	<b>51 323</b>	<b>55 244</b>	<b>59 166</b>	<b>52 220</b>	<b>52 220</b>
<b>Minimum Service Level and Above Percentage</b>	<b>99.75</b>	<b>99.75</b>	<b>99.75</b>	<b>99%</b>	<b>98,93%</b>	<b>98%</b>	<b>98%</b>
<b>Water: (below minimum level)</b>							
Using a public tap (more than 200m from the dwelling)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other water supply (more than 200m from dwelling)	125	N/A	N/A	N/A	N/A	N/A	N/A
No water supply	405	N/A	N/A	N/A	N/A	N/A	N/A
<b>Below Minimum Service Level Sub-Total</b>	<b>530</b>	<b>0</b>	<b>0</b>	<b>581</b>	<b>632</b>	<b>1 263</b>	<b>1 263</b>
<b>Below Minimum Service Level Percentage</b>	<b>1.06</b>	<b>0</b>	<b>0</b>	<b>1%</b>	<b>1,07%</b>	<b>2%</b>	<b>2%</b>
<b>Total Number of Households (formal and informal)</b>	<b>48 002</b>	<b>48 002</b>	<b>52 374</b>	<b>55 825</b>	<b>59 798</b>	<b>53 483</b>	<b>53 483</b>
**2021/22 information based on 2020/21 – awaiting the finalization of the Water Services Development Plan (WSDP)							

The table below indicates the capital expenditure for the Section: Water Services at 30 June 2022.

**Table 132: Capital expenditure as at 30 June 2021: Water Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R' 000		
Bulk water supply Klapmuts	11 894	10 736	-10,78
New Reservoir and amp; Pipeline: Vlothenburg	7 000	1 369	411,40
New Reservoir Rosendal	11 852	10 205	16,14
Water Conservation and amp; Demand Management	3 000	2 673	-12,21
Waterpipe Replacement	7 555	7 132	-5,92
<i>Only the 5 largest capital projects are listed</i>			

Water Services have spent, 9.47% of the capital budget for the financial year.

### 3.5 Wastewater (Sanitation) Provision

The main focus for the 2021/22 financial year was to implement the demands of the Stellenbosch Municipality's masterplan, fulfilling the development needs for the Stellenbosch Municipality's vision, part of the demand was to complete the upgrade of the **Pniël Wastewater Treatment Works** and identifying and resolving operational issues at the **new Wemmershoek Wastewater Treatment Works**.

The construction of the 4.5 Ml/day Pniël WWTW upgrade commenced within the 2019/20 financial year. Delays caused by Eskom pushed the completion date into the next financial year (completion February 2023). The upgrade of the Wemmershoek WWTW Phase 1 commenced in the



2021/22 financial year and should be completed by 30 November 2022. The Phase 2 design may require a redesign given the budget availability for Phase 2.

The table below specifies the different sanitation service delivery levels per household for the financial years 2015/16 – 2021/22.

**Table 133: Sanitation service delivery levels**

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Household</b>							
<b>Sanitation/sewerage: (above minimum level)</b>							
Flush toilet (connected to sewerage)	37 902	37 939	38 027	40 321	42 615	44 909	44 909
Flush toilet (with septic tank)	1 079	1 079	1 079	1 079	1 079	1 079	1 079
Chemical toilet	321	114	94	94	139	184	184
Pit toilet (ventilated)	209	0	0	0	0	0	0
<b>Other toilet provisions (above minimum service level)</b>	<b>1 038</b>	<b>0</b>	<b>0</b>	<b>2 336</b>	<b>2 386</b>	<b>2 386</b>	<b>2 386</b>
<b>Minimum Service Level and Above Sub-Total</b>	<b>40 549</b>	<b>39 132</b>	<b>39 252</b>	<b>44 595</b>	<b>46 219</b>	<b>48 609</b>	<b>48 609</b>
<b>Minimum Service Level and Above Percentage</b>	<b>94.86</b>	<b>97.51</b>	<b>97.01%</b>	<b>92.0%</b>	<b>98,14%</b>	<b>95.18%</b>	<b>95.18%</b>
<b>Sanitation / sewerage: (below minimum level)</b>							
Bucket toilet	125	0	0	0	0	0	0
Other toilet provisions (below minimum service level)	1 038	0	0	0	0	0	0
No toilet provisions	1 035	0	0	0	0	0	0
<b>Below Minimum Service Level Sub-Total</b>	<b>2 198</b>	<b>1 193</b>	<b>1 173</b>	<b>1 050</b>	<b>972</b>	<b>1 263</b>	<b>1 263</b>
<b>Below Minimum Service Level Percentage</b>	<b>5.14</b>	<b>2.49</b>	<b>0</b>	<b>1.88%</b>	<b>2.11%</b>	<b>2.49%</b>	<b>2.49%</b>
<b>Total Number of Households</b>	<b>42 747</b>	<b>40 325</b>	<b>52 374</b>	<b>55 825</b>	<b>59 276</b>	<b>61 351</b>	<b>61 351</b>
**Information based on 2020/21. Awaiting the finalisation of the Water Services Development Plan (WSDP)							

The table below indicates the capital expenditure for sanitation services at 30 June 2022.

**Table 134: Capital expenditure as at 30 June 2021: Sanitation Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Bulk Sewer Outfall: Jamestown	8 928	10 437	14,46
Sewerpipe Replacement	2 275	2 468	7,83
Stellenbosch WWTW	989	524	-88,66
Upgrade of WWTW Wemmershoek	27 500	22 023	-24,87
Upgrade of WWTW: Pniël and amp; Decommissioning of Franschoek	31	31	-0,00
<i>Only the 5 largest capital projects are listed</i>			

Sanitation Services have spent, 16.80 % of the capital budget for the financial year.



The table below indicates all major projects implemented by the Department: Water and Wastewater Services.

**Table 135: Number of employees in the Department: Water and Wastewater Services**

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	0	1	100%
14 – 17	4	3	1	25%
9 – 13	37	35	2	5.4%
4 – 8	59	55	4	6.7%
3 – 0	115	111	4	3.47%
<b>Total</b>	<b>216</b>	<b>204</b>	<b>12</b>	<b>5.6%</b>

### 3.6 Major projects implemented

The table below indicates all major projects implemented for Department: Water and Wastewater Services.

**Table 136: Major projects implemented**

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
<b>Water Conservation and Water Demand Management (Wc/Wdm) Initiatives</b>				
Water Treatment Works Ida's Valley	Upgrading of the existing works to increase the current treatment capacity as well as to introduce colour removal.	R100M	Various upgrades and modifications to treatment works processes are to be made to increase treatment capacity.	The consultant stopped after concept design due to funding not available.
New Wemmershoek (Franschhoek Valley) WWTW	The New Nereda Wemmershoek WWTW is unable to reliably produce compliant Effluent and needs to be upgraded with tertiary treatment processes and increase treatment capacity	R29M	Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas. Increase capacity from 3ML/day to 7ML/day in phases to eradicate Franschhoek WWTW challenges.	Construction of Phase 1 started in August 2021 and will reach completion in November 2022. Staff is constantly trained to mitigate operational issues.
Upgrade of Pniël WWTW	The upgrade of existing WWTW.	R164M	Capacity increased to 4.5ML/day.	Activated sludge process with Belt press and new UV disinfection system. Completion delayed to February 2023.
Polkadraai Reservoir and Pipeline	Construct 2 reservoirs and upgrade the pipeline	R103M	Form part of the Blackheath Augmentation system to allow water transfer from CoCT to Stellenbosch and also the use of own source during winter for Polkadraai area	Project design and SCM processes completed for the appointment of the Contractor. The contractor was appointed on the 17 August 2022 for a 60-week construction period.

### 3.7 Electricity

Load shedding continues to be experienced due to Eskom's challenges with its power stations. As in the previous financial years, Stellenbosch Municipality continues to contribute to Eskom's



electricity supply stability, mainly via the following projects:

**a) The Demand-Side Management**

The municipality continued with the Energy and Demand Management project, to replace energy-inefficient streetlight fittings with energy-efficient (LED) fittings.

**b) Hot Water Load Control Project**

The municipality has continued to install hot water load control devices in the Franschhoek area, which will enable shedding of all geysers during peak times, hence realising an energy-saving at the end of the month. A total of 9 223 load control devices were installed across Stellenbosch and Franschhoek. In addition, all new developments are being issued with load control devices to help manage the energy demand.

**c) Alternative Energy**

The current regulatory reforms include amendments to the Electricity Regulation Act on new generation capacity to enable municipalities to pursue their generation options.

The Minister of Mineral Resources and Energy, on 16 October 2020, gazetted amendments to the Electricity Regulations on New Generation Capacity. The amendments now enable municipalities in good financial standing to develop their power generation projects themselves or in collaboration with Independent Power Producers (IPPs).

Stellenbosch Municipality is now exploring least-cost electricity pathways that are accessible to mitigate against load shedding amongst other aspirations.

The Municipality has also embarked on a Rooftop Solar Photovoltaic (PV) project where five municipal buildings were identified, and rooftop PV has been installed. The combined capacity of the five plants amounts to 710 kWp. There are other renewable energy projects planned to be implemented.

**d) Electrification of Informal Settlements**

Through the Integrated National Electrification Programme (INEP) grant received, the municipality managed to construct an electricity network in Enkanini to cater for 1000 connections in 2020/21. In 2021/22 the Kayamandi Bulk Infrastructure Project was initiated to strengthen the bulk infrastructure to provide for the remaining backlogs in Enkanini. The contractor is on-site implementing the project. During the 2022/23 financial year, 1300 connections are planned, and we are in the process of appointing consultants for this project.

In Langrug, planning is underway to upgrade the network to cater for additional connections. Planning includes arrangements that need to be made to enable the new infrastructure.

**e) Pniël take-over**

The municipality continued with network upgrading in the 2021/22 financial year.

Each financial year, the municipality prioritises projects identified from the network assessment report by starting / addressing the critical infrastructure first. An electrical contractor has been appointed to continue with the network upgrading in the 2022/23 financial year.



### 3.7.1 The Electricity Service Delivery Statistics

Stellenbosch Municipality has four intake points, as indicated in the table below.

**Table 137: Stellenbosch Municipality notified demand per intake point**

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	60 MVA	0	51.205 MVA
Franschhoek	10 MVA	0	9.43 MVA
Cloetesville	16 MVA	0	12.23 MVA
Pniël	9 MVA	0	6.91 MVA (Peak from July 2021 to May 2022)

### 3.7.2 Electricity Losses

The electricity losses as at 30 June 2021 were 9.60%.

The table below specifies the different electricity service delivery levels per household.

**Table 138: Access to basic electricity**

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Household Prepaid</b>							
<b>Energy: (above minimum level)</b>							
Electricity (at least minimum service level) <i>(No. of conventional meters)</i>	6 486	6 486	6 453	4 715	4 601	4 429	4 326
Electricity - prepaid (minimum service level) <i>(No. of prepaid meters)</i>	17 504	17 504	25 946	27 825	28 366	29 279	31 076
<i>Minimum Service Level and Above Sub-Total</i>	23 990	23 990	32 399	32 540	32 967	33 708	35 402
<i>Minimum Service Level and Above Percentage</i>	79.67	86.7	80.08	85.51	86.04	86.86	87.78
<b>Energy: (below minimum level)</b>							
Electricity (< minimum service level)	0	0	0	0	0	0	
Electricity - prepaid (< min. service level)	4 460	4 460	6 453	0	0	4 429	0
Other energy sources	N/A	N/A	N/A	N/A	N/A	N/A	
<i>Below Minimum Service Level Sub-Total</i>	4 460	4 460	6 453	0	0	4 429	0
<i>Below Minimum Service Level Percentage</i>	13.27	13.27	12.32	0	0	0	
<b>Total Number of Households</b>	<b>48 002</b>	<b>48 002</b>	<b>52 374</b>	<b>32 540</b>	<b>32 967</b>	<b>33 708</b>	<b>35 402</b>



The table below indicates the capital expenditure for electricity services at 30 June 2022.

**Table 139: Capital expenditure as at 30 June 2021: Electricity services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Alternative Energy	15 710	13 217	-18,86
General Systems Improvements - Stellenbosch	6 774	6 698	-1,13
Integrated National Electrification Programme (Enkanini)	27 401	17 741	-54,45
Jan Marais Upgrade: Remove Existing and replace with 20MVA units	10 814	9 350	-15,66
Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3,8km	7 541	8 842	14,72
Only the 5 largest capital projects are listed			

Electricity Services have spent, 16.12% of the capital budget for the financial year.

The table below indicates the total number of employees in the Department: Electricity Services.

**Table 140: Total number of employees in the Department: Electricity Services**

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	3	3	0	0
9 – 13	25	22	3	12%
4 – 8	40	38	2	5%
3 – 0	12	11	1	8.3%
<b>Total</b>	<b>81</b>	<b>75</b>	<b>6</b>	<b>7.4%</b>

## 3.8 Waste Management, Refuse Collections, Waste Disposal and Recycling

### 3.8.1 Waste Management

The Department: Waste Management's key responsibility is to keep the municipal area clean of waste, removal of illegal dumping, to provide a refuse collection and waste disposal service for all residents. The department also encourages waste minimisation through waste treatment, recovery and recycling solutions.

One of the highlights of the department was the hosting of various municipalities from the Eastern Cape to highlight good waste management practices which have resulted in real improvements in managing waste in the communities.

Some challenges within the department are the landfill having reached capacity and the design of a new landfill cell is complete. Thus, waste is currently being hauled and disposed of at a private landfill in Visserhok in Cape Town at an increased expense. The municipality is expecting approval of the Waste Management Licence Variation Application from the provincial Department of Environmental Affairs and Development Planning.



Illegal dumping also poses a major challenge to the municipality's operations and budget.

### 3.8.2 Area Cleaning

The Section: Area cleaning provides a service by means of a contractor, who is responsible for cleaning of the Stellenbosch CBD, and the use of EPWP personnel in other areas. Area cleaning is an essential service and all teams have worked throughout all the different lockdown levels. This section employed temporary workers from local communities that were sourced from the municipal unemployment database to perform cleaning services in the streets, open spaces and around waste removal skips.

Where the municipality faces huge volumes of illegal dumping, it uses its plant machinery (digger loader and tipper truck) to clean such areas.

The Section: Area Cleaning has recorded an increase in the illegal dumping of builder's rubble and green waste within the specific areas.

The services rendered by the Section: Area Cleaning include but are not limited to street cleaning and emptying of litter bins.

Additional street bins were procured and delivered in February 2022. The specifications of these bins were amended to render a more robust bin with a small opening on top which makes it difficult for people to open the bin and remove items.

**Figure 10: Executive Mayor at the unveiling of the new street bins**







Figure 11: Example of the streets cleaning by Area Cleaning section in Franschhoek



Before



After





## EPWP Employment opportunities 2020/21 financial year

### Staffing

Nine new operators were appointed in the Section: Area Cleaning in April 2022.

**Table 141: EPWP employment opportunities**

July 21	Aug 21	Sept 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	June 22
387	461	463	442	436	190	239	242	239	197	203	314

### 3.8.3 Refuse Collection

Refuse collection is rendered according to a weekly schedule for formal households, commercial properties and industries. The municipality supplies 240 wheelie bins to all service points but that excludes informal settlements where communal skips are provided and collected. This service is provided 7 days a week.

#### **Wheelie 240 litre bins**

The following information is drawn from the available data regarding wheelie bin distribution in the 2021/22 financial year :

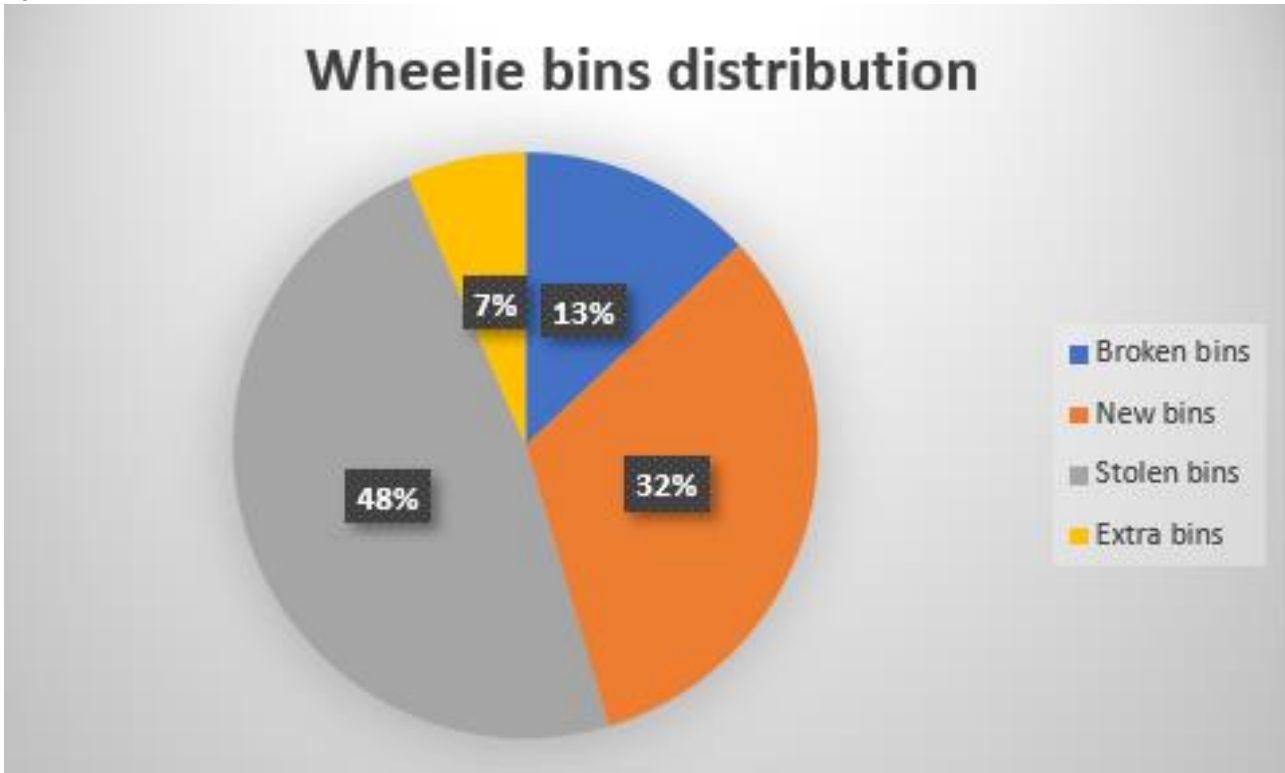
**Table 142: Refuse bins distribution**

Bins	Total
Broken bins	88
New bins	218
Stolen bins	324
Extra bins	44
<b>Total</b>	<b>674</b>

The financial loss for the year for stolen bins amounted to R236 844.



Figure 12: Wheelie bins distributions





### 3.8.4 Waste Disposal and Waste

The Stellenbosch Materials Recovery Facility (MRF) has been operational from 01 April 2021. Volumes of recyclable waste, collected by means of a door-to-door collection service, varied from 88,92 tons in the first month, to a peak of 167,51 tons in November 2021. The monthly average is 116,53 Tons.

The facility also features a public drop-off area, which allows residents to dispose garbage and recyclable waste responsibly.

**Figure 13: Inside of the MRF during operations**



**Figure 14: Bins in Public Drop Off area**





Green Waste is being chipped on-site at the Stellenbosch Landfill Site by an appointed contractor. Green waste is accepted at the Landfill Site, Franschhoek Drop Off, and now also at the Klapmuts Transfer Station. Green Waste from the respective sites is all transported to the Landfill Site where it is chipped. Annual volumes of green waste received is 5 961Tons, with 4 179 Tons chipped and beneficiated.

**Figure 15: Area allocated for chipping of Green Waste on Stellenbosch Landfill Site**



**a) Door-to-door recycling collection**

This service is outsourced and is effectively being rendered by the same contractor that manages and operates the Materials Recovery Facility. The total volume collected for the financial year was 1083,15 Tons.

**Figure 8: Stellenbosch Landfill Site**



**b) Disposal: Stellenbosch Landfill**

The Stellenbosch Landfill situated in Devon Valley Road is in the care and maintenance phase and receives limited waste. Cell three has filled up since August 2019. Work is currently underway to license a new cell at the site.

Based on the most recent survey, the landfill is approximately overfilled but could be partly corrected by shaping the site to the final design levels and slopes.



Due to the lack of landfill airspace in Stellenbosch, the transfer of all general waste to the private landfill situated in the City of Cape Town area at the Vissershok Waste Management Facility (VHWMF) commenced during August 2019 and is still ongoing.

All waste received at the Stellenbosch Landfill Site, other than heavy bulky waste is transferred from the Klapmuts Transfer Station to VHWMF for disposal. Volumes of waste accepted at the site is as indicated in the table below.

The extract below shows the Landfill statistics for waste in tons for the 2021/22 financial year.

**Figure 16: Stellenbosch Landfill Site tonnages of waste**

Landfill statistics for incoming waste in Tons													
Waste Description:	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
Area Cleaning	42	152	218	80	60	699	27	192	543	412	187	76	2688
Municipal mixed Waste	13	6	89	6	9	51	5	5	4	4	1	0	194
Municipal waste	100	14	6	16	14	380	180	112	51	28	91	40	1031
Municipal Mixed Soil	14	130	1	7	5	57	44	54	74	47	5	349	787
Industrial waste	61	47	64	68	85	75	77	74	62	51	54	52	770
Construction and Demolition waste	1474	1004	1735	1741	1563	1135	1231	1419	1408	1457	1915	1584	17667
Soil Clean Cover	333	412	416	249	208	352	103	75	36	251	60	160	2656
Berm Soil	0	9	0	0	0	0	0	0	0	0	0	0	9
Clean Cover to Road	0	0	17	5	0	0	0	0	4	19	0	0	44
Rocks to Stockpile	0	0	8	0	0	0	0	0	0	0	0	0	8
01 Garden Waste	448	479	368	456	443	310	317	607	686	492	506	348	5460
Municipal Garden Waste		3	31	176	60	25	19	24	47	31	57	29	501
<b>TOTAL</b>	<b>2485</b>	<b>2254</b>	<b>2955</b>	<b>2803</b>	<b>2447</b>	<b>3085</b>	<b>2002</b>	<b>2562</b>	<b>2916</b>	<b>2792</b>	<b>2875</b>	<b>2638</b>	<b>31814</b>
<b>Volumes OUT:</b>													
Bricks	32	43	40	44	33	21	28	32	47	47	48	26	441
Crushed Material	0	6	60	0	411	584	244	3444	1462	631	1458	5137	13437
Compost	544	561	233	201	507	624	0	0	755	233	185	338	4179
<b>TOTAL</b>	<b>576</b>	<b>609</b>	<b>333</b>	<b>245</b>	<b>951</b>	<b>1229</b>	<b>272</b>	<b>3477</b>	<b>2263</b>	<b>911</b>	<b>1692</b>	<b>5501</b>	<b>18058</b>

The table above refers only to incoming waste which was captured over the weighbridge as incoming loads and waste removed, or beneficiated, for the 2021/22 financial year.

Only municipal waste is landfilled, and all other waste types are either beneficiated, stockpiled or used in another way on site, e.g., soil as cover material and builders' rubble for the building of a road on site.

**Figure 17: Crushing of builder's rubble done on site**

Crushing is also being done, as part of the tender awarded to the current contractor who operates and manages the landfill site. A total volume of 13 437 Tons of crushed material was removed off site for beneficiation.



Gas monitoring has been identified as a need. A total of 13 gas monitoring wells have been installed.

The installations of these wells formed part of the service rendered by an appointed contractor who is also tasked to conduct gas monitoring activities as per legislative requirements, and this is being conducted.

Water monitoring is also being done on this site as part of the service rendered at the Landfill, MRF and Klapmuts Transfer Station by an appointed service provider. After the most recent sampling, the groundwater quality was stable and has only experienced gentle, natural fluctuations in parameters.

**c) Klapmuts Transfer Station**

The Klapmuts Refuse Transfer Station (RTS) has a design capacity of 150 tons per day transfer capacity. Since August 2019 the Klapmuts RTS has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas is being transported in collection vehicles to the site and is transferred into open-top 30m<sup>3</sup> bins for onward transport using three containers at a time, via bulk transport to VHWMF by an appointed contractor that renders this service.

The filling of bins is undertaken using two TLB machines, and a hook lift truck replaces the filled bins in the bays with empty bins. Filled bins are then placed in a designated area, pending removal by the appointed contractor.

The transfer of waste to and through Klapmuts RTS commenced during August 2019 and for the period up to 01 July 2021 to 30 June 2022 a total of 38 878 tons of general waste was transferred.

**d) Franschhoek drop off**

The Franschhoek Drop-off facility continued to provide a free service to the residents of Franschhoek and its surroundings to dispose of garden waste and bulky goods. A contractor is appointed to transport garden waste to Stellenbosch Landfill and bulky waste to Vissershok Private Landfill. *JPCE* was appointed to explore the possibility of converting and re-designing of the existing drop-off into a mini MRF and creating another drop off where builder's rubble and green waste can be chipped.

**e) Relocation of Eskom Power Lines**

The Stellenbosch landfill situated in the Devon Valley Road is traversed by two high voltage Eskom power lines. The presence of these power lines prevents the municipality from engineering and operating the area located between cells 1, 2 and 3 as waste disposal cells. This has resulted in the premature filling up of the facility which was put into care and maintenance mode with limited waste acceptance since August 2019.

This project is still on-going and final agreements with Eskom have been signed for construction to commence.

**f) Development of additional waste disposal cells project**

The Stellenbosch landfill reached capacity in August 2019. All Stellenbosch waste is now being transferred to the private Vissershok Landfill. This represents a huge additional expense for the municipality. Thus, the project to design and construct the new cells is a high priority project.

The municipality has appointed consulting engineers for the design, contract administration and construction supervision of the project. We have completed the landfill design report and submitted the designs to the Department of Water and Sanitation and Department of Environmental Affairs and Development Planning for approval. Once the designs are approved, construction can commence.



**g) Projects continued in the 2021/22 financial year but initiated in the previous financial year(s):**

**i. Landfill gas extraction, flaring and electricity generation**

A number of investigations into the use of the landfill for harvesting and beneficial utilisation of landfill gas have been undertaken. The most recent study document in a report recommended that an active Landfill gas extraction and flaring system could still be considered for the Stellenbosch landfill, mainly for the purpose of reducing anthropogenic emissions from the landfill site. Should a full-scale project of this nature be implemented, revenue to support the project could be derived from prevailing emission reduction markets, and factual operational data would provide further evidence upon which to accurately evaluate the potential for a power generation project component.

The municipality has appointed a service provider to investigate and design a landfill gas extraction and management infrastructure. The investigation will also determine if electricity generation will be feasible.

**h) Compliance**

**i. Internal audits**

For disposal facilities (landfills and transfer stations) to be operated in compliance with the relevant legislation, all landfills must be licenced and managed according to the conditions in the licence. Internal audits form part of these legal requirements. Audits were conducted quarterly in the months of September, December, March, and June by Head Office waste management staff. Audits were conducted at the Landfill Site, Klappmuts Transfer Station and the Materials Recovery Facility.

**ii. External audits**

Management practices at all sites must also be compliant with the Norms and Standards in terms of the National Environmental Management Waste Act (NEMWA) as well as with certain sections of Minimum Requirements for Waste Disposal by Landfill (DWAF, 1998), and other relevant regulations.

To be able to assess whether waste management practices are according to all stated conditions, landfill owners must, on a regular basis (at least once per annum), obtain the services of an external auditor to undertake an independent landfill compliance audit.

To ensure compliance, external audits have been undertaken by an independent specialist consultant at the Stellenbosch landfill and at the Klappmuts Transfer Station, in accordance with the waste management licence conditions. Six months later a review of the audit finding to ascertain improvements has been carried out. The independent auditor reported back to the municipality as well as to the Monitoring Committee.

**iii. Monitoring Committee**

All landfills are established and operated in terms of a waste management license (WML) issued by either the national or Provincial Department of Environmental Affairs. In terms of the WML, landfills are required to establish a Monitoring Committee. The objective of the Monitoring Committee is to provide a forum to enable the community to effectively participate in and monitor the operation, rehabilitation, closure and ongoing monitoring of a landfill.

The Stellenbosch landfill has an active monitoring Committee which is chaired by a representative of the community and minutes are prepared by the municipality. Monitoring Committee meetings are attended by DEA&DP officials as well as officials of various municipal departments as and when





required. The independent external auditor also attends the meeting as and when required to report on the findings of the annual external as well as the review audit. Meetings were held in September and December 2021, and in March and June 2022.

**i) Waste Managers Officers Forum**

The Waste Management Officer (WMO) for the Stellenbosch Municipality is the Senior Manager: Waste Management. Quarterly meetings of the Provincial Waste Managers Officers forum take place at various venues across the Province. The WMO attends the meeting and reports back on activities within the municipality – this also provides a forum to receive information from Provincial officials and for networking with WMO's from other municipalities within the province.

These forums are also held on a district level where municipal representatives from the Cape Winelands represents the waste-related matter within the district.

**j) Social Engagement and Environmental clean-ups**

The Department of Environment, Forestry and Fisheries (DEFF) provided the municipality with a Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness. Unfortunately, during the financial year this YCOP's contract expired, and no further social engagement and awareness activities were undertaken. The municipality will in future explore the possibility of filling a position within the department to undertake these social engagement and awareness activities, budget permitting.



The table below specifies the different waste management service delivery levels per households:

**Table 143: Service delivery levels of waste management**

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Household</b>							
<b>Refuse Removal: (Minimum level)</b>							
Removed at least once a week	40 264	37 207	49 072	48 988	37 926	49 300	49649
Minimum Service Level and Above Sub-Total	40 264	37 207	49 072	52 374	37 926	49 300	49649
Minimum Service Level and Above Percentage	90.2	78.7	93.7	93.5	100%	100%	100%
<b>Refuse Removal: (Below minimum level)</b>							
Removed less frequently than once a week	1 064	1 064	1 064	1 064	1 064	N/A	N/A
Using communal refuse collection	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Using own refuse dump	2 058	5 358	6 453	2 323	N/A	N/A	N/A
Other rubbish disposal	766	766	N/A	N/A	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-Total	3 888	7 188	7 517	3 387	N/A	N/A	N/A
Below Minimum Service Level Percentage	8.81	8.80	11.66	6.5	N/A	N/A	N/A
<b>Total Number of Households</b>	<b>44 152</b>	<b>44 493</b>	<b>52 374</b>	<b>52 375</b>	<b>38 990</b>	<b>49 300</b>	<b>49649</b>

The table below indicates the capital expenditure for waste management services as at 30 June 2022.

**Table 144: Capital expenditure as at 30 June 2021: Waste Management Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Expansion of the landfill site (New cells) N/A	2 275	2 275	0,00
Landfill Gas to Energy	1 937	1 302	-48,79
Street Refuse Bins	688	427	-61,29
Transfer Station: Stellenbosch Planning and Design	961	932	-3,11
Upgrade Refuse disposal site (Existing Cell)- Rehab	769	769	-0,00

Only the 5 largest capital projects are listed

Waste Management Services have spent 1.52% of the capital budget for the financial year.



The table below indicates the total number of employees in the Department: Waste Management Services.

**Table 145: Total number of employees in the Department: Waste Management Services**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	2	0	0
9 – 13	5	3	2	40%
4 – 8	19	19	0	0
3 – 0	42	39	3	7.14%
<b>Total</b>	<b>69</b>	<b>64</b>	<b>5</b>	<b>7.2</b>

### 3.9 Integrated Human Settlements

#### 3.9.1 Housing Development

The municipality has an important responsibility to plan for Integrated Human Settlements by ensuring that all its citizens reside in developable, formalised, safe and sustainable human settlements. This is accomplished by providing dignified living through National and Provincial funding within closer proximity to employment opportunities thereby improving the quality of life of all citizens.

The Section: Housing Development managed a capital expenditure budget of R8 140 068 from the allocated amount of R40 349 000 by the Department of Human Settlements.

Communication from the Provincial Department of Human Settlements on 27 January 2022 indicated the adjusted targets and funding allocation of the approved 2021/2022 Human Settlement Development Grant (HSDG) and Informal Settlements Upgrade Partnership (ISUP) Grant Business Plans.

The list of projects, targets and budget for the Stellenbosch Municipality for the 2021/2022 financial year are stipulated in the below tables as extracted from the said letter.

##### 3.9.1.1 Human Settlement Development Grant (HSDG)

**Table 146: Human Settlement Development Grant (HSDG)**

Stellenbosch Municipality	2021/22 Planned		
	Sites	Units	Funding R'000
Kayamandi Watergang Northern Extension (2000)	0	0	5 900
Stellenbosch Ida's Valley (166) FLISP	166	0	14 556
Stellenbosch Ida's Valley (204)			4 654
Vlottenburg Longlands (106 incr to 144) IRDP	0	106	14 040
Stellenbosch Jamestown Phase 2 (133) IRDP	0		1 199
<b>TOTAL</b>	<b>166</b>	<b>106</b>	<b>40 349</b>



### 3.9.1.2 Informal Settlements Upgrade Partnership (ISUPG)

**Table 147: Informal Settlements Upgrade Partnership (ISUPG)**

Stellenbosch Municipality	2021/22 Planned		
	Sites	Units	Funding R'000
Kayamandi Watergang Basic Services	0	0	6 500
ISSP Kayamandi Town Centre (1000) UISP	0	0	3 500
ISSP Kayamandi Zone O (711) UISP	78	0	5 850
ISSP Kayamandi Enkanini NGO	0	0	2 954
Franschhoek Mooiwater Dam Rehab and Basic Serv	0	0	2 500
<b>TOTAL</b>	<b>78</b>	<b>0</b>	<b>21 304</b>

### 3.9.2 Housing multi-year projects

The Section: Housing Development which main function is to plan for future housing developments, in accordance with the Housing Pipeline are currently focusing on the following multi-year projects:

#### 3.9.2.1 Erven 412, 217 and 284 Groendal, Franschhoek

The Section: Housing Development together with the Section: Property Management undertook a process to formulate a Call for Proposal in line with the approved agenda item.

A service provider was appointed to draft different site development options for Council approval, where after the procurement process will continue.

An agenda item has been drafted and was circulated to the relevant departments for inputs / comments. An additional input on the layout was received from the Department: Roads, Transport, Stormwater, Traffic and Engineering Infrastructure Services and therefore the item was submitted to MayCo during May 2022. The item was removed to allow for further inputs from the affected Ward Councillors and Ward Committees.

**Figure 18: Aerial image**



Meeting held with Deputy Mayor, Councillor Petersen, Councillor Pheiffer and relevant officials from the Section: Housing Development on 2 June 2022 to discuss the different layout options. The Ward Councillors will liaise with the Ward Committee and will provide feedback before end of August 2022.

#### 3.9.2.2 Farms 81/2 and 81/9, Stellenbosch

In terms of the implementation of Social Housing Programmes, the Stellenbosch Municipality has identified Portions 2 and 9 of the Farm No 81 Stellenbosch. This site is located between the Cloetesville and Kayamandi settlements.

Its boundary is framed by the R304 to the west and the railway line to the east. The Plankenburg River traverses the site along the eastern boundary. The southern boundary of property includes portions of the Kayamandi Tourism Centre, as well as a bridge over the railway line. The northern



boundary is framed by the Mount Simon residential development.

The Section: Housing Development liaised with the Provincial Department of Human Settlements (PDoHS), Social Housing Regulation Authority (SHRA) and National Association of Social Housing Organisations (NASHO) to obtain inputs in the finalisation of the specifications and criteria for a Call for Proposal.

Service providers has been appointed during the 2020/21 financial year to undertake a geotechnical investigation, flood line study and a traffic impact assessment on the site.

In terms of the flood line study, it is evident from the 1:100-year flood line that most of the land on the west side of the Plankenburg river is above the flood level and would be suitable for residential development.

The Traffic Impact Assessment (TIA) report concludes in support of a proposed Residential Development (3-4 storey walk up flats) on Erven 81/2 and 81/9, Stellenbosch.

The user department is currently drafting a Request for Proposal (RFP) to invite delivery agents that can access SHRA Capital grants (SHI's and ODA's), to submit a Concept Proposal to develop Social Housing on Farm 81/2 and Farm 81/9, Stellenbosch.

Meetings was held with Section: of Land Use Planning and Engineering to discuss the incentives in terms of parking requirements and Development Cost (DC) reductions. Both departments are positive with the input provided.

Several engagements were held with the officials of the City of Cape Town and NASHO during November 2021 on how to assist the Stellenbosch Municipality given the challenge the administration is currently facing under normal procurement processes, services and goods based on a 90/10 or 80/20 process.

The tender has been advertised during June 2022 and closing date is 4 July 2022. On request from the bidders (during compulsory clarification meeting which were held on 15 June 2022) due to the short period to submit their bids, Bid Specification Committee approved extension of closing date to 8 August 2022.

### 3.9.2.3 Erf 7001, Cloetesville

The goal of this development is the delivery of medium to upper (GAP) housing market and not aimed at BNG housing units (free houses). There is an urgent need for the property to be developed to create an integrated urban development (Cloetesville), providing for housing.

Stellenbosch Municipality is essentially making the land available (via the ATR processes) to a developer to develop housing opportunities in the GAP market.

This is in line with feasibility studies that have

**Figure 19: Aerial image of Erf 7001, Cloetesville**





been conducted for the GAP housing market in Stellenbosch. The proposal is also in line with the Stellenbosch IDP and MSDP which designates this property for future GAP housing purposes.

The town planning and design principles are to incorporate aspects of integration, designing for community safety, accessibility, and dignified spaces.

The site is sloped and constrains numerous pine trees. The site contains a water retention/ water tower facility and buffers associated with this facility will need to be investigated. Water supply lines will also need to be determined.

A new tender was advertised and closed on 26 July 2021 to appoint a service provider to undertake a Broad Conceptual Urban Design framework for Erf 7001, Cloeteville to obtain town planning and development rights.

The technical evaluations of bids have been concluded. The technical evaluation report served at Bid Adjudication Committee and was approved on 21 October 2021 pending finalisation of project funding for the Medium-Term Revenue and Expenditure Framework (MTREF) period.

The Provincial Department of Human Settlements approved the funding for the outer years after the Business Plan has been Gazetted during March 2022. Therefore, the user department could only appoint a service provider during May 2022 and the Service Level Agreement in process to be conclude.

### 3.9.2.4 Farm 527, Jamestown (Phase 2, 3 and 4)

The subject property is located on the southern edge of the suburb of Jamestown, east of the R44 between Stellenbosch and Somerset West. It is flanked by an existing cemetery on its western boundary and a sports field located centrally on its northern edge.

The site falls within an area characterised by medium to high-density residential as well as non-residential uses that serve the local community of Jamestown.

The site in its regional location is indicated on Figure 3: Regional Location.

Portion 4 of Farm 527 has been rezoned for residential purposes allowing for a mix of residential types. Phase 1 of the development consisting of 162 subsidised housing opportunities were completed in November 2016.

It is therefore proposed that Phase 2 and 3 of Portion 7 of Farm 527 (site and service, 2-storey walk-ups, GAP housing, high income housing and public open space) be made available simultaneously for development in the short to medium term.

Figure 20: Location plan of Farm 527, Jamestown



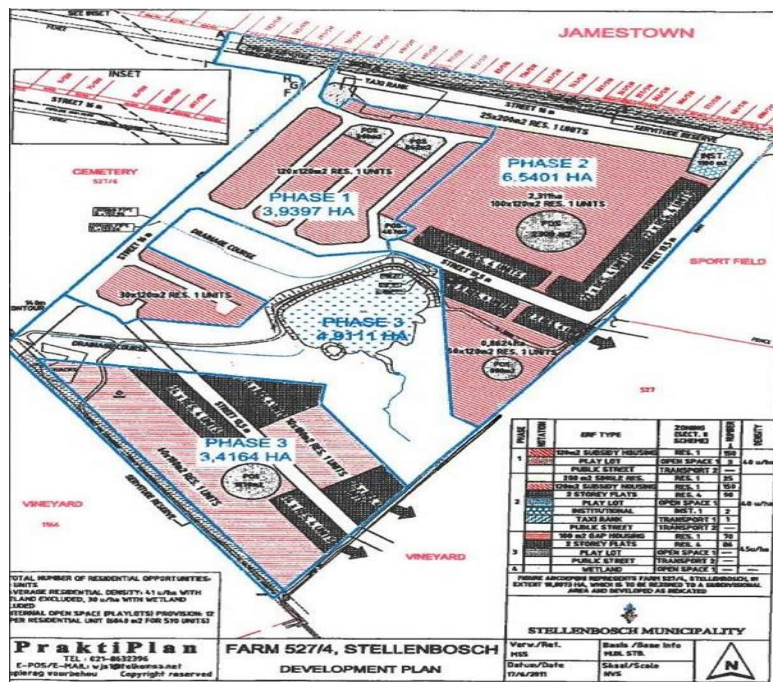


The municipality went out on a procurement process seeking the services of a multidisciplinary team of professionals to undertake a Broad Conceptual Urban Design framework and to obtain town planning and development rights.

The process and timeframe for Phases 2 and 3 will be concluded over a period of two (2) years.

The Provincial Department of Human Settlements approved the funding for the outer years after the Business Plan has been Gazetted during March 2022. Therefore, the user department could only appoint a service provider during June 2022 and the Service Level Agreement in process to be conclude.

Figure 21: Proposed development opportunities



### 3.9.2.5 Kayamandi Town Centre

A service provider with the necessary multi-disciplinary team of professional consultants was appointed to conduct a feasibility study to assess the redevelopment of the town centre of Kayamandi to provide a holistic development picture of Kayamandi. The latter resulted in a framework for possible future development opportunities in Kayamandi and environs.

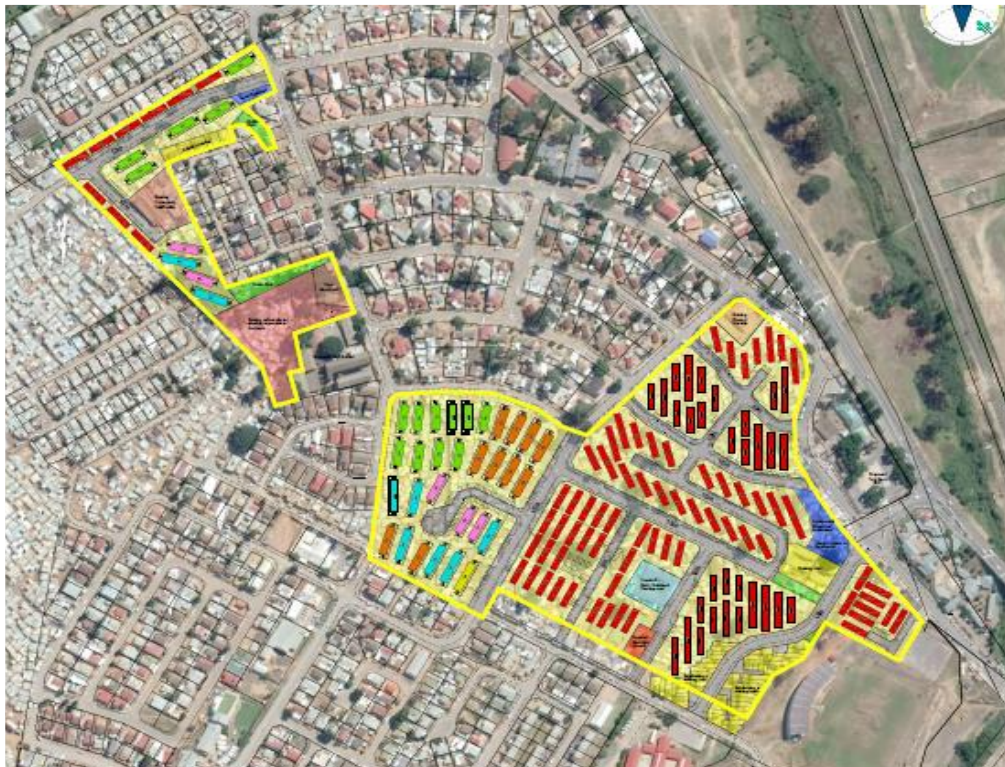
The proposed typology mix is such that it will enhance the beauty and character of the Kayamandi Town Centre in that it will provide for a mix of typologies to accommodate the old and the young. The proposal for walk-up units is also to provide maximum densification within the available limited space.

The proposed town planning layout consists of ±1 800 housing opportunities (2 to 3 storey BNG walk-ups). The development parameters will include a mix of housing typologies, business units and community facilities. This design methodology was utilised to suit the demand and the needs of the affected community.

The community must agree upon a relocation strategy in order to effectively address the challenges facing Kayamandi Town Centre.



**Figure 22: Parameters of the project**



The aim would be to unpack the developmental opportunities of Kayamandi and recommend a relocation strategy for the families moving to the temporary units / site that have been earmarked for this process (Northern Extension).

Conceptual urban design proposals were presented and submitted by the service provider during November 2021 to Section: Spatial Planning for inputs.

A new Urban Design concept has been proposed to deal with the multi-storey upgrading (3-storey walk-up units) of the Kayamandi Town Centre. This new Urban Design concept has been presented on the 23 May 2022 to the Deputy Mayor and Director: Planning and Economic Developments for comments and inputs.

The planning application process is anticipated to be completed during the 2022/23 financial year.

### **3.9.2.6 Northern Extension, Stellenbosch**

The Northern Extension of Stellenbosch is situated north of Kayamandi, adjacent to Cloetesville and the Welgevonden Estate. The sites are located on the western side of the R304 (main arterial from the North) to Stellenbosch.

A service provider was appointed by Stellenbosch Municipality to appoint the necessary multidisciplinary team of professional consultants to conduct a due diligence assessment to assess whether it is suitable for the expansion of a mixed-use development to the north of the town.

The specific site has been earmarked by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch. The intension is to provide a multiple use development that could yield  $\pm 5\,000 - 6\,000$  residential opportunities to address the housing need experienced in Cloetesville, Ida's Valley and Kayamandi.



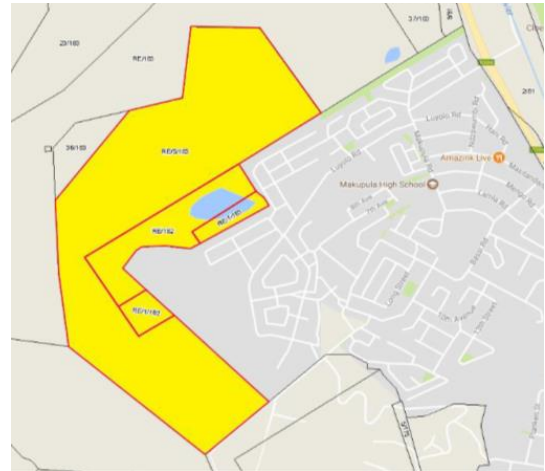


It should be noted that a portion of the development of the northern extension has been identified as a possible relocation area for redevelopment of the Kayamandi Town Centre and other related projects.

All specialist studies have been completed. The draft Market Analyst study that was undertaken by DEA&DP was concluded during May 2022 and will be incorporated in drafting of the conceptual design layouts. The different conceptual design layout options were workshopped with various internal departments during June 2022.

It is envisaged that the development rights could be obtained during the 2022/23 financial year.

**Figure 23: Location of the proposed development of the Northern Extension**



### 3.9.2.7 Erf 64, Kylemore

The identified property is 15.5ha in extent of which the municipality requires  $\pm 8$ ha for residential purposes.

Various meetings were held with National Department of Public Work and Infrastructure (NDoPW&I) and it was indicated that the Directorate: Investment Analysis will conduct a feasibility study as part of the relevant business process of the Department of Public Works and Infrastructure (DoPW&I). Upon completion of the feasibility study, the relevant report and recommendations have been submitted to the Directorate: Disposals (Land Reform and Human Settlements) to inform their submission for Ministerial approval.

The feasibility study was completed during the 2019/20 financial year and is awaiting the transfer of Erf 64, Kylemore to the municipality.

It should be noted that pre-feasibility studies were conducted more than 10 years ago and need to be reviewed and amended where necessary.

The Housing Development Agency (HDA) has been appointed to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS).



A project program to outline the deliverables and timeframes for the transfer and application for planning applications was provided by the HDA.

**Figure 24: Figure 7: Site layout of Erf 64, Kylemore**



The summary of the progress achieved to date:

- i. The HDA went out on a procurement process to appoint a team of professionals to finalise detailed planning studies for the preferred development option and to obtain development rights;
- ii. The HDA to submit a Project Initiation Document (PID) funding application to the municipality; and
- iii. The PID funding application is with PDoHS for comments, the PID funding application will be finalised and submitted in August 2022.

### 3.9.2.8 Langrug, Franschhoek

Various projects and interventions which have been identified for planning and eventual implementation to upgrade Langrug incrementally and improve the delivery of basic services.

Hereunder is a summary of the medium to long term projects:

- ✚ The construction of phase 2 emergency access road and the installation of underground services;
- ✚ Re-blocking of sections to improve access and basic services;
- ✚ Upgrading of the bus route;
- ✚ Relocation and subsequent rehabilitation of the dam area;
- ✚ In order to commence with the re-blocking of Langrug, a decanting site on Erf 3229, Mooiwater, Franschhoek is being developed (basic services), the process of which is currently underway; and
- ✚ Cancellation of the existing General Plan and consolidation to create one land unit.



### 3.9.2.9 Erf 3229, Mooiwater, Franschhoek

Erf 3229 at Mooiwater has been identified as a relocation site to accommodate families impacted by the rehabilitation of the dam wall at Langrug informal settlement. The subject property is currently vacant and is being used for illegal dumping.

A professional team was appointed to undertake planning, studies, investigations, and assessments for purposes of establishing a temporary relocation site on the property. Specialist studies and investigations that were undertaken include:

- ‡ Environmental Screen;
- ‡ Geotechnical Investigations;
- ‡ Assessment of Land Contamination;
- ‡ Geohydrological and Assessment of Gases and Leachate; and
- ‡ Freshwater assessments and determination of 1:100-year flood line.

The above-mentioned studies were utilised to provide input into the final proposals for the development of the property, in terms of the proposed layout plan and civil services. The statutory approvals mentioned hereunder have been obtained for the proposed development:

- ‡ Environmental Authorisation;
- ‡ Land use approval; and
- ‡ Approval of civil designs.

A tender to appoint a contractor for site works and construction of bulk earthworks was advertised by the Department: Project Management Unit (PMU). The municipality received various bids which were evaluated, and a technical report submitted to SCM. The Section: PMU finalised the appointment of a contractor. The contractor is expected to establish on site in August 2022 to commence with site works.

The Section: PMU is finalising funding application for emergency housing, which will be submitted to National Department of Human Settlement (NDoHS) for considerations. Furthermore, the Department: PMU is compiling funding application for the implementation of basic services, which will be submitted to the Provincial Department of Human Settlements (PDoHS) for consideration.

### 3.9.2.10 La Motte, Franschhoek

La Motte is a former Bosbou Hamlet situated approximately 3.5 km north-west of Franschhoek town, on the Robertsvallei Road, close to where it intersects the R45. Originally built to house forestry workers, the village is made up of the original dwellings and a range of community facilities. During the construction phase of the Berg River Water Scheme, new houses were built adjacent to the existing settlement to temporarily house the construction workers; these houses have been transferred to identified beneficiaries.

The Stellenbosch Municipality and the community of Franschhoek have been pro-active in addressing the need for affordable and subsidised housing and several initiatives have successfully been implemented.

By means of a tender process, a service provider was appointed, and a feasibility study has been concluded.



The Department of Public Works and Infrastructure, as custodians of the relevant portions of land, has been engaged in order to start the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing purposes.

**Figure 25: Identified portions of land**



The municipality is currently awaiting feedback from the National Department of Public Works. The Housing Development Agency (HDA) has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS).

The HDA submitted a new request for the State Land Release for the subject property by DPW&I to HDA through Power of Attorney. Target timeframe for release of land is end of 2022/23 financial year.

The HDA to submit a Project Feasibility Report (PFR) requesting funding for land use rights for the project on release of the property has been completed and ready for submission to PDoHS to allow funding flow for the 2023/2024 financial year.

### **3.9.2.11 Meerlust, Franschhoek**

Portion 1 of the Farm Meerlust No 1006, in the Franschhoek Valley known as Meerlust has been identified for residential purposes. Ownership of the property currently vests with the National Department of Public Works (NDPW). The site is located on the southern edge of the R45 close to the intersection of the R45 and the R310 and lies between Werda in the north-west and Allee Bleue, Lekkerwyn and the Pickstones to the east.

A portion of this land currently accommodates the Meerlust Forestry Village (home to around 34 households) and the upgrade / redevelopment of this village is an integral part of this Call for Proposals. Portion 1 of the Farm Meerlust No 1006 included in this Proposed Development Concept is zoned Agriculture and application therefor still needs to be made to obtain development rights for urban / residential development. The development of this area is therefor only possible in the medium to long term as also indicated in the Stellenbosch Municipality Housing Pipeline (Annual Review 2017 - 2020). It will therefore be required of the prospective developer to do the necessary



detailed feasibility studies (in addition to those already completed) and obtain the relevant planning and other approvals to enable township establishment for the proposed development.

The municipality has appointed the Housing Development Agency (HDA) via an Implementation Protocol Agreement (IPA) to assist with formulating a sustainable development solution for the Meerlust Project, considering the needs of the community while considering the long-term financial sustainability to the municipality. The role of NDoPW&I is also critical, especially in understanding what is permissible within their mandate. Above anything else, the task for HDA is to mainly provide technical guidance for the best possible development option, and mediate engagements with all stakeholders who have different and sometimes conflicting interests.

The Department of Public Works and Infrastructure (DoPW&I), as custodians of the relevant portions of land, has been engaged to commence with the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing development purposes.

The summary of the progress achieved to date:

- Development options have been completed and ready for presentation to the Stellenbosch Municipality;
- Detailed costing to be undertaken for the preferred development option;
- The HDA is assisting the municipality to facilitate the release of land by DPW&I to HDA through Power of Attorney; and
- The HDA is to request funding for land use rights for the project once the release of the property has been completed and ready for submission to PDHS.

### **3.9.2.12 Erf 2183, La Rochelle, Klapmuts**

Erf 2183, Klapmuts is located along Gomas Street, Klapmuts, approximately 1.5km off the R310 that links Stellenbosch to the N1. The site is located on the south-eastern edge of the town of Klapmuts and is bordered by vacant land to its southern and eastern boundaries, with a proposed new housing development on the western and northern boundaries towards Mandela City, Klapmuts. To provide in the dire housing need in the Klapmuts area, especially for current backyarders, this property was identified as a possible option for a "site-and-service" housing project.

A tender has been advertised and a service provider has been appointed to undertake a subdivision application and registration of the diagrams in the Surveyor General's Office for Erf 2183, La Rochelle, Klapmuts.



**Figure 26: Aerial image of site**



The service provider drafted conceptual sub-divisional layouts and obtain comments / inputs from Directorate Infrastructure Services. The service provider had a pre-consultation meeting with the Section: Land Use Planning during March 2022. The Section: Land Use Planning requested the service provider, according to the Street Naming Policy, that three street names be submitted with the layout plans in order to advertise the application.

### **3.9.2.13 Five housing projects in Kayamandi, Stellenbosch**

From the period 1984 to 2015 the planning approval processes for the re-development of the old Kayamandi township area and the 18.5 ha extension area vested with the Provincial Government Western Cape: Department Community Services and the Department of Land Affairs. The planning approval function was later done by the Department of Housing, Local Government and Planning: Provincial Government Western Cape. Aspects pertaining to land development and the establishment of development boards were done in terms of the Black Communities Development Act, 1984 (Act 4 of 1984) and the Less Township Establishment Act, 1991 (Act 113 of 1991).

The said provisions applied to the following projects:

#### **a) Project 4 A (Erven 1080 to 1112, Kayamandi) (Ward 12)**

The 146 units were developed as rental stock units. The relevant statutory approvals (consolidation of land units) are required in order to enable the registration of the sectional title scheme on the consolidated properties.



A service provider appointed to entail the amendment of the approved General Plan.

**Figure 27: Figure 10: Locality map of Project 4A**



**b) Project 4 B (Red Bricks Hostels - Erven 112, 114, 115, 116) (Ward13)**

The project formed part of the hostel upgrading programme for Kayamandi and was implemented and constructed during 2004. It comprised the consolidation of erven 112, 114, 115 and 116 as registered in terms of General Plan.

The project entails the rezoning and the subdivision of the property into 51 units and 5 public open spaces.

**Figure 28: Locality map of Project 4B**





**c) Project 5 A (175 Units - Erven 1123 – 1154) (Ward 15)**

The project entailed the consolidation of Erven 1123 and 1152 as well as Erven 1113 and 1122 as registered in terms of General Plan. The said erven formed part of the 18,5-ha development area that comprised Erven 707 and 1071 as approved in terms of Act 4 of 1984.

The project entails the subdivision of the property into 175 higher density units and public open spaces.

Although the General Plan (Erven 1982 – 2165) was submitted to the Provincial Government of the Western Cape, the registration of the plan was not done to date due to the fact that Erf 1120 (public place) was not closed.

**Figure 29: Locality map of Project 5A**



**d) Project 5 B (137 Units – Erven 513-522, 67 and 69 and portion of Erf 523) (Ward 12 and 15)**

Project 5B formed part of the Kayamandi Town Centre urban renewal project as funded in terms of the overall hostel project upgrading programme. The development made provision for 137 higher density units, a new road and several open spaces.

**Figure 30: Locality map of Project 5B**



Figure 13: Locality map of Project 5B





The development entails the consolidation of Erven 67, 69, a portion of Erf 523 and Erven 513-522 and the re-subdivision thereof into individual higher density units. The project was implemented and constructed during 2004. The project was partially completed due to the construction of informal structures on the remainder of the property. A total of 42 units have been built. It is recommended that the amendments of the General Plans (149/1987 and 290/1989) be done.

**e) Project 8 (Mpelazwe – Remainder Erf 288 Kayamandi - 65 units) (Ward 13)**

Mpelazwe is one of the oldest parts of the Kayamandi town and was identify as priority projects in light of its historic character and response from the community.

**Figure 31: Locality map of Project 8**



The development form part of the hostel upgrading programme and comprised the development of 54 residential units.

Although approval was previously granted for the relay out of the area it still forms part of Remainder Erf 288 as per General Plan.

Although erf numbers (Erven 2392-2446) have been allocated, the formal rezoning and subdivision and closure of public roads have not been completed to date.

A service provider has been appointed to finalise township establishment by obtaining the necessary land use rights for each of the five projects situated in Kayamandi, Stellenbosch as well as submission of all diagrams in the Surveyor-General's office for registration and approval.

A Notification of Intent to Develop (NID) application was submitted and no objections was received from the Heritage Department and was approved accordingly. Awaits feedback from DEA&DP with reference to NEMA.

A draft letter was submitted to Land Use Planning Department to apply for exemption from the Publication and Serving of Notices (Sections 43 and 44 of LUPA, Act 3 of 2014) for all five (5) completed projects, in terms of Section 60 of the Western Cape Land Use Planning Act (Act 3 of 2014).



The Western Cape Minister of Local Government, Environmental Affairs and Development Planning approved (in terms of Section 60 of LUPA) that the municipality be exempted from the provisions of Sections 43, 44 and 47 of LUPA during October 2021.

The service provider was instructed that the Kayamandi Project 5B Land Use Application that was submitted on 28 April 2022, be put on hold as Erf 66 which is part of this project is currently private-owned property. The Municipalities legal department is currently busy with legal action to expropriate Erf 66. In order to process Kayamandi Project 5B, a Power of Attorney needs to be concluded and submitted with the application for approval.

### **3.9.2.14 Maasdorp Village**

The residents of Maasdorp are either employees of the Department of Forestry, or the descendants of employees of this Department, who were afforded homes / tenancy on a large tract of land, constituting of Portions 27 and 28 of Farm La Motte No 1041 Paarl, Franschhoek. It is the intention of this project to assist the Department of Forestry (who in turn has given Stellenbosch Municipality the authority) with the subdivision of the subject properties constituting Maasdorp Forest Village into smaller residential properties for the purpose of township establishment.

The intention is also to transfer these proposed properties (and homes) to the residents of Maasdorp and as may further be determined. It was originally intended that this project is meant to benefit only the residents currently living in Maasdorp Forest Village who have either been employed by, or whose parents were employed by the Department of Forestry. The beneficiaries to be accommodated by this development depends on the outcome of envisioned community engagements and the updated socio-economic study to still be undertaken.

The lengthy process of the project is due to multiple challenges throughout the project. Firstly, there were delays at the commencement of the project due to the initial socio-economic survey which was not done by the service provider, and which was required as a crucial element to effectively continue with the process from the service provider's stance. The initial socio-economic survey took long due to the fact that the residents were either not timeously sensitised to the dates of the survey or blatantly refused engagement, or, residents were not home when the survey was being completed. There was thus a time delay in getting all the relevant information from all the residents.

The survey process with community and collation of survey data has been completed. The outcome of the survey has been presented to the Department: Housing Development during September 2021 and factored into the Land Use Planning Application which was submitted to the Department: Land Use Planning during June 2022. The project is ongoing.

### **3.9.3 Strategic document: Integrated Human Settlement Plan for Stellenbosch Municipality**

It is a municipal priority that the Stellenbosch Municipality's Integrated Human Settlement Plan (IHSP) be compiled in line with the Western Cape Government: Department of Human Settlements'.

It is furthermore a requirement that the above IHSP be aligned with the Stellenbosch Municipality's approved Integrated Development Plan and Spatial Development Framework.

A service provider was appointed to compile an Integrated Human Settlement Plan for Stellenbosch Municipality.



The draft revised Integrated Human Settlement Plan was submitted during March 2022 for scrutinising. The final draft Integrated Human Settlement Plan will be submitted by end of December 2022 for Council to approve. Thereafter public participation process will follow and Council will consider inputs of the public if any are received.

### 3.9.4 Informal Settlements

According to the most recent surveys undertaken by Section: Informal Settlements and independent service providers, the population of informal settlement dwellers is approximately 19 710 residents. This is approximately one-sixth (1/6) of the municipal population of approximately 153 000 residents (Census 2011).

#### 3.9.4.1 Survey of backyard dwellers in Kayamandi

The tables below is a reflection of the municipal data:

**Table 148: Survey backyard dwellers in Kayamandi**

Type	Results
Area	Kayamandi
Survey period	April to May 2021
Number of stands/plots	1953
Number of backyard structures	5185 (residential, car ports, storages, shelters etc)
Average structures per stand	2.65
% structures used for residential	38.3%
Number of households (residential)	1981 minimum
Households interviewed	1629
Structures/stands that were not surveyed	482 (refuse to partake mostly foreign renters, no access, no backyard dweller)
Average household size	1.52
Head of household income	59% earn R4000 or less per month
Type of structures	76% shack
Ownership of structure	75%
Structure occupation	73% single person occupation
Respondents previous area of residence	72% in the same area
Registered on housing demand database	11%
All household members residing in same structure	69%
Households receiving grants	18%
Age of head of household	45% between 26 and 35 years
Gender of head of household	52% female
Preferred mode of transport	41% other (taxi), 37% walk
Employment status	48% employed
Access to water on property	93%
Access to electricity	98%
Access to sanitation	97%
Access to waste removal	94%



### 3.9.4.2 Survey of backyard dwellers in Klapmuts

**Table 149: Survey backyard dwellers in Klapmuts**

Type	Results
Area	Klapmuts
Survey period	April to May 2021
Number of stands	2110
Number of backyard structures	4123 (residential, car ports, storages, shelters etc)
Average structures per stand	1.95
% structures used for residential	39.4%
Number of households (residential)	1626 minimum
Households interviewed	1094
Structures/stands that were not surveyed	534 (refuse to partake mostly foreign renters, no access, no backyard dweller)
Average household size	2.30
Type of structures	50% shack, 45% wendy house
Ownership of structure	98%
Structure occupation	41% single person occupation
Respondents previous area of residence	72% in the same area
Registered on housing demand database	29%
All household members residing in same structure	94%
Households receiving grants	23%
Age of head of household	41% between 26 and 35 years
Gender of head of household	62% female
Preferred mode of transport	30% walk, 22% train, 21% staff transport
Employment status	46% employed
Access to water on property	97%
Access to electricity	96%
Access to sanitation	98%
Access to waste removal	92%

The project yielded employment opportunities for unemployed youth from both areas:

**Table 150: Opportunities created**

Surveys (Backyard Dwellers)	Actual number of jobs proposed	Proposed number of jobs to be created per ward	Number of people employed
Kayamandi	25	7	21
Klapmuts	25	18	18

A service provider to be appointed in order to undertake a demographic survey of backyard dwellers in Groendal and Mooiwater, Franschhoek. The service provider will be appointed to conduct the survey during the 2022/23 financial year.

#### **Electrification of portions of Enkanini**

The municipality is currently in the process of making a thousand electricity connections in Enkanini. The project commenced on 27 January 2021 and is on-going.



The progress to date with this project is as follows:

- ✦ Project commenced: 27 January 2021;
- ✦ Verification of Section F, G, H and I has been completed and the lists have been distributed except for Section F which has been excluded from the project by the Electrical Department due to costs;
- ✦ Section H beneficiaries have received electricity connection to their structures and power has been switched on for usage;
- ✦ Most of illegal electricity connections have been removed. There are reports of some minor infringements on this matter, however, the project team is dealing with this matter on a case-by-case basis; and
- ✦ Health and safety are a concern during construction.

### 3.9.4.3 Watergang Informal Settlements – provision of basic services

The Section: Informal Settlements undertook community facilitation processes to assist the Section: Project Management with the implementation of the project.

The progress to date with this project is as follows:

- ✦ Project commenced: 17 January 2022 planned to be completed by 30 June 2022; and
- ✦ Phase 1-3 has commenced with 7 ablution blocks constructed with a total of 36 toilets and 21 taps out of the initial 100 toilets and 50 taps budgeted for. The reduction in the number of toilets and taps is due to the community not willing to co-operate with the municipality plans to relocate structures identified to make space for the project.

The images below depict the Implementation of ablution blocks in Watergang Informal Settlements





Table 151: Informal Settlements for the period July 2021 – June 2022

Item	Number of ablution facilities provided by Council	Number of taps provided by Council	Informal settlements with grid electricity	Number of Informal Settlements	Informal settlements without grid electricity	Performance comment
Number of informal settlements recognised by Council	1 027	549	22	29	6	Portion of Enkanini is receiving electricity
Number of informal settlements recognised by Council	0	0	0	2 (Klapmuts Farm and Lanquedoc COVID-19 Campaign)	0	Settlement not recognised, land initially used for live-stock farming with 18 structures. Over time 14 households erected structures. Total 32 structures
Number of structures	0	0	0	10 402	0	

### 3.9.4.4 Relocations (for the period 01 July 2021 – 30 June 2022)

Table 152: Relocations statistics

Areas where relocations are planned	Proposed number of households to be relocated	Number of households relocated to date	Remaining number of households to be relocated	Performance comment
Kayamandi (Zone O)	55	0	55	Project at initial stages, engagements with the community have commenced
Longlands	77	0	76	Relocation to commence in July of the 2022/23 financial year.
Papplaas	11	11	0	Completed
Relocation as a result of evictions	6	6	0	Completed
Meerlust	23	23	0	Completed
<b>Total Number of Households</b>	<b>172</b>	<b>40</b>	<b>131</b>	



### 3.9.4.5 Disaster Management (for the period July 2021 – June 2022)

**Table 153: Total number of structures impacted by incidents in all areas**

Incidents reported in	Number of fires and winds verified	Number of backyard structures affected by fire	Number of formal structures affected by fire	Number of structures affected by floods or Wind	Performance comment
Formal settlements	18	27	-	0	All verifications completed within 48 hours
Informal settlements	30	-	530	0	All verifications completed within 48 hours
<b>Total number of structures impacted by incidents all areas</b>	<b>48</b>	<b>27</b>	<b>530</b>	<b>0</b>	

### 3.9.4.6 Evictions (for the period July 2021 – June 2022)

**Table 154: Number of evictions as at 30 June 2022**

Notices of evictions received	Number of meaningful engagements held	Number of agreements signed	Court orders issued
11	3	0	0

### 3.9.4.7 Informal Settlements population

According to the most recent surveys undertaken by Section: Informal Settlements and independent service providers, the population of informal settlement dwellers is approximately 19 710 residents. This is approximately one-sixth (1/6) of the municipal population of approximately 192 879 residents (Socio Economic Profile: Stellenbosch 2020).

### 3.9.4.8 Development proposals / strategy

The Section: Informal Settlements developed a development strategy for every informal settlement within the municipal area. The full respective strategies are included under Cluster 1 to Cluster 5.

The strategy is premised on 3 pillars:

- i) a synopsis of existing basic services. This synopsis includes an analysis of the shortfalls in service provision;
- ii) Cryptic demographic information of the head of households, as well as a desktop risk analysis of the settlement; and
- iii) the third pillar / component consists of development proposals. These proposals are aligned with 3 strategic documents, i.e. the IDP, SDF and the housing pipeline.

The development proposals are furthermore aligned with the budget cycle of the municipality, as well as the Housing Pipeline which is aligned amongst others with the provincial budgeting cycle.



### 3.9.4.9 Emergencies

The Section: Informal Settlements assists the Section: Disaster Management in emergencies by verifying the data that is collected about the disaster victims against the data obtained during period surveys. These emergencies are mostly fire incidents in informal settlements and/or in the backyards of formal housing units. These incidents to a lesser extent also include flooding incidents and excessively strong winds.

### 3.9.4.10 Housing Statistics

**Table 155: Households with Access to Basic Housing - Source StatsSA 2011**

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2017/18	52 374	26 506	50.60%
2018/19	52 374	34 071	65.1%
2019/20	52 374	34 071	65.1%
2020/21	52 374	36 017	65.1%
2021/22	49 332	36 214	73.4%

The following table shows an **increase** in the number of people on the housing waiting list. There are currently approximately **17 852** applicants on the waiting list.

**Table 156: Housing waiting list as at 30 June**

Year	No. of people on the Housing Waiting List	% Housing waiting list increase
2014/15	18 833	0.6% (Decrease due to sanitisation of the waiting list data).
2015/16	18 791	0.2% (Decrease due to sanitation of the waiting list data).
2016/17	18 953	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received).
2017/18	16 482	13.04% (Decrease due to sanitisation of the waiting list data).
2018/19	16 231	The department rolled out an updating of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications removed and this has resulted in the decrease of the total number of active applicants on the waiting list.
2019/20	16 590	2.21% (Increase due to new applications received).
2020/21	17 652	6% (increase) is due to the drive by the municipality which targeted farm dwellers and those who never registered their names on the housing demand database.
2021/22	17 852	Minimal increase due to families not responding timeously to calls to register on the housing demand database.

## 3.9.5 Basic Service Delivery Performance Highlights

### Basic Service Delivery Highlights

Highlight	Description
Papplaas relocation	Successfully relocated families from the dumping site to a safer location
Enkanini 1 000 electrical connections	Surveyed all the beneficiaries, created space for installation of the service and excellent cooperation between municipality and community





### 3.9.6 Basic services delivery challenges

#### Basic Service Delivery Challenges

Service Area	Challenge	Actions to address
Watergang Informal Settlement	Structures in the way of the service	Negotiated with the structure owners to create space for ablution facilities.
WC024	Long and tedious negotiations to obtain buy-in from various communities	Commence with communication earlier in the process

### 3.9.7 Housing Administration

#### 3.9.7.1 Transfer of housing stock

During the period under review, the municipality continued with the process to deal with the historic backlog and transfer of properties to beneficiaries of state-subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. A panel of attorneys were appointed to transfer identified properties. A total of 259 title deeds were transferred for the 2020/21 financial year. The transfers were completed in the following areas:

**Table 157: Transfer of housing stock**

Area	Total
Cloetesville	5
Kayamandi	49
Klapmuts	25
Kylemore	2
Pniël	2
<b>Total</b>	<b>83</b>

The Section: Housing Administration is conducting continuous Housing Consumer Education Programmes with affected beneficiaries and addressing issues around title deeds. The municipality also appointed temporary field workers to assist with beneficiary administration which includes tracing of beneficiaries and conducting occupation surveys to ensure that title deeds are registered correctly.

The municipality partnered with an NGO which assists municipalities to deal with the historic backlog in terms of transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered. The donation is used to appoint the field workers to assist with the beneficiary administration of the transfer processes.

**Table 158: Total properties registered at deeds office (during 2021/22)**

Total properties registered at deeds office (during 2021/22)	
Historical project title deeds registered	83
New project title deeds registered*	0
Total erven	83

\* Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.



Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.

### 3.9.7.2 Waiting list administration

The municipality continues with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information is outstanding. An area-based approach was used where staff members went out to the various areas and invited applicants to workshops during which the applicant’s information was updated. The entire Stellenbosch municipal area was covered during this programme.

The agreement with the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch municipal waiting list continues. The waiting list is updated and verified regularly by the Western Cape Department of Human Settlements to ensure that the number of people deemed to be on a “waiting status” are a true reflection of those persons who still require housing assistance within the greater Stellenbosch area.

This new online database system and mobile app were launched in August 2019. The mobile app makes it easier for applicants to use their smartphones to submit housing applications in the comfort of their own homes on the Housing Demand Database. The Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented.

### 3.9.7.3 Administration of public rental stock

On 25th June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of a collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management and well-maintained



assets that will improve the quality of life for residents. The Section: Housing Administration is busy with the review of the Human Settlements Administration and Allocation Policy, which will include the allocation and management of the Public Rental Stock. This policy will be referred to Council for adoption after due public participation processes have been completed.

A caretaker programme was implemented in all public rental stock to deal with the increase in anti-social behavioural problems. This programme was implemented to ensure that communities "take" their neighbourhoods back into their hands and also to improve the communication between the municipality and the tenants. The total number of caretakers appointed for all the public rental flats was eleven (11).

#### **3.9.7.4 Housing Consumer Education (HCE)**

A total of thirteen (13) workshops were held with mainly tenants in municipal rental stock. The Housing Consumer Education (HCE) workshops are also used to address issues around anti-social behaviour in public rental flats. The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of the Ida's Valley Housing Project during the 2020/21 financial year to educate them about homeownership, writing of a Will and By-laws governing properties. Housing Consumer Education workshops will be concluded for the Longlands Housing Project beneficiaries during the 2021/22 financial year.

The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of both the housing development projects in Ida's Valley and Longlands to educate them about homeownership, writing of a Will and By-laws governing properties. A total of sixteen (16) Housing Consumer Education workshops were held during the 2021/2022 financial year inclusive of those held prior to formal Title deed handovers, outreaches for the signing of Deeds of Sale and completion of subsidy applications for the Longlands housing project, which total excludes those HCE sessions held with individual recipients of Title Deeds.



**Figure 32: Housing Consumer Education and Public Participation**



The Section: Housing Administration completed an audit of all its rentals stock. Both staff and public rental units, with regards to the occupancy of the unit. In order for the Housing administration to update its records where necessary, interviews were conducted with affected households and resulted in concluding lease agreements with next of kin of deceased tenants. The Section: Housing Administration compared the findings of the surveys with regards to legal occupancy of the rental units with existing information obtained from the records of

Finance Department. Interviews were conducted with occupants of flats where there appeared to be discrepancies and detailed questionnaires were completed in respect of every household. This enabled Housing Administration to evaluate whether or not the illegal occupants qualified for legalisation in terms of the criteria as set out in the approved Policy on the unlawful Occupation of Municipal Rental stock.

### 3.9.7.5 Maintenance of Rental Stock

The Section: Housing Administration integrated on the complaints system of council and all complaints of rental stock can now be monitored. Maintenance of all Municipal stock were resorted under the Directorate: Corporate Services. It was decided that Section: Housing Administration is now responsible for all maintenance at rental stock and Directorate: Corporate Services were responsible for all maintenance of council buildings. It should be mentioned that a report is generated on a weekly basis. Budgetary constraints were many a time the main reason why maintenance issues at rental stock could not be resolved. However it should be mentioned that the Section: Housing Administration is now capacitated with a budget to resolve the backlog on maintenance.

### 3.9.7.6 TRA Management

The municipality is mandated in respect of various pieces of legislation to effectively and professionally administer all matters relating to informal settlements.

The Department: Housing Administration in conjunction with informal settlements effectively manages and controls 7 TRA's in the great WC024 with the objective of furnishing every informal settler with a potential home.



The number of households in TRA's:

**Table 159: TRA Statistics**

Area	Number of households
Mandela City, Klapmuts	120
La Rochelle, Klapmuts	32
Devon Valley	20
Longlands, Vlottenburg	76
Mountainview, Jamestown	241
Watergang TRA 1, Kayamandi	262
Watergang TRA 2, Kayamandi	180
Meerlust Bosbou, Franschhoek	24

The Section: Housing Administration facilitates evictions, surveys, all levies and services assistance by channelling complaints to the correct user departments and all types of assistance until relocation to a project.

### 3.9.7.7 Job creation

A job creation programme was initiated via the EPWP project and as a result, 25 job opportunities were created listed below:

- ✦ Thirteen (13) EPWP workers were appointed to assist with the cleaning of the rental units and this resulted in the decrease in complaints received from tenants as properties are in a neater state;
- ✦ Six (6) temporary field workers were also appointed to assist with the surveys in rental stock, Temporary Residential Areas and Emergency housing. This was to ensure that the correct tenants occupied the flats and to identify issues like sub-letting or illegal activities; and
- ✦ Eight (8) Title Deeds Restoration Programme were also appointed to assist with the transfer of state-subsidised houses and to eradicate the historic backlog in terms of the transfer of these houses.

The table below indicates the capital expenditure for the Sections: Housing Administration and Housing Development as at 30 June 2022.

**Table 160: Capital Expenditure as at 30 June 2022: Housing Administration**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Furniture, Tools and Equipment: Housing Administration	135	125	-7,65
Only the capital projects are listed			



Housing Administration have spent, -3.20 % of the capital budget for the financial year.

**Table 161: Capital Expenditure as at 30 June 2022: Housing Development**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Jamestown: Housing (Phase 2, 3 and 4)	1 878 673	1 400 000	
Erf 7001 and other possible sites for mix-used development in Cloetesville	300 000	259 645	
Kayamandi Town Centre: Planning (±700 units)	1 213 875	1 213 875	0
<i>Only the 5 largest capital projects are listed</i>			

New Housing spent, 0.01% of the capital budget for the financial year.

The tables below indicate the total number of employees in the Department: Integrated Human Settlements as at 30 June 2022.

**Table 162: Total employees in the Department: Integrated Human Settlements**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	1	0	0
9 – 13	1	1	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>

**Table 163: Total employees in the Section: Housing Development**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	0	0	0	0
9 – 13	0	0	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>100</b>

**Table 164: Total employees in the Section: Housing Administration**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	3	3	0	0
9 – 13	6	4	2	33.3%
4 – 8	8	8	0	0
3 – 0	8	8	0	0
<b>Total</b>	<b>25</b>	<b>23</b>	<b>2</b>	<b>25%</b>

**Table 165: Total employees in the Section: Informal Human Settlements**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	0	0	0
9 – 13	0	0	0	0
4 – 8	6	5	1	16.6%
3 – 0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>14.3%</b>

### 3.10 Property Management

This section is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- ✚ Completion of New Public ablution facility in Franschoek;
- ✚ Completion of New sport Clubhouse in La Motte;
- ✚ Upgrade / conversion of the residential unit into office space in Simonsbergweg / Stellenbosch;
- ✚ Completion of the Upgrade/Structural Maintenance of Kayamandi Library;
- ✚ New Concrete Roofs at Groendal Cemetery Ablution Facilities and Groendal Park;
- ✚ Various air-conditioning projects; and
- ✚ Various fencing projects.

The planning phase of the following projects was finalised or started with:

- ✚ Upgrade of Kayamandi Corridor;
- ✚ Upgrading of Dorp Street Flats;
- ✚ Upgrading of various heritage buildings, incl. Voorgelegen, Rhenish Complex and Bergzicht buildings;
- ✚ Upgrading of Makapula Hall;
- ✚ Upgrading of van der Stel Complex;
- ✚ Structural Upgrading of Plein Street Complex;
- ✚ Structural upgrade to Jamestown Ward Office / Library;
- ✚ Structural upgrade Ida's Valley Pavilion; and

Various projects / acquisitions were processed under the following term tenders:

- ✚ Furniture, tools and equipment;
- ✚ Hygienic services;
- ✚ Maintenance and replacement of air conditioners;
- ✚ New term tender for the rental of indoor plants and
- ✚ New term tender furniture, tools and equipment.

The following term tenders were awarded:

- ✚ Pest control.
- ✚ Fencing; and
- ✚ Maintenance of lifts: Plein Street;



The table below indicates the service data statistics from 2016/17 to 2021/22 financial years:

**Table 166: Service Data Statistics – Property Management**

Details	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Encroachment Agreements: New	22	16	2	0	0	0
Encroachment Agreements: Renewals	5	0	0	0	0	0
Lease Agreements: New	1	0	1	1	0	2
Lease Agreements: Renewals	2	2	0	1	0	2
Sales Agreements	3	0	0	3	0	0
Servitudes	-	0	5	2	0	0
Poster applications	30	25	35	8	N/A	N/A

The table below indicates the capital expenditure for Property Management and Building Maintenance Section as at 30 June 2022.

**Table 167: Capital Expenditure as at 30 June 2022: Property Management and Building Maintenance**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchasing of land	3 437	2 497 380	-37,61
Upgrading of New Office Space: Ryneveld Street N/A	10 648	8 445 495	-26,07
Only the 5 largest capital projects are listed			

Property Management have spent, 3.78% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Property Management and Building Maintenance.

**Table 168: Total number of employees in the Section: Property Management and Building Maintenance**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100%
14 – 17	1	0	1	100%
9 – 13	6	6	0	0
4 – 8	10	10	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>17</b>	<b>1</b>	<b>5.5%</b>

### 3.11 Free Basic Services and Indigent Support

#### a) Access to Free Basic Services

The following table indicates the percentage of average registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households. The total i.t.o. free basic electricity includes only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM.





In accordance with the approved indigent policy of the municipality, all households earning less than R6 500 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.

The table below indicates the number of households receiving free basic services.

**Table 169: Access to Free Basic Services**

Year	Number of Households								
	Total no. of HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	52 374	6 813	13.01	6 813	13.01	4 833	9.23	6 813	13.01
2019/20	52 374	6 666	100%	6 666	100%	4 932	100%	6 666	100%
2020/21	50 328	7 283	100%	7 283	100%	5 189	100%	7283	100%
2021/22	50 328	4681	100%	4681	100%	4982	84,25%	4681	100%

The percentage is based on indigent household access compared to a total of 50 328 households.

Services subsidised are:

- ⌵ Water - basic charge + 6 kl;
- ⌵ Electricity - basic charge + 100 kWh;
- ⌵ Sanitation - based on a 250m<sup>2</sup> erf; and
- ⌵ Refuse - one removal per week.

### Free Basic Services per basic service

The provision of free basic services is summarised in the tables below.

**Table 170: Free basic electricity to indigent HH**

Financial year	Electricity		
	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2017/18	6 453	100	6 216
2018/19	6 813	100	8 415
2019/20	4 932**	100	6 888
2020/21	5 198	100	7 711
2021/22	4982	100	6 134

\*Average for the year  
\*\*Only Indigent consumers who claimed free units

**Table 171: Free basic water services to indigent HH**

Financial year	Water		
	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2015/16	6 486	10	7 760
2016/17	5 686	10	7 280
2017/18	6 453	10	2 391
2018/19	6 813	6	2 634
2019/20	6 666	6	2 741



Water			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2020/21	7 283	6	3 178
2021/22	4681	6	2 637
*Average for the year			

Table 172: Free basic sanitation to indigent HH

Sanitation			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	102.98	8 330
2018/19	6 813	112.25	9 177
2019/20	6 666	135.99	9 518
2020/21	7 283	145.73	11 075
2021/22	4681	154.48	10 039
*Average for the year			

Table 173: Free basic refuse removal services to indigent

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	1	8 662
2018/19	6 813	1	9 543
2019/20	6 666	1	10 878
2020/21	7 283	1	17 926
2021/22	4681	1	17 159
*Average for the year			



## COMPONENT B: ROADS, TRANSPORT AND STORMWATER

### 3.12 Roads

This component includes roads, transport, traffic engineering and wastewater (stormwater drainage).

#### 3.12.1 Transportation Planning and Traffic Engineering

##### 3.12.1.1 Comprehensive Integrated Transport Plan

The 2022 – 2026 review of the Comprehensive Integrated Transport Plan (CITP) is currently being compiled.

CITPs present the municipality's long-term transport vision and objectives, as well as providing annual action plans and projects that would enable the municipality to realise its transport vision. The CITP will be synchronised with the annual updating of the Integrated Development Plan.

A current review (2022 – 2026) of the CITP represents the 5-yearly overhaul of the plan, and requires inter alia that;

- ✦ Every aspect of the previous CITP must be re-examined to see if it is still up to date;
- ✦ The previous CITP is revised and updated where necessary and relevant new aspects added,
- ✦ A new Transport Register be prepared;
- ✦ Reflect new revisions of the municipality's Spatial Development Framework (SDF), Roads Master Plan and NMT Master Plan;
- ✦ Provide a revised Public Transport Plan dealing with the restructuring of the public transport network of services; and
- ✦ Provide an update of progress made with previously proposed action plans and projects and propose additional plans and projects.

#### 3.12.2 Master Planning

The municipality has compiled its Draft Non-Motorised Transport (NMT) Master Plan and Policy. The Draft NMT Master Plan and Policy is a review consolidation, and update of the NMT policy and master plans which were compiled in 2015.

The NMT Master Plan and Policy strives to promote and encourage alternative modes of transport such as walking and cycling. They also aim to analyse the capacity of the current network, identify current and future NMT needs, and recommend improvements that will ensure an effective NMT network.

The NMT Master Plan and Policy further strive to position NMT as a consistent long-term municipal priority. The strategic objective of the NMT Master Plan is the implementation of a coherent, logical and integrated NMT network for Stellenbosch by 2024.

The main road networks through Stellenbosch currently operate at capacity and at times beyond capacity, resulting in traffic congestion. Analysis of the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements. The municipality has compiled its Draft Road Master Plan (RMP),



which analyses the capacity of the current network, current and future needs and recommends infrastructure improvements that will aid in establishing an effective road network.

Extensive investigations, assessments and analyses are undertaken when compiling master plans. The outputs of Master Planning are used to inform Strategic Plans such as the SDF, the IDP and the CITP. Outputs from master plans also aid other municipal decision-making processes.

### 3.12.3 Traffic Signals

Stellenbosch Municipality, in collaboration with Stellenbosch University, continues with research and development to establish a real-time traffic signal control system for Stellenbosch. This research project will assist in addressing everyday congestion through the application of Smart Transportation technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing to increase vehicle flows through the intersection thereby reducing congestion.

#### 3.12.3.1 Road Construction and Intersection Upgrades

To reduce the effects of congestion, improve traffic flow and increase traffic safety at intersections within Stellenbosch, various intersections were upgraded by the municipality through the intersection improvement programme that had commenced about 10 years ago.

The following has been completed in the 2021/22 financial year:

- ✦ Phase 1 of the upgrading of the R44 / Helshoogte Intersection;
- ✦ Upgrading of the Oude Libertas Road and Adam Tas Road Intersections;
- ✦ Upgrading of Vredenberg Road and Adam Tas Road Intersection; and
- ✦ Realignment of Devon Valley Road and upgrading of the Devon Valley and Adam Tas Road Intersections.

The following Road and Intersections Upgrades are currently in various stages of planning and design:

1. Lower Dorp Street and its intersection with Strand Road (R44) and Adam Tas (R310);
2. Adam Tas and R44 / Alexander;
3. Adam Tas and R44 / Merriman;
4. Phase 2: R44 / Helshoogte;
5. Resealing of Bird Street between R44 and Kayamandi;
6. Extension of Wildebosch Road to Trumali; and
7. Techno-Park and Adam Tas Link Road.

#### 3.12.3.2 Road Rehabilitation

During the 2021/22 financial year, the municipality resealed the following roads in WC024:

**Table 174: Road Rehabilitation**

Location	Name	Length(m)	Width (m)	Area (m2)
Franschhoek	Lambrechts Road	668,6	9,7	6 485,42
Franschhoek	Reservoir Road	268	6,4	1 715,2
Stellenbosch	Alexander Street	165	3,5	577,5
Stellenbosch	La Colline Street	353	8,4	2 965,2



Location	Name	Length(m)	Width (m)	Area (m2)
Stellenbosch	Piet Retief 1	250,6	8,6	2 155,16
Stellenbosch	Ryneveld	80	18,6	1 488
Stellenbosch	Mount Albert	97	5,5	533,5
Stellenbosch	Taylor street	179	6,8	1 217,2
Stellenbosch	Hammanhand Road	826	7,4	6 112,4
Stellenbosch	Noordwal wes	614,1	7,5	4 605,75
Stellenbosch	Piet Retief 2	514	11	5 654
Ida's Valley	Bloekom road	591	7	4 137
Stellenbosch	R44/Helshoogte inter.	310	10,5	3 255
Stellenbosch	Koch Street	546	7,7	4 204,2
Stellenbosch	Endler road	105	7	735
Stellenbosch	Morkel road	193	7	1 351
Stellenbosch	Van der stel road	110	8,4	924
Stellenbosch	Thibault street	167	6,2	1 035,4
Stellenbosch	Rowan Street	113	9,2	1 039,6
Stellenbosch	Water Road	96	6,7	643,2
Stellenbosch	Rozendal	108	6,8	734,4
Ida's Valley	Johnson road	221	6,7	1 480,7
Ida's Valley	Talana Road	178	5,5	979
Ida's Valley	Weber	364	6,8	2 475,2
Ida's Valley	Protea	160	7	1 120
Stellenbosch	Lovell	152,3	8,4	1 276,32
Stellenbosch	Dagmar	82	7,5	615
Stellenbosch	Rokewood	87,6	7,1	621,96
Stellenbosch	Brandwacht	426,05	10	4 260,5
Cloetesville	Asalea	243,3	4,5	1 094,85
Cloetesville	Madeliefie	214	4,5	963
Cloetesville	Lang Road	68	7,5	510
Cloetesville	Curry Road	165	12	1 980
Jamestown	Liberte	418	7,2	3 009,6
Kayamandi	Bassi	40,7	7	284,9
Kayamandi	Tata Mandela	405	5,7	2 308,5
Kayamandi	Luyolo	609	6,5	3 958,5
Stellenbosch	44-strand road	1 187	7,7	9 139,9
Cloetesville	Tennant Road	500	6	3 000
<b>Total: (meters)</b>				<b>11 875,25</b>
<b>Total: (Kilometres)</b>				<b>11,87525</b>



### 3.12.3.3 Non-Motorised Transport (NMT)

In line with the municipality's NMT Master Plan, NMT Infrastructure was rolled out and implemented to ensure continuous expansion of the NMT network.

**During the 2021/22 financial year, sidewalks were constructed along the following roads:**

- ✦ Stellenbosch: Oude Libertas Road; Paradyskloof Road; Merriman; Martinson; Van Riebeeck; Van Reede; Ryneveld; Church; Drostdy; De Laan;
- ✦ Cloetesville: Fontein; Primrose; Pine and Raziet;
- ✦ Ida's Valley: Hillside Village; Lelie Street and Kahler; and
- ✦ Franschhoek: River Path North (Groendal) and Reservoir.

### 3.12.3.4 Public Transport

To facilitate and improve the local public transport services, the municipality commissioned the construction of a new Taxi rank in Groendal, Franschhoek and the upgrading of existing taxi ranks in Kayamandi.

The following taxi ranks were completed in the 2021/2022 financial year:

- ✦ Groendal Taxi Rank; and
- ✦ Kayamandi Taxi Rank.

### 3.12.3.5 Parking

The municipality had embarked upon a number of interventions to improve on the provision of parking in Stellenbosch CBD and Franschhoek. These interventions comprise the following:

- ✦ Reviewing and improving on the parking management model;
- ✦ Construction and upgrading of parking areas in Stellenbosch and Franschhoek; and
- ✦ Feasibility studies and associated works for the establishment of possible Public Private Partnership (PPP) projects to implement and manage bulk parking facilities in Stellenbosch.

### 3.12.3.6 Bridges

The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed development area within Stellenbosch comprising of various commercial developments and apartment complexes. Planning, designs and procurement processes have been completed, and all necessary approvals attained. Construction for the upgrading of the bridge commenced early in 2022 with completion set for January 2023.

Planning and design had commenced for the construction of a pedestrian bridge that would link Kayamandi with Cloetesville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River. Designs for the bridge are complete and the necessary approvals for the construction of the pedestrian bridge have been attained. Implementation will commence once the procurement processes (for the appointment of a contractor) are concluded.



### 3.12.4 Roads Statistics

The following graphs provide an overview of the total kilometres of roads maintained and/or new roads tarred during 2021-22: *Tarred (Asphalted) and Gravel Roads*.

Figure 36: Tarred Roads

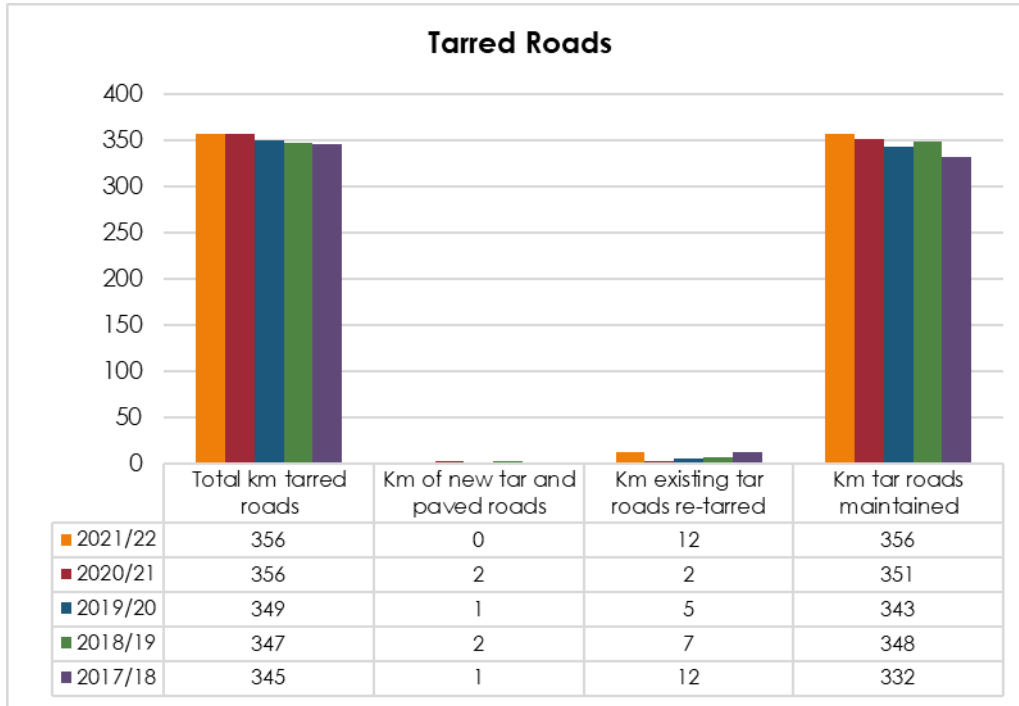
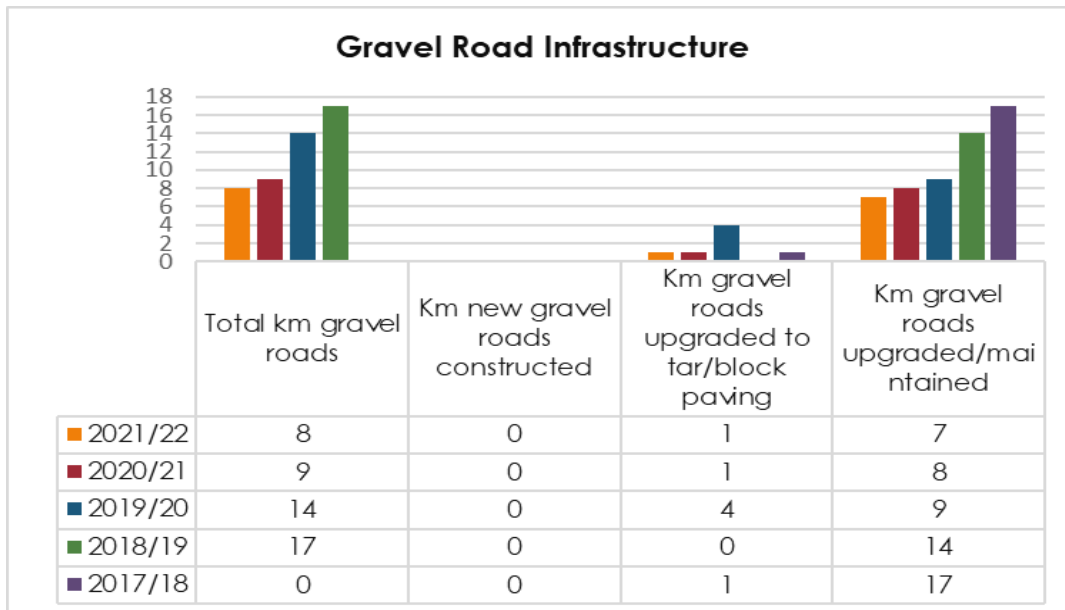


Figure 37: Gravel Road Infrastructure

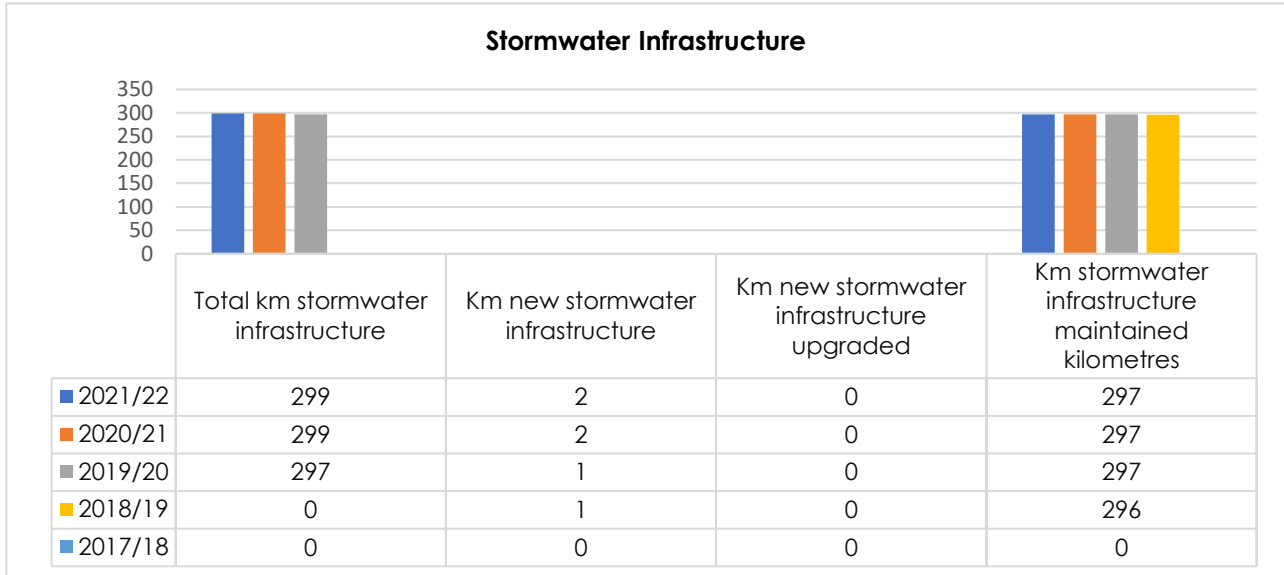




### 3.12.5 Stormwater Infrastructure

The graph below shows the total kilometres of stormwater infrastructure maintained and upgraded as well as the kilometres of new stormwater pipes installed.

Figure 38: Stormwater Infrastructure



The table below indicates the capital expenditure for the Section: Roads, Transport and Stormwater Services as at 30 June 2022.

Table 175: Capital Expenditure as at 30 June 2022: RTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Adhoc Reconstruction of Roads (WC024)	26 390	26 390	-0,00
Bridge Construction	12 696	13 697	7,31
Non-Motorised Transport Implementation	4 000	3 999	-0,01
Taxi Rank - Franschhoek	5 373	5 373	0,00
Taxi Rank - Kayamandi	7 289	7 289	-0,00

*Only the 5 largest capital projects are listed*

Roads and Storm water spent 17.66% of the capital budget for the financial year.





The table below indicates the total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering as at 30 June 2022.

**Table 176: Total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
		Number		
18 – 22	1	1	0	0
14 – 17	3	3	0	0
9 – 13	10	7	3	30%
4 – 8	25	24	1	4%
3 – 0	68	66	2	2.9%
<b>Total</b>	<b>107</b>	<b>101</b>	<b>6</b>	<b>5.6</b>

### 3.13 Development Services and Project Management Development Services, Asset Management and Systems and Project Management Unit (PMU)

The Department: Asset Management and Systems, Development Services and Project Management Unit (PMU) is responsible for Technical Information Management, Asset Management, Wayleave Management, Development Services and Project / Programme Management in the Directorate: Infrastructure Services.

During the 2021/22 financial year, the department successfully facilitated the implementation of Development Contribution projects to the value of R5.5 million. The department continued to provide operational services in terms of wayleave applications, building plan assessments, land use applications and project management.

#### 3.13.1 Project Management Unit (PMU)

The Project Management Unit (PMU) is a unit within the municipality that is dedicated to managing infrastructure (capital) projects. The unit is responsible to provide support to municipal departments to manage capital projects during the implementation, planning and construction phase of new housing, informal settlements, infrastructure and municipal facilities projects, including:

- ‡ Develop and maintain project management systems, procedures and processes for the life cycle of implementing infrastructure projects;
- ‡ Render life cycle project management services for all type of infrastructure projects;
- ‡ Manage cross functional projects in conjunction with relevant departments;
- ‡ Engage with departments in the medium to long terms planning and budgeting of capital projects;
- ‡ Compile long term budget for the Directorate;
- ‡ Manage and report on infrastructure implementation projects; and
- ‡ Management of Grant Funding programmes (CAPEX / RBIG / IUDG).

During the 2021/22 financial year, the PMU managed a capital expenditure budget of R 37.7 million (of which R23.7 million was an allocation from the Human Settlement Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant (ISUPG)). The PMU achieved a capital expenditure of R28.0 million (74.3%) at the end of the 2021/22 financial year.

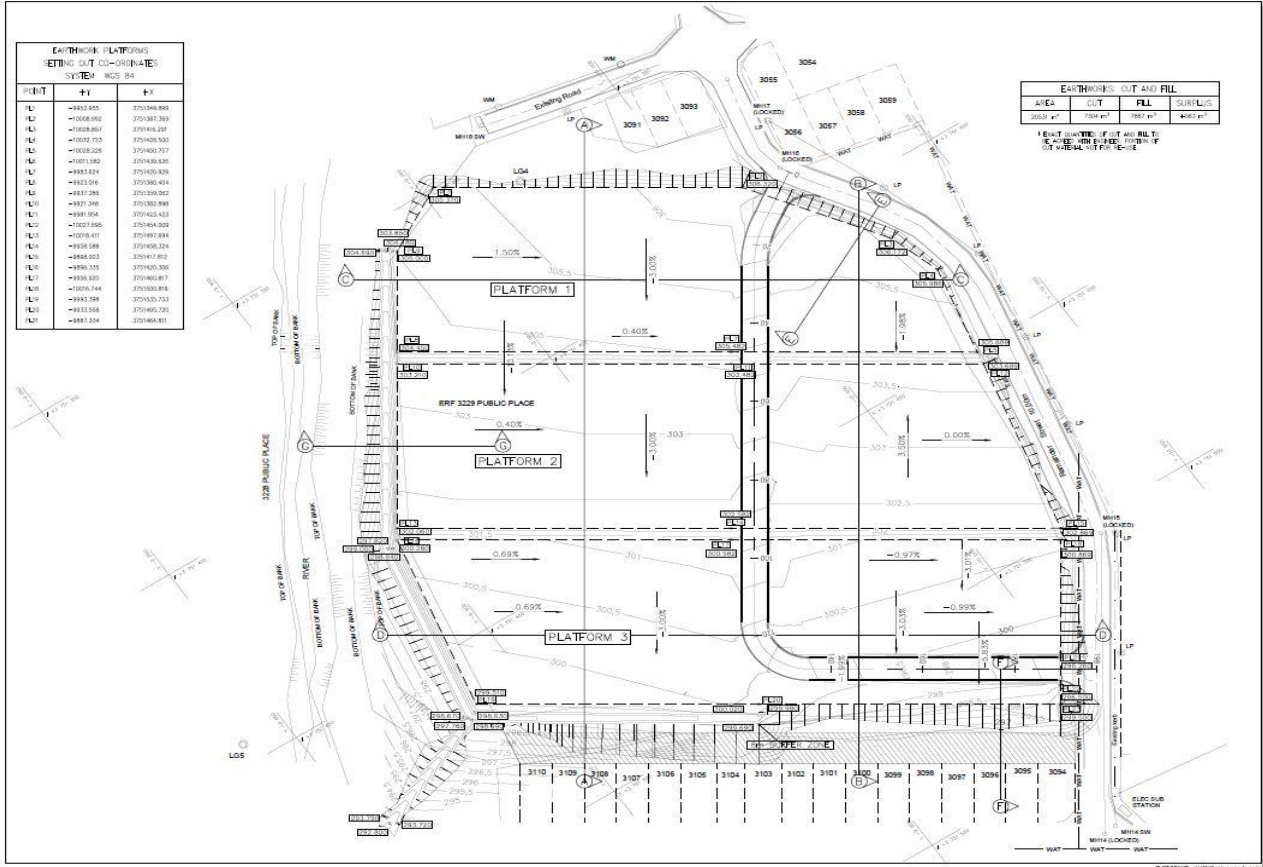
The PMU managed the implementation of in-house multi-year capital projects during the 2021/22



financial year which are indicated below.

**a) Rehabilitation of Erf 3229, Franschhoek**

**Figure 33: Site rehabilitation and construction of bulk earthworks**





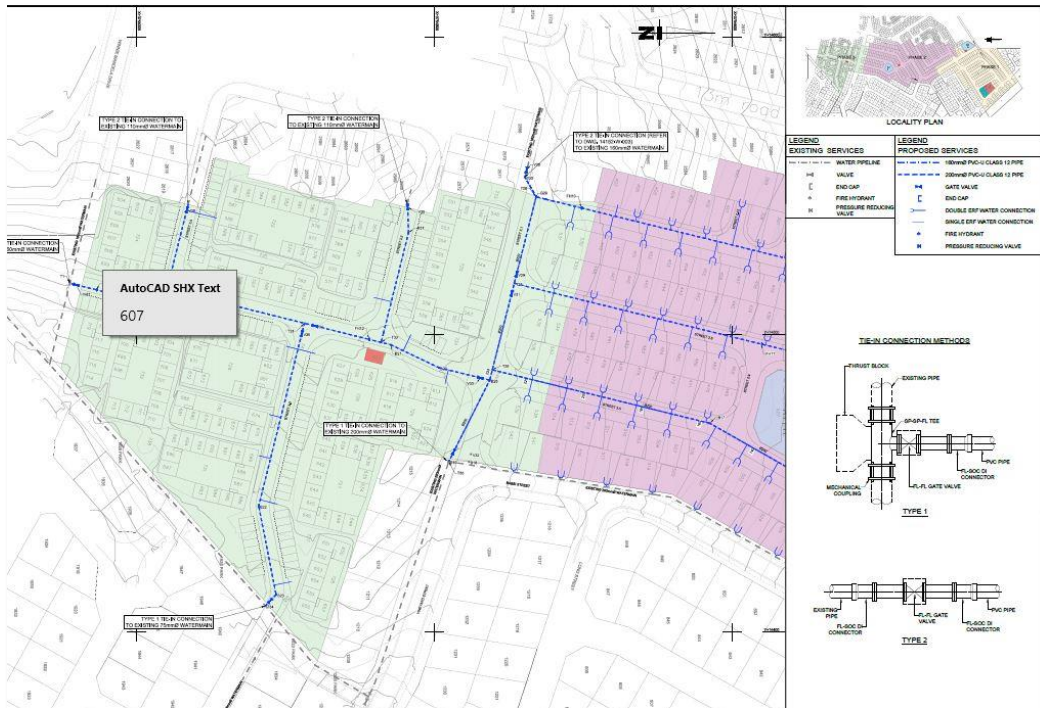
b) Installation of civil services Longlands Housing Project

Figure 34: Longlands housing development project



c) Kayamandi: Zone O, Housing Development

Figure 35: The upgrade of Zone O informal settlement





**d) Installation of Basic Services Kayamandi Watergang**

*Figure 36: Construction of basic services, Watergang Informal Settlement*



**e) Installation of services to 166 sites ERF 9445, Ida's Valley**

*Figure 37: Ida's Valley housing development project*





**f) Upgrading of The Steps / Orlean Lounge**

**Figure 38: Upgrade of houses (before)**



**Figure 39: Upgrade of houses (after)**



In the 2021/22 financial year, the Project Management Unit (PMU) provided project/programme management support to municipal departments during the planning and implementation stages of capital projects mentioned below.



**g) Upgrading of New Office Space: Ryneveld Street**

**Figure 40: Upgrading of the NPK Building**



**h) Calcutta Bos Memorial Park (Directorate: Community and Protection Services)**

**Figure 41: Establishment of a Regional Public Cemetery and Memorial Park**





**i) Taxi rank: Kayamandi (Bird Street): Section Transport Planning and Public Transport.**

**Figure 42: Construction of new taxi rank (Bird Street)**



**j) Jamestown Cemeteries – Directorate: Community and Protection Services.**

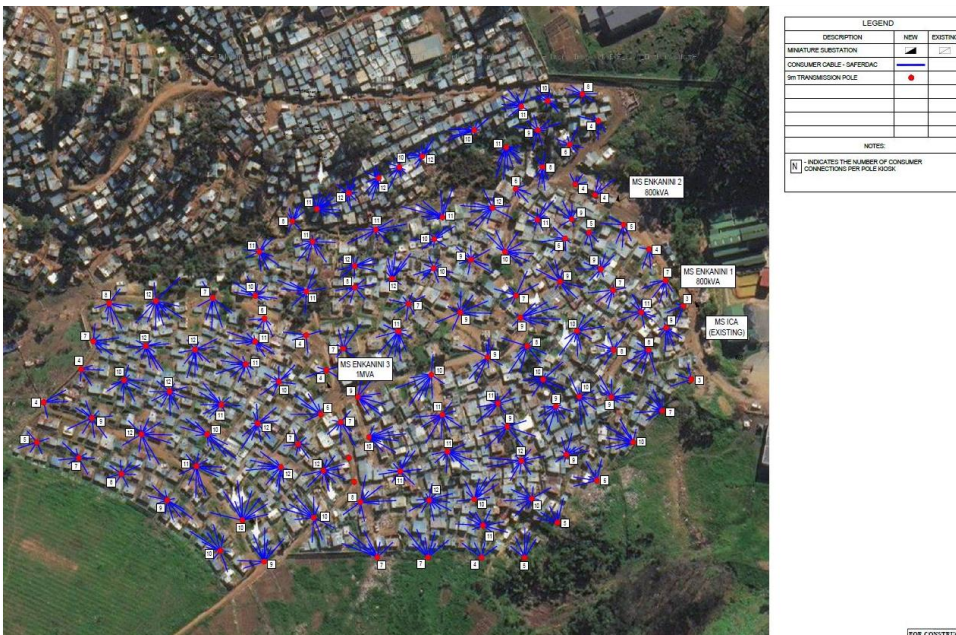
**Figure 43: The upgrade of Jamestown Cemetery**



Integrated National Electrification Programme – Department: Electrical Services



Figure 44: Electrification of Enkanini informal settlement



Further to the above, the Project Management Unit is responsible for the management and administration of the Integrated Urban Development Grant (IUDG). The Integrated Urban Development Framework (IUDF) marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges of integration facing South Africa's cities and towns. The key outcomes of the IUDF are spatial transformation and to create of a growth model of compact, connected, coordinated and integrated cities and towns.

Within the IUDF's Intermediate City Municipality (ICM) programme, which targets 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICM's support strategy is to help translate IUDF policy into practical programmes of action in the ICM's. Stellenbosch Municipality achieved **100%** IUDG expenditure (**an allocation of R56,9 million**) for the 2021/22 financial year.

### 3.13.2 Asset Management and Systems

Maximising municipal infrastructure management supports the current Strategic Focus Area 5: Good Governance and Compliance. As one of the largest economies nationally, the greater Stellenbosch area and municipality is a significant deliverer of services. Deciding what to do, when, where, and for whose benefit, is the difficult task that infrastructure asset management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e. 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley and 4: Dignified Living.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. In order to deliver on the needs of its citizens, the municipality is required to manage revenue streams sustainably. It also needs to ensure that funds available are utilised for identified projects that have been correctly prioritised, and that value for money is achieved. The range of services to be provided is vast in scope, and citizens' and enterprises' needs vary significantly. Given the depth of needs in many communities and limited resources, tough choices have to be





made. An Asset Management System is required to support the information that will aid this type of decision making.

The municipality is currently investigating to adopt an Asset Management System, which will be built on ArcGIS technology. The web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. An ArcGIS system offers a system of record, a system of engagement, and a system of insight for asset management. Additionally, once asset data is verified and established as correct, Stellenbosch Municipality can begin to understand its infrastructure's health.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and the municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function.

The monthly and annual applications are summarised in the table below, Wayleave Applications.

**Table 177: Wayleave Applications**

Activity	2021/22												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Wayleave Applications - Received	15	18	19	20	32	2	23	24	27	15	32	13	<b>240</b>
Wayleave Applications - Commented on	28	10	25	15	10	11	6	23	36	13	27	9	<b>213</b>
<b>% completion to date:</b>													<b>88.8</b> %

### 3.13.3 Development Services

Development is a section within the municipality that is responsible to manage the approval of engineering services and the implementation stages of all new developments in the municipality, to ensure that the impact on municipal services and the environment is adequately and responsibly mitigated. Additionally, this section is required to facilitate development with the aim to promote economic growth, stimulate job creation, to expand the municipal revenue stream (DC's and new property rates), and to ensure development contributes to the achievement of the strategic goals of the municipality, by means of the following activities.

- ✦ The approval of new developments and to monitor and control of engineering projects implemented by developers. Provides on-going technical support and guidance to ensure responsible and successful development.
- ✦ Plan, organise, co-ordinate and control the activities, procedures and outcomes associated with the evaluation and approval of land use and building plan applications, as well as the calculation and coordination of Bulk Infrastructure Development Charges.
- ✦ Plan, organise, co-ordinate and control the activities, procedures and outcomes associated with the engineering side of the rates clearance applications.
- ✦ Manages the implementation of specific developments and DC-linked infrastructure projects to ensure capacity for new developments.
- ✦ Develops and provides input into strategic documents, policy and guidelines related to the



engineering aspects of development.

During the 2021/22 financial year, the Development section managed DC projects expenditure of R5.5 million and achieved a DC income of R 30.1 million.

To provide more perspective to the above, the monthly and annual applications are summarised in the table below:

**Table 178: Land-use Applications**

Activity	2021/2022												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Building Plans- Received	63	77	75	66	98	61	39	73	98	80	151	87	968
Building Plans- Commented on within 14 days	20	43	49	36	44	22	14	50	48	59	124	20	529
% within deadline (Target = 50%)	32%	56%	65%	55%	45%	36%	36%	68%	49%	74%	82%	23%	55%
Land-use Applications - Received	16	5	18	9	8	9	7	12	20	11	17	15	147
Land-use Applications - Commented on within 30 days	8	2	7	6	4	5	5	8	14	3	12	11	85
% within deadline (Target = 35%)	50%	40%	39%	67%	50%	56%	71%	67%	70%	27%	71%	73%	58%



## COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

### 3.14 Town- and Spatial Planning

#### a) Stellenbosch and an appropriate approach to spatial development and management

The Municipal Spatial Development Framework (mSDF) is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013). The spatial planning system in the Republic of South Africa consists of the following components:

- ‡ Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- ‡ Development principles, norms and standards that must guide spatial planning, land use management and land development;
- ‡ The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- ‡ Procedures and processes for the preparation, submission and consideration of land development applications and related process.

Section 8 of SPLUMA stipulate that the norms and standards must, amongst others:

- ‡ Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- ‡ Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- ‡ Include: -
  - (i) A report on and on analysis of existing land use patterns;
  - (ii) A framework for desired land use patterns;
  - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
  - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to, and the use of land.

Based on the above it is clear that the Municipal SDF is not just mostly a technical document, but in fact the strategic spatial representation of the IDP, and also must determine a capital expenditure framework ("CEF") for the municipality's development programmes, depicted spatially. The Municipal SDF "as part of" and "a core component of" the IDP further "must include sectoral requirements, including budgets and resources for implementation", thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing development and land use in Stellenbosch better, at the heart of a better future for all.

*"Stellenbosch Municipality is a special place; all of it ... its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history ... its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of*



high opportunity. Numerous factors combine to a recognition that this place can contribute more to growing societal needs, in its region, and our country. If one lives here, the chances are that you can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Many study here, but cannot enjoy university life to its full extent, because there is limited residential opportunity for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

In terms of how we manage development and space, we know what direction to take. We know that we should adopt a more precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunity, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

The potential of Klappmuts to accommodate enterprises, dependent on good intra- and inter-regional logistic networks is acknowledged. Landowners realise that overcoming the resource constraints, infrastructure constraints, and the cross-subsidisation required for more inclusive development – the extent of energy needed – necessitates joint work, joint planning, and implementation of a scale and nature not yet experienced in Stellenbosch. Corporations realise that they have broader responsibility – not only in contributing to good causes concerning nature, education, or the arts, but in actively constructing better living environments. We realise that we have to forge, establish and maintain active working partnerships to make our towns better. We also have the benefit of history. In times past, we have, as Stellenbosch Municipality, changed our destiny, did things for the better. Starting with an individual idea, a thought, often through an individual, great things were done. With such ideas and actions, the town established a university, saved historic buildings and places, launched cultural celebrations with broad reach, safeguarded unique nature areas, provided families with homes, begun corporations with global reach. When a



fire destroyed homes, they were rebuilt promptly with collective energy and purpose. When children needed schooling, and government could not provide, some established schools.

Often, these initiatives started outside of government, albeit assisted by the government. They were started by those who thought beyond current challenges, without necessarily being able to project outcomes over time in full. They just understood that one step might lead to another. Not all the technical detail was resolved, not everything understood in its entirety. They merely acted in terms of core principles. As matters unfolded and new challenges emerged, the principles guided them.

The Municipal Spatial Development Framework, 2019 recognises that the spatial decisions and actions of many make what settlements are. It asks us to understand that plans cannot do everything, predict everything. It asks all to consider action with a few core beliefs, principles, or concepts, geared towards the common good.

**b) Specifically, it asks us to consider seven principles:**

**1. First, maintain and grow the assets of Stellenbosch Municipality's natural environment and farming areas.**

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

**2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.**

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.

**3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunity to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.**

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunity of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.



#### **4. Fourth, clarify and respect the different roles and potentials of existing settlements.**

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunity, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunity.

#### **5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunity related to natural assets, cultural assets, infrastructure, and the role of settlements.**

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human need in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

#### **6. Sixth, pursue balanced communities. All settlements should be balanced.**

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

#### **7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.**

Planning cannot attempt to treat all areas equally. Some areas offer more opportunity for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The spatial principles must help us to think through these implications, action by action, decision by decision."

#### **c) Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor**

As indicated above, over the longer term, Muldersvlei / Koelenhof and Vlothenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, these settlements are not prioritised for development at this stage. Critical pre-conditions for significant development include:

- ‡ The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);



- ✦ Establishing regular public transport services between settlements, including services between the expanded smaller settlements and Stellenbosch town; and
- ✦ Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

#### **d) Other local planning initiatives**

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the *mSDF* in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy, but should start with the Adam Tas Corridor Development Area and Klapmuts.

#### **e) Institutional Arrangements**

The Stellenbosch Municipality has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information (“GIS”) and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration).

Although, the municipality appointed two (2) Senior Managers in the position for Development Management and Development Planning during 2020, the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

The Planning and Economic Development Directorate will facilitate implementation of the *mSDF* in terms of institutional alignment, including:

- ✦ The extent to which the main argument and strategies of the *mSDF* are incorporated into annual reports, annual IDP reviews, future municipal IDPs, and so on;
- ✦ The annual review of the *mSDF* as part of the IDP review process;
- ✦ The extent to which the main argument and strategies of the *mSDF* inform sector planning and resource allocation;
- ✦ The extent to which the main argument and strategies of the *mSDF* inform land use management decision-making;
- ✦ Alignment with and progress in implementing the municipality’s Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- ✦ The mutual responsiveness of the *mSDF* and national, provincial and regional plans, programmes and actions (including the extent to which *mSDF* implementation can benefit from national and provincial programmes and funding). Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the *mSDF*.

#### **f) Inter-municipal planning**

The first relates to inter-municipal planning. As indicated elsewhere in the *mSDF*, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges



of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further greenfield development (as a general rule).

However, the municipality's increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

#### **g) Private sector joint planning**

The second relates to joint planning and action resourced by the private sector, increasingly needed for several reasons:

- ✦ The municipal human and financial resource base is simply too small to achieve the vision of the *mSDF* or implement associated strategies and plans;
- ✦ Many matters critical to implementing the *mSDF* fall outside the direct control or core business of the municipality, for example, the municipality does not necessarily own the land associated with projects critical to achieve the *mSDF* objectives;
- ✦ It is increasingly evident that individual landowners are finding it difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration;
- ✦ Individual landowners do not necessarily control the extent of land required to undertake inclusive development, focusing on opportunity for a range of income groups. Inclusive development often requires cross-subsidisation, in turn, enabled by larger land parcels and development yields; and
- ✦ The municipality's focus is often – and understandably so – on the “immediate”, or shorter-term challenges. Much of what is needed to implement the *mSDF* or catalytic projects requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of the land. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel Complex, Die Braak and Rhenish complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various landowners, the municipality, University, and investors work together, including undertaking joint planning, the “pooling” of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply does not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

#### **h) Land Use Management**

Continually ensure timeous consideration of land-use applications to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning. The Department: Development Management has made significant strides in addressing and reducing the backlog i.r.o. the processing of land use applications. The number of





land use applications classified as backlog applications has been reduced significantly, which in turn has the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.

The table below indicates the capital expenditure for the Departments: Planning and development services as at 30 June 2022.

**Table 179: Capital Expenditure as at 30 June 2022: Planning and Development**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Furniture, Tools and Equipment: Building Development	186 500	168 211	-10,87
Furniture, Tools and Equipment	366 878	291 272	-25,96

Planning and Development have spent, 0.11% of the capital budget for the financial year.

The table below indicates the total number of employees in the Department: Development Planning as at 30 June 2022.

**Table 180: Total number of employees in the Department: Development Planning**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	2	0	0
9 – 13	6	6	0	0
4 – 8	5	5	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0</b>

The table below indicates the highlights and challenges experienced within the department as at 30 June 2022.

**Table 181: Performance Highlights- Department: Development Planning**

Highlight	Description
Local Spatial Development Framework for the Adam Tas Corridor	SM commenced with the process to prepare a local spatial development for the Adam Tas Corridor (ATC LSDF) at the start of 2021, which is a catalytic project listed in the MSDF. The ATC LSDF was completed in September 2021 and went through a rigorous public participation process and is submitted to Council for approval during October 2022.
Adam Tas Overlay Zone	The preparation of the ATC LSDF included to drafting of a concept overlay zone. The draft overlay zone will be submitted to Council for adoption by end March 2023.
Correction to the MSDF (2019)	Following a legal challenge to an application that was refused based on the strength of the approved MSDF, anomalies were detected in the MSDF. These anomalies refer to the written text and certain tables in the MSDF which were discussed in Council with the consideration of the MSDF but not recorded in certain tables in the MSDF. The MSDF with the correction to the tables, as instructed by Council in 2019 was, again approved by Council in May 2022.
Amendments to the MSDF	The department embarked on a process to ensure better alignment of the strategic and higher order plans of the municipality with the approved MSDF which may require the review and/or amendment of the MSDF. Council approved the process plan for the revision of the MSDF in 29 November 2021 and 30 March 2022.
Inclusionary Zoning (Housing) Policy	The approved MSDF proposed that an Inclusionary Zoning (Housing) policy be drafted through which the delivery of more affordable housing within new developments and/ or targeted areas can be delivered. The drafting of the Inclusionary Zoning Policy is undertaken in-house. A draft report was prepared and submitted to the Municipal Manager. The Inclusionary Zoning policy is being drafted with the assistance of DEA&DP and the Development Action Group (DAG) with input from a peer-review group from the Lincoln Institute. The Inclusionary Zoning policy will be



Highlight	Description
	submitted to Council for approval to advertise by the later part of 2022.
Housing Market Study	As part of the prerequisites of drafting a Inclusionary Zoning Policy, a housing market study was undertaken with the funding and assistance of DEA&DP and DHS to analyze the housing market in Stellenbosch town. A better understanding of the housing market is required to feed into and inform the Inclusionary Zoning Policy to enable the municipality to target the correct sector in the market to ensure the delivery of new affordable housing in the income-bands where the need is the greatest.
Feasibility studies for land/building acquisition	Two studies for property that potential can my obtained by Council, one that identified land in Klapmuts and the other a key property and building in the historical core of Stellenbosch, were completed and submitted to management for consideration. Both studies were completed in the first semester of 2022.
Precinct plan for the Rhenish complex	The Section: Spatial Planning prepared an urban design study and precinct plan for the Rhenish Complex in Stellenbosch setting out the potential measures to preserve, develop an activate the Rhenish Complex. The studies were completed in the last quarter of 2021 and will be taken through the public participation process, as soon as Council approves the draft to be advertised.
Intergovernmental relations	DEA&DP took the initiative to arrange for quarterly Intergovernmental Relations meetings for municipalities falling within the Greater Cape Metropole. The meetings have as a mandate to discuss common issues and cross boundary matters. The meetings are attended by all senior staff in the department.

### 3.15 Performance Challenges

**Table 182: Performance Challenges- Department: Development Planning**

Challenge	Actions to address
Approval of the ATC Overlay zone	The public participation process and ultimate approval of the ATC Overlay zone will be challenging. Landowners and developers are anticipating the approval of the overlay zone as this can and will be a major incentive towards activating the development of the ATC.
Approval of the Inclusionary Housing Zoning Policy	Stellenbosch will be the first town (with the exception of Johannesburg) to approve an Inclusionary Zoning Policy. The policy will require that developers must contribute a certain percentage of the housing delivery to a specific income-band (affordable) in exchange for off-set incentives (i.e. Up-zoning, density bonus, etc.). There is a real risk that developers will view this requirement as a penalty and considerable opposition can be expected from some developments. The process of obtaining Council approval with the support of developers will be challenging and may be challenged in a court of law.
Capacity	The total staff component of the Section: Spatial Planning amounts to four (4) officials, consist of a Manager, Senior Planner, Spatial and Administrative Officer. With the increase in projects undertaken in-house, as well as the need to develop LSDF's for each smaller town, as well as for the "Bosdorpe", and also to facilitate and lead the implementation of the MSDF. Catalytic Projects and LSDF are currently placing the department under severe pressure. This accompanied with the lack and inconsistencies with finalising the job evaluations within the section does place the section at huge risk to perform its functions. The Department: Development Planning notes that the organogram approved during 2017 does not meet the requirements to successfully fulfill the functions and mandate required by the Section, and must be urgently reviewed and amended.
COVID-19	The impact of COVID-19 on the performance of the department posed a challenge that had to be dealt with. As many engagements with clients and colleagues were in-person in the past the department had to adapt to on-line meetings in general. Public participation can be particularly difficult if undertaken on-line due to difficulty with connection problems, load shedding and access to computers – particularly amongst the less affluent communities. Working from home was one of the measures that was implemented with varying success.
Load shedding	Load shedding created havoc in the workplace as the office of the department is not equipped with electricity generating support.



### 3.16 Local Economic Development (LED)

The table below indicates the highlights within the Section: LED and Tourism.

**Table 183: LED Achievements**

Achievement / Highlight	Description	Financial years			
		2018/19	2019/20	2020/21	2021/22
Business Interventions	Business registrations	37	37	29	n/a
	Municipal Jobseekers Database Registrations	27	n/a	181	1 767
	Advice to walk-ins	1 795	n/a	334	19
	Workshops	12	15	1	0
	Business Licences	13	2	22	19
Informal Trading	<p>The Section: Economic Development and Tourism have several informal trading sites that were completed in the 2021/22 financial year.</p> <p>The completed sites are:</p> <ul style="list-style-type: none"> <li>• Cloetesville;</li> <li>• Kayamandi; and</li> <li>• Klapmuts.</li> </ul> <p>The only site not operational yet is Groendal, but this will be operational within the new financial year.</p>	n/a	n/a	n/a	3
Enterprise Development and Support	<p>Training for Stellenbosch - based entrepreneurs did exceptionally well in the 2021/22 financial year.</p> <p>The municipality partnered with Ranyaka and Stellenbosch Network and provided eleven (11) SMME training and mentoring workshops during 2021/22 financial year. The types of training and mentorship programmes delivered were as follows:</p> <ul style="list-style-type: none"> <li>• SALGA training: Rural Entrepreneurship Development Programme;</li> <li>• Construction Information Session;</li> <li>• SARS Workshop;</li> <li>• 5 x Google Workshops;</li> <li>• Canva Training;</li> <li>• Costing and Pricing Workshop; and</li> <li>• Marketing Workshop.</li> </ul> <p>The Unit has also been very active with the processing of informal trading permits ensuring an active micro business trading in Stellenbosch.</p>	n/a	n/a	3	11
Vacant Agricultural Property	<p>Two (2) vacant land that were advertised during November / December 2020 is currently being evaluated in line with the Policy on the Management of Municipal Agricultural Land.</p> <p>The Municipal Council during July 2021 approved the re-establishment of the Operational Committee and will assist with the evaluation of the applications received to provide recommendations to the Council for allocation of the land parcels.</p> <p>Land parcels will only be awarded in the 22/23 financial year.</p>	n/a	n/a	2	n/a



### 3.16.1 Economic Development and Tourism Challenges

The table below gives a brief description of all the challenges within the Section: Economic Development and Tourism during 2021/22.

**Table 184: LED Challenges**

Description	Actions to address
Human Resources are insufficient to drive an effective economic development and tourism programme.	<p>The current organogram for the Directorate: Planning and Economic Development remains a huge challenge, coupled with the high vacancy rate, especially within the Section: Economic Development and Tourism. This high vacancy rate makes it extremely challenging for the Section to perform its function to create and coordinate the creation of an enabling environment within the economy of the Stellenbosch Municipality.</p> <p>The department has submitted its job descriptions in accordance with the current organogram, and the outcomes was appealed by the department.</p> <p>The Department has noted that a review of the organogram is required and that the job descriptions must be drafted and evaluated in accordance with the New Staffing Regulations.</p> <p>The department has advertised the funded vacant posts and it was found that the current salary offering does not lure the required experienced, qualified and well-trained staff to enable the Section to perform its functions.</p>
Implementation of Infrastructure Projects	<p>The Section is currently partnering with the Project Management Unit of the municipality to implement the Kayamandi Taxi Rank.</p> <p>The Section does not implement any further infrastructure projects as this is not the constitutional mandate of the section.</p>

### 3.16.2 EPWP Job Creation 2021/22

The Expanded Public Works Programme (EPWP) met the expected target of 1 300 as planned for the year 2021/22 with actual of **1 439** job opportunities created.

The table below illustrates the job creation through the EPWP for the 2021/22 financial year.

**Table 185: Job Creation through EPWP\* Projects**

EPWP Projects	Number of jobs created
<b>External EPWP Grant Projects</b>	
IG: EPWP SPORT CLERK	2
IG: SCHOOL SAFETY PATROLS	15
IG: CEMETERIES	8
IG: CLEANING OF LIBRARIES	2
IG: EPWP JONKERSHOEK SEASONAL CLEANERS	6
I.G TITLE DEEDS	6
I.G CLEANING OF STORMWATER	10
IG: CLEANER and SECURITI INFORMAL TRADING SITE	35
IG: FIRE AND DISASTER	14
IG: EDT	25
IG: WARD OFFICE	21
IG: DISASTER FIELD WORKERS	10
IG: JAN MARAIS NATURE RESERVE	3
IG: LAW-ENFORCEMENT	8
IG: COMMUNITY DEVELOPMENT	1
IG: EPWP COMPLIANCE ENFORCEMENT	2
IG – LEARNERSHIPS / INTERNSHIPS	6
<b>Total Projects: 17</b>	<b>Total Jobs: 174</b>
<b>Municipal Funded Projects</b>	



EPWP Projects	Number of jobs created
TRAFFIC SERVICES ASSISTANT and GENERAL WORKERS	7
EPWP ENVIROMENTAL CLERK	1
AREA CLEANING	571
FOREST GUARDS	61
CLEANING OF RENTAL STOCK MAINTENANCE	28
ABLUTIONS IN INFORMAL	20
PARKS DEVELOPMENT, SAFETY AND BEAUTIFICATION	24
NKANINI	25
BSM CEANING OF CBD	33
RECYCLABLE WASTE COLLECTION OF THE RECYCLABLE MATERIAL AT MRF	25
ADMINISTRATION (TRA's) and EMERGENCY UNITS	8
INTEGRATED FIRE MANAGEMENT	12
MOUNTAIN TRAILS	9
INTERGRATED RIVER MANAGEMENT	11
MUNICIPAL STORES	2
BIODIVERSITY VELD REHABILITATIONS	10
EPWP MACHINE OPERATORS MUNICIAL HALLS	4
COVID-19 RELIEF PROTOCOL	2
ORNAMENTAL HORTICULTURE -BEAUTIFICATION	39
DATA CAPTURING and ELECTRONIC FILLING	3
PARKS FRANCHHOEK	37
PARKING MARSHALLS	102
RENTAL STOCK	2
TITLE DEEDS	1
CLEANING OF OFFICE COVID-19 RELIEF	4
RENTAL STOCK MAINTENANCE	2
MUNICIPAL STORES	2
WATERGANG INFORMAL SETTLEMENT	28
ELECTRONIC DATA CAPTURING	2
ASLA CONSTRUCTION (PTY)LTD	10
KAYAMANDI CORRIDOR	11
BASELINE CIVIL CONTRACTORS	31
IBHUNGA CLEANING and BRICKS PAVING and PAINTING	31
NPK REFURBISMENT	7
<b>Total Projects: 34</b>	<b>Total Jobs: 1 165</b>

Table 186: Jobs created per area

Jobs created per area					
Stellenbosch and Surrounds	Kayamandi	Franschhoek and surrounds	Dwarsriver Valley	Klapmuts	Rural areas
405	547	111	41	74	34

### 3.16.3 Tourism

#### a) Aim and function of Tourism Section:

- ✦ Contextualise the strategic goals of tourism promotion and development funding;
- ✦ Regularise the operational functioning of external bodies appointed or supported by the municipality in its constitutional mandate toward both tourism and economic development;
- ✦ Ensure coordination of the activities of the funded entities;



- ⌵ Ensure efficient oversight of funding and outcomes;
- ⌵ Acknowledge and leverage private sector and independent initiatives;
- ⌵ Develop sustainable tourism events and brands;
- ⌵ Enable sponsorship opportunities for commercialisation of events, brands and other opportunities;
- ⌵ Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives;
- ⌵ Develop and package opportunities and venues for business tourism;
- ⌵ Enable market participation for local business;
- ⌵ Enable training, mentorship and employment opportunities for local citizens; and
- ⌵ Quantify return on investment into events and funded entities.

**b) Highlights:**

- ⌵ The impact the Support Stellenbosch Campaign had on keeping the tourism sector afloat during the COVID-19 pandemic, which primarily focuses on domestic tourism and ensuring the patrons visit Stellenbosch was hugely successful in comparison to other tourist destinations within the Cape Winelands District;
- ⌵ Visit Stellenbosch partnered with the municipality to improve the tourism experiences and attributes within the Dwarsrivier Valley, which involved engagement with the major tourism and events stakeholders within the Dwarsrivier; and
- ⌵ A Memorandum of Agreement was signed with Visit Stellenbosch and Franschoek Wine Valley Tourism based on the policy for funding of organisations rendering a municipal function with the condition to integrate the sector and ensure new entrance into this sector are supported and developed.

⌵ The table below indicates the capital expenditure for the Section: Economic Development Tourism as at 30 June 2022.

**Table 187: Capital Expenditure as at 30 June 2022: Economic Development and Tourism**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Establishment of Informal Trading Sites: Kayamandi	6 593	1 411	-367,41
Furniture Tools and Equipment	259	181	-42,48
<i>Only the 5 largest capital projects are listed</i>			

Local Economic Development and Tourism have spent, 0.39% of the capital budget for the financial year.



The table below indicates the total number of employees in the Section: Economic Development and Tourism as at 30 June 2022.

**Table 188: Total number of employees in the Section: Economic Development and Tourism**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	0
9 – 13	4	2	2	50%
4 – 8	3	2	1	33.3%
3 – 0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>37.5%</b>

### 3.16.4 Heritage and Resource Management

The Section: Heritage Resources Management is mandated to enable, facilitate and manage cultural heritage development within the Stellenbosch municipal area through the formulation and implementation of long-term cultural heritage plans, strategies, policies and guidelines, which is appropriately integrated with the applicable sectoral plans of the municipality and aligned with the requirements of the National Heritage Resources Act, Act 25 of 1999.

Part of this work was to update the Stellenbosch Municipality Heritage Inventory, which was done in partnership with the Stellenbosch Heritage Foundation. The municipality intends to further expand on this partnership to ensure that the heritage inventory is continually updated.

The Section has also undertaken a process to review and amend the Stellenbosch Municipality Signage, Advertising and Poster Bylaw with the Directorate: Engineering Services. This bylaw will be adopted and promulgated during the 2022/23 financial year.

### 3.16.5 Geographic Information Systems (GIS)

The Section is responsible for managing, coordinating and controlling the professional and technical processes associated with Geographic Information Systems (GIS) in respect of the municipality, Management of Information Systems (MIS) through research and evaluation of best practices and cost-effective approaches and provides guidance and advice on the functionalities to internal departments to ensure that broader goals and service delivery objectives are accomplished and quality and professional standards maintained in accordance with agreed timeframes, budgets and appropriate legislation.

The Section has assisted the Directorate: Planning and Economic Development with the development of the electronic and online submission of building plan- and land use applications. Through this process, the Section have developed the Building Plan Application Management System ("BPAMS") and the Town Planning Application Management System ("TPAMS"). These systems will provide residents and potential developers to submit their development applications online, and also to monitor the progress of their respective applications.

Currently, BPAMS is fully operational and will be launched with TPAMS during the next financial year.



## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### 3.17 Libraries

Libraries are important departments within society which without exception benefit a cross-section of communities. These not only include the local communities and students but also individual entrepreneurs and small business owners. Small businesses are a core ingredient to a thriving community with a strong economy. Libraries offer services to entrepreneurs that aim to provide both business support and a foundation to keep the talent and energy of these small business owners local.

By developing and expanding programmes and services for entrepreneurs' libraries boost and sustain development of community economies. Economic, literacy and numeracy development are a priority of the country and locales. Post COVID-19, the Stellenbosch libraries continue to innovate for 21st century 4IR literacy and numeracy which would impact and develop the economy. Libraries continue to demonstrate their current and future relevance in a changing world.

Another important focus of the Section: Libraries over the last year was that of the Early Childhood Development Services and resources.

"The most effective way to mitigate the risk factors is to give children living in poverty access to essential early childhood services, such as early learning opportunities, during early childhood" (Berry, Biersteker and Dawes, 2013:26; Biersteker, 2012:53).

Sustainable development Goal 4 speaks to quality Early childhood Development education. In the South, most pre-school children find themselves in impoverished situations. Families cannot afford to be the sole providers of play-based early learning opportunities. This has resulted in a very successful programme being rolled out at the Groendal Library.

The success of this programme has resulted in the nomination of the library by SAHA and DCAS to showcase the municipality's ECD programmes within the community, at the 2021-22 DUBAI EXPO in Dubai .

**Table 189: Total number of libraries**

Item	Description	Total number
Libraries in the WCO24 Area	<b>Public Libraries:</b> ‡ Kayamandi, Cloeteville, Ida's Valley, Jamestown, Stellenbosch, Pniël, Groendal and Franschhoek	8
	‡ School / Public Libraries ‡ Koelenhof and Klapmuts	2
Library staff (Permanent)	Library Manager	1
	Senior Librarians	4
	Senior Library Assistant	4
	Library Assistants	22
	Library Aid / Cleaner	8
	IT Cadet	1
	Admin Assistant	1
Vacancies (including Conditional Grant Funded)	Book Shelver	1
	Senior Librarians	4
	Senior Library Assistant	3



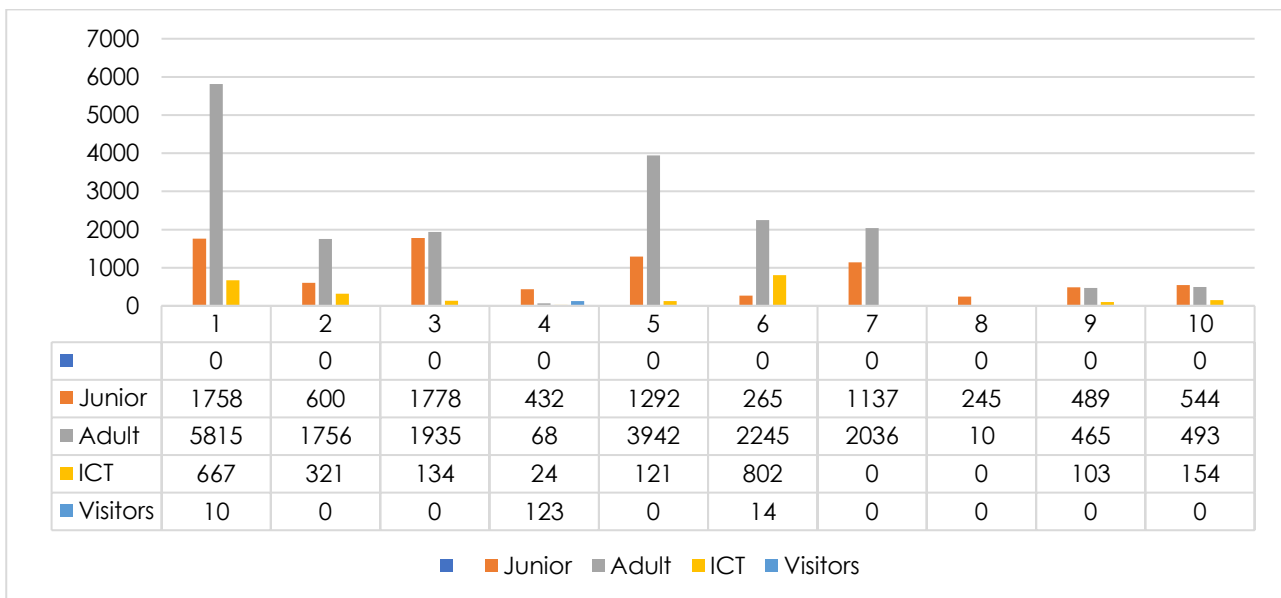


Item	Description	Total number
vacancies)	Library Assistants	13
	Library Aid / Cleaner	3
	IT Cadet	1
	Admin Assistant	1

Municipal libraries were closed due to the COVID-19 pandemic and have still not recovered from the results of this closure. Libraries are continually repackaging and repurposing services and information. The Section: Libraries has embarked on a major marketing programme to bring “feet” back into the libraries again. The municipality have also considered requests from communities and with the assistance of DCAS have introduced an E-Book service to the public.

Library halls are once again being used by the public as well as for the library related marketing activities.

The graph below illustrates the membership statistics for the year under review.



The Section: Libraries has over the last year formed many public, private partnerships with the communities within the WCO2 Area.

**Table 190: Libraries partnerships**

Cloetesville		
Chennels Day care	Day Care	A partnership with the Day Care to create a love for books through literacy activities in the form of storytelling, puppet shows and song and dance activities.
Little builders Crèche	Crèche	Assist with the promotion of literacy and numeracy by introducing 3-5 years toddlers to books and other ECD activities such as puzzles, lego and storytelling.
Kayamandi		
Loxtion Foundation		Loxtion Foundation assists the Kayamandi community with . They create opportunities to discover talent amongst township youth and to give them a platform to grow.
Pniël		
Dwarsrivier Tourism		Partnering to bring services to the community of Dwarsrivier. Hosting the event to enrich the community.
Community development		Partnership aimed at bringing various services to the



		community of Dwarsrivier. Hosting the event to enrich the lives of the community.
<b>Groendal Library</b>		
Inceba Trust	Mother and Child Book sharing	Focus on training illiterate parents to do book sharing with their children / grandchildren by looking at the pictures and telling the story.
Inceba Trust	Training of ECD employees	Inceba Trust is responsible for the training, whilst Groendal library assist with storytelling and recommending books per theme.
Adopt-A-Crèche	Outreach to underprivileged children from an informal settlement	Teaching children, the basic hygiene, literacy and numeracy skills by exposing them to ECD / crèche activities. Inceba train the parent's w.r.t. the Parent and Child Book sharing programme.
Inceba Trust Toy Library	ECD Toy Library	Aim is to incorporate the Toys into the ECD section at Groendal Library. As part of this initiative, free training will be presented to Stellenbosch Library staff i.t.o. ECD programs / activities and the usage of educational toys.
ECD / Crèches	Wemmershoek, La Motte, Groendal , Langrug, Bosbou areas	17 crèches are receiving block loans for books linked to their weekly theme. 2 visits per month for block loans and 1 storytelling / outreach per month is presented at each crèche.
CWP Community Work Programme	Unemployed people employed through CWP initiative	The Community Work Programme (CWP) is a government programme aimed at alleviating poverty and curbing unemployment. The work rendered by the CWP workers includes the cleaning of the Library, tidying of shelves, assist with preparing new library material (covering of books, tattle-tape etc.). The garden and outside areas are also maintained and cleaned by the workers.
READ-TO -LEAD	Literacy Project in Partnership with BED students: Stellenbosch University	A group of postgraduate Bachelor of Education students assist learners at schools to promote literacy and numeracy at schools
Franschhoek Literacy Festival / Nali' Bali	Storytelling workshop	Workshop is aimed at exchanging ideas / guidelines for pre-school and primary educators / librarians and authors
ECD / Crèches	ECD creches in Groendal area: "Informal creches "	ECD Centres / Crèches are invited to make use of the educational toys / books at the Groendal Library
Groendal Housebound members	Book exchanges to housebound / elderly patrons	Bringing the Library to the community. Visits are done twice a month to deliver library material to the housebound. Visit new potential members to form part of the outreach.
Community of Groendal	Friends of the Library	Currently in process of establishment: "Friends of the Groendal Library."
Maker-space	Children Gr R – Gr 12	Currently in Discussions with Groendal Primer and retired educators in the Groendal / Franschhoek area to assist with the rolling out of the "Makerspace" programme. The focus will be on S.T.E.M (Science, technology, Electronics, Mathematics). The idea is to expose the children to science, mathematics, technology and electronics. The Programme will be linked to the school curriculum.
Hospice Stellenbosch		Partnering to bring services to the community of Dwarsrivier. Hosting activity events to enrich the lives of the Hospice community. And promote wellness within the community.
Stellenbosch Traffic Department		Partnership with traffic department to teach young children about the importance of road safety.
Read to rise		Partnering with Read to rise organisation to promote reading in young children.
<b>Franschhoek</b>		
Dennegeur Agri Village	Crèche	Bringing the Library to the farm children. Storytelling and activity are done 2 x month.
Franschhoek Museum	Combined programmes	Combined effort to do outreach and literacy programmes.

**Table 191: Library Services**

Type of service	2018/19	2019/20	2020/21	2021/22
<b>Libraries</b>				
Number of libraries	9	11	10	10
Library members	142 616	26 293	28 620	264 07
Books circulated	323 200	192 503	53 025	145 567
Exhibitions held: Adults	312	304	225	356
Exhibitions held: Children	316	232	160	176
Internet access points	32	36	20	20
Internet sessions granted to library users	53 013	17 818	5406	8 067
Children's programmes	243	447	25	219
Number of children attending programmes	4 512	11 121	458	435
Visits by school groups	254	47	18	45
Book group meetings for adults – old age homes	102	128	0	100
Primary and Secondary Book Education sessions	975	25	7	3
Patrons visits @ Library	398 200	271 621	56 548	45 652
Library Hall usage	356	545	48	400
Total number of Project and Pamphlet files developed	N/A	696	170	176
Total number of books reviewed	N/A	214	209	198
In-House usage	N/A	77 783	1 868	2 456
Book group meetings for adults – old age homes	N/A	128	0	34
Primary and Secondary Book Education sessions	N/A	25	0	2

### Libraries partnerships

The table below indicates all the libraries and its partnerships within the Stellenbosch area.

**Table 192: Libraries partnerships**

<b>Cloetesville</b>		
Little Builders	Nora Tyers Crèche	Provision of support with story-time sessions and literacy activities.
<b>Pniël</b>		
Section: Community Development	Stellenbosch Municipality	The partnership involved hosting community outreach activities together. The target group was adults and the elderly. Held a Mental Health wellness day in March to highlight the effect of COVID-19 on mental health. The library assisted Community Development with identifying speakers for the event as well as interested community members. The library provided the venue and the Section: Community Development created the programme, provided catering and gifts.
<b>Ida's Valley</b>		
E'Bosch Heritage Project	Existing partnership	New partnerships could not be formed due to the COVID-19 pandemic.
<b>Groendal</b>		
Mphozisi Qalekiso Arts Foundation	Existing Partnership	Worked together to celebrate Africa Day in Groendal.
<b>Kayamandi</b>		
Loxton Foundation	Existing Partnership	Partnership to encourage youth to read and write poetry.



Stellenbosch / Jamestown / Franschhoek / Klapmuts / Koelenhof / Kayamandi

READ TO LEAD

## Challenges facing Libraries

The combination of severe budget cuts and moratorium on filling staff vacancies are making it harder for public libraries to keep technology updated, provide basic library resources, fund new projects, repair and maintain library buildings or just keep the library service available for the public.

It is evident that more people are turning to digital resources like eBooks, podcasts and online databases for their information however this doesn't mean that libraries are becoming obsolete. The municipality find itself repacking and repurposing information and resources. With the assistance of Provincial Library Services, the municipality is able to offer an e-book service to the patrons.

However, with community needs for change and the introduction of digital services the municipality is faced with the challenge of qualified and skilled staff. Libraries are highly under-resourced in terms of qualified personnel, physical and digital resources which ultimately results in low patronage of library facilities.

The move to digital and non-print technologies will ensure patron engagement with libraries way into the future.

The table below indicates the capital expenditure for the Section: Library Services as at 30 June 2022.

**Table 193: Capital Expenditure as at 30 June 2022: Library Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Cloetesville: Furniture, Tools and Equipment	34	12	-185,33
Libraries: Small Capital	115	70	-63,61
Library Books	170	149	-13,83
Upgrade Stellenbosch Library	2 302	275	-737,13
Upgrading: Cloetesville Library	190	75	-154,15
<i>Only the 5 largest capital projects are listed</i>			

Libraries Services have spent, 0.14% of the capital budget for the financial year.



The table below indicates the total number of employees in the Section: Library Services as at 30 June 2022.

**Table 194: Total number of employees in the Section: Library Services**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
		Number		
18 – 22	1	1	0	0
14 – 17	1	1	0	0
9 – 13	4	2	2	50%
4 – 8	25	23	2	8%
3 – 0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>27</b>	<b>4</b>	<b>13.3</b>

### 3.18 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniël and Groendal have reached their capacity, whilst Wemmershoek and Franschhoek South and North are fully operational. Onder-Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery in Kylemore is currently being established.

Consultants were appointed (3-year + project) to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental-, water and land use approvals. All licences have been received for the commencement of the new Stellenbosch Memorial Park situated alongside the R304 planned at the site known as the Calcutta bush.

The objective of the Section: Cemeteries is to provide adequate burial space and ensure a dignified burial.

#### Challenges:

- ⚡ the shortage of burial space.
- ⚡ to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- ⚡ to promote alternative burial methods such as e.g., Cremations amongst various religious groups.



### 3.18.1 Income – Cemeteries

The table below indicates the income generated from the financial years of 2018/19 – 2021/22.

**Table 195: Cemeteries Income**

Gravesite locations	2018/19		2019/20		2020/21		2021/22	
	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income
Onder-Papegaaiberg	24	R50 389	103	R87 791	35	R25 033.80	45	R47606.76
Jamestown	356	R900 294	478	R1 321 781	396	R937642.21	324	R945184.90
Pniël	11	R7 855	17	R13 676	5	R9740.42	15	R4528.10
Wemmershoek	9	R7 650	26	R27 219	9	R8 341.70	83	R18187.41
Franschoek North Groendal	38	R40 710	39	R11 052	18	R4 056.18	10	R46552.08
Franschoek South	54	R45 580	140	R80 172	30	R53 305.60	22	R109943.04

The table below indicates the capital expenditure for the Section: Cemetery and Parks Services as at 30 June 2022.

**Table 196: Capital Expenditure as at 30 June 2021: Cemetery and Parks Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Extension of Cemetery Infrastructure	1 011	1 007	-0,37
Purchase of Equipment	131	130	-0,40

Cemeteries have spent, 0.28% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Cemeteries as at 30 June 2022.

**Table 197: Total number of employees in the Section: Cemeteries**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	0	0	0	0
9 – 13	1	1	0	0
4 – 8	3	2	1	33.3%
3 – 0	10	10	0	0
<b>Total</b>	<b>15</b>	<b>14</b>	<b>1</b>	<b>7.14%</b>

### 3.19 Child Care; Aged Care; Social Programmes– Community Development

The Section: Community Development is thankful for having been able to reach out to communities again post COVID-19. During engagements in the past year it also became evident to what extent communities were hungry for interaction and reaching out to each other – albeit hesitantly at the start and from behind masks.



This was also the first year for which a formal agreement in terms of service delivery was signed between the municipality and the Department of Social Development.

**Table 198: Service Statistics – Child Care, Aged Care, Social Programmes**

Focus area	Description	Ward	Activity
Early Childhood Development Services / Children	<ul style="list-style-type: none"> <li>⚡ Capacity Building of ECD Practitioners;</li> <li>⚡ Initiatives in awareness programmes (ECD children);</li> <li>⚡ ECD Registration Compliance;</li> <li>⚡ Strengthening and Establishing ECD Forums;</li> <li>⚡ Transversal committees / Adhoc committees;</li> <li>⚡ Awareness Programmes</li> </ul>	All	⚡ ECD Registration drive with 123 organisations in the ECD sector to identify and prioritise registration compliance obstacles experienced by ECD's and the service organisations.
		12	⚡ 12 ECD's assisted with Financial Management Training
		ALL	⚡ GIS plotting of 139 ECD Facilities
		18, 20	⚡ Working on Fire training for 73 ECD facilities
		3, 12-15, 18-19	⚡ Holiday Programmes reaching 833 children
		All	⚡ Greater ECD Quarterly Engagement with 110, 170 ECD's
		1, 2, 12-15, 18	⚡ 39 ECD Practitioners completed the Indaba Core Curriculum training by the Sustainable Institute
		4, 6, 7, 16, 18, 19	⚡ 27 ECD practitioners completed the Child Sexual Behaviour training
		2, 5, 12, 14, 16, 19	⚡ 20 ECD practitioners completed the 3-year Cotlands training
		7, 10, 12, 13	⚡ Partial Care registration updates for 6 facilities
		1, 2, 12-15, 18, 21	⚡ Back to School programme reaching 685 children
		18	⚡ 25 Foster parents and children participated in the parenting training session with DSD
		12-15	⚡ Awareness session on fires safety, literacy and human trafficking with 150 children during library week
		12-15	⚡ 25 Gr 7 learners participated in the outreach programme Inkuthazo Yesizwe at Ikhaya Primary
		All	⚡ 1278 children participated in the Child Protection Week activities
Persons with Disabilities	Awareness and Wellness programmes Universal Access	1, 2, 12-17	⚡ 69 persons with disabilities participated in the disabilities sport day
		All	⚡ The municipality participated in and published a link to the Disability Information Portal on the municipal website.
		5, 6, 12, 17, 20	⚡ 62 youth from the community were trained in sign language
		5, 6, 12, 13	⚡ 100 persons were made aware of Epilepsy and how to deal with it in the community



Focus area	Description	Ward	Activity
		5, 6, 12-15, 18	10 Inclusive Public Transport Surveys were completed
		20	19 elderly persons attended the epilepsy awareness session
Older Persons	Special Events and Awareness programmes	3, 4	35 elderly persons participated in a Heritage Day event
		12-17	37 elderly and Persons with Disability participated in a wellness programme
		3	A session attended by 15 persons regarding the establishment of a local elderly forum
		3-6, 12-17	8 Clubs participated in a follow-up capacity building session
		3-6, 10, 12-17	320 elderly persons participated in the regional golden games
		1-6, 12-17, 20	165 elderly was participated in the Elderly Abuse awareness day
Gender	Special Events and Awareness programmes	18, 20	Women's Day with 60 women
		1-2, 5, 12-15, 18, 21	Fatherhood Programme with 16 men 72 Men attended the father appreciation day
		1, 2, 12-14, 18	186 widows participated in an empowerment programme
		12-15	Wellness day attended by 23 diabetic persons
		18	27 men and women participated in the breast cancer and men's health programme
		12-15	Supported the Help a Girl Organisations to adopt 5 schools within which they will roll out their programmes.
		ALL	16 Days of Activism Launch attended by 118 persons 16 Days of Activism community projects attended by 318 persons 56 men participated in the 16 Days of Activism Summit 19 Foster Care Parents completed the GBV training during 16 Days of Activism
		All	Officials attended with Roses on the River, World Aids Day commemoration of @heart.
		12-15	20 young ladies participated in the Girls Support group for GBV
		12-15	38 boys participated in the becoming men soccer tournament
12-15	29 single mothers participated in the parenting training session		
Youth	Youth Empowerment	12, 13, 16, 17	Life Skills Training by National Youth





Focus area	Description	Ward	Activity
	programmes Youth Capacity Building Transversal committees / Adhoc programmes		Development Agency for 20 youth
		1, 2	↓ NPO registration of 9 Youth Organisations
		1, 2, 16-18	↓ Mobilising 21 youth to enrol in the Chrysalis Academy programme
		5, 6, 12-15	↓ Accredited skills development for 12 youth as professional waiters
		1, 2	↓ 19 young fathers were trained to fatherhood skills
		12-15	↓ Inkuthazo Yesizwe Sport Coaching summit by the university with 37 coaches to upskill them in working with young athletes
		1-3, 5-6, 12-17	↓ Accredited training to 24 youth in 5-star table attendance ↓ Accredited training to 12 youth in food handler ↓ Accredited painting training was done with 13 youth
		1-6, 10-21, 23	↓ 383 youth applied and participated in the learner and driver licence programme
		3, 5, 6, 16, 17, 20, 21	↓ 94 youth participated in the job readiness programme in partnership with DSD
		16, 17	↓ 60 youth participated in the Human Rights Day: Anti-bullying campaign
		All	↓ Youth Day was celebrated by 165 youth
		5, 6, 16, 17	↓ 11 youth completed the data literacy workshop conducted by Open-Up and the Cloetesville e-centre.
Vaccination registration	Assistance to the DoH with the mobilisation of persons for vaccination and with administration at the VD Stel Hall	All	↓ 350 ECD practitioners mobilised for vaccination ↓ 1 293 persons assisted at various sites ↓ 54 homeless persons mobilised for vaccination
Grant in aid	Donations to community organisations serving among others: youth, gender, ECDs, Old Age Homes, Health Organisations and Sport Clubs.	All	↓ 1 Financial Management workshop with 8 organisations ↓ 3 compulsory clarification workshops with 288 organisations ↓ See table below re the approved donations
People on the street	Development, Awareness Raising through collaboration and Services rendered	All	↓ Mandela Day: Motivation and marketing of general public to support the Give Responsibly Campaign along with the NGO's associated with the campaign.
		1, 2, 4, 5, 7-11, 16, 20	↓ Mask-up campaign: distribution of masks to 153 persons and raising awareness on the necessity of wearing the masks and keeping



Focus area	Description	Ward	Activity
			social distance.
		7-10	↓ Refer 6 persons through the Restorative Justice Programme ↓ Assist church with food provision to 25 homeless persons
		All	↓ Give Responsibly marketing via Facebook and during the Festive Season Safety Campaign
		All	↓ 91 homeless persons benefitted from the human rights outreach programme
Food Security	Food provision by NGO partners (Feeding in Action and Stelcare) to communities in need.	All	↓ 1 043 314 meals distributed
Social Relief of Distress	Provision of food parcels, blankets, mattresses, vanity packs and warm food according to the need due to disaster incidences.	ALL	↓ 1 476 individuals were assisted during incidents 94

The table below indicates the number Grant in Aid applications recommended and approved for the year under review:

**Table 199: Number of Grant in Aid applications recommended and approved**

Sub Category	Applications Recommended and Approved	Recommended Amount R
<b>2021/22</b>		
General Soc Dev	6	237 500
ECD	36	1 320 000
Disability	4	142 782,66
Elderly	4	152 000
Youth	8	302 687,57
Substance Abuse	2	80 000
Gender	1	40 000
Food Security	1	40 000
People living on the street	1	1 473 230,14
Skills Development	2	80 000
Physical and Psychological Health	2	80 000
Environment	1	40 000
Sport Clubs	18	675 979,10
Art and Culture	4	160 000
<b>Total</b>	<b>90</b>	<b>4 821 179,47</b>

The table below indicates the total number of employees in the Department: Community Development as at 30 June 2022.

**Table 200: Total number of employees in the Section: Community Development**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	1	1	0	0
9 – 13	1	1	0	0
4 – 8	7	7	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>



## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.20 Pollution Control, Bio-Diversity, Beautification, Open Spaces and Parks

Stellenbosch Municipality is continuously developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned. To this effect, Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework during 2018, administered by the Department: Community Services.

Stellenbosch Municipality is compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves as well as nature areas. The Mont Rochelle Nature Reserve EMP was adopted by Council during 2022. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. The Paradyskloof Nature Area was accepted by Council during 2019. A first draft EMP have been completed for the Ida's Valley Dam- / Botmaskop area, which will be advertised for public input before year-end. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004) and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of Council.

An Air Quality Control By-Law, as well as a Noise Control Policy, has been developed and adopted by Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Air quality- and noise complaints are captured on a central database and dealt with within the required timeframes. The following statistics included both air quality-related matters and noise complaints. All noise complaints are investigated in terms of The Western Cape Noise Control Regulations PN200/2013.

**Table 201: Air Quality Complaints 2018**

2018 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	2	2	3	3
Smoke	2	0	3	2
Dust	3	4	3	3
Burning of waste / tyres	0	0	0	0
Farm land burning	0	0	0	0
Crop spraying	0	0	0	0
Offensive odors	0	2	3	2
Unlicensed facilities	0	0	0	0
Noise	34	45	47	40
Other	1	0	0	0
<b>Total</b>	<b>42</b>	<b>53</b>	<b>59</b>	<b>50</b>

**Table 202: Air Quality Complaints 2019**

2019 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	3	4	2	4
Smoke	2	3	4	4
Dust	5	4	3	5
Burning of waste / tyres	0	0	0	2



2019 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Farm land burning	2	2	3	3
Crop spraying	0	0	0	2
Offensive odors	2	2	3	3
Unlicensed facilities	0	0	0	0
Noise	40	45	48	45
Other	2	0	0	1
<b>Total</b>	<b>56</b>	<b>60</b>	<b>63</b>	<b>69</b>

Table 203: Air Quality Complaints 2020

2020 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	16	2	6	7
Smoke	2	2	0	3
Dust	3	2	3	6
Burning of waste / tyres	0	1	1	1
Farm land burning	0	0	2	1
Crop spraying	1	0	2	1
Offensive odors	7	0	2	4
Unlicensed facilities	0	0	0	0
Noise	64	23	44	53
Other	0	0	0	0
<b>Total</b>	<b>93</b>	<b>30</b>	<b>60</b>	<b>76</b>

Table 204: Air Quality Complaints 2021

2021 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	15	15	7 (July. 21 only)	29
Smoke	5	3	0 (July. 21 only)	5
Dust	4	3	0 (July. 21 only)	6
Burning of waste / tyres	2	0	0 (July. 21 only)	2
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	5	0	1 (July. 21 only)	3
Unlicensed facilities	0	0	0 (July. 21 only)	0
Noise	35	31	6 (July. 21 only)	41
Other	2	0	0 (July. 21 only)	0
<b>Total</b>	<b>77</b>	<b>54</b>	<b>16 (July. 21 only)</b>	<b>86</b>

Table 205: Air Quality Complaints 2022

2022 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	15	15	7 (July. 21 only)	29
Smoke	5	3	0 (July. 21 only)	5
Dust	4	3	0 (July. 21 only)	6
Burning of waste / tyres	2	0	0 (July. 21 only)	2
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	5	0	1 (July. 21 only)	3
Unlicensed facilities	0	0	0 (July. 21 only)	0
Noise	35	31	6 (July. 21 only)	41
Other	2	0	0 (July. 21 only)	0
<b>Total</b>	<b>77</b>	<b>54</b>	<b>16 (July. 21 only)</b>	<b>86</b>



- ‡ Total noise complaints for 2018 = **166**
- ‡ Total noise complaints for 2019 = **178**
- ‡ Total noise complaints for 2020 = **184**
- ‡ Total noise complaints for 2021 = **72**
- ‡ Total noise complaints for 2022 = **122**

### 3.20.1 Environmental Implementation

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

### 3.20.2 Urban Forestry

The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long-term management of all trees located on the municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making WC024 the greenest municipality in South Africa through Urban Forestry practices which guides investors towards future sustainable development.

**Table 206: Management of trees in WC024 – Urban Forestry**

Type of service	2019/20	2020/21	2021/22
<b>Management Trees in WC024</b>			
Tree planting programme	60	7	162
Pruning of trees	129	1 300	700
Felling of trees	16	51	45
Stump grinding of trees	5	67	11
Spraying of oak trees	3	500	500
Root barrier management	6	5	11
Wayleaves	65	150	332

The table below indicates the total number of employees in the Section: Environmental Management.

**Table 207: Total number of employees in the Section: Environmental Management**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	2	2	0	0
9 – 13	5	5	0	0
4 – 8	8	6	2	0
3 – 0	8	8	0	0
<b>Total</b>	<b>24</b>	<b>22</b>	<b>2</b>	<b>8.69%</b>



## COMPONENT F: SECURITY AND SAFETY

### 3.21 Law Enforcement

The primary role of Law Enforcement is by-law enforcement and the protection of municipal assets and staff. The function includes the monitoring and prevention of municipal land- invasion of which the responsibility is shared between Community and Protection Services and the Section: Informal Settlements.

A 24/7 control room is in place as well as the monitoring of crime hot areas through CCTV cameras. Licence Plate Recognition Cameras (LPR) have been installed at all entrances / exits to Stellenbosch and Franschhoek towns with several LPR cameras installed on minor roads which are used on a regular basis by thoroughfare traffic to avoid the congested areas during peak times. This has proven to be very successful in the combatting of crime and crime prevention initiatives.

#### Highlights:

- ‡ Weekly operational planning with key stakeholders (SAPS and other safety partners);
- ‡ Revamp of control room concluded and operational to ensure more efficient service delivery; and
- ‡ Purchased a multi-purpose armoured vehicle to effectively deal with land invasion.

#### Challenges:

- ‡ To render a 24/7 Law Enforcement patrol service;
- ‡ Increase and maintain surveillance of key places;
- ‡ Prevent land invasions;
- ‡ Insufficient staff to fulfil operational requirements; and
- ‡ Insufficient office space to accommodate departmental staff.

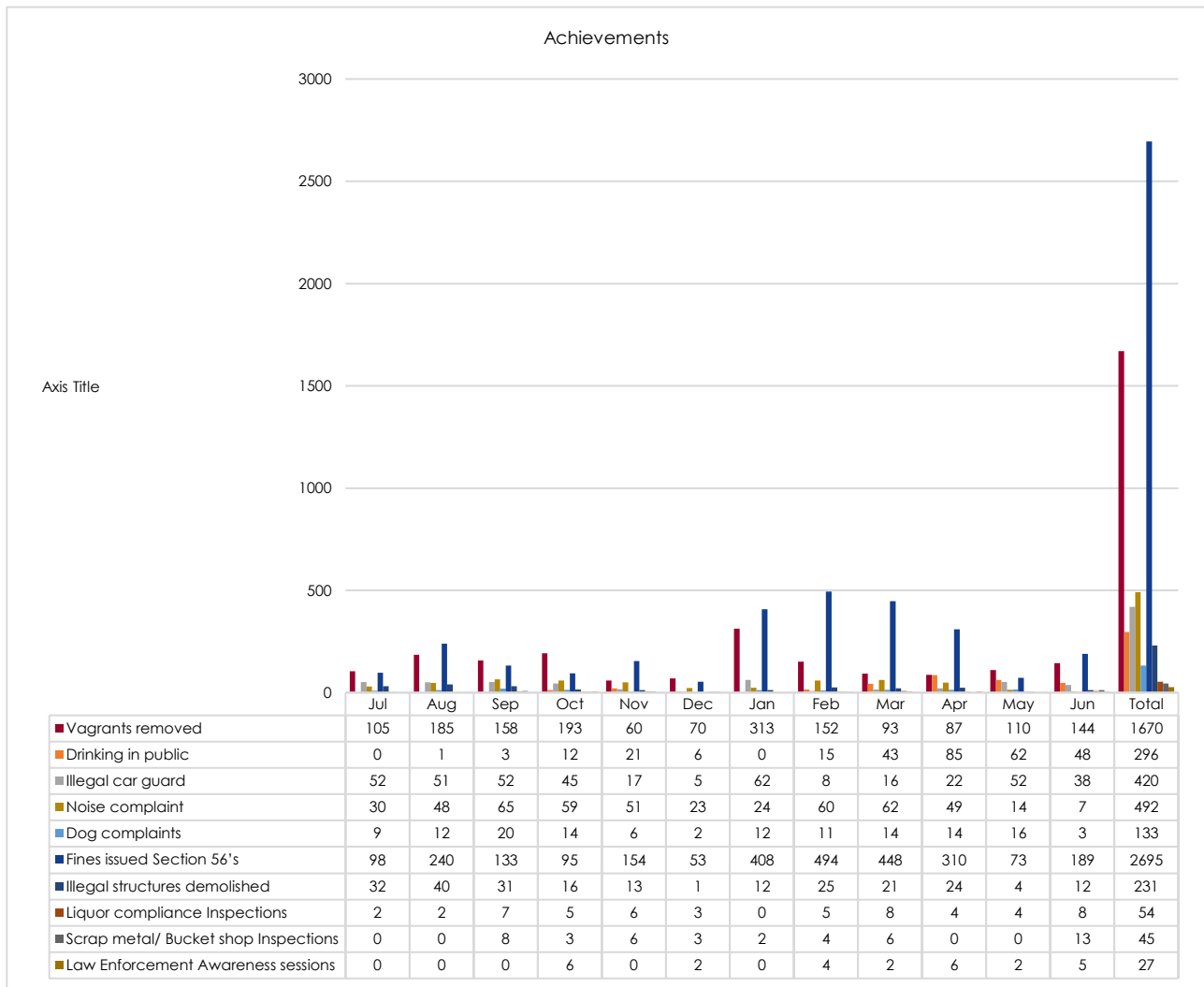
Law Enforcement attended to the following from 01 July 2021 to 30 June 2022:

**Table 208: Law Enforcement highlights**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Vagrants removed	183	180	346	162	163	31	223	228	109	216	288	273	2402
Drinking in public	5	4	5	2	36	2	9	8	18	2	1	5	97
Illegal car guard	41	87	130	78	85	12	136	73	22	77	95	16	852
Noise complaint	13	30	62	28	19	11	39	11	18	19	33	36	319
Dog complaints	3	4	28	18	11	3	13	10	4	5	7	14	120
Fines issued Section 56's	30	59	47	144	164	111	92	81	118	59	88	143	1136
Illegal structures demolished	7	5	19	19	11	17	9	22	10	27	30	47	223
Liquor compliance Inspections	11	6	27	5	7	2	5	4	4	5	4	3	83
Scrap metal / Bucket shop Inspections	5	13	5	6	4	1	17	6	5	7	3	5	77
Law Enforcement Awareness sessions	4	6	4	7	0	6	2	4	2	1	3	1	40



Figure 45: Law Enforcement Statistics



### 3.21.1 Traffic Law Enforcement

Traffic Services is performing its functions as guided by the National Road Safety Strategy with its main objectives being to achieve traffic safety on municipal roads including the functions as defined in the municipality’s Integrated Development Plan.

The National Road Safety Strategy provides all-year-round road safety initiatives. The municipality has increased its enforcement strategy in collaboration with stakeholders and affected parties. Operations like Automatic Number-plate Recognition are conducted to improve compliance with - and payment of traffic fines.

On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; speeding; drunk-driving and driving under the influence of narcotics; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance with regard to vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance ; eradication of corruption; administrative compliance and overall improvement of enforcement systems. This includes additional hours and Saturday operations at the Admin Section and a new approach to the Law Enforcement strategies.





### 3.21.2 Highlights and challenges for Traffic Law Enforcement

Traffic Law Enforcement strategies has managed to yield good results;

In the 2021/22 financial year, Traffic Service have continued with the delivery of its Traffic and Pedestrian Safety Programme which entails a team of two traffic officers who focuses on the education of learners and farm workers regarding road safety issues. Lectures were presented at schools and training provided in respect of correct bicycle etiquette and the registration, training, and monitoring of scholar patrols throughout the municipality. 86 Awareness initiatives on public safety were held at targeted schools in the municipal area.

Another area of concern was the education of farm workers in the municipal area. The focus was on traffic rules for pedestrians, which included safe crossing the road, and the wearing of visible clothing especially during winter, early in the mornings and late at night.

The jaywalking (occurs when a pedestrian walks in or crosses a roadway that has traffic, other than at a suitable crossing point disregarding traffic rules) have been another intervention as many pedestrians are killed or injured while jaywalking.

#### a) Challenges:

- ⚠ Inadequate Human Resources – Limited Staff;
- ⚠ The capacity of the DLTC – restricted the municipality to perform limited tests; and
- ⚠ Vehicle Testing Station Infrastructure challenges and staff shortages.

It is observed that Stellenbosch is fast growing to be a choice of employment and business hub, however the municipality's resources do not enable it to be on par with such development. This limitation may project a negative reflection on the municipality's core function.

#### b) Service Statistics – Traffic Services

**Table 209: Service Data for Traffic Services**

Details	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of Traffic Officers on duty on an average day	28	28	30	30	19	20
Motor vehicle licenses processed	153 119	80 472	77 374	69 338	88 004	86 075
Learner driver licenses processed	5 200	4 560	8 677	3 273	3 538	6 104
R-value of fines collected	28 652 120	23 773 325	26 557 540	23 138 195	18 360 490	21 040 506
Roadblocks held	25	156	205	267	1 085	1 108
Special functions – escorts	144	157	170	42	63	86
Awareness initiatives on public safety	120	211	104	75	110	86

**Table 210: Additional Service Data of Traffic Services**

Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Accidents</b>						
Fatal	21	11	33	15	16	6
Serious injuries	76	66	71	60	48	22
Slight injuries	517	330	428	306	276	228
No injuries	2 551	3 145	2 979	2 450	1 749	2 410



Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Reckless / careless: case dockets	48	52	24	21	14	31
Culpable homicide: case dockets	17	18	18	9	10	14
Pedestrians: fatal	10	06	11	8	4	3
Pedestrians: serious injuries	29	34	21	42	14	12
Pedestrians: slight injuries	106	68	98	110	60	32
<b>Learner's licences</b>						
Appointments	5 200	4 560	4 915	3 464	4 057	3 972
Applications passed	2 958	2 829	2 829	2201	2 360	1 976
Duplicate request	112	136	110	96	131	100
Applicants tested	4 462	4 146	4 025	3 223	3 407	3 118
Applicants failed	1 890	1 601	1 465	1 072	1 081	1 105
Applicant absent	644	335	414	386	339	303
<b>Driver's licences</b>						
Appointments	2 382	2 323	1 739	1 442	2 853	2 435
Conversions	9 018	9 492	9 172	7 521	7 185	8 522
Applicants tested	1 615	1 640	1 348	1 276	2 215	2 211
Driving licenses issued (temp)	4 492	4 692	5 070	3 604	2 948	3 933
Applicants passed	824	729	594	564	1 078	1 092
Applicants failed	988	1 090	823	711	1 137	1 046
Applicants absent	374	284	264	340	306	373
Applications instructors	6	10	9	4	6	1
Issued instructors	5	6	10	4	9	1
Application / issued PRDP	1 686	1 697	1 720	1 428	1 417	993
<b>Testing centre: roadworthy certificates</b>						
Motor vehicles	637	762	210	0	43	0
Light delivery vehicles	124	128	45	0	16	0
Heavy delivery vehicles (trucks)	78	45	22	0	3	0
Trailers	77	44	40	21	6	0
Taxis	65	41	18	0	3	0
Busses	10	17	0	0	0	0
Motorbikes	90	53	78	31	23	28
<b>Motor vehicle registration</b>						
Duplicate registrations cert.	1478	1639	1 557	1 150	1 195	1 456
Registration only	14 591	14 432	14 457	11 481	11 823	12 129
Temporary permits	236	212	220	194	263	225
Special permits	380	436	324	284	200	138
Specific registration number	702	711	581	488	571	672
RTMC	51 083	52 391	52 857	45 939	51 671	51 862
<b>Traffic offences</b>						
Vehicle defective / faulty	834	1 094	1 999	3663	8504	8 162
Moving violations	19 994	14 661	1 369	16 993	17 423	12 925
Parking offences / violations / mobile	7 055	23 968	25 715	16 254	14 139	28 353
Speed camera / mobile / fixed and robot traffic - TMT	233 711	573 339	251 378	284 029	318 431	392 631



The tables below indicate the capital expenditure for the Section: Law Enforcement and Traffic Services as at 30 June 2022:

**Table 211: Capital Expenditure as at 30 June 2022: Traffic and Law Enforcement**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Install and Upgrade CCTV Cameras in WC024	2 369	1 917	-23,59
Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings	526	358	-46,97
Law Enforcement: Vehicle Fleet	3 622	2 020	-79,31
Neighbourhood Watch Safety equipment	2 871	2 871	-0,01
Replacement of Patrol Vehicles	271	271	-

Law Enforcement have spent, 1.94% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Traffic Law Enforcement as at 30 June 2022.

**Table 212: Total number of employees in the Section: Traffic Law Enforcement**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	4	4	0	100
9 – 13	52	46	6	11.1%
4 – 8	19	16	3	15.8%
3 – 0	1	1	0	100
<b>Total</b>	<b>77</b>	<b>68</b>	<b>9</b>	<b>11.8%</b>

### 3.22 Fire and Disaster Management

Stellenbosch fire services aims to be a service that is proactive in preventing fires and other risks rather than simply reacting to fires through:

- ✚ Acting in support of the wider developmental agenda as outlined in the IDP;
- ✚ Establishing sound institutional and administrative capabilities that support its roles and purpose;
- ✚ Demonstrating good governance and administration;
- ✚ Adopting community-based approaches;
- ✚ Putting people and their concerns first; and
- ✚ Professionalisation of the function.

Disaster Management is one of several terms used to describe the same discipline. Others include emergency management, civil protection, crisis management, civil defence and disaster risk management. The aim is to bring disaster management closer to the community. Community based disaster management and risk reduction planning process will assist in uniting the community's understanding of the risks and in preparedness, mitigation and prevention efforts, even if the members of the community have differing perceptions of disaster risk and even if they differ in age, gender, education and social class.



Based on the following elements:

The basic elements and features of Community based disaster management are:

- ✦ People's participation - community members are the main actors and propellers; they also directly share in the benefits of disaster risk reduction and development.
- ✦ Priority for the most vulnerable groups, families, and people in the community – in urban areas the vulnerable sectors are generally the urban poor and informal sector while in rural areas, these are the subsistence farmers, fisherfolk and indigenous people; also vulnerable are the elderly, the differently-abled, children and women (because of their caregiving and social function roles). Risk reduction measures are community-specific and are identified after an analysis of the community's disaster risk (hazards, vulnerabilities and capacities and perceptions of disaster risk).
- ✦ Existing capacities and coping mechanisms are recognised – CBDM Mitigation builds upon and strengthens existing capacities and coping strategies.
- ✦ The aim is to reduce vulnerabilities by strengthening capacities; the goal is building disaster-resilient communities.
- ✦ Links disaster risk reduction with development - addresses vulnerable conditions and causes of vulnerabilities.
- ✦ Outsiders have supporting and facilitating role.

#### Highlights:

- ✦ Upgrading of Stellenbosch Fire Station: overnight quarters, roof, solar panels, control center, mini disaster center.
- ✦ Completion of the ward-based risk assessment.

#### Challenges:

- ✦ Rapid expanding informal settlements

### a) Service Statistics – Fire and Disaster Management

**Table 213: Service Data for Fire and Disaster Management**

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total fires attended in the year	817	794	647	1 011	1 043	947	944	1 022
Total of other incidents attended in the year	1 953	555	1 952	1 655	1 511	1 740	3416	2 515
Average turnout time - urban areas (minutes)	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	22.75	22.75	22.75	20.5	20	15	15	15
Fire fighters in post at year end	43	56	52	57	57	58	61	61
Total fire appliances at year end	11	9	10	11	13	15	17	17
Average number of appliances off the road during the year	2	2	3	2	2	2	2	2
Total operational callouts	2 770	1 349	2 704	2 666	2 556	2 687	4 360	3 537
Immediate relief to victims	552	1 021	831	849	437	573	555	775
Emergency flood kits	116	411	300	184	118	372	37	0
Emergency housing kits	299	341	277	190	149	262	156	208



Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Meals (food parcels)	215	349	327	180	158	138	155	213
Blankets	297	699	315	526	473	479	497	601

The table below indicates the capital expenditure for the Section: Fire and Disaster Management as at 30 June 2022.

**Table 214: Capital Expenditure as at 30 June 2022: Fire and Disaster Management Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Upgrading of Stellenbosch Fire Station	9 975	8 483	-17,59
Specialised Vehicle N/A	397	397	-0,04
<i>Only the 5 largest capital projects are listed</i>			

Fire and Disaster Management have spent, 2.35% of the capital budget for the financial year.

The table below indicates the number of employees in the Section: Fire and Disaster Management as at 30 June 2022.

**Table 215: Total number of employees in the Section: Fire and Disaster Management**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	6	5	1	16.6%
9 – 13	13	12	1	0
4 – 8	54	54	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>74</b>	<b>72</b>	<b>2</b>	<b>2.7%</b>



## COMPONENT G: SPORT AND RECREATION

### 3.23 Holiday resorts and camp sites

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site, the Jonkershoek Picnic Site. This site is situated in the Jonkershoek Valley on the banks of the Eerste River. The picnic site attracts up to 15 840 visitors per annum due to its natural beauty and tranquillity set at the foothills of the Jonkershoek mountains and provides outdoor leisure for visitors, catering for braai and picnics along the river course.

#### 3.23.1 Sports facilities and Swimming Pools

**Table 216: Service Statistics – Holiday Resorts and Campsites**

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Number of resorts</b>	1	1	1	1	1	1	1	1
<b>% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)</b>	PAX: 17 248 CARS: 5 234 Income: R462 790	PAX:16 256 CARS:4687 Income: R459 197	PAX:15840 CARS:3372 Income: R448 701	PAX:13636 CARS:2434 Income: R403 579.74	PAX:20690 CARS:5246 Income: R648 115	PAX:12993 CARS:2063 Income: R462 832.73	PAX:0 CARS:0 Income: R0	PAX:10 585 CARS: 1757 Income: R380 269

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen (17) sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten (10) are located in the urban areas and seven in the rural areas.

It is the municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

#### 3.23.2 Service Statistics Sport - Grounds and Swimming Pools

**Table 217: Service Statistics Sport Grounds and Swimming Pool**

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Number of sport grounds / fields</b>	17	17	17	17	17	17	17	14
<b>Number of swimming pools</b>	1	1	1	1	1	1	1	1
<b>Number of stadiums</b>	10	10	10	10	10	10	10	14



The table below indicates the capital expenditure for the Section: Sport, Recreation and Halls as at 20 June 2022.

**Table 218: Capital Expenditure: Sports Grounds and Swimming Pools (Section: Sport, recreation and Halls)**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R'000		
Integrated Parks	829	-15 957	105,19
Skateboard Park	1 024	1 023	-0,10
Upgrading of Parks	1 100	621	-77,15
Urban Forestry: Vehicle Fleet	1 742	1 725	-1,00
Upgrade of swimming pool N/A	2 266	2 219	-2,13

Sport Grounds and Swimming Pools have spent, 6.37% of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Sport, Recreation and Halls as at 20 June 2022.

**Table 219: Total Employees Section: Sport - Grounds and Swimming Pools (Section: Sport, Recreation and Halls)**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	1	1	0	100
9 – 13	4	4	0	0
4 – 8	19	19	0	0
3 – 0	8	8	0	0
<b>Total</b>	<b>33</b>	<b>33</b>	<b>0</b>	<b>0</b>

### 3.24 Community Halls and Facilities

Stellenbosch Municipality is the proud owner of two top-class town halls and nine community facilities that cater for residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events.

**Table 220: Total functions: Community Halls and Facilities**

Type of service	2019/20	2020/21	2021/22
<b>Total functions at municipal halls</b>			
Stellenbosch Town Hall	65	0	10
Klapmuts Centre	59	28	80
Eikestad Hall	142	17	74
Wemmershoek Hall	31	7	37
La Motte Community Hall	12	14	59
Franschhoek Town Hall	11	1	2
Groendal Community Hall	76	18	69
Kylemore Community Hall	20	19	36
Pniël Banquet Hall	44	15	34



Type of service	2019/20	2020/21	2021/22
Kayamandi Community Hall	N/A	N/A	27
Cloetesville Banquet Hall	N/A	N/A	5

The table below indicates the total revenue for Community Halls and Facilities.

**Table 221: Total Revenue / Income: Community Halls and Facilities**

Type of service	2019/20	2020/21	2021/22
Stellenbosch Town Hall	R1 047 814.66	R0	R 100 935.38
Klapmuts Centre	R47 356	R23 475.60	R 62 892.64
Eikestad Hall	R93 475	R9 407.60	R 51 675.42
Wemmershoek Hall	R35 526	R3 662.63	R 18 385.53
La Motte Community Hall	R23 731	R7 068.61	R 30 293.54
Franschhoek Town Hall	R66 260.90	R9 403	R10 565.22
Groendal Community Hall	R61 394.10	R13 488.50	R 42 818.74
Kylemore Community Hall	R11 260.70	R10 855.72	R 25 718.23
Pniël Banquet Hall	R36 706.20	R8 522.12	R 30 556.39

The table below indicates the total number of employees in the Section: Sport, Recreation and Halls as at 20 June 2022.

**Table 222: Total Employees: Community Halls and Facilities (Section: Sport, Recreation and Halls)**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	100
14 – 17	1	1	0	0
9 – 13	1	1	0	0
4 – 8	1	1	0	0
3 – 0	12	11	1	8.33%
<b>Total</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>6.25%</b>





## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

### 3.25 Financial Services

#### 3.25.1 Service statistics

**Table 223: Financial service statistics**

Details of the types of account raised and recovered	2021/22		
	Billed in Year	Actual for accounts billed in year	Proportion of value of accounts billed that were collected
	R		%
Property Rates	414 445 896	-412 151 467	-99,45
Electricity	742 643 363	-730 421 274	-98,35
Water	146 829 883	-120 717 138	-82,22
Sanitation	102 285 414	-97 767 195	-95,58
Refuse	84 651 895	-77 150 861	-91,14

### 3.26 Human Resources Services

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refer to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment. The vision of the Department: Human Resources Management is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Department: Human Resources Management is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust and mutual respect. The municipality will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Department: Human Resources Management objectives for Stellenbosch Municipality include but are not limited to:

- ✦ Helping the organisation achieve its goals;
- ✦ Ensuring effective utilisation and maximum development of human resources;
- ✦ Ensuring respect for human beings;
- ✦ Identifying and satisfying the needs of individuals;
- ✦ Ensuring reconciliation of individual goals with those of the organisation;
- ✦ Achieving and maintaining high morale among employees;
- ✦ Providing the organisation with well-trained and well-motivated employees;
- ✦ Increasing employees job satisfaction and self-actualisation;



- ‡ Developing and maintaining the quality of work-life;
- ‡ Being ethically and socially responsive to the needs of the community;
- ‡ Developing the overall personality of each employee in its multidimensional aspect;
- ‡ Enhancing employee's capabilities to perform the present job; and
- ‡ Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- ‡ Strategic Human Resources Management;
- ‡ Labour Relations;
- ‡ Recruitment and Selection;
- ‡ Training and Development;
- ‡ Employee Assistance;
- ‡ Occupational Health and Safety;
- ‡ Employment Equity; and
- ‡ All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Department: Human Resources Management, who provides policies, guidelines, support, systems and specialised inputs.

The highlights for the Department: Human Resources Management in 2021/22 are the following:

- ‡ 278 employees were trained;
- ‡ 40 employees attended learnerships
- ‡ 6 employees completed their trade test in plumbing and were found competent

The challenges for the Department: Human Resources Management in 2021/22 were the following:

- ‡ Shortage of conducive training venues;
- ‡ Poor responses on Individual Skills Audit % Personal Development Forms

The following was submitted within the 2021/22 year and is under consideration at the LLF:

- ‡ Measures to recover arrear monies from employees;
- ‡ TASK Evaluation policy; and
- ‡ Employee Parking Policy.



The table below indicates the total number of employees in the Department: Human Resources Management:

**Table 224: Total number of employees in the Department: Human Resources Management**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0
14 – 17	3	3	0	0
9 – 13	10	9	1	10%
4 – 8	3	2	1	33.3%
3 – 0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>15</b>	<b>2</b>	<b>11.8%</b>

### 3.27 Information and Communication Technology (ICT) Services

The Department: ICT committed its time in the 2021/22 financial year to purchase and replace computer software and hardware to improve the efficiency of the various municipal business units.

#### a) Highlights:

- ✦ High site wireless hardware links were procured and delivered during this time with the plan to upgrade the municipal network to the outer lying areas under the WC024 area. A rates tender for WAN Infrastructure was approved to assist in shortening the municipality's turnaround time in commissioning new sites and improving current location services;
- ✦ The network support encompasses both the ICT and camera infrastructure by way of expanding the Avalon contract services to cover this critical service. The SLA was further been expanded to include labour support for network cabling as well as hardware support for the commissioning of new camera locations. This has reduced the cost of this service as the ICT network has been able to incorporate the camera infrastructure. This has, in turn, saved the municipality and the public money in providing this critical service;
- ✦ The Department: ICT spent a large amount of its effort on once again reducing costs by way of procuring printers via the National Treasury RT3-2018 contract. As a result of this contract, the municipality reduced its printer footprint and begin to centrally manage usage across printers. The many office printers were replaced with shared departmental printers further assisting in reducing costs;
- ✦ The Global Information System ESRI GIS was renewed for a further 3 years with the implementation of the BPAMS and TPAMS version 2 taking place
- ✦ Supported the Community Development Department in moving to the Simonsberg Street Offices by providing needed ICT infrastructure with battery backup power.
- ✦ The MooiWater Taxi rank offices was commissioned and included the installation of a high-speed satellite link and data and telephone points for the offices.
- ✦ The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure the sustainability of the ICT services was also completed;
- ✦ ICT embarked on a Microsoft Office 365 and Windows 10 migration which is a project aimed at facilitating ease of access anywhere and anytime;
- ✦ The Disaster Recovery and Colocation Services project including WAN and Internet Services was successfully implemented by First Technology and will remain in place until 30 June 2023. The DR site is at TERACO in Claremont and meets all the AG requirements;
- ✦ The municipality is currently implementing a cyber-security solution called F-Secure which will give the municipality better protection and is the best Anti-Malware, best Ransomware



- defence security to protect from ransomware and prevent data encryption;
- 4 Quarterly GIS Forum meetings took place during the financial year 2021/22;
- 4 Quarterly ICT Steering Committee meetings took place during the financial year 2021/22

### 3.27.1 Service Statistics – Information and Communication Technology (ICT)

**Table 225: Service Statistics – ICT**

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	%							
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	99.9	99.9	99	99	99	99
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	98	98	98	98	98	98	98
Connecting all municipal sites to the ICT network	100	100	100	100	100	100	100	100

The table below indicates the capital expenditure for the Department: ICT services as at 30 June 2022.

**Table 226: Capital expenditure - ICT services as at 30 June 2022**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget %
	R'000		
Public WI-FI Network N/A	591	591	-0,00
Upgrade and Expansion of IT Infrastructure Platforms			
Purchase and Replacement of Computer/software and Peripheral devices N/A	4 199	4 149	-1,21
Upgrade and Expansion of IT Infrastructure Platforms	4 563	3 522	-29,56

ICT have spent, 2.05% of the capital budget for the financial year.

The table below indicates the number of employees in the Department: ICT as at 30 June 2022.

**Table 227: Total number of employees in the Department: ICT**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	2	1	1	50%
14 – 17	3	3	0	0
9 – 13	6	6	0	0
4 – 8	0	0	0	0
3 – 0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>10</b>	<b>1</b>	<b>9.1%10</b>



### 3.28 Legal Services

The Section: Legal Services in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on key service delivery objectives with respect to Legal Services.

**a) The main objectives are the following:**

- ⚡ Advise and manage litigations instituted by the municipality and against it;
- ⚡ Provide legal advice, opinions and input on policies, contracts, agreements, memorandums, legislation, by-laws and authorities;
- ⚡ Advising Council on items submitted to meetings;
- ⚡ Ensuring by-laws are promulgated after consultation with user departments and approval by Council; and
- ⚡ Attend to new legislation and proclamations for comment as and when required.

**b) Challenges:**

- ⚡ To deal with urgent requests for legal input to Portfolio and Council Committees;
- ⚡ Lack of skilled administrative support to chief legal advisor; and
- ⚡ Availability of well-maintained legal library and reference resources.

The table below indicates the total number of employees in the Section: Legal Services as at 30 June 2022.

**Table 228: Total number of employees in the Section: Legal Services**

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	0	0	0	0%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>100</b>

### 3.29 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following prosecutions:

- ⚡ Traffic by-laws;
- ⚡ Provincial Traffic by-laws;
- ⚡ SAPS by-laws;
- ⚡ Law Enforcement by-laws;
- ⚡ Fire by-laws;
- ⚡ Building and Land Use Regulations, and all other By- Law contraventions;
- ⚡ Electrical By-laws; and
- ⚡ Noise pollution.



### a) Mission Statement of the Municipal Court

Our aim is to: -

- ✦ promote justice and service delivery;
- ✦ enhance revenue to invest in the community;
- ✦ “let Justice be seen to be done”; and
- ✦ minimise crime and have a safer Stellenbosch.

#### The Municipal Court was established to:

- ✦ Support and secure good governance;
- ✦ Ease the burden on regular courts;
- ✦ Increase the speed of services;
- ✦ Allow for more successful prosecutions by applying specialist knowledge;
- ✦ Improve communications between the by-law prosecutors and enforcers;
- ✦ Support by-law enforcement;
- ✦ Ensure a user-friendly court; and
- ✦ Keeps members of the public who committed a minor crime (such as a traffic offence) away from hardened criminals.

The municipality is also looking into having an Ad Hoc Court in Franschhoek / Klipmuts in the near future. This could be another boost for the Municipal Court service to the community. Prosecuting some of the cases in the Paarl Magistrate's Court is also currently being considered.

The introduction of the Additional Municipal Court has definitely been an essential, strategic implementation that will benefit the whole community of Stellenbosch.

### 3.29.1 Statistical Report – Case Load

Table 229: Statistical Report Case load 2021/22

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>Cases on the roll</b>	1244	1763	320	1830	1683	1127	1362	1872	1149	942	1749	2122
<b>Withdrawn</b>	8	3	8	16	9	19	23	26	1	32	5	11
<b>Struck off the role</b>	21	58	9	46	14	4	26	61	92	325	74	178
<b>Warrants authorised</b>	1131	1592	253	1656	1081	1043	1246	1694	980	530	42	1845
<b>Deferment</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Payments</b>	35	50	17	55	60	37	36	44	28	39	55	53
<b>Postponed</b>	51	53	28	45	27	19	30	12	16	11	31	26
<b>Mediations</b>	0	0	0	0	0	0	0	0	0	0	0	0



### 3.29.2 Financial Report of the Municipal Court 2021/22

**Table 230: Financial Report of the Municipal Court 2021/22**

Month	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
<b>Jul</b>	R391 510	R1300	R1 800	R40 200	R0	R7 000	R0	R441 810
<b>Aug</b>	R290 130	R0	R600	R25 800	R0	R0	R3 000	R319 530
<b>Sep</b>	R268 190	R500	R2 900	R27 000	R0	R7 500	R0	R306 090
<b>Oct</b>	R320 720	R0	R300	R31 200	R0	R2 500	R0	R354 720
<b>Nov</b>	R293 180	R0	R3 650	R19 500	R0	R3 000	R0	R319 330
<b>Dec</b>	R237 930	R400	R3 690	R20 100	R200	R0	R7 500	R269 820
<b>Jan</b>	R264 980	R1 000	R0	R25 200	R5 200	R0	R4 000	R300 380
<b>Feb</b>	R301 800	R5 000	R0	R19 500	R2 950	R0	R2 500	R331 750
<b>Mar</b>	R257 780	R0	R3 700	R15 000	R7 275	R0	R0	R283 755
<b>Apr</b>	R195 750	R500	R300	R17 400	R4 150	R0	R6 000	R224 100
<b>May</b>	R318 300	R0	R3 250	R20 400	R3 100	R0	R3 000	R348 050
<b>June</b>	R273 205	R0	R650	R20 400	R5 700	R0	R0	R299 955

The table below indicates the total number of employees in the Section: Municipal Court as at 30 June 2022.

**Table 231: Total number of employees in the Section: Municipal Court**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	1	100
9 – 13	0	0	0	0
4 – 8	4	3	1	25
3 – 0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>40</b>



## COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

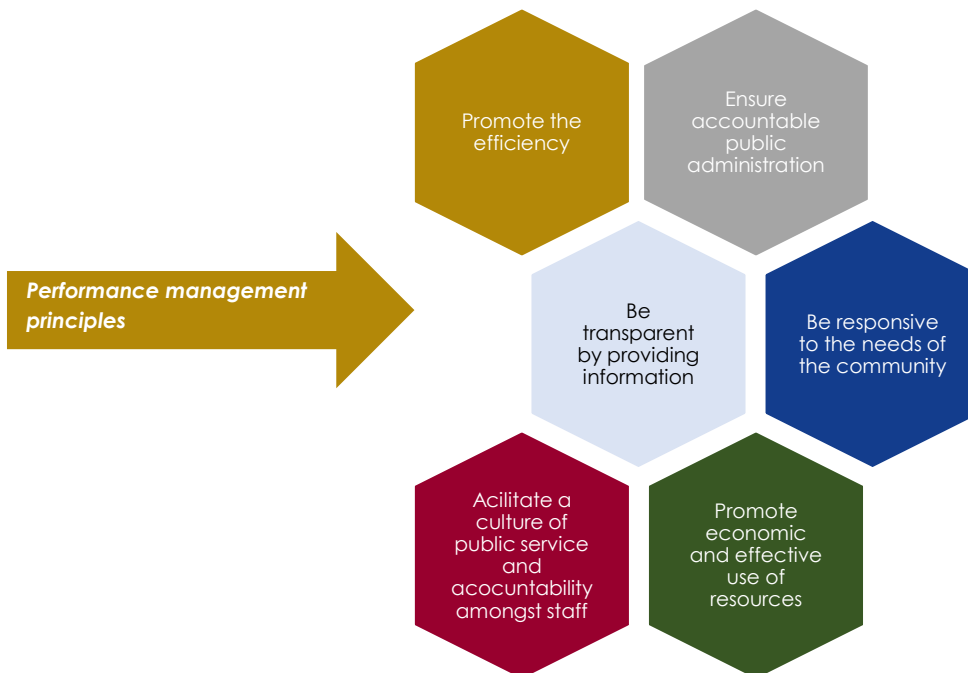
### 3.30 Performance Management

Performance management is a process that measures the implementation of the organisation's strategy as captured within the Integrated Development Plan (IDP). It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At a local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Stellenbosch. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others:

**Figure 46: Performance Management Principles**



It is a statutory requirement according the MSA to establish a performance management system and an Integrated Development Plan (IDP) that must be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be





conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

### **3.30.1 Legislative requirements**

In terms of section 46(1)(a) of the MSA, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

### **3.30.2 Organisational performance**

Strategic performance assessment indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA.

The Performance Management Policy 2021/22 is currently under review to be aligned with the new staff regulations 809.

### **3.30.3 Governance framework for the IDP, Budget and Performance Management**

The draft review of the 4th Generation IDP was tabled in March 2021 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2021/22 MTREF Budget on 23 June 2021.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Stellenbosch Municipality over the next five years. The IDP must guide and determine municipal planning and project implementation. The 2021/22 budget was based on the IDP and other spheres of government and service providers.

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that was received from residents in the August 2016 local government election. The MSA requires municipalities to consult with their residents and the broader institutions, which elicited a positive reaction and involvement from the public.



The IDP is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. In keeping with the more evolved and strategic approach to this IDP, the implementation plan focuses on only the key strategic programmes, projects and initiatives that will support the achievement of the priorities during the five-year term of office. Its focus is on development in the broader sense and it is a structured plan that informs budget priorities, decision making and the allocation of resources.

The focus of the IDP is varied and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and, crucially, exploring new ways of working and living together. It directs and is informed by different aspects of the municipality's work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

The three-year budget sets out the revenue-raising and expenditure plan of the municipality for approval by the Council in accordance with the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

The IDP must be reflected in the performance agreements of the relevant staff and through the budget, in the service delivery and budget implementation plan (SDBIP). The key performance management instrument of the municipality is the SDBIP. Linked to the IDP, the SDBIP forms the basis of the performance contracts of directors and quarterly, mid-year and annual performance reviews of senior management, directorates and the municipality.

### **3.30.4 Service Delivery and Budget Implementation Plan**

The organisational performance is evaluated using a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview of the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at an organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are



implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 of 2009 and prescribes that the:

- ‡ IDP and budget must be aligned;
- ‡ budget must address the strategic priorities;
- ‡ SDBIP should indicate what the municipality is going to do during the next 12 months; and
- ‡ SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

### 3.30.5 The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council advised by the senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2021/22 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal

Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

- ‡ Monthly projections of revenue to be collected from each source;
- ‡ Monthly projections of expenditure (operating and capital) and revenue for each vote;
- ‡ Quarterly projections of service delivery targets and performance indicators for each vote;
- ‡ Ward information for expenditure and service delivery; and
- ‡ Detailed capital works plan broken down by ward over three years.

Top-Layer KPIs were prepared based on the following:

- ‡ Key performance indicators (KPIs) for the programmes / activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- ‡ KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders; and
- ‡ KPIs to address the required national minimum reporting requirements.

### 3.30.6 Amendment of the Top Layer SDBIP

The TL SDBIP 2021/22 was reviewed once during the financial year under review and submitted to Council for approval on 06 June 2021 and revised 23 February 2022.

The municipality utilises an electronic web-based, real-time performance-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

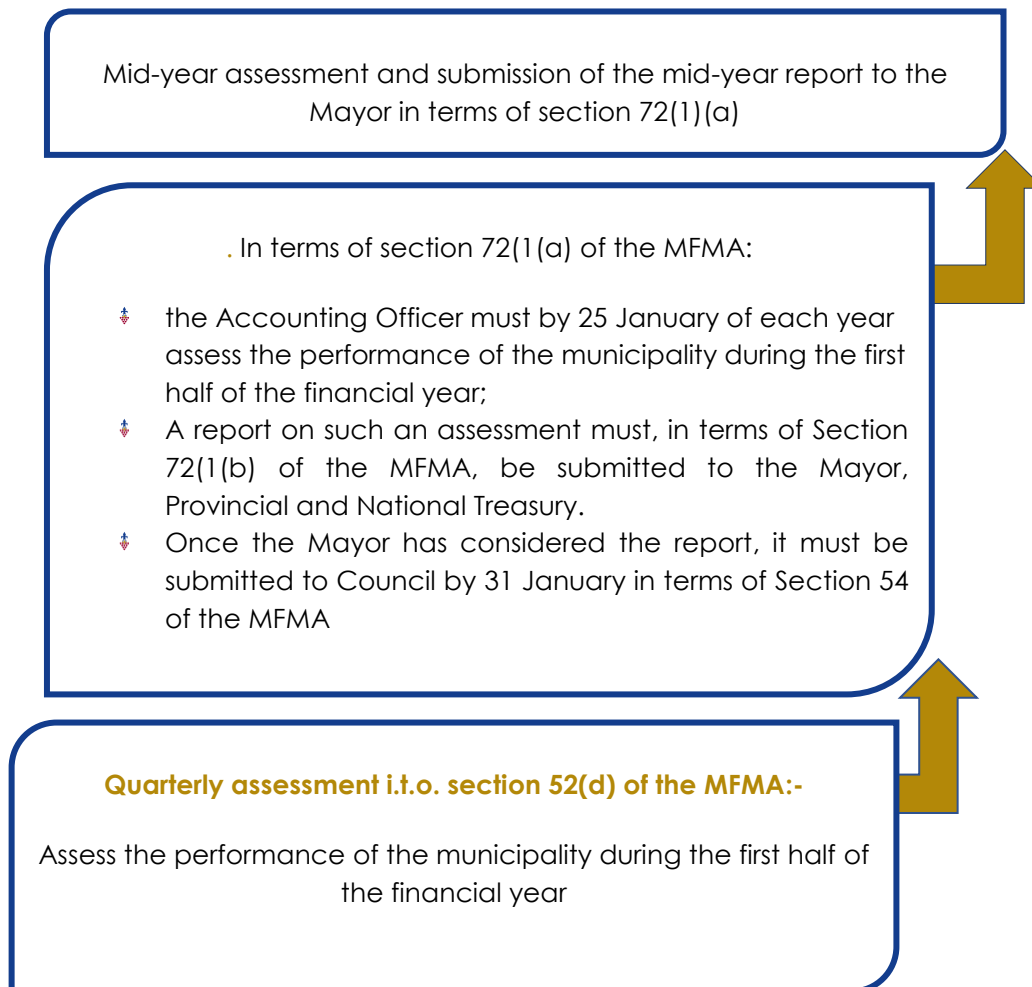
- ‡ The actual result in terms of the target set;
- ‡ A performance comment; and
- ‡ Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question if the target was not achieved.



It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

### 3.30.7 Monitoring of the Service Delivery and Budget Implementation Plan

Municipal performance is measured as follows:



The Executive Mayor, who must provide general political guidance over the fiscal and financial affairs of the municipality, is required by Section 52(d) of the MFMA to submit a report on the implementation of the budget and the financial state of affairs of the municipality, to the Council within 30 days after the end of each quarter.

The actual performance was audited by the Department: Internal Audit (IA) and the results of their findings were submitted to the Audit and Performance Audit Committee (APAC).

- ✦ Quarter 1 (July to September);
- ✦ Quarter 2 (October to December);
- ✦ Quarter 3 (January to March); and
- ✦ Quarter 4 (April to June).



## Other Municipal Personnel

The municipality has implemented individual performance management of employees on the three highest levels of management.

### Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with the Municipal Manager and managers directly reporting to the Municipal Manager i.t.o. section 56. Performance agreements must be reviewed annually and are published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The revised (latest) performance plans for the Municipal Manager and section 56 appointments for the 2021/22 financial year were signed on 23 February 2022 as prescribed. They include performance agreements for the:

- ‡ Municipal Manager;
- ‡ Chief Financial Officer;
- ‡ Director: Corporate Services;
- ‡ Director: Planning and Local Economic Development;
- ‡ Director: Community and Protection Services; and
- ‡ Director: Infrastructure Services.

**Table 232: Performance management governance**

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
<b>In place?</b>	√	√	√	√	√	√

In the paragraphs below, the performance achieved is illustrated against the Top-Layer SDBIP according to the IDP strategic objectives. The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPIs) of the SDBIP is measured:

**Table 233: Performance Assessment Criteria**

Color	Category	Explanation
	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidates service delivery targets set by Council / Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.



### 3.30.8 Overall Performance per Municipal Strategic Focus Area

**Table 234: Overall Performance per Municipal Strategic Focus Area**

The following table illustrate the municipality's overall performance per Municipal Strategic Focus Area (SFA). The Annual Performance Report 2021/22 was submitted to the Stellenbosch Municipal Council as well the Auditor General in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2).

This tables below give a clear indication which was reported to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

**Table 235: Performance summary per Municipal Strategic Focus Area (SFA)**

Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	3 (6.98%)	-	-	-	1 (8.33%)	2 (12.50%)
KPI Almost Met	6 (13.95%)	1 (16.67%)	2 (33.33%)	-	1 (8.33%)	2 (12.50%)
KPI Met	22 (51.16%)	3 (50%)	3 (50%)	3 (100%)	3 (25%)	10 (62.50%)
KPI Well Met	8 (18.60%)	1 (16.67%)	-	-	6 (50%)	1 (6.25%)
KPI Extremely Well Met	4 (9.30%)	1 (16.67%)	1 (16.67%)	-	1 (8.33%)	1 (6.25%)
<b>Total:</b>	<b>43</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>12</b>	<b>16</b>
	100%	13.95%	13.95%	6.98%	27.91%	37.21%



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 Introduction to the Municipal Workforce

Stellenbosch Municipality, as of 30 June 2022, employed **1 142** officials (excl. Councillors and excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

### 4.2 Employment Equity

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the “number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan” The following table provides clarity on the employment equity status as at 30 September 2021.

**Table 236: EE Targets / Actual by Racial Classification**

Financial Year	African			Coloured			Indian			White		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	334	372	111.4%	497	651	131%	23	4	17%	75	94	125.3%
2019/20	334	383	111.4%	497	680	137%	23	4	17%	75	96	128%
2020/21	334	395	118.3%	497	660	132.8%	23	4	17%	75	83	110.67%
2021/22	334	387	115.9%	497	671	135.01%	23	4	17%	75	79	105.3%

**Table 237: Targets / Actual by Gender Classification**

Financial Year	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	681	750	110.1%	670	371	55.3%	10	10	100%
2019/20	681	760	111.6%	670	398	59.4%	10	10	100%
2020/21	681	737	108.22%	670	405	60.45%	10	10	100%
2021/22	681	735	107.9%	670	406	60.6%	10	10	100%



### 4.3 Occupational Categories - Race

The table below categorises the number of employees by race within the occupational levels.

**Table 238: Occupational Categories – Race**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	12	14	0	4	6	4	0	11	51
Senior management	0	4	0	3	1	2	0	0	10
Professionally qualified and experienced specialists and mid-management	5	23	2	11	18	17	1	10	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	48	122	1	28	58	91	0	16	364
Semi-skilled and discretionary decision making	88	163	0	6	49	90	0	3	399
Unskilled and defined decision making	101	119	0	0	24	30	0	0	274
<b>Total permanent</b>	<b>254</b>	<b>445</b>	<b>3</b>	<b>52</b>	<b>156</b>	<b>234</b>	<b>1</b>	<b>40</b>	<b>1185</b>
Non-permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	18	19	0	7	38	29	0	0	111
<b>Grand total</b>	<b>272</b>	<b>464</b>	<b>3</b>	<b>59</b>	<b>194</b>	<b>263</b>	<b>1</b>	<b>40</b>	<b>1296</b>

### 4.4 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

**Table 239: Directorates by Race**

Directorate	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	12	12	0	4	6	4	0	10	48
Office of the Municipal Manager	0	2	0	1	5	6	0	2	16
Financial Services	9	32	1	2	18	50	0	5	117
Planning and Economic Development	6	22	0	6	17	24	0	7	82
Corporate Services	7	25	1	1	14	22	0	5	75
Community and Protection Services	76	129	1	23	59	90	1	8	387
Infrastructure Services	145	230	0	15	31	39	0	3	463
<b>Total permanent</b>	<b>255</b>	<b>452</b>	<b>3</b>	<b>52</b>	<b>150</b>	<b>235</b>	<b>1</b>	<b>40</b>	<b>1 188</b>
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	18	19	0	7	38	29	0	0	111
<b>Grand total</b>	<b>273</b>	<b>471</b>	<b>3</b>	<b>59</b>	<b>188</b>	<b>264</b>	<b>1</b>	<b>40</b>	<b>1 299</b>

### 4.5 Vacancy Rate

The approved organogram for the municipality had **1 120 (funded)** posts based on the 2017/18 financial year. On 01 July 2018 the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of **1 873** posts and was further reviewed and revised with another **123** posts which made the total post compliment **1 996** posts on 27 February 2019. The actual positions filled in the 2021/22 financial year are indicated in the tables below by post level and by functional level.





A total of **96** posts were vacant and funded at the end of 2021/22, resulting in a vacancy rate of **8.42%**. Below is a table that indicates the vacancies within the municipality:

**Table 240: Vacancy rate per post and functional level**

Per Post Level		
Post level	Filled	Vacant
Top Management (MM and MSA section 57 Managers)	5	1
Senior Management	10	7
Middle management	84	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	364	25
Semi-skilled	399	34
Unskilled and defined decision making	274	24
<b>Total</b>	<b>1140</b>	<b>96</b>
Per Functional Level		
Functional area	Filled	Vacant
Office of the Mayor	45	0
Office of the Municipal Manager	16	0
Financial Services	117	17
Planning and Economic Development	82	8
Corporate	75	8
Community and Protection Services	387	28
Infrastructure Services	463	35
<b>Total</b>	<b>1 185</b>	<b>96</b>

## 4.6 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turn-over rate over the last four financial years.

**Table 241: Turn-over Rate**

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2018/19	1 121	55	39	3.47%
2019/20	1 158	60	51	4.40%
2020/21	1 142	48	61	5.34%
2021/22	1 140	82	82	7.19%

## 4.7 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the



seriousness of the injury / disease and can be costly to a municipality. An occupational injury will influence the loss of man-hours and therefore financial and productivity performance.

The injury rate shows a decrease from the previous financial year, 2020/21. The recorded IOD Claims submitted during 2021/22 financial year were and it is less than the previous year. The table below indicates the total number of injuries within the different directorates.

**Table 242: Injuries per Directorate**

Directorates	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Office of the Municipal Manager	1	1	0	0	0	0
Financial Services	3	0	0	2	4	0
Planning and Economic Development Services	0	3	3	2	10	12
Corporate Services	1	1	1	7	9	5
Community and Protection Services	54	73	49	36	21	35
Infrastructure Services	64	42	32	42	77	57
<b>Total</b>	<b>130</b>	<b>125</b>	<b>86</b>	<b>92</b>	<b>121</b>	<b>109</b>

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

## 4.8 Sick Leave

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2021/22 financial year shows a decrease of **3657.14** working days when comparing it to the 2020/21 financial year.

The table below indicates the total number of sick leave days taken within the different directorates.

**Table 243: Table 185: Sick Leave as at 30 June 2022**

Directorate	2020/21	2020/21 (%)	2021/22	2021/22 (%)
Office of the Municipal Manager	150	35.16	129	30.23
Financial Services	1351	41.52	812	26.25
Planning and Economic Development	671	31.06	436	20.19
Corporate Services	806.08	38.26	572.44	28.62
Community and Protection Services	3598	33.40	2386	23.12
Infrastructure Services	3955	33.48	2538.5	20.69
<b>Total</b>	<b>10 531.08</b>	<b>34.49</b>	<b>6873.94</b>	<b>22.71</b>

## 4.9 Human Resources Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.



The table below shows the status of the Human Resources policies and plans:

**Table 244: Approved Policies for the year under review**

Name of policy	Date approved / revised
Overtime and Standby Policy	22 June 2022
New Recruitment and Selection Policy	22 June 2022

**Table 245: Policies still to be developed**

Policies still to be developed	
Name of policy	Proposed date of approval
Employment Equity Policy.	In the 2022/23 financial year
HIV / AIDS Policy (Review).	In the 2022/23 financial year
Work from Home Policy	In the 2022/23 financial year

The Department: Human Resources Management submits policies to the Local Labour Forum on a regularly for review purposes.

## 4.10 Capacity building of the Municipal Workforce

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

## 4.11 Skills Matrix

The table below indicates the number of employees that received training in the year under review.

**Table 246: number of employees that received training**

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	1	1
Legislators, senior officials and managers	Female	4	3
	Male	6	4
Professionals	Female	5	1
	Male	5	2
Associate professionals and Technicians	Female	18	17
	Male	59	34
Community and Personal Services	Female	0	0
	Male	0	0
Clerks	Female	45	20
	Male	12	08
Service and sales workers	Female	17	32
	Male	36	62
Plant and machine operators and assemblers	Female	0	0
	Male	20	13
Elementary occupations	Female	2	08
	Male	200	92



Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
Sub-total	Female	111	81
	Male	339	216
Total		450	297

## 4.12 Skills Development – Training Provided and Budget allocation

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below indicates that a total amount of **R 3 267 622** was spent on the workplace skills plan. This represents **0.55%** when compared to the total salary budget of the municipality in the 2020/21 financial year.

Municipalities are required, in terms of the Skills Development Act, to spend at least 1% of its salary budget on its workplace skills plan.

**Table 247: Budget allocated and spent for skills development**

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2020/21	R 532 497 021	R 532 497 021	R 3 300 217	0.62%
2021/22	R 598 305.199	R 5 838,508	R 3 267.622	0.55%

## 4.13 Managing the Municipal Workforce Expenditure

### 4.13.1 Personnel Expenditure

The percentage of personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well below the national norm of between 35 to 40%.

**Table 248: Personnel Expenditure as % of Total Operating Expenditure**

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R	R	%
2017/18	407 801	1 307 335	31%
2018/19	444 711	1 508 629	29%
2019/20	481 583	1 661 441	29%
2020/21	544 391	1 809 977	30%
2021/22	550 719	1 925 898	29%



Below is a summary of Councillor and staff benefits for the year under review.

**Table 249: Councillor and staff benefits**

Financial year	2020/21	2021/22		2021/22
Description	Actual	Original Budget	Adjusted Budget	Actual
R'000				
<b>Councillors (Political Office Bearers Plus Other)</b>				
Salary	12 149	14 463	18 106	15 253
Pension Contributions	535	882	0	438
Medical Aid Contributions	246	96	0	156
Motor Vehicle Allowance	4 356	5 145	0	2 039
Cell Phone and Other Allowances	1 906	1 392	1 954	1 929
<b>Sub-Total - Councillors</b>	<b>19 192</b>	<b>21 978</b>	<b>20 060</b>	<b>19 815</b>
<b>% Increase / (Decrease) on Actual</b>	<b>0,37%</b>	<b>14,94%</b>	<b>4,91%</b>	<b>3,63%</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	338 573	358 788	355 068	341 185
Pension and UIF Contributions	54 564	65 237	55 345	53 202
Medical Aid Contributions	25 304	31 650	25 497	25 682
Overtime	40 596	37 167	44 491	35 056
Performance Bonus	1 190	627	0	1 242
Motor Vehicle Allowance	9 995	12 472	10 719	9 473
Cellphone Allowance	1 883	1 280	2 469	1 884
Housing Allowances	2 773	3 594	2 740	2 798
Other benefits and allowances	47 353	63 231	49 326	55 904
Payments in lieu of leave	-	2 538	3 279	1 690
<b>Other Municipal staff</b>				
Long service awards	3 904	1 206	4 226	52
Post-retirement benefit obligations	18 257	29 669	25 085	22 551
<b>Sub-Total - Other Municipal Staff</b>	<b>544 391</b>	<b>607 459</b>	<b>578 245</b>	<b>550 719</b>
<b>% Increase / (Decrease)</b>	<b>13,04%</b>	<b>11,59%</b>	<b>6,22%</b>	<b>1,16%</b>
<b>Total municipality</b>	<b>562 803</b>	<b>629 437</b>	<b>598 305</b>	<b>570 534</b>
<b>% Increase / (Decrease)</b>	<b>12,41%</b>	<b>11,84%</b>	<b>6,31%</b>	<b>1,37%</b>



## CHAPTER 5: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

#### 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2021/22 financial year.

**Table 250: Financial Performance**

Description	2020/21	2021/22		2021/22 Variance		
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Financial Performance</b>						
Property rates	387 057	405 668	415 668	414 446	2,16	-0,29
Service charges	932 616	1 156 097	1 144 568	1 076 412	-6,89	-5,95
Investment revenue	19 515	13 200	19 613	18 770	42,20	-4,30
Transfers recognised - operational	194 790	204 313	204 230	196 208	-3,97	-3,93
Other own revenue	188 197	222 808	199 166	229 603	3,05	15,28
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 722 175</b>	<b>2 002 086</b>	<b>1 983 245</b>	<b>1 935 439</b>	<b>-3,33</b>	<b>-2,41</b>
Employee costs	543 611	607 458	578 247	550 719	-9,34	-4,76
Remuneration of councillors	19 192	21 978	20 059	19 815	-9,84	-1,22
Depreciation and asset impairment	192 216	211 541	211 541	213 746	1,04	1,04
Finance charges	54 475	43 842	45 476	44 332	1,12	-2,52
Materials and bulk purchases	453 758	507 669	507 699	559 177	10,15	10,14
Transfers and grants	11 010	13 600	13 524	13 364	-1,74	-1,18
Other expenditure	538 130	611 371	601 133	524 745	-14,17	-12,71
<b>Total Expenditure</b>	<b>1 812 392</b>	<b>2 017 459</b>	<b>1 977 679</b>	<b>1 925 898</b>	<b>-4,54</b>	<b>-2,62</b>
<b>Surplus / (Deficit)</b>	<b>-90 217</b>	<b>-15 373</b>	<b>5 566</b>	<b>9 541</b>	<b>-162,06</b>	<b>71,42</b>
Transfers recognised - capital	69 847	105 554	116 991	92 495	-12,37	-20,94
Contributions recognised - capital and contributed assets	13 658	0	16 355	357	0,00	-97,82
<b>Surplus / (Deficit) after capital transfers and contributions</b>	<b>-6 712</b>					
<b>Capital expenditure and funds sources</b>						
Capital expenditure						
Transfers recognised - capital	69 847	105 554	117 299	-	-100,00	-100,00
Public contributions and donations	141	-	-	-	0,00	0,00
Borrowing	97 649	144 000	152 862	-	-100,00	-100,00
Internally generated funds	225 334	156 500	133 347	-	-100,00	-100,00
<b>Total sources of capital funds</b>	<b>392 971</b>					
Financial position						
Total current assets	632 405	591 918	591 918	749 672	26,65	26,65



Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Total non-current assets	5 886 152	6 074 717	6 074 717	5 994 848	-1,31	-1,31
Total current liabilities	425 141	334 628	334 628	448 505	34,03	34,03
Total non-current liabilities	676 674	777 185	777 185	791 468	1,84	1,84
Community wealth / equity	5 416 741	5 554 821	5 554 821	5 504 545	-0,91	-0,91
<b>Net cash from (used) operating</b>						
Net cash from (used) operating	222 756	267 756	267 756	345 407	29,00	29,00
<b>Net cash from (used) investing</b>						
Net cash from (used) investing	-298 096	-387 460	-387 460	-428 959	10,71	10,71
<b>Net cash from (used) financing</b>						
Net cash from (used) financing	76 026	22 961	22 961	109 779	100,00	100,00
<b>Cash / cash equivalents at the year end</b>	<b>111 889</b>					
<b>Cash backing / surplus reconciliation</b>						
Cash and investments available	170 178	217 695	217 695	443 400	103,68	103,68
Application of cash and investments	5 441 471	164 011	164 011	406 090	147,60	147,60
Balance - surplus (shortfall)	-5 311 080	53 684	53 684	37 310	-30,50	-30,50
<b>Asset management</b>						
Asset register summary (WDV)	5 879 460	5 437 921	5 647 868	5 562 988	2,30	-1,50
Depreciation	192 216	211 541	211 541	213 746	1,04	1,04
Renewal of Existing Assets	29 798	9 950	32 133	4 210	-57,69	-86,90
Repairs and Maintenance	83550	90 336	85 477	64350	-28,77	-24,72
<b>Free Services</b>						
Cost of Free Basic Services provided	-	3 401	6 601	6 134	80,36	-7,07
Revenue cost of free services provided	-	43 344	51 902	59 462	37,19	14,57
<b>Households below minimum service level</b>						
Water:	1	1	1	1	0	0
Sanitation / sewerage:	1	1	1	1	0	0
Energy:	2	2	2	2	0	0
Refuse:	4	4	4	4	0	0
Variances are calculated by dividing the difference between actual and original / adjustments budget by the actual. This table is aligned.						



The table below shows a summary of performance against budgets.

**Table 251: Performance against Budgets**

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2016/17	1 490 495	1 534 354	43 859	2.94%	1 450 845	1 316 387	134 458	9.27%
2017/18	1 778 647	1 609 729	-168 918	-9.50%	1 575 255	1 363 953	211 302	13.41%
2018/19	1 738 394	1 629 667	-108 727	-6.25%	1 719 105	1 508 629	210 476	12.24%
2019/20	1 834 539	1 742 596	-91 943	-5.01%	1 778 284	1 661 441	116 843	6.57%
2020/21	1 930 252	1 805 680	-124 572	-6.45%	1 830 891	1 812 392	18 499	1.01%
2021/22	2 116 591	2 028 289	88 302	4.17%	1 977 679	1 925 898	51 781	2,62%

## 5.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote.

**Table 252: Revenue collection performance by vote**

Vote Description	2020/21	2021/22		2020/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	147 535	-	550	-	-	100,00
Planning and Development	5 271	23 545	27 468	25 576	8,63	-6,89
Infrastructure Services	481 200	1 394 599	1 389 692	1 316 843	- 5,58	-5,24
Community and Protection Services	1 143 877	197 435	188 151	166 824	- 15,50	-11,34
Corporate Services	277	6 339	5 846	5 787	- 8,71	-1,01
Financial Services	27 519	503 686	504 885	513 261	1,90	1,66
<b>Total Revenue by Vote</b>	<b>1 805 680</b>	<b>2 125 604</b>	<b>2 116 592</b>	<b>2 028 291</b>	<b>-4,58</b>	<b>-4,17</b>





### 5.3 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the 2021/22 financial year.

**Table 253: Revenue Collection by Source**

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	387 057	405 668	415 668	414 445	2,16	-0,29
Service Charges	932 616	1 156 097	1 144 568	1 076 411	-6,89	-5,95
Rentals of facilities and equipment	14 714	11 175	10 812	12 173	8,93	12,59
Interest earned - external investments	19 515	13 200	19 613	18 770	42,20	-4,30
Interest earned - outstanding debtors	8 114	14 034	12 495	12 858	-8,38	2,91
Dividends received	0	0	0	0	-	0,00
Fines	108 908	147 425	120 165	122 657	-16,80	2,07
Licences and permits	5 216	5 778	5 778	7 809	35,15	35,15
Agency services	4 833	3 077	4 077	3 019	-1,88	-25,95
Transfers recognised - operational	194 790	204 313	203 746	196 208	-3,97	-3,70
Transfers recognised - capital	69 988	105 554	127 946	92 852	-12,03	-27,43
Other revenue	50 493	41 319	44 839	71 084	72,04	58,53
Gains on disposal of PPE	9 436	0	1 000	0	100,00	100,00
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 805 680</b>	<b>2 107 640</b>	<b>2 110 707</b>	<b>2 028 286</b>	<b>-3,77</b>	<b>-3,90</b>

### 5.4 Operational Services Performance

The table below indicates the operational services performance for the 2021/22 financial year.

**Table 254: Operational Services Performance: Expenditure**

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Operating Cost</b>						
Water	131 801	148 086	110 204	135 888	8,98	-18,90
Wastewater (Sanitation)	138 141	162 319	153 109	136 215	19,16	12,40
Electricity	522 700	604 990	617 762	627 110	-3,53	-1,49
Waste Management	118 389	145 504	136 780	131 189	10,91	4,26
Housing	33 977	39 351	30 915	23 144	70,02	33,57
<b>Component A: sub-total</b>	<b>945 008</b>	<b>1 100 250</b>	<b>1 048 771</b>	<b>1 053 546</b>	<b>4,43</b>	<b>-0,45</b>
Roads and Stormwater	114 333	108 034	113 183	108 786	-0,69	4,04
<b>Component B: sub-total</b>	<b>114 333</b>	<b>108 034</b>	<b>113 183</b>	<b>108 786</b>	<b>-0,69</b>	<b>4,04</b>
Town Planning and	26 708	21 249	26 956	25 966	-18,17	3,81



Description	2020/21	2021/22			2021/22 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					
Spatial Planning						
Local Economic Development	10 175	15 189	12 757	14 518	4,62	-12,13
<b>Component C: sub-total</b>	<b>36 883</b>	<b>36 438</b>	<b>39 713</b>	<b>40 484</b>	<b>-9,99</b>	<b>-1,90</b>
Libraries	13 118	17 029	16 801	9 855	72,80	70,48
Cemeteries	6 254	5 908	6 428	4 779	23,62	34,50
Community development	11 238	9 748	12 914	12 930	-24,61	-0,13
<b>Component D: sub-total</b>	<b>30 610</b>	<b>32 686</b>	<b>36 143</b>	<b>27 565</b>	<b>18,58</b>	<b>31,12</b>
Environmental Protection	-	-	-	-	0,00	0,00
<b>Component E: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00</b>	<b>0,00</b>
Traffic services	233 793	197 967	208 895	218 992	-9,60	-4,61
Fire Services and Disaster Management	46 237	51 305	51 563	52 954	-3,11	-2,63
<b>Component F: sub-total</b>	<b>280 030</b>	<b>249 272</b>	<b>260 457</b>	<b>271 946</b>	<b>-8,34</b>	<b>-4,22</b>
Holiday Resorts and Campsites	434	534	560	539	-1,07	3,77
Sport grounds, parks, swimming pools	67474	82 500	81 209	71 405	15,54	13,73
Community Halls, Facilities and Thusong Centres	3 579	1 164	4 970	4 753	-75,51	4,57
<b>Component G: sub-total</b>	<b>71 487</b>	<b>84 198</b>	<b>86 739</b>	<b>76 697</b>	<b>9,78</b>	<b>13,09</b>
Office of the MM	25 318	26 246	17 305	17 555	49,51	-1,43
Financial Services	110 661	223 156	239 309	93 037	139,86	157,22
Administration	74 623	119 083	91 281	103 056	15,55	-11,43
Property and contract management	36 441	41 692	41 827	29 755	40,12	40,57
HR	18 7341	41 926	50 963	42 393	-1,10	20,22
IT	41 251	48 920	50 642	45 009	8,69	12,52
Internal Audit	11 389	13 425	11 805	9 335	43,81	26,46
Legal Services	13 210	13 511	8 660	6 735	100,61	28,58
<b>Component H: sub-total</b>	<b>331 626</b>	<b>527 959</b>	<b>511 792</b>	<b>346 875</b>	<b>52,20</b>	<b>47,54</b>
<b>Total Expenditure</b>	<b>1 809 977</b>	<b>2 138 837</b>	<b>2 096 799</b>	<b>1 925 897</b>	<b>11,06</b>	<b>8,87</b>

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.



## 5.5 Financial Performance Per Municipal Function

The tables below indicate the financial performance per municipal function as at 30 June 2022.

### 5.5.1 Water Services

**Table 255: Financial Performance: Water Services**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(155 113)	(172 558)	(173 377)	(159 914)	-7,91
Employees	30 923	36 924	33 744	35 941	-2,73
Repairs and Maintenance	6 226	7 015	4 815	2 842	-146,84
Other	94 653	104 147	71 645	97 105	-7,25
<b>Total Operational Expenditure</b>	<b>131 801</b>	<b>148 086</b>	<b>110 204</b>	<b>135 888</b>	<b>-8,98</b>
<b>Net Operational (Service)</b>	<b>(23 311)</b>	<b>(24 472)</b>	<b>(63 173)</b>	<b>(24 026)</b>	<b>-1,85</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

### 5.5.2 Sanitation Services

**Table 256: Financial Performance: Sanitation Services**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(126 641)	(150 230)	(142 206)	(142 904)	-5,13
<b>Expenditure:</b>					
Employees	44 390	51 571	44 112	39 179	-31,63
Repairs and Maintenance	19 852	16 265	14 941	12 162	-33,74
Other	73 899	94 483	94 056	84 874	-11,32
<b>Total Operational Expenditure</b>	<b>138 141</b>	<b>162 319</b>	<b>153 109</b>	<b>136 215</b>	<b>-19,16</b>
<b>Net Operational (Service)</b>	<b>11 500</b>	<b>12 089</b>	<b>10 904</b>	<b>(6 689)</b>	<b>280,74</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



### 5.5.3 Electricity Services

Table 257: Financial Performance: Electricity Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(671 545)	(842 738)	(853 044)	(794 493)	-6,07
Employees	31 428	19 980	30 267	30 486	34,46
Repairs and Maintenance	9 969	11 156	9 001	5 552	-100,93
Other	481 304	573 854	578 494	591 071	2,91
<b>Total Operational Expenditure</b>	<b>522 700</b>	<b>604 990</b>	<b>617 762</b>	<b>627 110</b>	<b>3,53</b>
<b>Net Operational (Service)</b>	<b>(148 845)</b>	<b>(237 748)</b>	<b>(235 282)</b>	<b>(167 383)</b>	<b>-42,04</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

### 5.5.4 Waste Management Services (Refuse collections, Waste disposal and Recycling)

Table 258: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(108 186)	(121 589)	(122 115)	(119 478)	-1,77
<b>Expenditure:</b>					
Employees	31 138	43 679	31 729	26 551	-64,51
Repairs and Maintenance	2 155	3 670	3 440	4 294	14,53
Other	85 096	98 155	101 611	100 344	2,18
<b>Total Operational Expenditure</b>	<b>118 389</b>	<b>145 504</b>	<b>136 780</b>	<b>131 189</b>	<b>-10,91</b>
<b>Net Operational (Service)</b>	<b>10 204</b>	<b>23 916</b>	<b>14 665</b>	<b>11 711</b>	<b>-104,22</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.5 Integrated Human Development

**Table 259: Financial Performance: Integrated Human Settlement Personnel Expenditure**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(7 633)	(14 472)	(18 394)	(13 185)	-9,76
<b>Expenditure:</b>					
Employees	20 771	30 045	21 436	17 495	-71,73
Repairs and Maintenance	700	1 161	1 261	916	-26,66
Other	12 505	8 146	8 218	4 733	-72,10
<b>Total Operational Expenditure</b>	<b>33 977</b>	<b>39 351</b>	<b>30 915</b>	<b>23 144</b>	<b>-70,02</b>
<b>Net Operational (Service)</b>	<b>26 344</b>	<b>24 879</b>	<b>12 521</b>	<b>9 959</b>	<b>-149,82</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.6 Roads and Stormwater

**Table 260: Financial Performance: Roads and Stormwater**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(4 726)	(4 998)	(51 858)	(59 638)	91,62
<b>Expenditure:</b>					
Employees	33 269	28 202	32 854	32 029	11,95
Repairs and Maintenance	19 794	22 096	21 609	18 875	-17,06
Other	61 270	57 737	58 721	57 881	0,25
<b>Total Operational Expenditure</b>	<b>114 333</b>	<b>108 034</b>	<b>113 183</b>	<b>108 786</b>	<b>0,69</b>
<b>Net Operational (Service)</b>	<b>109 607</b>	<b>103 036</b>	<b>61 325</b>	<b>49 148</b>	<b>-109,65</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.7 Town and Spatial Planning

**Table 261: Financial Performance: Town Planning and Spatial planning**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(35)	(29)	(29)	(23)	-21,76
<b>Expenditure:</b>					
Employees	25 242	18 079	24 174	24 445	26,04
Repairs and Maintenance	3	-	-	-	0,00
Other	1 463	3 170	2 782	1 521	-108,43
<b>Total Operational Expenditure</b>	<b>26 708</b>	<b>21 249</b>	<b>26 956</b>	<b>25 966</b>	<b>18,17</b>
<b>Net Operational (Service)</b>	<b>26 673</b>	<b>21 220</b>	<b>26 928</b>	<b>25 942</b>	<b>18,20</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.8 Local Economic Development (LED)

**Table 262: Financial Performance: Local Economic Development (LED)**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 439)	(3 633)	(6 233)	(5 138)	29,30
<b>Expenditure:</b>					
Employees	3 980	7 088	4 592	6 963	-1,80
Repairs and Maintenance	-	-	100	63	100,00
Other	6 195	8 101	8 064	7 491	-8,13
<b>Total Operational Expenditure</b>	<b>10 175</b>	<b>15 189</b>	<b>12 757</b>	<b>14 518</b>	<b>-4,62</b>
<b>Net Operational (Service)</b>	<b>8 736</b>	<b>11 556</b>	<b>6 524</b>	<b>9 379</b>	<b>-23,21</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.9 Libraries

**Table 263: Financial Performance: Libraries**

Description	2020/21	2021/22			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	(10 761)	(11 434)	(16 989)	(9 969)	-14,70
<b>Expenditure:</b>					
Employees	11 398	14 625	13 900	8 414	-73,82
Repairs and Maintenance	23	181	881	151	-20,45
Other	1 696	2 223	2 019	1 291	-72,24
<b>Total Operational Expenditure</b>	<b>13 118</b>	<b>17 029</b>	<b>16 801</b>	<b>9 855</b>	<b>-72,80</b>
<b>Net Operational (Service)</b>	<b>2 357</b>	<b>5 595</b>	<b>(187)</b>	<b>(114)</b>	<b>5007,39</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.10 Community Development

**Table 264: Financial Performance: Community Development**

Description	2020/21	2021/22			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	(188)	(81)	(81)	(74)	-9,05
<b>Expenditure:</b>					
Employees	3 815	495	4 810	5 511	91,02
Repairs and Maintenance	7	40	20	17	-130,73
Other	7 416	9 214	8 084	7 402	-24,47
<b>Total Operational Expenditure</b>	<b>11 238</b>	<b>9 748</b>	<b>12 914</b>	<b>12 930</b>	<b>24,61</b>
<b>Net Operational (Service)</b>	<b>11 050</b>	<b>9 668</b>	<b>12 833</b>	<b>12 856</b>	<b>24,80</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.11 Cemeteries

Table 265: Financial Performance: Cemeteries

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 016)	(3 542)	(1 342)	(1 205)	-193,96
<b>Expenditure:</b>					
Employees	3 305	3 268	3 713	3 466	5,72
Repairs and Maintenance	2 000	1 815	1 418	333	-445,84
Other	949	825	1 298	980	15,86
<b>Total Operational Expenditure</b>	<b>6 254</b>	<b>5 908</b>	<b>6 428</b>	<b>4 779</b>	<b>-23,62</b>
<b>Net Operational (Service)</b>	<b>5 238</b>	<b>2 366</b>	<b>5 086</b>	<b>3 574</b>	<b>33,80</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.12 Traffic Services and Law Enforcement

Table 266: Financial Performance: Traffic Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(128 709)	(171 602)	(149 743)	(150 633)	-13,92
<b>Expenditure:</b>					
Employees	69 553	64 222	71 969	65 680	2,22
Repairs and Maintenance	1 922	2 780	2 371	2 404	-15,65
Other	162 319	130 965	134 554	150 908	13,22
<b>Total Operational Expenditure</b>	<b>233 793</b>	<b>197 967</b>	<b>208 895</b>	<b>218 992</b>	<b>9,60</b>
<b>Net Operational (Service)</b>	<b>105 084</b>	<b>26 365</b>	<b>59 151</b>	<b>68 359</b>	<b>61,43</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.





### 5.5.13 Fire Services and Disaster Management

**Table 267: Financial Performance: Fire Services and Disaster Management Personnel Expenditure**

Description	2020/21	2021/22			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
R'000					%
Total Operational Revenue	(756)	(1 164)	(1 164)	(761)	-53,04
<b>Expenditure:</b>					
Employees	39 583	43 100	41 711	43 134	0,08
Repairs and Maintenance	905	1 248	1 903	2 214	43,63
Other	5 749	6 958	7 949	7 607	8,53
<b>Total Operational Expenditure</b>	<b>46 237</b>	<b>51 305</b>	<b>51 563</b>	<b>52 954</b>	<b>3,11</b>
<b>Net Operational (Service)</b>	<b>45 481</b>	<b>50 141</b>	<b>50 399</b>	<b>52 193</b>	<b>3,93</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

### 5.5.14 Holiday Resorts and Campsites

**Table 268: Financial Performance: Holiday Resorts and Campsites**

Description	2020/21	2021/22			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
R'000					%
Total Operational Revenue	(3)	(865)	(865)	(546)	-58,37
<b>Expenditure:</b>					
Employees	251	250	446	478	47,67
Repairs and Maintenance	142	179	54	2	0,00
Other	41	104	60	59	-75,92
<b>Total Operational Expenditure</b>	<b>434</b>	<b>534</b>	<b>560</b>	<b>539</b>	<b>1,07</b>
<b>Net Operational (Service)</b>	<b>431</b>	<b>(331)</b>	<b>(305)</b>	<b>(7)</b>	<b>-4896,76</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.15 Sport grounds, Parks and Swimming Pools

Table 269: Financial Performance: Sport Grounds, Parks and Swimming Pools

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(3 088)	(1 780)	(5 381)	(3 687)	51,72
<b>Expenditure:</b>					
Employees	42 291	41 657	46 334	39 491	-5,49
Repairs and Maintenance	10 700	11 547	14 254	10 419	-10,83
Other	14 482	29 296	20 621	21 495	-36,29
<b>Total Operational Expenditure</b>	<b>67 474</b>	<b>82 500</b>	<b>81 209</b>	<b>71 405</b>	<b>-15,54</b>
<b>Net Operational (Service)</b>	<b>64 386</b>	<b>80 720</b>	<b>75 828</b>	<b>67 718</b>	<b>-19,20</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.16 Community Halls and Thusong Centres

Table 270: Financial Performance: Community Halls and Thusong Centres

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(5 550)	(3 222)	(6 241)	(8 832)	63,52
<b>Expenditure:</b>					
Employees	2 962	–	3 866	3 857	100,00
Repairs and Maintenance	17	161	150	130	-23,68
Other	600	1 003	954	766	-30,98
<b>Total Operational Expenditure</b>	<b>3 579</b>	<b>1 164</b>	<b>4 970</b>	<b>4 753</b>	<b>75,51</b>
<b>Net Operational (Service)</b>	<b>(1 971)</b>	<b>(2 058)</b>	<b>(1 271)</b>	<b>(4 079)</b>	<b>49,56</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.17 Office of the Municipal Manager

Table 271: Financial Performance: Office of the Municipal Manager

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(277)	-	-	-	-
<b>Expenditure:</b>					
Employees	18 004	21 236	12 420	15 810	-34,32
Repairs and Maintenance	17	70	90	11	-560,20
Other	7 297	4 941	4 794	1 735	-184,76
<b>Total Operational Expenditure</b>	<b>25 318</b>	<b>26 246</b>	<b>17 305</b>	<b>17 555</b>	<b>-49,51</b>
<b>Net Operational (Service)</b>	<b>25 040</b>	<b>26 246</b>	<b>17 305</b>	<b>17 555</b>	<b>-49,51</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.18 Human Resource Services

Table 272: Financial Performance: Human Resource Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 286)	(250)	(1 252)	(1 202)	79,20
<b>Expenditure:</b>					
Employees	14 095	30 179	-	32 473	7,06
Repairs and Maintenance	-	49	46	-	-100,00
Other	4 639	11 698	50 916	9 920	-17,92
<b>Total Operational Expenditure</b>	<b>18 734</b>	<b>41 926</b>	<b>50 963</b>	<b>42 393</b>	<b>1,10</b>
<b>Net Operational (Service)</b>	<b>17 488</b>	<b>41 676</b>	<b>49 711</b>	<b>41 191</b>	<b>-1,18</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.19 Information and Communication Technology (ICT) Services

**Table 273: Financial Performance: Information and Communication Technology (ICT) Services**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
<b>Expenditure:</b>					
Employees	8 183	7 987	–	8 078	1,12
Repairs and Maintenance	548	1 869	1 064	468	-299,24
Other	32 520	39 064	49 578	36 463	-7,13
<b>Total Operational Expenditure</b>	<b>41 251</b>	<b>48 920</b>	<b>50 642</b>	<b>45 009</b>	<b>-8,69</b>
<b>Net Operational (Service)</b>	<b>41 215</b>	<b>48 920</b>	<b>50 642</b>	<b>45 009</b>	<b>-8,69</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.20 Legal Services

**Table 274: Financial Performance: Legal Services**

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(2)	(1)	(1)	(150)	99,09
<b>Expenditure:</b>					
Employees	4 714	5 980	–	1 701	-251,62
Repairs and Maintenance	–	–	–	–	0,00
Other	8 497	7 531	8 660	5 034	-49,60
<b>Total Operational Expenditure</b>	<b>13 210</b>	<b>13 511</b>	<b>8 660</b>	<b>6 735</b>	<b>-100,61</b>
<b>Net Operational (Service)</b>	<b>13 871</b>	<b>13 510</b>	<b>8 659</b>	<b>6 585</b>	<b>-105,15</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.21 Property Management

Table 275: Financial Performance: Property and Contract Management

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(3 422)	(5 002)	(3 506)	(4 129)	-21,14
<b>Expenditure:</b>					
Employees	7 815	7 602	–	8 129	6,48
Repairs and Maintenance	7 808	8 361	7 309	3 184	-162,62
Other	20 818	25 728	34 518	18 441	-39,51
<b>Total Operational Expenditure</b>	<b>36 441</b>	<b>41 692</b>	<b>41 827</b>	<b>29 755</b>	<b>-40,12</b>
<b>Net Operational (Service)</b>	<b>33 020</b>	<b>36 690</b>	<b>38 321</b>	<b>25 626</b>	<b>-43,18</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.22 Financial Services

Table 276: Financial Performance: Financial Services

Description	2020/21	2021/22			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(481 200)	(503 686)	(503 885)	(507 912)	0,83
<b>Expenditure:</b>					
Employees	64 602	75 834	–	57 196	-32,59
Repairs and Maintenance	670	159	159	109	-45,60
Other	45 389	147 163	239 150	35 732	-311,85
<b>Total Operational Expenditure</b>	<b>110 611</b>	<b>223 156</b>	<b>239 309</b>	<b>93 037</b>	<b>-139,86</b>
<b>Net Operational (Service)</b>	<b>(370 539)</b>	<b>(280 530)</b>	<b>(264 575)</b>	<b>(414 875)</b>	<b>32,38</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.23 Internal Audit

**Table 277: Financial Performance: Financial Services**

Description	2020/21	2021/22			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
R'000					%
Total Operational Revenue	0	0	(550)	0	0
<b>Expenditure:</b>					
Employees	4 942	5 975	–	3 995	-49,56
Repairs and Maintenance	0	–	–	–	0,00
Other	6 477	7 450	11 805	5 340	-39,51
<b>Total Operational Expenditure</b>	<b>11 389</b>	<b>13 425</b>	<b>11 805</b>	<b>9 335</b>	<b>-43,81</b>
<b>Net Operational (Service)</b>	<b>11 389</b>	<b>13 425</b>	<b>11 255</b>	<b>9 335</b>	<b>-43,81</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.24 Administration

**Table 278: Financial Performance: Administration**

Description	2020/21	2021/22			Variance to Budget
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	
R'000					%
Total Operational Revenue	(15 699)	(112 731)	(57 337)	(44 044)	-155,95
<b>Expenditure:</b>					
Employees	27 736	51 530	37 292	40 219	-28,12
Repairs and Maintenance	93	513	591	204	-151,03
Other	46 793	67 040	53 398	62 632	-7,04
<b>Total Operational Expenditure</b>	<b>74 623</b>	<b>119 083</b>	<b>91 281</b>	<b>103 056</b>	<b>-15,55</b>
<b>Net Operational (Service)</b>	<b>58 923</b>	<b>6 351</b>	<b>33 944</b>	<b>59 012</b>	<b>89,24</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.6 Grants

### 5.6.1 Grant Performance

The municipality had a total amount of **R196 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2021/22 financial year. The performance in the spending of these grants is summarised as follows:

**Table 279: Grant Performance**

Description	2020/21	2021/22		2021/22 Variance		
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>National Government:</b>	<b>178 568</b>	<b>168 531</b>	<b>168 531</b>	<b>168 531</b>	<b>0,00</b>	<b>100</b>
Equitable Share	170 632	157 136	157 136	157 136	0,00	0,00
Financial Management Grant	1 550	1 550	1 550	1 550	0,00	0,00
EPWP	4 961	5 998	5 998	5 998	0,00	0,00
Integrated Urban Development Grant	1 425	3 847	3 847	3 847	0,00	0,00
<b>Provincial Government:</b>	<b>11 850</b>	<b>22 236</b>	<b>34 011</b>	<b>27 178</b>	<b>-22,23</b>	<b>20,09</b>
Community Development Workers Operational Support Grant	93	38	38	38	0,00	0,00
Library Services: Conditional Grant	10 720	11 144	11 144	9 336	16,22	16,22
WC Financial Management Support Grant	-	550	550	-	100,00	100,00
Local Government Public Employment Support Grant	-	1 800	1 800	1 800	0,00	0,00
Municipal Accreditation and Capacity Building Grant	-	252	490	77	69,44	84,29
Financial Management Capacity Building Grant	495	250	415	395	-58,00	4,82
LG Graduate Internship Grant	74	-	-	-	0,00	0,00
Human Settlements Development Grant	0	-	10 000	10 000	0,00	0,00
Maintenance and Construction of Transport Infrastructure	-	4 950	4 950	4 950	0,00	0,00
Title Deeds Restoration Grant	468	-	1 372	432	0,00	68,51
Municipal Library Support Grant	-	3 252	3 252	150	95,39	95,39
<b>District Municipality:</b>	<b>2 424</b>	<b>647</b>	<b>1 131</b>	<b>500</b>	<b>0,00</b>	<b>55,79</b>
Cape Winelands District (COVID-19) Grant	1 884	147	147	0	100,00	100,00
Safety Initiative Implementation-whole of society approach (WOSA)	440	0	0	0	0,00	0,00
Cape Wineland District Community safety	0	0	484	0	0,00	100,00
Cape Winelands District Grant Long Term Financial Plan	0	500	500	500	0,00	0,00
Safety Initiative Implementation-whole of society approach (WOSA)	440					
Cape Winelands District Tourism grant	100					
<b>Other Grant Providers:</b>	<b>1 948</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>0,00</b>	<b>100,00</b>
LG SETA Discretionary	139	0	0	0	0,00	0,00



Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
DBSA Grant	1 809	18	18	0	0,00	100,00
<b>Total Operating Transfers and Grants</b>	<b>194 790</b>	<b>191 432</b>	<b>203 691</b>	<b>196 209</b>	<b>-2,50</b>	<b>3,67</b>

## 5.6.2 Level of Reliance on Grants and Subsidies

Table 280: Reliance on Grants

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2016/17	227 752	1 534 354	14.84
2017/18	211 190	1 609 728	13.12
2018/19	233 433	1 541 685	15.14
2019/20	285 026	1 742 596	16.36
2020/21	264 637	1 805 680	14.66
2021/22	289 061	2 028 289	14,25

Developer's contributions have been excluded from the grant item to express only allocations and not policy related revenue which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

## 5.7 Asset Management

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

- ✦ Implementation of the approved Asset Management Policy as required in terms of section 63 of MFMA;
- ✦ Verify assets in possession of the Council annually, during the course of the financial year;
- ✦ Keep a complete and balanced record of all assets in possession of the Council;
- ✦ Report in writing all asset losses, where applicable, to Council; and
- ✦ Those assets are valued and accounted for in accordance with a statement of GRAP.

## 5.8 Repairs and Maintenance

Table 281: Repairs and Maintenance Expenditure

Description	2020/21	2021/22			2021/22 Variance
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000				%
Repairs and Maintenance Expenditure	83 550	90 336	85 477	64 350	24,72





## 5.9 Financial Ratios Based on Key Performance Indicators

**Table 282: Liquidity Ratio**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Current Ratio	Current assets / current liabilities	2.18	2.02	2.09	1.82	1.48	1.68
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days / current liabilities	2.18	1.38	1.39	1.01	0.71	0.85
Liquidity Ratio	Monetary Assets / Current Liabilities	1.51	1.92	1.98	1.66	1.36	1,61

## 5.10 IDP Regulation Financial Viability Indicators

**Table 283: IDP Regulation Financial Viability of Indicators**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cost Coverage	(Available cash + investments) / monthly fixed operational expenditure	5.71	4.59	4.70	2.21	1.83	2.26
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors / annual revenue received for services	10.22	18.09	28.05	22.02	21.64	30.47
Debt Coverage	(Total operating revenue - operating grants) / debt service payments due within financial year)	47.16	46.81	43.81	-0.64	29.27	26.86

## 5.11 Borrowing Management

**Table 284: Borrowing Management**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	1.21%	2.31%	2.09%	3.44%	3.04%	3.37%

## 5.12 Employee Costs

**Table 285: Employee Costs**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Employee costs	Employee costs / (total revenue - capital revenue)	26.84	28.80%	29.09%	29.99%	32.45%	28.70



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.13 Capital Expenditure

#### 5.13.1 Capital Expenditure by Assets Programme

Table 286: Capital Expenditure by asset programme

Description	2021/22		
	Original Budget	Adjustment Budget	Actual Expenditure
R'000			
<b>Capital Expenditure by Asset Class</b>			
<b>Infrastructure</b>	<b>285 675</b>	<b>283 586</b>	<b>253 878</b>
<b>Roads Infrastructure</b>	<b>70 066</b>	<b>74 547</b>	<b>71 300</b>
Roads	33 566	43 620	65 923
Road Structures	32 700	29 357	5 238
Road Furniture	3 800	1 300	125
Stormwater Infrastructure	0	0	14
Stormwater Conveyance	0	270	0
<b>Electrical Infrastructure</b>	<b>73 114</b>	<b>83 341</b>	<b>87 924</b>
Power Plants	15 000	15 710	0
HV Substations	250	371	194
MV Switching Stations	0	0	0
MV Networks	28 592	40 736	13 663
MV Substations	17 572	15 138	23 039
LV Networks	5 500	5 521	15 755
Capital Spares	6 200	5 865	35 273
<b>Water Supply Infrastructure</b>	<b>81 750</b>	<b>59 501</b>	<b>22 779</b>
Dams and Weirs	0	0	0
Boreholes	0	0	0
Reservoirs	42 000	26 963	13 985
Water Treatment Works	750	2 990	781
Bulk Mains	15 000	13 190	5 438
Distribution	22 000	14 358	0
Capital Spares	2 000	2 000	2 575
<b>Sanitation Infrastructure</b>	<b>51 457</b>	<b>57 266</b>	<b>67 461</b>
Pump Station	100	100	0
Reticulation	11 288	16 150	0
Wastewater Treatment Works	30 200	28 826	53 802
Outfall Sewers	6 400	8 182	10 615
Toilet Facilities	3469	4008	0
Capital Spares	0	0	3 044
<b>Solid Waste Infrastructure</b>	<b>7 629</b>	<b>7 878</b>	<b>3 823</b>
Landfill Sites	2 929	2 978	3 823
Waste Transfer Stations	1000	1000	0
Waste Drop-off Points	500	700	0
Waste Separation Facilities	500	500	0
Capital Spares	2700	2700	0
<b>Information and Communication Infrastructure</b>	<b>1 659</b>	<b>1 053</b>	<b>591</b>
Data Centres	1 559	903	591



Description	2021/22		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Spares	100	150	
<b>Community Assets</b>	<b>17 154</b>	<b>0</b>	<b>40 916</b>
<b>Community Facilities</b>	<b>11 654</b>	<b>18 772</b>	<b>37 656</b>
Halls	3 600	2 136	2 497
Centres	1 000	1 000	1 298
Fire / Ambulance Stations	50	2 200	0
Testing Stations	0	0	0
Theatres	0	53	0
Libraries	300	2 617	369
Cemeteries / Crematoria	1 000	1 022	15
Police	0	0	0
Public Open Space	1 200	1 273	2 914
Nature Reserves	2 004	1 871	5 835
Public Ablution Facilities	0	0	0
Stalls	2 500	6 600	0
Taxi Ranks / Bus Terminals	0	0	0
Capital Spares	0	0	24 728
<b>Sport and Recreation Facilities</b>	<b>5 500</b>	<b>5 615</b>	<b>3 260</b>
Outdoor Facilities	5 500	5 615	3 260
<b>Heritage assets</b>			
<b>Heritage assets</b>	<b>2 677</b>	<b>1 807</b>	<b>0</b>
Historic Buildings	1 807	1 807	0
Conservation Areas	870	0	0
<b>Investment properties</b>	<b>500</b>	<b>0</b>	<b>0</b>
<b>Revenue Generating</b>			
Improved Property	500	0	0
Unimproved Property	0	0	0
<b>Non-revenue Generating</b>			
Improved Property	0	0	0
Unimproved Property	0	0	0
<b>Other assets</b>			
Operational Buildings			
Municipal Offices	11 350	13 668	27 505
Yards	0	0	0
Stores	0	0	0
Training Centres	48 100	34 100	0
Manufacturing Plant	0	0	0
Depots	4 445	7 924	0
Capital Spares	0	0	
<b>Housing</b>			
Social Housing	9 700	4 137	4 117
<b>Biological or Cultivated Assets</b>			
Biological or Cultivated Assets			
<b>Intangible Assets</b>			
Licences and Rights	0	0	0



Description	2021/22		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Computer Software and Applications	0	0	0
<b>Computer Equipment</b>			
Computer Equipment	4 150	5 220	9 630
<b>Furniture and Office Equipment</b>			
Furniture and Office Equipment	2 828	3 903	5 085
<b>Machinery and Equipment</b>			
Machinery and Equipment	6 450	11 251	1 879
<b>Transport Assets</b>			
Transport Assets	4 825	6 305	4 600
<b>Land</b>			
Land	0	0	0
<b>Zoo's, Marine and Non-biological Animals</b>			
Zoo's, Marine and Non-biological Animals	0	0	0
<b>Total Capital Expenditure</b>	<b>406 054</b>	<b>392 151</b>	<b>347 610</b>

### 5.13.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2021/22 financial year.

**Table 287: Capital Expenditure by Funding Source**

Details	2021/22			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Source of finance				
External Loans	144 000	152 862	128 766	-15,76
Public Contributions and Donations	0	0	0	0
Grants and Subsidies	105 554	117 299	92 802	-20,88
Other	156 500	133 347	126 042	-5,48
<b>Total</b>	<b>406 054</b>	<b>403 508</b>	<b>347 610</b>	<b>-13,85</b>
%				
External Loans	35,46	37,88	37,04	-2,22
Public Contributions and Donations	0	0	0	0
Grants and Subsidies	26,00	29,07	26,70	-8,16
Own Funding	38,54	33,05	36,26	-9,72
%				
Water and Sanitation	40,52	28,94	25,96	-10,29
Electricity	18,41	20,65	25,29	22,46
Housing	2,07	1,03	1,18	15,52
Roads and Stormwater	13,00	18,47	20,51	11,02
Other	26,00	30,91	27,05	-12,48



Details	2021/22			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
<b>Total</b>	<b>406 054</b>	<b>403 508</b>	<b>347 610</b>	<b>-13,85</b>
Water and Sanitation	164 550	116 767	90 240	-22,72
Electricity	74 748	83 341	87 924	5,50
Housing	8 394	4 137	4 117	-0,48
Roads and Stormwater	52 800	74 547	71 300	-4,36
Other	105 562	124 716	94 029	-24,61

### 5.13.3 Capital Spending On 5 Largest Projects

Projects with the highest capital expenditure in 2021/22.

**Table 288: Capital Expenditure on the 5 Largest Projects**

Name of Project	2021/22			Variance 2021/22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
Adhoc Reconstruction of Roads (WC024)	2 000 000	26 390 419	26 390 419	-1 219,52	-
Integrated National Electrification Programme	18 000 000	23 400 000	13 757 664	23,57	41,21
Stellenbosch Ida's Valley (166) FLISP ERF 9445	11 288 000	16 150 020	15 455 319	-36,92	4,30
Upgrade of WWTW Wemmershoek	30 000 000	27 500 000	22 022 887	26,59	19,92
Upgrade of WWTW: Pniël and Decommissioning of Franschoek	48 000 000	30 708 338	30 708 338	36,02	-

### 5.13.4 Basic Services and infrastructure backlogs - Overview

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

The service level above minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation.



### 5.13.5 Integrated Urban Development Grant (IUDG)

**Table 289: Integrated Urban Development Grant (IUDG)**

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Stellenbosch Ida's Valley (166) FLISP ERF 9445	-	4 000 000	4 000 000	-
Bulk Water Supply Pipeline and Reservoir - Jamestown	6 000 000	500 000	500 000	-
Northern Extension: Phase 2 Water Infrastructure	4 000 000	-		-
Bulk Sewer Outfall: Jamestown	6 400 000	2 500 000	2 500 000	-
Upgrade of WWTW: Pniël and Decommissioning of Franschhoek	31 485 720	-	-	-
Adhoc Reconstruction of Roads (WC024)	-	17 000 290	17 000 290	-
Bridge Construction	-	12 486 470	12 551 581	-
Jamestown Transport Network	3 000 000	-	-	-
Non-Motorised Transport Implementation	-	4 000 000	3 999 554	-
Re-design of Bergzicht Public Transport Facility	1 500 000	680 000	679 520	-
Taxi Rank: Kayamandi	-	6 662 655	6 662 653	-
Neighbourhood Watch Safety equipment	-	2 871 035	2 870 682	-
Upgrading of swimming pool	-	2 266 000	2 218 800	-
Upgrade of Sport Facilities	-	127 500	110 870	-
Business and Advisory Project Management	1 000 000	1 000 000	1 000 000	-
Salaries, Wages and Allowances Basic Salary and Wages	2 847 050	2 847 050	2 847 050	-
<b>Total</b>	<b>56 232 770</b>	<b>56 941 000</b>	<b>56 941 000</b>	<b>-</b>



## 5.14 Cash Flow

Table 290: Cash flow

Description	2020/21	2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
R'000				
<b>Cash Flow from Operating Activities</b>				
<b>Receipts</b>				
Ratepayers and Other	1 319 483	1 581 657	1 581 657	1 577 430
Government Grants	270 470	304 747	304 747	304 910
Interest	19 515	-16 174	-16 174	18 770
<b>Payments</b>				
Employee Costs	-564 947	-1 602 474	-1 602 474	-1 507 910
Suppliers	-782 292	-	-	-
Finance Costs	-29 155	-	-	-34 428
Transfers and Grants	-11 010	-	-	-13 364
<b>Net Cash from / (Used) Operating Activities</b>	<b>222 064</b>	<b>267 756</b>	<b>267 756</b>	<b>345 408</b>
<b>Cash Flow from Investing Activities</b>				
<b>Receipts</b>				
Proceeds on Disposal of PPE	10 185	16 047	16 047	1 690
Proceeds on Disposal of Biological Assets	-437	-	-	-
Movement in Non-Current Receivables	-	-	-	-
<b>Payments</b>				
Purchase of PPE	-392 565	- 403 508	- 403 508	- 347 560
Movement in Non-Current Receivables	970	-	-	-
Movement in Investments	84 204	-	-	- 83 089
<b>Net Cash from / (Used) Investing Activities</b>	<b>-297 643</b>	<b>-387 460</b>	<b>-387 460</b>	<b>-428 959</b>
<b>Cash Flow from Financing Activities</b>				
<b>Receipts</b>				
Proceeds from other Financial Liabilities	0	-	-	109 779
Increase in consumer deposits	0	22 961	22 961	-
<b>Payments</b>				
Repayment of Borrowing	76 027	-	-	109 779
Prior period error	-	-	-	-
<b>Net Cash from / (Used) Financing Activities</b>	<b>76 027</b>	<b>22 961</b>	<b>22 961</b>	<b>109 779</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>448</b>	<b>-96 743</b>	<b>-96 744</b>	<b>26 228</b>
<b>Cash / Cash Equivalents at the Year-Begin:</b>	<b>111 202</b>	<b>0</b>	<b>415 242</b>	<b>111 650</b>
<b>Cash / Cash Equivalents at the Year-End:</b>	<b>111 650</b>	<b>-96 743</b>	<b>318 498</b>	<b>137 878</b>



## 5.15 Gross Outstanding Debtors per Service

Table 291: Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	14%	-33%	19%	0%	-8%	-13%
2021/22	49 872	262 980	69 220	29 192	216 025	627 289
Difference	2 294	118 329	12 020	1 536	23 390	157 569
% growth year on year	5%	82%	21%	6%	12%	34%
2021/22	49 872	262 980	69 220	29 192	216 025	627 289

Note: Figures exclude provision for bad debt.

## 5.16 Debtors Age Analysis

Table 292: Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	Between 90-120 days	More than 120 days	Total
	(R'000)					
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	14%	-33%	19%	0%	-8%	-13%
2020/21	98 357	17 589	18 889	11 414	323 471	469 720
2021/22	224 149	16 533	16 880	17 537	352 191	627 289
Difference	124 841	-3 953	-180 317	6 123	48 702	-4 604
% growth year on year	128%	-6%	-11%	54%	9%	34%

Note: Figures exclude provision for bad debt.





## 5.17 Borrowing and Investments

The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

## 5.18 Actual Borrowings

**Table 293: Actual Borrowings**

Instrument	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000					
Long-Term Loans	186 386	173 302	318 800	292 930	368 997	478 736

## 5.19 Municipal Investments

**Table 294: Municipal Investments**

Investment type	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000					
Deposits - Bank	575 418	505 618	398 164	306 637	222 434	305 522



## CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

### 2.1 Introduction

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

## COMPONENT A: AUDITOR-GENERAL OPINION 2020/21

### 2.2 Auditor General Report 2020/21

**Table 295: Auditor General Report 2020/21**

2020/21	
Audit Report Status:	Outstanding
2020/21	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R167,1 million (2019-20: R151,4 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R173,2 million (2019-20: R153,4 million).	None
Material losses	
None	
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor General have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	None



## COMPONENT B: AUDITOR-GENERAL OPINION 2021/22

At the time of compiling the Annual Report 2021/22, the audit for the 2021/22 financial year was not completed. The outcome of the audit will be reported after conclusion of the audit by the AGSA.

### 2.3 Auditor General Report 2021/22

**Table 296: Auditor General Report 2021/22**

2021/22	
<b>Audit Report Status:</b>	<b>Finalised (unqualified with no findings)</b>
2021/22	
Issue raised	Corrective step implemented
<b>Emphasis of matter:</b>	
<b>Restatement of corresponding figures</b>	
As disclosed in note 63 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.	None
<b>Material Impairments</b>	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R204,3 million (2020-21: R167,1 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R187,6 million (2020-21: R173,2 million).	None
<b>Material losses</b>	
None	
<b>Material Non-Compliance</b>	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
<b>Annual financial statements</b>	
I have audited the financial statements of the Stellenbosch Municipality set out on pages 7 to 131, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies	None
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).	None



## **ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2021/22**



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Stellenbosch Municipality  
Annual Financial Statements  
for the year ended 30 June 2022



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

02 December 2022

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

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The reports and statements set out below comprise the annual financial statements presented to the council:

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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## General Information

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<b>Legal form of entity</b>	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
<b>Legislation governing the municipality's operations</b>	Constitution of the Republic of south Africa (Act 108 of 1998) Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (act of 6 2004) Division of Revenue Act (Act 1 of 2007)
<b>Nature of business and principal activities</b>	The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment

### Newly elected Executive mayor and chairperson of mayoral committee

<b>Portfolio</b>	<b>Councillor</b>
Executive mayor and chairperson of mayoral committee	G van Deventer
Deputy executive mayor	J Fasser
Speaker	Q Smit
Council WIP	P Crawley
MMC Human settlements	J Fasser
MMC Youth, sport and culture	R Adams
MMC Planning	C Van Wyk
MMC Rural management	J Williams
MMC Community development (parks, open spaces environment)	J Joon
MMC Corporate services	L Nkamisa
MMC Financial services	P Johnson
MMC Protection services	R Badenhorst
MMC Local economic development and tourism	R Du Toit
MMC Infrastructure	Z Dalling

### End of term of the mayoral committee

<b>Portfolio</b>	<b>Councillor</b>
Deputy executive mayor	N Jindela
Speaker	WC Petersen
Council WIP	PW Biscombe
MMC Protection services	F Badenhorst
MMC Finance	P Crawley
MMC Corporate services	A Franzenburg
MMC LED, tourism, planning	E Groenewald
MMC Parks, open spaces	X Mdemka
MMC Rural management	S Peters
MMC Infrastructure	Q Smit
MMC Youth, sport and culture	J Fasser

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## General Information

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### Newly Elected Council Members

Nr	Surname	Initials	Nr	Surname	Initials
1	Jooste	O	18	Pietersen	W
2	Rataza	M	19	De Taillefer	I
3	Mananga-Gugushe	N	20	Pfeiffer	R
4	Ntsunguzi	N	21	Petersen	W
5	Nalumango	R	22	Manuel	C
6	Crawley	P	23	Van Rooyen	R
7	Kalipa	X	24	Mcombring	N
8	Mdemka	X	25	Ferns	N
9	Hanekom	A	26	Vermeulen	E
10	Crombie	A	27	Serdyn	J
11	Olayi	N	28	Tomose	A
12	Mkhontwana	N	29	Nkopane	M
13	Ndalasi	Z	30	Danana	M
14	Noble	C	31	Masimini	E
15	Van Stade	M	32	Anthony	JC
16	Hendrikse	R	33	Groenewald	E
17	Andrews	J			

### Council Members - End of term

Nr	Surname	Initials	Nr	Surname	Initials
1	Van Deventer (Mayor)	G	23	Hanekom	A
2	Jindela (Deputy Mayor)	N	24	Hendrickse (deceased)	D
3	Petersen (Speaker)	W	25	Hendricks	J
4	Crawley	P	26	Horsband	L
5	Frazenburg	A	27	Johnson	M
6	Groenewald	E	28	Joubert	D
7	Mdemka	X	29	Mananga-Gugushe	N
8	Peters	S	30	Manuel	C
9	Pietersen (deceased)	M	31	Mc Ombring	M
10	Smit	Q	32	Moses	C
11	Fasser	J	33	Nalumango	R
12	Adams	F	34	Olayi	N
13	Bangani-Menziwa	F	35	Oliphant	M
14	Biscombe	P	36	Davidse	C
15	Cele	G	37	Pietersen	W
16	Crombie	A	38	Schafer	S
17	Dalling	Z	39	Serdyn	J
18	Du Toit	R	40	Sinkinya	N
19	Florence	A	41	Sitshoti	P
20	Fredericks	E	42	Stander	L
21	Gosa	T	43	Vermeulen	E
22	Hamilton	J			



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## General Information

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### Executive management

Position	Name
Municipal Manager	G Mettler
Chief Financial Officer (CFO)	K Carolus
Director: Infrastructure	D Louw
Director: Corporate Services	A de Beer
Director: Planning and Economic Development	A Barnes
Director: Community and Protection Services	G Boshoff

### Members of the Audit Committee

Chairperson:	Dr NL Mortimer (1 July 2021 - 30 April 2022) Mr L Nene (1 May 2022 - 30 June 2022)
Members:	Mr V Botto Mr T Lesihla Ms J Williams

<b>Registered head office</b>	Plein Street Stellenbosch 7600
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<b>Physical address</b>	Plein Street Stellenbosch 7600
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<b>Postal address</b>	P O Box 17 Stellenbosch 7600
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<b>Bankers</b>	First National Bank
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<b>Auditors</b>	Auditor-General of South Africa (AGSA)
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Abbreviations

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ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSIG	Municipal System Improvement Grant
NDPG	Neighbourhood Development And Partnership Grant
SALGA	South African Local Government Association
SAPS	South African Police Services
SCM	Supply Chain Management
SRAC	Sports, Recreation, Arts and Culture

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Responsibilities and Approval

---

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I, as the Accounting Officer acknowledges that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's external auditors.

I would like to bring the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 36 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The external auditors, being the Auditor-General of South Africa (AGSA), are responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements set out in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis, I have signed on behalf of the municipality on 31 August 2022:



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**Accounting Officer**  
**Geraldine Mettler**

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Financial Position as at 30 June 2022

	Note(s)	2022 R	2021 Restated* R
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	137,877,710	111,649,771
Short term investments	4	305,522,446	222,433,620
Receivables from exchange transactions	5	169,893,585	153,119,572
Receivables from non-exchange transactions	6	67,176,042	57,455,962
Inventories	7	29,030,067	53,315,179
Other receivables from exchange transactions	8	23,237,334	26,285,830
VAT Receivable	9	18,651,433	19,509,741
		<b>751,388,617</b>	<b>643,769,675</b>
<b>Non-Current Assets</b>			
Investment property	10	411,892,012	412,143,897
Property, plant and equipment	11	5,562,988,212	5,426,298,767
Intangible assets	12	7,067,124	8,563,546
Biological assets that form part of agricultural activity	13	5,142,777	5,142,777
Heritage assets	14	1,036,828	1,036,828
Long-term receivables	15	6,720,631	7,880,672
		<b>5,994,847,584</b>	<b>5,861,066,487</b>
<b>Total Assets</b>		<b>6,746,236,201</b>	<b>6,504,836,162</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Consumer deposits	16	22,154,833	21,007,832
Employee benefits	17	60,750,863	56,471,347
Lease liabilities	18	2,118,022	3,739,474
Borrowings	19	51,902,261	34,223,894
Trade and other payables	20	267,827,729	295,003,353
Payables from non-exchange transactions	21	31,403,223	15,503,616
		<b>436,156,931</b>	<b>425,949,516</b>
<b>Non-Current Liabilities</b>			
Employee benefits	17	204,100,717	200,444,000
Borrowings	19	426,834,231	334,733,125
Provisions	22	160,533,093	141,497,317
		<b>791,468,041</b>	<b>676,674,442</b>
<b>Total Liabilities</b>		<b>1,227,624,972</b>	<b>1,102,623,958</b>
<b>Net Assets</b>		<b>5,518,611,229</b>	<b>5,402,212,204</b>
<b>Net assets presented by:</b>			
Reserves		162,490,627	162,490,630
Accumulated surplus		5,356,120,597	5,239,721,626
<b>Total Net Assets</b>		<b>5,518,611,224</b>	<b>5,402,212,256</b>

\* See Note 63

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Financial Performance

	Note(s)	2022 R	2021 Restated* R
<b>Revenue</b>			
<b>Non-exchange revenue</b>			
Property rates	23	414,445,896	387,056,677
Transfers and subsidies	24	289,060,524	264,777,227
Fines, penalties and forfeits	25	122,933,462	108,942,664
Interest on receivables	26	2,430,082	1,970,109
<b>Total non-exchange revenue</b>		<b>828,869,964</b>	<b>762,746,677</b>
<b>Exchange revenue</b>			
Services charges - Electricity	27	756,431,257	632,401,485
Services charges - Water	27	146,829,883	134,425,800
Services charges - Waste water management	27	102,285,414	92,638,765
Services charges - Waste management	27	84,651,895	73,150,291
Rental	28	12,172,871	11,004,517
Interests on investments	29	18,770,341	19,515,361
Interest earned from receivables	26	10,428,555	8,667,388
Licences or permits		7,809,443	6,810,003
Agency services	31	3,019,961	3,248,206
Operational revenue	32	11,051,156	4,817,493
Sales of goods and rendering of services	33	60,032,736	46,126,642
Gain on disposal of assets	34	-	8,948,654
<b>Total exchange revenue</b>		<b>1,213,483,512</b>	<b>1,041,754,605</b>
<b>Total revenue</b>		<b>2,042,353,476</b>	<b>1,804,501,282</b>
<b>Expenditure</b>			
Employee related cost	35	(550,719,139)	(558,471,749)
Remuneration of councillors	36	(19,815,248)	(18,657,000)
Bad debts written off	37	(84,984,896)	(108,781,924)
Depreciation and amortisation	38	(211,023,051)	(212,325,220)
Impairment losses		(2,722,872)	-
Finance costs	39	(44,332,364)	(38,556,682)
Bulk Purchases	40	(559,177,188)	(453,758,156)
Inventory consumed	41	(44,872,633)	(34,628,654)
Contracted services	42	(208,232,448)	(227,703,614)
Transfers and subsidies	43	(13,363,879)	(11,009,540)
Operational Cost	44	(113,472,212)	(112,848,487)
Operating leases	45	(14,990,534)	(14,880,942)
Contribution to/from provision	46	(6,287,548)	(6,874,912)
Contribution to allowance for doubtful debt	47	(51,711,364)	(33,985,791)
Loss on disposal of assets	34	(76,275)	-
Inventories ( write-down )	48	(115,859)	(18,583)
<b>Total expenditure</b>		<b>(1,925,897,510)</b>	<b>(1,832,501,254)</b>
<b>Surplus (deficit) for the year</b>		<b>116,455,966</b>	<b>(27,999,972)</b>

\*We draw attention to note 63.2 and 63.4 to the financial statements, where detailed classification changes on the statement of financial performance line items are presented. These naming changes were performed to take into consideration the effects of Mscoa as delegated by the National Treasury.

\* See Note 63

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of changes in net assets

	Self insurance reserve	Capital replacement reserve	Total reserves	Accumulated surplus	Total net assets
	R	R	R	R	R
Opening balance as previously reported	9,885,492	249,724,258	259,609,750	5,160,070,020	5,419,679,770
Adjustments					
Correction of errors	-	-	-	6,759,494	6,759,494
<b>Balance at 01 July 2020 as restated*</b>	<b>9,885,492</b>	<b>249,724,258</b>	<b>259,609,750</b>	<b>5,166,829,514</b>	<b>5,426,439,264</b>
Surplus/(Deficit) for the year	-	-	-	(27,999,972)	(27,999,972)
Transfers to / from accumulated surplus for the year	-	-	-	(114,066,225)	(114,066,225)
Transfer to capital replacement reserve	-	(97,119,120)	(97,119,120)	211,185,343	114,066,223
Total changes	-	(97,119,120)	(97,119,120)	69,119,146	(27,999,974)
<b>Restated* Balance at 01 July 2021</b>	<b>9,885,492</b>	<b>152,605,135</b>	<b>162,490,627</b>	<b>5,239,721,925</b>	<b>5,402,212,552</b>
Surplus/(Deficit) for the year	-	-	-	116,455,964	116,455,964
Total changes	-	-	-	116,455,964	116,455,964
Adjustments					
Prior period correction of errors posted in current year	-	-	-	(57,292)	(57,292)
<b>Balance at 30 June 2022</b>	<b>9,885,492</b>	<b>152,605,135</b>	<b>162,490,627</b>	<b>5,356,120,597</b>	<b>5,518,611,224</b>
Note(s)					

\* See Note 63

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Cash Flow Statement

	Note(s)	2022 R	2021 Restated* R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sales of goods and services		1,577,430,245	1,319,483,320
Transfers and Subsidies		304,910,171	270,469,591
Interest income		18,770,341	19,515,361
<b>Payments</b>			
Cash paid to employees		(562,598,154)	(564,946,790)
Cash paid to suppliers		(945,313,971)	(782,291,533)
Finance cost		(34,427,551)	(29,155,448)
Grants paid		(13,363,885)	(11,009,542)
<b>Net cash from(used) operating activities</b>	49	<b>345,407,196</b>	<b>222,064,959</b>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Capital assets sales		1,690,404	10,184,705
Biological assets sales		-	(436,794)
<b>Payments</b>			
Capital assets additions		(347,560,325)	(392,565,426)
Short term investments		(83,088,826)	84,203,722
Intangibles additions		-	54,315
Heritage additions		-	(262,826)
Biological assets additions		-	1,178,671
<b>Net cash flows from investing activities</b>		<b>(428,958,747)</b>	<b>(297,643,633)</b>
<b>Cash flows from financing activities</b>			
Net movement in borrowings		109,779,473	76,026,580
		-	-
<b>Net increase/(decrease) in cash</b>		<b>26,227,922</b>	<b>447,906</b>
Cash and cash equivalents at year begin		111,649,771	111,201,845
		<b>137,877,693</b>	<b>111,649,751</b>

\* See Note 63

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges - electricity revenue	787,275,170	-	<b>787,275,170</b>	756,431,257	<b>(30,843,913)</b>	BD1
Service charges - water revenue	166,399,723	-	<b>166,399,723</b>	146,829,883	<b>(19,569,840)</b>	
Service charges - sanitation revenue	102,956,558	-	<b>102,956,558</b>	102,285,414	<b>(671,144)</b>	
Service charges - refuse revenue	87,936,447	-	<b>87,936,447</b>	84,651,895	<b>(3,284,552)</b>	
Rental of facilities and equipment	10,811,501	-	<b>10,811,501</b>	12,172,871	<b>1,361,370</b>	
Interest earned - external investments	19,612,814	-	<b>19,612,814</b>	18,770,341	<b>(842,473)</b>	
Interest earned - outstanding debtors	12,495,451	-	<b>12,495,451</b>	12,858,637	<b>363,186</b>	
Fines, penalties and forfeits	120,164,832	-	<b>120,164,832</b>	122,933,462	<b>2,768,630</b>	
Licenses and permits	5,778,049	-	<b>5,778,049</b>	7,809,443	<b>2,031,394</b>	
Agency services	4,077,493	-	<b>4,077,493</b>	3,019,961	<b>(1,057,532)</b>	
Transfer and subsidies	204,230,382	-	<b>204,230,382</b>	196,208,355	<b>(8,022,027)</b>	
Other revenue	44,838,678	-	<b>44,838,678</b>	71,083,892	<b>26,245,214</b>	BD2
Gains	1,000,000	-	<b>1,000,000</b>	-	<b>(1,000,000)</b>	
<b>Total revenue from exchange transactions</b>	<b>1,567,577,098</b>	<b>-</b>	<b>1,567,577,098</b>	<b>1,535,055,411</b>	<b>(32,521,687)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	415,667,656	-	<b>415,667,656</b>	414,445,896	<b>(1,221,760)</b>	
<b>Transfer revenue</b>						
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	116,991,300	-	<b>116,991,300</b>	92,494,808	<b>(24,496,492)</b>	BD5
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	16,354,714	-	<b>16,354,714</b>	307,361	<b>(16,047,353)</b>	
Transfers and subsidies - capital (in-kind - all)	-	-	-	50,000	<b>50,000</b>	
<b>Total revenue from non-exchange transactions</b>	<b>549,013,670</b>	<b>-</b>	<b>549,013,670</b>	<b>507,298,065</b>	<b>(41,715,605)</b>	
<b>Total revenue</b>	<b>2,116,590,768</b>	<b>-</b>	<b>2,116,590,768</b>	<b>2,042,353,476</b>	<b>(74,237,292)</b>	
<b>Expenditure</b>						
Employee related costs	(578,245,894)	-	<b>(578,245,894)</b>	(550,719,139)	<b>27,526,755</b>	
Remuneration of councillors	(20,059,305)	-	<b>(20,059,305)</b>	(19,815,248)	<b>244,057</b>	
Debt impairment	(105,292,164)	-	<b>(105,292,164)</b>	(136,696,260)	<b>(31,404,096)</b>	



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Depreciation and amortisation	(211,541,195)	-	<b>(211,541,195)</b>	(213,745,923)	<b>(2,204,728)</b>	
Finance charges	(45,476,262)	-	<b>(45,476,262)</b>	(44,332,362)	<b>1,143,900</b>	
Bulk purchases - Electricity	(507,699,460)	-	<b>(507,699,460)</b>	(559,177,188)	<b>(51,477,728)</b>	BD3
Inventory consumed	(74,377,000)	(800,287)	<b>(75,177,287)</b>	(44,872,633)	<b>30,304,654</b>	
Contracted Services	(261,969,000)	865,335	<b>(261,103,665)</b>	(208,232,448)	<b>52,871,217</b>	BD4
Transfers and subsidies	(13,523,947)	-	<b>(13,523,947)</b>	(13,363,879)	<b>160,068</b>	
Other expenditure	(159,559,833)	-	<b>(159,559,833)</b>	(134,750,294)	<b>24,809,539</b>	
Losses	-	-	-	(192,134)	<b>(192,134)</b>	
<b>Total expenditure</b>	<b>(1,977,744,060)</b>	<b>65,048</b>	<b>(1,977,679,012)</b>	<b>(1,925,897,508)</b>	<b>51,781,504</b>	
<b>Surplus before taxation</b>	<b>138,846,708</b>	<b>65,048</b>	<b>138,911,756</b>	<b>116,455,968</b>	<b>(22,455,788)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>138,846,708</b>	<b>65,048</b>	<b>138,911,756</b>	<b>116,455,968</b>	<b>(22,455,788)</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	17,614,823	-	17,614,823	96,105,862	78,491,039	BD6
Call investment deposits	200,080,097	-	200,080,097	347,294,294	147,214,197	BD7
Consumer Debtors	231,584,050	-	231,584,050	210,876,039	(20,708,011)	
Inventories	52,605,000	(800,222)	51,804,778	29,030,067	(22,774,711)	
Other debtors	90,833,799	-	90,833,799	68,082,355	(22,751,444)	
	<b>592,717,769</b>	<b>(800,222)</b>	<b>591,917,547</b>	<b>751,388,617</b>	<b>159,471,070</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	5,647,867,954	-	5,647,867,954	5,562,988,212	(84,879,742)	BD8
Investment property	412,135,616	-	412,135,616	411,892,012	(243,604)	
Intangible assets	8,000,468	-	8,000,468	7,067,124	(933,344)	
Biological assets that form part of agricultural activity	6,321,448	-	6,321,448	5,142,777	(1,178,671)	
Other non-current assets	3,865,468	-	3,865,468	1,036,828	(2,828,640)	
Long term receivables	(3,474,347)	-	(3,474,347)	6,720,631	10,194,978	
	<b>6,074,716,607</b>	<b>-</b>	<b>6,074,716,607</b>	<b>5,994,847,584</b>	<b>(79,869,023)</b>	
<b>Total Assets</b>	<b>6,667,434,376</b>	<b>(800,222)</b>	<b>6,666,634,154</b>	<b>6,746,236,201</b>	<b>79,602,047</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Consumer deposits	22,960,839	-	22,960,839	22,154,833	(806,006)	
Provisions	100,539,159	-	100,539,159	60,750,863	(39,788,296)	BD10
Borrowings	47,117,209	-	47,117,209	51,902,261	4,785,052	
Trade and other payables	164,811,000	(800,456)	164,010,544	301,348,974	137,338,430	BD9
	<b>335,428,207</b>	<b>(800,456)</b>	<b>334,627,751</b>	<b>436,156,931</b>	<b>101,529,180</b>	
<b>Non-Current Liabilities</b>						
Borrowings	434,892,865	-	434,892,865	426,834,231	(8,058,634)	
Provisions	342,292,103	-	342,292,103	364,633,810	22,341,707	BD11
	<b>777,184,968</b>	<b>-</b>	<b>777,184,968</b>	<b>791,468,041</b>	<b>14,283,073</b>	
<b>Total Liabilities</b>	<b>1,112,613,175</b>	<b>(800,456)</b>	<b>1,111,812,719</b>	<b>1,227,624,972</b>	<b>115,812,253</b>	
<b>Net Assets</b>	<b>5,554,821,201</b>	<b>234</b>	<b>5,554,821,435</b>	<b>5,518,611,229</b>	<b>(36,210,214)</b>	
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Reserves	206,285,345	-	206,285,345	(162,490,627)	(368,775,972)	BD12
Accumulated surplus	(5,761,106,783)	-	(5,761,106,783)	(5,356,120,597)	404,986,186	BD12
<b>Total Net Assets</b>	<b>(5,554,821,438)</b>	<b>-</b>	<b>(5,554,821,438)</b>	<b>(5,518,611,224)</b>	<b>36,210,214</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of good and services	1,581,657,139	-	<b>1,581,657,139</b>	1,577,430,245	<b>(4,226,894)</b>	
Grants	304,747,132	-	<b>304,747,132</b>	304,910,171	<b>163,039</b>	
Interest	(16,173,858)	-	<b>(16,173,858)</b>	18,770,341	<b>34,944,199</b>	
	<b>1,870,230,413</b>	-	<b>1,870,230,413</b>	<b>1,901,110,757</b>	<b>30,880,344</b>	
<b>Payments</b>						
Suppliers and employees	(1,602,474,386)	-	<b>(1,602,474,386)</b>	(1,507,912,125)	<b>94,562,261</b>	CF1
Transfers and grants	-	-	-	(13,363,879)	<b>(13,363,879)</b>	
Finance cost	-	-	-	(34,427,551)	<b>(34,427,551)</b>	
	<b>(1,602,474,386)</b>	-	<b>(1,602,474,386)</b>	<b>(1,555,703,555)</b>	<b>46,770,831</b>	
<b>Net cash flows from operating activities</b>	<b>267,756,027</b>	-	<b>267,756,027</b>	<b>345,407,202</b>	<b>77,651,175</b>	
<b>Cash flows from investing activities</b>						
Proceeds on disposal of PPE	16,047,353	-	<b>16,047,353</b>	1,690,404	<b>(14,356,949)</b>	
Short term investments	-	-	-	(83,088,826)	<b>(83,088,826)</b>	CF2
Capital assets	(403,507,635)	-	<b>(403,507,635)</b>	(347,560,326)	<b>55,947,309</b>	
<b>Net cash flows from investing activities</b>	<b>(387,460,282)</b>	-	<b>(387,460,282)</b>	<b>(428,958,748)</b>	<b>(41,498,466)</b>	
<b>Cash flows from financing activities</b>						
Increase (decrease) in consumer deposits	22,960,839	-	<b>22,960,839</b>	-	<b>(22,960,839)</b>	CF3
Borrowing long term/refinancing	-	-	-	109,779,473	<b>109,779,473</b>	CF4
<b>Net cash flows from financing activities</b>	<b>22,960,839</b>	-	<b>22,960,839</b>	<b>109,779,473</b>	<b>86,818,634</b>	
Net increase/(decrease) in cash and cash equivalents	(96,743,416)	-	<b>(96,743,416)</b>	26,227,927	<b>122,971,343</b>	
Cash and cash equivalents at the beginning of the year	334,083,000	-	<b>334,083,000</b>	111,649,771	<b>(222,433,229)</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>237,339,584</b>	-	<b>237,339,584</b>	<b>137,877,698</b>	<b>(99,461,886)</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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The annual financial statements of Stellenbosch Municipality for the year ended 30 June 2022 were authorised for issue by the Accounting Officer on 31 August 2022.

### Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

### 1. Summary of significant accounting policies

#### 1.1 Going concern assumption

These annual financial statements were prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.2 Housing development reserve

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

#### 1.3 Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

#### 1.4 Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

#### 1.5 Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

#### 1.6 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.6 Materiality (continued)

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

### 1.7 Significant judgements and estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

#### Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Revenue recognition

Accounting Policy 1.23.1 on Revenue from Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate

The IGRAP 1 amendments did not have any impact on Traffic Fines revenue issued in terms of the current Criminal Proceedings Act system but will only have an effect on fines issued in terms of the Amended Act (AARTO) that is expected to become effective on 1 July 2021. As the legislation is new, the possible impact cannot at this stage be determined. The legislation itself will significantly increase Traffic Fines revenue based on higher fine amounts being pronounced in Schedule 3 of the Amendment Act.

The iGRAP 20 interpretation is not regarded as having an effect, as the principles of revising revenue (e.g., incorrect tariff or appeal) is already applied by the municipality.

#### Impairment of financial assets

Accounting Policy 1.13 Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

#### Useful lives of assets

As described in Accounting Policy 1.10 and 1.11 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.7 Significant judgements and estimates (continued)

#### Employee benefit obligation

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual financial statements.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### Impairment of non-financial assets

The recoverable amounts of cashgenerating units have been determined based on the higher of valueinuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of valueinuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

#### Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest

#### Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 22 - Provisions.

A qualified environmental engineer calculates the provision. The provision represents the best estimate or net present value of the expected future cash flows to rehabilitate the landfill site at yearend. The professional engineer determines the cost of rehabilitation and the remaining useful life of each site. Interest rates linked to prime were used to calculate the effect of the time value of money.

#### Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

#### Allowance for doubtful debts

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.7 Significant judgements and estimates (continued)

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality measures the impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows

#### Pre-paid electricity

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused.

### 1.8 Biological assets that form part of agricultural activity that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.t

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying GRAP 12 or another applicable Standard of GRAP.

Item	Useful life
Trees in plantation forest	indefinite

### 1.9 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- Administrative purposes, or
- Sale in ordinary course of operations.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.9 Investment property (continued)

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Subsequent measurement – cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property-buildings	30-99 years
Property-Land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 10).

When classification is difficult, the criteria used to distinguish investment property from owner -occupied property and from property held for sale in the ordinary course of operations, are as follows:

All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes, and that will not be sold within the next 12 months are classified as Investment Properties

A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.



## Accounting Policies

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### 1.10 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. The municipality elected the cost model for Property, plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if

- if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and
- the cost or fair value of the item can be measured reliably.

#### Initial recognition and measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised. Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

#### Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use

#### Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.10 Property, plant and equipment (continued)

#### Depreciation

Property, plant and equipment are depreciated on the straightline basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Machinery and equipment	Straight-line	1-66
Furniture and office equipment	Straight-line	2-24
Transport assets	Straight-line	4-21
Computer equipment	Straight-line	5-23
Community assets	Straight-line	4-50
Other property, plant and equipment	Straight-line	6-99
Capital restoration asset	Straight-line	5-30
Electrical infrastructure	Straight-line	10-100
Water supply infrastructure	Straight-line	10-100
Solid waste infrastructure	Straight-line	10-50
Roads infrastructure	Straight-line	10-100
Information and communication infrastructure	Straight-line	3-15
Waste water network	Straight-line	10-100
Stormwater infrastructure	Straight-line	10-50

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.11 Intangible assets

#### Initial recognition and measurement

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations. A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method shall be changed to reflect the changed pattern. Such changes shall be accounted for as changes in accounting estimates in accordance with GRAP 3.

#### Subsequent measurement

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method shall be changed to reflect the changed pattern. Such changes shall be accounted for as changes in accounting estimates in accordance with GRAP 3.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Item	Depreciation method	Average useful life
Internally generated: Capital development	Straight-line	5 - 7 years
Computer software	Straight-line	3 - 30 years
Service operating and land rights	Straight-line	5 - 30 years

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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.11 Intangible assets (continued)

#### Derecognition

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset shall be included in surplus or deficit when the asset is derecognised.

### 1.12 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Initial recognition and measurement

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

#### Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Reference to impairment paragraphs can be made to note 1.17, 1.18 and 1.19.

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

#### Dererecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The municipality determines the classification of its financial instruments at initial recognition.

#### 1.13.1 Classification of financial instruments

##### Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial assets measured at cost being investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

The municipality has the following types of financial assets as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Long-term receivables	Financial assets at amortised cost
Consumer debtors	Financial assets at amortised cost
Other debtors	Financial assets at amortised cost
Short-term investments	Financial assets at amortised cost
Bank balances and cash	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

##### Borrowings

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of borrowings and the classification determining how they are measured exist:

- Borrowings measured at amortised cost; or
- Borrowings measured at fair value.

The municipality has the following types of borrowings as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Long-term liabilities	Financial liability at amortised cost
Current portion of long-term liabilities	Financial liability at amortised cost
Payables from exchange transactions	Financial liability at amortised cost
Consumer Deposits	Financial liability at amortised cost

## Accounting Policies

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### 1.13 Financial instruments (continued)

#### 1.13.2 Initial and subsequent measurement

##### Initial recognition and measurement

A financial instrument is recognised, when the municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

##### Subsequent measurement – Financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of financial performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of financial performance.

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to municipal entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of financial performance.

##### Subsequent measurement – Financial Liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

## Accounting Policies

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### 1.13 Financial instruments (continued)

#### 1.13.3 Derecognition

##### Financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial assets, the municipality continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

##### Borrowings

The municipality derecognises borrowings when, and only when, the municipality's obligations are discharged, cancelled or they expire.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as having extinguished the original financial liability, and a new financial liability recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a nonexchange transaction, are accounted for in accordance with GRAP 23.

#### 1.13.4 Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instruments is not active, the municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

### 1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately

#### Entity as lessee - operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight- line basis.

Any contingent rent is expensed in the period in which they are incurred.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.15 Inventory

Initial measurement:

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- (b) and the cost of the inventories can be measured reliably.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.16 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets



## Accounting Policies

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### 1.17 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

### 1.18 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

## Accounting Policies

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### 1.18 Impairment of cash-generating assets (continued)

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

## Accounting Policies

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### 1.18 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

In assessing whether there is any indication that an asset may be impaired, the municipality will consider, as a minimum, the following indications:

External sources:

- (a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- (b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
- (c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially

Internal sources:

- (d) Evidence is available of obsolescence or physical damage of an asset.
- (e) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- (f) A decision to halt the construction of the asset before it is complete or in a usable condition.
- (g) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

## Accounting Policies

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### 1.19 Impairment of non-cash-generating assets

Non cash generating assets are assets other than cash generating assets

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

#### External sources of information

- (a) Cessation, or near cessation, of the demand or need for services provided by the asset.
- (b) Significant long-term changes with an adverse effect on the entity have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the entity operates.

#### Internal sources of information

- (c) Evidence is available of obsolescence or physical damage of an asset.
- (d) Significant long-term changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date and reassessing the useful life of an asset as finite rather than indefinite.
- (e) A decision to halt the construction of the asset before it is complete or in a usable condition.
- (f) Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

## Accounting Policies

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### 1.19 Impairment of non-cash-generating assets (continued)

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.20 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or

the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

a municipality's decision to terminate an employee's employment before the normal retirement date; or

an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

## Accounting Policies

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### 1.20 Employee benefits (continued)

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

wages, salaries and social security contributions;

short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year-end is based on the bonus accrued at year-end for each employee.

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

#### Leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

## Accounting Policies

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### 1.20 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. In this aspect defined contribution plans can be considered as the pension fund.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit

## Accounting Policies

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### 1.20 Employee benefits (continued)

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the audited annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, a entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.



## Accounting Policies

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### 1.20 Employee benefits (continued)

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - Those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### Other long term employee benefit

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of financial performance in the period that it occurs. Interest cost on employee benefit obligation is recognised as part of employee related cost.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

the present value of the defined benefit obligation at the reporting date;

minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

current service cost;

interest cost;

the expected return on any plan assets and on any reimbursement right recognised as an asset;

actuarial gains and losses, which shall all be recognised immediately;

past service cost; and

the effect of any curtailments or settlements.

### Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

terminate the employment of an employee or group of employees before the normal retirement date; or

provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.20 Employee benefits (continued)

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

the location, function, and approximate number of employees whose services are to be terminated;

the termination benefits for each job classification or function; and

the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

### 1.21 Provisions

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

## Accounting Policies

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### 1.21 Provisions (continued)

#### Environmental rehabilitation provisions

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

changes in the liability is added to, or deducted from, the cost of the related asset in the current period;

the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;

if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

### 1.22 Contingent assets and contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.23 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction

#### Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### 1.23.1 Revenue from exchange transactions

##### Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognized in total as an accrual as all billing in July pertains to services rendered prior 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- (c) the stage of completion of the transaction at the reporting date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

interest is levied on outstanding debtors using the effective interest rate method.

Rentals on facilities and equipment are recognised on the straight-line basis over the term of the lease agreement

##### Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

The amount of revenue can be measured reliably.

It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.

The costs incurred or to be incurred in respect of the transaction can be measure reliably.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.23 Revenue (continued)

#### Interest earned and rentals received

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

#### Traffic charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

#### Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

### 1.23.2 Revenue from non-exchange transactions

#### Rates and taxes

Other than services in-kind not recognised in terms of paragraph .99, an inflow of resources from a non-exchange transaction that meets the definition of an asset shall be recognised as an asset when, and only when:

- (a) it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- (b) the fair value of the asset can be measured reliably.

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Rebates and discounts are offset against the revenue. As per iGRAP 1, there is no intention to collect this revenue

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.23 Revenue (continued)

#### Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

#### Donations and contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

#### Transfers and subsidies

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

#### Conditional grants

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance.

#### Interest earned on unspent grants and receipts

Interest earned on unspent grants and receipts is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance in accordance with GRAP 9.

#### Services received in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.24 Statutory receivables

#### 1.24.1 Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, an entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

#### 1.24.2 Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### 1.24.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

#### 1.24.4 Impairment

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.24 Statutory receivables (continued)

significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.

it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.

a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### 1.24.5 Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers control of the statutory receivable and substantially all the risks and rewards of ownership of the asset to another entity; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.25 Principal-agent arrangements

#### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.25 Impairment of cash-generating assets (continued)

#### Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

#### Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

#### Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

### 1.26 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

### 1.27 Comparative of actual information to budgeted information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 60 for detail.

## Accounting Policies

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### 1.28 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.29 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

### 1.30 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.31 Related parties and related party transactions

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

A person is considered to be a close member of the family of another person if they:

- are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.31 Related parties and related party transactions (continued)

Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- all members of the governing body of the Municipality;
- a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee. Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer, and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Management are those persons responsible for planning, directing and controlling the activities of the municipality including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

### 1.32 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

### 1.33 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.33 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

### 1.34 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

### 1.35 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/07/01 to 2022/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Material variances are determined in accordance with the municipalities materiality framework. These material differences will be explained in the financial statements under note for budget differences referenced to the statement of budget comparison.

### 1.36 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.37 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

### 1.38 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of subcontractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

### 1.39 Segment information

A segment is an activity of an entity:

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.39 Segment information (continued)

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Segmental information was based and identified on the MFMA S71 monthly budget statement/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports is organised around the type of service delivered, in a standardised format, namely the C2 schedule.

The municipality manages its assets and liability as a whole and is not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

### 1.40 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of financial position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 1.41 Current year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

### 1.42 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.42 Cash and cash equivalents (continued)

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

### 1.43 Housing arrangements

The Accounting Standards Board issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

Where the municipality acts as a project manager in a housing arrangement, it is regarded as an agent in terms of the principles of GRAP 109 - Accounting by Principals and Agents.

Where the municipality is regarded as an agent, costs related to the construction of top structures and the related recovery thereof (revenue) is not be recognised in the Statement of financial performance of the municipality.

Where the municipality is identified as a project developer, the construction of the houses is performed by the municipality or by the appointment of a sub-contractor to undertake the construction on the municipality's behalf. The municipality applies the GRAP 11, Construction Contracts to account for these construction activities.

Where the municipality is regarded as the project developer and if the outcome of the construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract revenue will be in the form of a grant from the Department of Human settlements and presented and disclosed under transfers and subsidies in the Statement of financial performance.

Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue shall comprise: (a) the initial amount of revenue agreed in the contract; and (b) variations in contract work, claims and incentive payments to the extent that: (i) it is probable that they will result in revenue; and (ii) they are capable of being reliably measured.

Contract costs shall comprise: (a) costs that relate directly to the specific contract; (b) costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and (c) such other costs as are specifically chargeable to the customer under the terms of the contract.

An expected deficit on a construction contract to which paragraph .49 applies shall be recognised as an expense immediately in accordance with paragraph .49.

### 1.44 Grants-in-aid

The municipality transfers money to individuals, organizations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.45 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

### 1.46 Unspent conditional grants

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent where the obligations have not been met, a liability is recognised.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>2. New standards and interpretations</b>		
<b>2.1 Standards and interpretations not yet effective or relevant</b>		
The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2022 or later periods but are not relevant to its operations:		
<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Guideline: Guideline on Accounting for Landfill Sites	No effective date as yet	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	No effective date as yet	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	No effective date as yet	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	No effective date as yet	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
<b>3. Cash and cash equivalents</b>		
<b>3.1 Cash and cash equivalents</b>		
Cash and cash equivalents consist of the following:		
<b>Call deposits and investments</b>		
Deposit taking institutions	41,771,848	-
<b>Cash at bank</b>		
Bank account	96,091,642	111,635,751
Cash on hand	14,220	14,020
<b>Total cash and cash equivalents</b>	<b>137,877,710</b>	<b>111,649,771</b>
<b>The municipality had the following accounts:</b>		
FNB - Primary (62869253684)	94,086,615	115,438,007
FNB - Lamotte Trust (62869255169)	2,591,239	2,047,087
FNB - Charitable (62869253733)	136,678	61,508
Nedbank - Primary (1152271679)	-	3,244,449
	<b>96,814,532</b>	<b>120,791,051</b>
<b>Reconciling the bank accounts to the cash book</b>		
Bank statement balance at end of the year	94,086,615	120,791,051
Net movement/reconciling items	(4,066,485)	(8,908,442)
<b>Cash book balance at the end of the year</b>	<b>90,020,130</b>	<b>111,882,609</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>4. Short term investments</b>		
Short term investments	305,522,446	222,433,620
<b>FNB Investments</b>		
Deposits	-	145,000,000
Interest accrued	-	2,526,575
Withdrawals	-	(147,526,575)
	-	-
<b>Nedbank Investments</b>		
Opening balance	162,000,471	123,143,835
Deposits	179,061,482	160,000,000
Interest accrued	7,413,957	4,968,252
Withdrawals	(164,691,923)	(126,111,616)
	<b>183,783,987</b>	<b>162,000,471</b>
<b>Standard Bank Investments</b>		
Opening balance	60,433,150	82,082,191
Deposits	80,938,518	60,000,000
Interest Accrued	6,639,615	2,848,493
Withdrawals	(66,884,331)	(84,497,534)
	<b>81,126,952</b>	<b>60,433,150</b>
<b>ABSA Investments</b>		
Opening balance	-	101,411,315
Deposits	40,000,000	-
Interest Accrued	611,507	1,887,863
Withdrawals	-	(103,299,178)
	<b>40,611,507</b>	-

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>5. Receivables from exchange transactions</b>			
<b>Consumer receivables from exchange transactions</b>	5.1		
Electricity		108,881,514	99,346,530
Waste management		7,580,904	6,065,834
Waste water management		8,133,394	7,998,075
Water		42,986,897	37,773,204
Service charges		1,582,321	1,310,597
		<b>169,165,030</b>	<b>152,494,240</b>
<b>Other consumer receivables from exchange transactions</b>	5.2		
Property rental debtors		728,555	625,332
<b>Total receivables from exchange transactions</b>		<b>169,893,585</b>	<b>153,119,572</b>

The amount disclosed in this note is net of impairment. Refer to note 5.1 & 5.2 for the amount before the provision (gross) and the actual value of the provision.

### 5.1 Consumer receivables

The average credit period for consumer receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of consumer receivables.

The management of the municipality is of the opinion that the carrying value of consumer receivables approximate their fair values.

The fair value of consumer receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and consumer receivables as well as the current payment ratio's of the municipality's consumer receivables.

### Controlling entity

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables from exchange transactions</b>						
Electricity	123,618,935	(14,737,421)	108,881,514	111,396,846	(12,050,316)	99,346,530
Waste management	36,940,022	(29,359,118)	7,580,904	29,438,988	(23,373,154)	6,065,834
Waste water management	32,279,437	(24,146,043)	8,133,394	27,761,268	(19,763,193)	7,998,075
Water	139,361,334	(96,374,437)	42,986,897	113,248,589	(75,475,385)	37,773,204
Service charges	12,794,236	(11,211,915)	1,582,321	10,730,784	(9,420,187)	1,310,597
<b>Total consumer receivables from exchange transactions</b>	<b>344,993,964</b>	<b>(175,828,934)</b>	<b>169,165,030</b>	<b>292,576,475</b>	<b>(140,082,235)</b>	<b>152,494,240</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 5. Receivables from exchange transactions (continued)

#### 5.1.1 Ageing of consumer receivables

2022

	Not due			Past due			
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables from exchange transactions</b>							
<b>Total by debt type</b>							
Electricity	123,618,935	107,748,522	659,891	453,287	338,488	2,798,640	11,620,107
Waste management	36,940,022	6,631,198	806,034	658,205	575,212	4,261,991	24,007,382
Waste water management	32,279,437	7,397,227	595,674	499,521	411,083	3,125,904	20,250,028
Water	139,361,334	40,145,591	3,101,438	2,684,633	2,373,921	13,409,500	77,646,251
Service charges	12,794,236	1,177,046	194,392	252,773	226,778	1,332,251	9,610,996
<b>Total by debt type</b>	<b>344,993,964</b>	<b>163,099,584</b>	<b>5,357,429</b>	<b>4,548,419</b>	<b>3,925,482</b>	<b>24,928,286</b>	<b>143,134,764</b>

2021

	Not due			Past due			
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables from exchange transactions</b>							
<b>Total by debt type</b>							
Electricity	111,396,846	96,546,123	1,541,793	804,361	552,836	2,547,764	9,403,969
Waste management	29,438,988	5,257,377	535,613	518,311	447,509	3,652,986	19,027,192
Waste water management	27,761,268	7,186,588	695,256	442,960	352,916	2,438,957	16,644,591
Water	113,248,589	34,421,743	3,251,097	3,944,316	1,477,577	8,593,591	61,560,265
Service charges	10,730,784	1,052,914	185,125	194,673	173,477	578,286	8,546,309
<b>Total by debt type</b>	<b>292,576,475</b>	<b>144,464,745</b>	<b>6,208,884</b>	<b>5,904,621</b>	<b>3,004,315</b>	<b>17,811,584</b>	<b>115,182,326</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022		2021			
	R		R			
<b>5. Receivables from exchange transactions (continued)</b>						
<b>5.1.2 Consumer debt past due not impaired</b>						
<b>2022</b>						
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables from exchange transactions</b>						
Electricity	923,357	259,272	143,054	101,332	299,065	120,634
Waste management	864,334	171,560	127,226	72,121	214,828	278,599
Waste water management	717,677	138,044	110,113	53,936	154,594	260,990
Water	2,765,713	483,499	400,052	242,384	759,529	880,249
Service charges	348,388	45,742	36,432	32,846	151,306	82,062
<b>Total consumer receivables</b>	<b>5,619,469</b>	<b>1,098,117</b>	<b>816,877</b>	<b>502,619</b>	<b>1,579,322</b>	<b>1,622,534</b>
<b>2021</b>						
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables from exchange transactions</b>						
Electricity	2,392,783	719,794	368,808	204,050	513,805	586,326
Waste management	808,455	110,571	93,428	58,096	360,866	185,494
Waste water management	811,484	249,884	86,985	48,480	218,222	207,913
Water	3,351,459	642,367	626,599	199,557	629,623	1,253,313
Service charges	265,467	49,029	36,180	24,947	88,823	66,488
<b>Total consumer receivables</b>	<b>7,629,648</b>	<b>1,771,645</b>	<b>1,212,000</b>	<b>535,130</b>	<b>1,811,339</b>	<b>2,299,534</b>

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

### 5.2 Other receivables from exchange transactions

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
Property rental debtors	29,191,965	(28,463,410)	728,555	27,656,248	(27,030,916)	625,332

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 5. Receivables from exchange transactions (continued)

#### 5.2.1 Ageing of other receivables from exchange transactions

2022

	Not due			Past due			
	Total	Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	120 - 365 days	365+ days
Property rental debtors	29,191,965	983,999	214,238	352,169	165,527	1,111,659	26,364,373

2021

	Not due			Past due			
	Total	Current (0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	27,656,248	472,726	197,196	854,090	98,753	1,059,856	24,973,627

#### 5.2.2 Other receivables from exchange transactions past due not impaired

2022

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	261,644	36,051	88,450	20,761	47,011	69,371

2021

	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
Property rental debtors	534,735	26,914	345,640	10,005	57,183	94,993

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 5. Receivables from exchange transactions (continued)

The impairment provision calculation is calculated by assessing each individual debtor and assessing the probability of future payment using a formula considering historical trends in relation to the individual debtors payment history.

#### Reconciliation of allowance for impairment

Balance at the beginning of the year	(167,113,151)	(151,403,282)
Contributions to the allowance	(37,179,193)	(15,709,869)
	<b>(204,292,344)</b>	<b>(167,113,151)</b>

#### Government debt as at 30 June 2022

	Rates	Services	Interest	Sundry	Total
Nat. dept of Public Works	135,040	919,892	6,145	15,418	1,076,495
Prov. dept of Transport and Public Works	117,379	25,485	8,757	11,250	162,871
Western Cape Education department	906	1,619,815	1,281	128	1,622,130
Department of Health	-	532,340	242	204	532,786
Dept of local government and housing	8,163	21,836	2,932	3,277	36,208
Other government departments	236	168,359	84	1,016	169,695
	<b>261,724</b>	<b>3,287,727</b>	<b>19,441</b>	<b>31,293</b>	<b>3,600,185</b>

#### Government debt as at 30 June 2021

	Rates	Services	Interest	Sundry	Total
Nat. dept of Public Works	1,482,296	4,718,701	188,584	46,095	6,435,676
Prov. dept of Transport and Public Works	112,101	55,720	7,704	7,038	182,563
Western Cape Education department	3,622	1,798,893	5,714	688	1,808,917
Department of Health	-	856,445	-	-	856,445
Dept of local government and housing	5,367	10,227	1,009	1,777	18,380
Other government departments	86	18,525	704	1,031	20,346
	<b>1,603,472</b>	<b>7,458,511</b>	<b>203,715</b>	<b>56,629</b>	<b>9,322,327</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>6. Receivables from non-exchange transactions</b>			
<b>Consumer receivables</b>	6.1		
Property rates		17,745,120	18,020,365
<b>Other receivables</b>			
Accrued income		18,645,756	14,582,189
Fines		30,785,166	24,853,408
		<b>49,430,922</b>	<b>39,435,597</b>
<b>Total receivables</b>		<b>67,176,042</b>	<b>57,455,962</b>

### 6.1 Receivables from non-exchange transactions

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables</b>						
Property rates	49,872,415	(32,127,295)	17,745,120	47,577,986	(29,557,621)	18,020,365
<b>Other receivables</b>						
Accrued income	18,645,756	-	18,645,756	14,582,189	-	14,582,189
Fines	186,301,512	(155,516,346)	30,785,166	164,743,737	(139,890,329)	24,853,408
	<b>204,947,268</b>	<b>(155,516,346)</b>	<b>49,430,922</b>	<b>179,325,926</b>	<b>(139,890,329)</b>	<b>39,435,597</b>
<b>Total</b>	<b>254,819,683</b>	<b>(187,643,641)</b>	<b>67,176,042</b>	<b>226,903,912</b>	<b>(169,447,950)</b>	<b>57,455,962</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 6. Receivables from non-exchange transactions (continued)

#### 6.1.1 Ageing of receivables from non-exchange transactions

2022

	Not due			Past due			
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables</b>							
Property rates	49,872,415	20,164,932	913,466	773,029	616,688	6,230,126	21,174,174
<b>Other receivables</b>							
Accrued income	18,645,756	13,361,240	-	-	-	-	5,284,516
Fines	186,301,512	28,255,472	10,048,047	11,206,219	7,544,529	40,192,188	89,055,057
	<b>204,947,268</b>	<b>41,616,712</b>	<b>10,048,047</b>	<b>11,206,219</b>	<b>7,544,529</b>	<b>40,192,188</b>	<b>94,339,573</b>
	<b>254,819,683</b>	<b>61,781,644</b>	<b>10,961,513</b>	<b>11,979,248</b>	<b>8,161,217</b>	<b>46,422,314</b>	<b>115,513,747</b>

2021

	Not due			Past due			
	Total	Current (0-30 days)	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables</b>							
Property rates	47,577,986	19,940,732	1,134,967	924,388	766,305	6,731,852	18,079,742
<b>Other receivables</b>							
Accrued income	14,582,189	6,544,920	-	-	-	-	8,037,269
Fines	164,743,737	6,697,697	10,048,047	11,206,219	7,544,529	40,192,188	89,055,057
	<b>179,325,926</b>	<b>13,242,617</b>	<b>10,048,047</b>	<b>11,206,219</b>	<b>7,544,529</b>	<b>40,192,188</b>	<b>97,092,326</b>
	<b>226,903,912</b>	<b>33,183,349</b>	<b>11,183,014</b>	<b>12,130,607</b>	<b>8,310,834</b>	<b>46,924,040</b>	<b>115,172,068</b>

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Property rates

17,745,120 18,020,365



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>6. Receivables from non-exchange transactions (continued)</b>		
Fines	29,068,732	24,853,408
	<b>46,813,852</b>	<b>42,873,773</b>
<b>Financial asset receivables included in receivables from non-exchange transactions above</b>		
Accrued Income	18,645,756	14,582,189
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(173,186,777)	(153,351,847)
Contributions to allowance	(14,456,864)	(19,834,930)
	<b>(187,643,641)</b>	<b>(173,186,777)</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R				
<b>6. Receivables from non-exchange transactions (continued)</b>						
<b>6.1.2 Ageing of impaired receivables from non-exchange transactions past due not impaired</b>						
<b>2022</b>						
	Past due					
	Total	31-60 days	61 - 90 days	91 - 120 days	121 - 365 days	365+ days
<b>Consumer receivables</b>						
Property rates	1,911,656	373,269	259,228	170,442	573,671	535,046
<b>Other receivables</b>						
Fines	94,827,622	6,028,828	6,723,731	4,526,717	24,115,312	53,433,034
	<b>96,739,278</b>	<b>6,402,097</b>	<b>6,982,959</b>	<b>4,697,159</b>	<b>24,688,983</b>	<b>53,968,080</b>
<b>2021</b>						
	Past due					
	Total	31 - 60 days	61 - 90 days	91 - 120 days	121- 365 days	365+ days
<b>Consumer receivables</b>						
Property rates	2,562,526	503,863	355,952	257,628	1,057,954	387,129
<b>Other receivables</b>						
Fines	158,046,040	10,048,047	11,206,219	7,544,529	40,192,188	89,055,057
	<b>160,608,566</b>	<b>10,551,910</b>	<b>11,562,171</b>	<b>7,802,157</b>	<b>41,250,142</b>	<b>89,442,186</b>

### Statutory receivables general information

#### Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Stellenbosch.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, exceptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

#### Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991. VAT increased from 14% to 15% from 1 April 2018.

#### Interest or other charges levied/charged

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 6. Receivables from non-exchange transactions (continued)

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003. "Interest" means a charge levied, on all arear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges includes contempt of court fees / warrant of arrest fee determined in terms of the Criminal Procedure Act.

The rates and interest charges are determined by the Value Added Tax Act 89 of 1991.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess Traffic fine receivables is to look at the extent to which debtors per group of fines (Municipal fines, Provincial fines) defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

No impairment on VAT Receivable, balance expected to be fully recoverable

#### Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

#### Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown and ongoing global pandemic relating to covid-19 resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2021.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

### 7. Inventories

Consumables	799,798	576,732
Materials and supplies	2,918,628	27,059,728
Water	1,889,813	1,906,891
Housing stock	9,275,000	9,625,000
Land	14,146,828	14,146,828
<b>Total Inventories</b>	<b>29,030,067</b>	<b>53,315,179</b>

R 44,872,633 (2021: R 34,628,654) of total inventory was recognised as an expense in the current year.

The amount of write-down of inventories recognised as an expense and a reduction in inventory carrying value is R 115,859 (2021: R 18,583). The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>8. Other receivables from exchange transactions</b>		
Deposits	1,776,546	1,696,095
Other receivable	3,572,756	4,001,784
Construction contracts and receivables	-	2,645,278
Special rating area	503,304	527,683
Prepayments and advances	17,384,728	17,414,990
<b>Total</b>	<b>23,237,334</b>	<b>26,285,830</b>

### 9. VAT

VAT Receivable	18,651,433	19,509,741
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The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 6.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022	2021
	R	R
<b>10. Investment property</b>		
<b>10.1 Reconciliation of carrying value</b>		
<b>Opening carrying value</b>		
Cost	424,977,732	424,977,732
Accumulated depreciation and impairment losses	(12,833,836)	(12,463,315)
	<b>412,143,896</b>	<b>412,514,417</b>
Depreciation	38 (251,884)	(370,520)
<b>Closing carrying value</b>	<b>411,892,012</b>	<b>412,143,897</b>
Cost	424,977,732	424,977,732
Accumulated depreciation and impairment losses	(13,085,720)	(12,833,835)
	<b>411,892,012</b>	<b>412,143,897</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### Maintenance of investment property

There were no repairs and maintenance expensed on rental properties. This is mainly due to the fact that rental agreements as entered into with the lessee states maintenance of these properties will be for the lessee's expense.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	12,172,870	14,129,066
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	484,012,398	(27,052,477)	456,959,921	484,712,397	(27,052,477)	457,659,920
Transport Assets	176,795,075	(76,954,342)	99,840,733	173,445,218	(68,246,467)	105,198,751
Electrical Infrastructure	1,445,743,911	(453,699,182)	992,044,729	1,357,820,348	(419,052,862)	938,767,486
Water Supply Infrastructure	1,845,786,156	(468,314,257)	1,377,471,899	1,823,006,810	(417,972,145)	1,405,034,665
Sanitation Infrastructure	1,283,712,546	(232,294,932)	1,051,417,614	1,216,251,520	(198,460,258)	1,017,791,262
Solid Waste Infrastructure	66,824,336	(14,629,744)	52,194,592	63,001,077	(12,824,144)	50,176,933
Other Infrastructure	27,553,251	-	27,553,251	1,470,153	-	1,470,153
Machinery and Equipment	101,543,549	(62,570,563)	38,972,986	99,703,488	(56,227,733)	43,475,755
Furniture and Office Equipment	53,301,680	(37,076,357)	16,225,323	48,296,143	(32,855,468)	15,440,675
Computer Equipment	74,068,664	(46,282,884)	27,785,780	64,935,995	(40,021,009)	24,914,986
Information and Communication Infrastructure	4,504,233	(3,090,765)	1,413,468	3,913,013	(2,706,320)	1,206,693
Capital restoration asset	35,090,800	(27,633,546)	7,457,254	32,247,384	(26,781,289)	5,466,095
Roads Infrastructure	1,315,899,047	(480,095,818)	835,803,229	1,244,613,326	(432,767,240)	811,846,086
Storm water Infrastructure	83,610,258	(47,628,015)	35,982,243	83,596,758	(46,595,246)	37,001,512
Community Assets	152,836,189	(23,059,183)	129,777,006	111,917,545	(18,677,472)	93,240,073
Other Assets	513,153,957	(101,065,773)	412,088,184	508,157,353	(90,549,631)	417,607,722
<b>Total</b>	<b>7,664,436,050</b>	<b>(2,101,447,838)</b>	<b>5,562,988,212</b>	<b>7,317,088,528</b>	<b>(1,890,789,761)</b>	<b>5,426,298,767</b>

	2022			2021		
	Cost /Valuation	Accumulated depreciation and impairment	Carrying value	Cost /Valuation	Accumulated depreciation and impairment	Carrying value
Operational Buildings	337,311,592	(66,126,414)	271,185,178	337,311,592	(57,735,699)	279,575,893
Housing selling schemes	175,842,367	(34,939,359)	140,903,007	170,852,835	(32,821,005)	137,660,942
	513,153,959	(101,065,773)	412,088,186	508,164,427	(90,556,704)	417,607,722

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 11. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	457,659,920	-	(700,000)	-	-	-	-	456,959,920
Transport Assets	105,198,751	4,599,800	(518,208)	-	-	(9,439,607)	-	99,840,733
Electrical Infrastructure	938,767,486	75,859,178	-	12,064,387	-	(34,505,810)	-	992,044,729
Water Infrastructure	1,405,034,665	22,647,755	-	131,592	-	(47,479,877)	(2,722,872)	1,377,471,899
Sanitation Infrastructure	1,017,791,262	67,461,028	-	-	-	(33,558,870)	-	1,051,417,614
Solid Waste Infrastructure	50,176,933	3,823,259	-	-	-	(1,805,600)	-	52,194,592
Other infrastructure	1,470,153	26,083,098	-	-	-	-	-	27,553,251
Machinery and Equipment	43,475,755	1,879,170	(4,821)	-	-	(6,377,116)	-	38,972,986
Furniture and Office Equipment	15,440,675	5,084,702	(5,075)	-	-	(4,294,977)	-	16,225,323
Computer Equipment	24,914,986	9,627,956	(61,635)	-	-	(6,695,531)	-	27,785,780
Information and Communication Infrastructure	1,206,693	591,271	(52)	-	-	(384,444)	-	1,413,468
Capital restoration asset	5,466,095	-	-	-	2,843,415	(852,256)	-	7,457,254
Roads Infrastructure	811,846,086	71,285,719	-	-	-	(46,728,007)	-	835,803,229
Storm water Infrastructure	37,001,512	13,500	-	-	-	(618,060)	-	35,982,243
Community Assets	93,240,073	40,918,647	-	-	-	(4,381,707)	-	129,777,006
Other Assets	417,607,722	5,539,306	(476,888)	-	-	(10,581,954)	-	412,088,184
	<b>5,426,298,767</b>	<b>335,414,389</b>	<b>(1,766,679)</b>	<b>12,195,979</b>	<b>2,843,415</b>	<b>(207,703,816)</b>	<b>(2,722,872)</b>	<b>5,562,988,212</b>

#### The following split is applicable to the line item Other Assets

2022	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Operational Buildings	279,926,780	-	-	-	-	(8,741,602)	271,185,178
Housing selling schemes	137,680,942	5,539,306	(476,888)	-	-	(1,840,352)	140,903,007
	417,607,722	5,539,306	(476,888)	-	-	(10,581,954)	412,088,186

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 11. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land	456,793,087	866,833	-	-	-	-	457,659,920
Transport Assets	96,535,618	20,239,686	(622,224)	-	-	(10,954,329)	105,198,751
Electrical Infrastructure	915,797,851	40,548,312	(25,558)	6,406,695	6,653,470	(30,613,284)	938,767,486
Water Supply Infrastructure	1,387,175,770	51,833,111	-	(23,828)	13,294,577	(47,244,965)	1,405,034,665
Sanitation Infrastructure	917,772,030	108,550,003	-	-	20,089,921	(28,620,692)	1,017,791,262
Solid Waste Infrastructure	41,221,568	10,236,697	-	-	-	(1,281,332)	50,176,933
Other Infrastructure	87,528,766	-	-	-	(86,058,613)	-	1,470,153
Machinery and Equipment	46,284,450	5,890,858	(63,394)	-	-	(8,636,159)	43,475,755
Furniture and Office Equipment	14,143,813	5,695,912	(68,212)	-	-	(4,330,838)	15,440,675
Computer Equipment	24,474,828	9,833,143	(17,795)	-	-	(9,375,190)	24,914,986
Information and Communication Infrastructure	1,649,785	17,441	(2,075)	-	-	(458,458)	1,206,693
Capital restoration asset	6,596,509	-	-	-	3,915,214	(5,045,628)	5,466,095
Roads Infrastructure	772,530,242	62,506,406	-	-	25,315,067	(48,505,629)	811,846,086
Storm water Infrastructure	16,755,046	426,722	-	-	20,694,203	(874,459)	37,001,512
Community Assets	88,145,346	8,777,392	-	-	-	(3,682,665)	93,240,073
Other Assets	362,478,853	65,423,269	-	-	-	(10,294,400)	417,607,722
	<b>5,235,883,562</b>	<b>390,845,785</b>	<b>(799,258)</b>	<b>6,382,867</b>	<b>3,903,839</b>	<b>(209,918,028)</b>	<b>5,426,298,767</b>

We draw to the users attention the classification as detailed below which constitutes a prior period error as this sub note did not form part of the prior year financial statements:

#### The following split is applicable to the line item Other Assets

2021	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Operational Buildings	222,984,177	65,423,269	-	-	-	(8,480,666)	279,926,780
Housing selling schemes	139,494,676	-	-	-	-	(1,813,734)	137,680,942
	<b>362,478,853</b>	<b>65,423,269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,294,400)</b>	<b>417,607,722</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>11. Property, plant and equipment (continued)</b>		
<b>11.1 Property, plant and equipment under construction</b>		
<b>Work in Progress</b>		
<b>The following assets were still in the process of being constructed at year end:</b>		
Transport assets	1,572,668	-
Intangible assets	1,526,450	-
Electrical infrastructure	92,235,577	150,839,441
Water supply infrastructure	91,556,079	127,673,232
Sanitation Infrastructure	225,513,259	198,212,518
Solid waste infrastructure	6,283,479	6,395,953
Machinery and equipment	164,532	164,532
Computer equipment	120,584	120,584
Roads infrastructure	50,488,543	60,818,043
Stormwater infrastructure	3,090,648	3,077,147
Community assets	20,720,143	14,704,183
Other Assets	21,415,215	30,084,334
Furniture and office equipment	814	-
Other Infrastructure	27,553,251	1,470,153
	<b>542,241,242</b>	<b>593,560,120</b>

There were no projects that were significantly delayed during the current financial year. Significant delays are regarded as projects which has not seen any progress for a period exceeding 12 months.

### 11.2 Property, plant and equipment pledged as security

There were no items of property, plant and equipment that was pledged as security during the current financial year.

### 11.3 Maintenance of property, plant and equipment

#### 11.3.1 Expenditure incurred to repair and maintain property, plant and equipment

Property, plant and equipment	64,350,486	83,549,815
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A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

## 12. Intangible assets

### 12.1 Reconciliation of carrying value

#### 2022

		Computer software	Total
<b>Opening carrying value as at 01 July 2021</b>			
Cost		11,775,807	11,775,807
Accumulated depreciation and impairment		(3,212,261)	(3,212,261)
		<b>8,563,546</b>	<b>8,563,546</b>
Amortisation	38	(1,496,422)	(1,496,422)
<b>Closing carrying value as at 30 June 2022</b>		<b>7,067,124</b>	<b>7,067,124</b>
Cost		11,775,807	11,775,807
Accumulated amortisation and impairment		(4,708,683)	(4,708,683)
		<b>7,067,124</b>	<b>7,067,124</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>12. Intangible assets (continued)</b>			
<b>2021</b>			
		Computer software	Total
<b>Opening carrying value as at 01 July 2020</b>			
Cost		9,694,174	9,694,174
Accumulated depreciation and impairment		964,655	964,655
		<b>10,658,829</b>	<b>10,658,829</b>
Amortisation	38	(2,095,283)	(2,095,283)
<b>Closing carrying value as at 30 June 2021</b>		<b>8,563,546</b>	<b>8,563,546</b>
Cost		9,694,174	9,694,174
Accumulated amortisation and impairment		(1,130,628)	(1,130,628)
		<b>8,563,546</b>	<b>8,563,546</b>

### Pledged as security

There were no items of intangible assets that were pledged as security in the current financial year.

### Restricted title

There were no items of intangible assets that that a restricted title in the current financial year.

## 13. Biological assets that form part of agricultural activity

### 13.1 Reconciliation of carrying value

	2022		2021	
	Biological assets measured at fair value	Total	Biological assets measured at fair value	Total
Opening carrying value	5,142,777	5,142,777	6,321,448	6,321,448
Additions from acquisitions	-	-	-	-
Disposals through sales	-	-	(1,178,671)	(1,178,671)
Gains / Losses on disposals	-	-	-	-
Harvests	-	-	-	-
	<b>5,142,777</b>	<b>5,142,777</b>	<b>5,142,777</b>	<b>5,142,777</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
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### 13. Biological assets that form part of agricultural activity (continued)

2022 - Nature and quantities of each biological asset	Opening Balance	Decrease due to harvest	Fair value movement	Total
Botmanskop Plantation	293,463	-	-	293,463
Paradyskloof Plantation	4,849,313	-	-	4,849,313
	<b>5,142,776</b>	<b>-</b>	<b>-</b>	<b>5,142,776</b>

2021 - Nature and quantities of each biological asset	Opening Balance	Decrease due to harvest	Fair value movement	Total
Botmanskop plantation	293,463	-	-	293,463
Paradyskloof Plantation	4,849,313	-	-	4,849,313
	<b>5,142,776</b>	<b>-</b>	<b>-</b>	<b>5,142,776</b>

The determination of fair value was as follows:

#### Principle:

Price determination was done on the basis of current sale value of the tender for the current year i.e. R602.10/m<sup>3</sup> excluding 15% VAT. This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m<sup>3</sup>/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

#### Description of the Biological Assets

##### Botmanskop plantation (Block E)

Some compartments remain which can be harvested at a later stage due to the age of the trees.

##### Paradyskloof plantation (Block G)

Some compartments remain which can be harvested at a later stage due to the age of the trees.

#### Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

#### Pledged as security

There were no items of biological assets pledged as security in the current financial year.

#### Non-Financial Information

##### Quantities of each biological asset (In hectares)

Botmanskop Plantation	10	10
Paradyskloof Plantation	32	32
	<b>42</b>	<b>42</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R	
<b>14. Heritage assets</b>			
<b>14.1 Reconciliation of carrying value</b>			
<b>2022</b>			
	Monuments and parks	Other assets	Total
<b>Opening carrying value as at 01 July 2021</b>			
Cost	892,883	143,945	1,036,828
Accumulated impairment losses	-	-	-
	<b>892,883</b>	<b>143,945</b>	<b>1,036,828</b>
Cost	892,883	143,945	1,036,828
Accumulated impairment losses	-	-	-
	<b>892,883</b>	<b>143,945</b>	<b>1,036,828</b>
<b>2021</b>			
	Monuments and parks	Other assets	Total
<b>Opening carrying value as at 01 July 2020</b>			
Cost	630,057	143,945	774,002
Accumulated impairment losses	-	-	-
	<b>630,057</b>	<b>143,945</b>	<b>774,002</b>
Additions from transfer of functions / mergers	262,826	-	262,826
<b>Closing carrying value as at 30 June 2021</b>	<b>892,883</b>	<b>143,945</b>	<b>1,036,828</b>
Cost	892,883	143,945	1,036,828
Accumulated impairment losses	-	-	-
	<b>892,883</b>	<b>143,945</b>	<b>1,036,828</b>

### 14.2 Heritage assets pledged as security

There were no heritage assets pledged as security during the current financial year.

### Heritage assets used for more than one purpose

A significant portion of the following heritage assets are used for office accommodation and is therefore included in the balance of property, plant and equipment:

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>14. Heritage assets (continued)</b>		
<b>The following heritage assets are used by the municipality for more than one purpose</b>		
Neethlingshuis and De Withuis	62,697,588	63,055,327
58 - 60 Andringa Street	1,868,632	1,878,733
35B Mark Street	3,130,455	3,139,647
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12,649,326	12,680,135
116 - 118 Dorp Street, Voorgelegen - offices	5,537,263	5,557,466
4 Reservoir West, Mooiwater	2,064,905	2,072,986
34 Mark Street, Rynse Komplex; Toy Museum, Tourism	8,149,326	8,180,136
PMU Building, Alexander Street, Burger Huis	1,564,611	1,571,176
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	61,846,119	62,038,650
Die Laan, Landbou Saal	4,336,326	4,343,145
	<b>163,844,551</b>	<b>164,517,401</b>

### Expenditure incurred to repair and maintain heritage assets

The expenditure relating to repairs and maintenance of these buildings is included in the statement of financial performance and disclosed under note 10 to the financial statements.

There was no repairs and maintenance expenditure incurred on other remaining heritage assets.

### 15. Long-term receivables

<b>Consumer receivables</b>	5.1		
Electricity		1,183,521	1,058,716
Waste management		1,067,766	980,189
Waste water management		846,283	803,737
Water		3,519,805	3,171,941
Services charges		1,327,555	1,158,526
Property rates		738,862	588,429
<b>Total</b>		<b>8,683,792</b>	<b>7,761,538</b>
Transferred to current receivables		(2,034,864)	-
<b>Total non-current consumer receivables</b>		<b>6,648,928</b>	<b>7,761,538</b>
<b>Other receivables</b>			
Public organisation		119,134	161,010
Transferred to current receivables	8	(47,431)	(41,876)
<b>Total non-current other receivables</b>		<b>71,703</b>	<b>119,134</b>

### 16. Consumer deposits

Electricity	12,025,674	11,347,036
Posters	290,106	290,106
Refuse	205,629	222,841
Rental properties	1,747,191	1,511,544
Water	7,387,820	6,671,492
Wayleave	498,413	964,813
<b>Total</b>	<b>22,154,833</b>	<b>21,007,832</b>

Deposits are released on termination of the contract or when the contractual services are delivered.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>17. Employee benefits</b>			
<b>Non-current employee benefits</b>			
Post employment health care benefits	17.1	179,494,000	177,057,000
Long-service awards benefits	17.2	24,606,717	23,387,000
		<b>204,100,717</b>	<b>200,444,000</b>
<b>Current employee benefits</b>			
Post employment health care benefits	17.1	9,664,001	8,663,000
Long-service awards benefits	17.2	4,433,446	3,483,278
Bonus	17.3	13,928,763	13,782,725
Staff leave	17.4	32,724,653	30,542,344
		<b>60,750,863</b>	<b>56,471,347</b>
<b>Total employee benefits</b>		<b>264,851,580</b>	<b>256,915,347</b>

### 17.1 Post employment health care benefits

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by C Weiss of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

	Number	Number
In-service members (Employees)	673	679
Continuation members (Retirees)	472	171
In service employees (Non-members)	175	461
<b>Total members</b>	<b>1,320</b>	<b>1,311</b>

The liability in respect of past service has been estimated as follow:

In-service members (Employees)	69,788,001	67,805,000
In-service non-members (Employees)	8,309,000	7,922,000
Continuation members (Retirees)	111,061,000	109,993,000
<b>Total liability</b>	<b>189,158,001</b>	<b>185,720,000</b>
Non-current	179,494,000	177,057,000
Current	9,664,001	8,663,000
<b>Total liability</b>	<b>189,158,001</b>	<b>185,720,000</b>

The Future-service cost for the ensuing year is estimated to be R 5,820,000 whereas the Interest Cost is estimated to be R 21,656,000.

The principal assumptions used for the purposes of the actuarial valuations were as follow:

### Rates of interest

Discount rate	11.74%	9.91 %
Health care cost inflation rate	8.37%	6.68%
Net effective discount rate	3.11%	3.03 %

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R			
<b>17. Employee benefits (continued)</b>					
<b>Normal retirement age</b>					
The average retirement age for all active employees was assumed to be 62 years.					
<b>Amounts recognised in the statement of financial position</b>					
The amounts recognised in the statement of financial position is as follows:					
Present value of unfunded obligations	189,158,001	185,720,000			
<b>Amounts recognised in the statement of financial performance</b>					
The amounts recognised in the statement of financial performance is as follows:					
Current service cost	5,572,000	5,238,000			
Interest cost	17,958,000	16,840,000			
Actuarial loss/ (gain) recognised in the year	(10,615,342)	3,664,167			
<b>Total post-retirement benefit included in employee related costs</b>	<b>35 12,914,658</b>	<b>25,742,167</b>			
<b>Movements in the present value of the defined benefit obligation</b>					
Opening balance	185,720,000	169,099,000			
Current service cost	5,572,000	5,238,000			
Interest cost	17,958,000	16,840,000			
Actual employer benefit payments	(9,476,658)	(9,121,167)			
Actuarial loss/ (gain) recognised in the year	(10,615,341)	3,664,167			
<b>Present value of fund obligation at the end of the year</b>	<b>189,158,001</b>	<b>185,720,000</b>			
<b>Amounts for the current and previous four periods are as follows:</b>					
<b>Present value of unfunded defined benefit</b>					
2022		- 189,158,000			
2021		- 185,720,000			
2020		- 169,099,000			
2019		- 187,508,063			
2018		- 198,749,139			
2017		- 201,981,959			
<b>Sensitivity analysis on the Accrued Liability (R Millions)</b>					
<b>Assumption</b>	<b>Change</b>	<b>In-service</b>	<b>Continuation</b>	<b>Total</b>	<b>% change</b>
Central assumptions		78.097	111.061	189.158	
Health care inflation	1%	94.259	121.608	215.867	14%
	-1%	65.292	101.904	167.196	(12)%
Discount rate	1%	65.736	102.235	167.971	(11)%
	-1%	93.871	121.365	215.236	14%
Post retirement mortality	1 yr	76.023	107.228	183.251	(3)%
	(1)	80	114	195	3
Average retirement age	- 1 year	84.950	111.061	196.011	4%
Continuation of membership at retirement	(10)%	68.405	111.061	179.466	(5)%

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
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### 17. Employee benefits (continued)

#### Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service cost	Interest cost	Total	% Change
Central assumptions		5,572,000	17,958,000	23,530,000	
Health care inflation	1%	6,925,000	20,626,000	27,551,000	17%
	(1)%	4,530,000	15,774,000	20,304,000	-14%
Discount rate	1%	4,607,000	17,448,000	22,055,000	(6)%
	(1)%	6,831,000	18,491,000	25,322,000	8%
Post-retirement mortality	+1 yr	5,426,000	17,384,000	22,810,000	-3%
	-1 yr	5,718,000	18,532,000	24,250,000	3%
Average retirement age	-1 yr	5,917,000	18,621,000	24,538,000	4%
Membership continuation	-10%	4,904,000	17,031,000	21,935,000	-7%

#### Mortality Rates

Post retirement: PA (90) ultimate Mortality table was used.

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives, was used.

#### Continuation of Membership

With the appointment of ARCH Actuarial Consulting for the year ending 30 June 2022.

#### 17.2 Long-service awards benefits

Provision for long-service awards	17.2.1	29,040,163	26,870,278
Less: Transfer to current portion		(4,433,446)	(3,483,278)
<b>Total non-current benefit</b>		<b>24,606,717</b>	<b>23,387,000</b>
Non-current		24,606,717	23,387,000
Current		4,433,446	3,483,278
<b>Total liability</b>		<b>29,040,163</b>	<b>26,870,278</b>

#### Long-service awards

The municipality operates a funded defined benefit plan for all its employees. Under the plan, a Long Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by Arch consulting. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end 1145 (2021: 1140) employees were eligible for Long Services Awards.

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Discount rate	11.12%	9.35 %
General Salary inflation	7.3%	5.81 %
Net effective discount rate	3.56%	3.35 %

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>17. Employee benefits (continued)</b>		
<b>Amounts recognised in the statement of financial position</b>		
The amounts recognised in the statement of financial position are as follow:		
Present value of unfunded obligations	29,040,163	26,870,278
<b>Amounts recognised in the statement of financial performance</b>		
The amounts recognised in the statement of financial performance are as follow:		
Current service cost	2,183,000	2,093,000
Interest cost	2,408,000	1,864,000
Actuarial losses / (gains) recognised	(1,161,853)	297,861
<b>Total expense included in employee related costs</b>	<b>35 3,429,147</b>	<b>4,254,861</b>
<b>17.2.1 Provision for long service awards</b>		
<b>Movements in the present value of the defined benefit obligation</b>		
Opening Balance	26,870,278	26,522,000
Increases	2,183,000	5,752,139
Increases (Passage of Time/Discounted Rate)	4,985,147	1,864,000
Reductions (Payments, remeasurement etc.)	(4,998,262)	(7,267,861)
<b>Closing balance</b>	<b>29,040,163</b>	<b>26,870,278</b>
<b>17.2.2 Long-service awards payable</b>		
<b>17.3 Bonus</b>		
Provision for bonus	17.3.1 13,928,763	13,782,725
Less: Transfer to current portion	(13,928,763)	(13,782,725)
<b>Total non-current benefit</b>	<b>-</b>	<b>-</b>
Current	13,928,763	13,782,725
<b>Amounts recognised in the statement of financial position</b>		
The amounts recognised in the statement of financial position are as follow:		
Present value of unfunded obligations	13,928,763	13,782,725
<b>Amounts recognised in the statement of financial performance</b>		
The amounts recognised in the statement of financial performance are as follow:		
<b>17.3.1 Provision for bonus</b>		
<b>Movements in the present value of the defined benefit obligation</b>		
Opening Balance	13,782,725	13,044,083
Increases	13,928,763	13,782,725
Reversals	(13,782,725)	(13,044,083)
<b>Closing balance</b>	<b>13,928,763</b>	<b>13,782,725</b>
<b>17.4 Staff leave</b>		
Provision for staff leave	17.4.1 32 724 653	30 542 344

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>17. Employee benefits (continued)</b>		
Less: Transfer to current portion	(32,724,653)	(30,542,344)
<b>Total non-current benefit</b>	-	-
Current	32,724,653	30,542,344

### Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Present value of unfunded obligations	32,724,653	30,542,344
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#### 17.4.1 Provision for staff leave

#### Movements in the present value of the defined benefit obligation

Opening Balance	30,542,342	30,056,889
Increases	5,754,363	3,019,913
Reductions (Payments, remeasurement etc.)	(3,572,052)	(2,534,458)
<b>Closing balance</b>	<b>32,724,653</b>	<b>30,542,344</b>

### 18. Lease liabilities

#### 18.1 Carrying value of lease liabilities

##### 2022

	Amortised cost	Total
<b>Carrying value as at 30 June 2022</b>		
Operating lease liability	2,118,022	2,118,022

##### 2021

	Amortised cost	Total
<b>Carrying value as at 30 June 2021</b>		
Operating lease liability	3,739,474	3,739,474

### Leasing arrangements

#### The municipality as a lessee

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

#### Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

#### 18.2 Operating lease payable

<b>Total future minimum lease payments</b>		
Within 1 year	2,118,022	3,739,474
<b>Present value of minimum lease payments</b>		
Within 1 year	2,118,022	3,739,474
Current liability	2,118,022	3,739,474

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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2022	2021
R	R

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### 18. Lease liabilities (continued)

The amounts recognised in the statement of financial performance is contained within note 44 to the financial statements.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>19. Borrowings</b>		
Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.		
Annuity loans from Nedbank Limited have settlement periods of 10 years with fixed interest rates varying from 9.7% to 8.8% per annum..		
Annuity loan from Standard Bank have a settlement period of 10 years with fixed interest rate of 11% has been entered into during the 2021/22 financial year.		
<b>Total borrowings</b>		
Annuity and Bullet Loans	478,736,492	368,957,019
<b>Less: Current portion transferred to current liabilities</b>		
Annuity and Bullet Loans	(51,902,261)	(34,223,894)
<b>Non-current borrowings</b>	<b>426,834,231</b>	<b>334,733,125</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>20. Trade and other trade and other payables</b>			
Bulk purchases	20.1	63,264,302	58,289,097
Contractors	20.2	36,189,637	31,966,620
Control accounts	20.3	2,689,790	3,775,583
Other payables	20.4	165,684,000	200,972,053
<b>Total</b>		<b>267,827,729</b>	<b>295,003,353</b>
<b>20.1 Bulk purchases</b>			
Bulk water		361,253	3,544,931
Bulk electricity		62,903,049	54,744,166
<b>Total</b>		<b>63,264,302</b>	<b>58,289,097</b>
<b>20.2 Contractors</b>			
Retentions		36,189,637	31,966,620
<b>20.3 Control accounts</b>			
Group life control		899,696	2,423,664
Licensing and registration		(3,022,422)	(3,364,692)
Salary Control		4,812,516	4,716,611
<b>Total</b>		<b>2,689,790</b>	<b>3,775,583</b>
<b>20.4 Other payables</b>			
Auditor-General of South Africa		16,507	98,041
Payables and accruals		112,382,367	145,128,051
Unallocated deposits		28,026,906	31,954,288
Advance payments		25,258,220	23,791,673
<b>Total</b>		<b>165,684,000</b>	<b>200,972,053</b>

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies

		2022				2021			
		Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
<b>Capital</b>									
Monetary allocations	21.1	8,389,528	93,656,409	(85,490,269)	16,555,668	978,281	76,531,525	(71,339,187)	6,170,619
<b>Operational</b>									
Monetary allocations	21.2	7,030,947	197,088,782	(189,272,174)	14,847,555	7,884,382	194,864,880	(193,416,265)	9,332,997
<b>Total</b>		<b>15,420,475</b>	<b>290,745,191</b>	<b>(274,762,443)</b>	<b>31,403,223</b>	<b>8,862,663</b>	<b>271,396,405</b>	<b>(264,755,452)</b>	<b>15,503,616</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

#### 21.1 Capital monetary allocations

	2022				2021			
	Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
<b>Departmental agencies and accounts</b>								
National departmental agencies	307,361	-	(307,361)	-	307,361	-	-	307,361
<b>National government</b>								
Integrated National Electrification Programme Grant	-	23,400,000	(13,757,664)	9,642,336	-	12,000,000	(12,000,000)	-
Intergrated Urban Development Grant	-	53,093,950	(53,093,950)	-	-	46,905,999	(46,905,999)	-
<b>Total</b>	<b>-</b>	<b>76,493,950</b>	<b>(66,851,614)</b>	<b>9,642,336</b>	<b>-</b>	<b>58,905,999</b>	<b>(58,905,999)</b>	<b>-</b>
<b>Private enterprises</b>								
Other transfers private enterprises	1,162,743	-	(808,050)	354,693	437,835	808,050	-	1,245,885
<b>Provincial government</b>								
Western Cape	6,919,424	17,162,459	(17,523,244)	6,558,639	233,085	16,817,476	(12,433,188)	4,617,373
<b>Total capital monetary allocations</b>	<b>8,389,528</b>	<b>93,656,409</b>	<b>(85,490,269)</b>	<b>16,555,668</b>	<b>978,281</b>	<b>76,531,525</b>	<b>(71,339,187)</b>	<b>6,170,619</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

#### 21.2 Operational monetary allocations

	2022				2021			
	Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
<b>Departmental agencies and accounts</b>								
National departmental agencies	-	-	-	-	-	138,960	(138,960)	-
<b>District municipalities</b>								
Western Cape	146,959	984,000	(500,000)	630,959	2,030,541	540,000	(2,423,582)	146,959
<b>National government</b>								
Expanded Public Works Programme Integrated Grant	-	5,998,000	(5,998,000)	-	-	4,961,000	(4,961,000)	-
Local Government Financial Management Grant	-	1,550,000	(1,550,000)	-	-	1,550,000	(1,550,000)	-
Equitable Share	-	157,136,000	(157,136,000)	-	-	170,632,000	(170,632,000)	-
Integrated Urban Development Grant	-	3,847,050	(3,847,050)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>168,531,050</b>	<b>(168,531,050)</b>	<b>-</b>	<b>-</b>	<b>177,143,000</b>	<b>(177,143,000)</b>	<b>-</b>
<b>Non-profit institutions</b>								
National Research Foundation	102,000	-	-	102,000	102,000	-	-	102,000
<b>Private enterprises</b>								
Other transfers private enterprises	4,719,413	656,235	(40,913)	5,334,735	3,152,969	1,617,540	(51,097)	4,719,412
<b>Provincial government</b>								
Western Cape	1,842,472	26,899,025	(20,200,211)	8,541,286	2,378,769	13,616,000	(11,850,246)	4,144,523
<b>Public corporations</b>								
Other transfers public corporations	220,103	18,472	-	238,575	220,103	1,809,380	(1,809,380)	220,103
<b>Total operational monetary allocations</b>	<b>7,030,947</b>	<b>197,088,782</b>	<b>(189,272,174)</b>	<b>14,847,555</b>	<b>7,884,382</b>	<b>194,864,880</b>	<b>(193,416,265)</b>	<b>9,332,997</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>21. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)</b>			
The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.			
These amounts are invested in a ring-fenced investment until utilised.			
<b>22. Provisions</b>			
Landfill sites	22.1	160,533,093	141,497,317
Non-current		160,533,093	141,497,317
<b>22.1 Landfill sites</b>			
Opening Balance		141,497,318	121,305,978
Increases		9,130,963	10,790,126
Increases (Passage of Time/Discounted Rate)		9,904,812	9,401,213
<b>Closing balance</b>		<b>160,533,093</b>	<b>141,497,317</b>

### Landfill site provision

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 16/2/7/G203/D16/Z1/P331) issued in terms of the Environmental Conservation Act, 1989 (Act 73 of 1989)

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R160 533 093 (2021: 141 497 317) to restore the site at the end of its useful life.

The unwinding of the provision for landfill site for the current year was R9 904 8123 (2021: R9 401 213) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. The expected future cash outflows for cells 1 and 2 is July 2024 and June 2026. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use. The expected future cash outflows is between July 2046 and July 2048 for cell 3.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2022

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 7.4% (2021: 5%)
- Discount rate 7.5% (2021: 7%)

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>23. Property rates</b>		
Agricultural property	18,490,474	16,871,168
Business and commercial properties	166,626,428	174,169,626
Other categories	3,952,269	2,788,387
Public benefit organisations	24,424	22,289
Public service infrastructure properties	9,290,588	86,959
Residential properties	216,061,713	193,118,248
<b>Total</b>	<b>414,445,896</b>	<b>387,056,677</b>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to consider any changes in individual property values, due to amendments. The current Valuation Roll came into effect on 01 July 2021. With reference to Section 78 of the Local Government: Municipal Property Rates Act, No. 6,2004, four reviews have been finalised and two supplementary valuations have been performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2022:

Residential Property – R 0.004481

Business and Commercial Property – R 0.009410

Agricultural Property – R 0.001120

Public Service Purposes – R 0.009410

Public Service Infrastructure – R 0.001120

Public Benefit Organization – R 0.001120

Vacant Residential – R 0.008962

Vacant other – R 0.017924

Property Rates are levied monthly on property owners' accounts and are payable the 7<sup>th</sup> of each month. Property owners may request to pay their Rates annually, which amount will be levied in July and must be paid by the 7<sup>th</sup> of October annually. Interest on outstanding accounts for Property Rates is levied as per Council's Credit Control and Debt Collection Policy.

### Relief Measures

The relief measures on property rates are generally described in paragraph 8 of the approved Property Rates Policy of the Municipality. This includes the specific under mentioned relief measures:

#### Rebate and gross monthly household income for Qualifying senior citizens and Disabled persons:

##### Gross monthly household income %

Up to R8 000 - 100%

From R8 001 to R 10 000 - 75%

From R10 001 to R12 000 - 50%

From R12 001 to R15 000 - 25%

##### Municipal valuation threshold value

On qualifying residential properties, property owners will receive a rebate up to a maximum value of R250 000, which amount includes a value of R15 000 as per Section 17(1)(h) of the Local Government: Municipal Property Rates Act, No. 6, 2004, and an additional value of R235 000 reduction granted as per paragraph 8.2.1(ii) of the approved Property Rates Policy.

Paragraph 8.2.1 (ii) is only applicable on properties with valuations up to R5 000 000

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>23. Property rates (continued)</b>			
<b>Stellenbosch special rebate</b>			
A rebate of 20% may be granted as per paragraph 8.6 of the approved Rates policy of the municipality.			
<b>Other rebates</b>			
Rebates have also been granted to qualifying non-profit organizations and to organizations who qualified for any other rebate as defined in the Property Rates Policy. Any other exclusions or exemptions have been granted in accordance with the Local Government: Municipal Property Rates Act, No. 6, 2004.			
<b>24. Transfers and subsidies - Revenue</b>			
<b>Operational</b>			
Monetary allocations	24.1	196,208,355	194,789,868
<b>Capital</b>			
Allocations in-kind	24.2	50,000	140,541
Monetary allocations	24.3	92,802,169	69,846,818
<b>Total transfers and subsidies: Capital</b>		<b>92,852,169</b>	<b>69,987,359</b>
<b>Total</b>		<b>289,060,524</b>	<b>264,777,227</b>
<b>24.1 Monetary allocations: Operational</b>			
Departmental agencies and accounts		-	138,960
District municipalities		500,000	2,423,582
National governments		11,395,051	7,935,700
National revenue fund		157,135,999	170,632,000
Provincial government		27,177,305	11,850,246
Public corporations		-	1,809,380
<b>Total</b>		<b>196,208,355</b>	<b>194,789,868</b>
<b>24.2 Allocations in-kind: Capital</b>			
Private enterprises		50,000	-
Public corporations		-	140,541
<b>Total</b>		<b>50,000</b>	<b>140,541</b>
<b>24.3 Monetary allocations: Capital</b>			
Departmental agencies and accounts		307,361	-
National government		66,851,614	57,481,299
Provincial governments		25,643,194	12,365,519
<b>Total</b>		<b>92,802,169</b>	<b>69,846,818</b>
<b>Included in above are the following grants and subsidies received:</b>			
Conditional grants received		131,924,525	94,004,686
Unconditional grants received		157,135,999	170,772,541
		<b>289,060,524</b>	<b>264,777,227</b>

Grant revenue is recognised when all the conditions of the grant has been met.

## 25. Fines, penalties and forfeits

Fines	25.1	122,933,462	108,942,664
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>25. Fines, penalties and forfeits (continued)</b>		
<b>25.1 Fines</b>		
<b>Traffic fines</b>		
Municipal fines	122,762,554	108,807,761
<b>Other fines</b>		
Building fines	23,478	34,609
Law enforcement	31,865	38,650
Overdue books	40,372	10,069
Pound fees	75,193	51,575
	<b>170,908</b>	<b>134,903</b>
<b>Total</b>	<b>122,933,462</b>	<b>108,942,664</b>
<b>26. Interest earned from receivables</b>		
Exchange receivables	26.1 10,428,555	8,667,388
Non-exchange receivables	26.2 2,430,082	1,970,109
<b>Total</b>	<b>12,858,637</b>	<b>10,637,497</b>
<b>26.1 Interest earned from exchange receivables</b>		
<b>Consumer receivables</b>		
Electricity	1,484,989	1,144,532
Service charges	684,532	553,337
Waste management	1,584,304	1,231,260
Waste water management	1,400,356	1,162,343
Water	5,274,374	4,575,916
	<b>10,428,555</b>	<b>8,667,388</b>
<b>26.2 Interest earned from non-exchange receivables</b>		
<b>Consumer receivables</b>		
Property rates	2,430,082	1,970,109
<b>27. Service charges</b>		
<b>Electricity</b>		
Electricity sales	756,431,257	632,401,485
<b>Waste management</b>		
Waste management sales	84,651,895	73,150,291
<b>Waste water management</b>		
Waste water management sales	102,285,414	92,638,765
<b>Water</b>		
Water sales	146,829,883	134,425,800
<b>Total service charges</b>	<b>1,090,198,449</b>	<b>932,616,341</b>
The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.		
<b>28. Rental</b>		
Rental from fixed property	12,172,871	11,004,517

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>29. Interests on investments</b>		
Bank accounts	2,318,032	2,564,988
Financial assets	15,296	21,956
Short-term investments and call accounts	16,437,013	16,928,417
<b>Total</b>	<b>18,770,341</b>	<b>19,515,361</b>
<b>30. Licences or permits</b>		
Exchange revenue	7,809,443	6,810,003
<b>31. Agency services</b>		
Provincial	3,019,961	3,248,206
<p>The municipality collects licence fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.</p> <p>The municipality, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.</p> <p>No resources are held by the municipality on behalf of the principle.</p>		
<b>32. Operational revenue</b>		
Administrative Handling Fees	296,143	324,644
Breakages and Losses Recovered	7,794	3,037
Collection Charges	2,599,387	1,811,699
Incidental Cash Surpluses	5,977	10,319
Inspection fees	3,658	15,683
Insurance Refund	970,346	-
Merchandising, Jobbing and Contracts	6,087,144	1,418,955
Recovery Maintenance	159,765	252,544
Request for information	106,127	69,323
Skills Development Levy Refund	807,097	578,140
Staff and Councillors Recoveries	7,718	333,149
<b>Total</b>	<b>11,051,156</b>	<b>4,817,493</b>
<b>33. Sales of goods and rendering of services</b>		
Application Fees for Land Usage	485,946	385,630
Building Plan Approval	8,561,312	4,394,866
Cemetery and Burial	999,722	1,015,875
Clearance Certificates	456,411	354,384
Construction Contract Revenue	287,846	-
Development Charges	30,472,217	13,657,931
Encroachment Fees	3,825,308	3,146,760
Entrance Fees	566,516	72,694
Fire Services	93,716	189,406
Legal Fees	147,140	-
Library Fees	1,573	283
Management Fees	-	7,570,000
Special rating area	7,523,406	7,427,468
Parking Fees	5,612,297	7,163,797
Photo copies, Faxes and Telephone charges	56,117	26,704
Removal of Restrictions	405,436	380,435
Sale of Goods	537,773	340,409
<b>Total</b>	<b>60,032,736</b>	<b>46,126,642</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>34. Gain/(Loss) on disposal of fixed and intangible assets</b>			
Gains/(losses) on disposals	34.1	(76,275)	8,948,654
<b>34.1 Gains/(losses) on disposals</b>			
Property, plant and equipment		(76,275)	9,385,448
Biological assets		-	(436,794)
<b>Total</b>		<b>(76,275)</b>	<b>8,948,654</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>35. Employee related cost</b>		
Municipal staff	550,719,139	558,471,749
<b>Senior Management Costs</b>		
Basic Salary	7,272,858	7,411,482
Performance bonus	1,242,165	999,245
Contribution to pension fund, UIF, SDL	967,454	938,042
Car allowance	553,984	679,200
Cell phone allowance	133,000	136,800
Leave	345,326	-
Housing allowance	18,000	18,000
Acting allowance	5,461	-
	<b>10,538,248</b>	<b>10,182,769</b>
<b>35.1 Municipal staff costs</b>		
Basic salary	333,940,572	333,582,040
Service-related benefits	83,537,050	84,970,137
Allowances	14,216,037	14,744,815
Bargaining council	227,044	335,784
Group life insurance	5,804,754	4,250,399
Medical	25,564,279	25,057,853
Pension	52,554,036	54,563,638
Post-retirement benefit	16,796,167	35,097,473
Leave gratuity	5,754,363	2,969,330
Unemployment insurance	2,707,469	2,415,990
<b>Total</b>	<b>541,101,771</b>	<b>557,987,459</b>
<b>35.2 Senior management costs</b>		
<b>Municipal Manager - G Mettler</b>		
Basic salary	1,313,408	1,393,631
Performance bonus	263,283	264,072
Contribution to pension fund, UIF, SDL	337,255	344,165
Car allowance	150,604	120,000
Cellphone allowance	22,800	22,800
Leave	273,667	-
	<b>2,361,017</b>	<b>2,144,668</b>
<b>Chief Financial Officer - K Carolus</b>		
Basic salary	956,889	955,597
Performance bonus	204,782	205,722
Contribution to pension fund, UIF, SDL	234,604	226,333
Car allowance	241,563	240,000
Cellphone allowance	22,800	22,800
Housing allowance	18,000	18,000
	<b>1,678,638</b>	<b>1,668,452</b>
<b>Director: Planning and Development - A Barnes</b>		
Basic salary	1,152,374	1,140,632
Performance bonus	159,754	10,770
Contribution to pension fund, UIF, SDL	298,955	288,881
Cellphone allowance	22,800	22,800
	<b>1,633,883</b>	<b>1,463,083</b>
<b>Director: Corporate Services - A de Beer</b>		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022	2021
	R	R
<b>35. Employee related cost (continued)</b>		
Basic salary	1,415,915	1,275,371
Performance bonus	204,782	152,744
Contribution to pension fund, UIF, SDL	33,817	25,055
Car allowance	-	139,200
Cellphone allowance	22,800	22,800
	<b>1,677,314</b>	<b>1,615,170</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>35. Employee related cost (continued)</b>		
<b>Director: Corporate and protection services - G Boshoff</b>		
Basic salary	1,354,425	1,351,975
Performance bonus	204,782	161,051
Contribution to pension fund, UIF, SDL	35,808	27,954
Car allowance	61,323	60,000
Cellphone allowance	22,800	22,800
	<b>1,679,138</b>	<b>1,623,780</b>
<b>Director: Infrastructure Services - D Louw</b>		
Basic salary	1,079,847	1,294,276
Performance bonus	204,782	204,886
Contribution to pension fund, UIF, SDL	27,015	25,654
Car allowance	100,494	120,000
Cellphone allowance	19,000	22,800
Acting allowance	5,461	-
Leave	71,659	-
	<b>1,508,258</b>	<b>1,667,616</b>
<b>36. Remuneration of councillors</b>		
Executive mayor	921,503	930,878
Chief whip	679,629	705,819
Speaker	739,077	749,906
Deputy executive mayor	751,959	750,516
Executive committee	6,607,660	6,246,159
All other councillors	10,115,420	9,273,722
<b>Total</b>	<b>19,815,248</b>	<b>18,657,000</b>
<b>Executive Mayor - G van Deventer</b>		
Basic salary	698,553	663,015
Travel allowance	180,135	223,463
Cellphone allowance	39,342	40,800
Data card allowance	3,473	3,600
Pension fund contributions	-	7,373
	<b>921,503</b>	<b>938,251</b>
<b>Deputy Executive Mayor - J Fassler (Incoming)</b>		
Basic salary	451,541	-
Cellphone allowance	25,742	-
Data card allowance	2,271	-
	<b>479,554</b>	<b>-</b>
<b>Deputy Executive Mayor - Jindela N (Outgoing)</b>		
Basic salary	179,371	493,904
Travel allowance	59,589	178,769
Cellphone allowance	13,600	40,800
Data card allowance	1,200	3,600
Pension fund contributions	12,322	37,043
	<b>266,082</b>	<b>754,116</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>36. Remuneration of councillors (continued)</b>		
<b>Speaker - Q Smit (Incoming)</b>		
Basic salary	346,541	-
Travel allowance	105,000	-
Cellphone allowance	25,742	-
Data card allowance	2,271	-
	<b>479,554</b>	<b>-</b>
<b>Speaker - WC Petersen (Outgoing)</b>		
Basic salary	185,689	513,057
Travel allowance	59,589	178,769
Cellphone allowance	13,600	40,800
Data card allowance	1,200	3,600
Pension fund contributions	-	17,280
Medical aid	5,760	-
	<b>265,838</b>	<b>753,506</b>
<b>Chief Whip - P Crawley (Incoming)</b>		
Basic salary	282,056	-
Travel allowance	97,974	-
Cellphone allowance	26,390	-
Data card allowance	2,328	-
Pension fund contributions	20,462	-
	<b>429,210</b>	<b>-</b>
<b>Chief Whip - PW Biscombe (Outgoing)</b>		
Basic salary	162,841	446,922
Travel allowance	55,865	167,597
Cellphone allowance	13,600	40,800
Data card allowance	1,200	3,600
Pension fund contributions	11,149	33,519
Medical aid benefits	5,760	17,280
	<b>250,415</b>	<b>709,718</b>
<b>Executive committee</b>		
Basic salary	5,209,887	4,084,705
Travel allowance	739,275	1,481,673
Cellphone allowance	376,914	361,210
Data card allowance	33,257	31,871
Pension fund contributions	200,806	222,091
Medical aid benefits	47,520	96,480
	<b>6,607,659</b>	<b>6,278,030</b>
<b>All other councillors</b>		
Basic salary	7,736,174	5,947,306
Travel allowance	742,534	2,126,055
Cellphone allowance	1,236,790	1,226,613
Data card allowance	109,185	108,231
Pension fund contributions	192,881	242,017
Medical aid benefits	97,854	115,200
	<b>10,115,418</b>	<b>9,765,422</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

		2022 R	2021 R
<b>37. Bad debt written off</b>			
Electricity		373,181	395,298
Refuse		426,880	1,542,651
Sewerage		424,045	1,542,328
Water		2,907,506	16,298,538
Housing rental		395,817	931,717
Rates		626,437	1,423,322
Traffic fines		79,831,030	86,648,070
		<b>84,984,896</b>	<b>108,781,924</b>
<b>38. Depreciation and amortisation</b>			
<b>Amortisation</b>			
Intangible assets	12.1	1,496,422	2,040,969
<b>Depreciation</b>			
Investment property	10.1	251,884	370,520
Property, plant and equipment	11	209,274,745	209,913,731
		<b>209,526,629</b>	<b>210,284,251</b>
<b>Total</b>		<b>211,023,051</b>	<b>212,325,220</b>
<b>39. Finance cost</b>			
Interest	39.1	44,332,364	38,556,682
<b>39.1 Interest cost</b>			
Financial liabilities			
• Annuity loans		34,510,711	28,233,435
Discounting of financial instruments	20	(922,251)	922,034
Interest costs non-current provisions	22	9,904,812	9,401,213
Transfers and subsidies payable	21	839,092	-
<b>Total</b>		<b>44,332,364</b>	<b>38,556,682</b>
<b>40. Bulk Purchases</b>			
Electricity: Eskom		528,011,715	422,734,759
Water		31,165,473	31,023,395
<b>Total</b>		<b>559,177,188</b>	<b>453,758,154</b>
<b>41. Inventory consumed</b>			
Consumables		23,808,085	15,297,825
Housing stock		345,000	1,925,000
Materials and supplies		20,467,346	17,091,000
Water		252,202	314,829
<b>Total</b>		<b>44,872,633</b>	<b>34,628,654</b>
<b>42. Contracted services</b>			
Consultants and professional services	42.1	27,628,960	35,550,505
Contractors	42.2	82,880,513	91,801,641
Outsourced services	42.3	97,722,975	100,351,468
<b>Total</b>		<b>208,232,448</b>	<b>227,703,614</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>42. Contracted services (continued)</b>		
<b>42.1 Consultants and professional services</b>		
<b>Business advisory services</b>		
Audit committee	364,375	328,500
Business and financial management	3,074,693	7,290,983
Human resources	132,862	169,320
Occupational health and safety	-	8,031
Organisational	96,787	137,542
Project management	13,690,224	8,959,066
Research and advisory	2,226,504	138,543
Valuer and assessors	1,636,061	2,235,175
<b>Total business advisory services</b>	<b>21,221,506</b>	<b>19,267,160</b>
<b>Laboratory services</b>		
Water	1,065,759	1,702,239
<b>Legal services</b>		
Issue of summons	20,838	7,366
Legal advice and litigation	5,320,857	8,588,866
<b>Total legal services</b>	<b>5,341,695</b>	<b>8,596,232</b>
<b>Engineering services</b>		
Structural engineering	-	5,979,247
<b>Infrastructure and planning services</b>		
Architectural infrastructure and planning	-	5,627
<b>Total consultants and professional services</b>	<b>27,628,960</b>	<b>35,550,505</b>
<b>42.2 Contractors</b>		
<b>General services</b>		
Bore waterhole drilling	-	22,884
Catering services	115,010	141,453
Employee wellness	9,289	36,465
Forestry	4,671,452	3,072,253
Gardening services	460,381	16,657
Graphic designers	56,330	452,348
Interior decorator	26,524	-
Management of informal settlements	1,645,862	1,579,358
Medical services	19,652	9,154
Pest control and fumigation	73,119	91,260
Plants, flowers and other decorations	408,573	601,645
Preservation/Restoration/Dismantling/Cleaning services	566,917	744,649
Sewerage services	6,163,179	5,768,142
Stage and sound crew	51,800	83,590
Tracing agents and debt collectors	2,007,251	1,902,155
Transportation	3,505,361	5,791,689
<b>Total general services</b>	<b>19,780,700</b>	<b>20,313,702</b>
<b>Maintenance services</b>		
Maintenance of buildings and facilities	6,838,531	15,082,868
Maintenance of equipment	2,656,949	3,694,460
Maintenance of unspecified assets	46,929,414	44,857,438
<b>Total maintenance service</b>	<b>56,424,894</b>	<b>63,634,766</b>
<b>Trading services</b>		
Prepaid electricity vendors	6,674,919	7,853,173
<b>Total contractor</b>	<b>82,880,513</b>	<b>91,801,641</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>42. Contracted services (continued)</b>		
<b>42.3 Outsourced services</b>		
<b>Business and advisory services</b>		
Project Management	1,389,847	1,360,409
Research and Advisory	516,145	786,094
<b>Total business and advisory services</b>	<b>1,905,992</b>	<b>2,146,503</b>
<b>General services</b>		
Animal Care	102,221	11,550
Catering Services	507,403	1,135,359
Cleaning Services	476,670	1,070,043
Clearing and Grass Cutting Services	2,662,480	3,309,738
Drivers Licence Cards	802,300	553,531
Internal Auditors	1,500	41,334
Litter Picking and Street Cleaning	4,293,304	2,984,107
Personnel and Labour	371,735	437,150
Professional Staff	592,528	678,856
Refuse Removal	47,196,621	43,648,687
Traffic Fines Management	8,424,289	8,087,356
Translators, Scribes and Editors	1,300	539
Transport Services	147,600	66,750
<b>Total general services</b>	<b>65,579,951</b>	<b>62,025,000</b>
<b>Trading services</b>		
Security Services	30,237,032	36,179,965
<b>Total outsourced services</b>	<b>97,722,975</b>	<b>100,351,468</b>
<b>43. Transfers and subsidies - Expenditure</b>		
<b>Operational</b>		
Monetary allocations	13,363,879	11,009,540

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>44. Operational Cost</b>		
Achievements and Awards	12,439	3,739
Advertising, Publicity and Marketing	1,528,667	1,857,520
Assets less than the Capitalisation Threshold	415,926	238,995
Bank Charges, Facility and Card Fees	1,578,109	1,122,202
Bargaining Council	4,301,799	5,607,150
Bursaries (Employees)	514,009	875,830
Cleaning Services	2,276	4,482
Commission	2,419,679	2,701,608
Communication	10,571,338	9,243,166
Deeds	-	714
Drivers Licences and Permits	22,365	23,435
Entertainment	52,958	1,242,451
External Audit Fees	5,413,885	6,598,373
External Computer Service	24,478,474	20,501,778
Full Time Union Representative	55,940	122,344
Hire Charges	6,209,994	7,737,685
Honoraria (Voluntarily Workers)	35,500	27,500
Indigent Relief	6,134,237	5,667,667
Insurance Underwriting	6,393,368	5,854,429
Learnerships and Internships	141,346	-
Licences	1,641,313	1,633,590
Management Fee	9,778,480	12,033,015
Municipal Services	11,501,460	14,385,116
Office Decorations	36,983	40,329
Printing, Publications and Books	521,208	428,506
Professional Bodies, Membership and Subscription	186,468	115,269
Registration Fees	2,194,586	2,831,707
Resettlement Cost	26,043	12,514
Road Worthy Test	404	1,304
Samples and Specimens	1,167,422	1,074,305
Search Fees	46,790	46,268
Signage	1,800	-
Skills Development Fund Levy	4,684,477	3,919,807
Storage of Files (Archiving)	56,647	62,342
Supplier Development Programme	530,650	740,416
System Access and Information Fees	47,765	39,538
Travel and Subsistence	298,092	189,905
Uniform and Protective Clothing	7,957,561	2,793,150
Vehicle Tracking	663,982	558,638
Workmen's Compensation Fund	1,847,772	2,511,700
<b>Total</b>	<b>113,472,212</b>	<b>112,848,487</b>

The following principle agent arrangements were in place in relation to the expenditure as contained in note 44 to the annual financial statements:

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates), is recognized as an expense.

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commissions paid.

SPS (Agent) collects parking tariffs from motorists on behalf of the Municipality. SPS pays over the tariffs collected to the Municipality, minus the service charge levied. The municipality recognises 100% of the tariff as revenue from exchange transactions and the service charges incurred to SPS is recognized as an expense.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>44. Operational Cost (continued)</b>		
Syntell (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. SPS pays over the monies collected to the Municipality, minus the collection fee levied, determined at a rate specific in the Service Level Agreement. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the collection fee paid to Syntell (which includes costs incurred on debit or credit card electricity sales and cash handling fees incurred), is recognized as an expense.		
TMT (Agent) manages the collection of traffic fines (both legacy fines issue before 1 July 2017 and fines issued after this date), on behalf of the Municipality. TMT pays over the monies collected to the Municipality. The municipality recognises 100% of the money's collected as revenue from non - exchange transactions and the fee incurred to TMT is recognized as an expense.		
These arrangements are subject to standard terms and conditions upon termination.		
None of the municipalities assets are under the custodianship of the agents.		
<b>45. Operating leases</b>		
Furniture and Office Equipment	2,930,829	3,031,072
Investment Properties	10,368,396	10,209,872
Machinery and Equipment	1,691,309	1,639,998
<b>Total</b>	<b>14,990,534</b>	<b>14,880,942</b>
<b>46. Contribution to Provision</b>		
Landfill site	6,287,548	6,874,912
<b>47. Contribution to allowance for doubtful debt</b>		
Contribution to exchange transactions	33,515,674	14,150,861
Contribution to non-exchange transactions	18,195,690	19,834,930
	<b>51,711,364</b>	<b>33,985,791</b>
<b>48. Inventories losses/write-down</b>		
Inventory	115,859	18,583

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>49. Net cash from/(used) operating activities</b>		
Surplus (deficit) after capital transfers and contributions	116,455,966	(27,999,972)
<b>Adjustments for:</b>		
Depreciation and amortisation	211,023,051	212,325,220
Bad debts written off	84,984,896	108,781,924
(Gains) / Losses on disposal of assets	76,275	(9,385,448)
Impairment losses	2,722,872	-
Finance Cost	16,192,360	16,840,000
Increase / (Decrease) in provisions	2,843,415	20,191,339
Increase / (Decrease) employee benefit	7,936,233	(4,658,041)
Increase / (Decrease) operating Lease - Straight Lining	(1,621,452)	(1,218,870)
Other non-cash movements	(56,998)	-
Debtors Impairment	51,711,364	33,985,786
Fair value adjustment	-	1,358,828
Inventory losses	460,859	18,583
Other changes, movements in PPE	-	(10,298,080)
Other non cash movements in Assets	-	(140,541)
Rehabilitation provision capitalised	(2,843,415)	-
Grants received	(50,000)	-
<b>Movement in working capital</b>		
(Increase) / Decrease in receivables from non-exchange transactions	(108,373,237)	(93,878,246)
(Increase) / Decrease in inventory	23,824,253	10,740,556
(Increase) / Decrease in receivables from exchange transactions	(54,817,116)	(72,120,792)
(Increase) / Decrease in other receivables from exchange	3,048,496	744,891
(Increase) / Decrease in Long-term receivables	1,160,041	(2,440,799)
Increase / (Decrease) in unspent conditional grants and receipts trade and other payable non-exchange transactions	15,899,647	5,832,905
Increase / (Decrease) in VAT receivable	858,308	5,983,317
Increase / (Decrease) in consumer deposits	1,147,001	3,223,315
Increase / (Decrease) in payable from exchange	(27,175,623)	24,179,084
<b>Net cash flows from operating activities</b>	<b>345,407,196</b>	<b>222,064,959</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>50. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2022</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Cash and cash equivalents	137,877,710	137,877,710
Receivables from exchange	169,893,585	169,893,585
Other receivables from exchange	5,852,606	5,852,606
Receivables from non-exchange	18,645,756	18,645,756
Short term investments	305,522,446	305,522,446
Long term receivables	6,720,631	6,720,631
	<b>644,512,734</b>	<b>644,512,734</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Consumer deposits	22,154,833	22,154,833
Borrowings	478,736,492	478,736,492
Trade and other payables from exchange transactions	241,129,880	241,129,880
	<b>742,021,205</b>	<b>742,021,205</b>
<b>2021</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Cash and cash equivalents	111,649,771	111,649,771
Receivables from exchange transactions	153,119,571	153,119,571
Other receivables from exchange transactions	8,870,840	8,870,840
Receivables from non-exchange transactions	14,582,189	14,582,189
Short term investments	222,433,620	222,433,620
Long term receivables	7,880,673	7,880,673
	<b>518,536,664</b>	<b>518,536,664</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Consumer deposits	21,007,832	21,007,832
Borrowings	368,957,019	368,957,019
Trade and other payables from exchange transactions	267,972,840	267,972,840
	<b>657,937,691</b>	<b>657,937,691</b>

We draw to your attention, the financial liabilities in the comparative year contains an error. The effects of this error is represented as follows:

### Borrowings

Amount previously reported	-	334,733,125
Correction made	-	34,223,894
	-	<b>368,957,019</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022  
R

2021  
R

### 51. Risk management

#### Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	22,160,472	-	-	-
Borrowings	51,902,261	50,857,888	165,591,871	210,383,932
Payables from exchange transactions	241,129,880	-	-	-

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	21,007,822	-	-	-
Borrowings	34,223,894	37,636,221	132,581,088	164,515,816
Payables from exchange transactions	267,972,840	-	-	-

#### Risk from biological assets

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

#### Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

#### Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022 R	2021 R
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### 51. Risk management (continued)

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

Receivables from non-exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

There is no collateral held for security in respect of consumer debtors.

The impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:	2022	2021
Cash and cash equivalents	137,877,710	111,649,771
Short term investments	305,522,446	222,433,620
Receivables from exchange transactions	169,893,585	153,119,571
Other receivables from exchange transactions	5,852,606	8,870,840
Receivables from non-exchange transactions	18,645,756	14,582,189
Long term receivable	8,683,792	7,880,673

Foreign currency risk management

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
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### 51. Risk management (continued)

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

### 52. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment - Infrastructure assets	174,098,225	232,568,077
• Property, plant and equipment - other assets	17,449,135	24,592,349
	<b>191,547,360</b>	<b>257,160,426</b>

##### Total capital commitments

Already contracted for but not provided for	191,547,360	257,160,426
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This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

The comparative year contains an error in relation to the prior year audited financial statements. The effects of this is represented as follows:

#### Commitments

Amount previous reported - Property, plant and equipment (Infrastructure)	-	253,046,178
Correction made - Property, plant and equipment (Infrastructure)	-	(20,478,101)
Amount previous reported - Property, plant and equipment (Other)	-	25,469,651
Correction made - Property, plant and equipment (Other)	-	(877,302)
	-	<b>257,160,426</b>

### 53. Related party disclosures

Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 15 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 35 and 36 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

				2022	2021
				R	R
<b>54. Awards to close family members - SCM Regulation 45</b>					
<b>Awards to close family members of persons in the service of Stellenbosch Municipality</b>					
Supplier name	Employee name	Relationship	Department	2022	2021
KEMANZI (PTY) LTD	JN DU TOIT	Spouse	Department of Local Government	1,039,102	560,580
CONLOG (PTY) LTD	TRAFFIC INSPECTOR CEO MR L MOODLEY WIFE NMOODLEY	Spouse	Department of Health	911,353	2,658,508
EM HARTLEY T/A REDHI ELEMENT CONSULTING E FLOWERS IN THE FOYER ARB ELECTRICAL WHOLE MASSAMATIC (PTY) LTD	LIZELLE HARTLEY MR S PIENAAR MR E GUNTER CSIR JACOB MODISE SISTER IN LAW - MR BARNARD	Spouse Spouse Spouse Spouse Other (Family)	Education Department Department of Local Government Other Government Departments Eskom holdings Department of Health	4,698,369 - 2,000 45,457 317,998	5,009,813 - 7,150 68,185 87,168
AECOM SA (PTY) LTD	S MEYER & R MEYER BARTO VAN DER WERWE DALENE DE KOCK DENSHELL DAVIDS JOHANNES HANDRIK BEKKER MARVIN JOHN BURGER JOHANNES PEET KOK ROSINA MAAKE SNOTHANDO SHEXI JEAN-PIERRE KITSHOFF MEGAN PEINKE JACOBUS JOHANNES BORCHARD	Parents Spouse Spouse Sibling Spouse Spouse Spouse Spouse Sibling Spouse Father Spouse Father	Education Department State Hospital City of Cape Town SANDF Department of Education Department of Education Department of Education Madibeng Municipality Department of Arts and Culture Armscore Ethekeweni Municipality Transnet	6,908,505 - - - - - - - - - - - -	14,259,259 - - - - - - - - - -

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

				2022	2021
				R	R
<b>54. Awards to close family members - SCM Regulation 45 (continued)</b>					
	ELISABETH MARIAH	Sibling	Council of Scientific Research	-	-
	NORTJE				
	ERNA BOUWERS	Parent	Department of Health	-	-
	YVONNE PHOSA	Spouse	Department of the Premier	-	-
MPUMAMANZI GROUP CC	ERNA BOUWERS	Parent	Department of Health	-	185,344
ZUTARI (PTY) LTD	HC AHLSCHLAGER	Spouse	Special Investigations Unit	17,563,694	11,476,644
	S SEEGER	Sibling	City of Cape Town	-	-
	K NADASEN	Spouse	National Department of Public Works	-	-
SMEC SOUTH AFRICA	YVONNE PHOSA	Spouse	Department of the Premier	5,162,566	4,969,526
IKAPA RETICULATION A	SOPHIA DAVIDS	Child	Education Department	6,809,945	4,705,180
NOVUS3 (PTY) LTD	M DE VRIES	Spouse	Education Department	232,360	2,292,425
	J SCHEEPERS	Spouse	Council for medical services	-	-
SMS ICT CHOICE (PTY)	MRS MAQUA	Spouse	Department of Health	440,359	256,886
LANDFILL CONSULT (PTY) LTD	MM DUBE	Spouse	Dicro	-	1,774,023
MAN 4 TRADING (PTY) LTD	MS SAMUELS	Spouse	Department of Education	-	312,382
SOWERBY ENGINEERING	J SCHEEPERS	Spouse	Department of Education	-	16,100
DU TOIT ENGINEERING	F SHARIFF	Spouse	Department of local government	-	228,929
GIBB (PTY) LTD	B SEPTEMBER	Child	Department of local government	2,729,731	1,680,087
LILLIAN 4 ZONKE (PTY) LTD	F MONK	Spouse	Other government departments	-	1,380
RED ANT SECURITY RELOCATION AND SERVICES	NOXOLO LESIELA	Spouse	Mogale Municipality	3,931,577	-
JVZ CONSTRUCTION	RE MATTHEE	Spouse	Correctional Services	9,550,192	-
STELLEMPLOY NPC	PORTIA JANSEN	Spouse	Department of Local Government	360,926	-
				<b>60,704,134</b>	<b>50,549,569</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>55. Unauthorised, irregular, fruitless and wasteful expenditure</b>		
<b>55.1 Unauthorised expenditure</b>		
The municipality incurred no unauthorised expenditure in both the current and previous financial year.		
<b>55.2 Irregular expenditure</b>		
Opening balance as previously reported	99,389,541	63,605,870
Add: Irregular expenditure - current	42,119,538	89,762,828
Add: Irregular expenditure – prior period	2,974,982	-
Less: Amounts written-off – current	(118,081,987)	(53,979,157)
<b>Closing balance</b>	<b>26,402,074</b>	<b>99,389,541</b>
Incidents/cases identified in the current year include those listed below:		
Irregular expenditure was identified as it breached the procurement process in terms of the Supply Chain Management Policy.	3,505,672	608,406
The Auditor-General, in its findings during the 2019/2020 financial year, identified that the Municipality awarded that does not comply with Preferential Procurement Regulations 2017.	41,588,848	72,799,452
The Auditor-General, in its findings during the 2017/2018 financial year, identified that the Municipality did not include a specific condition that local production and content is applicable when inviting bidders to tender (advertisement). Furthermore the Municipality also did not include the local production and content in the bid documents (MBD 6.2) and the suppliers declared accordingly. The Auditor-General concluded that the tender award does not comply with Preferential Procurement Regulations 2017.	-	13,118,325
Irregular expenditure identified related to the approval of tenders where the Bid Adjudication Committee was not constituted in terms Municipal Supply Chain Management Regulations by four senior managers. This award pertained to a multi year contract.	-	1,952,711
Irregular expenditure identified was due to the bid specifications that were drafted in a manner that is not fair, equitable, transparent and competitive as it was found that the specifications made reference to a specific brand/model. This is a multi-year contract and irregular expenditure will be disclosed on a yearly basis until contract ends.	-	1,283,934
<b>Total</b>	<b>45,094,520</b>	<b>89,762,828</b>
<b>55.3 Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	-	-
Add: Fruitless and wasteful expenditure – current	2,568,654	-
Add: Fruitless and wasteful expenditure expenditure – prior period	1,698,299	-
<b>Closing balance</b>	<b>4,266,953</b>	<b>-</b>

The municipality incurred fruitless and wasteful expenditure in relation to information and communication technology procurement.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>56. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to SALGA</b>		
Opening balance	-	(26,025)
Council subscriptions	6,052,817	6,212,159
Early settlement discount	(301,881)	(310,195)
Amount paid - current year	(5,743,731)	(5,875,939)
	<b>7,205</b>	<b>-</b>
<b>Audit fees</b>		
Opening balance	98,101	52,448
Current year audit fees	6,225,849	7,636,778
Amount paid - current year	(6,307,441)	(7,591,125)
	<b>16,509</b>	<b>98,101</b>
<b>PAYE, UIF and SDL</b>		
Current year subscription / fee	89,222,633	87,922,805
Amount paid - current year	(89,222,633)	(87,922,805)
	<b>-</b>	<b>-</b>
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	124,436,807	123,816,201
Amount paid - current year	(124,436,807)	(123,816,201)
	<b>-</b>	<b>-</b>
<b>VAT</b>		
VAT receivable	809,391,586	613,498,286
VAT payable	(790,745,186)	(593,988,545)
	<b>18,646,400</b>	<b>19,509,741</b>

All VAT returns have been submitted by the due date throughout the year.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 56. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

There were no councillor arrear accounts more than 90 days as at 30 June 2022.

#### Distribution Losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review.

#### Electrical distribution losses (KW)

System Input	393,194,417	365,664,272
Sales	(355,429,150)	(333,260,467)
	<b>37,765,267</b>	<b>32,403,805</b>

Electricity losses are calculated as 9.6% (2021: 8.86%). Electricity losses are within the industry norm.

#### Water distribution losses (KL)

System Input	10,660,846	10,003,874
Sales	(8,669,713)	(8,188,560)
	<b>1,991,133</b>	<b>1,815,314</b>

Water losses are calculated as 18.7% (2021: 18.1%). Water losses are within the industry norm.

### 57. Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

#### SALA Pension fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2018 stated that the net assets of the fund amounted to R14 298 600 (30 June 2015: R13 231 200), with funding levels of 96.0% (30 June 2015: 100%). The actuary recommended that employers continue to contribute at the current rate of 19.18% of pensionable salary.

It is the actuary's opinion that:

They are satisfied with the investment strategy of the Fund;

The nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the rules of the fund;

The matching of assets with the liabilities of the Fund is adequate; and

The insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 57. Retirement benefit information (continued)

#### LA retirement Fund (Previously Cape Joint Pension Fund)

The LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

##### Defined benefit scheme

The contribution rate of the defined benefit scheme is 27%; 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2021 disclosed an actuarial valuation amounting to R1 486 110 000 (30 June 2020: R1 420 856 000), with a net accumulated surplus of R44 335 000 (2020: R22 251 000), with a funding level of 104.9% (30 June 2020: 100%).

##### Defined contribution scheme

The actuarial valuation report at 30 June 2021 indicated that the defined contribution scheme of the fund is in a sound financial position, with net assets amounting to R2 082 488 000 (30 June 2020: R1 891 631 000 ), net investment reserve of Rnil (30 June 2020: Rnil) and with a funding level of 100% (2020: 100%).

#### Cape Joint Retirement Fund (CRF)

The most recent statutory valuation performed as at 30 June 2021 revealed that the assets of the fund amounted to R34 148 000 000 (30 June 2019: R26 128 000 000), with funding levels of 133% and 100.5% (30 June 2020: 132.2% and 100.5%) for the Pensions Account and the Share Account respectively. The contribution rate paid by the members (7.50%/9%) and the municipalities (19.50%/18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

#### Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 stated that the net assets of the fund amounted to R1 798 030 000 (30 June 2017: R1 480 549 000), with funding levels of 103.26% (30 June 2017: 101.31%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended Contingency Reserves in full.

#### The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 stated that the assets of the fund amounted to R7 720 948 000 (30 June 2014: R6 574 750 000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the Risk Benefits Reserve and the data and processing error reserve, and an Investment Smoothing Reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 57. Retirement benefit information (continued)

#### National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively. Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their pensionable salary.

The most recent statutory valuation performed as at 30 June 2019 stated that the net assets of the fund amounted to R17 107 067 000 (30 June 2018: R15 393 671 000), with funding levels of 100.40% (30 June 2018: 100.46%). The actuary certified that the assets of the fund are sufficient to cover 100.40% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 58. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus (deficit) of R 5,504,546,525.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Covid 19 pandemic has affected various aspects of the municipality during the 2021/2022 financial year. However due to the fact that the municipality's cash forecast performed, budget process and other considerations the municipality is still of the opinion that the pandemic and the restrictions it has placed on certain operations will not affect the municipalities ability to operate as a going concern.

### 59. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

#### Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the annual financial statements.

SGM paragraph reference			
36 (1)(a) i	Dispense with the official procurement processes in an emergency	16,455,858	10,236,826
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	8,772,485	7,121,099
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	34,050,729	13,691,278
<b>Total deviations</b>		<b>59,279,072</b>	<b>31,049,203</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

2022	2021
R	R

### 60. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

#### Explanation of variances between approved and final budget amounts

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

#### 60.1. Statement of financial position

##### Current assets

The determining base was 1% of total assets and 5% of accumulated surplus.

- **Cash and cash equivalents (BD6)**

Variance on Cash (Increased cash available) due to variance on Trade and Other Payables

- **Short Term Investments (BD7)**

Variance due to access cash being invested

##### Non-current assets

- **Property Plant and Equipment (BD8)**

The variance relates to underspending on the capital budget.

##### Non-current Liabilities

- **Provisions (BD11)**

Variance is attributed to the change in estimated Post Employment Medical Aid liability.

##### Current liabilities

- **Payables from exchange transactions (BD9)**

Variance is attributed to unspent conditional grants (under spending on Operational- and Capital Budget funded from Grants) and year-end accruals raised for Trade & other payables.

- **Provisions (BD10)**

Variance is attributed to the change in estimated Post Employment Medical Aid liability

##### Net assets

- **Accumulated surplus/Reserves (BD12)**

Variance is due to the budgeted opening balance for Accumulated surplus which is based on the previous audited Financial Statements, further variances are due to corrections of errors.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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2022	2021
R	R

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### 60. Budget information (continued)

#### 60.2. Statement of financial performance

##### Revenue

The determining base range used was 1 % of total revenue.

- **Service charges - electricity (BD1)**

Electricity revenue realized was less than anticipated due to Eskom Loadshedding and the after effects of the Covid-19 pandemic on the economy and households.

- **Other revenue (BD2)**

Actual Development Charges to the value of R30mil is reflected under "Other Revenue", however the budget is reflected under Transfers & Subsidies - Capital. Development charges received was more than anticipated during the budget process.

##### Revenue from non-exchange transactions

- **Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) (BD5)**

Revenue Recognition of Grants was not done due to non-spending of Grants on Capital Expenditure Projects

##### Expenditure

The determining base range was 2% of total expenditure.

- **Bulk purchases (BD3)**

The variance between Bulk Purchases Electricity budget and actuals is due to a decrease in electricity consumption (See explanation provided for Service Charges - electricity variance). Bulk purchases water is budgeted under inventory consumed.

- **Contracted services (BD4)**

Savings realized on contracted services

##### Cash Flow statement

##### Suppliers and employees (CF1)

Bulk purchases which are bought by the municipality are based on the consumption of the community have decreased compared to the prior year.

##### Short term Investments (CF2)

Economic recovery has allowed the municipality to invest more funds.

##### Consumer deposits (CF3)

Covid-19 had a slow down in new developments.

##### Borrowings (CF4)

The external loan was taken up towards the end of the financial year.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities</b>		
STELLENBOSCH MUNICIPALITY / EX-EMPLOYEES WHO OCCUPY THE DEVON VALLEY HOUSING STOCK	200,000	-
Eviction of ex-employees who occupy the Devon Valley Housing Stock of the Municipality which can only be utilised by employees working in Engineering Directorate.		
STELLENBOSCH MUNICIPALITY / JW ANGUS PROPERTIES (PTY) LTD AND JUNO CORP	250,000	-
Interdict application instituted against JW Angus Properties (Pty) Ltd, the owner of erven 144 Klampmuts and 149 Klampmuts, who is operating or allowing Juno Corp to utilise Erf 144 Klampmuts and 149 Klampmuts for industrial related activities such as operating a Wash Bay for trucks on Erf 149 Klampmuts and utilising Erf 144 Klampmuts for parking of trucks, storage of trucks in contravention of the approved zoning of the Property and to operate a business that uses trucks to collect and transport waste.		
STELLENBOSCH MUNICIPALITY / GAYNOR SKIPPERS AND ALL OTHER ILLEGAL OCCUPIERS	100,000	-
Eviction of Gaynor Skippers and all other illegal occupiers who illegally occupy the road reserve, Torrey Street, Jamestown.		
LJ TURNKEY INVESTMENTS (PTY) LTD / STELLENBOSCH MUNICIPALITY	1,552,000	-
LJ Turnkey Investments (Pty) Ltd ("LJ Turnkey") issued summons against Stellenbosch Municipality for alleged damages suffered by LJ Turnkey as a result of the Municipality allegedly refusing to consider its application submitted for a determination of zoning as contemplated in section 15(2)(m) of the Land Use Planning By-law.		
JVZ CONSTRUCTION (PTY) LTD / STELLENBOSCH MUNICIPALITY	700,000	-
JVZ Construction instituted review proceedings against Stellenbosch Municipality's decision to cancel Bid No B/SM50/20: The Construction of Skilpadvlei Reservoir and Associated Work ("the Reservoir tender") and Bid B/SM51/20: The Construction of Skilpadvlei Bulk Water Supply and Associated Works ("the Water Supply Tender"). Directing the Municipality to adjudicate and award the Reservoir tender and the Water Supply tender and to pay JVZ's cost of the matter.		
Former employee/South African Local Bargaining Council and others	200,000	200,000
Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.		
WASTEWANT WASTE MANAGEMENT (PTY) LTD / STELLENBOSCH MUNICIPALITY AND RESOURCE INNOVATIONS AFRICA (PTY) LTD	200,000	-
Wastewant Waste Management (Pty) Ltd ("Wastewant") instituted review proceedings against the decision of Stellenbosch Municipality ("the Municipality"), wherein the Municipality set aside the decision by the Bid Adjudication Committee ("BAC") to award Tender B/SM12/21 to Wastewant. Reviewing the decision of the Municipality dated 23 February 2021, wherein the Municipality awarded tender B/SM12/21 to Resource Innovations Africa (Pty) Ltd. Reviewing and declaring invalid the Appeal Authority's decision in terms of Section 62(3) of the Systems Act, to revoke the decision of the BAC, as same detracted from the rights, which accrued to Wastewant. .		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
Stellenbosch Municipality / Klampmuts mediation	250,000	250,000
<p>Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klampmuts. The Klampmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klampmuts housing facilities for evictees rather than for members of the Klampmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing. The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klampmuts.</p>		
Stellenbosch Municipality / NE Properties (Pty) LTD	200,000	200,000
<p>Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.</p>		
Stellenbosch Municipality / IMATU on behalf of employee	200,000	200,000
<p>Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.</p>		
Stellenbosch Municipality / E Ross and others	-	200,000
<p>Stellenbosch Municipality have to institute eviction proceedings against Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch due to the Respondents actions. The eviction application is still pending.</p>		
Stellenbosch Municipality / L Bailey and another	-	200,000
<p>Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending.</p>		
Stellenbosch Municipality / A de Ruiter	-	200,000
<p>Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloeteville, due to the Respondents actions.</p>		
Stellenbosch Municipality / Francois Jansen	50,000	50,000
<p>Application for eviction of unlawful occupants from municipal property.</p>		
Stellenbosch Municipality / Tania Wasmuth and Others	50,000	50,000
<p>Application for eviction of unlawful occupants from municipal property.</p>		
Stellenbosch Municipality / Cobus Visagie	50,000	50,000
<p>Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.</p>		



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
Fusion Properties 233 CC / The Municipality of Stellenbosch	33,465,000	33,465,000
<p>This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The amount claimed is R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed and the Plaintiff is in the process of applying for a court date.</p> <p>The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, which application was refused with costs. The Plaintiff has delivered a petition to the Supreme Court of Appeal ("SCA") in terms of which it is now seeking leave to appeal either to the SCA or the full bench of the Western Cape Division of the High Court.</p> <p>Should the litigation against the Municipality be successful, the estimate of financial exposure will be the R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.</p>		
Independent Schools Association of Southern Africa / Ethekwini Municipality / Stellenbosch Municipality & Others	250,000	250,000
<p>This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.</p> <p>This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.</p>		
Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd	250,000	250,000
<p>The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation. The Municipality opposed the declaratory order and filed its answering affidavit.</p> <p>The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed.</p>		
Stellenbosch Municipality / Former Employee	200,000	200,000
<p>Review Application instituted in the Labour Court against the disciplinary sanction of the chairperson in the disciplinary hearing of Leon Lourens. Leon Lourens was found guilty on three charges, which involves dishonesty but was not dismissed by the chairperson. The Municipality has served and filed its founding affidavit to have the ruling of the chairperson set aside and replace for a dismissal. The Municipality is in the process of transcribing the recordings of the hearing whereafter Leon Lourens will provide its answering affidavit in the matter.</p>		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
<b>WS SMIT N.O &amp; OTHERS /STELLENBOSCH MUNICIPALITY</b>	200,000	200,000
Community members illegally occupied Portion 5 of Farm 183 Stellenbosch also known as Watergang. An eviction application was subsequently instituted and Acting Judge Martin granted an eviction order against the illegal occupiers. The illegal occupiers filed an appeal against the eviction order granted by Acting Judge Martin which appeal is still pending. The appeal, or any proceedings before the Supreme Court or Higher Court should leave to appeal be granted and any other actions flowing from the Interdict need to be oppose.		
<b>STELLENBOSCH MUNICIPALITY / OSCAN INVESTMENTS ENTERPRISE (PTY)LTD</b>	485,200	485,200
Property owner of Erf 1727 Stellenbosch erected a fence which encroach on municipal public open space. The Municipality needs to apply for a demolition order if the owner refuse/fail to remove the illegal wooden fence. Notice was served on the property owner to address the issues highlighted in the letter of refusal of the building plan and to resubmit the building plan together with the requested information and documents required alternatively to have the illegal fence removed. Should the property owner not comply with the notice served, the Municipality will proceed with the demolition application of the illegal fence.		
<b>FORMER EMPLOYEE / STELLENBOSCH MUNICIPALITY</b>	200,000	200,000
Application instituted by Elizabeth Rhoda against Stellenbosch Municipality to have her reinstated retrospectively with accumulated benefits and salary or adjustments and that the Municipality pay compensation to her in the amount of 12 months' salary including the cost of suit as well as a condonation application for the late submission of her application. The application was opposed by the Municipality and the Municipality is in the process to serve and file its Statement of Defence		
<b>STELLENBOSCH MUNICIPALITY/ THATO RUBUSHA</b>	300,000	300,000
Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay her compensation for additional work done.		
<b>STELLENBOSCH MUNICIPALITY / THE CHILDREN MR BESS AND ILLEGALOCCUPIERS</b>	100,000	100,000
Eviction application against the children of Mr Johnny Bess, who was employed by Stellenbosch Municipality and retired from the employ of the Municipality on or about 31 July 2006. Mr Bess passed on and his children continued to occupy the house. There are various complaints from community members that the children who are currently occupying the house are involved in alleged drug dealing and anti-social behaviour. The house is vandalised and not maintained. The surrounding homeowners handed in a petition demanding that the children be evicted from the house due to an increase in illegal activities from the house, which is making living with them unbearable.		
<b>STELLENBOSCH MUNICIPALITY / ILLEGAL OCCUPIERS OF ERF 290 RAITHBY ALSO KNOWN AS PORTION C (TRANSPORT ZONE II – PUBLIC ROAD)</b>	100,000	-
Erf 150 Raithby was subdivided in terms of section 25 of the Land Use Planning Ordinance, 15 of 1985 ("LUPO") into three portions namely, Portion A, Portion B, Portion C and Remainder Portion. Portion C will be utilized for road purposes. Erf 150 Raithby was divided into Erf 288 Raithby, Erf 289 Raithby, Remainder Erf 150 Raithby and Erf 290 Raithby the zoning which is Transport Zone II for a public road.The Municipality is in the process of instituting eviction and demolition proceedings against the illegal occupiers.		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
STELLENBOSCH MUNICIPALITY / ISAYA NKUKUMANA	200,000	400,000
Opinion and Review application against decision of the Chairperson in the disciplinary hearing of Isaya Nkunkumana to have the ruling on the sanction issued against Isaya Nkunkumana reviewed and set aside. Review application with condonation application was finalised and served on the respective parties.		
SURREY HOLMES (PTY) LTD / STELLENBOSCH MUNICIPALITY	600,000	400,000
Surrey Holmes instituted a review application against Stellenbosch Municipality for its alleged failure to make a decision in terms of section 6(2) (g) of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) and directing the Municipality to perform its duties and exercise its powers by; accepting and considering the amended ceiling height of the Attic Room. The review application was opposed by the Municipality. The Municipality is in the process to provide the Rule 53 records.		
STELLENBOSCH MUNICIPALITY / LEELYN MANAGEMENT CC	200,000	400,000
Opinion and institution of Monetary claim against Leelyn Management CC for alleged parking revenue collected on behalf of the Municipality which was not paid over by Leelyn Management CC to the Municipality.		
STELLENBOSCH MUNICIPALITY / CHOISY –LE-ROI OWNERS (PTY) LTD	200,000	200,000
Review application instituted by the owner of Erf 13500 Technopark, Stellenbosch against the appeal judgment of the Executive Mayor. The Municipality served and filed notice of opposition against the application. Rule 53 record was subsequently filed at court. Choisy-le-Roi supplemented their application and the Municipality served and filed its answering affidavit. A court date needs to be obtained to argue the matter.		
DEON GARDEN & CONSTRUCTION CC / STELLENBOSCH MUNICIPALITY	200,000	200,000
Monetary claim in the amount of R4 374 192.67 including interest at a rate of 7.75% per annum for alleged damages suffered by Deon Garden & Construction CC. The Municipality defended the claim instituted and is in the process of finalising its plea in the matter.		
SECURITEM (PTY) LTD/ STELLENBOSCH MUNICIPALITY	200,000	200,000
Securitem instituted legal action against the Municipality to pay VAT on top of their tender price. The Municipality is of the view that VAT was included in the tender price submitted by SECURITEM and opposed the application.		
STELLENBOSCH MUN / MOFFAT & OTHERS	100,000	100,000
Eviction application against the Moffat family who illegally occupy the Eikestad Hall. The Municipality provided temporary accommodation to the Moffat family pursuant to the Moffat family wendy house being destroyed by a fire. The intension was that the Moffat family should occupy the Eikestad Hall temporarily and to relocate to Mountain View. The Municipality provided emergency accommodation at Mountain View, Jamestown, but the Moffat family refused to relocate. The Moffat's was given notice to vacate the Eikestad Hall and eviction proceedings is being instituted. The draft affidavit to institute eviction proceedings is being circulated for comment.		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
SHAHIEDA JACOBS / STELLENBOSCH MUNICIPALITY	200,000	200,000
<p>Shahieda Jacobs instituted legal proceedings against Stellenbosch Municipality and a municipal official for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality filed its Statement of Response to the Plaintiff's Statement of Claim. The Special Plea on Shahieda's new Statement of Claim will be determine on 29 July 2020 on the papers before the Judge.</p>		
THAPELO MBASA SMITH AND OTHERS/ STELLENBOSCH MUNICIPALITY	200,000	200,000
<p>Thapelo Mbas Smith &amp; Others applied for an interim interdict against Stellenbosch Municipality &amp; Others pending the determination of the final relief sough in Part B of the Notice of Motion. The Municipality did not oppose the interim interdict but opposed the Review application instituted by Thapelo Mbas Smith &amp; Others against the Municipality declaring inter alia the Municipality's decision taken on 13 November 2020, to acquire, or accept the donation of, the Property from the Trust, to be unlawful and invalid. The Municipality subsequently filed its answering affidavit in the matter.</p>		
Van der Westhuizen K/Stellenbosch Municipality	50,000	50,000
<p>Kyla van der Westhuizen issued summons against the Municipality for damages to her vehicle, VW Polo Cross 2015 model for allegedly colliding with a pothole. The Municipality defended the matter and filed its plea in the matter. Discovery affidavit was served and filed and a court date needs to be obtained to argue the matter.</p>		
Mhlenze, N R / Stellenbosch Municipality	325,469	325,469
<p>Nomzi Renee Mlenze (Mlenze) is applying to the Labour Court for condonation of the non-compliance with the time periods envisaged by the Labour Court in terms of the applicable Rules. Mlenze is employed at Stellenbosch Municipality as Senior Clerk: Accounts in the Finance Department. She earns a salary of R8033.00 per month. In 2013 she raised a number of grievances relating to the fact that she was not being remunerated the same as other Senior Clerks who were performing same task as her. Despite the fact that her Head of the Department agreed that her post will be evaluated on a urgent basis her job was not evaluated. She submitted an appeal on 22 April 2016, which was submitted to the Municipal Manager. She subsequently referred the matter to the Labour Court for adjudication. Mlenze did not file the court papers within the 90-day period allowed, is out of time, and applied for condonation to the Labour Court to grant her permission to proceed with the matter. The application for condonation need to be opposed. The Municipality filed its exception to Mlenze's Statement of Claim and will file a condonation application for the late filing of the Municipality's opposition against the application instituted by Mlenze.</p>		
SIPHO DYIDI / STELLENBOSCH MUNICIPALITY	200,000	-
<p>Sipho Dyidi is employed as Superintendent: Collections in the Department: Infrastructure Services who instituted legal proceedings against Stellenbosch Municipality in the Labour Court for overtime work in the amount of 111 hours, but the Municipality allegedly did not logged or captured his overtime.</p>		
OCTOFIN COMMERCIAL (PTY) LTD / TURN AROUND INVESTMENTS 22 (PTY) LTD AND STELLENBOSCH MUNICIPALITY	200,000	-
<p>Octofin Commercial (Pty) Ltd instituted legal action against Turn Around Investments 22 (Pty) Ltd and Stellenbosch Municipality and applied for an order reviewing and setting aside the decision of the Municipality taken on 9 June 2020 to grant a permanent departure of the building line applicable to Turn Around Investment property, i.e Erf 15713 Stellenbosch.</p>		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
STELLENBOSCH MUNICIPALITY / GREEN SPOT RECYCLING (PTY) LTD, THEIR DIRECTORS/ANY ILLEGAL OCCUPIERS AND ILLEGAL USERS OF THE LA MOTTE DEPOT	200,000	-
<p>Green Spot Recycling (Pty) Ltd occupied a section of the La Motte Depot and have been operating a recycling company without any formal agreement with Stellenbosch Municipality.</p>		
STELLENBOSCH MUNICIPALITY / DUWAIN KLEYNHANS AND ADRIAN KLEYNHANS AND ALL THOSE WHO ARE OCCUPYING THE HOUSE UNDER OR THROUGH THEM	100,000	-
<p>Mr Phillips Kleynhans was allowed as caretaker by the Toy and Miniature Museum to occupy the flat at 118 Dorp Street, Stellenbosch. Mr Phillip Kleynhans passed away on or about 30 November 2016 and his right to occupy the flat in terms of his employment agreement terminated.</p> <p>Duwaine Kleynhans and Adrian Kleynhans are still occupying the flat and was given notice that any right of occupation of the flat at 118 Dorp Street, Stellenbosch which flows from the right of occupation of Mr Phillip Kleynhans employment contract with the Toy and Miniature Museum was terminated and that they should vacate the flat by 31 March 2020.</p>		
FRANSCHHOEK CLAIMANT'S TRUST / EXECUTIVE MAYOR: STELLENBOSCH MUNICIPALITY & OTHERS	200,000	-
<p>The Franschhoek Claimant's Trust instituted review proceedings in terms of section 6 and 8 of PAJA reviewing and setting aside the Executive Mayor's decision, in her capacity as the appeal authority, to revoke the development and related approvals, granted by the Stellenbosch Municipal Planning Tribunal to the Franschhoek Claimant's Trust ("FC Trust") in respect of Erf 1692 Franschhoek ("the Property").</p>		
STELLENBOSCH MUNICIPALITY / ILLEGAL OCCUPIERS OF THE OPEN SPACE CLOSE TO THE R44	100,000	-
<p>Illegal structures were erected on the open space next to Rietenbos Primary School, Cloetesville ("the Property") close to R44.</p> <p>The Municipality is in the process of instituting eviction proceedings against the illegal occupiers.</p>		
STELLENBOSCH MUNICIPALITY / SURITA LAYMAN & OTHERS	200,000	-
<p>Erf 7802 Stellenbosch was incorrectly transferred to Surita Layman.</p> <p>Stellenbosch Municipality is applying for a rectification transfer directing that the transfer of the immovable property situated at Erf 7802 Stellenbosch to Surita Layman be set aside and an order directing the Municipality to transfer the Property to both Surita Layman and Margaret Louisa Layman</p>		
MICHAEL SACHAR / STELLENBOSCH MUNICIPALITY	129,030	-
<p>Mr Michael Sachar alleged that his Land Rover Discovery 4 3.0 TD/SD V6 Se motor vehicle on 6 August 2020 collided with a large pot hole at or near Main Road (R45 near BP Garage) Franschhoek.</p>		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
<b>61. Contingent liabilities (continued)</b>		
LABOUR COURT REVIEW - MATUSA OBO REVONAH ANTHONY ("ANTHONY") /STELLENBOSCH MUNICIPALITY- STE10/031	150,000	150,000
MATUSA obo Revona Anthony obtained an arbitration award against Stellenbosch Municipality in terms of which she was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution. The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.		
RICMAL GREEN (PTY) LTD & ANOTHER / THE UNLAWFUL OCCUPIERS &OTHERS	200,000	200,000
Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property. That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property. Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property. Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers. The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.		
ANGELA ADELINE MOGOLEGENG / STELLENBOSCH MUNICIPALITY	100,000	100,000
Angela Adeline Mogolegeng applied for Default Judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that she is being unfairly discriminated against		
SPS / STELLENBOSCH MUNICIPALITY	100,000	100,000
MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.		

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

	2022 R	2021 R
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### 61. Contingent liabilities (continued)

#### STELLENBOSCH MUNICIPALITY LANDFILL SITE

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 16/2/7/G203/D16/Z1/P331) issued in terms of the Environmental Conservation Act, 1989 (Act 73 of 1989), E13/2/10/7-B4/37-WL0077/11 issued in terms of the National Environmental Management: Waste Act, 2008 (Act no. 59 of 2008) (NEMWA) and license number 19/2/5/1/B4/46/WL0118/14 issued in terms of NEMWA. The obligation is immediately enforceable upon closure of the landfill site. As part of these licensing obligations, the municipality is responsible for post-closure obligations namely, ground water monitoring, decommissioning, monitoring committee and gas monitoring. The duration of the time for the cost to be incurred is contingent on the decision making of the regional director as stipulated in the licence conditions. At 30 June 2021, a decision has not been made by the regional director on the post-closure obligations for the municipality as per the licence agreements, as a result thereof, a reliable estimate of the costs to be incurred cannot be reliably estimated due to the uncertainty of the key events contained within the licencing conditions. .

	43,906,699	40,275,669
<b>Prior period error</b>		
Stellenbosch Municipality/ ABSA	-	9,000,000
De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality	-	400,000
Ricardo Galandt and Others/ Stellenbosch Municipality	-	100,000
	-	<b>9,500,000</b>

Management had corrected a prior period error which is in relation to an audit finding that was raised in the prior year. The relevant expenditure was subsequently also realised in the comparative in the statement of financial performance to the amount of R7 111 521. The contra leg of the actual payment affected the bank account as no accrual or provision was realised in the prior year.

The cases relating to De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality and Ricardo Galandt and Others/ Stellenbosch Municipality were concluded in the prior financial year. Therefore disclosure was not required as part of the contingent liability.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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2022	2021
R	R

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### 62. Segment information

#### General information

##### Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas. These four functional segments are governance and administration, community and public safety, economic and environmental services as well as trading services. The segments were organised around the type of service delivered and the target market.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Reportable segments are identified based on activities performed of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Management has only identified segment information for which data is reported on and reviewed during the decision making process of the municipality. Aspects relating to GRAP 18 paragraph 21 (a) - (j) which does not form part of the review process of the management reports will not form part of the segment information.

Segmental reporting was based and identified on the MFMA S71 monthly budget statements/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered, in a standardised format namely the C2 schedule. This is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and public safety	Primary services providing community safety, crime prevention and law enforcement.
Governance and administration	Primary services in relation to financial management, financial and governance decision making.
Economic and environmental services	Urban and developmental planning in accordance with the relevant laws and regulations. Environmental planning and protection for long term sustainability.
Trading services	Primary basic service provision including water, electricity, sanitation and refuse.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

					2022	2021
					R	R
<b>62. Segment information (continued)</b>						
<b>2022</b>						
	Community and public safety	Economic and environmental services	Trading services	Governance and admin	Other	Total
<b>Segment revenue</b>						
External revenue from non-exchange transactions	34,831,824	199,781,653	115,667,563	478,588,023	-	828,869,063
External revenue from exchange transactions	14,528,847	43,932,378	1,115,952,619	20,197,673	102,555	1,194,714,072
Interest revenue	-	-	15,296	18,755,045	-	18,770,341
<b>Total</b>	<b>49,360,671</b>	<b>243,714,031</b>	<b>1,231,635,478</b>	<b>517,540,741</b>	<b>102,555</b>	<b>2,042,353,476</b>
<b>Segment expenses</b>						
Total segment expenses	(218,704,973)	(263,192,350)	(866,757,865)	(264,279,393)	-	(1,612,934,581)
Depreciation and amortisation	(25,059,245)	(50,034,881)	(110,177,306)	(24,899,361)	-	(210,170,793)
Interest expense	-	-	(44,415,523)	83,159	-	(44,332,364)
Contribution to/from provisions	-	-	(6,287,548)	-	-	(6,287,548)
Debt impairment	-	(15,626,017)	(30,448,104)	(5,637,244)	-	(51,711,365)
Inventory losses/write downs	(5,000)	-	-	(110,859)	-	(115,859)
Cost of housing sold	(345,000)	-	-	-	-	(345,000)
<b>Total</b>	<b>(244,114,218)</b>	<b>(328,853,248)</b>	<b>(1,058,086,346)</b>	<b>(294,843,698)</b>	<b>-</b>	<b>(1,925,897,510)</b>
<b>Surplus for the year</b>	<b>(194,753,547)</b>	<b>(85,139,217)</b>	<b>173,549,132</b>	<b>222,697,043</b>	<b>102,555</b>	<b>116,455,966</b>
<b>Other information</b>						
Total capital expenditure	45,072,208	93,897,819	184,706,288	23,934,055	-	347,610,370

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

						2022 R	2021 R
<b>62. Segment information (continued)</b>							
<b>2021</b>							
	Community and public safety	Economic and environmental services	Trading services	Governance and admin	Other	Total	
<b>Segment revenue</b>							
External revenue from non-exchange transactions	21,303,592	142,365,883	137,310,011	461,667,189	100,000	762,746,675	
External revenue from exchange transactions	12,880,184	33,262,154	949,348,116	26,086,809	661,975	1,022,239,238	
Interest revenue	-	-	21,956	19,493,405	-	19,515,361	
<b>Total</b>	<b>34,183,776</b>	<b>175,628,037</b>	<b>1,086,680,083</b>	<b>507,247,403</b>	<b>761,975</b>	<b>1,804,501,274</b>	
<b>Segment expenses</b>							
Total segment expenses	(218,087,815)	(270,007,645)	(769,745,139)	(279,952,429)	(100,000)	(1,537,893,028)	
Depreciation and amortisation	(17,337,640)	(55,567,459)	(104,712,978)	(34,707,155)	-	(212,325,232)	
Interest expense	-	-	(38,556,681)	-	-	(38,556,681)	
Fair value adjustments	-	-	-	(922,034)	-	(922,034)	
Contribution to/from provisions	-	-	(6,874,912)	-	-	(6,874,912)	
Debt impairment	(4,748,896)	(16,096,098)	(12,463,098)	(677,699)	-	(33,985,791)	
Inventory losses/write downs	-	-	-	(18,583)	-	(18,583)	
Cost of housing sold	-	(1,925,000)	-	-	-	(1,925,000)	
<b>Total</b>	<b>(240,174,351)</b>	<b>(343,596,202)</b>	<b>(932,352,808)</b>	<b>(316,277,900)</b>	<b>(100,000)</b>	<b>(1,832,501,261)</b>	
<b>Surplus for the year</b>	<b>(205,990,575)</b>	<b>(167,968,165)</b>	<b>154,327,275</b>	<b>190,969,503</b>	<b>661,975</b>	<b>(27,999,987)</b>	
<b>Other information</b>							
Total capital expenditure	35,143,372	93,664,867	192,334,481	71,798,369	-	392,941,089	

### Measurement of segment surplus or deficit, assets and liabilities

### Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies..

### Information about geographical areas

All the municipality's operations are located in the Republic of South Africa in the Cape Winelands area. Information to report on different geographical areas is not available would be expensive and impractical to develop.:

### 63. Prior period error and reclassification

The municipality has changed its template in preparing the annual financial statements this financial year in accordance with the precripts issued by national treasury. In doing so multiple naming conventions has changed and consequently reclassifications have been passed in terms of GRAP 1 para 49. No other reclassifications took place in the current financial year.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has been in compliance with the mSCOA ever since adoption but this year it also adopted voluntarily the NT mSCOA AFS Template, which aligns the item segment as per mSCOA to the AFS of a municipality. This did not result in the municipality changing any accounting policies, accounting estimates or the correction of prior period errors but did give rise to a process of reclassification and re-naming of items in the financial statements in terms of mSCOA item classification, as per the NT mSCOA Template. The reclassification of 2021 audited amounts is summaries in the reclassification column below.

The following restatements and adjustments occurred which are set out below:

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 63. Prior period error and reclassification (continued)

#### 63.1 Adjustments of Statement of financial position items

2022

	Note	Previously reported	Correction of error	Re-classification	Restated
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	111,896,629	(246,858)	-	111,649,771
Receivables from exchange transactions	5	153,119,571	-	-	153,119,572
Receivables from non-exchange transactions	6	57,455,962	-	-	57,455,962
Other receivables from exchange transactions	8	11,973,032	12,553,900	1,758,898	26,285,830
Inventories	7	53,315,179	-	-	53,315,179
Short term investments	4	222,186,762	246,858	-	222,433,620
VAT Receivable	9	19,509,741	-	-	19,509,741
		<b>629,456,876</b>	<b>12,553,900</b>	<b>1,758,898</b>	<b>643,769,675</b>
<b>Non-current assets</b>					
Investment property	10	412,395,781	(251,884)	-	412,143,897
Property, plant and equipment	11	5,452,746,752	(26,447,985)	-	5,426,298,767
Intangible assets	12	7,222,189	1,341,357	-	8,563,546
Biological assets that form part of agricultural activity	13	6,321,448	(1,178,671)	-	5,142,777
Heritage assets	14	774,002	262,826	-	1,036,828
Long-term receivables	15	7,880,672	-	-	7,880,672
Other receivables from exchange transactions		1,758,898	-	(1,758,898)	-
		<b>5,889,099,742</b>	<b>(26,274,357)</b>	<b>(1,758,898)</b>	<b>5,861,066,487</b>
<b>Total assets</b>		<b>6,518,556,618</b>	<b>(13,720,457)</b>	<b>-</b>	<b>6,504,836,162</b>
<b>Net assets and liabilities</b>					
<b>Current liabilities</b>					
Consumer deposits	16	19,530,073	1,477,759	-	21,007,832
Trade and other payables	20	291,764,513	-	3,238,840	295,003,353
Payables from non-exchange transactions	21	14,695,527	808,049	-	15,503,576
Borrowings	19	34,223,893	-	-	34,223,893
Employee benefits	17	61,187,957	(4,716,610)	-	56,471,347
Lease liabilities		3,739,474	-	-	3,739,474
		<b>425,141,437</b>	<b>(2,430,802)</b>	<b>3,238,840</b>	<b>425,949,475</b>
<b>Non-current liabilities</b>					
Borrowings	19	334,733,125	-	-	334,733,125
Employee benefits	17	200,444,000	-	-	200,444,000
Provisions	22	141,497,317	-	-	141,497,317
		<b>676,674,442</b>	<b>-</b>	<b>-</b>	<b>676,674,442</b>
<b>Total net assets</b>					
Reserves and funds		-	162,490,630	-	162,490,630
Accumulated surplus		5,416,740,739	(177,019,125)	-	5,239,721,627
		<b>5,416,740,739</b>	<b>(14,528,495)</b>	<b>-</b>	<b>5,402,212,257</b>
<b>Total net assets and liabilities</b>		<b>6,518,556,618</b>	<b>(16,959,297)</b>	<b>3,238,840</b>	<b>6,504,836,161</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

### 63. Prior period error and reclassification (continued)

#### 63.2 Adjustments of Statement of financial performance items

2022

	Note	Previously reported	Correction of error	Re-classification	Restated
<b>Revenue</b>					
<b>Non-exchange revenue</b>					
Property rates	23	387,056,677	-	-	387,056,677
Transfers and subsidies	24	264,636,686	-	140,541	264,777,227
Fines, penalties and forfeits	25	108,908,055	-	34,609	108,942,664
Interest on receivables	26	1,970,109	-	-	1,970,109
Donated assets		140,541	-	(140,541)	-
		<b>762,712,068</b>	<b>-</b>	<b>34,609</b>	<b>762,746,677</b>
<b>Exchange revenue</b>					
Services charges - Electricity	27	-	-	632,401,485	632,401,485
Services charges - Water	27	-	-	134,425,800	134,425,800
Services charges - Waste water management	27	-	-	92,638,765	92,638,765
Services charges - Waste management	27	-	-	73,150,291	73,150,291
Rental	28	14,713,664	-	(3,709,147)	11,004,517
Interest on investments	29	19,515,361	-	-	19,515,361
Interest on receivables	26	8,114,051	-	553,337	8,667,388
Licences or permits	30	5,216,026	1,584,926	9,051	6,810,003
Agency services	31	4,833,132	(1,584,926)	-	3,248,206
Operational revenue	32	40,953,114	-	(36,135,621)	4,817,493
Sales of goods and rendering of services	33	-	-	46,126,642	46,126,642
Gain on disposal of assets	34	9,385,448	(325,513)	-	8,948,654
Services Charges		932,616,341	-	(932,616,341)	-
Gain on disposal of biological assets and agricultural produce		50,747	-	(50,747)	-
Construction contracts		7,570,000	-	(7,570,000)	-
		<b>1,042,967,884</b>	<b>(325,513)</b>	<b>(776,485)</b>	<b>1,041,754,605</b>
<b>Total revenue</b>		<b>1,805,679,952</b>	<b>(325,513)</b>	<b>(741,876)</b>	<b>1,804,612,563</b>
<b>Expenditure</b>					
Employee related cost	35	(543,610,551)	-	1,978,802	(541,631,749)
Remuneration of councillors	36	(19,191,670)	-	534,670	(18,657,000)
Bad debts written off		(108,781,924)	-	-	(108,781,924)
Depreciation and amortisation	38	(192,215,913)	-	(19,904,353)	(212,325,220)
Finance costs	39	(54,474,647)	-	15,917,965	(38,556,682)
Bulk Purchases	40	(453,758,154)	(2)	-	(453,758,156)
Inventory consumed	41	-	(2,427)	(34,626,227)	(34,628,654)
Contracted services	42	(227,703,607)	(7)	-	(227,703,614)
Transfers and subsidies	43	(11,009,540)	-	-	(11,009,540)
Operational Cost	44	(143,038,678)	(85)	30,190,276	(112,848,487)
Operating leases	45	(14,880,942)	-	-	(14,880,942)
Contribution to/from provision		(6,874,912)	-	-	(6,874,912)
Cost of housing sold		(1,925,000)	-	1,925,000	-
Contribution to allowance for doubtful debt		(33,985,791)	-	-	(33,985,791)
Fair value adjustments		(922,035)	-	922,035	-
Inventories (write-down)		(18,583)	-	-	(18,583)
<b>Total expenditure</b>		<b>(1,812,391,947)</b>	<b>(2,521)</b>	<b>(3,061,832)</b>	<b>(1,815,661,254)</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 63. Prior period error and reclassification (continued)

#### 63.3 Correction of errors

The following prior period errors adjustments occurred:

##### Cash and cash equivalents

An item relating to short term investments was incorrectly mapped to cash and cash equivalents. Cash and cash equivalents is consequently restated with the same amount.

##### Cash and cash equivalents

Amount previously reported	-	111,896,629
Correction of error	-	(246,858)
	-	<b>111,649,771</b>

##### Other receivables from exchange transactions

An item relating to deposits paid in advance to eskom was incorrectly capitalised in the prior year.

##### Other receivables from exchange transactions

Amount previously reported	-	11,973,032
Correction of error	-	12,553,900
Reclassification	-	1,758,898
	-	<b>26,285,830</b>

##### Agency services

An amount of R1584926 was incorrectly mapped to agency services in the prior year. Agency services is consequently restated with the same amount.

##### Agency services

Amount previously reported	-	4,833,132
Correction of error	-	(1,593,976)
	-	<b>3,239,156</b>

##### Property, plant and equipment

Errors in relation to calculations occurred in the prior year. Separately disclosed as follows:

##### Property, plant and equipment

Amount as previously reported	-	5,452,746,752
Depreciation error	-	(19,629,262)
Unbundling of infrastructure correction	-	994,220
Review of useful life correction	-	2,807,408
Eskom prepayment correction	-	(10,307,818)
Assets disposed of in prior year	-	(312,513)
	-	<b>5,426,298,787</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 63. Prior period error and reclassification (continued)

#### Payables from non-exchange transactions

This error relates to an error of which a payment was erroneously made in relation to development charges that was claimed back. This amount claimed back should therefore form part of the unspent grants.

#### Payables from non-exchange transactions

Amount previously recorded	-	14,695,527
Correction of error	-	808,049
	-	<b>15,503,576</b>

## Notes to the Annual Financial Statements

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### 63. Prior period error and reclassification (continued)

#### 63.4 Reclassification

The reclassifications as presented below are as a result of a template change to bring into effect the changes as proposed by National Treasury in the Mscoa chart. These changes do not constitute a change in accounting policy or a change in the manner in which the transactions occur, but is merely changing the naming conventions. The accounting treatment is consistent with prior years. No other reclassifications according to GRAP3 has occurred.

The following reclassifications adjustment occurred in terms of GRAP 1 para 49:

#### Non-Exchange Revenue

##### Transfers and subsidies

Government grants and subsidies has been changed to transfers and subsidies in the current financial year per the Mscoa chart. Donated assets has been reclassified from donated assets to transfers and subsidies to the amount of R140 541.

##### Fines, penalties and forfeits

Per the mSCOA template building plan fines has been reclassified from operational revenue to fines, penalties and forfeits to the amount of R34 609. Consequently this has now been reclassified from exchange revenue to non-exchange revenue.

#### Exchange Revenue

##### Service charges

Per the mSCOA template, service charges have been split per individual service and not as a collective item. The total effect of this split is R932 616 341.

##### Rental

The Rentals line item no longer contains encroachment, interest on rentals and market porters have been reclassified to the required Mscoa line items. These lines items have respectively been reclassified to sale of goods and services, interest from receivables and licences and permits.

##### Interest on receivables

This interest has been reclassified to interest, dividend and rent on Land

##### Operational revenue/other income

The mSCOA template has split the previously disclosed line item "other income" into both operational revenue and sales of goods and services. The nature of the previously reported line items has not been changed. The total amount reclassified to sale of goods and services from operational revenue (Other income) amounts to R35 409 882. An amount of R46 126 642 has been reclassified to Sales of goods and rendering of services.

##### Construction contracts

Construction contracts has been reclassified to sale of goods and rendering of service. The effect of this name change is to the value of R7 570 000.

#### Expenditure

##### Employee Related cost

Entertainment cost and workmans compensation have been reclassified as operational cost.

##### Finance cost

The discounting of financial instruments had been reclassified to finance cost. This was previously under fair value adjustments

## Notes to the Annual Financial Statements

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### 63. Prior period error and reclassification (continued)

#### Inventory consumed

Inventory consumed had previously been disclosed with general expenditure. This line item is now disclosed separately on the face of the statement of financial performance as per the Mscoa chart. The cost of housing sold has also been reclassified to this line item.

#### Operational cost

Operational cost was previously named general expenditure. Inventory consumed was reclassified and is presented on the face of the statement of financial performance.

### 64. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

### 65. Events after the reporting date

The outbreak of COVID-19 has resulted in authorities implementing numerous measures to try contain the virus, such as travel bans and restrictions both within Republic of South Africa and around the world. These measures have not only negatively impacted consumer and business spending habits, they have adversely impacted and may further impact our operations and operations of our consumers. These measures may remain in place for a significant period of time and they are likely to continue to adversely affect our service delivery and financial condition. We do not yet know the full extent of the impact on the municipality or our consumers or the economy as a whole. However, the effects could have a material impact on our operations and we will continue to monitor the COVID-19 situation closely.

Currently there are no events after the reporting date to report on.





## **ANNEXURE B: ANNUAL PERFORMANCE REPORT 2021/22**



**STELLENBOSCH**

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

# **Annual Performance Report**

**2021/22**

**(01 July 2021 – 30 June 2022)**

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## 1. PURPOSE

The Annual Performance Report 2021/22 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the municipality's performance information from 01 July 2021 to 30 June 2022 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2021/22, concerning the objectives as encapsulated in the municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

## 2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates that:

- (1) A municipality must prepare for each financial year a performance report reflecting—
  - (a) the performance of the municipality and each external service provider during that financial year;
  - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
  - (c) measures taken to improve performance.

In addition, regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole but is also applicable to the individuals employed in the organisation as well as the external service providers.

## 3. MUNICIPAL OVERVIEW

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in that year. Today, the area has become primarily known for its extraordinary wines, fruit, world-renowned cultural landscapes and exceptional scenic quality. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect their rich heritage and traditions, but also the divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch, Boland College, sports and culinary institutions and several prestigious schools. It has a strong business sector, varying from major South African businesses and corporations, to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. The area's numerous wine farms and cellars are very popular and the area is the home of the very first wine route in South Africa.

The town boasts a variety of sport facilities. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world. The municipal area has several theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season of music, theatre and dance.

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources but also because it does not control all the variables impacting on growth and development of the town. Welfare and community organisations play a leading role in assisting to meet the needs of previously neglected communities. The business sector also plays a key role in shaping the economic development of the municipal area.

**Figure 3:1 Location of the Stellenbosch Municipality**



### 3.1 Vision

“Valley of Opportunity and Innovation”

### 3.2 Socio-economic status

**Table 1: Total population**

Total population		
2019/20	2020/21	2021/22
186 274*	192 879**	196 036***

\*Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality

\*\*DLG 2020 Socio-Economic Profile- Stellenbosch Municipality

\*\*\* Western Cape, Social – Economic Profile 2021

**Table 2: Total number of households**

Households	2019/20	2020/21	2021/22
Number of households in the municipal area	52 374*	52 374*	52 374*
Number of registered indigent households in the municipal area	7 011	7 283	4 681

\*STATSSA, 2011

**Table 3: Access to Services**

Community Survey 2016	Stellenbosch	Cape Winelands District
<b>Formal main dwelling</b>	34 071	191 077
	65,1%	81,0%
<b>Water (piped inside dwelling / within 200m)</b>	51 581	232 605
	98,5%	98,6%
<b>Electricity (primary source of lighting)</b>	51 386	228 650
	98,1%	96,9%
<b>Sanitation (flush / chemical toilet)</b>	47 594	218 483
	90,9%	92,6%
<b>Refuse removal (at least weekly)</b>	37 207	192 974
	71,0%	81,8%

Source: Western Cape, Socio-Economic Profile 2018

#### 4. PERFORMANCE MANAGEMENT OVERVIEW

To improve on performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

- Departmental operational plans were developed for monitoring and reporting operational programmes;
- An electronic performance management system is operational within the municipality. The same system forms the basis of performance evaluations of the Directors and the Municipal Manager; and
- The municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and targets. Emphasis was placed on ensuring that indicators and targets were specific and time-bound, thus making it measurable.

**Table 4: Performance Management System Checklist**

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
In place?	√	√	√	√	√	√

#### 4.1 Top Layer Service Delivery and Budget Implementation Plan

The organisational performance is evaluated using a Municipal Scorecard (the TL SDBIP) at the organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at the directorate and departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators of how, where and when the municipality's strategies, objectives and normal business processes are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next the 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 23 June 2021.

The approved TL SDBIP 2021/22 was revised in February 2022. These revisions were made in line with the adjustment budget, internal audit findings and (if any) recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

**Table 5: Performance Assessment Criteria**

Colour	Category	Explanation
N/A	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
R	KPI Not Met	Actual vs. target less than 75%
O	KPI Almost Met	Actual vs. target between 75% and 100%
G	KPI Met	Actual vs. target 100% achieved
G2	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
B	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

#### **4.2 Departmental Service Delivery and Budget Implementation Plan**

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) captures each Directorate's performance. Unlike the TL SDBIP, which reflects on the strategic performance of the municipality, the Departmental SDBIP 2021/22 provides a comprehensive picture of the performance per Directorate, Department and Section. It was compiled by the Directors and Senior Managers for their respective Departments and Sections and consists of objectives, indicators and targets derived from the approved TL SDBIP 2021/22.

### **5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2021/22 FINANCIAL YEAR**

This section of the Annual Performance Report 2021/22 will report on the municipality's actual performance against the planned targets as derived from the municipality's IDP. Because the municipality has developed five (5) Strategic Focus Areas (SFAs), the performance reporting will follow these themes.



## 5.1 Municipal performance per National Key Performance Indicator

### 5.1.1 Municipal Transformation and Institutional Development

**Table 6: NKPA- Municipal Transformation and Institutional Development**

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	5	3
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	R2 831 705 / R1 779 347 338 =0.16%	R2 567 666 / R598 305 199 x 100 = 0.43%

### 5.1.2 Basic Service Delivery

**Table 7: NKPA- Basic Service Delivery**

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21*	MUNICIPAL ACHIEVEMENT 2021/22*
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- the percentage of registered Indigent households are being reported)	100%	100%
The percentage of households with access to basic level of water	100%	100%
The percentage of households with access to basic level of sanitation	100%	100%
The percentage of households with access to basic level of electricity	71%	84%
The percentage of households with access to basic level of solid waste removal	100%	100%

\* The percentage of households with access to basic level of water, sanitation, electricity and solid waste services is based on formal households only. The information on informal households and backyard dwellings was not taken into account.

### 5.1.3 Local Economic Development

**Table 8: NKPA- Local Economic Development**

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
The number of jobs created through the municipality's local economic development initiatives including capital projects	1 129	1 439

### 5.1.4 Municipal Financial Viability and Management

**Table 9: NKPA- Municipal Financial Viability and Management**

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	29.06%	17.55%
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	8.86%	15.56%
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	2.08	3

## 5.1.5 Good Governance and Public Participation

**Table 10: NKPA- Good Governance and Public Participation**

INDICATOR	MUNICIPAL ACHIEVEMENT 2020/21	MUNICIPAL ACHIEVEMENT 2021/22
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	86.54%	84.29%

## 5.2 Overall performance per Municipal Strategic Focus Area

The following graph and table illustrate the Municipality's overall performance per Municipal Strategic Focus Area (SFA).

Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	3 (6.98%)	-	-	-	1 (8.33%)	2 (12.50%)
KPI Almost Met	6 (13.95%)	1 (16.67%)	2 (33.33%)	-	1 (8.33%)	2 (12.50%)
KPI Met	22 (51.16%)	3 (50%)	3 (50%)	3 (100%)	3 (25%)	10 (62.50%)
KPI Well Met	8 (18.60%)	1 (16.67%)	-	-	6 (50%)	1 (6.25%)
KPI Extremely Well Met	4 (9.30%)	1 (16.67%)	1 (16.67%)	-	1 (8.33%)	1 (6.25%)
<b>Total:</b>	<b>43</b> 100%	<b>6</b> 13.95%	<b>6</b> 13.95%	<b>3</b> 6.98%	<b>12</b> 27.91%	<b>16</b> 37.21%

**Table and Graph 11: Overall performance per SFA- 01 July 2021 – 30 June 2022**

5.2.1 SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL88	KPI007	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 129	1 300	1 300	1 300	1 439	G2		
TL89	KPI008	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 days from the date of a complete land-use application	Percentage of land-use applications considered by the MPT within 120 days from the date of a complete land-use application	58%	75%	75%	75%	66.66%	○	10 / 15 x 100 = 66.66%	Electronic Town Planning Application Management System (TPAMS) to be implemented as of 01 July 2022. Request for additional human resource capacity for the Land Use Management Section submitted for consideration.
TL90	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	5	4	4	4	11	B		
TL91	KPI010	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 30 June	New KPI	1	1	1	1	G		
TL92	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May		1	1	1	1	G		

SFA 1 - VALLEY OF POSSIBILITY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL93	KPI080	Submission of the Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	1	1	1	1	1	G		

Summary of Results: SFA 1 - Valley of Possibility

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	1
G	KPI Met	3
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
<b>Total KPIs</b>		<b>6</b>

5.2.2 SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL94	KPI016	Conduct an external audit of the Stellenbosch Municipal Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	1	1	1	1	1	G		
TL95	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	2	2	2	G		
TL96	KPI018	Building plan applications of <500sqm decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	64.30%	80%	70%	70%	62.35%	O	1 022 / 1 639 x 100 = 62.35%	Request for additional human resource capacity for the Building Development Management Section submitted for consideration. Version 2 of the electronic Building Plan Application Management System (BPAMS) to be implemented as of 01 July 2022.
TL97	KPI019	Waste water quality measured into the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	51%	70%	70%	70%	51.75%	O	<p><u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all the parameters. The process is due to complying with General Limits.</p> <p><u>Klapmuts WWTW:</u> Challenges with sludge handling cause high suspended solids and affect other</p>	<p><u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all parameters. The process is due to complying with General Limits.</p> <p>The corrective action is to correct the licence condition with the DWS.</p> <p><u>Klapmuts WWTW:</u></p>

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
										<p>parameters negatively.</p> <p><u>Pniël WWTW:</u> The plant is running in overload conditions. However, the upgrading of the plant has commenced and is starting to yield positive results as seen with an 88.89% compliance result for June 2022.</p> <p><u>Wemmershoek WWTW:</u> This plant needs repair and upgrade. Phase 1 of this process is to improve sludge handling. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.</p>	<p>Corrective action is to procure and install additional Belt Press in this financial year. The budget is available.</p> <p><u>Pniël WWTW:</u> Upgrades to the plant will be completed by 31 December 2022.</p> <p><u>Wemmershoek WWTW:</u> Plant in need of repair and upgrade. Phase 1 of this process is to improve sludge handling and will be completed by 31 December 2022. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.</p>
TL98	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	0	1	1	1	1	G		
TL99	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	48%	20%	20%	20%	42%	B	5 960,4 / 14 147,5 x 100 = 42.13%	

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
										A total of 5 960,4-ton garden (organic) waste was diverted from a total of 14 147,5-ton total waste to the Landfill (excl. builders' rubble)	

Summary of Results: SFA 2 - Green and Sustainable Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	2
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	1
<b>Total KPIs</b>		<b>6</b>

5.2.3 SFA 3 - Safe Valley

SFA 3 - SAFE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL101	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL102	KPI026	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	1	1	1	1	1	G		
TL103	KPI027	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		

Summary of Results: SFA 3 - Safe Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>3</b>



5.2.4 SFA 4 - Dignified Living

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL104	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	0	50	50	50	0	R	A contractor was appointed to construct the waterborne toilet facilities. However, delays were experienced due to the fact that the site were not made inaccessible by the residents. Consequently, site establishment could not be done by the contractor. Additional land invasions also occurred in the Kayamandi area, which further hampered site establishment and the construction of the waterborne toilet facilities.	Community meetings were held with the assistance of the Ward Councillor. Consequently, a number of structures were relocated. However, the rest of the community refused to move their structures.  The underground infrastructure was completed to connect 36 waterborne toilet facilities to the sewerage network of the municipality.
TL105	KPI039	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	100%	G	4 681 / 4 681 x 100 = 100%	
TL106	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	Percentage average electricity losses measured by 30 June	8.86%	<9%	<9%	<9%	9.60%	O	(393 194 417kWh – 355 429 150kWh) / 393 194 417kWh x 100 = 9.60%	The municipality will conduct an electricity losses audit on the municipal-owned electricity infrastructure by 30 September 2022. The electricity losses audit report will thereafter be submitted to

SFA 4 - DIGNIFIED LIVING

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
											MayCo by 30 November 2022 to consider and implement identified measures to curb electricity losses.
TL107	KPI041	Water quality measured quarterly to the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate, measured quarterly	94.60%	90%	90%	90%	95%	G2		
TL108	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	14.90%	<25%	<25%	<25%	18.70%	G2	1 991 133kl / 10 660 846kl x 100 = 18.70%	
TL109	KPI043	Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	71%	65%	65%	65%	84% <u>100%</u>	B	$\frac{4\,982}{5\,913} \times 100 = 84.25\%$ $\frac{4\,681}{4\,681} \times 100 = 100\%$	
TL110	KPI044	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	100%	G	$\frac{4\,681}{4\,681} \times 100 = 100\%$	
TL111	KPI045	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	100%	G	$\frac{4\,681}{4\,681} \times 100 = 100\%$	
TL112	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 588	25 500	25 500	25 500	26 825	G2		
TL113	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 588	24 000	25 500	25 500	26 825	G2		

**SFA 4 - DIGNIFIED LIVING**

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL114	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 588	25 500	25 500	25 500	26 825	G2		
TL115	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 588	25 500	25 500	25 500	26 825	G2		

**Summary of Results: SFA 4 - Dignified Living**

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	2 <sub>1</sub>
O	KPI Almost Met	0 <sub>1</sub>
G	KPI Met	3
G2	KPI Well Met	6
B	KPI Extremely Well Met	1 <sub>1</sub>
<b>Total KPIs</b>		<b>12</b>

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL116	KPI055	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	2.08	4	4	4	3	○	((R137 877 710 - R31 403 223) + R305 522 446) / (R1 925 045 253 / 12)	For the 2021/22 financial year the municipality implemented cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2022/23 financial year.
TL117	KPI056	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	96%	96%	96%	96%	96%	⊕	(R340 154 461 + R1 503 715 088 - R394 866 379 - R5 153 866) / R1 503 715 088 x 100 = 96%	
TL118	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	86.54%	90%	90%	90%	84.29%	○	R340 119 617 / R403 507 635 x 100 = 84.29%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2022/23. These indicators are also aligned to the Demand Management Plan.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL119	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	50%	60%	60%	60%	33.30%	R	<p><math>2 / 6 \times 100 = 33.33\%</math></p> <p>At each shortlisting panel meeting, the statistics and underrepresented target groups are indicated to the panel. In some instances, there are no qualifying candidates from the underrepresented groups.</p> <p>It also happens in some instances that candidates on the shortlist from underrepresented groups do not perform well enough in the interview to be appointed.</p>	Critical vacancies had to be filled thereby appointing qualifying candidates. Measures are in place on the criteria to be followed when shortlisting is done on candidates within the EE target groups.
TL120	KPI059	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	0.62%	0.20%	0.20%	0.20%	0.43%	B	<p><math>R2\ 567\ 666 / R598\ 305\ 199 \times 100 = 0.43\%</math></p>	
TL121	KPI060	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	29.06%	15%	15%	15%	17.55%	G2	<p><math>(R1\ 199\ 695\ 618 - R289\ 060\ 524) / R51\ 902\ 261</math></p>	

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
TL122	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	8.86%	27%	27%	27%	15.56%	R	R169 165 030 / R1 086 839 110 x 100 = 15.56%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be implemented during the 2022/23 financial year.
TL123	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	1	1	1	G		
TL124	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	0	1	1	1	1	G		
TL125	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	1	1	1	G		
TL126	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)
							Target	Actual	R		
		submitted to the ICT Steering Committee									
TL127	KPI066	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		
TL128	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	1	1	1	G		
TL129	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	1	1	1	G		
TL131	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	New KPI	1	1	1	1	G		
TL132	KPI084	Submission of a new Comprehensive Integrated Transport Plan (CITP) to the MayCo	Number of new Comprehensive Integrated Transport Plans (CITPs) submitted to the MayCo by 30 June	1	1	1	1	1	G		

## Summary of Results: SFA 5 - Good Governance and Compliance

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	2
O	KPI Almost Met	2
G	KPI Met	10
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
<b>Total KPIs</b>		<b>16</b>

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**GERALDINE METTLER**  
**MUNICIPAL MANAGER**

**DATE:** .....





**ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE  
ANNUAL REPORT 2021/22**

*To be distributed separately*



**ANNEXURE D: REPORT OF THE AUDITOR GENERAL OF SOUTH AFRICA 2021/22**

# Report of the auditor-general to the Western Cape Provincial Parliament and council on the Stellenbosch Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 7 to 131, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

7. As disclosed in note 63 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

### Material impairments

8. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R204,3 million (2020-21: R167,1 million).
9. As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R187,6 million (2020-21: R173,2 million).

## **Other matter**

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited disclosure notes**

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## **Responsibilities of the accounting officer for the financial statements**

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

**Introduction and scope**

- 16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic focus area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus area presented in the municipality’s annual performance report for the year ended 30 June 2022:

<b>Strategic focus area</b>	<b>Pages in the annual performance report</b>
Strategic focus area 4 – dignified living	15 to 17

- 19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic focus area.

**Other matters**

- 21. I draw attention to the matters below.

**Achievement of planned targets**

- 22. Refer to the annual performance report on pages 15 to 17 for information on the achievement of planned targets for the year.

## Adjustment of material misstatement

23. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of strategic focus area 4 – dignified living. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Report on the audit of compliance with legislation

### Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected strategic focus area presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

## Other reports

31. I draw attention to the following engagement conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
32. During the year under review the public protector investigated allegations of improper conduct and maladministration at the Stellenbosch Municipality. These allegations related to irregularities in the appointment of two senior officials at the municipality. The public protector's report was submitted to the municipality on 30 March 2022. On 21 June 2022, the municipality submitted a response to the public protector and pursued a review application. The review application was heard by a high court on 28 November 2022. At the date of this report the process had not yet been concluded.
33. On 18 October 2022 the municipality appointed a service provider to investigate instances of irregular and fruitless and wasteful expenditure included in notes 55.2 and 55.3 to the financial statements. This expenditure was on information technology licences procured from various service providers. The investigation was to determine whether unauthorised, irregular and/or fruitless and wasteful expenditure was incurred as a result of the software upgrades of licences purchased, whether legislated procurement processes were followed with the respective service providers and whether evidence of misconduct by officials for the appointment of the service providers exist. At the time of this report the investigation had not yet been concluded.

Auditor - General

Cape Town

2 December 2022



## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected strategic focus area and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Stellenbosch Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied



# **ANNEXURE C**



# STELLENBOSCH

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## Report of the Audit and Performance Audit Committee

This report of the Audit and Performance Audit Committee of Stellenbosch Municipality is in respect of the 2021/2022 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities concordant to the approved Audit Committee Charter. The Committee's operation is guided by the MFMA, the King IV report on Corporate Governance and International Institute of Internal Auditor's Standards.

The Committee consists of four independent members, elected by the Council: Linda Nene (Chairperson), Tsepo Lesihla, Vincent Botto and June Williams. The Council appointed the Chairperson of the Committee, an independent member. The Municipal Manager, Chief Financial Officer, Directors, Chief Audit Executive, Senior Manager Governance, Chief Risk Officer, MPAC Chairperson, and External Auditors are permanent invitees to the Committee meetings.

### Execution of Functions

The Audit and Performance Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Council's accounting, external and internal auditing processes, internal control, governance, predetermined objectives and performance monitoring, compliance with laws and regulations, risk management, combined assurance and information technology governance and financial reporting practices.

During the year under review, the Committee, amongst other matters,

#### 1.1 In respect of the External Auditors and the External Audit

- i. Approved the External Auditors' (Auditor-General of RSA) terms of engagement and strategy, the audit plan and budgeted audit fees payable;
- ii. Engaged and interrogated extensively the Audit report and management report of the Auditor General at the Audit and Performance Audit Committee meeting dated 29<sup>th</sup> November 2022;
- iii. Considered the audit outcome of the Municipality extensively and communicated the Audit and Performance Audit Committee's satisfaction and congratulated the Accounting Officer and Management on the Clean Audit Outcome;
- iv. Based on the audit outcome recommendations were made by the Audit and Performance Audit Committee on the other important matters as well as control deficiencies identified in the Auditor-Generals' management report;

- v. Management have been requested by the Audit and Performance Audit Committee to improve business processes impacting the annual financial statements compilation and reconciliations of transactions, more specially to limit repeat findings of which there were 2 findings relating to errors on the AFS;
- vi. Management are urged to strengthen controls to adequately monitor non-compliance with laws and regulations on a timely basis;
- vii. Management were requested to concentrate on accurate presentation and review of the annual financial statements submitted to the Auditor General for audit;
- viii. The supervision and review process needs to be interrogated to prevent, detect and correct misstatements on a timely basis and the controls designed to monitor compliance with regulations that are not always able to prevent or report the instances of non-compliance in a timely manner to allow for corrective action; and
- ix. The quality of submitted financial statements can still be improved on; thus, management is encouraged to develop action plans early to allow for the improvement in the next reporting cycle.

## **1.2 In respect of the Annual Financial Statements (AFS)**

- i. Confirmed the going concern as the basis of preparation of the annual financial statements;
- ii. Examined, reviewed and interrogated the annual financial statements, performance report as well as financial information disclosed to the public prior to submission and approval by Council;
- iii. Reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets;
- iv. Ensured that the annual financial statements fairly represented the financial position of the Stellenbosch Municipality as at the end of the financial year in accordance with South African Standards of GRAP and in the manner required by the MFMA and DORA;
- v. Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
- vi. Considered the appropriateness of the accounting policies adopted by Management and changes thereto;
- vii. Through the Chairperson, met separately over the course of the year with the Chief Audit Executive, the Municipal Manager and the External Auditors (Auditor-General of RSA);
- viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- ix. Noted that there were no material reports or complaints received concerning accounting practices, internal financial controls, content of annual financial statements, internal controls and related matters.

## **1.3 In respect of Internal Control and Internal Audit**

- i. Reviewed and approved the internal audit mandate, annual and three-year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
- ii. Considered reports of the Internal and external auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
- iii. Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
- iv. Reviewed significant differences of opinion between the internal audit function and Management and noted that there were no material issues of difference raised and all matters were addressed and resolved;
- v. Assessed the adequacy of the performance of the internal audit function and found it to be effective in providing assurance;

- vi. Reviewed and monitored the quality assurance and improvement plan submitted by internal audit as required by the IIA Standards;
- vii. Assessed the adequacy and sufficiency of available internal audit resources and found these to be limited, as more resources would be required to evaluate the control weaknesses and high-risk areas identified in both the corporate strategic risk, external audit and the audit universe;
- viii. Received limited assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or the disposal thereof;
- ix. Based on the above, the Committee's opinion at the date of this report is that there were some breakdowns in internal control, including internal financial controls, for the year under review in the following areas (it is noted that management are in the process of addressing these concerns):
  - Performance management system (PMS)
  - Allowances (Overtime, Standby and Scarce Skills)
  - Development Contributions (Infrastructure Services)
  - Key Controls (Asset Management)
  - Pre-determined objectives
  - Monthly or regular reconciliations of assets, debtors, and creditors
  - Compilation of mid-year or interim AFS
- x. In addition, the Committee noted Management's improved responses to conclude on internal findings from the prior and current year as reported in the internal audit follow up reports.

#### **1.4 In respect of Legal and Compliance with Laws and Regulations**

- i. Reviewed with management matters that could have a material impact on Council;
- ii. Monitored compliance with the MFMA and other key legislation applicable to the Municipality, requirements of National and Provincial Treasury, Council's policies, and all other applicable legislation and codes of good governance;
- iii. Reviewed reports from the internal and external auditors detailing the extent of compliance.

#### **1.5 In respect of Risk Management, Combined Assurance and Information Technology**

During the period under review, Management presented Strategic and Operational Risk profiles for the Municipality to the Audit and Performance Audit Committee who :

- i. Considered and reviewed reports from Management on risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment;
- ii. In respect of the coordination of assurance activities, the Committee reviewed the plans and work outcomes of the external and internal auditors and concluded that these were adequate to address all significant financial, operational and compliance risks facing the Municipality;
- iii. Noted the progress made in terms of Combined Assurance and the co-ordination between assurance providers to mitigate the top 10 strategic risks facing the Municipality as well as the emerging risks;
- iv. The Audit and Performance Audit Committee took cognisance that Information Technology and IT systems controls needing some improvement in the Auditor General's Management report. Member Tsepo Lesihla, ICT expert, has been appointed to the ICT committee to support management in this respect.

## 1.6 In respect of Pre-Determined Objectives (PDO's)

The Audit and Performance Audit Committee:

- i. The quality of submitted performance information in the Management report is indicated as satisfactory. There were no material findings reported on performance information by the Auditor General and Internal Audit, respectively.
- ii. Internal audit has also provided the Audit and Performance Audit Committee with reports on performance on a quarterly basis and no critical findings have been raised.

## 1.7 In respect of the Finance Function

The Audit and Performance Audit Committee:

- i. Considered the existing expertise, resources and experience of the organisation-wide finance functional capacity and has noted that the improvement year on year on the quality of the annual financial statements submitted to the Committee and the AGSA. The number of misstatements corrected on the annual financial statements are noted and impact of external factors recognised. Management intend to report on an action plan in this respect.
- ii. The Chief Financial Officer should continue to ensure appropriate measures are in place for the accurate and timeous submission of information to the Office of the Auditor-General.
- iii. Noted that there were no findings on Supply Chain Management (SCM) and commends the CFO and his team for this.

## 1.8 Independence of the External Auditors

The Audit and Performance Audit Committee is satisfied that the Audit General of RSA (AGSA) were independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors:

- i. The presentations made by the Auditor-General to the Audit and Performance Audit Committee;
- ii. The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors; and

## 1.9 General

- i. The Audit and Performance Audit Committee has monitored quarterly the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately addressed and resolved. Of all the matters raised in the 2021/2022 audit outcome, two (2) have been repeat findings. The Audit and Performance Committee has raised its concern around the repeat findings and the other important matters raised in the Auditor-General's Management Report. The Municipal Manager has given assurance that all of these will be addressed as urgent and tracked for the 2022/2023 financial year.
- ii. The Audit and Performance Audit Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Stellenbosch Municipality has increasingly been stable in the areas of second and third levels of assurance and governance over a three-year period. There has also been stability in the leadership over the past five financial years. The areas for concern, and where attention is required are highlighted above. The Audit and Performance Committee has made recommendations in these areas which management have committed to.

### 1.10 Conclusion

I am extremely grateful to the members of the Committee for their dedication and high levels of professionalism and diligence in their duties, as well as their flexibility in accommodating last-minute calls to duty. We are fortunate to have the diversity of skills and expertise available to the Municipality. It would be amiss not to convey on behalf of the Committee our appreciation to the Mayor, the entire Council and its Committees for the leadership, support and oversight they have provided during the year.

Finally, the Audit and Performance Audit Committee would like to express its appreciation to Management, Internal Audit, Risk Management and the Auditor General for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit and Performance Audit Committee to compile this report. This past year was again challenging and Stellenbosch Municipality should be proud of its elected and appointed leaders for taking control and driving an agenda of sustainability and service delivery and improving its audit results in the process, during a time of great fluidity.

On behalf of the Audit and Performance Audit Committee.



**Mr Linda C. Nene FIIA (SA), CCSA, CRMA, CPrac (SA)**  
**Chairperson Audit and Performance Audit Committee**  
**17 January 2023**

6.2	<b>REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2022/23</b>
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**Collaborator No:**

**IDP KPA Ref No:**

**Good Governance and Compliance**

**Meeting Date:**

**19 January 2023**

**1. SUBJECT: REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2022/23**

**2. PURPOSE**

To obtain Council's approval for the revisions made to the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2022/23.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

The TL SDBIP 2022/23 was approved by the Executive Mayor on 22 June 2022. It is common practice for a municipality, as provided for in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), to review its performance indicators and targets after approving the adjustments budget.

All the necessary changes, which must be deleted and or amended, are indicated with a strikethrough and an underline respectively (for ease of reference). It should be noted that the TL SDBIP 2022/23 is the in-year plan of the municipality, and amendments made to the TL SDBIP 2022/23 must be read in conjunction with the Integrated Development Plan (IDP). Therefore, changes made to the Revised TL SDBIP 2022/23 are considered to be made in the IDP as well.

The reasons for the amendments to the following KPIs are as follows:

- a) KPI001- The target date was moved from 31 March 2023 to 31 May 2023. The target date was revised in line with available resources to realistically achieve the planned target.
- b) KPI004- The target was adjusted from 80% to 75%. The target was revised in line with available resources to realistically achieve the planned target.
- c) KPI014- The target was adjusted from 75% to 70%. The target was revised in line with available resources to realistically achieve the planned target.
- d) KPI060- The wording of the deliverable was amended.

Any detected spelling, grammatical and or alignment errors in the document were also corrected where needed.

**5. RECOMMENDATIONS**

- (a) that the Revised TL SDBIP 2022/23 be approved;
- (b) that the Revised TL SDBIP 2022/23 be published on the Municipal Website; and
- (c) that the Revised TL SDBIP 2022/23 be submitted to:

- i. Internal Audit Unit (for notification);
- ii. Department of Local Government: Western Cape;
- iii. Provincial Treasury: Western Cape;
- iv. Auditor General of South Africa; and
- v. National Treasury.

## **6. DISCUSSION**

### **6.1 Background**

In terms of the MFMA, the Mayor must take all reasonable steps to ensure that the municipality's TL SDBIP is approved within 28 days after the municipal budget is approved.

The Draft Top Layer SDBIP 2022/23 was made public for public participation in April 2022 as part of the Integrated Development Plan (IDP) and Budget consultative process.

The Municipal Manager, CFO and Directors as well as all the managers participated in the setting of key performance indicators KPIs and targets.

The TL SDBIP 2022/23 was approved by the Executive Mayor on 22 June 2022, after the approval of the IDP and Budget in May 2022. The Council should note that the provisions of the MFMA allow the Executive Mayor to approve the TL SDBIP within 28 days after the approval of the Budget.

### **6.2 Financial Implications**

There are no financial implications beyond that which was approved in the 2022/23 MTRF Budget and Adjustments Budget.

### **6.3 Legal Implications**

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), section 54(1)(c) *“On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72 the mayor must- the mayor must, consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget”*

### **6.4 Staff Implications**

This report has no staff implications for the municipality.

### **6.5 Risk Implication**

None

### **6.6 Previous Council Decisions**

None

#### **6.6.1 Comments from Senior Management**

#### **6.6.2 Director: Community and Protection Services**

Supported.



**6.6.3 Chief Financial Officer**

Supported.

**6.6.4 Director: Infrastructure Services**

Supported.

**6.6.5 Director: Corporate Services**

Supported.

**6.6.6 Director: Planning and Economic Development**

Supported.

**6.6.7 Comments from the Municipal Manager**

Supported.

**ANNEXURES**

**Annexure A:** Revised Top Layer Service Delivery and Budget Implementation Plan 2022/23

**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>	<a href="mailto:mm@stellenbosch.gov.za">mm@stellenbosch.gov.za</a>
<b>REPORT DATE</b>	12 January 2023

# **ANNEXURE A**



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**REVISED TOP LAYER SERVICE  
DELIVERY AND BUDGET  
IMPLEMENTATION PLAN 2022/23**

**January 2023**

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## **1. MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I, Geraldine Mettler, the Municipal Manager of the Stellenbosch Municipality, hereby submit the Final Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year for consideration by the Executive Mayor. This Final Revised TL SDBIP 2022/23 has been prepared in terms of the stipulated requirements as documented in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulations made under this Act.

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**GERALDINE METTLER**  
**MUNICIPAL MANAGER**

**Date:** \_\_\_\_\_

## **2. EXECUTIVE MAYOR'S CERTIFICATE OF APPROVAL**

I, Gesie Van Deventer, in my capacity as the Executive Mayor of the Stellenbosch Municipality, hereby submit the Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year to Council for approval, as required in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the regulations made under this Act.

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**CLLR ADV GESIE VAN DEVENTER  
EXECUTIVE MAYOR**

**Date:** \_\_\_\_\_

### 3. IMPLEMENTATION, MONITORING AND REVIEW – ONE YEAR

The Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, the administration and the community. It gives effect to the IDP and budget of the municipality.

The municipal budget shall give effect to the Strategic Focus Areas (SFAs) as contained in the IDP. The Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) shall contain details on the execution of the budget and information on programmes and projects. Quarterly, half-yearly and annual performance reports must also be submitted to Council as a means to monitor the implementation of the predetermined objectives as contained in the IDP.

The SDBIP is a one-year detailed implementation plan which gives effect to the IDP and Budget of the Municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring the performance in service delivery against end-year targets and implementing the budget.

Indicators developed for the Stellenbosch Municipality address the SFAs of the municipality. The municipality utilises the one-year TL SDBIP to ensure that it delivers on its service delivery mandate by indicating clear indicators and targets. These indicators also form the basis of the performance plans of the Municipal Manager and Directors, hence, the Municipal Manager and Directors are being evaluated on the approved TL SDBIP indicators.

The **five** necessary components are:

1. Monthly projections of revenue to be collected for each month;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over three years.

**TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2022/23: PER STRATEGIC FOCUS AREA (SFA)**

**4.1 SFA 1 - VALLEY OF POSSIBILITY**

SFA 1 – Valley of Possibility														
IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result (2020/21))	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI001	TL6	Planning and Economic Development	Submission of the Economic Development Strategy to the MayCo	Number of Economic Development Strategies submitted to the MayCo by 31 <del>May</del> <u>March</u>	Programme	ALL	1 per annum	New KPI	1 Economic Development Strategy submitted to the MayCo by 31 <u>May</u> <del>March</del>	N/A	N/A	<del>1</del> <u>N/A</u>	<del>1</del> <u>N/A</u>	Output
KPI003	TL7	Planning and Economic Development	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	Programme	ALL	1 400 per annum	1 129	1 400 job opportunities created by 30 June	400 (400)	900 (900)	1 100 (1 100)	1 400 (1 400)	Output
KPI004	TL8	Planning and Economic Development	Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application	Percentage of Land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application	Programme	ALL	<del>75%</del> <u>80%</u> per annum	58%	<del>75%</del> <u>80%</u> of land-use applications submitted to the Municipal MPT within 120 days from the conclusion of the administrative processing of the application	<del>75%</del> <u>75%</u> 80%	<del>75%</del> <u>75%</u> 80%	<del>75%</del> <u>75%</u> 80%	<del>75%</del> <u>75%</u> 80%	Output
KPI005	TL9	Planning and Economic Development	Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided to entrepreneurs and SMMEs	Programme	All	4 per annum	5	4 quarterly training opportunities provided to entrepreneurs and SMMEs	1 (1)	1 (2)	1 (3)	1 (4)	Output



SFA 1 – Valley of Possibility

IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result (2020/21))	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI006	TL10	Planning and Economic Development	Submission of the revised Spatial Development Framework (SDF) to the Council	Number of revised SDFs submitted to the Council by 30 June	Programme	All	1 per annum	New KPI	1 revised SDF submitted to the Council by 30 June	N/A	N/A	N/A	1	Output
KPI007	TL11	Planning and Economic Development	Submission of the revised Housing Pipeline (document) to the MayCo	Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May	Programme	ALL	1 per annum	1	1 revised Housing Pipeline (document) submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Output

## 4.2 SFA 2 - GREEN AND SUSTAINABLE VALLEY

SFA 2 – Green and Sustainable Valley														
IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result (2020/21))	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI014	TL16	Planning and Economic Development	Process building plan applications of <500sqm within 30 days after the date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt	Programme	All	70% 75% per annum	64.30%	70% 75% of building plan applications of <500sqm processed within 30 days after the date of receipt	70% 75%	70% 75%	70% 75%	70% 75%	Outcome
KPI016	TL19	Infrastructure Services	Reduce organic waste	Percentage of organic waste reduced by 30 June	Programme	All	20% per annum	48%	20% of organic waste reduced by 30 June	N/A	N/A	N/A	20%	Output
KPI020	TL14	Infrastructure Services	Conduct an External Audit of the Stellenbosch Municipal Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	Programme	All	1 per annum	1	1 external audit of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	N/A	N/A	N/A	1	Output
KPI021	TL15	Infrastructure Services	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Programme	All	2 per annum	2	2 identified waste minimisation projects implemented by 30 June	N/A	N/A	1 (1)	1 (2)	Output
KP022	TL17	Infrastructure Services	Wastewater quality measured into the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly	Programme	All	70% per annum	51%	70% of wastewater quality compliance as per the analysis certificate, measured quarterly	70%	70%	70%	70%	Outcome

### 4.3 SFA 3 - SAFE VALLEY

SFA 3 – Safe Valley														
IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result 2020/21)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI024	TL20	Community and Protection Services	Submission of the revised Disaster Management Plan to the Municipal Manager	Number of revised Disaster Management Plans submitted to the Municipal Manager by 31 March	Programme	All	1 per annum	1	1 revised Disaster Management Plan submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Output
KPI025	TL21	Community and Protection Services	Submission of the revised Safety and Security Strategy to the Municipal Manager	Number of revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	Programme	All	1 per annum	1	1 revised Safety and Security Strategy submitted to the Municipal Manager by 30 April	N/A	N/A	N/A	1	Output
KPI026	TL22	Community and Protection Services	Submission of the revised Traffic Management Plan to the Municipal Manager	Number of revised Traffic Management Plans submitted to the Municipal Manager by 31 March	Programme	All	1 per annum	1	1 revised Traffic Management Plan submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Output

#### 4.4 SFA 4 - DIGNIFIED LIVING

SFA 4 – Dignified Living														
IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result (2020/21))	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI027	TL23	Infrastructure Services	Installation of new standpipes	Number of new standpipes installed by 30 June	Programme	All	50 per annum	New KPI	50 new standpipes taps installed by 30 June	N/A	20 (20)	N/A	50 (50)	Outcome
KPI028	TL24	Infrastructure Services	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	Programme	All	50 per annum	0	50 waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	N/A	20 (20)	N/A	50 (50)	Outcome
KPI029	TL26	Infrastructure Services	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	Percentage of average electricity losses, measured by 30 June	Programme	All	<9% per annum	8.86%	<9% of average electricity losses measured by 30 June	N/A	N/A	N/A	<9%	Outcome
KPI030	TL27	Infrastructure Services	Water quality measured quarterly ito the SANS 241 physical and micro parameters	Percentage of water quality level as per the analysis certificate, measured quarterly	Programme	All	90% per annum	94.60%	90% of water quality level as per the analysis certificate, measured quarterly	90%	90%	90%	90%	Outcome

SFA 4 – Dignified Living

IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result (2020/21))	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI031	TL28	Infrastructure Services	Limit unaccounted water to less than 25%	Percentage of average <u>unaccounted</u> water losses, measured by 30 June	Programme	All	<25% per annum	14.90%	<25% of average <u>unaccounted</u> water losses, measured quarterly	<25%	<25%	<25%	<25%	Outcome
KPI032	TL25	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	Outcome
KPI033	TL29	Financial Services	Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	Programme	All	65% per annum	71%	65% of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	65%	65%	65%	65%	Outcome
KPI034	TL30	Financial Services	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	Outcome

SFA 4 – Dignified Living

IDP Ref No	Ref no.	Directorate	Indicator (Activity / Project / Programme / Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result (2020/21))	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI035	TL31	Financial Services	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	Outcome
KPI036	TL32	Financial Services	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	Programme	All	26 000 per annum	26 588	26 000 formal households with access to water, measured quarterly	26 000	26 000	26 000	26 000	Outcome
KPI037	TL33	Financial Services	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	Programme	All	26 000 per annum	26 588	26 000 formal households with access to electricity, measured quarterly	26 000	26 000	26 000	26 000	Outcome
KPI038	TL34	Financial Services	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	Programme	All	26 000 per annum	26 588	26 000 formal households with access to refuse removal, measured quarterly	26 000	26 000	26 000	26 000	Outcome
KPI039	TL35	Financial Services	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	Programme	All	26 000 per annum	26 588	26 000 formal households with access to sanitation, measured quarterly	26 000	26 000	26 000	26 000	Outcome

## 4.5 SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

SFA 5 – Good Governance and Compliance														
IDP Ref No	Ref no.	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result 2020/21)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI040	TL38	Financial Services	Actual expenditure on the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	Programme	All	90% per annum	86.54%	90% of the approved Capital Budget for the municipality actually spent by 30 June	10%	30%	60%	90%	Input
KPI041	TL5	Planning and Economic Development	Submission of the revised Integrated Zoning Scheme to the MayCo	Number of revised Integrated Zoning Schemes submitted to the MayCo by 30 June	Key Initiative	All	1 per annum	New KPI	1 revised Integrated Zoning Scheme submitted to MayCo by 30 June	N/A	N/A	N/A	1	Output
KPI042	TL36	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment] / Monthly Fixed Operational Expenditure excluding (Depreciation)	Programme	All	4 per annum	2.08	4	N/A	N/A	N/A	4	Input
KPI043	TL37	Financial Services	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Programme	All	96% per annum	96%	96%	N/A	N/A	N/A	96%	Input

SFA 5 – Good Governance and Compliance

IDP Ref No	Ref no.	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result 2020/21)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI044	TL2	Office of the Municipal Manager	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	Programme	All	50% per annum	50%	50% of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	N/A	N/A	N/A	50%	Output
KPI045	TL39	Corporate Services	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x 100), measured by 30 June	Programme	All	0.20% per annum	0.62%	0.20% of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	N/A	N/A	N/A	0.20%	Input
KPI046	TL40	Financial Services	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	Programme	All	15% per annum	29.06%	15%	N/A	N/A	N/A	15%	Input
KPI047	TL41	Financial Services	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services) measured by 30 June	Programme	All	27% per annum	8.86%	27%	N/A	N/A	N/A	27%	Input



SFA 5 – Good Governance and Compliance

IDP Ref No	Ref no.	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result 2020/21)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI048	TL45	Office of the Municipal Manager	Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and Performance <u>Audit</u> Committee (APAC)	Number of revised RBAPs submitted to the APAC by 30 June	Programme	All	1 per annum	1	1 revised RBAP submitted to the APAC by 30 June	N/A	N/A	N/A	1	Output
KPI049	TL3	Office of the Municipal Manager	Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC	Number of AGSA Audit Action Plans submitted to the APAC by 28 February	Programme	All	1 per annum	0	1 AGSA Audit Action Plan submitted to the APAC by 28 February	N/A	N/A	1	N/A	Output
KPI050	TL46	Office of the Municipal Manager	Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee	Number of revised SRRs submitted to the Risk Management Committee by 30 June	Programme	All	1 per annum	1	1 revised SRR submitted to the Risk Management Committee by 30 June	N/A	N/A	N/A	1	Output
KPI051	TL43	Corporate Services	Submission of the revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan to the ICT Steering Committee	Number of revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1 revised ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Output
KPI052	TL44	Corporate Services	Submission of the revised Strategic ICT Plan to the ICT Steering Committee	Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1 revised Strategic ICT Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Output
KPI053	TL4	Office of the Municipal Manager	Submission of the draft Integrated Development Plan (IDP) to the Council	Number of draft IDPs submitted to the Council by 31 March	Programme	All	1 per annum	1	1 draft IDP submitted to Council by 31 March	N/A	N/A	1	N/A	Output

SFA 5 – Good Governance and Compliance

IDP Ref No	Ref no.	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5-year target	Baseline (Actual result 2020/21)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
										Q1	Q2	Q3	Q4	
KPI054	TL42	Office of the Municipal Manager	Submission of the IDP / Budget / SDF time schedule (process plan) to the Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August	Programme	All	1 per annum	1	1 IDP / Budget / SDF time schedule (process plan) submitted to Council by 31 August	1	N/A	N/A	N/A	Output
KPI055	TL12	Infrastructure Services	Submission of the revised Wastewater Master Plan to the Municipal Manager	Number of revised Wastewater Master Plans submitted to the Municipal Manager by 30 June	Programme	All	1 per annum	New KPI	1 revised Wastewater Master Plan submitted to the Municipal Manager by 30 June	N/A	N/A	N/A	1	Output
KPI058	TL18	Corporate Services	Submission of an Integrated Property Maintenance Plan to the Municipal Manager	Number of Integrated Property Maintenance Plans submitted to the Municipal Manager by 30 June	Key Initiative	All	1 per annum	New KPI	1 Integrated Property Maintenance Plan submitted to the Municipal Manager by 30 June	N/A	N/A	N/A	1	Output
KPI059	TL1	Office of the Municipal Manager	Submission of the revised Communication Policy to the MayCo	Number of revised Communication Policies submitted to the MayCo by 30 June	Key Initiative	All	1 per annum	New KPI	1 revised Communication Policy submitted to the MayCo by 30 June	N/A	N/A	N/A	1	Output
KPI060	TL13	Infrastructure	Submission of the revised <u>Comprehensive Integrated Transport Plan (CITP) Roads Master Plan</u> to the Municipal Manager	Number of revised <u>CITPs Roads Master Plans</u> submitted to the Municipal Manager by 30 June	Programme	All	1 per annum	New KPI	1 revised <u>CITP Roads Master Plan</u> submitted to the Municipal Manager by 30 June	N/A	N/A	N/A	1	Output

6.3	MID-YEAR ADJUSTMENTS BUDGET FOR 2022/2023
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Collaborator No: 742566  
IDP KPA Ref No: Good Governance and Compliance  
Meeting Date: 19 January 2023

**1. SUBJECT: MID-YEAR ADJUSTMENTS BUDGET FOR 2022/2023**

**2. PURPOSE**

To table the adjustments budget as envisaged by section 28 of the Municipal Finance Management Act (Act No.56 of 2003), for the 2022/2023 financial year, for approval. The Western Cape Adjustments Appropriation Act, 2022, was enacted on 21 December 2022 and arising from this, grant allocations were amended for Stellenbosch Municipality, for the 2022/23 financial year.

**3. DELEGATED AUTHORITY**

Approval is required by the Municipal Council.

**4. EXECUTIVE SUMMARY**

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

**5. RECOMMENDATIONS**

- (a) that the Adjustments Budget for 2022/2023 as set out in **APPENDIX 1**, be approved;
- (b) that the list of capital projects be adjusted over the MTREF (2022/2023), as set out in **APPENDIX 1**.
- (c) that that the Adjustments Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 2**, be approved; and
- (d) that the Service Delivery and Budget Implementation Plan be adjusted accordingly inclusive of the non-financial information (performance measurement).

**6. DISCUSSION / CONTENTS**

**6.1. Background/ Legislative Framework**

**In terms of section 28 (2) (a), (b), (d) and (f) of the Municipal Finance Management Act:**

*“(2) An adjustments budget—*

*(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*

*(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*

(d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

(f) may correct any errors in the annual budget;...”.

**According to regulation 23 (1) and (3) of the Municipal Budget and Reporting Regulations:**

“23. (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 25(2)(b) of the Act in the municipal council to appropriate these additional revenues”

## 6.2 **Discussion**

### **Capital Adjustments Budget**

During the mid-year budget and performance assessment process, inclusive of taking into account actual spending as of 31 December 2022, it was identified that the approved capital budget had to be adjusted to make necessary amendments to various projects in order to accelerate progress on the priorities identified. Refer to **APPENDIX 1** for detail.

### **Operational Adjustment Budget**

With the process followed during the mid-year budget and performance assessment, taking into consideration projected spending or projected billed revenue versus what was actually processed, it was identified that the approved operational budget should be adjusted accordingly. Refer to **APPENDIX 1** for detail.

### **Material changes to the operating budget:**

#### **Operational Income Budget**

There are line items where we anticipate underperformance. The income line items that will have to be adjusted downwards are:

- **Electricity Service Charges:** The municipality has billed R37 526 233 less electricity charges than initially anticipated. The largest under performance relates to the low usage during peak times reflected for the time of use tariffs (R25 222 820) and Domestic High prepaid (R38 029 427). The underperformance is due to prolonged load shedding outages and consumers finding alternative energy sources. Considering the consumption over the past 6 months of the current financial year, the average consumption (R66 909 106), a decreasing trend in collections over the past 3 months at an average of R10 160 377 as well as the tariff increase of 7.9%, the current budget of R837 368 479 is deemed unattainable. It is recommended that the budget be reduced with approximately R34 455 166 during the Mid-year adjustment budget process.

- 
- **Interest earned - external investments:** An over performance was noted for interest earned – external investments to the amount of R8 743 281. The variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. The municipality has also invested additional funds which has resulted in an increase in the earnings from investments. Considering the monthly average over the past 6 months R3 156 990 it is recommended that the budget be increased by R15 020 095 during the mid-year adjustment process.
  - **Rental of facilities and equipment:** An under performance is noted for the Rental of facilities and equipment to the amount of R3 201 536. Considering the average of the actuals generated over the past three (3) financial years amounting to R11 150 870 and the average monthly revenue (R761 237), the current budget of R15 537 894 is deemed unattainable. It is recommended that the budget be reduced by R5 439 211 during the mid-year adjustment process.
  - **Interest earned – outstanding debtors:** An over performance was noted for the interest earned on outstanding debtors. This is due to the increases in the prime interest rate and the overall increase in debt. It is recommended that the budget be increased with R6 947 414 during the mid-year adjustment budget process.
  - **Transfers and subsidies :** The transfers and subsidies will be increased with R2 492 000 during the Mid-year Adjustment budget process. An increase of R300 000 relates to operating grants and an increase of R2 192 000 relates to capital grants. The following changes will be incorporated:
    - An increase in the budget due to additional as well as new grant allocations in respect of the following:
      - Western Cape Financial Management Capability Grant to the amount of R300 000.
      - Maintenance and Construction of Transport infrastructure to the amount of R4 500 000.
      - (This amount pertains to funds gazetted and expensed in the previous financial year and will be utilised to clear the existing debtor)
    - Herewith attached **Appendix 4** that refers to the revised allocation letter approved by the Department of Human Settlements for the Human Settlement Development grant, as well as the Informal Settlements Upgrading Partnership Grant: Provinces.
      - A decrease in the grant funding in respect of the following;
        - Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) to the amount of R10 350 000.
      - A increase in the grant funding in respect of the following;
        - Human Settlements Development Grant to the amount of R3 208 000.
    - A revised funding allocation letter has been approved by the transferring department indicating that an amount of R1 808 460 will be moved from the operating budget to the capital budget for the Library Services Conditional Grant.
  - **Other Revenue:** The municipality has re-assessed the Other revenue budget and anticipates that a downward adjustment of R 7 854 000 will be necessitated during the Mid-year adjustment budget process.

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- Sales of Goods and Rendering of Services: Cemetery and Burial. The municipality has re-assessed the cemetery and burial revenue budget and anticipates that a downward adjustment of R2 257 334 will be necessitated during the Mid-year adjustment budget process.
  - Sale of Goods and Rendering Services: Parking. An under performance of R6 856 596 has been noted for Parking fees. The municipality has generated an average of R7 666 787 over the past 3 financial years and has generated R2 152 499 to date. Considering the monthly average over the past 6 months (358 749), it renders the adjustment budget of R13 713 186 as unattainable. It is recommended that the budget be reduced with R9 316 000 during the Mid-year adjustment process.
  - Operational Revenue: Merchandising, Jobbing and Contracts (Electrical Services) An underperformance of R1 279 937 has been noted. However, the past three (3) financial years yielded an average income of R1 307 373 per year. This renders the adjustment budget of R4 994 321 as unattainable, and it is recommended that the budget be reduced with R3 989 029 during the Mid-year adjustment process.
  - Sales of Goods and Rendering of Services: Encroachment Fees (Property Management). An overperformance of R1 483 401 has been noted. The past three financial years yielded an average income of R2 325 862 per year, however, considering the monthly average for the past 6 months (R455 567) it is recommended that the budget be increased with R2 800 983 during the Mid-year adjustment process.

### **Operational Expenditure Budget**

Various line items were adjusted (detail included in **APPENDIX 1**) due to requests received from user departments and operational pressure to increase efficiencies.

There are line items where we noted an overspending when compared to the year-to-date budget and we anticipate that additional funds will be required, over and above those already included and approved in the annual budget.

### **Material changes to the operational expenditure budget:**

- Employee costs: An underperformance of R34 905 443 is noted against the year-to-date budget projections. The employee related cost budget will be reduced based on the year-to-date actual amounts and historical trends with R35 870 257 during the mid-year adjustment budget process.
- Bulk purchases – electricity: The bulk purchases of electricity will be reduced based on the year-to-date actual amounts and historical trends with R7 487 000 during the mid-year adjustment budget process
- Contracted services: Security Services. Due to the increase in sites which includes Franschoek, Digteby, Cloetesville Substation, NPK Building, Kayamandi Corridor, etc as well as armed security services instead of previous normal guards, as per requests from other user departments, this necessitates an increase in R15 million during the mid-year adjustment budget process.
- Inventory consumed: zero rated. The inventory zero rated (fuel) will increase with a total amount of R12 380 000 due to the fuel price adjustments and the increase in consumption for fuel for the generators as a result of increased loadshedding.

**6.4 Legal Implications**

The item is compliant with the relevant legislative framework.

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

Adjustments Budget 2022/2023 - 16 and 23 November 2022.

**6.7 Risk Implications**

None

**6.8 Comments from Senior Management:**

Inputs from all Directorates were incorporated into the adjustments budget.

**7. Attachments**

Appendix 1 - Budget documentation

Appendix 2 - Adjustments budget 22/23 (B-schedule)

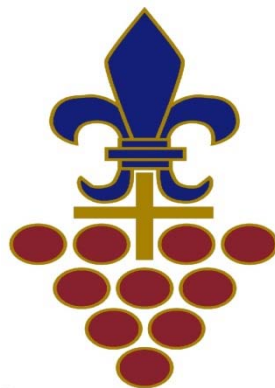
Appendix 3 - Quality certificate

Appendix 4 - Revised allocation letter approved by the Department of Human Settlements

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>MONIQUE STEYL</b>
<b>POSITION</b>	<b>SENIOR MANAGER: FINANCIAL MANGEMENT SERVICES</b>
<b>DIRECTORATE</b>	<b>FINANCIAL SERVICES</b>
<b>CONTACT NUMBERS</b>	<b>021 808 8512</b>
<b>E-MAIL ADDRESS</b>	<b>Monique.Steyl@stellenbosch.gov.za</b>
<b>REPORT DATE</b>	<b>11 January 2022</b>

**DIRECTOR: FINANCIAL SERVICES**



**STELLENBOSCH**

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# **STELLENBOSCH MUNICIPALITY**

**MID-YEAR ADJUSTMENTS BUDGET DOCUMENTATION**

**JANUARY 2023**



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## **ADJUSTMENTS BUDGET**

### **PART 1**

#### **1. Mayor's Report**

##### **Gazetting of Allocations to Municipalities**

Minister Mireille Wenger tabled the 2022/23 Western Cape Adjustment Budget in the Western Cape Provincial Parliament on 24 November 2022, together with the 2022 Draft Notice with the additional and amended allocations to municipalities. The Western Cape Adjustments Appropriation Act, 2022, was enacted on 21 December 2022 and arising from this, grant allocations were amended for Stellenbosch Municipality, for the 2022/23 financial year.

The reduction in funds have been adjusted in terms of section 28 (2) (b) of the Municipal Finance Management Act (Act 56 of 2003) and regulation 23 (1) of the Municipal Budget & Reporting Regulations (17 April 2009).

The additional funds have been allocated in terms of section 28 (2) (b) of the Municipal Finance Management Act (Act 56 of 2003) and regulation 23 (3) of the Municipal Budget & Reporting Regulations (17 April 2009).

In terms of section 72 of the MFMA, the municipality should assess its performance for the first half of the financial year. If necessary, this assessment then warrants an adjustment to the municipality's budget to revise projections of revenue and expenditure.

Changes to the approved budget are herein presented.

This adjustments budget is presented in terms of section 28 of the Municipal Finance Management Act (Act No.56 of 2003) (MFMA).

## 2. Resolutions

- (a) that the Adjustments Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 2**, be approved; and
- (b) that the following capital projects be adjusted over the MTREF (2022/2023) as follows:

Project	2023/2024	2024/2025
Establishment of the Kayamandi Informal Trading Area	1 000 000	-
Expansion of the landfill site (New cells)	61 000 000	20 600 000
Landfill Gas To Energy	22 939 587	-
Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA	6 630 746	-
Laterra Substation	23 108 003	225 680
Bulk Water Supply Klapmuts	8 000 000	-
Bulk Water Supply Pipe and Reservoir: Kayamandi	1 500 000	40 000 000
Bulk Water Supply Pipeline & Reservoir - Jamestown	32 500 000	-
Chlorination Installation: Upgrade	200 000	2 000 000
Upgrade and Replace Water Meters	1 000 000	-
Water Treatment Works: Franschoek	1 500 000	-
New Reservoir & Pipeline: Vlottenburg	46 000 000	15 000 000
New Development Bulk Sewer Supply WC024	23 000 000	2 000 000
Sewerpipe Replacement	2 000 000	4 000 000
Upgrade of WWTW: Klapmuts	15 040 350	-
Upgrade of WWTW Wemmershoek	19 500 000	17 500 000
Refurbish Plant & Equipment - Raithby WWTW	5 500 000	1 000 000
Franschoek Sewer Network Upgrade (Langrug/Mooiwater)	4 000 000	-
Sewerpipe Replacement: Dorp Straat	450 000	18 000 000
Cloetesville Bulk Sewer Upgrade	50 000	-
Kayamandi Bulk Sewer	1 000 000	-
Kayamandi: Upgrading of Makapula Hall	3 000 000	-
Structural improvements at the Van der Stel Sport grounds	3 500 000	-
Structural Upgrade: Heritage Building	5 781 000	-
Extension of Cemetery Infrastructure	15 500 000	-
Fire Station - Jamestown	500 000	1 000 000

- (c) that the Service Delivery and Budget Implementation Plan be adjusted accordingly inclusive of the non-financial information (performance measurement).

### 3. Executive Summary

#### Additional allocations and amendments of provincial conditional grants

Minister Mireille Wenger tabled the 2022/23 Western Cape Adjustment Budget in the Western Cape Provincial Parliament on 24 November 2022, together with the 2022 Draft Notice with the additional and amended allocations to municipalities. The Western Cape Adjustments Appropriation Act, 2022, was enacted on 21 December 2022 and arising from this, for the 2022/23 financial year is the following additional allocations and amendments to the indicative allocations made in terms of the 2022 Budget, which were published in terms of section 29(2)(a) of DORA under Provincial Notice 31/2021 in Provincial Gazette 8566 dated 14 March 2022.

The amendments in funds have been adjusted in terms of section 28 (2) (a) of the Municipal Finance Management Act (Act 56 of 2003) and regulation 23 (1) of the Municipal Budget & Reporting Regulations (17 April 2009).

The breakdown of the additional allocations are as follows:

Grants	Type	Approved Budget	Adjustments	Adjustments Budget
Human Settlements Development Grant	Operational	6 890 000	9 858 000	16 748 000
Financial Management Capability Grant	Operational	-	300 000	300 000
		<b>6 890 000</b>	<b>10 158 000</b>	<b>17 048 000</b>

The breakdown of the reduction in current allocations are as follows:

Grants	Type	Approved Budget	Adjustments	Adjustments Budget
Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)	Capital	20 850 000	-16 350 000	4 500 000
Human Settlements Development Grant	Capital	8 150 000	-6 650 000	1 500 000
		<b>29 000 000</b>	<b>-23 000 000</b>	<b>6 000 000</b>

The Human Settlements Development Grant (Beneficiaries) and the Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) gazetted allocation was adjusted in line with the signed funding agreements (resolutions) between the municipality and the Department of Human Settlements. The adjustments to the project values considered the internal processes as well as the cash flow projections till 30 June 2022.

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## Mid-year performance assessment

Following the annual mid-year performance assessment, Stellenbosch Municipality recognized the necessity to adjust its' budget as per section 28 (2) of the MFMA.

On a high level, the combined Operational- and Capital adjustments budget is as follows:

Directorate	Total Approved Budget (R )	%	Total Adjustments Budget (R )
<b>Municipal Manager</b>	28 022 083	1%	26 055 794
<b>Planning &amp; Development Services</b>	108 840 983	5%	98 331 614
<b>Community and Protection Services</b>	454 998 857	22%	465 176 984
<b>Infrastructure Services</b>	1 620 755 503	77%	1 538 855 728
<b>Corporate Services</b>	258 592 009	12%	253 468 077
<b>Financial Services</b>	98 462 632	5%	95 310 488
<b>TOTALS</b>	<b>2 569 672 067</b>		<b>2 477 198 686</b>

## PART 2

### 4. Adjustments Budget Tables

In accordance with the Budget and Reporting Regulations, the following compulsory schedules are attached (Appendix 2) reflecting the composition and detail of the adjustments budget:

<b>Table name</b>	<b>Table reference</b>
Adjustments Budget Summary	B1
Adjustments Budget Financial Performance by standard classification	B2
Adjustments Budget Financial Performance by vote	B3
Adjustments Budget Financial Performance	B4
Adjustments Budget Capital Expenditure by vote and funding	B5
Adjustments Budget Financial Position	B6
Adjustments Budget Cash Flows	B7
Cash backed reserves/ Accumulated surplus reconciliation	B8
Asset Management	B9
Basic Service Delivery Measurement	B10

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The following other supporting schedules (SB1 – SB19) are attached on Appendix 2. In accordance with the Budget and Reporting Regulations.

<b>Table Name</b>	<b>Table reference</b>
Supporting detail to 'Budgeted Financial Performance'	SB1
Supporting detail to 'Financial Position Budget'	SB2
Adjustments to the SDBIP	SB3
Adjustments to the budgeted performance indicators & benchmarks	SB4
Social, economic & demographic statistics & assumptions	SB5
Funding measurement	SB6
Transfers & grant receipts	SB7
Expenditure on transfers & grant programme	SB8
Reconciliation of transfers, grant receipts and unspent funds	SB9
Transfers & grants made by the municipality	SB10
Councillor & staff benefits	SB11
Monthly revenue & expenditure (vote)	SB12
Monthly revenue & expenditure (standard classification)	SB13
Monthly revenue & expenditure	SB14
Monthly cash flow	SB15
Monthly capital expenditure (vote)	SB16
Monthly capital expenditure (standard classification)	SB17
Capital expenditure on new assets by asset class	SB18a
Capital expenditure on renewal of existing assets by asset class	SB18b
Expenditure on repairs & maintenance by asset class	SB18c
Depreciation by asset class	SB18d
List of capital programmes & projects affected by the adjusted budget	SB19

## 5. Adjustments Budget Assumptions

This adjustments budget is based on the following assumption/s:

All non-multiyear capital expenditure projects will be completed in the current financial year.

## 6. Adjustments Budget Funding

The financing sources of the capital adjustments budget are as follows:

<u>Funding</u>	<b>2022/2023 Approved Budget</b>	<b>%</b>	<b>2022/2023 Adjustments Budget</b>	<b>%</b>
<b>Own Funding</b>				
Capital Replacement Reserve	152 144 605	33%	136 326 558	38%
Development Contribution	12 453 523	3%	13 269 883	4%
<b>External Funding</b>				
External Loans	165 124 042	36%	94 368 337	26%
National Grants	99 191 820	21%	99 191 820	28%
Provincial Grants	35 569 083	8%	14 377 543	4%
	<b>464 483 073</b>		<b>357 534 141</b>	

## 7. Adjustments to Capital Budget

The revised capital expenditure budget per vote is as follows:

<b>Directorate</b>	<b>2022/2023 Approved Budget</b>	<b>Adjustments</b>	<b>2022/2023 Adjustments Budget</b>
<b>Municipal Manager</b>	40 000	-	40 000
<b>Planning &amp; Development Services</b>	20 976 380	-8 311 099	12 665 281
<b>Community and Protection Services</b>	33 441 312	-3 666 540	29 774 773
<b>Infrastructure Services</b>	361 886 172	-81 417 293	280 468 879
<b>Corporate Services</b>	47 889 208	-15 181 000	32 708 208
<b>Financial Services</b>	250 000	1 627 000	1 877 000
<b>TOTALS</b>	<b>464 483 073</b>	<b>-106 948 932</b>	<b>357 534 141</b>



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The detailed list of the adjustments made is as follows:

<i>Projects</i>	<i>Approved Budget 2022/2023</i>	<i>Adjustment 2022/2023</i>	<i>Adjusted Budget 2022/2023</i>	<i>Motivation</i>
<b>Planning &amp; Development Services</b>	<b>15 691 886</b>	<b>-8 311 099</b>	<b>7 380 787</b>	
<b>Economic Development &amp; Tourism</b>	<b>3 992 800</b>	<b>838 901</b>	<b>4 831 701</b>	
Establishment of the Kayamandi Informal Trading Area	3 992 800	838 901	4 831 701	Additional funding required to complete the project as planned.
<b>Housing Development</b>	<b>11 699 086</b>	<b>-9 650 000</b>	<b>2 049 086</b>	
Housing Projects	949 086	400 000	1 349 086	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
Cloetesville Infill (738) FLISP	850 000	-850 000	-	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
Jamestown: Housing	3 600 000	-2 900 000	700 000	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
Kayamandi Town Centre	3 000 000	-3 000 000	-	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
Kayamandi Watergang Northern Extension (2000)	1 900 000	-1 900 000	-	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
Klapmuts La Rochelle (100)	150 000	-150 000	-	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
La Motte Old Forest Station (±430 services & ±430 units)	1 250 000	-1 250 000	-	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.

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<i>Projects</i>	<i>Approved Budget 2022/2023</i>	<i>Adjustment 2022/2023</i>	<i>Adjusted Budget 2022/2023</i>	<i>Motivation</i>
<b>Housing Administration</b>	-	<b>500 000</b>	<b>500 000</b>	
Flats: Interior Upgrading - Kayamandi	-	500 000	500 000	Re-allocation of project between directorates.
<b>Infrastructure Services</b>	<b>197 328 452</b>	<b>-81 417 293</b>	<b>115 911 159</b>	
<b>Waste Management: Solid Waste Management</b>	<b>57 239 587</b>	<b>-49 639 587</b>	<b>7 600 000</b>	
Expansion of the landfill site (New cells)	44 000 000	-40 600 000	3 400 000	Multi-year project. Department of Economic Affairs and Development Planning required a new Waste Management license process to be followed. The project is in the planning phase and will continue into the next financial year.
Integrated Waste Management Plan	100 000	200 000	300 000	Additional funding required to do a Waste Characterisation study as part of the development of the Integrated Waste Management Plan.
Landfill Gas To Energy	9 839 587	-5 939 587	3 900 000	Multi-year project. The project is in the planning phase and will continue into the next financial year.
Waste to Energy - Implementation	3 300 000	-3 300 000	-	Pre-feasibility study conducted did not find it feasible to construct a Waste to Energy plan. Recommended course of action is to consider an alternative waste treatment technology that is not as capital intensive, or as reliant on economies of scale.
<b>Electrical Services</b>	<b>42 441 294</b>	<b>-28 704 758</b>	<b>13 736 536</b>	
Electricity Network: Pniel	8 874 420	-291 541	8 582 879	Actual expenditure is less than the budget, therefore savings have been identified.
General Systems Improvements - Stellenbosch	395 000	395 000	790 000	Electrical infrastructure upgrades required at the Informal Trading Sites.
Infrastructure Improvement - Franschoek	1 500 000	-195 657	1 304 343	Actual expenditure is less than the budget, therefore savings have been identified.

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<i>Projects</i>	<i>Approved Budget 2022/2023</i>	<i>Adjustment 2022/2023</i>	<i>Adjusted Budget 2022/2023</i>	<i>Motivation</i>
Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA	8 063 871	-6 630 746	1 433 125	Multi-year project. The project is in the planning phase and will continue in the next financial year. Funds to be moved to the 2023/2024 financial year.
Laterra Substation	23 608 003	-21 981 814	1 626 189	Multi-year project. The project is in the planning phase and will continue in the next financial year. Funds to be moved to the 2023/2024 financial year.
<b>Project Management Unit (PMU)</b>	<b>16 850 000</b>	<b>-10 350 000</b>	<b>6 500 000</b>	
Kayamandi: Zone O (±711 services)	13 350 000	-13 350 000	-	Funding aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.
Upgrading of The Steps/Orlean Lounge	3 500 000	3 000 000	6 500 000	Additional funding required to finalise the Steps project at the end of the financial year.
<b>Water and Wastewater Services: Water</b>	<b>43 606 078</b>	<b>25 500 000</b>	<b>69 106 078</b>	
Bulk Water Supply Klappmuts	6 157 787	-3 000 000	3 157 787	Funding re-allocation of external loan projects, between capital projects.
Bulk Water Supply Pipe and Reservoir: Kayamandi	1 296 020	-500 000	796 020	Multi-year project. The project will continue into the next financial year.
Bulk Water Supply Pipeline & Reservoir - Jamestown	9 451 582	-8 000 000	1 451 582	Adjust the budget in line with the re-allocation of the Integrated Urban Development Grant allocation.
Water Treatment Works: Franschoek	500 000	-500 000	-	Multi-year project. The project will continue into the next financial year.

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<i>Projects</i>	<i>Approved Budget 2022/2023</i>	<i>Adjustment 2022/2023</i>	<i>Adjusted Budget 2022/2023</i>	<i>Motivation</i>
New Reservoir & Pipeline: Vlottenburg	26 200 689	37 500 000	63 700 689	The project has commenced and is in the construction phase. Funding to be rolled forward from the outer years to cover the shortfall experienced in the current year. This is due to the contract period being spread over fourteen months.
<b>Water and Wastewater Services: Sanitation</b>	<b>36 791 493</b>	<b>-18 540 350</b>	<b>18 251 143</b>	
New Development Bulk Sewer Supply WC024	6 178 520	-5 000 000	1 178 520	Multi-year project. The project will continue into the next financial year.
Upgrade of WWTW: Klapmuts	7 500 000	-6 540 350	959 650	Multi-year project. The project will continue into the next financial year.
Upgrade of WWTW Wemmershoek	13 612 973	-2 000 000	11 612 973	Multi-year project. The project will continue into the next financial year.
Refurbish Plant & Equipment - Raithby WWTW	2 000 000	-1 500 000	500 000	Multi-year project. The project will continue into the next financial year.
Franschhoek Sewer Network Upgrade (Langrug/Mooiwater)	6 000 000	-2 000 000	4 000 000	Multi-year project. The project will continue into the next financial year.
Industrial Effluent Monitoring	1 500 000	-1 500 000	-	Funds required for Digteby Main Outfall Sewer. Implementation of project will be revisited with the drafting of the Capital Expenditure Framework.
<b>Traffic Engineering</b>	<b>400 000</b>	<b>200 000</b>	<b>600 000</b>	
Universal Access Implementation	400 000	200 000	600 000	Additional funding required to complete the project as planned.
<b>Transport Planning</b>	<b>-</b>	<b>117 402</b>	<b>117 402</b>	
Taxi Rank: Klapmuts	-	117 402	117 402	Additional funding required for retention.

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<i>Projects</i>	<i>Approved Budget 2022/2023</i>	<i>Adjustment 2022/2023</i>	<i>Adjusted Budget 2022/2023</i>	<i>Motivation</i>
<b>Corporate Services</b>	<b>17 681 000</b>	<b>-15 181 000</b>	<b>2 500 000</b>	
<b>Properties and Municipal Building Maintenance</b>	<b>17 681 000</b>	<b>-15 181 000</b>	<b>2 500 000</b>	
Early Childhood Development Centre	500 000	-500 000	-	Re-allocation of project between directorates.
Flats: Interior Upgrading - Kayamandi	500 000	-500 000	-	Re-allocation of project between directorates.
Kayamandi: Upgrading of Makapula Hall	2 000 000	-2 000 000	-	Multi-year project. The project will continue into the next financial year.
Structural improvements at the Van der Stel Sport grounds	3 500 000	-3 500 000	-	Multi-year project. The project will continue into the next financial year.
Structural Upgrade: Heritage Building	8 281 000	-5 781 000	2 500 000	Multi-year project. The project will continue into the next financial year.
Structural Upgrade: Economic Hub	2 900 000	-2 900 000	-	Re-allocation of project between directorates.
<b>Community and Protection Services</b>	<b>10 608 262</b>	<b>-3 666 540</b>	<b>6 941 722</b>	
<b>Community Development</b>	<b>75 000</b>	<b>525 000</b>	<b>600 000</b>	
Early Childhood Development Centre	-	500 000	500 000	Re-allocation of project between directorates.
Furniture, Tools & Equipment: Comm Development	75 000	25 000	100 000	Additional funds requested for the procurement of Furniture, Tools & Equipment for Community Development.
<b>Community Services: Library Services</b>	<b>2 065 170</b>	<b>1 808 460</b>	<b>3 873 630</b>	
Upgrade Stellenbosch library entrance foyer	2 065 170	1 808 460	3 873 630	Adjust the budget in line with the roll-over of unspent provincial conditional grant allocation letter. Community Library Services Grant.
<b>Sports Grounds and Picnic Sites</b>	<b>93 935</b>	<b>200 000</b>	<b>293 935</b>	
Fencing: Sport Grounds (WC024)	93 935	200 000	293 935	Additional funding required for fencing at sports ground as prioritized by the Sport Section and Sport Council. The existing fencing tender will be utilised for the fencing needs.

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<i>Projects</i>	<i>Approved Budget 2022/2023</i>	<i>Adjustment 2022/2023</i>	<i>Adjusted Budget 2022/2023</i>	<i>Motivation</i>
<b>Environmental Management: Implementation</b>	<b>1 174 157</b>	<b>-</b>	<b>1 174 157</b>	
Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	774 157	400 000	1 174 157	Additional funding required for the installation of Clearview fencing at Jan Marais Nature Reserve. The existing fence will be removed and re-used for areas where mesh fence is required in nature areas.
Papegaaiberg Nature Reserve	400 000	-400 000	-	Project has been completed and funds to be re-allocated to Jan Marais Nature Reserve.
<b>Cemeteries</b>	<b>7 000 000</b>	<b>-6 000 000</b>	<b>1 000 000</b>	
Extension of Cemetery Infrastructure	7 000 000	-6 000 000	1 000 000	Adjust the budget in line with the re-allocation of the Integrated Urban Development Grant allocation.
<b>Fire Services</b>	<b>200 000</b>	<b>-200 000</b>	<b>-</b>	
Fire Station - Jamestown	200 000	-200 000	-	Multi-year project. The project will continue into the next financial year.
<b>Financial Services</b>	<b>250 000</b>	<b>1 627 000</b>	<b>1 877 000</b>	
<b>Financial Services General</b>	<b>250 000</b>	<b>1 627 000</b>	<b>1 877 000</b>	
Furniture, Tools & Equipment	250 000	1 627 000	1 877 000	Additional funds requested for the procurement of Furniture, Tools & Equipment for Financial Services.
<b>TOTAL - Capital</b>	<b>241 559 600</b>	<b>-106 948 932</b>	<b>134 610 668</b>	

## 8. Adjustments to Operational Expenditure

The revised operational expenditure budget per vote is as follows:

Directorate	Approved Budget	Adjustments	Adjustments Budget
<b>Municipal Manager</b>	27 982 083	-1 966 289	26 015 794
<b>Planning &amp; Development Services</b>	87 864 603	-2 198 270	85 666 333
<b>Community and Protection Services</b>	421 557 544	13 844 667	435 402 212
<b>Infrastructure Services</b>	1 258 869 331	-482 482	1 258 386 849
<b>Corporate Services</b>	210 702 801	10 057 068	220 759 869
<b>Financial Services</b>	98 212 632	-4 779 144	93 433 488
<b>Total Expenditure</b>	<b>2 105 188 994</b>	<b>14 475 551</b>	<b>2 119 664 545</b>

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The detailed list of the adjustments made is as follows:

Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Municipal Manager</b>					
Municipal Manager	Employee related cost	15 740 147	-3 600 000	12 140 147	Revised Employee related Cost Budget
Municipal Manager	Business and Advisory:Organisational	208 000	-100 000	108 000	Actual expenditure is less than the budget, therefore savings have been identified
Municipal Manager	Consumables:Zero Rated	7 233	1 519	8 752	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Internal Audit	Business and Advisory:Accounting and Auditing	200 000	-100 000	100 000	Actual expenditure is less than the budget, therefore savings have been identified
Internal Audit	Business and Advisory:Forensic Investigators	250 000	-50 000	200 000	Actual expenditure is less than the budget, therefore savings have been identified
Internal Audit	Operational Cost:External Audit Fees	5 100 000	1 900 000	7 000 000	Adjusted due to year to date actuals
IDP and Strategic Programs	Information and Communication Infrastructure:Distribution Layers	5	325	330	Adjusted due to year to date actuals
Public Participation	Consumables:Zero Rated	33 583	-9 383	24 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Public Participation	Licences:Motor Vehicle Licence and Registrations	1 344	633	1 977	Adjusted due to year to date actuals
Communication Services	Consumables:Zero Rated	33 583	-9 383	24 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
<b>Sub Total: Municipal Manager</b>		<b>21 573 895</b>	<b>-1 966 289</b>	<b>19 607 606</b>	



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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Planning &amp; Development Services</b>					
Planning & Development Services	Employee related cost	56 556 263	-1 052 060	55 504 203	Revised Employee related Cost Budget
Planning & Environment: General	Business and Advisory:Project Management	2 300 000	-300 000	2 000 000	Actual expenditure is less than the budget, therefore savings have been identified
Planning & Environment: General	Outsourced Services:Professional Staff	200 000	-100 000	100 000	Actual expenditure is less than the budget, therefore savings have been identified
Planning & Environment: General	Depreciation and Amortisation	1 043 144	-1 043 144	-	Reallocation of depreciation budget based on the estimated depreciation run.
Planning & Environment: General	Consumables:Zero Rated	30 000	-5 800	24 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Planning & Environment: General	Cleaning Services:Car Valet and Washing Services	8 000	-5 000	3 000	Actual expenditure is less than the budget, therefore savings have been identified
Planning & Environment: General	Licences:Motor Vehicle Licence and Registrations	500	3 607	4 107	Adjusted due to year to date actuals
Building Control	Depreciation and Amortisation	4 217	-4 217	-	Reallocation of depreciation budget based on the estimated depreciation run.
Building Control	Consumables:Zero Rated	110 000	-13 200	96 800	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Building Control	Licences:Motor Vehicle Licence and Registrations	5 000	960	5 960	Adjusted due to year to date actuals
Town Planning	Business and Advisory:Audit Committee	540 000	-300 000	240 000	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Town Planning	Depreciation and Amortisation	82 160	-82 160	-	Reallocation of depreciation budget based on the estimated depreciation run.
Town Planning	Consumables:Zero Rated	25 000	-800	24 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Town Planning	Licences:Motor Vehicle Licence and Registrations	1 500	-1 214	286	Actual expenditure is less than the budget, therefore savings have been identified
Town Planning	Operational Cost:Assets less than the Capitalisation Threshold	100	-100	-	Actual expenditure is less than the budget, therefore savings have been identified
Town Development	Depreciation and Amortisation	1 035 647	-1 035 647	-	Reallocation of depreciation budget based on the estimated depreciation run.
Local Economic Development	Outsourced Services:Professional Staff	550 000	-250 000	300 000	Actual expenditure is less than the budget, therefore savings have been identified
Local Economic Development	Depreciation and Amortisation	108 133	-108 133	-	Reallocation of depreciation budget based on the estimated depreciation run.
Local Economic Development	Consumables:Zero Rated	40 000	20 500	60 500	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Local Economic Development	Licences:Motor Vehicle Licence and Registrations	3 021	14 287	17 308	Adjusted due to year to date actuals
Local Economic Development	Operational Cost:Supplier Development Programme	750 000	-250 000	500 000	Actual expenditure is less than the budget, therefore savings have been identified
Housing Administration	Depreciation and Amortisation	75 292	-75 292	-	Reallocation of depreciation budget based on the estimated depreciation run.

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Housing Administration	Consumables:Zero Rated	201 364	282 636	484 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Housing Administration	Licences:Motor Vehicle Licence and Registrations	4 245	1 794	6 039	Adjusted due to year to date actuals
New Development	Business and Advisory:Research and Advisory	456 643	-150 000	306 643	Actual expenditure is less than the budget, therefore savings have been identified
New Development	Consumables:Zero Rated	1 500	-1 500	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Informal Settlements	Contractors:Management of Informal Settlements	4 529 172	3 000 000	7 529 172	Additional funding required for reallocation purposes (wendy houses) for the following informal settlement area: Zone O (20), Papplaas (20) and Jamestown (80) and to provide alternative accommodation for Evictions with Court Orders (30). The department must survey the Watergang Informal Settlement as a matter of urgency.
Informal Settlements	Depreciation and Amortisation	781 439	-781 439	-	Reallocation of depreciation budget based on the estimated depreciation run.
Informal Settlements	Consumables:Zero Rated	78 579	36 371	114 950	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Informal Settlements	Licences:Motor Vehicle Licence and Registrations	3 120	1 282	4 402	Adjusted due to year to date actuals
<b>Sub Total: Planning &amp; Development Services</b>		<b>69 524 039</b>	<b>-2 198 270</b>	<b>67 325 769</b>	

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Infrastructure Services</b>					
Infrastructure Services	Employee related cost	201 709 773	-7 000 000	194 709 773	Revised Employee related Cost Budget
Infrastructure Services	Depreciation:Computer Equipment	93 212	-93 212	-	Reallocation of depreciation budget based on the estimated depreciation run.
Infrastructure Services	Consumables:Zero Rated	21 560	-21 560	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Infrastructure Services	Advertising, Publicity and Marketing:Staff Recruitment	53 560	-53 560	-	Actual expenditure is less than the budget, therefore savings have been identified
Infrastructure Services	Operational Cost:Printing, Publications and Books	1 040	-1 040	-	Actual expenditure is less than the budget, therefore savings have been identified
Infrastructure Services	Operational Cost:Servitudes and Land Surveys	6 240	-6 240	-	Actual expenditure is less than the budget, therefore savings have been identified
Develop Services & Project Man	Licences:Motor Vehicle Licence and Registrations	2 575	1 064	3 639	Adjusted due to year to date actuals
Develop Services & Project Man	Consumables:Zero Rated	6 896	1 448	8 344	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Develop Services & Project Man	Operational Cost:Printing, Publications and Books	20 000	-20 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Develop Services & Project Man	Operational Cost:Uniform and Protective Clothing	65 000	-35 000	30 000	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Develop Services & Project Man	Business and Advisory:Project Management	-	1 349 819	1 349 819	Longlands housing project: The recommendation as per the signed agreement is that the contribution from the developer can be utilized to fund the non-qualifiers of Longlands farm. Only 9 houses were constructed with the contribution of the developer as per the agreement.
Develop Services & Project Man	Business and Advisory:Research and Advisory	2 200 800	-1 000 000	1 200 800	Actual expenditure is less than the budget, therefore savings have been identified
Develop Services & Project Man	Business and Advisory:Project Management	6 890 000	9 858 000	16 748 000	Reallocation to correct mSCOA item classification under other revenue
Electrical Engineering Service	Electricity:ESKOM	481 925 704	18 327 023	500 252 727	Centralise the electricity bulk purchases budget
Electrical Engineering Service	Electricity:ESKOM	69 486 680	-25 813 925	43 672 755	Centralise the electricity bulk purchases budget
Electrical Engineering Service	Water Supply Infrastructure:Reservoirs	6	535 283	535 289	Reallocation of depreciation budget based on the estimated depreciation run.
Electrical Engineering Service	Borrowings:Annuity Loans	10 774 215	-4 548 024	6 226 191	Adjustments made to align to the loan amortization tables as projected used for the 2021/2022 AFS
Electrical Engineering Service	Advertising, Publicity and Marketing:Signs	63 000	-40 000	23 000	Actual expenditure is less than the budget, therefore savings have been identified
Electrical Engineering Service	Communication:Cellular Expenditure	19 269	-10 000	9 269	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Electrical Eng.Client Services	Licences:Motor Vehicle Licence and Registrations	36 059	-1 356	34 703	Actual expenditure is less than the budget, therefore savings have been identified
Electrical Eng.Client Services	Consumables:Zero Rated	488 412	102 567	590 979	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Electrical Eng. System Operati	Consumables:Zero Rated	300 000	1 273 000	1 573 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Electrical Eng. System Operati	Licences:Motor Vehicle Licence and Registrations	75 000	58 145	133 145	Adjusted due to year to date actuals
Electrical Eng. System Operati	Operational Cost:Assets less than the Capitalisation Threshold	9 450	-9 450	-	Actual expenditure is less than the budget, therefore savings have been identified
Refuse Removal	Intangible Assets:Servitudes	12 102	-12 102	-	Reallocation of depreciation budget based on the estimated depreciation run.
Refuse Removal	Consumables:Zero Rated	2 900 000	3 150 000	6 050 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Refuse Removal	Licences:Motor Vehicle Licence and Registrations	728 000	127 211	855 211	Adjusted due to year to date actuals
Dumping Site	Decommissioning, Restoration and Similar Liabilities:Non-specific	-	6 752 827	6 752 827	The contribution to the landfill site provision is based on the closing AFS amount per the audited AFS adjusted for the current cpi inflation rate.
Dumping Site	Outsourced Services:Refuse Removal	22 860 000	1 300 000	24 160 000	Additional funds required for crushing of builders rubble 7000T until 30 June 2022
Dumping Site	Depreciation and Amortisation	7 918 402	-7 539 667	378 735	Reallocation of depreciation budget based on the estimated depreciation run.

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Dumping Site	Borrowings:Annuity Loans	116 478	-116 478	-	Adjustments made to align to the loan amortization tables as projected used for the 2021/2022 AFS
Dumping Site	Interest Paid:Interest costs non-current Provision	11 003 057	-355 384	10 647 673	The interest calculation was calculated using the audited AFS amount and adjusting this figure with the predicted discount rate figure as utilised in the AFS.
Transfer Station Klapmuts	Outsourced Services:Refuse Removal	26 417 000	4 700 000	31 117 000	Adjusted due to year to date actuals
Cleaning Of Streets	Licences:Motor Vehicle Licence and Registrations	18 396	-5 460	12 936	Actual expenditure is less than the budget, therefore savings have been identified
Cleaning Of Streets	Operational Cost:Hire Charges	500 000	-100 000	400 000	Actual expenditure is less than the budget, therefore savings have been identified
Sewerage Purification Stellenb	Consumables:Zero Rated	2 040 885	2 315 115	4 356 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Sewerage Purification Stellenb	Communication:Cellular Expenditure	13 504	-7 000	6 504	Actual expenditure is less than the budget, therefore savings have been identified
Sewerage Purification Stellenb	Licences:Motor Vehicle Licence and Registrations	63 740	26 924	90 664	Additional funds requested for payment of licenses.
Sewerage Network	Sanitation Infrastructure:Outfall Sewers	20 996 770	-18 380 239	2 616 531	Reallocation of depreciation budget based on the estimated depreciation run.
Sewerage Network	Consumables:Zero Rated	1 318 916	350 884	1 669 800	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Sewerage Network	Licences:Motor Vehicle Licence and Registrations	120 739	38 152	158 891	Adjusted due to year to date actuals
Sewerage Network	Borrowings:Annuity Loans	33 931 619	-998 025	32 933 594	Adjustments made to align to the loan amortization tables as projected used for the 2021/2022 AFS
Composting	Contractors:Maintenance of Unspecified Assets	100 000	50 000	150 000	Tenders was awarded. Scheduled maintenance project to commence (including reactive maintenance)
Sewerage Purification Klapmuts	Communication:Cellular Expenditure	8 908	-4 454	4 454	Actual expenditure is less than the budget, therefore savings have been identified
Sewerage Purification Klapmuts	Licences:Motor Vehicle Licence and Registrations	404	162	566	Adjusted due to year to date actuals
Sewerage Treatment Pniel & Oth	Communication:Cellular Expenditure	6 746	-3 373	3 373	Actual expenditure is less than the budget, therefore savings have been identified
Sewerage Treatment Pniel & Oth	Licences:Motor Vehicle Licence and Registrations	1 089	436	1 525	Adjusted due to year to date actuals
Sewere Purification:ruralw/h	Communication:Cellular Expenditure	1 152	-576	576	Actual expenditure is less than the budget, therefore savings have been identified
Sewere Purification:ruralw/h	Licences:Motor Vehicle Licence and Registrations	1 142	457	1 599	Adjusted due to year to date actuals
Sewerage Pump Stations	Consumables:Zero Rated	500 000	105 000	605 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Sewerage Pump Stations	Communication:Cellular Expenditure	8 837	-4 419	4 419	Actual expenditure is less than the budget, therefore savings have been identified



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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Sewerage Pump Stations	Licences:Motor Vehicle Licence and Registrations	74 435	56 626	131 061	Adjusted due to year to date actuals
Roads	Consumables:Zero Rated	335 506	70 456	405 962	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Roads	Licences:Motor Vehicle Licence and Registrations	62 400	62 864	125 264	Adjusted due to year to date actuals
Roads	Operational Cost:Uniform and Protective Clothing	265 483	-100 000	165 483	Actual expenditure is less than the budget, therefore savings have been identified
Sidewalks & Cycle Paths	Licences:Motor Vehicle Licence and Registrations	20 000	4 080	24 080	Adjusted due to year to date actuals
Traffic Engineering	Consumables:Zero Rated	70 400	-70 400	-	Actual expenditure is less than the budget, therefore savings have been identified
Traffic Engineering	Licences:Motor Vehicle Licence and Registrations	46 240	-3 081	43 159	Actual expenditure is less than the budget, therefore savings have been identified
Stormwater	Consumables:Zero Rated	104 000	-104 000	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Stormwater	Licences:Motor Vehicle Licence and Registrations	56 160	12 476	68 636	Adjusted due to year to date actuals
Water Network	Water Supply Infrastructure:Distribution	7 270 219	8 225 228	15 495 447	Reallocation of depreciation budget based on the estimated depreciation run.
Water Network	Consumables:Zero Rated	800 000	652 000	1 452 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Water Network	Inventory Consumed:Water	24 232 000	-1 000 000	23 232 000	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Water Network	Communication:Cellular Expenditure	29 612	-15 000	14 612	Actual expenditure is less than the budget, therefore savings have been identified
Water Network	Licences:Motor Vehicle Licence and Registrations	120 000	56 976	176 976	Adjusted due to year to date actuals
Water Network	Operational Cost:Municipal Services	1 100 000	1 500 000	2 600 000	Adjusted due to year to date actuals
Water Network	Borrowings:Annuity Loans	9 887 688	5 791 496	15 679 184	Adjustments made to align to the loan amortization tables as projected used for the 2021/2022 AFS
Reservoirs & Supply Lines	Consumables:Zero Rated	62 400	-62 400	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Reservoirs & Supply Lines	Licences:Motor Vehicle Licence and Registrations	37 693	-1 563	36 130	Actual expenditure is less than the budget, therefore savings have been identified
Water Filtration Idas Valley	Depreciation and Amortisation	182 516	-182 516	-	Reallocation of depreciation budget based on the estimated depreciation run.
Water Filtration Idas Valley	Consumables:Zero Rated	-	18 150	18 150	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Water Filtration Idas Valley	Consumables:Zero Rated	200 000	-200 000	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Water Filtration Idas Valley	Licences:Motor Vehicle Licence and Registrations	3 203	374	3 577	Adjusted due to year to date actuals
Water Filtration Paradyskloof	Consumables:Zero Rated	93 600	269 400	363 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Water Filtration Paradyskloof	Licences:Motor Vehicle Licence and Registrations	724 537	290 178	1 014 715	Adjusted due to year to date actuals
Water Laboratory	Consumables:Zero Rated	11 000	2 310	13 310	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Water Laboratory	Licences:Motor Vehicle Licence and Registrations	1 806	890	2 696	Adjusted due to year to date actuals
<b>Sub Total: Infrastructure Services</b>		<b>951 627 235</b>	<b>-482 482</b>	<b>951 144 753</b>	
<b>Corporate Services</b>					
Corporate Services	Employee related cost	75 412 860	2 650 832	78 063 692	Revised Employee related Cost Budget
Corporate Services: General	Depreciation:Machinery and Equipment	37 178	-37 178	-	Reallocation of depreciation budget based on the estimated depreciation run.
Corporate Services: General	Consumables:Zero Rated	23 050	-23 050	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Human Resource Services	Contractors:Employee Wellness	360 000	-150 000	210 000	Actual expenditure is less than the budget, therefore savings have been identified
Human Resource Services	Other Transfers (Cash):Bursaries (Non-Employee)	19 766	300 000	319 766	Financial Management Capability Grant
Human Resource Services	Consumables:Zero Rated	24 536	-24 536	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Human Resource Services	Operational Cost:Bargaining Council	6 455 260	44 740	6 500 000	Adjusted due to year to date actuals
Human Resource Services	Operational Cost:Skills Development Fund Levy	4 000 000	500 000	4 500 000	Adjusted due to year to date actuals

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Human Resource Services	Seminars, Conferences, Workshops and Events:National	3 000 000	500 000	3 500 000	Additional funds requested to cover all committed training up until June 2023
Human Resource Services	Interest Paid:Long Service Awards	2 086 308	496 272	2 582 580	This amount was calculated using the average increase over the last 3 years. The audited financial statements amount was adjusted with this annual increase
Occupational Health And Safety	Consumables:Zero Rated	10 000	2 100	12 100	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Occupational Health And Safety	Licences:Motor Vehicle Licence and Registrations	8 000	1 674	9 674	Adjusted due to year to date actuals
Occupational Health And Safety	Operational Cost:Assets less than the Capitalisation Threshold	1 000	-1 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Documentation & Archives Manag	Consumables:Zero Rated	43 680	-1 330	42 350	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Documentation & Archives Manag	Licences:Motor Vehicle Licence and Registrations	1 477	930	2 407	Adjusted due to year to date actuals
Documentation & Archives Manag	Operational Cost:Assets less than the Capitalisation Threshold	2 080	-2 080	-	Actual expenditure is less than the budget, therefore savings have been identified
Secretariate & Admininstration	Operational Cost:Assets less than the Capitalisation Threshold	1 248	-1 248	-	Actual expenditure is less than the budget, therefore savings have been identified
Legal Services	Legal Cost:Legal Advice and Litigation	7 100 000	-1 000 000	6 100 000	Actual expenditure is less than the budget, therefore savings have been identified
Legal Services	Operational Cost:Assets less than the Capitalisation Threshold	1 268	-1 268	-	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Legal Services	Operational Cost:Printing, Publications and Books	63 994	-30 000	33 994	Actual expenditure is less than the budget, therefore savings have been identified
Printing Office	Outsourced Services:Printing Services	150 000	-150 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Printing Office	Operational Cost:Assets less than the Capitalisation Threshold	20 800	-20 800	-	Actual expenditure is less than the budget, therefore savings have been identified
Council: General Expenses	Remuneration of Councillors: Allowances	21 062 270	-216 503	20 845 767	Revised Employee related Cost Budget
Council: General Expenses	Contractors:Catering Services	142 155	-80 000	62 155	Actual expenditure is less than the budget, therefore savings have been identified
Council: General Expenses	Water Supply Infrastructure:Distribution	123 651	10 632 233	10 755 884	Reallocation of depreciation budget based on the estimated depreciation run.
Council: General Expenses	Consumables:Zero Rated	10 504	2 249	12 753	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Council: General Expenses	Entertainment:Total for All Other Councillors	104 000	-52 000	52 000	Actual expenditure is less than the budget, therefore savings have been identified
Council: General Expenses	Communication:Postage/Stamps/Franking Machines	572 000	-300 000	272 000	Actual expenditure is less than the budget, therefore savings have been identified
Council: General Expenses	Insurance Underwriting:Premiums	1 040 000	-1 040 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Council: General Expenses	Licences:Motor Vehicle Licence and Registrations	1 123	-72	1 051	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Council: General Expenses	Operational Cost:Assets less than the Capitalisation Threshold	6 240	-6 240	-	Actual expenditure is less than the budget, therefore savings have been identified
Council: General Expenses	Seminars, Conferences, Workshops and Events:National	166 320	-50 000	116 320	Actual expenditure is less than the budget, therefore savings have been identified
Council: Speaker's Office	Operational Cost:Assets less than the Capitalisation Threshold	1 248	-1 248	-	Actual expenditure is less than the budget, therefore savings have been identified
Council: Mayor's Office	Consumables:Zero Rated	29 120	6 115	35 235	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Council: Mayor's Office	Licences:Motor Vehicle Licence and Registrations	1 820	1 345	3 165	Adjusted due to year to date actuals
Council: Mayor's Office	Operational Cost:Assets less than the Capitalisation Threshold	1 248	-1 248	-	Actual expenditure is less than the budget, therefore savings have been identified
Council: Mayor's Office	Operational Cost:Office Decorations	128 960	-80 000	48 960	Actual expenditure is less than the budget, therefore savings have been identified
Information Technology	Licences and Rights:Computer Software and Applications	15 625	-15 625	-	Reallocation of depreciation budget based on the estimated depreciation run.
Information Technology	Consumables:Zero Rated	27 000	11 150	38 150	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Information Technology	Advertising, Publicity and Marketing:Corporate and Municipal Activities	250 000	-100 000	150 000	Actual expenditure is less than the budget, therefore savings have been identified
Information Technology	Communication:Cellular Expenditure	4 005 000	-1 000 000	3 005 000	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Information Technology	External Computer Service:Mainframe Time	1 500 000	-500 000	1 000 000	Actual expenditure is less than the budget, therefore savings have been identified
Information Technology	Licences:Motor Vehicle Licence and Registrations	3 500	2 834	6 334	Adjusted due to year to date actuals
Information Technology	Operational Cost:Printing, Publications and Books	72 000	-35 000	37 000	Actual expenditure is less than the budget, therefore savings have been identified
Property Management	Contractors:Gardening Services	31 411	-31 411	-	Actual expenditure is less than the budget, therefore savings have been identified
Property Management	Intangible Assets:Servitudes	17 351	-17 351	-	Reallocation of depreciation budget based on the estimated depreciation run.
Property Management	Consumables:Zero Rated	31 350	210 650	242 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Property Management	Operational Cost:Assets less than the Capitalisation Threshold	12 987	-12 987	-	Actual expenditure is less than the budget, therefore savings have been identified
Municipal Court	Consumables:Zero Rated	5 025	-5 025	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Municipal Buildings & Structur	Infrastructure and Planning:Architectural	55 000	-55 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Municipal Buildings & Structur	Insurance Underwriting:Premiums	256 370	-256 370	-	Actual expenditure is less than the budget, therefore savings have been identified
Municipal Buildings & Structur	Licences:Motor Vehicle Licence and Registrations	11 938	2 513	14 451	Adjusted due to year to date actuals

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Municipal Buildings & Structur	Operational Cost:Assets less than the Capitalisation Threshold	10 000	-10 000	-	Actual expenditure is less than the budget, therefore savings have been identified
<b>Sub Total: Corporate Services</b>		<b>128 517 721</b>	<b>10 057 068</b>	<b>138 574 789</b>	
<b>Community and Protection Services</b>					
Community and Protection Services	Employee related cost	204 184 254	-21 061 206	183 123 048	Revised Employee related Cost Budget
Community Safety: General	Business and Advisory:Communications	8 100	-8 100	-	Actual expenditure is less than the budget, therefore savings have been identified
Community Safety: General	Consumables:Zero Rated	12 000	-12 000	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Fire Services	Contractors:Maintenance of Equipment	140 000	250 000	390 000	Additional funds required to make provision and to enable the department to service all the fire equipment of council
Fire Services	Contractors:Maintenance of Unspecified Assets	1 139 478	750 000	1 889 478	Additional funds required based on historical trends. To make provision for the increased need for maintenance of vehicles due to the fire season
Fire Services	Solid Waste Infrastructure:Waste Transfer Stations	674	80 452	81 126	Reallocation of depreciation budget based on the estimated depreciation run.
Fire Services	Consumables:Zero Rated	991 638	678 162	1 669 800	Additional funds required to enable department to respond to the increased amount of incidents due to fire season and other humanitarian services requested.



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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Fire Services	Inventory Consumed:Materials and Supplies	80 000	200 000	280 000	Additional funds required to make provision to procure fire fighting foam and the optimal application of the newly acquired apparatus for effective fire fighting
Fire Services	Communication:Cellular Expenditure	125 000	-50 000	75 000	Actual expenditure is less than the budget, therefore savings have been identified
Fire Services	Licences:Motor Vehicle Licence and Registrations	60 000	9 000	69 000	Adjusted due to year to date actuals
Traffic Services: Licensing	Depreciation and Amortisation	248 515	109 108	357 623	Reallocation of depreciation budget based on the estimated depreciation run.
Traffic Services: Licensing	Consumables:Zero Rated	975 135	1 231 905	2 207 040	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Traffic Services: Licensing	Operational Cost:Professional Bodies, Membership and Subscription	468 000	-250 000	218 000	Actual expenditure is less than the budget, therefore savings have been identified
Traffic Services: Licensing	Communication:Cellular Expenditure	13 000	-5 000	8 000	Actual expenditure is less than the budget, therefore savings have been identified
Traffic Services: Licensing	Licences:Motor Vehicle Licence and Registrations	31 000	32 646	63 646	Adjusted due to year to date actuals
Traffic Services: Licensing	Contracted Services: Traffic Fines Management	9 980 648	600 000	10 580 648	Reimbursement of funds that were utilised for emergency relief (disaster management).
Traffic Services:Traffic Contr	Irrecoverable Debts Written Off	80 000 000	5 000 000	85 000 000	Increase is due to the increase in estimated irrecoverable debt of traffic fines
Traffic Services:Traffic Contr	Other Receivables from Non-exchange Revenue:Non Specific Accounts	4 800 000	-1 500 000	3 300 000	An impairment loss for traffic fines receivables has been reduced based on historical trends and assumptions

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
					implemented with the compilation of annual financial statements.
Disaster Management	Consumables:Zero Rated	100 000	4 544	104 544	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Disaster Management	Licences:Motor Vehicle Licence and Registrations	5 000	3 480	8 480	Adjusted due to year to date actuals
Disaster Management	Social Assistance:Social Relief	3 462 859	750 000	4 212 859	Additional funds required due to an increase in disaster incidents. This will enable the disaster management unit to provide adequate humanitarian assistance to those in need.
Law Enforcement	Outsourced Services:Security Services	30 000 000	15 000 000	45 000 000	Additional funds required due to an increase of sites and appointment of armed security services
Law Enforcement	Depreciation and Amortisation	1 665 550	5 429 474	7 095 024	Reallocation of depreciation budget based on the estimated depreciation run.
Law Enforcement	Consumables:Zero Rated	1 500 000	1 186 200	2 686 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Law Enforcement	Licences:Motor Vehicle Licence and Registrations	50 000	21 945	71 945	Adjusted due to year to date actuals
Law Enforcement	Operational Cost:Assets less than the Capitalisation Threshold	5 500	-5 500	-	Actual expenditure is less than the budget, therefore savings have been identified
Community Development	Depreciation and Amortisation	1 430	6 304	7 734	Reallocation of depreciation budget based on the estimated depreciation run.

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Community Development	Consumables:Zero Rated	35 000	15 820	50 820	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Community Development	Licences:Motor Vehicle Licence and Registrations	3 679	5 022	8 701	Adjusted due to year to date actuals
Forestry, Parks & Recreation	Roads Infrastructure:Road Furniture	372	1 201 684	1 202 056	Reallocation of depreciation budget based on the estimated depreciation run.
Forestry, Parks & Recreation	Consumables:Zero Rated	20 000	-20 000	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Workshop	Consumables:Zero Rated	363 559	-276 799	86 760	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Parks & Sidewalks: Stellenbosc	Business and Advisory:Project Management	300 000	-250 000	50 000	Actual expenditure is less than the budget, therefore savings have been identified
Parks & Sidewalks: Stellenbosc	Contractors:Employee Wellness	10 000	-10 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Parks & Sidewalks: Stellenbosc	Consumables:Zero Rated	445 000	861 800	1 306 800	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Parks & Sidewalks: Stellenbosc	Licences:Motor Vehicle Licence and Registrations	32 000	4 800	36 800	Adjusted due to year to date actuals
Parks & Sidewalks: Stellenbosc	Operational Cost:Professional Bodies, Membership and Subscription	120 000	-120 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Parks & Sidewalks: Franschoek	Contractors:Maintenance of Unspecified Assets	136 009	23 991	160 000	Adjusted due to year to date actuals

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Parks & Sidewalks: Franschhoek	Consumables:Zero Rated	791 504	-472 064	319 440	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Parks & Sidewalks: Franschhoek	Licences:Motor Vehicle Licence and Registrations	10 000	8 455	18 455	Adjusted due to year to date actuals
Street Trees	Consumables:Zero Rated	247 198	-94 738	152 460	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Street Trees	Licences:Motor Vehicle Licence and Registrations	25 654	786	26 440	Adjusted due to year to date actuals
Street Beautification	Business and Advisory:Business and Financial Management	15 000	-15 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Street Beautification	Consumables:Zero Rated	350 000	-350 000	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Street Beautification	Licences:Motor Vehicle Licence and Registrations	7 500	-7 223	277	Actual expenditure is less than the budget, therefore savings have been identified
Nursery	Contractors:Maintenance of Unspecified Assets	50 000	10 000	60 000	Adjusted due to year to date actuals
Nursery	Operational Buildings:Municipal Offices	6	157 063	157 069	Reallocation of depreciation budget based on the estimated depreciation run.
Nursery	Consumables:Zero Rated	68 000	-68 000	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Nursery	Licences:Motor Vehicle Licence and Registrations	5 000	-2 232	2 768	Actual expenditure is less than the budget, therefore savings have been identified
Commonage & Plantations	Contractors:Maintenance of Unspecified Assets	10 400	39 600	50 000	Adjusted due to year to date actuals

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Commonage & Plantations	Water Supply Infrastructure:Reservoirs	36	535 287	535 323	Reallocation of depreciation budget based on the estimated depreciation run.
Commonage & Plantations	Consumables:Zero Rated	213 439	773 921	987 360	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Commonage & Plantations	Licences:Motor Vehicle Licence and Registrations	4 973	2 521	7 494	Adjusted due to year to date actuals
Jan Marais Nature Reserve	Consumables:Standard Rated	16 385	-16 385	-	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Van Der Stel	Contractors:Maintenance of Unspecified Assets	50 500	49 500	100 000	Adjusted due to year to date actuals
Sports Grounds: Van Der Stel	Sanitation Infrastructure:Waste Water Treatment Wo	362	865 022	865 384	Reallocation of depreciation budget based on the estimated depreciation run.
Sports Grounds: Van Der Stel	Consumables:Zero Rated	100 000	175 880	275 880	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Sports Grounds: Van Der Stel	Inventory Consumed:Materials and Supplies	427 474	200 000	627 474	Additional funds required for the procurement of materials for the various sports grounds in WC024
Sports Grounds: Van Der Stel	Licences:Motor Vehicle Licence and Registrations	2 100	-560	1 540	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Van Der Stel	Operational Cost:Hire Charges	160 000	100 000	260 000	Additional funds required for the hiring of specialised equipment
Sports Grounds: Idas Valley	Electrical Infrastructure:Power Plants	5	3 622 300	3 622 305	Reallocation of depreciation budget based on the estimated depreciation run.

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Sports Grounds: Idas Valley	Consumables:Zero Rated	55 000	39 380	94 380	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Sports Grounds: Idas Valley	Inventory Consumed:Materials and Supplies	172 076	50 000	222 076	Additional funds required for the procurement of materials for minor maintenance works at the various facilities.
Sports Grounds: Idas Valley	Licences:Motor Vehicle Licence and Registrations	7 500	433	7 933	Adjusted due to year to date actuals
Sports Grounds: Idas Valley	Operational Cost:Assets less than the Capitalisation Threshold	1 500	-1 500	-	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Cloetesville	Consumables:Zero Rated	161 000	81 000	242 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Sports Grounds: Cloetesville	Inventory Consumed:Materials and Supplies	34 942	50 000	84 942	Additional funds required for the procurement of materials for minor maintenance works at the various facilities.
Sports Grounds: Cloetesville	Licences:Motor Vehicle Licence and Registrations	2 800	-291	2 509	Actual expenditure is less than the budget, therefore savings have been identified
Cloetesville Swimming Pool	Licences:Motor Vehicle Licence and Registrations	800	320	1 120	Additional funds requested for payment of licenses.
Cloetesville Swimming Pool	Operational Cost:Assets less than the Capitalisation Threshold	1 727	-1 727	-	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Kayamandi	Operational Cost:Assets less than the Capitalisation Threshold	897	-897	-	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Kylemore	Operational Cost:Assets less than the Capitalisation Threshold	1 400	-1 400	-	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Sports Grounds: Pniel	Consumables:Zero Rated	100 000	-87 900	12 100	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Sports Grounds: Pniel	Licences:Motor Vehicle Licence and Registrations	3 711	-670	3 041	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Pniel	Operational Cost:Assets less than the Capitalisation Threshold	675	-675	-	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Pniel	Operational Cost:Uniform and Protective Clothing	8 134	30 000	38 134	Additional funds are requested for the procurement of outstanding PPE. The required amount currently is insufficient. We await the confirmation from SCM to load a request.
Sports Grounds: Groendal	Operational Cost:Assets less than the Capitalisation Threshold	520	-520	-	Actual expenditure is less than the budget, therefore savings have been identified
Sports Grounds: Raithby	Operational Cost:Assets less than the Capitalisation Threshold	1 000	-1 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Cemetery: Stellenbosch	Consumables:Zero Rated	90 000	152 000	242 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Cemetery: Stellenbosch	Operational Cost:Uniform and Protective Clothing	150 000	-80 000	70 000	Actual expenditure is less than the budget, therefore savings have been identified
Library: Plein Street	Business and Advisory:Project Management	15 000	-15 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Plein Street	Contractors:Employee Wellness	34 949	-34 949	-	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Library: Plein Street	Salaries, Wages and Allowances:Basic Salary and Wages	9 820 313	-1 808 460	8 011 853	Re-allocation of the community library grant funds received, from operational budget to the capital project Upgrading of Plein Street Library, as per approval received from Provincial Treasury.
Library: Plein Street	Consumables:Zero Rated	10 000	106 160	116 160	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Library: Plein Street	Licences:Motor Vehicle Licence and Registrations	2 000	1 634	3 634	Additional funds requested for payment of licenses.
Library: Plein Street	Operational Cost:Assets less than the Capitalisation Threshold	12 000	-12 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Idas Valley	Business and Advisory:Project Management	13 824	-13 824	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Idas Valley	Contractors:Catering Services	3 728	-3 728	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Idas Valley	Contractors:Employee Wellness	1 200	-1 200	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Idas Valley	Consumables:Zero Rated	3 510	-3 510	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Library: Idas Valley	Operational Cost:Assets less than the Capitalisation Threshold	7 000	-7 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Idas Valley	Operational Cost:Printing, Publications and Books	5 000	-5 000	-	Actual expenditure is less than the budget, therefore savings have been identified



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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Library: Cloetesville	Business and Advisory:Project Management	4 635	-4 635	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Cloetesville	Contractors:Catering Services	1 257	-1 257	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Cloetesville	Contractors:Employee Wellness	2 781	-2 781	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Cloetesville	Consumables:Zero Rated	3 605	-3 605	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Library: Cloetesville	Operational Cost:Printing, Publications and Books	17 900	-17 900	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Kayamandi	Contractors:Employee Wellness	1 850	-1 850	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Kayamandi	Contractors:Pest Control and Fumigation	1 946	-1 946	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Kayamandi	Operational Cost:Assets less than the Capitalisation Threshold	12 000	-12 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Kayamandi	Operational Cost:Printing, Publications and Books	12 000	-12 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Pniel	Business and Advisory:Project Management	9 139	-9 139	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Pniel	Contractors:Catering Services	1 000	-1 000	-	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Library: Pniel	Contractors:Employee Wellness	1 120	-1 120	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Pniel	Consumables:Zero Rated	1 391	-1 391	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Library: Pniel	Operational Cost:Assets less than the Capitalisation Threshold	1 607	-1 607	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Pniel	Operational Cost:Printing, Publications and Books	16 640	-16 640	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Franschhoek	Business and Advisory:Project Management	1 192	-1 192	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Franschhoek	Contractors:Catering Services	2 000	-2 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Franschhoek	Contractors:Employee Wellness	932	-932	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Franschhoek	Consumables:Zero Rated	20 500	4 305	24 805	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Library: Franschhoek	Licences:Motor Vehicle Licence and Registrations	3 155	6 943	10 098	Adjusted due to year to date actuals
Library: Franschhoek	Operational Cost:Assets less than the Capitalisation Threshold	1 986	-1 986	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Franschhoek	Operational Cost:Printing, Publications and Books	8 400	-8 400	-	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Library: Groendal	Contractors:Employee Wellness	3 200	-3 200	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Groendal	Consumables:Zero Rated	20 800	-20 800	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Library: Groendal	Licences:Motor Vehicle Licence and Registrations	5 000	1 300	6 300	Adjusted due to year to date actuals
Library: Groendal	Operational Cost:Assets less than the Capitalisation Threshold	4 500	-4 500	-	Actual expenditure is less than the budget, therefore savings have been identified
Library: Groendal	Operational Cost:Printing, Publications and Books	18 000	-18 000	-	Actual expenditure is less than the budget, therefore savings have been identified
Town Hall: Stellenbosch	Contractors:Maintenance of Equipment	12 000	15 000	27 000	Additional funds requested in order to service various kitchen appliances and portable generators.
Town Hall: Stellenbosch	Consumables:Standard Rated	72 622	40 000	112 622	Adjusted due to year to date actuals
Town Hall: Stellenbosch	Consumables:Zero Rated	120 000	25 200	145 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Town Hall: Stellenbosch	Inventory Consumed:Materials and Supplies	91 000	59 000	150 000	Additional funds requested to procure various materials and supplies for the Halls Section.
Town Hall: Stellenbosch	Operating Leases:Machinery and Equipment	13 209	10 000	23 209	Adjusted due to year to date actuals
Town Hall: Stellenbosch	Licences:Motor Vehicle Licence and Registrations	3 000	1 259	4 259	Adjusted due to year to date actuals
<b>Sub Total: Community and Protection Services</b>		<b>350 481 509</b>	<b>13 844 667</b>	<b>369 126 176</b>	

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Financial Services</b>					
Financial Services	Employee related cost	63 332 613	-3 999 362	59 333 251	Revised Employee related Cost Budget
Financial Services: General	Business and Advisory:Business and Financial Management	3 007 640	1 000 000	4 007 640	Additional funds required for CaseWare
Financial Services: General	Depreciation:Transport Assets	116 258	-116 258	-	Reallocation of depreciation budget based on the estimated depreciation run.
Financial Services: General	Licences and Rights:Computer Software and Applications	1 097	-1 097	-	Reallocation of depreciation budget based on the estimated depreciation run.
Financial Services: General	Legal Cost:Issue of Summons	466 000	-200 000	266 000	Actual expenditure is less than the budget, therefore savings have been identified
Financial Services: General	Consumables:Zero Rated	250 379	112 621	363 000	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Financial Services: General	Commission:Third Party Vendors	3 572 000	-1 372 000	2 200 000	Actual expenditure is less than the budget, therefore savings have been identified
Financial Services: General	Insurance Underwriting:Premiums	8 562 020	1 296 370	9 858 390	Additional funds requested for insurance
Financial Services: General	Communication:Postage/Stamps/Frinking Machines	2 074 000	-600 000	1 474 000	Actual expenditure is less than the budget, therefore savings have been identified
Financial Services: General	Licences:Motor Vehicle Licence and Registrations	5 936	-179	5 757	Actual expenditure is less than the budget, therefore savings have been identified
Financial Services: General	Operational Cost:Assets less than the Capitalisation Threshold	24 625	-24 625	-	Actual expenditure is less than the budget, therefore savings have been identified

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Department	Item Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Financial Services: General	Operational Cost:Uniform and Protective Clothing	335 000	-150 000	185 000	Actual expenditure is less than the budget, therefore savings have been identified
Fin Services: Stores	Licences:Motor Vehicle Licence and Registrations	1 000	400	1 400	Additional funds requested for payment of licenses.
Fin Services: Stores	Operational Cost:Uniform and Protective Clothing	10 000	30 000	40 000	Additional funds requested for procurement of uniforms and protective clothing.
Supply Chain Management Unit	Consumables:Zero Rated	6 888	-6 888	-	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Supply Chain Management Unit	Decommissioning, Restoration and Similar Liabilities:Non-specific	745 446	-745 446	-	Correction: Reallocation of budget in relation to the landfill site.
Logistics & Fleet Management	Consumables:Zero Rated	26 729	-2 529	24 200	Fuel expenses adjusted due to fuel price adjustments and impact of loadshedding on fuel consumption
Logistics & Fleet Management	Licences:Motor Vehicle Licence and Registrations	1 094	-150	944	Actual expenditure is less than the budget, therefore savings have been identified
<b>Sub Total: Financial Services</b>		<b>82 538 725</b>	<b>-4 779 144</b>	<b>77 759 581</b>	
<b>Total</b>		<b>1 609 063 124</b>	<b>14 475 551</b>	<b>1 623 538 675</b>	

## 9. Adjustments to Operational Revenue

The revised operating income budget per vote is as follows:

Directorate	Approved Budget	Adjustments	Adjustments Budget
Municipal Manager	550 000	-	550 000
Planning & Development Services	25 164 612	-4 552 905	20 611 707
Community and Protection Services	175 338 276	-10 857 337	164 480 939
Infrastructure Services	1 526 938 040	-69 494 990	1 457 443 050
Corporate Services	11 676 507	-1 985 446	9 691 061
Financial Services	535 000 250	15 746 091	550 746 341
<b>Total Revenue</b>	<b>2 274 667 684</b>	<b>-71 144 587</b>	<b>2 203 523 097</b>

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The detailed list of the adjustments made is as follows:

Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Planning &amp; Development Services</b>					
Planning & Environment: Gen	Request for Information:Municipal Information and Statistics	14 500	220	14 720	Slight increase in revenue estimates due to year to date actuals and historical trends
Planning & Environment: Gen	Sale of Goods:Sub-division and Consolidation Fees	230 000	-33 222	196 778	Reduce revenue estimates due to year to date actuals and historical trends
Planning & Environment: Gen	Sales of Goods and Rendering of Services:Application Fees for Land Usage	500 000	-24 216	475 784	Reduce revenue estimates due to year to date actuals and historical trends
Planning & Environment: Gen	Sales of Goods and Rendering of Services:Building	7 781 016	-744 110	7 036 906	Reduce revenue estimates due to year to date actuals and historical trends
Planning & Environment: Gen	Sales of Goods and Rendering of Services:Removal of Restrictions	640 000	-292 169	347 831	Reduce revenue estimates due to year to date actuals and historical trends
Markets	Investment Property:Ad-hoc rentals	118 041	-118 041	-	Reduce revenue estimates due to year to date actuals and historical trends
Housing Administration	Investment Property:Ad-hoc rentals	7 605 906	-341 366	7 264 540	Reduce revenue estimates due to year to date actuals and historical trends
New Development	Informal Settlements Upgrading Partnership Grant: Provinces (beneficiaries)	3 000 000	-3 000 000	-	Provincial gazette adjustment
<b>Sub Total: Planning &amp; Development Services</b>		<b>19 889 463</b>	<b>-4 552 905</b>	<b>15 336 558</b>	

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Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Infrastructure Services</b>					
Develop Services & Project Man	Operational Revenue:Recovery Maintenance	134 179	379 095	513 274	Increase in revenue estimates due to year to date actuals and historical trends
Develop Services & Project Man	Sales of Goods and Rendering of Services:Application Fees for Land Usage	200 000	-200 000	-	Remove revenue estimates due to no year to date actuals being receipted
Develop Services & Project Man	Sales of Goods and Rendering of Services:Encroachment Fees	75 000	-75 000	-	Remove revenue estimates due to no year to date actuals being receipted
Develop Services & Project Man	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	15 000	-15 000	-	Remove revenue estimates due to no year to date actuals being receipted
Develop Services & Project Man	Human Settlements Development Grant	6 890 000	9 858 000	16 748 000	Reallocation to correct mscoa item classification under other revenue
Develop Services & Project Man	Human Settlements Development Grant	8 150 000	-6 650 000	1 500 000	Provincial gazette adjustment
Develop Services & Project Man	Informal Settlements Upgrading Partnership Grant: Provinces (beneficiaries)	17 850 000	-13 350 000	4 500 000	Provincial gazette adjustment
Develop Services & Project Man	Other Transfers Private Enterprises:Developers Contribution	33 000 000	-33 000 000	-	Provincial gazette adjustment



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Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Electrical Engineering Service	Connection/Reconnection:Disconnection/Reconnection	3 433 923	613 553	4 047 476	Increase in revenue estimates due to year to date actuals
Electrical Engineering Service	Domestic High:Conventional	83 588 626	-4 773 531	78 815 095	Reduce revenue estimates due to year to date actuals. The impact of loadshedding directly relates to this revenue source
Electrical Engineering Service	Electricity Sales:Agricultural Low	298 434	4 090 873	4 389 307	Increase in revenue estimates due to year to date actuals
Electrical Engineering Service	Electricity Sales:Commercial Conventional (Single Phase)	24 536 086	5 168 141	29 704 227	Increase in revenue estimates due to year to date actuals
Electrical Engineering Service	Electricity Sales:Industrial (400 Volts) (Low Voltage)	112 828 831	-6 647 279	106 181 552	Reduce revenue estimates due to year to date actuals. The impact of loadshedding directly relates to this revenue source. Many customers have also been changed over to TOU tariffs instead of this tariff
Electrical Engineering Service	Electricity Sales:Industrial more than 400 less than 11 000 Volts (Medium Voltage)	51 186 975	-6 067 141	45 119 834	Reduce revenue estimates due to year to date actuals. The impact of loadshedding directly relates to this revenue source
Electrical Engineering Service	Electricity Sales:Sports Grounds/Churches/Holiday/Old-age homes/Schools	449 768	-444 597	5 171	Reduce revenue estimates due to year to date actuals.

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Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Electrical Engineering Service	Electricity Sales:Street Lighting	9 371 350	-9 371 350	-	Remove this budget as it relates to interdepartmental charges and - recoveries of the municipality. No revenue is received in relation to this item
Electrical Engineering Service	Electricity Sales:Time of Use Tariffs	323 385 505	11 913 626	335 299 131	Increase in revenue estimates due to year to date actuals. Many industrial customers have been changed over to TOU tariffs
Electrical Engineering Service	Electricity:Availability Charges	29 612 265	-28 953 188	659 077	Reallocation of basic charges levies for electricity which was incorrectly allocated to this item during the Original Budget. Basic Charges is thus included in the Electricity conventional item
Electrical Engineering Service	Electricity:Meter Reading Fees	32 467	21 588	54 055	Increase in revenue estimates due to year to date actuals.
Electrical Engineering Service	Electricity:Notice Revenues	23 314	-5 861	17 453	Reduce revenue estimates due to year to date actuals.
Electrical Engineering Service	Interest Receivables:Electricity	1 568 876	233 755	1 802 631	Increase in prime rate from 7-8.25% in previous year to 9-9.75% in current year increased the interest earned on outstanding debt. Increase revenue estimates due to year to date actuals and estimated percentage of outstanding debt with possible additional increases in the prime rate

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Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Electrical Engineering Service	Operational Revenue:Merchandising, Jobbing and Contracts	4 994 321	-3 989 030	1 005 291	Reduce revenue estimates due to year to date actuals.
Electrical Engineering Service	Operational Revenue:Recovery Maintenance	40 000	-22 500	17 500	Reduce revenue estimates due to year to date actuals.
Refuse Removal	Operational Revenue:Development Charges	-	300 000	300 000	Development Charges reallocated from Transfers and Subsidies Capital. Estimate is based on the year to date actuals and estimated revenue to be received from current developers
Refuse Removal	Interest Receivables:Waste Management	1 724 870	667 400	2 392 270	Increase in prime rate from 7-8.25% in previous year to 9-9.75% in current year increased the interest earned on outstanding debt. Increase revenue estimates due to year to date actuals and estimated percentage of outstanding debt with possible additional increases in the prime rate
Sewerage Purification Stellenb	Interest Receivables:Waste Water Management	1 612 360	314 440	1 926 800	Increase in prime rate from 7-8.25% in previous year to 9-9.75% in current year increased the interest earned on outstanding debt. Increase revenue estimates due to year to date actuals and estimated percentage of outstanding debt with possible additional increases in the prime rate

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Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Sewerage Network	Operational Revenue:Development Charges	-	1 000 000	1 000 000	Development Charges reallocated from Transfers and Subsidies Capital. Estimate is based on the year to date actuals and estimated revenue to be received from current developers
Roads	Operational Revenue:Development Charges	-	3 500 000	3 500 000	Development Charges reallocated from Transfers and Subsidies Capital. Estimate is based on the year to date actuals and estimated revenue to be received from current developers
Stormwater	Operational Revenue:Development Charges	-	250 000	250 000	Development Charges reallocated from Transfers and Subsidies Capital. Estimate is based on the year to date actuals and estimated revenue to be received from current developers
Water Network	Operational Revenue:Development Charges	-	1 000 000	1 000 000	Development Charges reallocated from Transfers and Subsidies Capital. Estimate is based on the year to date actuals and estimated revenue to be received from current developers

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Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Water Network	Interest Receivables:Water	4 229 703	4 759 016	8 988 719	Increase in prime rate from 7-8.25% in previous year to 9-9.75% in current year increased the interest earned on outstanding debt. Increase revenue estimates due to year to date actuals and estimated percentage of outstanding debt with possible additional increases in the prime rate
<b>Sub Total: Infrastructure Services</b>		<b>719 231 853</b>	<b>-69 494 990</b>	<b>649 736 863</b>	
<b>Community and Protection Services</b>					
Community Safety: General	Operational Revenue:Staff and Councillors Recoveries	6 518	-6 518	-	Remove revenue estimates due to no year to date actuals being receipted
Fire Services	Sales of Goods and Rendering of Services:Fire Services	326 511	-202 782	123 729	Reduce revenue estimates due to year to date actuals.
Traffic Services: Licensing	Inspection Fees:Statutory Services	6 378	-2 128	4 250	Reduce revenue estimates due to year to date actuals.
Traffic Services: Licensing	Road and Transport:Activities on Public Roads	30 316	618 118	648 434	Increase in revenue estimates due to year to date actuals
Traffic Services: Licensing	Road and Transport:Drivers Licence Application/Duplicate Drivers Licences	412 329	428 666	840 995	Increase in revenue estimates due to year to date actuals

MID-YEAR ADJUSTMENTS BUDGET FOR THE FINANCIAL PERIOD 2022 – 2023  
JANUARY 2023

Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Traffic Services: Licensing	Road and Transport:Drivers Licence Certificate	539 900	501 718	1 041 618	Increase in revenue estimates due to year to date actuals
Traffic Services: Licensing	Road Ordinances:Vehicle Registration	4 281 368	-1 089 641	3 191 727	Reduce revenue estimates due to year to date actuals.
Traffic Services: Licensing	Sales of Goods and Rendering of Services:Parking Fees	194 436	-194 436	-	Remove revenue estimates due to no year to date actuals being receipted
Parking Areas & Parking	Sales of Goods and Rendering of Services:Parking Fees	13 518 750	-9 122 501	4 396 249	Reduce revenue estimates due to year to date actuals.
Parks & Sidewalks: Franschhoek	Sales of Goods and Rendering of Services:Entrance Fees	7 185	-7 185	-	Remove revenue estimates due to no year to date actuals being receipted
Street Trees	Agricultural Products:Nursery Sale of Plants	8 750	-6 750	2 000	Reduce revenue estimates due to year to date actuals.
Commonage & Plantations	Agricultural Products:Nursery Sale of Plants	555 558	19 628	575 186	Increase in revenue estimates due to year to date actuals
Commonage & Plantations	Sales of Goods and Rendering of Services:Entrance Fees	68 804	63	68 867	Increase in revenue estimates due to year to date actuals
Jonkershoek Picnic Site	Sales of Goods and Rendering of Services:Entrance Fees	645 286	-250 871	394 415	Reduce revenue estimates due to year to date actuals.
Cemetery: Stellenbosch	Sales of Goods and Rendering of Services:Cemetery	980 368	-73 838	906 530	Reduce revenue estimates due to year to date actuals.
Cemetery: Pniel	Sales of Goods and Rendering of Services:Cemetery	13 782	-4 331	9 451	Reduce revenue estimates due to year to date actuals.

MID-YEAR ADJUSTMENTS BUDGET FOR THE FINANCIAL PERIOD 2022 – 2023  
JANUARY 2023

Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Cemetery: Franschhoek	Sales of Goods and Rendering of Services:Cemetery	162 965	4 835	167 800	Increase in revenue estimates due to year to date actuals
Cemetery: Kylemore	Sales of Goods and Rendering of Services:Cemetery	2 184 000	-2 184 000	-	Remove revenue estimates due to no year to date actuals being receipted
Rhenish Complex	Operational Revenue:Development Charges	-	500 000	500 000	Development Charges reallocated from Transfers and Subsidies Capital. Estimate is based on the year to date actuals and estimated revenue to be received from current developers
Library: Plein Street	Library Fees:Loan Fees	260	-60	200	Reduce revenue estimates due to year to date actuals.
Library: Plein Street	Library Fees:Membership	500	-155	345	Membership fees Received from members living outside the WCO24 area. This year we have not had any out of town members thus far.
Library: Plein Street	Operational Revenue:Breakages and Losses Recovered	-	1 012	1 012	Increase in revenue estimates due to year to date actuals
Library: Plein Street	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	5 000	5 000	10 000	Increase in revenue estimates due to year to date actuals
Library: Plein Street	Library Services: Conditional Grant	2 065 170	1 808 460	3 873 630	CG Lib transferred to capital
Library: Plein Street	Libraries, Archives And Museums	15 920 460	-1 808 460	14 112 000	CG Lib transferred from operational to capital
Library: Idas Valley	Operational Revenue:Breakages and Losses Recovered	559	-140	419	Reduce revenue estimates due to year to date actuals.

MID-YEAR ADJUSTMENTS BUDGET FOR THE FINANCIAL PERIOD 2022 – 2023  
JANUARY 2023

Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Library: Idas Valley	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	21 136	-2 395	18 741	Reduce revenue estimates due to year to date actuals.
Library: Cloetesville	Operational Revenue:Breakages and Losses Recovered	1 300	-937	363	Reduce revenue estimates due to year to date actuals.
Library: Cloetesville	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	11 712	-298	11 414	Reduce revenue estimates due to year to date actuals.
Library: Kayamandi	Operational Revenue:Breakages and Losses Recovered	5 000	-4 800	200	Reduce revenue estimates due to year to date actuals.
Library: Pniel	Operational Revenue:Breakages and Losses Recovered	1 020	-820	200	Reduce revenue estimates due to year to date actuals.
Library: Pniel	Publications:Books	360	70	430	Increase in revenue estimates due to year to date actuals
Library: Pniel	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	11 246	-259	10 987	Reduce revenue estimates due to year to date actuals.
Library: Franschhoek	Operational Revenue:Breakages and Losses Recovered	1 086	-858	228	Reduce revenue estimates due to year to date actuals.
Library: Franschhoek	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	32 980	-24 741	8 239	Reduce revenue estimates due to year to date actuals.
Town Hall: Stellenbosch	Ad-hoc rentals:Community Assets	41 639	225 890	267 529	Increase in revenue estimates due to year to date actuals



MID-YEAR ADJUSTMENTS BUDGET FOR THE FINANCIAL PERIOD 2022 – 2023  
JANUARY 2023

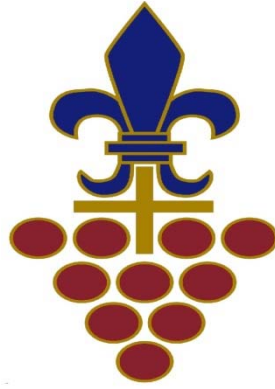
Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Community Hall Groendal	Ad-hoc rentals:Community Assets	17 831	28 518	46 349	Increase in revenue estimates due to year to date actuals
Community Hall: Kylemore	Ad-hoc rentals:Community Assets	32 600	-13 181	19 419	Reduce revenue estimates due to year to date actuals.
Community Hall: Wemmershoek	Ad-hoc rentals:Community Assets	6 742	2 770	9 512	Increase in revenue estimates due to year to date actuals
<b>Sub Total: Community and Protection Services</b>		<b>42 119 805</b>	<b>-10 857 337</b>	<b>31 262 468</b>	
<b>Corporate Services</b>					
Human resource services	Operational Revenue:Skills Development Levy Refund	528 131	-14 362	513 769	Slightly reduce the estimated refund value due to year to year to date levy payments made
Human resource services	Financial Management Capability Grant	19 766	300 000	319 766	Adjust the budget in line with the Financial Management Capability Grant allocation
Council: general expenses	Publications:Charts/Posters	77 710	76 734	154 444	Increase in revenue estimates due to year to date actuals
Council: general expenses	Sales of Goods and Rendering of Services:Encroachment Fees	6 945	-6 945	-	Remove revenue estimates due to no year to date actuals receipted
Property management	Investment Property:Ad-hoc rentals	7 700 000	-5 223 801	2 476 199	Increase in revenue estimates due to year to date actuals
Property management	Sales of Goods and Rendering of Services:Encroachment Fees	2 500 000	2 882 929	5 382 929	Reduce revenue estimates due to year to date actuals.

MID-YEAR ADJUSTMENTS BUDGET FOR THE FINANCIAL PERIOD 2022 – 2023  
JANUARY 2023

Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
<b>Sub Total: Corporate Services</b>		<b>10 832 552</b>	<b>-1 985 446</b>	<b>8 847 106</b>	
<b>Financial Services</b>					
Financial Services: General	Current and Non-current Assets:Bank Accounts	1 788 257	3 775 213	5 563 470	Adjust the budget in line with the roll-over of unspent Financial Management Capacity Building Grant
Financial Services: General	Current and Non-current Assets:Short Term Investments and Call Accounts	18 609 069	11 244 882	29 853 951	Increase in revenue estimate due to additional cash invested timeously to accrue maximum amount of interest. Based on year to date actual receipts and projected income
Financial Services: General	Operational Revenue:Administrative Handling Fees	378 649	-80 937	297 712	Reduce revenue estimates due to year to date actuals.
Financial Services: General	Operational Revenue:Incidental Cash Surpluses	-37 677	37 677	-0	Remove revenue estimates due to no year to date actuals receipted
Financial Services: General	Request for Information:Access to Information Act	17 479	1 483	18 962	Increase in revenue estimates due to year to date actuals
Financial Services: General	Sales of Goods and Rendering of Services:Clearance	334 367	76 786	411 153	Increase in revenue estimates due to year to date actuals

MID-YEAR ADJUSTMENTS BUDGET FOR THE FINANCIAL PERIOD 2022 – 2023  
JANUARY 2023

Department	Description	Approved Budget	Adjustment	Adjusted Budget	Motivation
Financial Services: General	Sales of Goods and Rendering of Services:Entrance Fees	25 152	-25 152	-	Remove revenue estimates due to no year to date actuals received
Financial Services: General	Interest Receivables:Property Rates	2 255 428	972 803	3 228 231	Increase in prime rate from 7-8.25% in previous year to 9-9.75% in current year increased the interest earned on outstanding debt. Increase revenue estimates due to year to date actuals and estimated percentage of outstanding debt with possible additional increases in the prime rate
Fin Services: Stores	Publications:Tender Documents	407 595	-255 714	151 881	Reduce revenue estimates due to year to date actuals.
Fin Services: Stores	Sales of Goods and Rendering of Services:Photo copies, Faxes and Telephone charges	2 000	-950	1 050	Reduce revenue estimates due to year to date actuals.
<b>Sub Total: Financial Services</b>		<b>23 780 319</b>	<b>15 746 091</b>	<b>39 526 410</b>	
<b>Total</b>		<b>815 853 992</b>	<b>-71 144 587</b>	<b>744 709 405</b>	



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# **STELLENBOSCH MUNICIPALITY**

## **ADJUSTMENTS BUDGET TABLES**

## **10. Municipal Manager's quality certification**

The quality certificate signed by the Accounting Officer is attached on Appendix 3.

## QUALITY CERTIFICATE

I, Geraldine Mettler, municipal manager of Stellenbosch Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality

Signature \_\_\_\_\_

Date: January 2023

# APPENDIX 4



**ATT: Mrs Geraldine Mettler**

**The Municipal Manager**

Stellenbosch Municipality

P. O. Box 17

Stellenbosch

7599

Per email: [municipal.manager@stellenbosch.gov.za](mailto:municipal.manager@stellenbosch.gov.za)

Dear Mrs Mettler

**TARGETS AND FUNDING ALLOCATION OF THE 2022/23 HUMAN SETTLEMENTS DEVELOPMENT GRANT (HSDG) AND INFORMAL SETTLEMENTS UPGRADE PARTNERSHIP GRANT (ISUPG) BUSINESS PLANS:**

Attached find the revised targets and funding allocation of the 2022/23 HSDG and ISUPG Business Plans which reflect projected expenditures for the 2022/23 financial year.

Municipalities would have received the total allocation amounts for the 2022/23 financial year in the 14 March 2022 Provincial Gazette Number 8566. The attached details are agreed changes to those gazetted allocations.

**2022/23: R 18,248,000- HUMAN SETTLEMENT DEVELOPMENT GRANT (HSDG)**

Stellenbosch Municipality	2022/23 Planned		
	Sites	Units	Funding R'000
Vlottenburg Longlands (106 incr to 144) IRDP		106	16,748
Cloetesville (380)			1,100
Idas Valley			400
<b>TOTAL</b>	<b>0</b>	<b>106</b>	<b>18,248</b>



Please find below a project list of the **ISUPG** targets and funding allocation for the 2022/23 financial year:

**2022/23: R 10,350 000- INFORMAL SETTLEMENTS UPGRADE PARTNERSHIP GRANT (ISUPG)**

Stellenbosch Municipality	2022/23 Planned		
	Sites	Units	Funding R'000
ISSP Kayamandi Zone O (711)	78		5,850
Langrug Franschoek Mooiwater Tr1.2			4,500
<b>TOTAL</b>	<b>78</b>	<b>0</b>	<b>10,350</b>

Municipality to note that **R 5,850,000 of the ISUPG** will be spent directly by the Department on the **Kayamandi Zone O** project.

Please contact your Acting Regional Director: Cape Winelands, Mr Peter Klaassen at [Peter.Klaassen@westerncape.gov.za](mailto:Peter.Klaassen@westerncape.gov.za) with any queries in this regard.

Kind regards



**Head of Department: Human Settlements**

Date: 24/10/2022

6.4	<b>MFMA SECTION 52 REPORTING UP TO DECEMBER 2022</b>
-----	--

Collaborator No: 742564  
IDP KPA Ref No: Good Governance and Compliance  
Meeting Date: 19 January 2023

**1. SUBJECT: MFMA SECTION 52 REPORTING UP TO DECEMBER 2022**

**2 PURPOSE**

To comply with section 52(d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan by the Municipality for quarter 2 of the 2022/23 financial year.

**3. DELEGATED AUTHORITY**

**THE EXECUTIVE MAYOR TO SUBMIT TO COUNCIL**

In terms of section 52 (d) of the Municipal Finance Management Act:

*“The mayor of a municipality—*

*(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget as well as the non-financial performance of the municipality;”*

**4. EXECUTIVE SUMMARY**

The Executive Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality and is required by Section 52(d) of the Municipal Finance Management Act to submit a report on the implementation of the budget and the financial and non-financial performance of the Municipality, to the Council within 30 days after end of each quarter.

The Section 52 report is a summary of the budget performance. It compares the implementation of the budget to the commitments made and contained in the Service Delivery and Budget Implementation Plan (SDBIP) and is intended to enable Council to give effect to their oversight responsibility.

This report provides the overall performance of the Municipality for the period 1 October 2022 to 31 December 2022.

**5. RECOMMENDATION**

that Council notes Section 52 Report (including quarterly performance report) – Second Quarter.

**6. DISCUSSION / CONTENTS**

**6.1 Background**

To comply with section 52 (d) of the Municipal Finance Management Act and report to Council on the budget, financial and service delivery budget implementation plan of the Municipality for the 1st quarter of the financial year. The report is indicated under **APPENDIX 1**.

**6.2 Discussion**

This report illustrates the implementation of the budget as well as the non-financial performance of the municipality for quarter 2.

In terms of the Municipal Finance Management Act (MFMA) Section 52(d) “*must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;*”

**6.3 Financial Implications**

None.

**6.4 Legal Implications**

The recommendations in this report comply with Council’s policies and all applicable legislation.

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

None

**6.7 Risk Implications**

None

**6.8 Comments from Senior Management:****6.8.5 Chief Financial Officer:**

Supported

**6.8.6 Municipal Manager:**

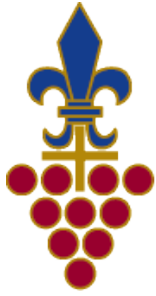
Supported.

**ANNEXURE****APPENDIX 1 : Section 52 Report – 2nd Quarter****FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Monique Steyl
<b>POSITION</b>	Senior Manager Financial Management Services
<b>DIRECTORATE</b>	Financial Services
<b>CONTACT NUMBER</b>	021 – 808 8512
<b>E-MAIL ADDRESS</b>	Monique.Steyl@ Stellenbosch.gov.za
<b>REPORT DATE</b>	DECEMBER 2022

# **APPENDIX 1**

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022



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# QUARTERLY BUDGET MONITORING REPORT

**2nd Quarter 2022/23**



## QUALITY CERTIFICATE

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby certify that the quarterly report the period ending December 2022 has been prepared in accordance with Section 52 of the Municipal Finance Management Act and regulations made under the Act and accordingly submit the required quarterly statement on the state of Stellenbosch Municipality's budget reflecting the particulars up until the end of December 2022.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality- WC024

Signature \_\_\_\_\_

Date: 16 January 2023

**To Council**

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit the required report on the implementation of the budget and the financial situation of Stellenbosch Municipality reflecting the particulars of the second quarter of the financial year 2022/23.

The submission of this report forms part of my general responsibilities as the Mayor of Stellenbosch Municipality. The purpose of the report serves to inform Council on the financial affairs of Stellenbosch Municipality and to enable Council to fulfil its oversight responsibility in this regard.

.....  
Advocate G M van Deventer  
Executive Mayor  
Date: 18 January 2023

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## **1. Recommendations**

These recommendations are linked to the responsibilities of the Mayor under Section 52 of the MFMA.

- (a) That the content of the quarterly budget statement and supporting documentation be noted.

## 2. Executive Summary

### 2.1 Introduction

The mayor, who must provide general political guidance over the fiscal and financial affairs of the Municipality, is required by Section 52(d) of the Municipal Finance Management Act to submit a report on the implementation of the budget and the financial state of affairs of the Municipality, to the Council within 30 days after end of each quarter.

This report is a summary of the main budget issues arising from the monitoring process. It compares the implementation of the budget to the commitments/promises made and contained in the Service Delivery and Budget Implementation Plan (SDBIP) and is intended to inform and enable the Council with a view of giving effect to Council's oversight responsibility.

### 2.2 Summary of 2021/22 budget progress / implementation

The following table summarises the overall position of the capital and operating budgets.

<b>Detail</b>	<b>Capital Expenditure</b>	<b>Operating Expenditure</b>	<b>Operating Revenue</b> (excluding capital transfers and contributions)
Original Budget	409 273 204	2 100 690 481	2 103 782 596
Adjustment Budget	464 483 073	2 105 188 994	2 106 906 780
Plan to Date (SDBIP)	185 642 519	906 014 144	1 093 717 753
<b>Actual</b>	<b>121 567 496</b>	<b>762 279 002</b>	<b>1 103 939 458</b>
Variance to SDBIP	-64 075 023	-143 735 142	10 221 705
Year to date % Variance to SDBIP	<b>-34,52%</b>	<b>-15,86%</b>	<b>0,93%</b>

The above figures are explained in more detail throughout this report.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

### 3. Operating Revenue

The following table shows the actual operating revenue per National Treasury Reporting regulations against that planned in the SDBIP for the 2nd Quarter of 2022/23.

#### Operating Revenue by Source

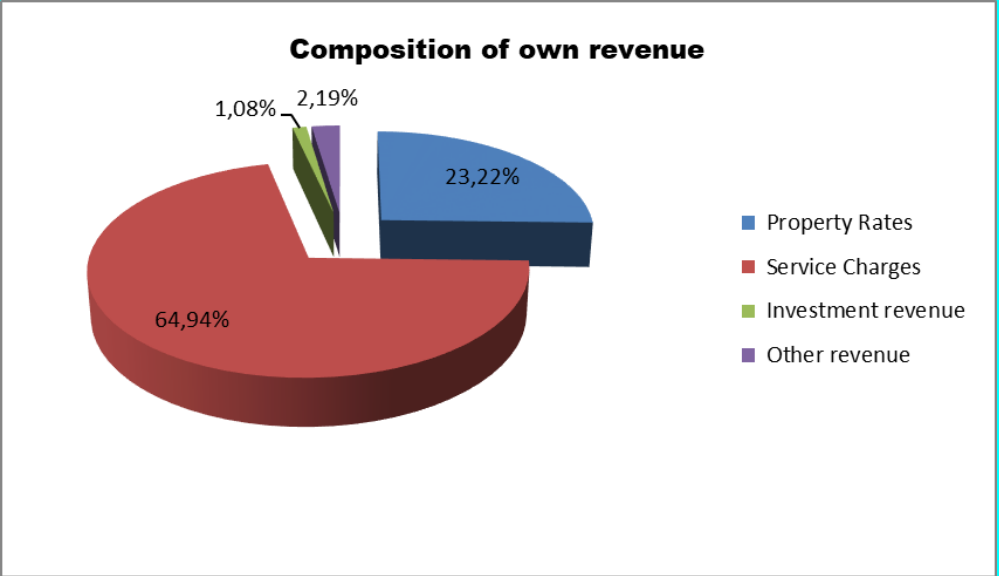
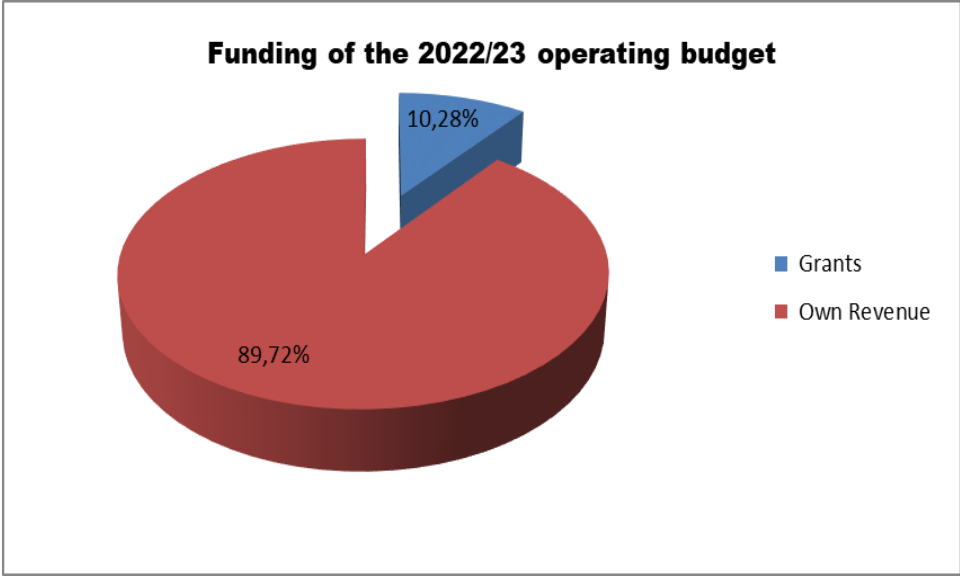
Description	ORIGINAL BUDGET	ADJUSTMENT BUDGET	QUARTER 2 2022/23			QUARTER 2 2021/22		
			PLANNED	ACTUAL	VAR	PLANNED	ACTUAL	VAR
<b>Revenue by Source</b>								
Property rates	438 941 448,00	438 941 448,00	92 292 103	93 930 530	2%	101 298 177	87 002 650	100%
Service charges - electricity revenue	846 763 143,00	846 763 143,00	194 446 807	172 482 424	-11%	171 785 574	165 315 057	-4%
Service charges - water revenue	176 782 707,00	176 782 707,00	39 987 486	46 537 011	16%	27 816 935	32 937 164	18%
Service charges - sanitation revenue	109 133 951,00	109 133 951,00	25 185 258	25 538 028	1%	16 387 336	23 727 671	100%
Service charges - refuse revenue	94 971 363,00	94 971 363,00	20 852 712	20 818 378	0%	11 119 254	18 440 027	100%
Service charges - other	-	-	-	-	-	-	-	0%
Rental of facilities and equipment	15 537 893,98	15 537 894,00	3 884 478	2 302 772	-41%	2 373 007	2 498 271	5%
Interest earned - external investments	20 397 326,00	20 397 326,00	5 099 331	10 525 469	106%	3 878 578	5 357 595	38%
Interest earned - outstanding debtors	11 391 237,40	11 391 237,00	2 937 083	4 969 841	69%	3 161 549	3 155 937	0%
Fines, Penalties and Forfeits	124 955 174,00	124 955 174,00	31 238 796	40 698 568	30%	36 885 724	48 798 272	32%
Licences and permits	5 934 010,00	5 934 010,00	1 483 506	2 107 980	42%	2 342 438	1 558 663	100%
Agency services	4 281 368,00	4 281 368,00	1 070 343	727 334	-32%	1 236 581	681 435	-45%
Transfers recognised - operational	213 380 350,00	216 504 534,00	53 797 180	56 471 851	5%	69 619 856	60 501 317	-13%
Other revenue	41 312 625,00	41 312 625,00	10 328 169	10 323 173	0%	7 456 781	7 563 220	1%
Gains on disposal of PPE	-	-			0%	-	5 500	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 103 782 596</b>	<b>2 106 906 780</b>	<b>482 603 252</b>	<b>487 433 358</b>	<b>1%</b>	<b>455 361 790</b>	<b>457 542 778</b>	<b>0%</b>

**NB: - The “year to date actual for property rates income” refers to the total billed for the year and not actual receipts.**

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

Stellenbosch municipality is not dependant on grant funding to fund the operating budget as is evident in the graph below.

Own revenue consists mainly of service charges at 64.94 per cent of the 1 890 402 246 billion own revenue budget.



## **Operating Revenue Variance Report**

The variances between actual operating revenue and the planned operating revenue contained in the SDBIP are explained per revenue source and are as follows:

### **Revenue by Source**

#### **3.1 Property Rates**

Property rates are billed monthly, and service charges water are billed monthly. However, some consumers applied to have their property rates and service charges billed annually. This has resulted in an under performance of R9 683 434 for property rates when compared to the year-to-date budget projections as the annual applications did not form part of the monthly budgeted revenue projections.

#### **3.2 Service charges - electricity revenue**

The municipality has billed R37 526 233 less electricity charges than initially anticipated. The largest under performance relates to the low usage during peak times reflected for the time of use tariffs (R25 222 820) and Domestic High prepaid (R38 029 427). The underperformance is due to prolonged load shedding outages and consumers finding alternative energy sources. Considering the consumption over the past 6 months of the current financial year, the average consumption (R66 909 106), a decreasing trend in collections over the past 3 months at an average of R10 160 377 as well as the tariff increase of 7.9%, the current budget of R837 368 479 is deemed unattainable. It is recommended that the budget be reduced with approximately R34 455 166 during the Mid-year adjustment budget process.

#### **3.3 Service charges - water revenue**

The municipality has billed R10 970 916 more water charges than initially anticipated. The largest over performance was noted for sale conventional (R29 765 307). This incline in billings is a result of the increase in consumption. Considering the monthly average increase in consumption over the past 5 months of the current financial year (R1 048 212), the monthly average billing (R14 031 157) as well as the tariff increase of 6.2%, the current budget of R176 782 707 is deemed attainable. It is recommended that the budget not be adjusted during the mid-year adjustment process.

#### **3.4 Service charges - sanitation revenue**

The municipality has billed R1 754 487 less sanitation charges than initially anticipated. The largest under performances were noted for general sanitation charges (R1 754 389). Considering the consumption over the past 6 months of the current financial year, the average consumption over the last 6 months of the past 4 financial years (R7 497 544) as well as the tariff increase of 6%, the current budget of R114 485 332 is deemed attainable. It is recommended that the budget not be adjusted during the Mid-year adjustment budget process.

### **3.5 Service charges - Refuse revenue**

The municipality has billed R2 626 273 less refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R8 367 599), as well as the tariff increase of 8%, the current budget of R94 971 363 is deemed attainable. It is recommended that the budget not be adjusted during the mid-year adjustment process.

### **3.6 Interest Earned- External Investments**

An over performance was noted for interest earned – external investments to the amount of R8 743 281. The variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. The municipality has also invested additional funds which has resulted in an increase in the earnings from investments. Considering the monthly average over the past 6 months R3 156 990 it is recommended that the budget be increased by R15 020 095 during the mid-year adjustment process.

### **3.7 Interest earned – outstanding debtors**

An over performance was noted for the interest earned on outstanding debtors. This is due to the increases in the prime interest rate and the overall increase in debt. Considering the monthly average over the past 6 months (R1 484 423), it renders the adjustment budget of R11 391 237 as insufficient, and it is recommended that the budget be increased with R6 947 414 during the mid-year adjustment budget process.

### **3.8 Fines, penalties and forfeits**

An underperformance was noted to the amount of R3 835 626. The recognition of traffic fines in terms of iGRAP 1 will be done monthly, including the journal processed on the financial system. It should be noted that no journal was processed during December 2022 and will reflect in the next reporting period. The budget is deemed to be attainable, and no adjustment required during the Mid-year adjustment budget process.

### **3.9 Licences and permits**

An over performance is noted for licences and permits to the amount of R1 023 257. The over performance is due to more licences and permit renewals as well as more accompanying applications being received than initially anticipated. Considering the actuals generated over the past 4 financial years (average: R5 620 661) and a monthly average over the past 6 months of the current financial year (R665 045), the current budget of R5 934 010 is deemed as attainable. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

### **3.10 Rental of facilities and equipment**

An under performance is noted for the Rental of facilities and equipment to the amount of R3 201 536. Considering the average of the actuals generated over the

past three (3) financial years amounting to R11 150 870 and the average monthly revenue (R761 237), the current budget of R15 537 894 is deemed unattainable. It is recommended that the budget be reduced by R5 439 211 during the mid-year adjustment process.

### 3.11 Transfers and subsidies

The transfers and subsidies will be increased with R2 492 000 during the Mid-year Adjustment budget process. An increase of R300 000 relates to operating grants and an increase of R2 192 000 relates to capital grants.

### 3.12 Other revenue

An under performance is noted for other revenue to the amount of R2 821 556. The budget will be decreased during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following.

- **Operational Revenue: Merchandising, Jobbing and Contracts (Electrical Services)**

An underperformance of R1 279 937 has been noted. However, the past three (3) financial years yielded an average income of R1 307 373 per year. This renders the adjustment budget of R4 994 321 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.

- **Sales of Goods and Rendering of Services: Encroachment Fees (Property Management)**

An overperformance of R1 483 401 has been noted. The past three financial years yielded an average income of R2 325 862 per year, however, considering the monthly average for the past 6 months (R455 567) it is recommended that the budget be increased during the Mid-year adjustment process.

- **Sales of Goods and Rendering of Services: Parking Fees**

An under performance of R6 856 596 has been noted for Parking fees. The municipality has generated an average of R7 666 787 over the past 3 financial years and has generated R2 152 499 to date. Considering the monthly average over the past 6 months (R358 749), it renders the adjustment budget of R13 713 186 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process with approximately R9 316 000.

- **Sales of Goods and Rendering of Services: Cemetery and Burial.** An under performance was noted for the cemetery and burial. The municipality has generated an average of R738 267 over the past 3 financial years. Considering the monthly average (R102 029), the municipality has re-assessed the cemetery and burial revenue budget and anticipates that a downward adjustment of R2 257 334 will be necessitated during the Mid-year adjustment budget process.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

## 4. Operating Expenditure

The following table illustrates the actual operating expenditure for each Directorate against planned expenditure in the SDBIP for the 2nd Quarter of 2022/23.

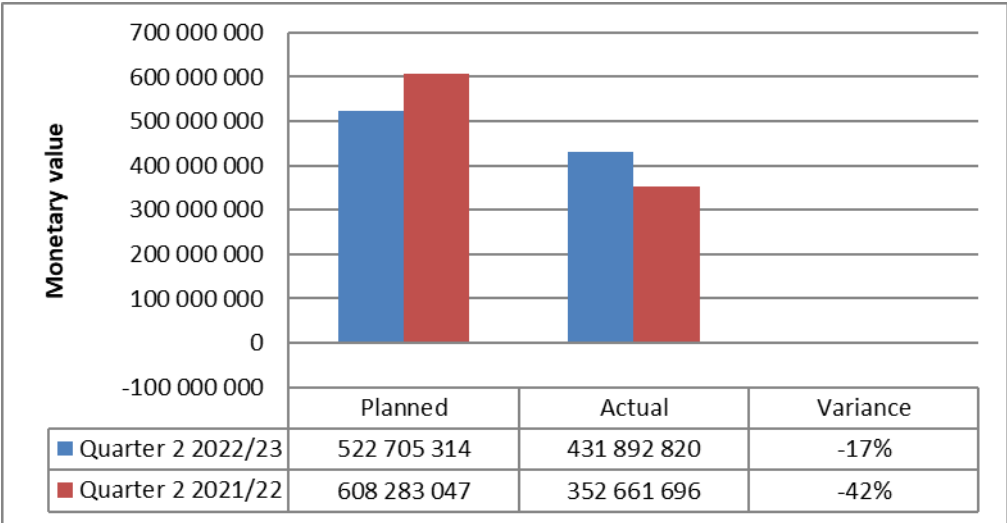
### Operating Expenditure (Per Directorate):

DIRECTORATE	ORIGINAL BUDGET	AMENDED BUDGET	QUARTER 2 2022/23		QUARTER 2 2021/22	
			PLANNED	ACTUALS	PLANNED	ACTUALS
Municipal Manager	27 432 083	27 982 083	7 233 666	8 739 596	772 637	3 532 991
Planning & Development	74 667 884	87 864 603	19 774 549	26 480 119	1 822 173	1 074 320
Infrastructure Services	1 258 869 331	1 258 869 331	261 798 409	251 808 533	-44 861 285	- 62 399 668
Community and Protection Services	430 825 516	421 557 544	107 780 932	80 620 117	583 013 826	359 321 467
Corporate Services	210 683 035	210 702 801	49 588 292	40 897 034	50 747 399	28 024 749
Financial Services	98 212 632	98 212 632	76 529 466	23 347 421	16 788 296	23 107 836
<b>TOTALS</b>	<b>2 100 690 481</b>	<b>2 105 188 994</b>	<b>522 705 314</b>	<b>431 892 820</b>	<b>608 283 047</b>	<b>352 661 696</b>

During the second quarter of the financial year the directorates spent R431 892 820, 17% less than the planned expenditure. At the same period last year, the directorate spent R352 661 696, 42% more than the planned expenditure.



QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022



The year on year comparison for the second quarter is 83% actual spending rate of the planned operating budget for the financial year 2022/23, compared to a 58% actual spending rate for the same period in the previous financial year.

## **Operating Expenditure Variance Report**

The variances between actual operating expenditure and planned operating expenditure contained in the SDBIP are explained per item and are as follows:

### **4.1 Planning and Development Services**

The Planning and Development Services directorate planned to spend R41 796 491 of the amended budget. The year- to- date actual expenditure incurred amounted to R41 009 249 which resulted in an underperformance of R787 242. The items that attributed to the underperformance are as follows:

#### **4.1.1 Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management**

The user department planned to spend R1 744 469 of the amended budget. The year- to- date actual expenditure incurred amounted to R666 202. Orders to the amount of R364 267 have been loaded onto the financial system. The user department indicated that the funds are being used for the Local Spatial Development framework to develop two small towns.

#### **4.1.2 Expenditure: Transfers and Subsidies: Operational: Monetary Allocations: Households: Other Transfers (Cash): LED direct support**

The user department planned to spend R499 920 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that proposals for further Small; medium and Macro Enterprises training will be advertised for implementation.

#### **4.1.3 Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Research and Advisory**

The user department planned to spend R178 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that the implementation Protocol was signed between Stellenbosch Municipality and HDA which includes the provision for a Programme Manager. The funds will be utilised for this professional service.

#### **4.1.4 Expenditure: Contracted Services: Contractors: Event Promoters**

The user department planned to spend R1 900 000 of the amended budget. The year- to- date actual expenditure incurred amounted to R1 637 660. Orders to the amount of R608 885 have been loaded onto the financial system. An improvement will be seen in the next reporting period.

## **4.2 Infrastructure Services**

The Infrastructure Services directorate planned to spend R514 587 178 of the amended budget. The year-to-date actual expenditure incurred amounted to R458 680 207 which resulted in an underperformance of R55 906 971. The items that attributed to the underperformance are as follows:

### **4.2.1 Expenditure: Bulk Purchases: Electricity: ESKOM**

The user department planned to spend R242 625 355 of the amended budget. The year-to-date actual expenditure incurred amounted to R227 305 614. The electricity purchases are the largest contributor to the over performance (R9 617 724). It is envisaged that the demand for electricity will decrease due to severe load shedding as there has been a decline in the past 3 months of the current financial year. Due to this decline, the budget will be reduced by approximately R7 486 902 during the Mid-year adjustment budget process.

### **4.2.2 Expenditure: Contracted Services: Outsourced Services: Litter Picking and Street Cleaning**

The user department planned to spend R1 980 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 107 627. Orders to the amount of R2 315 574 have been loaded on the financial system. The user department indicated that they are currently drafting a tender for the services required and the tender document will be submitted to the supply chain management unit in January 2023.

### **4.2.3 Expenditure: Contracted Services: Outsourced Services: Refuse Removal**

The user department planned to spend R4 041 754 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R9 166 742. The user department indicated that additional funds would be required for the crushing of builder's rubble, haulage and disposal. The budget will be increased with R6000 000 during the mid-year adjustment budget process.

### **4.2.4 Expenditure: Contracted Services: Contractors: Prepaid Electricity Vendors**

The user department planned to spend R2 754 101 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 931 700. Orders to the amount of R9 572 417 have been loaded onto the financial system. The user department indicated that work is currently underway, and an improvement will be seen in the next reporting period.

#### **4.2.5 Expenditure: Operational Cost: Uniform and Protective Clothing**

The user department planned to spend R1 4 99 606 of the amended budget. The year-to-date actual expenditure incurred amounted to R50 923. The user department indicated that they are awaiting delivery of orders from the supplier and that an improvement will be seen after delivery.

### **4.3 Community and Protection Services**

The Community and Protection Services directorate planned to spend R198 0255 510 of the amended budget. The year-to-date actual expenditure incurred amounted to R129 929 775 which resulted in an underperformance of R68 125 735. The items that attributed to the underperformance are as follows:

#### **4.3.1 Expenditure: Contracted Services: Outsourced Services: Security Services**

The user department planned to spend R14 344 532 of the adjusted budget. The year-to-date expenditure incurred amounted to R14 439 549. Orders to the amount of R11 703 929 have been loaded onto the financial system. The user department indicated that due to an increase in the number of sites that require security services as well as armed security services as per requests from other user departments, the adjusted budget will not be sufficient for the remainder of the financial year. The budget will therefore be increased by R15 000 000 during the mid-year adjustment process.

#### **4.3.2 Expenditure: Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Sport Councils**

The user department planned to spend R4 030 672 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 444 176. The user department indicated that Grant in aid donations for organisations serving vulnerable groups and communities and additional donations outstanding will be paid monthly.

#### **4.3.3 Expenditure: Contracted Services: Outsourced Services: Clearing and Grass Cutting Services (Parks and Sidewalks: Stellenbosch)**

The user department planned to spend R1 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R489 407. Orders to the amount of R889 902 have been loaded onto the financial system. The user department indicated that they have managed to complete maintenance projects utilising internal resources as opposed to contracting external services hence the decline in expenditure.

#### **4.3.4 Expenditure: Contracted Services: Contractors: Forestry**

The user department planned to spend R310 211 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R107 485 have been loaded onto the financial system. An improvement will be seen in the next reporting period.

#### **4.4 Corporate Services**

The Corporate Services directorate planned to spend R94 615 114 of the amended budget. The year-to-date actual expenditure incurred amounted to R71 910 213 which resulted in an underperformance of R22 704 901. The items that attributed to the underperformance are as follows:

##### **4.4.1 Expenditure: Operational Cost: Communication: Cellular Expenditure**

The user department planned to spend R2 002 500 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 005 024. Orders to the amount of R202 369 have been loaded onto the financial system. The user department indicated that the Vodacom 3G account resource fell ill resulting in invoice vetting being delayed and payment preparation slowed. An improvement will be seen in the next reporting period.

##### **4.4.2 Expenditure: Operational Cost: Bargaining Council**

The user department planned to spend R3 227 628 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that the payment for the Bargaining council is a once-off payment, and it will be made as soon as an invoice has been received.

##### **4.4.3 Expenditure: Operational Cost: External Computer Service: System Development**

The user department planned to spend R2 238 338 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 311 An improvement will be seen in the next reporting period.

##### **4.4.4 Expenditure: Operational Cost: Workmen's Compensation Fund**

The user department planned to spend R1 309 998 of the amended budget. No expenditure has been incurred to date. The user department indicated that the payment for the Bargaining council is a once-off payment.

**4.4.5 Contracted Services: Contractors: Maintenance of Buildings and Facilities (Municipal Buildings and Structures)**

The user department planned to spend R1 363 024 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R91 833. Orders to the amount of R725 990 have been loaded onto the financial system. An improvement will be seen in the next reporting period.

**4.5 Financial Services**

The Financial Services directorate planned to spend R45 630 690 of the amended budget. The year-to-date actual expenditure incurred amounted to R47 859 862 which resulted in an overspending of R2 229 172. The items that attributed to the overspending are as follows:

**4.5.1 Expenditure: Operational Cost: Insurance Underwriting: Premiums**

The user department planned to spend R3 567 505 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R7 506 269. The user department indicated that the insurance underwriting premiums are a once-off payment and have already been paid.

## 5. Capital Expenditure

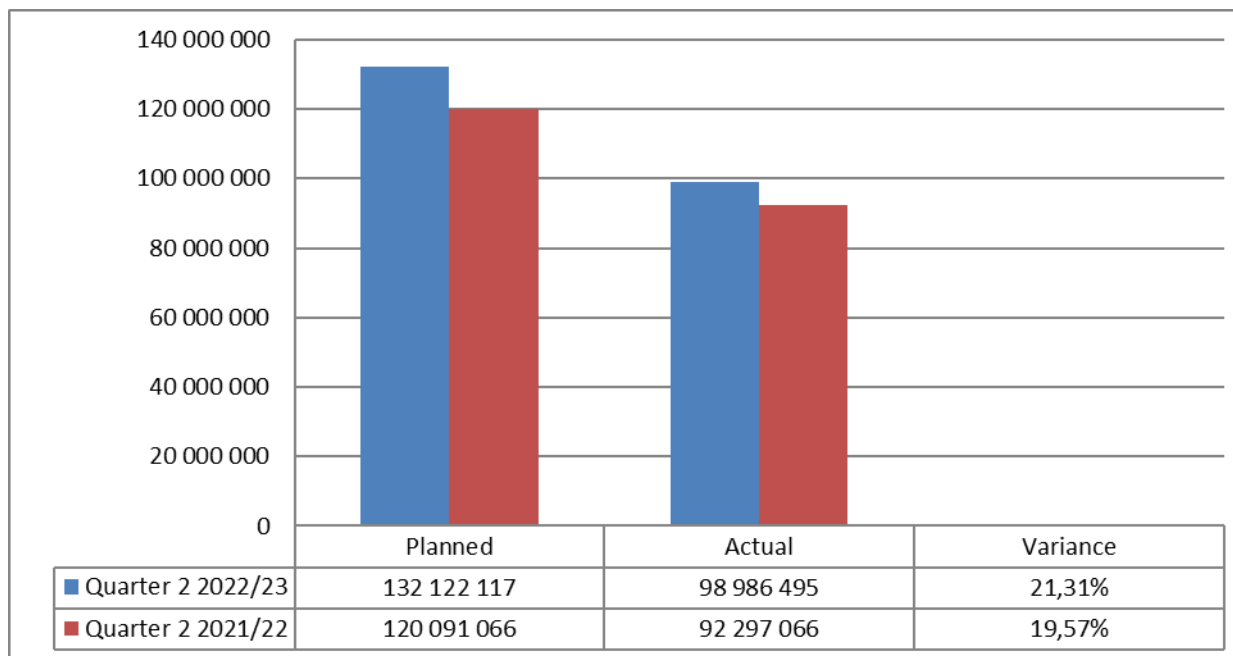
The following table illustrates the actual capital expenditure per directorate against the planned in the SDBIP for the 2nd Quarter of 2022/23.

DIRECTOR	ORIGINAL BUDGET	AMENDED BUDGET
Municipal Manager	40 000	40 000
Planning & Development	15 185 000	20 976 380
Infrastructure Services	325 047 246	361 886 172
Community and Protection Services	26 850 958	33 441 312
Corporate Services	41 900 000	47 889 208
Financial Services	250 000	250 000
<b>TOTALS</b>	<b>409 273 204</b>	<b>464 483 073</b>

QUARTER 2 2022/23		
PLANNED	ACTUAL EXPENDITURE	VAR %
18 000	38 203	112%
3 167 707	3 714 640	17%
111 605 435	78 891 310	-29%
7 466 304	1 415 415	-81%
9 714 004	14 877 118	53%
150 667	49 809	-67%
<b>132 122 117</b>	<b>98 986 495</b>	<b>-25%</b>

QUARTER 2 2021/22		
PLANNED	ACTUAL EXPENDITURE	VAR %
11 001	-	100%
2 642 824	1 033 585	-61%
11 758 471	8 827 111	-25%
96 038 913	74 903 287	-22%
9 515 857	7 384 715	-22%
124 000	148 367	20%
<b>120 091 066</b>	<b>92 297 066</b>	<b>-23%</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022



The year-on-year comparison for the end of the second quarter is [R125 567 496/ R464 483 073] 26.17% of the total capital budget of R464 483 073 for the 2022/23 financial year compared to a [R115 911 618/ R471 680 164] 24.57% spending rate for the same period in the previous financial year measured against a budget of R471 680 164.



## **Capital Expenditure Variance Report**

The variances between actual capital expenditure and the planned capital expenditure contained in the SDBIP are explained per directorate and are as follows:

### **5.1 Planning and Development**

The Directorate planned to spend R3 695 505 of the amended budget. The year-to-date actual expenditure incurred amounted to R5 017 669. This resulted in an overperformance of R1 322 194. The projects that attributed to the overperformance are as follows:

#### **5.1.1 Establishment of the Kayamandi Informal Trading Area**

The user department planned to spend R1 989 504 of the amended budget. The year-to-date expenditure incurred amounted to R2 271 438. Orders to the amount of R2 697 234 have been loaded onto the financial system. The user department indicated that the project is well underway.

#### **5.1.2 Erf 7001 and other possible sites for mix-used development in Cloeteville**

The user department had no planned expenditure on the amended budget. The year-to-date expenditure incurred amounted to R525 000. The user department indicated that the project is underway and an invoice for work completed has already been paid. The project started ahead of its projected cashflow timeframe, and all funds have been fully spent.

#### **5.1.3 Jamestown: Housing**

The user department had no planned expenditure on the amended budget. The year-to-date expenditure incurred amounted to R561 116. Orders to the amount of R150 864 have been loaded onto the financial system. The user department indicated that the project is underway, and an improvement will be seen in the next reporting period.

### **5.2 Community and Protection Services**

The Directorate planned to spend R8 371 202 of the amended budget. The year-to-date expenditure incurred amounted to R1 975 972. This resulted in an underperformance of R6 395 230. The projects that attributed to the underperformance are as follows:

### **5.2.1 Specialized equipment: Urban Forestry**

The user department planned to spend R750 000 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R90 450 have been loaded onto the financial system. The user department indicated that the bids were received for the tender and the technical evaluation in progress and will be submitted to the Supply Chain Management unit.

### **5.2.2 Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings**

The user department planned to spend R750 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that they are awaiting approval from Provincial Treasury for the re-advertisement of the tender for access control.

### **5.2.3 Specialized Vehicles: Workshop**

The user department planned to spend R749 996 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R90 391 have been loaded onto the financial system. The user department indicated that they are awaiting feedback from the contractor with regards to when the specialised vehicles will be delivered. A quote was received for the purchase of vehicles but however, the quote period lapsed due to the new quarter tender price adjustment on the RT57 tender.

### **5.2.4 Re-Surface of Netball/Tennis Courts**

The user department planned to spend R519 008 of the amended budget. No expenditure has been incurred to date. The user department indicated that a service provider has been appointed and they are awaiting the submission of all relevant compliance documents to commence with the project

## **5.3 Infrastructure Services**

The Directorate planned to spend R158 587 321 of the amended budget. The year-to-date actual expenditure incurred amounted to R96 511 150. This resulted in an underperformance of R62 076 171. The projects that attributed to the underperformance are as follows:

### **5.3.1 Laterra Substation**

The user department planned to spend R11 281 618 of the amended budget. The year-to-date expenditure incurred amounted to R492 864. Orders to the amount of R1 414 078 have been loaded onto the financial system. The user department indicated that a service provider was appointed later than anticipated and after analysis, they do not envisage that the project will be completed during the current financial year. Since this is a multi-year project, the amended budget will be reduced with the amount of R21 981 814 which will be moved to the 2023/2024 financial year during the mid-year adjustment budget process.

### **5.3.2 Landfill Gas to Energy**

The user department planned to spend R1 839 587 of the amended budget. The year-to-date expenditure incurred amounted to R388 476. Orders to the amount of R599 656 have been loaded onto the financial system. The user department indicated that the project is currently in its planning phase and construction will commence in the 2023/2024 financial year. The budget will be decreased with approximately R5 939 587 during the Mid-year adjustment budget process.

### **5.3.3 Feeder cable (Watergang to Enkanini) 11kV 95cu**

The user department planned to spend R1 720 00 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that the tender has been advertised and expenditure will commence once all the supply chain procedures have been complied with.

### **5.3.4 Kayamandi: Zone O (±711 services)**

The project will be reduced with the full grant allocation to the amount of R13 350 000 during the mid-year adjustment process to be aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.

### **5.3.5 Expansion of the landfill site (New cells)**

The user department planned to spend R20 000 000 of the amended budget. The year-to-date expenditure incurred amounted to R75 853. Orders to the amount of R753 070 have been loaded onto the financial system. This is a multi-year project. The Department of Economic Affairs and Development Planning required a new Waste Management license process to be followed which has delayed the commencement of the

project. The project is in the planning phase and will continue into the next financial year. The budget will be decreased with approximately R30 600 000 during the Mid-year adjustment budget process.

### **5.3.6 Bridge Construction**

The user department planned to spend R13 300 000 of the amended budget. The year-to-date expenditure incurred amounted to R12 105 067. Orders to the amount of R4 770 367 have been loaded onto the financial system. The user department indicated that the planning, investigations, and assessments are 60% complete and the project implementation will be in February 2023.

### **5.3.7 New Reservoir & Pipeline: Vlotenburg**

The user department planned to spend R9 530 618 of the amended budget. The year-to-date expenditure incurred amounted to R20 648 860. Orders to the amount of R11 775 336 have been loaded onto the financial system. The user department indicated that the project has commenced, and construction is going according to plan. The funds available in the current approved budget are insufficient for 2022/2023 and 2023/2024 financial years and this is due to the contract period being spread over 14 months. However, this is a multi-year project and even though the total budget allocated over the 3-year MTREF is sufficient, the funds from the outer years need to be brought forward to fund the project and prevent delays and penalties being incurred. The budget will be increased with approximately R37 000 000 during the Mid-year adjustment budget process.

### **5.3.8 Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA**

The user department planned to spend R4 103 871 of the amended budget. The year-to-date expenditure incurred amounted to R109 200. Orders to the amount of R3 506 707 have been loaded onto the financial system. The user department indicated that the contract for the current contractor will be terminated due to poor performance and therefore a new contractor will have to be appointed to commence in the 2023/2024 financial year. The current orders loaded onto the financial system will be utilised for consulting fees and the storage of equipment. The budget will be decreased with approximately R6 630 746 during the Mid-year adjustment budget process.

## **5.4 Corporate Services**

The Directorate planned to spend R14 764 004 of the amended budget. The year-to-date actual expenditure incurred amounted to R17 931 334. This resulted in an overperformance of

R3 167 239. The projects that attributed to the underperformance are as follows:

### **5.4.1 Upgrading of New Office Space: Ryneveld Street**

The user department planned to spend R10 364 004 of the amended budget. The year-to-date expenditure incurred amounted to R16 838 183. Orders to the amount of R623 044 have been loaded onto the financial system. The user department indicated that the project is well underway and that more work has been completed than originally anticipated. The user department also stated that they envisage that the project will be completed by February 2023.

### **5.4.2 Upgrade and Expansion of IT Infrastructure Platforms (Including council chambers and fibre)**

The user department planned to spend R2 500 000 of the amended budget. The year-to-date expenditure incurred amounted to R278 368. Orders to the amount of R130 562 have been loaded onto the financial system. The user department indicated that they are currently in the process of finalising the tender document for the installation of fibre.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

## 6. Investments and Borrowings

### 6.1 Investments

ACC. NR	BANK	Type/ Period	INTEREST RATE	MATURITY DATE	OPENING BALANCE AS AT 1 JULY 2022	QUARTER 2		TOTAL INVESTMENTS/ WITHDRAWALS	INTEREST CAPITALISED FOR THE QUARTER UNDER REVIEW	INTEREST ACCRUED YTD	CLOSING BALANCE YTD
						INVEST	WITHDRAWAL				
	<b>ABSA BANK</b>										
93-6748-9415	A#415	CALL	7,650%		41 771 934,24	-	(20 000 000,00)	20 000 000,00	1 383 568,42	2 489 627,27	64 261 521,51
20-8031-5300	A#5300	FIXED / 5 MTHS	5,580%	19-Aug-22	40 611 506,85	-	-	(40 917 260,27)	-	305 753,42	0,00
20-8065-2148	A#2148	FIXED/6 MTHS	7,490%	15-Feb-23		-	-	100 000 000,00	1 949 452,05	2 257 260,27	102 257 260,27
20-8070-0884	A#0884	FIXED/6 MTHS	7,900%	14-Apr-23		50 000 000,00	-	50 000 000,00	887 397,26	887 397,26	50 887 397,26
					<b>82 383 441,09</b>	<b>50 000 000,00</b>	<b>- 20 000 000,00</b>	<b>129 082 739,73</b>	<b>4 220 417,74</b>	<b>5 940 038,23</b>	<b>217 406 179,05</b>
	<b>NEDBANK</b>										
03/7881123974/...024	N#024	FIXED / 12 MTHS	5,800%	12-Oct-22	83 330 630,14	-	(84 640 000,00)	(84 640 000,00)	139 835,62	1 309 369,86	-
03/7881123974/...025	N#025	FIXED / 6 MTHS	6,100%	22-Sep-22	81 350 356,16	-	-	(82 460 054,79)	-	1 109 698,63	(0,00)
03/7881123974/...026	N#026	FIXED / 12 MTHS	7,950%	21-Jun-23	19 102 999,59	-	-	-	381 960,77	763 921,54	19 866 921,13
03/7881123974/...028	N#028	FIXED / 12 MTHS	9,050%	13-Oct-23		100 000 000,00	-	100 000 000,00	1 983 561,64	1 983 561,64	101 983 561,64
					<b>183 783 985,90</b>	<b>100 000 000,00</b>	<b>(84 640 000,00)</b>	<b>(67 100 054,79)</b>	<b>2 505 358,03</b>	<b>5 166 551,67</b>	<b>121 850 482,77</b>
	<b>STANDARD BANK</b>										
258489367-035	S#035	FIXED 12 MNTHS	7,725%	21-Jun-23	81 126 949,40	-	-	-	1 610 233,01	3 169 075,60	84 296 025,00
258489367-036	S#036	FIXED 2 MNTHS	6,525%	23-Sep-22	-	-	-	(1 179 863,01)	-	1 179 863,01	(0,00)
258489367-037	S#037	FIXED 2 MNTHS	7,300%	11-Jan-23		50 000 000,00	-	50 000 000,00	820 000,00	820 000,00	50 820 000,00
					<b>81 126 949,40</b>	<b>50 000 000,00</b>	<b>-</b>	<b>48 820 136,99</b>	<b>2 430 233,01</b>	<b>5 168 938,61</b>	<b>135 116 025,00</b>
<b>INVESTMENT TOTAL</b>					<b>347 294 376,39</b>	<b>200 000 000,00</b>	<b>(104 640 000,00)</b>	<b>110 802 821,92</b>	<b>9 156 008,77</b>	<b>16 275 528,51</b>	<b>474 372 686,82</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**6.2 Borrowings**

Lending Institution	Balance 1/12/2022	Received Quarter 2 2023	Interest Capitalised Quarter 2 2023	Capital Repayments Quarter 2 2023	Balance 31/12/2022	Percentage	Sinking Funds
							(R'000)
DBSA@ 11.1%	11 253 174	-	-	1 532 065	9 721 110	11,10%	
DBSA@ 10.25%	35 664 655	-	-	3 509 734	32 154 921	10,25%	
DBSA @ 9.74%	70 959 212	-	-	3 084 775	67 874 437	9,74%	
NEBANK @ 9.70%	133 208 607	-	-	6 525 178	126 683 429	9,70%	
NEBANK @ 8.8%	100 360 533	-	-	3 598 015	96 762 518	6,73%	
STANDARD BANK @ 11.00%	144 000 000	-	-	4 112 743	139 887 257	11,00%	
<b>TOTAL</b>	<b>495 446 181</b>	<b>-</b>	<b>-</b>	<b>22 362 510</b>	<b>473 083 671</b>		

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

7. Allocations and grant receipts and expenditure for the 2nd Quarter of 2022/23

OPERATING & CAPITAL GRANTS	TOTAL 2022/23	EXPECTED ALLOCATION	OPENING BALANCE 1 JULY 2022	CAPITAL DEBTORS	REPAYMENT OF GRANT	ACCUMULATED ACTUAL RECEIPTS	ACCUMULATED ACTUAL EXPENDITURE	QUARTER 2 RECEIPTS	QUARTER 2 ACTUAL EXPENDITURE	UNSPENT CONDITIONAL GRANTS - 31 DECEMBER 2022
Unconditional Grant:Equitable Share	179 634 000	179 634 000	-	-	-	125 489 000	24 744 170	55 432 000	15 259 100	100 744 830
<b>Grand Total (Unconditional Grants)</b>	<b>179 634 000</b>	<b>179 634 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125 489 000</b>	<b>24 744 170</b>	<b>55 432 000</b>	<b>15 259 100</b>	<b>100 744 830</b>
EPWP Integrated Grant for Municipalities	4 928 000	4 928 000	-	-	-	3 450 000	1 390 265	2 218 000	-	2 059 735
Local Government Financial Management Grant	1 550 000	1 550 000	-	-	-	1 550 000	278 739	-	185 826	1 271 261
Integrated National Electrification Programme (Municipal) Grant	36 732 170	28 350 000	-	-	-	25 000 000	2 959 430	15 000 000	2 959 430	22 040 570
Integrated Urban Development Grant	65 747 000	65 747 000	-	-	-	39 447 000	28 847 088	13 147 000	18 379 293	10 599 912
Community Development Workers Operational Support Grant	38 000	38 000	-	-	-	-	9 004	-	9 004	(9 004)
Library Services: Conditional Grant	17 985 630	14 112 000	-	-	-	9 408 000	4 270 116	4 704 000	2 293 494	5 137 884
Municipal Library Support Grant	-	-	-	-	-	-	-	-	-	-
Human Settlements Development Grant	16 558 379	15 040 000	-	10 147 043	-	10 760 482	6 621 795	10 760 482	253 958	(6 008 356)
Informal Settlements Upgrading Partnership Grant: Provinces (B)	22 615 534	20 850 000	-	2 334 804	-	-	3 358 527	-	3 358 527	(5 693 331)
Title Deeds Restoration Grant	939 830	-	939 830	-	939 830	-	-	-	-	-
Municipal Accreditation and Capacity Building Grant	417 278	256 000	161 278	-	161 278	-	118 450	-	-	(118 450)
Financial Management Capacity Building Grant	19 766	-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure	495 000	495 000	-	4 950 000	-	-	486 685	-	478 370	(5 436 685)
Regional Socio-Economic Project/violence through urban upgrad	1 000 000	-	-	-	771 499	-	-	-	-	(771 499)
Cape Winelands District Grant	984 000	500 000	484 000	-	-	-	484 000	-	484 000	-
Western Cape Financial Management Support Grant	550 000	-	-	-	-	-	-	-	-	-
Western Cape Municipal Energy Resilience Grant (WC MER Grant)	1 690 000	1 690 000	-	-	-	640 000	-	640 000	-	640 000
Cape Wineland District Community safety	115 000	115 000	-	-	-	-	-	-	-	-
Cape Winelands Disaster Grant	146 959	-	146 959	-	-	-	-	-	-	146 959
Development of Sport and Recreational Facilities	220 000	220 000	-	-	-	-	-	-	-	-
Local Government Public Employment Support Grant	-	-	-	-	-	-	-	-	-	-
Blaauwklippen settlement	-	-	-	-	-	-	-	-	-	-
Housing consumer education	68 010	-	68 010	-	68 010	-	-	-	-	-
Khaya Lam Free Market Foundation	102 000	-	102 000	-	-	-	-	-	-	-
<b>Grand total (Conditional Grants)</b>	<b>172 732 546</b>	<b>153 891 000</b>	<b>1 732 067</b>	<b>17 431 847</b>	<b>1 872 607</b>	<b>90 255 482</b>	<b>48 824 099</b>	<b>46 469 482</b>	<b>28 401 902</b>	<b>23 858 996</b>



## 8. Personnel Expenditure

In terms of Section 66 of the MFMA, all expenditure incurred by the municipality on staff salaries, wages, allowances, and benefits must be reported to council.

Employee - Related Costs	Original Budget	Adjustments Budget	Quarter 2 Budget	Quarter 2 Actual	YTD Budget	YTD Actual	YTD %
Basic Salary and Wages	381 997 543	384 290 003	95 189 218	81 433 779	189 425 820	164 134 254	43%
Bonus	27 836 149	27 836 149	8 108 547	23 304 199	11 930 315	25 157 099	90%
Acting and Post Related Allowances	768 931	768 931	136 200	157 317	293 005	368 192	48%
Non Structured	47 382 530	47 382 530	11 875 371	9 312 481	23 794 438	17 695 432	37%
Standby Allowance	13 259 305	13 259 305	3 337 409	3 218 219	6 676 453	6 295 141	47%
Travel or Motor Vehicle	11 416 099	11 416 099	2 486 087	2 279 265	4 985 830	4 481 238	39%
Accommodation, Travel and Incidental	35 784	35 784	7 927	8 436	15 055	25 973	73%
Bargaining Council	148 959	148 959	41 039	69 379	84 012	140 159	94%
Cellular and Telephone	2 610 657	2 610 657	618 696	508 155	1 246 185	1 027 464	39%
Current Service Cost	3 827 806	3 827 806	956 952	-	1 913 904	-	0%
Essential User	624 175	624 175	156 048	258 726	312 096	525 208	84%
Entertainment	-	-	-	-	-	-	0%
Fire Brigade	2 862 145	2 862 145	715 536	681 949	1 431 072	1 458 013	51%
Group Life Insurance	5 001 446	5 001 446	1 293 736	1 764 774	2 591 600	3 520 802	70%
Housing Benefits	2 918 350	2 918 350	725 486	675 954	1 450 052	1 364 485	47%
Interest Cost	14 894 153	14 894 153	3 723 537	-	7 447 074	-	0%
Leave Gratuity	6 984 886	6 984 886	1 746 221	-	3 492 442	-	0%
Leave Pay	-	-	-	-	-	-	0%
Long Term Service Awards	4 500 771	4 500 771	1 125 192	-	2 250 384	-	0%
Medical	27 138 195	27 138 195	6 680 206	6 596 613	13 417 219	13 186 074	49%
Non-pensionable	212 467	212 467	51 471	16 949	102 942	33 593	16%
Pension	58 888 632	58 888 632	14 469 191	14 118 353	28 902 907	28 159 728	48%
Scarcity Allowance	764 680	764 680	191 169	204 125	382 338	407 698	53%
Shift Additional Remuneration	5 398 676	5 398 676	1 349 670	1 074 954	2 699 340	2 168 071	40%
Structured	2 398 699	2 398 699	599 676	611 436	1 199 352	1 228 659	51%
Unemployment Insurance	2 592 725	2 592 725	741 341	615 171	1 485 082	1 246 192	48%
<b>Totals</b>	<b>624 463 763</b>	<b>626 756 223</b>	<b>156 325 926</b>	<b>146 910 233</b>	<b>307 528 917</b>	<b>272 623 474</b>	<b>43%</b>

During the second quarter of the financial year the directorates spent R146 910 233, 6% less than the planned expenditure of R156 325 926. This underspending mainly relates to the expenditure incurred in respect of Basic Salary and Wages, overtime and interest cost.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**9. Withdrawals**

<i>Consolidated Quarterly Report for period 01/10/2022 to 31/12/2022</i>				
<b>Date</b>	<b>Payee</b>	<b>Amount in R'000</b>	<b>Description and Purpose (including section reference e.g. sec 11(f))</b>	<b>Authorised by (name)</b>
Monthly	Provincial Government Western Cape	8 622 306	The Municipality acts as an agent for PAWC for collection of licencing fees. S 11(e)(i)	Acting Director: Community and Protection Services
Monthly	VERSO Group Insurance and Sanlam Group Insurance	2 042 518	Group Insurance. S11(e) (ii)	Council
Ad Hoc	Investment Management	200 000 000	Investment in accordance with the Cash Management and Investment Policy. S11(h)	Accounting Officer (Municipal Manager)

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**10. Cost Containment Reporting**

Measures	Cost Containment In - Year Report										
	Original Budget	Amended Budget	Quarter 1		Saving/ (Over spending)	Quarter 2		Saving/ (Overspending)	YTD		Saving/ (Over spending)
			Budget	Actual		Budget	Actual		Total YTD Budget	Total YTD Actual	
Use of consultants	39 147 232	37 644 715	4 791 544	7 745 613	- 2 954 069	6 310 458	1 505 843	4 804 615	11 102 002	9 251 456	1 850 546
Vehicles used for political office -bearers	-	-	-	-	-	-	-	-	-	-	-
Accommodation, Travel and Incidental costs	12 884 070	12 783 370	2 566 128	2 516 957	49 171	2 684 160	2 696 174	- 12 014	5 250 288	5 213 130	37 158
Sponsorships, events and catering	1 366 355	3 314 355	7 550	286 488	- 278 938	2 226 148	1 911 481	314 667	2 233 698	2 197 969	35 729
Communication	17 101 276	17 121 276	3 365 181	2 112 404	1 252 777	3 888 880	2 826 922	1 061 958	7 254 061	4 939 326	2 314 735
Other related expenditure items	55 573 505	55 539 005	13 960 011	10 096 040	3 863 971	13 912 667	11 001 397	2 911 270	27 872 678	21 097 436	6 775 242
<b>Grand Total</b>	<b>126 072 438</b>	<b>126 402 721</b>	<b>24 690 414</b>	<b>22 757 501</b>	<b>1 932 913</b>	<b>29 022 313</b>	<b>19 941 816</b>	<b>9 080 497</b>	<b>53 712 727</b>	<b>42 699 317</b>	<b>11 013 410</b>

The largest year to date overspending was noted for other related expenditure items of which the largest component relates to Business and Advisory: Project Management.



QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

Accommodation, Travel and Incidental	IE0050010010010050050000000000000000	Allowance:Travel or Motor Vehicle	127 800	127 800	-	45 000	-	45 000	20 000	45 000	-	25 000	20 000	90 000	-	70 000	
	IE0050010020010050050000000000000000	Allowance:Travel or Motor Vehicle	255 600	255 600	-	-	-	-	40 000	-	40 000	-	40 000	40 000	-	40 000	
	IE005001002001005007000000000000000000	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001004001005005000000000000000000	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001007001005005000000000000000000	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001009001005007000000000000000000	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001010001005005000000000000000000	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001011001005005000000000000000000	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001014001005007000000000000000000	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005001017001005005000000000000000000	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IE005002001005001000000000000000000000	Allowances:Accommodation, Travel and Incidental	35 784	35 784	7 317	18 468	-	11 151	7 738	6 717	1 021	-	15 055	25 186	-	10 131	
	IE005002001005006000000000000000000000	Allowances:Travel or Motor Vehicle	10 840 999	10 840 999	2 451 818	2 141 974	-	309 844	2 378 162	2 218 096	160 066	-	4 829 980	4 360 070	-	469 910	
	IE008001001003000000000000000000000000	Allowances and Service Related Benefits:Travelling	-	-	-	45 000	-	45 000	-	45 000	-	45 000	-	90 000	-	90 000	
	IE008002001003000000000000000000000000	Allowances and Service Related Benefits:Travelling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE008003001003000000000000000000000000	Allowances and Service Related Benefits:Travelling	-	-	-	45 000	-	45 000	-	45 000	-	45 000	-	90 000	-	90 000	
	IE008004001003000000000000000000000000	Allowances and Service Related Benefits:Travelling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE008005001003000000000000000000000000	Allowances and Service Related Benefits:Travelling	-	-	-	53 775	-	53 775	-	41 989	-	41 989	-	95 765	-	95 765	
	IE008006001003000000000000000000000000	Allowances and Service Related Benefits:Travelling	-	-	-	104 579	-	104 579	-	105 291	-	105 291	-	209 870	-	209 870	
	IE010039000000000000000000000000000000	Travel Agency and Visa's	146 000	80 000	24 999	22 817	-	2 182	11 997	-	11 997	-	36 996	22 817	-	14 179	
	IE010057001001000000000000000000000000	Travel and Subsistence:Domestic:Accommodation	345 036	379 336	13 000	18 674	-	5 674	54 148	48 862	5 286	-	67 148	67 536	-	388	
	IE010057001002000000000000000000000000	Travel and Subsistence:Domestic:Daily Allowance	108 404	138 404	3 998	12 936	-	8 938	25 894	18 804	7 090	-	29 892	31 740	-	1 848	
	IE010057001003000000000000000000000000	Travel and Subsistence:Domestic:Food and Beverage (Served)	277 871	297 871	-	337	-	337	56 692	55 146	1 546	-	56 692	55 483	-	1 209	
	IE010057001004000000000000000000000000	Travel and Subsistence:Domestic:Incidental Cost	90 995	93 751	10 500	460	-	10 040	14 289	-	14 289	-	24 789	460	-	24 329	
	IE010057001005001000000000000000000000	Travel and Subsistence:Domestic:Transport without Operator:Car Rental	33 951	42 195	750	-	-	750	4 000	551	3 449	-	4 750	551	-	4 199	
IE010057001006001000000000000000000000	Travel and Subsistence:Domestic:Transport with Operator:Other Transport Provider	304 450	44 450	2 750	-	-	2 750	7 000	-	7 000	-	9 750	-	-	9 750		
IE010057001006002001000000000000000000	Travel and Subsistence:Domestic:Transport with Operator:Public Transport:Air Transport	317 180	447 180	50 996	7 937	-	43 059	64 240	65 716	-	1 476	115 236	73 654	-	41 582		

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

Sponsorships, events and catering	IE00300301000000000000000000000000	Contractors:Catering Services	1 202 678	1 250 678	2 550	286 488	-	283 938	321 148	261 880	59 268	323 698	548 368	-	224 670	
	IE00300100600000000000000000000000	Outsourced Services:Catering Services	32 080	32 080	5 000	-	-	5 000	5 000	11 941	-	6 941	10 000	11 941	-	1 941
	IE01000200500000000000000000000000	Advertising, Publicity and Marketing:Gifts and Pro	31 597	31 597	-	-	-	-	-	-	-	-	-	-	-	-
	IE00300301400000000000000000000000	Contractors:Event Promoters	100 000	2 000 000	-	-	-	-	1 900 000	1 637 660	262 340	-	1 900 000	1 637 660	-	262 340
Communication	IE01001500100000000000000000000000	Communication:Cellular Contract (Subscription and	4 355 517	4 355 517	1 003 876	386 583	617 293	1 014 078	619 767	394 311	2 017 954	2 017 954	1 006 350	1 011 604	-	
	IE01001500200000000000000000000000	Communication:Licences (Radio and Television)	100 000	100 000	-	-	-	20 000	-	-	20 000	20 000	-	20 000	-	
	IE01001500400000000000000000000000	Communication:Radio and TV Transmissions	2 581 000	2 581 000	213 575	488 420	-	274 845	613 356	475 858	137 498	826 931	964 278	-	137 347	
	IE01001500300000000000000000000000	Communication:Postage/Stamps/Frinking Machines	2 646 000	2 646 000	405 801	176 018	229 783	456 014	346 762	109 252	861 815	522 780	-	339 035	-	
	IE01001500700000000000000000000000	Communication:SMS Bulk Message Service	264 000	264 000	-	7 511	-	7 511	24 029	21 040	2 989	24 029	28 551	-	4 522	
	IE01001500900000000000000000000000	Communication:Telemetric Systems	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE00500200100500300000000000000000	Allowances:Cellular and Telephone	2 464 965	2 464 965	603 201	498 909	104 292	590 608	508 155	82 453	1 193 809	1 007 064	-	186 745	-	
	IE01001500800000000000000000000000	Communication:Telephone, Fax, Telegraph and Telex	4 689 794	4 709 794	1 138 728	554 962	583 766	1 170 795	855 340	315 455	2 309 523	1 410 302	-	899 221	-	
Other related expenditure items	IE01002300300000000000000000000000	Entertainment:Senior Management	40 000	5 500	3 198	-	3 198	-	450	-	450	2 748	-	2 748	-	
	IE01002300200000000000000000000000	Entertainment:Total for All Other Councillors	104 000	104 000	26 000	-	26 000	26 000	-	26 000	52 000	-	-	52 000	-	
	IE01002300100000000000000000000000	Entertainment:Executive Mayor	249 600	249 600	62 400	2 749	59 651	62 400	2 525	59 875	124 800	5 274	-	119 526	-	
	IE01002300400000000000000000000000	Entertainment:Deputy Executive Mayor	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE01002300500000000000000000000000	Entertainment:Speaker	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE01002300600000000000000000000000	Entertainment:Chief Whip	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE01002300700000000000000000000000	Entertainment:Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE01002300800000000000000000000000	Entertainment:Section 79 committee chairperson	-	-	-	-	-	-	-	-	-	-	-	-	-	
	IE0050020010050090120020000000000000	Overtime:Non Structured	47 382 530	47 382 530	11 919 067	8 382 951	3 536 116	11 875 371	9 312 481	2 562 890	23 794 438	17 695 432	-	6 099 006	-	
	IE0050020010050090120040000000000000	Overtime:Shift Additional Remuneration	5 398 676	5 398 676	1 349 670	1 093 117	256 553	1 349 670	1 074 954	274 716	2 699 340	2 168 071	-	531 269	-	
IE0050020010050090120030000000000000	Overtime:Structured	2 398 699	2 398 699	599 676	617 223	-	17 547	599 676	611 436	11 760	1 199 352	1 228 659	-	29 307		
<b>Grand Total</b>			<b>126 072 438</b>	<b>126 402 721</b>	<b>24 690 414</b>	<b>22 757 501</b>	<b>1 932 913</b>	<b>29 022 313</b>	<b>19 941 816</b>	<b>9 080 497</b>	<b>53 712 727</b>	<b>42 699 317</b>	<b>11 013 410</b>			

# 11. Quarterly Budget Statements

## Table C1: Quarterly Budget Statement Summary

WC024 Stellenbosch - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	421 969	438 941	438 941	31 261	262 732	253 049	9 683	4%	438 941
Service charges	1 090 198	1 227 651	1 227 651	84 706	590 325	621 261	(30 936)	-5%	1 227 651
Investment revenue	18 770	20 397	20 397	3 590	18 942	10 199	8 743	86%	20 397
Transfers and subsidies	196 208	213 380	216 505	55 805	136 524	107 594	28 930	27%	216 505
Other own revenue	192 277	203 412	203 412	21 868	95 417	101 614	(6 197)	-6%	203 412
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 919 424</b>	<b>2 103 783</b>	<b>2 106 907</b>	<b>197 231</b>	<b>1 103 941</b>	<b>1 093 718</b>	<b>10 223</b>	<b>1%</b>	<b>2 106 907</b>
Employee costs	550 719	624 464	626 756	41 506	272 623	307 529	(34 905)	-11%	626 756
Remuneration of Councillors	19 815	21 062	21 062	2 286	11 341	10 531	810	8%	21 062
Depreciation & asset impairment	213 746	213 118	213 118	-	-	102 210	(102 210)	-100%	213 118
Finance charges	44 332	67 799	67 799	24 058	24 058	6 373	17 684	277%	67 799
Materials and bulk purchases	604 031	634 794	634 634	44 546	283 184	269 485	13 699	5%	634 634
Transfers and subsidies	13 364	14 355	17 838	334	13 062	14 258	(1 195)	-8%	17 838
Other expenditure	480 655	526 472	523 981	27 628	158 009	195 629	(37 620)	-19%	523 981
<b>Total Expenditure</b>	<b>1 926 662</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-16%</b>	<b>2 105 189</b>
<b>Surplus/(Deficit)</b>	<b>(7 239)</b>	<b>1 718</b>	<b>1 718</b>	<b>56 874</b>	<b>341 664</b>	<b>187 704</b>	<b>153 960</b>	<b>82%</b>	<b>1 718</b>
Transfers and subsidies - capital (monetary allocation)	92 495	120 030	134 761	12 993	35 116	60 703	(25 587)	-42%	134 761
Contributions & Contributed assets	30 746	33 000	33 000	20	4 054	16 500	(12 446)	-75%	33 000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>44%</b>	<b>169 479</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>44%</b>	<b>169 479</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>340 170</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>
Capital transfers recognised	94 873	132 483	154 827	13 290	37 585	56 521	(18 936)	-34%	154 827
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	128 766	140 000	165 124	20 201	43 400	83 457	(40 058)	-48%	165 124
Internally generated funds	116 481	136 790	144 532	9 958	40 583	45 664	(5 082)	-11%	144 532
<b>Total sources of capital funds</b>	<b>340 120</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>
<b>Financial position</b>									
Total current assets	1 522 415	644 346	610 164		1 769 549				610 164
Total non current assets	6 021 122	6 274 346	6 329 556		6 099 925				6 329 556
Total current liabilities	1 221 670	339 918	346 214		1 180 054				346 214
Total non current liabilities	790 133	877 341	877 341		789 558				877 341
<b>Community wealth/Equity</b>	<b>5 517 696</b>	<b>5 701 434</b>	<b>5 716 165</b>		<b>5 504 371</b>				<b>5 716 165</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 271 617	348 204	345 194	192 624	796 203	(63 186)	(859 389)	1360%	(152 235)
Net cash from (used) investing	(45 347)	(409 273)	(464 483)	-	(1 694)	(411 316)	(409 622)	100%	(885 519)
Net cash from (used) financing	(121 845)	92 883	92 883	-	-	92 961	92 961	100%	162 961
<b>Cash/cash equivalents at the month/year end</b>	<b>1 438 508</b>	<b>249 508</b>	<b>209 029</b>	<b>-</b>	<b>794 509</b>	<b>(146 106)</b>	<b>(940 615)</b>	<b>644%</b>	<b>(874 793)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	82 331	6 182	5 550	246 938	-	-	-	-	341 001
<b>Creditors Age Analysis</b>									
Total Creditors	17 934	-	-	-	-	-	-	-	17 934

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		517 935	546 657	547 227	57 514	337 829	306 886	30 943	10%	547 227
Executive and council		306	771	771	35	365	386	(20)	-5%	771
Finance and administration		517 629	545 886	545 906	57 479	337 445	306 500	30 944	10%	545 906
Internal audit		-	-	550	-	19	-	19	#DIV/0!	550
<i>Community and public safety</i>		186 577	180 572	186 957	18 655	75 958	91 383	(15 425)	-17%	186 957
Community and social services		16 503	18 285	22 273	1 346	5 059	10 047	(4 988)	-50%	22 273
Sport and recreation		3 923	1 564	1 564	-	41	672	(632)	-94%	1 564
Public safety		142 966	148 586	149 217	16 682	66 751	74 293	(7 542)	-10%	149 217
Housing		23 185	12 136	13 902	628	4 108	6 371	(2 264)	-36%	13 902
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		106 498	145 034	147 552	11 067	50 383	73 012	(22 629)	-31%	147 552
Planning and development		45 354	142 206	144 724	10 407	47 182	71 598	(24 416)	-34%	144 724
Road transport		60 826	1 503	1 503	660	3 014	752	2 262	301%	1 503
Environmental protection		318	1 325	1 325	1	187	662	(475)	-72%	1 325
<i>Trading services</i>		1 231 552	1 384 432	1 392 814	123 007	678 942	699 581	(20 639)	-3%	1 392 814
Energy sources		808 428	920 200	928 582	66 177	430 707	475 708	(45 001)	-9%	928 582
Water management		159 914	181 107	181 107	17 868	88 360	75 378	12 982	17%	181 107
Waste water management		143 732	149 836	149 836	20 487	82 805	76 575	6 231	8%	149 836
Waste management		119 478	133 289	133 289	18 475	77 069	71 920	5 149	7%	133 289
<i>Other</i>	4	103	118	118	-	-	59	(59)	-100%	118
<b>Total Revenue - Functional</b>	2	2 042 665	2 256 812	2 274 668	210 243	1 143 112	1 170 921	(27 809)	-2%	2 274 668
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		295 576	332 785	325 140	17 478	129 435	145 503	(16 068)	-11%	325 140
Executive and council		48 922	33 555	33 529	3 294	16 525	15 256	1 269	8%	33 529
Finance and administration		237 216	285 492	277 296	13 757	105 491	124 384	(18 893)	-15%	277 296
Internal audit		9 439	13 738	14 314	428	7 419	5 863	1 556	27%	14 314
<i>Community and public safety</i>		384 898	415 276	425 613	20 908	134 714	198 153	(63 439)	-32%	425 613
Community and social services		37 897	52 304	56 486	2 897	20 153	27 761	(7 608)	-27%	56 486
Sport and recreation		62 204	65 531	70 036	4 239	23 047	33 188	(10 141)	-31%	70 036
Public safety		261 734	264 286	264 334	10 994	76 690	124 081	(47 392)	-38%	264 334
Housing		23 063	33 155	34 757	2 779	14 823	13 123	1 701	13%	34 757
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		188 080	212 066	212 126	11 524	70 775	97 103	(26 328)	-27%	212 126
Planning and development		75 879	80 010	79 934	5 575	39 831	40 238	(407)	-1%	79 934
Road transport		96 342	107 911	107 911	4 486	24 131	46 539	(22 408)	-48%	107 911
Environmental protection		15 859	24 146	24 281	1 463	6 812	10 325	(3 513)	-34%	24 281
<i>Trading services</i>		1 058 109	1 141 937	1 142 311	90 446	427 353	465 255	(37 902)	-8%	1 142 311
Energy sources		636 451	678 534	678 584	46 325	285 228	293 110	(7 882)	-3%	678 584
Water management		136 100	132 424	132 394	16 922	45 499	48 301	(2 803)	-6%	132 394
Waste water management		154 847	199 471	199 471	21 588	59 825	69 750	(9 926)	-14%	199 471
Waste management		130 710	131 508	131 861	5 612	36 802	54 093	(17 291)	-32%	131 861
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	1 926 662	2 102 065	2 105 189	140 357	762 277	906 014	(143 737)	-16%	2 105 189
<b>Surplus/ (Deficit) for the year</b>		116 002	154 747	169 479	69 887	380 834	264 906	115 928	44%	169 479

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and public safety; Economic and environmental services; and Trading services.



QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)**

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	550	-	19	-	19	#DIV/0!	550
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		21 461	22 399	25 165	977	8 351	11 998	(3 647)	-30,4%	25 165
Vote 3 - INFRASTRUCTURE SERVICES		1 243 025	1 517 037	1 526 938	133 722	724 037	765 884	(41 847)	-5,5%	1 526 938
Vote 4 - COMMUNITY AND PROTECTION SERVICES		172 077	170 719	175 338	18 031	72 895	86 154	(13 258)	-15,4%	175 338
Vote 5 - CORPORATE SERVICES		5 787	11 657	11 677	882	4 128	5 828	(1 700)	-29,2%	11 677
Vote 6 - FINANCIAL SERVICES		508 718	535 000	535 000	56 631	333 682	301 057	32 624	10,8%	535 000
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 951 068</b>	<b>2 256 812</b>	<b>2 274 668</b>	<b>210 243</b>	<b>1 143 112</b>	<b>1 170 921</b>	<b>(27 809)</b>	<b>-2,4%</b>	<b>2 274 668</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		21 519	27 432	27 982	1 275	12 890	11 329	1 561	13,8%	27 982
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		73 884	87 865	87 865	7 205	41 009	41 796	(787)	-1,9%	87 865
Vote 3 - INFRASTRUCTURE SERVICES		1 171 076	1 258 869	1 258 869	95 454	458 680	514 587	(55 907)	-10,9%	1 258 869
Vote 4 - COMMUNITY AND PROTECTION SERVICES		383 488	419 003	421 558	19 584	129 930	198 056	(68 126)	-34,4%	421 558
Vote 5 - CORPORATE SERVICES		183 253	210 683	210 703	9 999	71 910	94 615	(22 705)	-24,0%	210 703
Vote 6 - FINANCIAL SERVICES		93 432	98 213	98 213	6 841	47 858	45 631	2 227	4,9%	98 213
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 926 651</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-15,9%</b>	<b>2 105 189</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>24 417</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>43,8%</b>	<b>169 479</b>

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Infrastructure Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)**

WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		421 969	438 941	438 941	31 261	262 732	253 049	9 683	4%	438 941
Service charges - electricity revenue		756 431	846 763	846 763	52 495	401 463	438 990	(37 526)	-9%	846 763
Service charges - water revenue		146 830	176 783	176 783	16 967	84 187	73 216	10 971	15%	176 783
Service charges - sanitation revenue		102 285	109 134	109 134	8 355	54 469	56 224	(1 754)	-3%	109 134
Service charges - refuse revenue		84 652	94 971	94 971	6 890	50 206	52 832	(2 626)	-5%	94 971
Rental of facilities and equipment		12 173	15 538	15 538	745	4 567	7 769	(3 202)	-41%	15 538
Interest earned - external investments		18 770	20 397	20 397	3 590	18 942	10 199	8 743	86%	20 397
Interest earned - outstanding debtors		12 859	11 391	11 391	1 702	8 907	5 604	3 303	59%	11 391
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		122 933	124 955	124 955	15 406	58 642	62 478	(3 836)	-6%	124 955
Licences and permits		7 809	5 934	5 934	378	3 990	2 967	1 023	34%	5 934
Agency services		3 020	4 281	4 281	175	1 474	2 141	(666)	-31%	4 281
Transfers and subsidies		196 208	213 380	216 505	55 805	136 524	107 594	28 930	27%	216 505
Other revenue		33 089	41 313	41 313	3 461	17 835	20 656	(2 822)	-14%	41 313
Gains		394	-	-	-	2	-	2	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 919 424</b>	<b>2 103 783</b>	<b>2 106 907</b>	<b>197 231</b>	<b>1 103 941</b>	<b>1 093 718</b>	<b>10 223</b>	<b>1%</b>	<b>2 106 907</b>
<b>Expenditure By Type</b>										
Employee related costs		550 719	624 464	626 756	41 506	272 623	307 529	(34 905)	-11%	626 756
Remuneration of councillors		19 815	21 062	21 062	2 286	11 341	10 531	810	8%	21 062
Debt impairment		84 985	97 842	97 842	6 279	6 648	48 950	(42 302)	-86%	97 842
Depreciation & asset impairment		213 746	213 118	213 118	-	-	102 210	(102 210)	-100%	213 118
Finance charges		44 332	67 799	67 799	24 058	24 058	6 373	17 684	277%	67 799
Bulk purchases - electricity		528 012	551 412	551 412	37 234	252 243	242 625	9 618	4%	551 412
Inventory consumed		76 020	83 382	83 221	7 312	30 940	26 859	4 081	15%	83 221
Contracted services		208 314	269 226	263 275	12 075	75 734	85 178	(9 444)	-11%	263 275
Transfers and subsidies		13 364	14 355	17 838	334	13 062	14 258	(1 195)	-8%	17 838
Other expenditure		186 769	159 403	162 865	9 274	75 630	61 501	14 129	23%	162 865
Losses		587	-	-	-	(2)	-	(2)	#DIV/0!	-
<b>Total Expenditure</b>		<b>1 926 662</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-16%</b>	<b>2 105 189</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(7 239)	1 718	1 718	56 874	341 664	187 704	153 960	0	1 718
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		92 495	120 030	134 761	12 993	35 116	60 703	(25 587)	(0)	134 761
Transfers and subsidies - capital (in-kind - all)		30 696	33 000	33 000	20	4 054	16 500	(12 446)	(0)	33 000
Surplus/(Deficit) after capital transfers & contributions		116 002	154 747	169 479	69 887	380 834	264 906	-	-	169 479
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	-	-	<b>169 479</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	-	-	<b>169 479</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	-	-	<b>169 479</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Table C5: Monthly Budget Statement – Capital Expenditure**

WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		43	40	40	1	36	30	8	27%	40
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		1 979	15 185	20 712	1 705	4 849	3 647	1 201	33%	20 712
Vote 3 - INFRASTRUCTURE SERVICES		98 135	324 747	361 586	37 260	96 511	158 587	(62 076)	-39%	361 586
Vote 4 - COMMUNITY AND PROTECTION SERVICES		(4 638)	25 221	29 622	248	1 673	7 314	(5 640)	-77%	29 622
Vote 5 - CORPORATE SERVICES		10 572	36 700	41 750	3 567	17 436	13 864	3 572	26%	41 750
Vote 6 - FINANCIAL SERVICES		-	250	250	-	93	194	(101)	-52%	250
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>106 089</b>	<b>402 143</b>	<b>453 961</b>	<b>42 781</b>	<b>120 600</b>	<b>183 637</b>	<b>(63 037)</b>	<b>-34%</b>	<b>453 961</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		(12 852)	-	264	-	169	48	121	252%	264
Vote 3 - INFRASTRUCTURE SERVICES		183 936	300	300	-	-	-	-	-	300
Vote 4 - COMMUNITY AND PROTECTION SERVICES		49 677	1 630	3 819	216	303	1 057	(755)	-71%	3 819
Vote 5 - CORPORATE SERVICES		12 939	5 200	6 139	451	496	900	(404)	-45%	6 139
Vote 6 - FINANCIAL SERVICES		381	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>234 080</b>	<b>7 130</b>	<b>10 522</b>	<b>667</b>	<b>967</b>	<b>2 005</b>	<b>(1 038)</b>	<b>-52%</b>	<b>10 522</b>
<b>Total Capital Expenditure</b>	3	<b>340 170</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>23 934</b>	<b>42 190</b>	<b>48 179</b>	<b>4 020</b>	<b>18 063</b>	<b>14 988</b>	<b>3 074</b>	<b>21%</b>	<b>48 179</b>
Executive and council		43	40	40	1	36	30	8	27%	40
Finance and administration		23 892	42 150	48 139	4 019	18 024	14 958	3 066	20%	48 139
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>45 072</b>	<b>34 292</b>	<b>41 420</b>	<b>837</b>	<b>3 827</b>	<b>7 549</b>	<b>(3 722)</b>	<b>-49%</b>	<b>41 420</b>
Community and social services		2 259	8 880	11 608	14	80	359	(279)	-78%	11 608
Sport and recreation		39 350	6 677	7 565	227	325	1 932	(1 607)	-83%	7 565
Public safety		16 388	3 550	5 528	78	845	3 600	(2 755)	-77%	5 528
Housing		(12 925)	15 185	16 720	519	2 577	1 658	919	55%	16 720
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>93 898</b>	<b>93 005</b>	<b>94 306</b>	<b>11 206</b>	<b>30 363</b>	<b>38 439</b>	<b>(8 076)</b>	<b>-21%</b>	<b>94 306</b>
Planning and development		35 592	21 350	27 125	2 028	7 419	14 029	(6 611)	-47%	27 125
Road transport		71 783	64 135	58 639	9 066	22 252	21 960	292	1%	58 639
Environmental protection		(13 478)	7 520	8 542	111	693	2 450	(1 757)	-72%	8 542
<b>Trading services</b>		<b>177 266</b>	<b>239 786</b>	<b>280 578</b>	<b>27 386</b>	<b>69 315</b>	<b>124 666</b>	<b>(55 351)</b>	<b>-44%</b>	<b>280 578</b>
Energy sources		65 135	77 471	95 693	3 792	13 965	39 564	(25 600)	-65%	95 693
Water management		38 226	46 669	58 302	16 456	24 899	27 671	(2 772)	-10%	58 302
Waste water management		67 777	57 300	66 108	7 043	29 632	33 501	(3 869)	-12%	66 108
Waste management		6 128	58 345	60 475	95	820	23 930	(23 110)	-97%	60 475
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>340 170</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>
<b>Funded by:</b>										
National Government		66 852	90 810	99 192	11 600	31 504	38 421	(6 918)	-18%	99 192
Provincial Government		25 643	29 220	35 569	896	4 248	11 737	(7 489)	-64%	35 569
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		2 378	12 454	20 066	794	1 833	6 363	(4 529)	-71%	20 066
Transfers recognised - capital		94 873	132 483	154 827	13 290	37 585	56 521	(18 936)	-34%	154 827
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	128 766	140 000	165 124	20 201	43 400	83 457	(40 058)	-48%	165 124
Internally generated funds	6	116 481	136 790	144 532	9 958	40 583	45 664	(5 082)	-11%	144 532
<b>Total Capital Funding</b>		<b>340 120</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections: Appropriations by vote; Standard classification and funding portion.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Table C6: Monthly Budget Statement – Financial Position**

WC024 Stellenbosch - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		96 353	60 819	20 394	21 778	20 394
Call investment deposits		347 047	188 689	188 689	499 013	188 689
Consumer debtors		182 063	248 872	248 872	200 211	248 872
Other debtors		868 130	103 499	109 571	1 007 104	109 571
Current portion of long-term receivables		-	-	-	-	-
Inventory		28 822	42 467	42 637	41 443	42 637
<b>Total current assets</b>		<b>1 522 415</b>	<b>644 346</b>	<b>610 164</b>	<b>1 769 549</b>	<b>610 164</b>
<b>Non current assets</b>						
Long-term receivables		6 721	-	-	6 721	-
Investments		-	-	-	-	-
Investment property		412 144	415 362	415 362	413 763	415 362
Investments in Associate		-	-	-	-	-
Property, plant and equipment		5 589 173	5 835 067	5 888 996	5 666 195	5 888 996
Agricultural		-	-	-	-	-
Biological assets		6 321	6 571	6 571	5 143	6 571
Intangible assets		5 726	6 480	6 480	7 067	6 480
Other non-current assets		1 037	10 865	12 146	1 037	12 146
<b>Total non current assets</b>		<b>6 021 122</b>	<b>6 274 346</b>	<b>6 329 556</b>	<b>6 099 925</b>	<b>6 329 556</b>
<b>TOTAL ASSETS</b>		<b>7 543 537</b>	<b>6 918 692</b>	<b>6 939 720</b>	<b>7 869 474</b>	<b>6 939 720</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		51 902	50 847	50 847	29 540	50 847
Consumer deposits		22 155	22 961	22 961	23 416	22 961
Trade and other payables		1 083 409	137 777	144 074	1 069 651	144 074
Provisions		64 204	128 332	128 332	57 447	128 332
<b>Total current liabilities</b>		<b>1 221 670</b>	<b>339 918</b>	<b>346 214</b>	<b>1 180 054</b>	<b>346 214</b>
<b>Non current liabilities</b>						
Borrowing		428 952	524 045	524 045	428 952	524 045
Provisions		361 181	353 295	353 295	360 606	353 295
<b>Total non current liabilities</b>		<b>790 133</b>	<b>877 341</b>	<b>877 341</b>	<b>789 558</b>	<b>877 341</b>
<b>TOTAL LIABILITIES</b>		<b>2 011 803</b>	<b>1 217 259</b>	<b>1 223 555</b>	<b>1 969 612</b>	<b>1 223 555</b>
<b>NET ASSETS</b>	2	<b>5 531 734</b>	<b>5 701 434</b>	<b>5 716 165</b>	<b>5 899 862</b>	<b>5 716 165</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		5 355 205	5 676 719	5 691 450	5 332 484	5 691 450
Reserves		162 491	24 715	24 715	171 887	24 715
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>5 517 696</b>	<b>5 701 434</b>	<b>5 716 165</b>	<b>5 504 371</b>	<b>5 716 165</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Table C7: Monthly Budget Statement – Cash Flow**

WC024 Stellenbosch - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		1 452 016	421 433	421 433	140 993	606 527	210 717	395 810	188%	421 433
Service charges		733 711	1 339 862	1 339 862	74 467	496 497	674 896	(178 399)	-26%	1 339 862
Other revenue		11 634	354 937	354 937	3 108	19 591	177 468	(157 878)	-89%	354 937
Transfers and Subsidies - Operational		4 199	241 730	241 845	0	1 232	120 865	(119 633)	-99%	241 845
Transfers and Subsidies - Capital		40 179	124 900	124 900	-	-	45 950	(45 950)	-100%	91 900
Interest		2 318	20 397	20 397	348	2 667	10 199	(7 532)	-74%	20 397
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(970 490)	(2 073 904)	(2 077 028)	(16 696)	(320 713)	(1 262 705)	(941 992)	75%	(2 541 458)
Finance charges		-	(66 796)	(66 796)	-	-	(33 398)	(33 398)	100%	(66 796)
Transfers and Grants		(1 950)	(14 355)	(14 355)	(9 597)	(9 597)	(7 178)	2 420	-34%	(14 355)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 271 617</b>	<b>348 204</b>	<b>345 194</b>	<b>192 624</b>	<b>796 203</b>	<b>(63 186)</b>	<b>(859 389)</b>	<b>1360%</b>	<b>(152 235)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	33 000
Decrease (increase) in non-current receivables		(6 721)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(38 626)	(409 273)	(464 483)	-	(1 694)	(411 316)	(409 622)	100%	(918 519)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(45 347)</b>	<b>(409 273)</b>	<b>(464 483)</b>	<b>-</b>	<b>(1 694)</b>	<b>(411 316)</b>	<b>(409 622)</b>	<b>100%</b>	<b>(885 519)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(144 000)	140 000	140 000	-	-	70 000	(70 000)	-100%	140 000
Increase (decrease) in consumer deposits		22 155	-	-	-	-	22 961	(22 961)	-100%	22 961
<b>Payments</b>										
Repayment of borrowing		-	(47 117)	(47 117)	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(121 845)</b>	<b>92 883</b>	<b>92 883</b>	<b>-</b>	<b>-</b>	<b>92 961</b>	<b>92 961</b>	<b>100%</b>	<b>162 961</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 104 425</b>	<b>31 813</b>	<b>(26 406)</b>	<b>192 624</b>	<b>794 509</b>	<b>(381 541)</b>			<b>(874 793)</b>
Cash/cash equivalents at beginning:		334 083	217 695	235 435			235 435			-
Cash/cash equivalents at month/year end:		1 438 508	249 508	209 029		794 509	(146 106)			(874 793)

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

## 12. Supporting Documentation

### Debtors Age Analysis

#### Supporting Table SC3: Monthly Budget Statement - Aged Debtors

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2022/23									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	14 410	2 425	2 029	106 453	-	-	-	-	125 316	106 453	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	36 269	511	510	16 203	-	-	-	-	53 493	16 203	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	18 492	1 042	921	35 962	-	-	-	-	56 417	35 962	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 274	803	655	28 177	-	-	-	-	35 910	28 177	-	-
Receivables from Exchange Transactions - Waste Management	1600	5 367	982	946	35 068	-	-	-	-	42 364	35 068	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	561	219	212	11 655	-	-	-	-	12 647	11 655	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	958	200	277	13 419	-	-	-	-	14 854	13 419	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>82 331</b>	<b>6 182</b>	<b>5 550</b>	<b>246 938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341 001</b>	<b>246 938</b>	<b>-</b>	<b>-</b>
<b>2021/22 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 958	151	110	764	-	-	-	-	3 982	764	-	-
Commercial	2300	14 564	285	155	19 726	-	-	-	-	34 730	19 726	-	-
Households	2400	48 418	5 312	4 781	196 177	-	-	-	-	254 689	196 177	-	-
Other	2500	16 391	434	503	30 271	-	-	-	-	47 600	30 271	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>82 331</b>	<b>6 182</b>	<b>5 550</b>	<b>246 938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341 001</b>	<b>246 938</b>	<b>-</b>	<b>-</b>

### Creditors Age Analysis

#### Supporting Table SC4: Monthly Budget Statement – Aged Creditors

WC024 Stellenbosch - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description	NT Code	Budget Year 2022/23									Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	7 820	-	-	-	-	-	-	-	-	7 820
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	10 114	-	-	-	-	-	-	-	-	10 114
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>17 934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 934</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Investments and Borrowings**

**Supporting Table SC5: Monthly Budget Statement – Investment Portfolio**

WC024 Stellenbosch - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
<b>Municipality</b>									
A#415		CALL ACCOUN	Deposits - Ban	12/10/2022	415	4,20%	83 847	(20 000)	64 262
N#024		1Y	Deposits - Ban	12/10/2022	-	5,80%	-	-	-
A#5300		5M	Deposits - Ban	19/08/2022	-	5,58%	-	-	-
N#025		6M	Deposits - Ban	22/09/2022	-	6,10%	-	-	-
N#026		1Y	Deposits - Ban	21/06/2023	129	7,95%	19 738	-	19 867
S#035		1Y	Deposits - Ban	21/06/2023	565	7,73%	83 731	-	84 296
S#036		1Y	Deposits - Ban	23/08/2023	-	6,53%	(0)	-	(0)
A#2148		6M	Deposits - Ban	15/02/2023	677	7,49%	101 580	-	102 257
A#0884		6M	Deposits - Ban	14/04/2023	357	7,90%	50 530	-	50 887
N#028		1Y	Deposits - Ban	13/10/2023	769	9,05%	101 215	-	101 984
S#037		2M	Deposits - Ban	11/01/2023	330	7,30%	50 490	-	50 820
									-
Entities sub-total					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>3 242</b>		<b>491 131</b>	<b>(20 000)</b>	<b>474 373</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Supporting Table SC6: Monthly Budget Statement – Transfers and grant receipts**

WC024 Stellenbosch - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:		164 684	186 112	186 112	59 279	134 336	3 239	131 097	4047,5%	6 478
Operational Revenue:General Revenue:Equitable Share		157 136	179 634	179 634	59 279	129 336	-	129 336	#DIV/0!	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		5 998	4 928	4 928	-	3 450	2 464	986	40,0%	4 928
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	-	1 550	775	775	100,0%	1 550
Integrated Urban Development Grant		3 847	3 287	3 287	-	-	1 644	(1 644)	-100,0%	3 287
Provincial Government:		26 899	30 371	30 371	-	10 086	11 740	(1 654)	-14,1%	23 481
Library Services: Conditional Grant		11 144	14 112	14 112	-	9 408	7 056	2 352	33,3%	14 112
Municipal Accreditation and Capacity Building Grant		252	256	256	-	-	128	(128)	-100,0%	256
HUMAN SETTLEMENTS DEVELOPMENT GRANT		9 613	6 890	6 890	-	-	-	-	-	-
Local Government Public Employment Support Grant		1 800	-	-	-	-	-	-	-	-
Financial Management Capacity Building Grant		550	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure		-	495	495	-	-	248	(248)	-100,0%	495
Specify (Add grant description)		250	-	-	-	-	-	-	-	-
Community Development Workers Operational Support Grant		38	38	38	-	38	19	19	100,0%	38
Municipal Library Support Grant		3 252	-	-	-	-	-	-	-	-
Western Cape Municipal Energy Resilience Grant (WC MER Grant)		-	1 690	1 690	-	640	845	(205)	-24,3%	1 690
District Municipality:		984	500	615	-	-	250	(250)	-100,0%	615
Cape Winelands District Grant 2		984	500	500	-	-	250	(250)	-100,0%	500
Cape Winelands District Grant Community safety		-	-	115	-	-	-	-	-	115
Other grant providers:		675	-	-	12	203	-	203	#DIV/0!	-
Private Enterprises		656	-	-	12	203	-	203	#DIV/0!	-
Public Corporations		18	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>193 242</b>	<b>216 983</b>	<b>217 098</b>	<b>59 291</b>	<b>144 625</b>	<b>15 229</b>	<b>129 396</b>	<b>849,6%</b>	<b>30 574</b>
<b>Capital Transfers and Grants</b>										
National Government:		76 494	90 810	90 810	13 147	51 300	45 405	5 895	13,0%	90 810
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		23 400	28 350	28 350	-	25 000	14 175	10 825	76,4%	28 350
Integrated Urban Development Grant		53 094	62 460	62 460	13 147	26 300	31 230	(4 930)	-15,8%	62 460
Provincial Government:		17 382	29 660	29 660	-	2 963	14 720	(11 757)	-79,9%	29 440
Library Services: Conditional Grant		100	-	-	-	-	-	-	-	-
RSEP/ VPUU		1 000	-	-	-	-	-	-	-	-
Development of Sport and Recreational Facilities		220	220	220	-	-	-	-	-	-
Human Settlements Development Grant		7 078	8 150	8 150	-	2 963	4 075	(1 112)	-27,3%	8 150
Western Cape Municipal Energy Resilience Grant (WC MER Grant)		1 310	440	440	-	-	220	(220)	-100,0%	440
Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)		7 674	20 850	20 850	-	-	10 425	(10 425)	-100,0%	20 850
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Non-Profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>93 876</b>	<b>120 470</b>	<b>120 470</b>	<b>13 147</b>	<b>54 263</b>	<b>60 125</b>	<b>(5 862)</b>	<b>-9,7%</b>	<b>120 250</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>287 118</b>	<b>337 453</b>	<b>337 568</b>	<b>72 438</b>	<b>198 888</b>	<b>75 354</b>	<b>123 533</b>	<b>163,9%</b>	<b>150 824</b>



QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Supporting Table SC7 (1) Monthly Budget Statement – transfers and grant expenditure**

WC024 Stellenbosch - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		168 531	189 399	189 399	4 592	26 667	-	26 667	#DIV/0!	-
Operational Revenue:General Revenue:Equitable Share		157 136	179 634	179 634	4 406	24 744	-	24 744	#DIV/0!	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		5 998	4 928	4 928	-	1 390	-	1 390	#DIV/0!	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	186	279	-	279	#DIV/0!	-
Integrated Urban Development Grant		3 847	3 287	3 287	-	254	-	254	#DIV/0!	-
Provincial Government:		20 200	23 481	23 481	1 092	11 226	-	11 226	#DIV/0!	-
Library Services: Conditional Grant		9 336	14 112	14 112	631	4 270	-	4 270	#DIV/0!	-
Municipal Accreditation and Capacity Building Grant		77	256	256	-	118	-	118	#DIV/0!	-
HUMAN SETTLEMENTS DEVELOPMENT GRANT		7 973	6 890	6 890	-	6 342	-	6 342	#DIV/0!	-
Local Government Public Employment Support Grant		1 800	-	-	-	-	-	-	-	-
Financial Management Capacity Building Grant		-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure		-	495	495	453	487	-	487	#DIV/0!	-
Specify (Add grant description)		432	-	-	-	-	-	-	-	-
Community Development Workers Operational Support Grant		38	38	38	8	9	-	9	#DIV/0!	-
Municipal Library Support Grant		150	-	-	-	-	-	-	-	-
Integrated Transport Planning Grant		-	-	-	-	-	-	-	-	-
Western Cape Municipal Energy Resilience Grant (WC MER Grant)		-	1 690	1 690	-	-	-	-	-	-
District Municipality:		500	500	615	-	-	-	-	-	-
Cape Winelands District Grant 2		500	500	500	-	-	-	-	-	-
Cape Winelands District Grant Community safety		-	-	115	-	-	-	-	-	-
Other grant providers:		41	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		41	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>189 272</b>	<b>213 380</b>	<b>213 495</b>	<b>5 684</b>	<b>37 893</b>	<b>-</b>	<b>37 893</b>	<b>#DIV/0!</b>	<b>-</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		66 852	90 810	90 810	11 600	31 553	-	31 553	#DIV/0!	-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		13 758	28 350	28 350	2 003	2 959	-	2 959	#DIV/0!	-
Metro Informal Settlements Partnership Grant		53 094	62 460	62 460	9 597	28 593	-	28 593	#DIV/0!	-
Provincial Government:		18 833	29 220	29 220	436	3 612	-	3 612	#DIV/0!	-
Western Cape Municipal Energy Resilience Grant (WC MER Grant)		710	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Integrated Transport Planning Grant		600	-	-	-	-	-	-	-	-
Library Services: Conditional Grant		337	-	-	-	-	-	-	-	-
RSEP/ VPUU		2 148	-	-	-	-	-	-	-	-
Development of Sport and Recreational Facilities		600	220	220	-	-	-	-	-	-
Human Settlements Development Grant		7 229	8 150	8 150	(26)	254	-	254	#DIV/0!	-
Specify (Add grant description)		1 281	-	-	-	-	-	-	-	-
Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)		5 928	20 850	20 850	463	3 359	-	3 359	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA)		-	-	-	-	-	-	-	-	-
Other grant providers:		307	-	-	-	-	-	-	-	-
National Lotteries Board		307	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>85 992</b>	<b>120 030</b>	<b>120 030</b>	<b>12 036</b>	<b>35 165</b>	<b>-</b>	<b>35 165</b>	<b>#DIV/0!</b>	<b>-</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>275 264</b>	<b>333 410</b>	<b>333 525</b>	<b>17 720</b>	<b>73 058</b>	<b>-</b>	<b>73 058</b>	<b>#DIV/0!</b>	<b>-</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

**Supporting Table SC7 (2) Monthly Budget Statement – expenditure against approved roll-overs**

WC024 Stellenbosch - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Q2 Second Quarter

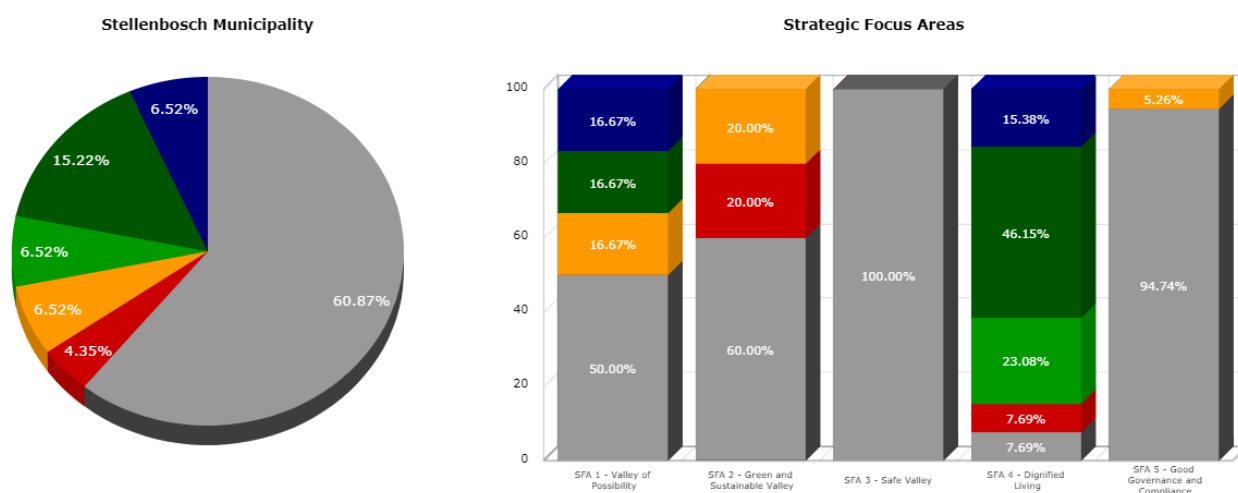
Description	Ref	Budget Year 2022/23				
		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
National Government:		-	-	-	-	
Operational Revenue:General Revenue:Equitable Share		-	-	-	-	
Provincial Government:		2 378	-	-	(2 378)	-100,0%
Library Services: Conditional Grant		1 808	-	-	(1 808)	-100,0%
Financial Management Capacity Building Grant		20	-	-	(20)	
WC Financial Management Support Grant		550	-	-	(550)	
Maintenance and Construction of Transport Infrastructure		-	-	-	-	
District Municipality:		631	484	484	(147)	-23,3%
Cape Winelands District Grant 2		484	484	484	-	
Cape Winelands District Grant		147	-	-	(147)	-100,0%
Other grant providers:		-	-	-	-	
Departmental Agencies and Accounts		-	-	-	-	
Foreign Government and International Organisations		-	-	-	-	
Households		-	-	-	-	
Non-profit Institutions		-	-	-	-	
Private Enterprises		-	-	-	-	
Public Corporations		-	-	-	-	
Higher Educational Institutions		-	-	-	-	
Parent Municipality / Entity		-	-	-	-	
<b>Total operating expenditure of Approved Roll-overs</b>		<b>3 009</b>	<b>484</b>	<b>484</b>	<b>(2 525)</b>	<b>-83,9%</b>
<b>Capital expenditure of Approved Roll-overs</b>						
National Government:		8 382	-	-	(8 382)	-100,0%
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		8 382	-	-	(8 382)	-100,0%
Provincial Government:		6 349	-	-	(6 349)	-100,0%
HUMAN SETTLEMENTS DEVELOPMENT GRANT		1 518	-	-	(1 518)	-100,0%
Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)		1 766	-	-	(1 766)	-100,0%
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		1 000	-	-	(1 000)	-100,0%
Library Services: Conditional Grant		2 065	-	-	(2 065)	
District Municipality:		-	-	-	-	
Safety Initiative Implementation-whole of society approach (WOSA)		-	-	-	-	
Other grant providers:		-	-	-	-	
Departmental Agencies and Accounts		-	-	-	-	
<b>Total capital expenditure of Approved Roll-overs</b>		<b>14 731</b>	<b>-</b>	<b>-</b>	<b>(14 731)</b>	<b>-100,0%</b>
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		<b>17 740</b>	<b>484</b>	<b>484</b>	<b>(17 256)</b>	<b>-97,3%</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

12. QUARTERLY PERFORMANCE ASSESSMENT REPORT 2022/23, Q2 (01 October – 31 December 2022)

12.1 OVERALL PERFORMANCE OF THE MUNICIPALITY

(a) Dashboard summary per Municipal Strategic Focus Area (SFA) for the 2<sup>nd</sup> Quarter (01 October – 31 December 2022) of the 2022/23 financial year.



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	28 (60.87%)	3 (50%)	3 (60%)	3 (100%)	1 (7.69%)	18 (94.74%)
KPI Not Met	2 (4.35%)	-	1 (20%)	-	1 (7.69%)	-
KPI Almost Met	3 (6.52%)	1 (16.67%)	1 (20%)	-	-	1 (5.26%)
KPI Met	3 (6.52%)	-	-	-	3 (23.08%)	-
KPI Well Met	7 (15.22%)	1 (16.67%)	-	-	6 (46.15%)	-
KPI Extremely Well Met	3 (6.52%)	1 (16.67%)	-	-	2 (15.38%)	-
<b>Total:</b>	<b>46</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>19</b>
	100%	13.04%	10.87%	6.52%	28.26%	41.30%

Table: 1 Overall performance for Quarter 2 per SFA- 01 October – 31 December 2022

**13. ACTUAL PERFORMANCE AND CORRECTIVE MEASURES TO BE IMPLEMENTED**

**13.1 SFA 1 - Valley of Possibility**

SFA 1 - Valley of Possibility										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL6	KPI001	Submission of the Economic Development Strategy to the MayCo	Number of Economic Development Strategies submitted to the MayCo by 31 March	1	1	0	0	N/A		
TL7	KPI003	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 400	1 400	900	891	○	The performance target was just missed	Improved liaison with user departments, specifically with the Section: Area Cleaning to be implemented. The shortfall will be made up in quarters 3 and 4.
TL8	KPI004	Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application	Percentage of land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application	80%	80%	80%	100%	G2	2 / 2 x 100 = 100%	
TL9	KPI005	Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided to entrepreneurs and SMMEs	4	4	1	4	B		
TL10	KPI006	Submission of the revised Spatial Development Framework (SDF) to the Council	Number of revised SDFs submitted to the Council by 30 June	1	1	0	0	N/A		
TL11	KPI007	Submission of the revised Housing Pipeline (document) to the MayCo	Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May	1	1	0	0	N/A		

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

Summary of Results: SFA 1 - Valley of Possibility

KPI Not Yet Measured	3
KPI Not Met	0
KPI Almost Met	1
KPI Met	0
KPI Well Met	1
KPI Extremely Well Met	1
<b>Total KPIs</b>	<b>6</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

13.2 SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL14	KPI020	Conduct an External Audit of the Stellenbosch Municipal Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	1	1	0	0	N/A		
TL15	KPI021	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	0	0	N/A		
TL16	KPI014	Process building plan applications of <500sqm within 30 days after the date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt	75%	75%	75%	33.10%	R	<p>95 / 287 x 100 = 33.10%.</p> <p>The Manager: BDM resigned from the employ of the municipality on 31 July 2022 and a new Manager: BDM could only be appointed as of 01 November 2022 which impacted the smooth transition to BPAMS version 2 and on the day-to-day management of BDM applications.</p> <p>Furthermore, the BDM Section physically moved offices over the period of the last week in October 2022 and the first week in November 2022. During this period there were various issues with the BPAMS system accessibility by internal staff due to the physical move which impacted heavily on the meeting of the 30-day performance target for building plans under 500 sqm.</p>	<p>The capacity constraints of the Section: BDM have been addressed with the Municipal Manager having approved funding for additional capacity in terms of 1 x additional Plans Examiner and 1 x additional Chief Building Inspector. Recruitment of additional capacity will occur over the next 3-6 months. Furthermore, improved liaison with internal commenting departments is required.</p>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

SFA 2 - Green and Sustainable Valley

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL17	KP022	Wastewater quality measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly	70%	70%	70%	64%	○	<p>Klapmuts WWTW running close to capacity and maintenance issues are being resolved. Loadshedding impacts treatment ability when generator maintenance issues arise. Skills shortage / vacant posts.</p> <p>Wemmershoek WWTW running close to capacity and various maintenance issues are being resolved. Loadshedding impacts sludge removal at present.</p> <p>Stellenbosch WWTW is currently having various maintenance issues resolved. Electricity loadshedding has an additional effect on sludge removal.</p>	<p>The effluent discharge limits for Stellenbosch WWTW and Wemmershoek WWTW have been discussed with the Department of Water and Sanitation. Once DWS agree to the relaxation, Stellenbosch WWTW and Wemmershoek WWTW compliance should improve.</p> <p>The upgrade of the Priël WWTW is currently under construction. Final Mechanical installations are in progress and the new process is already resulting in improved effluent quality.</p> <p>The phase 1 upgrade BSM 28/21 of Wemmershoek WWTW is completed (minor snags remain). The sludge handling process will assist with carry-over and improved water quality. Phase 2 of the upgrade is to increase capacity and add filtration. The position of assistant superintendent needs to be filled. The 2 x SPO posts (Stellenbosch and Rural SPOs) are critical posts that need to be filled.</p> <p>Contractors are busy with multiple maintenance activities to improve plant performance.</p>
TL19	KPI016	Reduce organic waste	Percentage of organic waste reduced by 30 June	20%	20%	0%	0%	N/A		

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

Summary of Results: SFA 2 - Green and Sustainable Valley

KPI Not Yet Measured	3
KPI Not Met	1
KPI Almost Met	1
KPI Met	0
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>5</b>



13.3 SFA 3 - Safe Valley

SFA 3 - Safe Valley										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL20	KPI024	Submission of the revised Disaster Management Plan to the Municipal Manager	Number of revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A		
TL21	KPI025	Submission of the revised Safety and Security Strategy to the Municipal Manager	Number of revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	1	1	0	0	N/A		
TL22	KPI026	Submission of the revised Traffic Management Plan to the Municipal Manager	Number of revised Traffic Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A		

Summary of Results: SFA 3 - Safe Valley

KPI Not Yet Measured	3
KPI Not Met	0
KPI Almost Met	0
KPI Met	0
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>3</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

13.4 SFA 4 - Dignified Living

SFA 4 - Dignified Living										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL23	KPI027	Installation of new standpipes	Number of new standpipes installed by 30 June	50	50	20	26	G2		
TL24	KPI028	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	50	50	20	36	B		
TL25	KPI032	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	G	5 789 / 5789 x 100 = 100%	
TL26	KPI029	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	Percentage of average electricity losses, measured by 30 June	<9%	<9%	0%	0%	N/A		
TL27	KPI030	Water quality measured quarterly to the SANS 241 physical and micro parameters	Percentage of water quality level as per the analysis certificate, measured quarterly	90%	90%	90%	96.90%	G2		
TL28	KPI031	Limit unaccounted water to less than 25%	Percentage of average water losses, measured by 30 June	<25%	<25%	<25%	27.70%	R	3 061 489kl / 11 051 435kl x 100 = 27.70% A joint investigation between the Directorate: Infrastructure Services and the Department: Revenue and Expenditure revealed that non-paying customers are using excessive water	Smart water meters will be installed for these customers and their usage will be restricted when above the basic service. The investigation also revealed the faulty meters that will be replaced.
TL29	KPI033	Registered indigent formal households with access to free basic electricity provided by the	Percentage of registered indigent formal households with access to free basic electricity	65%	65%	65%	100%	B	5 789 / 5 789 x 100 = 100%	

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

SFA 4 - Dignified Living

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
		municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	provided by the municipality, measured quarterly							
TL30	KPI034	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	G	5 789 / 5 789 x 100 = 100%	
TL31	KPI035	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	G	5 789 / 5 789 x 100 = 100%	
TL32	KPI036	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 000	26 000	26 000	26 891	G2		
TL33	KPI037	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 000	26 000	26 000	26 891	G2		
TL34	KPI038	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 000	26 000	26 000	26 891	G2		
TL35	KPI039	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 000	26 000	26 000	26 891	G2		

Summary of Results: SFA 4 - Dignified Living

KPI Not Yet Measured	1
KPI Not Met	1
KPI Almost Met	0
KPI Met	3
KPI Well Met	6
KPI Extremely Well Met	2
<b>Total KPIs</b>	<b>13</b>

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

13.5 SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL1	KPI059	Submission of the revised Communication Policy to the MayCo	Number of revised Communication Policies submitted to the MayCo by 30 June	1	1	0	0	N/A		
TL2	KPI044	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	50%	50%	0%	0%	N/A		
TL3	KPI049	Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC	Number of AGSA Audit Action Plans submitted to the APAC by 28 February	1	1	0	0	N/A		
TL4	KPI053	Submission of the draft Integrated Development Plan (IDP) to the Council	Number of draft IDPs submitted to the Council by 31 March	1	1	0	0	N/A		
TL5	KPI041	Submission of the revised Integrated Zoning Scheme to the MayCo	Number of revised Integrated Zoning Schemes submitted to the MayCo by 30 June	1	1	0	0	N/A		
TL12	KPI055	Submission of the revised Wastewater Master Plan to the Municipal Manager	Number of revised Wastewater Master Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A		
TL13	KPI060	Submission of the revised Roads Master Plan to the Municipal Manager	Number of revised Roads Master Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A		
TL18	KPI058	Submission of an Integrated Property Maintenance Plan to the Municipal Manager	Number of Integrated Property Maintenance Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A		
TL36	KPI042	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed	4	4	0	0	N/A		

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
			Operational Expenditure excluding (Depreciation)							
TL37	KPI043	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	96%	96%	0%	0%	N/A		
TL38	KPI040	Actual expenditure on the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	90%	90%	30%	26.17%	○	R121 567 496 / R464 483 073 x 100 = 26.17% The advertisement of tenders was delayed due to the new Preferential Procurement Regulations that came into effect on 16 January 2023.	A detailed performance assessment was conducted during the Mid-Year adjustment budget and projects shifted to the outer years for which tenders are not in place.
TL39	KPI045	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	0.20%	0.20%	0%	0%	N/A		
TL40	KPI046	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	15%	15%	0%	0%	N/A		
TL41	KPI047	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	27%	27%	0%	0%	N/A		
TL42	KPI054	Submission of the IDP / Budget / SDF time schedule (process plan) to the Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August	1	1	0	0	N/A		

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

SFA 5 - Good Governance and Compliance										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2022				
						Target	Actual	R	Performance Comment	Corrective Measures
TL43	KPI051	Submission of the revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan to the ICT Steering Committee	Number of revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A		
TL44	KPI052	Submission of the revised Strategic ICT Plan to the ICT Steering Committee	Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A		
TL45	KPI048	Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and Performance Committee (APAC)	Number of revised RBAPs submitted to the APAC by 30 June	1	1	0	0	N/A		
TL46	KPI050	Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee	Number of revised SRRs submitted to the Risk Management Committee by 30 June	1	1	0	0	N/A		

Summary of Results: SFA 5 - Good Governance and Compliance

KPI Not Yet Measured	18
KPI Not Met	0
KPI Almost Met	1
KPI Met	0
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>19</b>

## QUARTERLY BUDGET STATEMENT FOR DECEMBER 2022

### 14. STRATEGIC PERFORMANCE CONCLUSION

- (a) Out of the 46 Key Performance Indicators (KPIs) listed on the Top layer SDBIP 2022/23 (quarter 2), 28 were not measured, 02 KPIs were not met, 03 were met and 07 were well met.

KPI Not Yet Measured	28
KPI Not Met	2
KPI Almost Met	3
KPI Met	3
KPI Well Met	7
KPI extremely well met	3
<b>Total KPIs</b>	<b>46</b>

#### Summary of Results: Strategic Focus Areas 1 - 5

6.5	<b>MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2022/2023</b>
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Collaborator No: 742566  
IDP KPA Ref No: Good Governance and Compliance  
Meeting Date: 19 January 2023

**1. SUBJECT: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2022/2023**

**2. PURPOSE**

To submit the Section 72 report (Mid-year Budget and Performance Assessment Report) to Council.

**3. DELEGATED AUTHORITY**

**FOR NOTICE BY MUNICIPAL COUNCIL**

In terms of Section 54 of the Municipal Finance Management Act (MFMA), 56 of 2003.

**4. EXECUTIVE SUMMARY**

This report provides the progress made by the Municipality in terms of the Service Delivery Budget and Implementation Plan (SDBIP) for the period 1 July 2022 to 31 December 2022.

**5. RECOMMENDATIONS**

- (a) that Council take note of the report and more specifically the assessment and forecasts contained in the report,
- (b) that Council take note that an Adjustments Budget will be tabled to Council as a result of the following:
  - the appropriation of additional allocations received and increased realistically anticipated revenue during the financial year;
  - the reprioritization of projects in line with being completed by the communicated cut-off dates to facilitate year- end preparation;
- (c) that Council notes the performance of the Municipality against the set objectives contained in Section 2; and
- (d) that the Accounting Officer attend to ensuring that Directors put the necessary corrective measures in place to ensure that projects are managed proactively in a bid to ensure that Council meet its strategic objectives contained in the Service Delivery and Budget Implementation Plan and to report on same at the end of quarter.

**6. DISCUSSION / CONTENTS**

**6.1 Background**

In terms of the Municipal Finance Management Act (MFMA) Section 72(1) the Accounting Officer of the municipality must by 25 January each year assess:



- 
- (a) the performance of the municipality during the first half of the financial year; taking into account the following:
    - (i) the monthly statements referred to in Section 71 for the first half of the financial year;
    - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
    - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
  - (b) submit a report on such assessment to-
    - (i) the mayor of the municipality;
    - (ii) the National Treasury; and
    - (iii) the relevant Provincial Treasury

Once the Mayor has considered the section 72 report, it must be submitted to Council by the 31st of January of each year in terms of section 54 (1) (f) of the MFMA.

The statements as referred to in section 71 (1) of the MFMA for the first half of the financial year, specifically the sixth month, is incorporated into the mid-year budget and performance assessment in accordance with section 72 (2) of the MFMA.

As part of the review in terms of Section 72 (3) the Accounting Officer must:

- (a) make recommendations on whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

## 6.2 Discussion

The Financial Mid-Year Performance is reported on in **APPENDIX 1** (Section 1). This report encapsulates the performance of the first six months of the financial year and places emphasis on the positive as well as the areas of concern.

The condensed comparative statement report for operating revenue and operating expenditure for the period ending 31 December 2022 can be found in the budget performance analysis of the attached report. It should however be noted that the following services included in the Operating Revenue relate to actual levied amounts against consumer accounts and not actual cash received:

- Property Rates
- Property Rates-Penalties imposed and collection charges
- Service Charges
  - Electricity
  - Refuse Removal
  - Sewerage

- Water
- Interest earned-Outstanding Debtors

It is important to note that in the past the following services were levied for the full year and minimal movement were seen for the rest of the financial year:

- Property Rates
- Refuse Removal
- Sewerage

Due to the implementation of mSCOA all services are levied on a monthly basis and consumers must apply if they want annual levies for above services.

### **Operational Revenue**

#### **Service charges - electricity revenue**

The municipality has billed R37 526 233 less electricity charges than initially anticipated. The largest under performance relates to the low usage during peak times reflected for the time of use tariffs (R25 222 820) and Domestic High prepaid (R38 029 427). The underperformance is due to prolonged load shedding outages and consumers finding alternative energy sources. Considering the consumption over the past 6 months of the current financial year, the average consumption (R66 909 106), a decreasing trend in collections over the past 3 months at an average of R10 160 377 as well as the tariff increase of 7.9%, the current budget of R837 368 479 is deemed unattainable. It is recommended that the budget be reduced with approximately R34 455 166 during the Mid-year adjustment budget process.

#### **Interest Earned- External Investments**

An over performance was noted for interest earned – external investments to the amount of R8 743 281. The variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. The municipality has also invested additional funds which has resulted in an increase in the earnings from investments. Considering the monthly average over the past 6 months R3 156 990 it is recommended that the budget be increased by R15 020 095 during the mid-year adjustment process.

#### **Rental of facilities and equipment**

An under performance is noted for the Rental of facilities and equipment to the amount of R3 201 536. Considering the average of the actuals generated over the past three (3) financial years amounting to R11 150 870 and the average monthly revenue (R761 237), the current budget of R15 537 894 is deemed unattainable. It is recommended that the budget be reduced by R5 439 211 during the mid-year adjustment process.

#### **Interest earned – outstanding debtors**

An over performance was noted for the interest earned on outstanding debtors. This is due to the increases in the prime interest rate and the overall increase in debt. Considering the monthly average over the past 6 months (R1 484 423), it renders the adjustment budget of R11 391 237 as insufficient and it is recommended that the budget be increased with R6 947 414 during the mid-year adjustment budget process

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The transfers and subsidies will be increased by R2 492 000 during the Mid-year Adjustment budget process due to the following;

- An increase in the budget due to additional as well as new grant allocations in respect of the following:
  - Western Cape Financial Management Capability Grant to the amount of R300 000.
  - Human Settlements Development Grant to the amount of R3 208 000.
  - Maintenance and Construction of Transport infrastructure to the amount of R4 500 000.
  - (This amount pertains to funds gazetted and expensed in the previous financial year and will be utilised to clear the existing debtor)
  - A decrease in the grant funding in respect of the following;
  - Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) to the amount of R10 350 000.
- A decrease in the grant funding in respect of the following:
  - Human Settlements Development Grant to the amount of R11 059 000 due to the funding being gazetted under a new grant (Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)) and a R23 000 reduction in the roll over approval granted during August 2021 as a result of a debtor which had been cleared subsequent to the application.
- A revised funding allocation letter has been approved by the transferring department indicating that an amount of R1 808 460 will be moved from the operating budget to the capital budget for the Library Services Conditional Grant.

An under performance is noted for other revenue to the amount of R2 821 556. The budget will be decreased during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following;

- Operational Revenue: Merchandising, Jobbing and Contracts (Electrical Services)  
An underperformance of R1 279 937 has been noted. However, the past three (3) financial years yielded an average income of R1 307 373 per year. This renders the adjustment budget of R4 994 321 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- Sales of Goods and Rendering of Services: Encroachment Fees (Property Management)  
An overperformance of R1 483 401 has been noted. The past three financial years yielded an average income of R2 325 862 per year, however, considering the monthly average for the past 6 months (R455 567) it is recommended that the budget be increased during the Mid-year adjustment process.
- Sales of Goods and Rendering of Services: Parking Fees  
An under performance of R6 856 596 has been noted for Parking fees. The municipality has generated an average of R7 666 787 over the past 3 financial years and has generated R2 152 499 to date. Considering the monthly average over the past 6 months (R358 749), it renders the adjustment budget of R13 713 186 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process with approximately R9 316 000.

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### Operating Expenditure

The expenditure to date reflects an under spending of R143 736 916 when comparing the financial performance of the first six months to the pro-rata budget.

It should be noted that the budget items reflected an under spending when compared to the year-to-date budget and are as follows:

- Employee costs: An underperformance of R34 905 443 is noted against the year-to-date budget projections. The employee related cost budget will be reduced based on the year to date actual amounts and historical trends with R35 870 257 during the mid-year adjustment budget process.
- Materials and Bulk purchases: An over performance of R13 698 967 is noted for materials and bulk purchases. An increase of approximately R559 000 will be implemented during the Mid-year adjustment budget process for materials and supplies. The increase is necessitated to make provision for adequate funding needed for Sport Grounds (increase with R300 000) and fire services (increase with R200 000). The electricity purchases are the largest contributor to the over performance (R9 617 724). It is envisaged that the demand for electricity will decrease due to severe load shedding as there has been a decline in the past 3 months of the current financial year. Due to this decline, the budget will be reduced by approximately R7 486 902 during the Mid-year adjustment budget process.
- Contracted Services: An under performance of R9 444 276 is noted against the year-to-date budget projections. The underperformance is due to the following;
  - Contracted Services: Outsourced Services: Refuse Removal: The user department: The user department planned to spend R4 041 754 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R9 166 742. The user department indicated that additional funds would be required for the crushing of builders rubble, haulage and disposal. The budget will be increased with R6 000 000 during the mid-year adjustment budget process.
  - Inventory Consumed: Consumables: Zero Rated: The municipality planned to spend R5 898 313 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R11 126 246. Considering the monthly average spend over the past 6 months (R1 854 374), fuel price adjustments and the increase in consumption of fuel for generators as a result of increased loadshedding. The budget will be increased with approximately R12 380 000 during the mid-year adjustment budget process.
  - Contracted Services: Outsourced Services: Security Services: The user department planned to spend R14 344 532 of the adjusted budget. The year-to-date expenditure incurred amounted to R14 439 549. Orders to the amount of R11 703 929 have been loaded onto the financial system. The user department indicated that due to an increase in the number of sites that require security services as well as armed security services as per requests from other user departments, the adjusted budget will not be sufficient for the remainder of the financial year. The budget will therefore be increased by R15 000 000 during the mid-year adjustment process.

Various other line items were also identified where additional funds are requested due to operational pressure. This will be addressed in the Mid-Year Adjustments Budget and will result in an envisaged budget increase with an amount of approximately R6 652 423 for other expenditure.

**Mid-year Non-Financial Performance Assessment**

Non-Financial Mid-year Performance is reported on in **APPENDIX 2** Section 2). It covers the overall performance of the Municipality on the Key Performance Indicators (KPI's) that are assessed in the period from 1 July 2022 to December 2022. The performance of the first six months of the financial year should be assessed and reported on in terms of Section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustments of KPI's, if necessary.

**6.3 Financial Implications**

The financial implications of this report will be dealt with in the adjustments budget.

**6.4 Legal Implications**

The recommendations in this report comply with Council's policies and all applicable legislation.

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

The previous resolution relevant to this item was made on:

- 34<sup>th</sup> Council meeting, 28<sup>th</sup> January 2021, item 8.2.1.

**6.7 Risk Implications**

None

**6.8 Comments from Senior Management:****6.8.1 Chief Financial Officer:**

Agree with the recommendations.

**6.8.2 Municipal Manager:**

Agree with the recommendations.

**ANNEXURES****Appendix 1: Financial Mid-year Performance**

# **APPENDIX 1**



**STELLENBOSCH**

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# **MID YEAR BUDGET AND PERFORMANCE ASSESSMENT**

## **DECEMBER 2022**



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## BUDGET & FINANCIAL PERFORMANCE OF STELLENBOSCH MUNICIPALITY AS AT 31 DECEMBER 2022

### 1. PURPOSE

The mid-year report is used as a management tool to assess the Municipality's performance and financial position against the approved budget by analyzing trends and patterns for the first six months of the 2022/2023 financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

### 2. LEGISLATIVE BACKGROUND

In terms of Section 72 (1) (a) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by the 25<sup>th</sup> of January of each year assess the performance of the Municipality during the first half of the financial year. A report on such assessment must then be submitted to the Mayor, Provincial Treasury and National Treasury in terms of Section 72 (1) (b) of the Act. Once the Mayor has considered the report in terms of Section 54 (1) (f) of the MFMA, she must table the report with recommendations to Council by 31 January of each year.

### 3. BUDGET PERFORMANCE ANALYSIS

#### 3.1 Overview of Operating Revenue and Expenditure performance for the period July to December 2022.

Description	Adjusted Budget	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
<b>Revenue By Source</b>				
Property rates	438 941 448	253 049 058	262 732 492	3,83%
Service charges - electricity revenue	846 763 143	438 989 720	401 463 487	-8,55%
Service charges - water revenue	176 782 707	73 216 160	84 187 076	14,98%
Service charges - sanitation revenue	109 133 951	56 223 646	54 469 159	-3,12%
Service charges - refuse revenue	94 971 363	52 831 867	50 205 594	-4,97%
Rental of facilities and equipment	15 537 894	7 768 956	4 567 420	-41,21%
Interest earned - external investments	20 397 326	10 198 662	18 941 943	85,73%
Interest earned - outstanding debtors	11 391 237	5 603 696	8 906 539	58,94%
Fines, penalties and forfeits	124 955 174	62 477 592	58 641 966	-6,14%
Licences and permits	5 934 010	2 967 012	3 990 269	34,49%
Agency services	4 281 368	2 140 686	1 474 433	-31,12%
Transfers and subsidies	216 504 534	107 594 360	136 524 298	26,89%
Other revenue	41 312 625	20 656 338	17 834 782	-13,66%
Gains on disposal of PPE	-	-	1 654	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 106 906 780</b>	<b>1 093 717 753</b>	<b>1 103 941 112</b>	<b>0,93%</b>

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

<b>Expenditure</b>	<b>Adjusted Budget</b>	<b>Year-to-date Budget</b>	<b>Year-to-date Actual</b>	<b>Year-to-date Variance</b>
Employee costs	626 756 223	307 528 917	272 623 474	-11,35%
Remuneration of Councillors	21 062 270	10 531 134	11 340 994	7,69%
Depreciation & asset impairment	213 118 310	102 209 575	-	-100,00%
Finance charges	67 799 365	6 373 389	24 057 550	277,47%
Materials and bulk purchases	634 633 571	269 484 587	283 183 554	5,08%
Transfers and subsidies	17 837 921	14 257 698	13 062 340	-8,38%
Other expenditure	523 981 334	195 628 844	158 009 314	-19,23%
<b>Total Expenditure</b>	<b>2 105 188 994</b>	<b>906 014 144</b>	<b>762 277 228</b>	<b>-15,86%</b>

**Below follows a synopsis of significant revenue and expenditure variances:**

### **Operating Revenue**

#### **Property Rates and Service Charges**

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually.

#### **Property Rates**

The municipality has billed R9 683 434 more property rates than initially anticipated. The over performance is due to the annual applications which did not form part of the monthly budgeted revenue projections.

#### **Service charges - electricity revenue**

The municipality has billed R37 526 233 less electricity charges than initially anticipated. The largest under performance relates to the low usage during peak times reflected for the time of use tariffs (R25 222 820) and Domestic High prepaid (R38 029 427). The under performance is due to prolonged load shedding outages and consumers finding alternative energy sources. Considering the consumption over the past 6 months of the current financial year, the average consumption (R66 909 106), a decreasing trend in collections over the past 3 months at an average of R10 160 377 as well as the tariff increase of 7.9%, the current budget of R837 368 479 is deemed unattainable. It is recommended that the budget be reduced with approximately R34 455 166 during the Mid-year adjustment budget process.

#### **Service charges - water revenue**

The municipality has billed R10 970 916 more water charges than initially anticipated. The largest over performance was noted for sale conventional (R29 765 307). This incline in billings is a result of the increase in consumption. Considering the monthly average increase in consumption over the past 5 months of the current financial year (R1 048 212), the monthly average billing (R14 031 157) as well as the tariff increase of 6.2%, the current budget of R176 782 707 is deemed attainable. It is recommended that the budget not be adjusted during the mid-year adjustment process.

### **Service charges - sanitation revenue**

The municipality has billed R1 754 487 less sanitation charges than initially anticipated. The largest under performances were noted for general sanitation charges (R1 754 389).

Considering the consumption over the past 6 months of the current financial year, the average consumption over the last 6 months of the past 4 financial years (R7 497 544) as well as the tariff increase of 6%, the current budget of R114 485 332 is deemed attainable. It is recommended that the budget not be adjusted during the Mid-year adjustment budget process.

### **Service charges - Refuse revenue**

The municipality has billed R2 626 273 less refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R8 367 599), as well as the tariff increase of 8%, the current budget of R94 971 363 is deemed attainable. It is recommended that the budget not be adjusted during the mid-year adjustment process.

### **Interest Earned- External Investments**

An over performance was noted for interest earned – external investments to the amount of R8 743 281. The variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. The municipality has also invested additional funds which has resulted in an increase in the earnings from investments. Considering the monthly average over the past 6 months R3 156 990 it is recommended that the budget be increased by R15 020 095 during the mid-year adjustment process.

### **Interest earned – outstanding debtors**

An over performance was noted for the interest earned on outstanding debtors. This is due to the increases in the prime interest rate and the overall increase in debt. Considering the monthly average over the past 6 months (R1 484 423)), it renders the adjustment budget of R11 391 237 as insufficient and it is recommended that the budget be increased with R6 947 414 during the mid-year adjustment budget process.

### **Fines, penalties and forfeits**

An underperformance was noted to the amount of R3 835 626. The recognition of traffic fines in terms of iGRAP 1 will be done monthly, including the journal processed on the financial system. It should be noted that no journal was processed during December 2022 and will reflect in the next reporting period. The budget is deemed to be attainable and no adjustment required during the Mid-year adjustment budget process.

### **Licences and permits**

An over performance is noted for licences and permits to the amount of R1 023 257. The over performance is due to more licences and permit renewals as well as more accompanying applications being received than initially anticipated. Considering the actuals generated over the past 4 financial years (average: R5 620 661) and a monthly average over the past 6 months of the current financial year (R665 045), the current budget of R5 934 010 is deemed as attainable. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

### **Rental of facilities and equipment**

An under performance is noted for the Rental of facilities and equipment to the amount of R3 201 536. Considering the average of the actuals generated over the past three (3) financial years amounting to R11 150 870 and the average monthly revenue (R761 237), the current budget of R15 537 894 is deemed unattainable. It is recommended that the budget be reduced by R5 439 211 during the mid-year adjustment process.

### **Transfers and subsidies**

The transfers and subsidies will be increased with R2 492 000 during the Mid-year Adjustment budget process. An increase of R300 000 relates to operating grants and an increase of R2 192 000 relates to capital grants. The following changes will be incorporated;

- An increase in the budget due to additional as well as new grant allocations in respect of the following;
  - Western Cape Financial Management Capability Grant to the amount of R300 000.
  - Human Settlements Development Grant to the amount of R3 208 000.
  - Maintenance and Construction of Transport infrastructure to the amount of R4 500 000.  
  
(This amount pertains to funds gazetted and expensed in the previous financial year and will be utilised to clear the existing debtor)
- A decrease in the grant funding in respect of the following;
  - Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) to the amount of R10 350 000.
- A revised funding allocation letter has been approved by the transferring department indicating that an amount of R1 808 460 will be moved from the operating budget to the capital budget for the Library Services Conditional Grant.

## Other revenue

An under performance is noted for other revenue to the amount of R2 821 556. The budget will be decreased during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following;

- Operational Revenue:Merchandising, Jobbing and Contracts (Electrical Services)

An underperformance of R1 279 937 has been noted. However, the past three (3) financial years yielded an average income of R1 307 373 per year. This renders the adjustment budget of R4 994 321 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.

- Sales of Goods and Rendering of Services: Encroachment Fees (Property Management)

An overperformance of R1 483 401 has been noted. The past three financial years yielded an average income of R2 325 862 per year, however, considering the monthly average for the past 6 months (R455 567) it is recommended that the budget be increased during the Mid-year adjustment process.

- Sales of Goods and Rendering of Services: Parking Fees

An under performance of R6 856 596 has been noted for Parking fees. The municipality has generated an average of R7 666 787 over the past 3 financial years and has generated R2 152 499 to date. Considering the monthly average over the past 6 months (R358 749), it renders the adjustment budget of R13 713 186 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process with approximately R9 316 000.

- Sales of Goods and Rendering of Services: Cemetery and Burial. An under performance was noted for the cemetery and burial. The municipality has generated an average of R738 267 over the past 3 financial years. Considering the monthly average (R102 029), the municipality has re-assessed the cemetery and burial revenue budget and anticipates that a downward adjustment of R2 257 334 will be necessitated during the Mid-year adjustment budget process.

## Operating Expenditure

The expenditure to date reflects an under spending of R143 736 916 when comparing the financial performance of the first six months to the pro-rata budget.

It should be noted that the budget items reflected an under spending when compared to the year-to-date budget and are as follows:

- Employee costs: An underperformance of R34 905 443 is noted against the year-to-date budget projections. The employee related cost budget will be reduced based on the year to date actual amounts and historical trends with R35 870 257 during the mid-year adjustment budget process.
- Remuneration of Councilors: An overperformance of R809 860 is noted against the year-to-date budget projections. This is largely due to the increase in councilor remuneration. The expenditure budget for this line item will have to be adjusted downwards with approximately R216 503 during the Mid-year adjustment budget process.
- Depreciation and asset impairment: An underperformance of R102 209 575 is noted against the year-to-date budget projections. The underperformance is distorted as a result of the monthly projections which will be adjusted during the Mid-year adjustment budget process. The budget will be increased with approximately R1 874 487 during the Mid-year adjustment budget process.
- Finance charges: An overperformance of R17 684 161 is noted against the year-to-date budget projections. This is largely due to the monthly budget projections that will be amended during the Mid-year adjustment budget process.
- Materials and Bulk purchases: An over performance of R13 698 967 is noted for materials and bulk purchases. An increase of approximately R559 000 will be implemented during the Mid-year adjustment budget process for materials and supplies. The increase is necessitated to make provision for adequate funding needed for Sport Grounds (increase with R300 000) and fire services (increase with R200 000). The electricity purchases are the largest contributor to the over performance (R9 617 724). It is envisaged that the demand for electricity will decrease due to severe load shedding as there has been a decline in the past 3 months of the current financial year. Due to this decline, the budget will be reduced by approximately R7 486 902 during the Mid-year adjustment budget process.
- Contracted Services: An under performance of R9 444 276 is noted against the year-to-date budget projections. The underperformance is due to the following;
  - Contracted Services: Outsourced Services: Refuse Removal: The user department planned to spend R13 208 496 of the adjusted budget. The

year-to-date actual expenditure incurred amounted to R9 166 742. Orders to the amount of R13 124 171 have been loaded on the financial system. An improvement will be noted in the next reporting period.

- Contracted Services:Consultants and Professional Services: Business and Advisory: Project Management: The user department planned to spend R1 744 669 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R301 575. Orders to the amount of R364 627 have been loaded on the financial system. An improvement will be noted in the next reporting period.
- Contracted Services:Outsourced Services: Litter Picking and Street Cleaning: The user department planned to spend R1 980 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 107 627. Orders to the amount of R2 315 574 have been loaded on the financial system.
- Contracted Services:Contractors: Transportation (Sewerage Network): The user department planned to spend R2 520 830 of the adjusted budget. No expenditure has been incurred to date.
- Contracted Services:Outsourced Services: Refuse Removal: The user department: The user department planned to spend R4 041 754 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R9 166 742. The user department indicated that additional funds would be required for the crushing of builders rubble, haulage and disposal. The budget will be increased with R6000 000 during the mid-year adjustment budget process.
- Inventory Consumed: Consumables:Zero Rated: The municipality planned to spend R5 898 313 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R11 126 246. Considering the monthly average spend over the past 6 months (R1 854 374), fuel price adjustments and the increase in consumption of fuel for generators as a result of increased loadshedding. The budget will be increased with approximately R12 380 000 during the mid-year adjustment budget process.
- Contracted Services:Outsourced Services: Security Services: The user department planned to spend R14 344 532 of the adjusted budget. The year-to-date expenditure incurred amounted to R14 439 549. Orders to the amount of R11 703 929 have been loaded onto the financial system. The user department indicated that due to an increase in the number of sites that require security services as well as armed security services as per requests from other user departments, the adjusted budget will not be sufficient for the remainder of the financial year. The budget will therefore be increased by R15 000 000 during the mid-year adjustment process.
- Contracted Services:Contractors: Maintenance of Buildings and Facilities (Municipal Buildings and Structures): The user department planned to

spend R1 363 024 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R91 833. Orders to the amount of R725 990 have been loaded onto the financial system.

- Transfers and subsidies: An under performance of R1 195 358 is noted against the year-to-date budget projections. The under performance is distorted as a result of the monthly projections which will be adjusted during the Mid-year adjustment budget process. The major contributor to the over performance is as follows;
  - Transfers and Subsidies: Operational: Monetary Allocations :Households: Other Transfers (Cash): LED DIRECT SUPPORT: The user department planned to spend R499 920 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that proposals for further Small; medium and Macro Enterprises training will be advertised for implementation.
  - Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Sport Councils: The user department planned to spend R4 030 672 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 444 176. The user department indicated that Grant in aid donations for organisations serving vulnerable groups and communities and additional donations outstanding will be paid on a monthly basis
- Other expenditure: An under performance of R37 619 530 against a year-to-date budget of R195 628 844 has been noted. The underspending is largely due to the following;
  - Operational Cost: Bargaining Council: The user department planned to spend R3 227 628 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that the payment for the Bargaining council is a once-off payment, and it will be made as soon as an invoice has been received.
  - Debt impairment: The user department planned to spend R40 000 000 of the adjusted budget. No expenditure has been incurred to date. The monthly budget projections will be re-assessed during the Mid-year adjustment budget process.

Various other line items were also identified where additional funds are requested due to operational pressure. This will be addressed in the Mid-Year Adjustments Budget and will result in an envisaged budget increase with an amount of approximately R6 652 423 for other expenditure.



### 3.2 Overview of Capital Budget performance for the period July to December 2022

	Approved Adjustment Budget	Planned	Actuals	Variance (Planned vs Actuals)	Variance (Planned vs Actuals)%
Municipal Manager	40 000	30 000	38 203	8 203	27,34%
Planning & Development Services	20 976 380	3 695 505	5 017 699	1 322 194	35,78%
Infrastructure Services	361 886 171	158 587 321	96 511 150	-62 076 171	-39,14%
Corporate Services	47 889 209	14 764 004	17 931 334	3 167 330	21,45%
Community and Protection Services	33 441 313	8 371 202	1 975 972	-6 395 230	-76,40%
Financial Services	250 000	194 487	93 139	-101 348	-52,11%
<b>Grand Total</b>	<b>464 483 073</b>	<b>185 642 519</b>	<b>121 567 496</b>	<b>-64 075 023</b>	<b>-34,52%</b>

Expenditure on the Capital Budget for the six months ended 31 December 2022 is R121 567 496 representing 34.52% capital spending performance measured against the total capital budget of R464 483 073 which is higher than the spending performance of 25% for the same period in December 2021.

Period	Dec-18	Dec-19	Dec-20	Dec-21
Total Capital Budget	587 748 280	613 274 958	483 710 958	471 680 164
Actual Spending	147 499 939	202 978 608	147 011 293	115 587 333
<b>Spending Performance</b>	<b>25.10%</b>	<b>33.10%</b>	<b>30.39%</b>	<b>24.51%</b>

This spending only represents actual payments, whilst orders for work still in progress amount to R92 766 527. What is of concern is that R250 149 050 worth of capital projects have not yet been provisionally committed. The capital budget will have to be adjusted to make the necessary amendments to various projects in order to accelerate progress on the priorities identified.

An underspending amounting to R64 075 023 on the Capital expenditure has been noted. The budget will be decreased with approximately R84 167 932 during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following:

#### 3.2.1 Expansion of the landfill site (New cells)

The user department planned to spend R20 000 000 of the amended budget. The year-to-date expenditure incurred amounted to R75 853. Orders to the amount of R753 070 have been loaded onto the financial system. This is a multi-year project. The Department of Economic Affairs and Development Planning required a new Waste Management license process to be followed which has delayed the commencement of the project. The project is in the planning phase and will continue into the next financial year. The budget will be decreased with approximately R30 600 000 during the Mid-year adjustment budget process.

#### 3.2.2 Laterra Substation

The user department planned to spend R11 281 618 of the amended budget. The year-to-date expenditure incurred amounted to R492 864. Orders to the amount of R1 414 078 have been loaded onto the financial system. The user department indicated that a service provider was appointed later than anticipated and after analysis, they do not

envisage that the project will be completed during the current financial year. Since this is a multi-year project, the amended budget will be reduced with the amount of R21 981 814 which will be moved to the 2023/2024 financial year during the mid-year adjustment budget process.

### **3.2.3 Kayamandi: Zone O (±711 services)**

The project will be reduced with the full grant allocation to the amount of R13 350 000 during the mid-year adjustment process to be aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.

### **3.2.4 New Reservoir & Pipeline: Vlottenburg**

The user department planned to spend R9 530 618 of the amended budget. The year-to-date expenditure incurred amounted to R20 648 860. Orders to the amount of R11 775 336 have been loaded onto the financial system. The user department indicated that the project has commenced, and construction is going according to plan. The funds available in the current approved budget are insufficient for 2022/2023 and 2023/2024 financial years and this is due to the contract period being spread over 14 months. However, this is a multi-year project and even though the total budget allocated over the 3-year MTREF is sufficient, the funds from the outer years need to be brought forward to fund the project and prevent delays and penalties being incurred. The budget will be increased with approximately R37 000 000 during the Mid-year adjustment budget process.

### **3.2.5 Landfill Gas to Energy**

The user department planned to spend R1 839 587 of the amended budget. The year-to-date expenditure incurred amounted to R388 476. Orders to the amount of R599 656 have been loaded onto the financial system. The user department indicated that the project is currently in its planning phase and construction will commence in the 2023/2024 financial year. The budget will be decreased with approximately R5 939 587 during the Mid-year adjustment budget process.

### **3.2.6 Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA**

The user department planned to spend R4 103 871 of the amended budget. The year-to-date expenditure incurred amounted to R109 200. Orders to the amount of R3 506 707 have been loaded onto the financial system. The user department indicated that the contract for the current contractor will be terminated due to poor performance and therefore a new contractor will have to be appointed to commence in the 2023/2024 financial year. The current orders loaded onto the financial system will be utilised for consulting fees and the storage of equipment. The budget will be decreased with approximately R6 630 746 during the Mid-year adjustment budget process.

### **3.3 Financial performance analysis**

#### **3.3.1 Liquidity Analysis- Acid Test Ratio**

The liquidity position of the municipality was 1.94:1 at 31 as at December 2021 and has regressed to 1.5:1 as at 31 December 2022. This indicates that funding could be made available immediately to cover short-term commitments. The municipality is operating within the ambit of the norm of 1.5:1.

#### **3.3.2 Financial Performance – Net Operating Surplus Margin**

The municipality's net operating surplus margin has improved from 27.88% as at 31 December 2021 to 30.95% as at 31 December 2022. The positive ratio indicates that the municipality is able to generate a surplus which will assist to contribute towards its capital funding requirements and ensure sustainable service delivery.

#### **3.3.3 Cost Coverage Ratio**

The municipality's cost coverage ratio has increased from 5 months at 31 December 2021 to 8 months at 31 December 2022. The ratio is above the norm of 1 to 3 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

#### **3.3.4 Debtors collection rate**

The debtor's collection rate has decreased from 99% at 31 December 2021 to 97% at 31 December 2022. Cognisance should be taken that the percentages includes the collection of arrear debt. The municipality will continue to enforce strict credit control procedures to ensure an improvement is evident during the next 6 months of the current financial year.

#### **3.3.5 Liability Management**

##### **3.3.5.1 Cost required to service borrowings**

The municipality's cost required to service borrowings has increased marginally from 4.78% at 31 December 2021 to 6.09% at 31 December 2022. The ratio depicts the borrowing or payment obligation expressed as a percentage of total operating expenditure. The municipality is within the norm of 6% to 8%.

##### **3.3.5.2 Affordability of total borrowings**

The municipality's affordability of borrowings has increased from 20.32% at 31 December 2021 to 22.17% year to date. The municipality is well below the norm of 45% and has the capacity to increase funding from borrowings.

MID YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

### 3.4 Outstanding Debtors

Below is an analysis of the outstanding consumer debtors as at 31 December 2022 compared to the position as at 31 December 2021:

#### Debtors' Age Analysis as at 31 December 2022:

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	14 410	2 425	2 029	106 453	-	-	-	-	125 316	106 453	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	36 269	511	510	16 203	-	-	-	-	53 493	16 203	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	18 492	1 042	921	35 962	-	-	-	-	56 417	35 962	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 274	803	655	28 177	-	-	-	-	35 910	28 177	-	-
Receivables from Exchange Transactions - Waste Management	1600	5 367	982	946	35 068	-	-	-	-	42 364	35 068	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	561	219	212	11 655	-	-	-	-	12 647	11 655	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	958	200	277	13 419	-	-	-	-	14 854	13 419	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>82 331</b>	<b>6 182</b>	<b>5 550</b>	<b>246 938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341 001</b>	<b>246 938</b>	<b>-</b>	<b>-</b>
<b>2021/22 - totals only</b>										-	-		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 958	151	110	764	-	-	-	-	3 982	764	-	-
Commercial	2300	14 564	285	155	19 726	-	-	-	-	34 730	19 726	-	-
Households	2400	48 418	5 312	4 781	196 177	-	-	-	-	254 689	196 177	-	-
Other	2500	16 391	434	503	30 271	-	-	-	-	47 600	30 271	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>82 331</b>	<b>6 182</b>	<b>5 550</b>	<b>246 938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341 001</b>	<b>246 938</b>	<b>-</b>	<b>-</b>

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

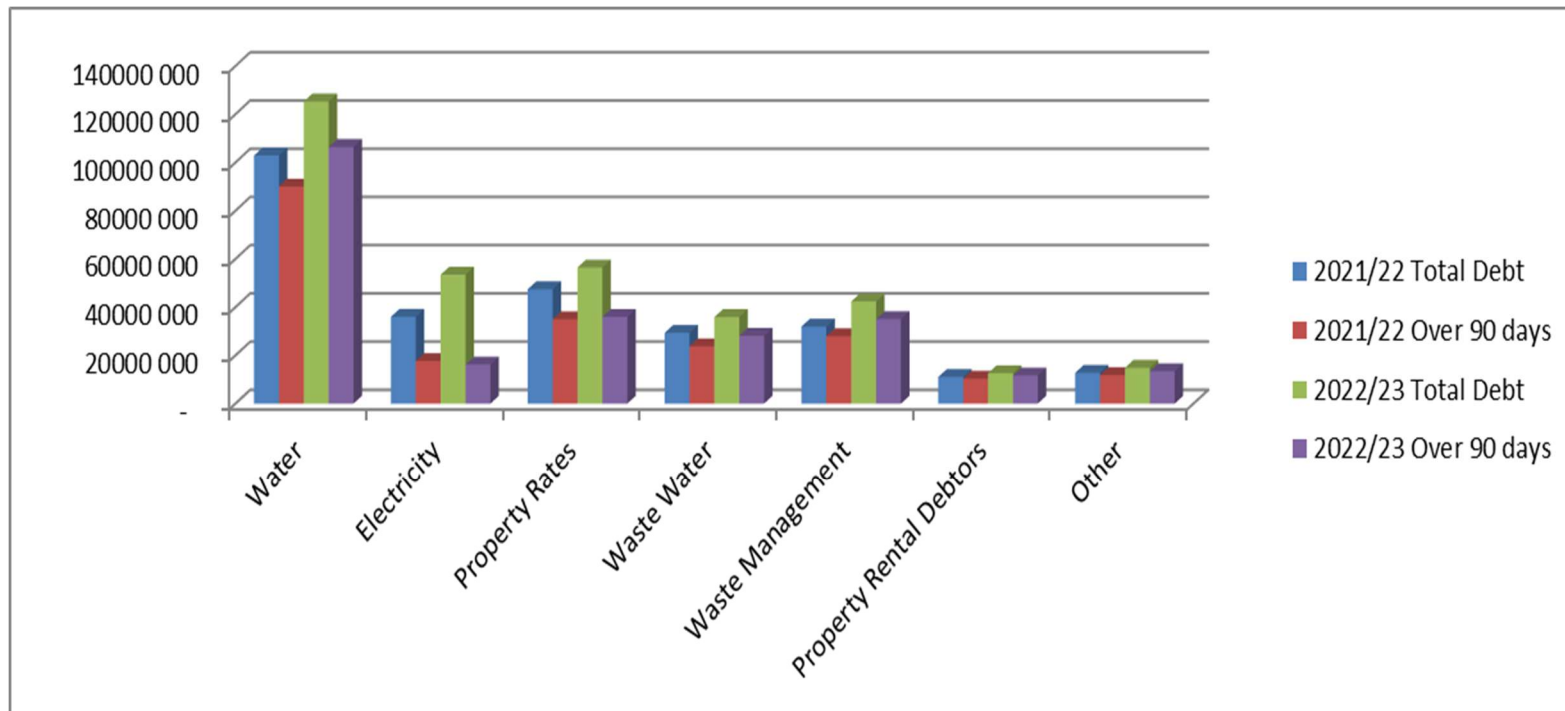
**Debtors' Age Analysis as at 31 December 2021:**

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	7 922	2 823	2 162	90 017	-	-	-	-	102 924	90 017	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 005	2 426	1 897	17 685	-	-	-	-	36 013	17 685	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 481	1 655	1 349	34 970	-	-	-	-	47 456	34 970	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	3 567	1 055	969	23 768	-	-	-	-	29 358	23 768	-	-
Receivables from Exchange Transactions - Waste Management	1600	2 327	815	830	27 957	-	-	-	-	31 929	27 957	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	248	253	234	10 368	-	-	-	-	11 104	10 368	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	500	264	235	11 800	-	-	-	-	12 800	11 800	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>38 049</b>	<b>9 292</b>	<b>7 677</b>	<b>216 565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271 584</b>	<b>216 565</b>	<b>-</b>	<b>-</b>
<b>2020/21 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 634	1 548	1 544	3 721	-	-	-	-	9 447	3 721	-	-
Commercial	2300	6 572	389	136	18 023	-	-	-	-	25 119	18 023	-	-
Households	2400	25 356	6 328	5 162	165 058	-	-	-	-	201 905	165 058	-	-
Other	2500	3 487	1 027	835	29 763	-	-	-	-	35 112	29 763	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>38 049</b>	<b>9 292</b>	<b>7 677</b>	<b>216 565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271 584</b>	<b>216 565</b>	<b>-</b>	<b>-</b>

The abovementioned data set indicates that consumer debt increased by R69 416 853 from December 2021 to December 2022. The increase can be largely attributed to the water debt increase of R22 392 692 and electricity debt increase of R17 480 070. Debtors over 90 days have also increased with R30 372 678 over same period.

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022



**Subsidies and Rebates:**

***Number of registered indigent families 31 December 2021: 16 930***

Formal Indigents: 6 417  
 Informal Indigents: 10 513

***Number of registered indigent families 31 December 2022: 17 869***

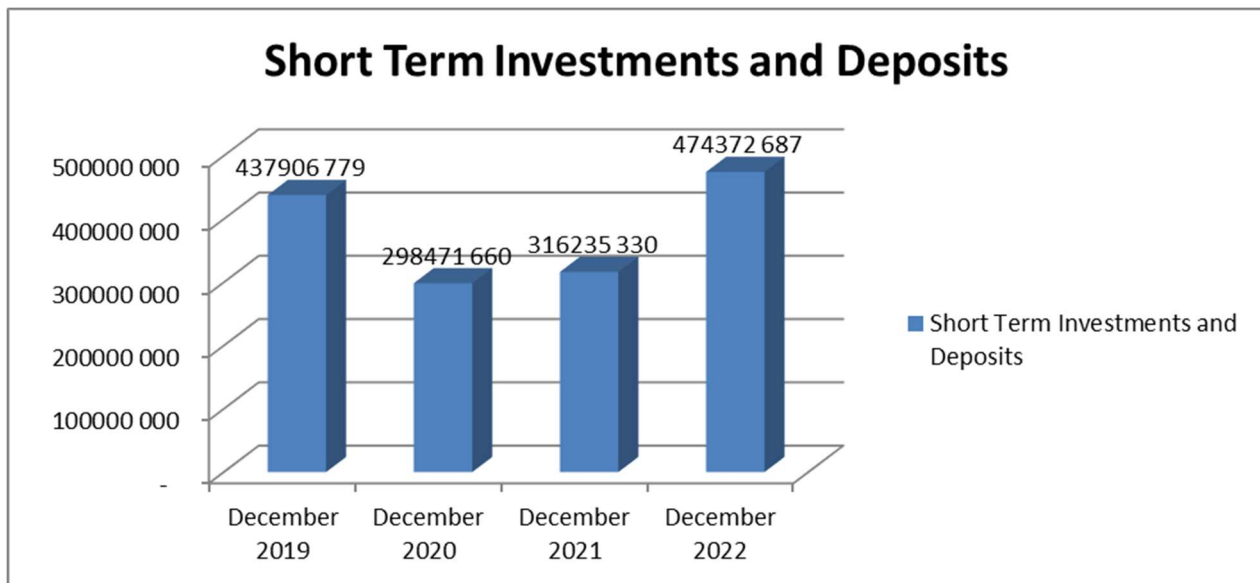
Formal Indigents: 5 789  
 Informal Indigents: 12 080

The informal indigent households have increased by 1 567 households due to an incline in the number of applications received, whilst the number of formal indigents decreased by 628. The municipality continuously ensures that there is increased community awareness regarding indigent applications and rebates available. An overall increase of 939 indigent households has been noted from December 2021 to December 2022.

**3.5 Investments**

The investment portfolio increased from R316 235 330 as at 31 December 2021 to R474 372 687 at 31 December 2022.

Description	Dec-19	Dec-20	Dec-21	Dec-22	%Increase
Short Term Investments and Deposits	437 906 779	298 471 660	316 235 330	474 372 687	50,01%

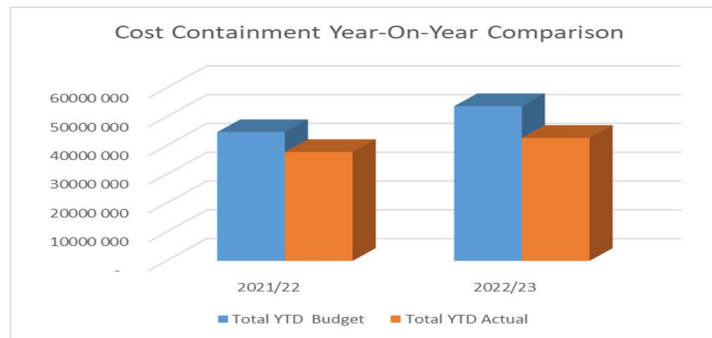


There is an incline in the investment’s portfolio. This variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. Furthermore, with the increased revenue, the municipality has also managed to increase its investment portfolio in comparison to the previous financial years.

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

**3.6 Cost Containment Reporting**

Measures	COST CONTAINMENT REPORTING							
	31-Dec-22				31-Dec-21			
	Amended Budget	Total YTD Budget	Total YTD Actual	Saving/ (Over spending)	Amended Budget	Total YTD Budget	Total YTD Actual	Saving/ (Over spending)
Use of consultants	37 644 715	11 102 002	9 251 456	1 850 546	49 355 405	13 027 813	5 916 567	7 111 246
Vehicles used for political office -beare	-	-	-	-	-	-	-	-
Accomodation, Travel and Incidental cos	12 783 370	5 250 288	5 213 130	37 158	18 649 493	7 749 303	6 110 225	1 639 078
Sponsorships, events and catering	3 314 355	2 233 698	2 197 969	35 729	1 697 972	148 303	245 049	- 96 746
Communication	17 121 276	7 254 061	4 939 326	2 314 735	14 639 134	5 933 902	5 402 198	531 704
Other related expenditure items	55 539 005	27 872 678	21 097 436	6 775 242	41 622 591	17 854 740	20 146 744	- 2 292 004
<b>Grand Total</b>	<b>126 402 721</b>	<b>53 712 727</b>	<b>42 699 317</b>	<b>11 013 410</b>	<b>125 964 595</b>	<b>44 714 061</b>	<b>37 820 783</b>	<b>6 893 278</b>



Description	2021/22	2022/23
Total YTD Budget	44 714 061	53 712 727
Total YTD Actual	37 820 783	42 699 317

The municipality has implemented the Cost Containment policy as from 1 October 2019. The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality. As depicted above the municipality has achieved a saving of R11 013 410 when compared to the year-to-date budget projections at the end of December 2022. The year-on-year comparison however depicts a decrease of R4 878 533 when compared to December 2021. The largest decrease can be attributed to the use of consultants (R3 334 888 or 56%).



MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

Item for report	Description	Original Budget	Amended Budget	31-Dec-22			Saving/ (Overspending)	31-Dec-21			Saving/ (Overspending)	
				YTD				Amended Budget	YTD			
				Total YTD	Budget	Total YTD Actual			Total YTD	Budget		Total YTD Actual
Use of consultants	Business and Advisory:Accounting and Auditing	200 000,00	200 000,00	-	-	-	-	-	-	-	-	
	Business and Advisory:Audit Committee	1 170 000,00	960 000,00	154 625,00	110 625,00	44 000,00	965 000,00	141 750,00	154 625,00	12 875,00		
	Business and Advisory:Business and Financial Management	5 886 863,00	5 926 863,00	1 963 475,00	705 541,37	1 257 933,63	7 587 705,00	2 461 283,00	1 790 305,75	670 977,25		
	Business and Advisory:Commissions and Committees	-	-	-	-	-	-	-	-	-	-	
	Business and Advisory:Communications	8 100,00	8 100,00	-	-	-	8 100,00	-	-	-	-	
	Business and Advisory:Human Resources	328 080,00	328 080,00	19 800,00	44 020,00	24 220,00	315 462,00	39 930,00	19 800,00	20 130,00		
	Business and Advisory:Occupational Health and Safety	-	-	-	-	-	-	-	-	-	-	
	Business and Advisory:Organisational	208 000,00	208 000,00	-	-	-	200 000,00	-	-	-	-	
	Business and Advisory:Project Management	13 339 628,00	11 912 111,00	6 088 015,00	6 669 412,28	581 397,28	24 236 163,00	5 953 143,00	2 012 591,67	3 940 551,33		
	Business and Advisory:Research and Advisory	4 490 481,00	4 870 481,00	794 937,00	5 768,41	789 168,59	3 536 506,00	-	241 304,35	241 304,35		
	Business and Advisory:Qualification Verification	-	-	-	-	-	-	-	-	-	-	
	Business and Advisory:Quality Control	-	-	-	-	-	-	-	-	-	-	
	Business and Advisory:Valuer and Assessors	2 388 417,00	1 953 417,00	1 077 935,00	335 886,92	742 048,08	2 604 045,00	1 185 359,00	1 030 569,75	154 789,25		
	Business and Advisory:Forensic Investigators	604 687,00	604 687,00	302 344,00	20 000,00	282 344,00	100 000,00	-	-	-	-	
	Infrastructure and Planning:Architectural	55 000,00	55 000,00	27 500,00	-	27 500,00	50 000,00	5 674,00	-	5 674,00		
	Engineering:Civil	-	-	-	-	-	-	-	-	-	-	
	Engineering:Structural	-	-	-	-	-	210 950,00	-	-	-	-	
	Infrastructure and Planning:Land and Quantity Survey	-	-	-	-	-	-	-	-	-	-	
	Laboratory Services:Water	2 743 976,00	2 743 976,00	-	475 910,95	475 910,95	1 974 474,00	205 365,00	-	205 365,00		
	Legal Cost:Legal Advice and Litigation	7 216 000,00	7 366 000,00	669 333,00	884 290,80	214 957,80	7 100 000,00	3 033 647,00	663 332,64	2 370 314,36		
	Legal Cost:Issue of Summons	508 000,00	508 000,00	4 038,00	-	4 038,00	467 000,00	1 662,00	4 038,08	2 376,08		
	Vehicles used for political office -bearers	N/A	-	-	-	-	-	-	-	-	-	
Accommodation, Travel and Incidental	Allowance:Travel or Motor Vehicle	127 800,00	127 800,00	20 000,00	90 000,00	70 000,00	120 000,00	60 000,00	20 000,00	40 000,00		
	Allowance:Travel or Motor Vehicle	255 600,00	255 600,00	40 000,00	-	40 000,00	240 000,00	120 000,00	40 000,00	80 000,00		
	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-		
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	139 200,00	69 600,00	-	69 600,00		
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-		
	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-		
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-		
	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	18 654,00	9 327,00	-	9 327,00		
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-		
	Allowances:Accommodation, Travel and Incidental	35 784,00	35 784,00	15 055,00	25 185,73	10 130,73	423 158,00	128 024,00	9 767,23	118 256,77		
	Allowances:Travel or Motor Vehicle	10 840 999,00	10 840 999,00	4 829 980,00	4 360 069,86	469 910,14	11 792 555,00	3 614 631,00	4 472 274,14	857 643,14		
	Allowances and Service Related Benefits:Travelling	-	-	-	90 000,00	90 000,00	-	-	15 000,00	15 000,00		
	Allowances and Service Related Benefits:Travelling	-	-	-	90 000,00	90 000,00	286 814,00	143 406,00	15 000,00	128 406,00		
	Allowances and Service Related Benefits:Travelling	-	-	-	-	-	229 452,00	114 726,00	-	114 726,00		
	Allowances and Service Related Benefits:Travelling	-	-	-	95 764,66	95 764,66	1 722 532,00	861 264,00	17 396,40	843 867,60		
	Allowances and Service Related Benefits:Travelling	-	-	-	209 869,89	209 869,89	2 906 065,00	2 186 790,00	1 486 826,36	699 963,64		
	Operational Cost:Travel Agency and Visa's	146 000,00	80 000,00	36 996,00	22 817,00	14 179,00	-	-	-	-		
	Travel and Subsistence:Non-employees	345 036,00	379 336,00	67 148,00	67 535,84	387,84	3 000,00	1 500,00	-	1 500,00		
	Travel and Subsistence:Domestic:Accommodation	108 404,00	138 404,00	29 892,00	31 740,00	-	4 000,00	2 000,00	-	-		
	Travel and Subsistence:Domestic:Daily Allowance	277 871,00	297 871,00	56 692,00	55 483,11	-	197 953,00	16 943,00	31 042,19	-		
	Travel and Subsistence:Domestic:Food and Beverage	90 995,00	93 751,00	24 789,00	460,00	-	7 150,00	18 575,00	639,00	-		
	Travel and Subsistence:Domestic:Incidental Cost	33 951,00	42 195,00	4 750,00	550,52	-	21 650,00	3 825,00	-	-		
	Travel and Subsistence:Domestic:Transport without Oper	304 450,00	44 450,00	9 750,00	-	-	394 810,00	349 610,00	2 280,00	-		
	Travel and Subsistence:Domestic:Transport with Oper	317 180,00	447 180,00	115 236,00	73 653,84	-	142 500,00	49 082,00	-	-		
	Contractors:Catering Services	1 202 678,00	1 250 678,00	323 698,00	548 368,00	224 670,00	288 878,00	17 060,00	97 703,00	80 643,00		
	Outsourced Services:Catering Services	32 080,00	32 080,00	10 000,00	11 941,30	1 941,30	1 328 712,00	124 192,00	145 302,32	21 110,32		
	Advertising, Publicity and Marketing:Gifts and Pro	31 597,00	31 597,00	-	-	-	30 382,00	7 051,00	2 043,60	5 007,40		
Contractors:Event Promoters	100 000,00	2 000 000,00	1 900 000,00	1 637 659,70	262 340,30	50 000,00	-	-	-			
Communication:Cellular Contract (Subscription and	4 355 517,00	4 355 517,00	2 017 954,00	1 006 350,24	1 011 603,76	3 789 576,00	1 875 619,00	1 555 961,79	319 657,21			
Communication:Licences (Radio and Television)	100 000,00	100 000,00	20 000,00	-	20 000,00	95 000,00	47 500,00	-	47 500,00			
Communication:Radio and TV Transmissions	2 581 000,00	2 581 000,00	826 931,00	964 278,25	137 347,25	2 358 703,00	888 943,00	826 430,86	62 512,14			
Communication:Postage/Stamp/Franchising Machines	2 646 000,00	2 646 000,00	861 815,00	522 780,03	339 034,97	2 627 000,00	601 636,00	661 336,79	59 700,79			
Communication:SMS Bulk Message Service	264 000,00	264 000,00	24 029,00	28 551,30	4 522,30	144 000,00	38 367,00	24 028,43	14 338,57			
Communication:Telemetric Systems	-	-	-	-	-	-	-	521,42	-			
Allowances:Cellular and Telephone	2 464 965,00	2 464 965,00	1 193 809,00	1 007 063,94	-	1 142 722,00	568 652,00	915 984,93	495 251,46			
Communication:Telephone, Fax, Telegraph and Telex	4 689 794,00	4 709 794,00	2 309 523,00	1 410 301,75	899 221,25	4 482 133,00	1 913 185,00	1 417 933,54	-			
Other related expenditure items	Entertainment:Senior Management	40 000,00	5 500,00	2 748,00	-	2 748,00	40 000,00	20 000,00	-	20 000,00		
	Entertainment:Total for All Other Councillors	104 000,00	104 000,00	52 000,00	-	52 000,00	100 000,00	526,00	-	526,00		
	Entertainment:Executive Mayor	249 600,00	249 600,00	124 800,00	5 273,90	119 526,10	240 000,00	1 300,00	1 462,00	162,00		
	Entertainment:Deputy Executive Mayor	-	-	-	-	-	-	-	-	-		
	Entertainment:Speaker	-	-	-	-	-	-	-	-	-		
	Entertainment:Chief Whip	-	-	-	-	-	-	-	-	-		
	Entertainment:Executive Committee	-	-	-	-	-	-	-	-	-		
	Entertainment:Section 79 committee chairperson	-	-	-	-	-	-	-	-	-		
	Overtime:Non Structured	47 382 530,00	47 382 530,00	23 794 438,00	17 695 431,96	6 099 006,04	37 166 979,00	15 718 882,00	16 859 650,92	1 140 768,92		
	Overtime:Shift Additional Remuneration	5 398 676,00	5 398 676,00	2 699 340,00	2 168 071,18	531 268,82	2 289 690,00	1 145 835,00	2 251 986,43	1 106 151,43		
Overtime:Structured	2 398 699,00	2 398 699,00	1 199 352,00	1 228 659,13	29 307,13	1 785 922,00	968 197,00	1 033 644,79	65 447,79			
<b>Grand Total</b>	<b>126 072 438,00</b>	<b>126 402 721,00</b>	<b>53 712 727,00</b>	<b>42 699 316,86</b>	<b>10 747 443,55</b>	<b>125 964 595,00</b>	<b>44 714 061,00</b>	<b>37 820 783,38</b>	<b>6 835 058,16</b>			

#### **4. PAST YEAR'S ANNUAL REPORT AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE ANNUAL REPORT**

The audit process for the 2021/22 financial year has been completed by the Auditor General of South Africa.

The municipality received a clean audit (financially unqualified with no other material findings) during the 2021/2022 financial year.

Areas for improvement as identified during the previous year's audit will be encapsulated in an Audit Action Plan which will address the areas of concern. This plan and the implementation thereof will be monitored by senior management as well as the Audit Committee. The GRAP disclosure checklist in addition to the findings raised in the previous audit will be used to mitigate the risk of recurring audit findings.

#### **5. RECOMMENDATIONS FROM THE ACCOUNTING OFFICER**

After having assessed the performance of the municipality for the first half of the year (ended 31 December 2022), the following is recommended:

- a) That the Executive Mayor tables this report to Council as the contents indicate the need to approve an adjustment budget.
- b) That the revised projections as contained in this report inform the adjustment budget.

#### **6. RECOMMENDATIONS FROM THE EXECUTIVE MAYOR**

- a) Council take note of the report and more specifically the assessment and forecasts contained in the report,
- b) Council take note that an Adjustments Budget will be compiled and tabled to Council as a result of the following:
  - Operational Budget detail to be adjusted to reflect realistically anticipated revenue and expenditure as envisaged by the detail contained in the report to accompany the adjustment budget.
  - Appropriate additional revenue that has become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for.
  - Authorize the utilization of projected savings in one vote towards spending in another vote due to the reprioritization of projects in line with revised completion dates; and
  - To correct any errors in the annual budget.

**QUALITY CERTIFICATE**

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby **certify** that the mid-year budget and performance assessment for the period 1 July 2022 to December 2022 has been prepared in accordance with Section 72 of the Municipal Finance Management Act and Regulations made under the Act and accordingly submit the required report on the state of Stellenbosch Municipality's performance.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality - WC024

Signature \_\_\_\_\_

Date \_\_\_\_\_

# **MID YEAR BUDGET AND PERFORMANCE ASSESSMENT PART A**

## Monthly Budget Statements

### Table C1: Monthly Budget Statement Summary

WC024 Stellenbosch - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	421 969	438 941	438 941	31 261	262 732	253 049	9 683	4%	438 941
Service charges	1 090 198	1 227 651	1 227 651	84 706	590 325	621 261	(30 936)	-5%	1 227 651
Investment revenue	18 770	20 397	20 397	3 590	18 942	10 199	8 743	86%	20 397
Transfers and subsidies	196 208	213 380	216 505	55 805	136 524	107 594	28 930	27%	216 505
Other own revenue	192 277	203 412	203 412	21 868	95 417	101 614	(6 197)	-6%	203 412
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 919 424</b>	<b>2 103 783</b>	<b>2 106 907</b>	<b>197 231</b>	<b>1 103 941</b>	<b>1 093 718</b>	<b>10 223</b>	<b>1%</b>	<b>2 106 907</b>
Employee costs	550 719	624 464	626 756	41 506	272 623	307 529	(34 905)	-11%	626 756
Remuneration of Councillors	19 815	21 062	21 062	2 286	11 341	10 531	810	8%	21 062
Depreciation & asset impairment	213 746	213 118	213 118	-	-	102 210	(102 210)	-100%	213 118
Finance charges	44 332	67 799	67 799	24 058	24 058	6 373	17 684	277%	67 799
Materials and bulk purchases	604 031	634 794	634 634	44 546	283 184	269 485	13 699	5%	634 634
Transfers and subsidies	13 364	14 355	17 838	334	13 062	14 258	(1 195)	-8%	17 838
Other expenditure	480 655	526 472	523 981	27 628	158 009	195 629	(37 620)	-19%	523 981
<b>Total Expenditure</b>	<b>1 926 662</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-16%</b>	<b>2 105 189</b>
<b>Surplus/(Deficit)</b>	<b>(7 239)</b>	<b>1 718</b>	<b>1 718</b>	<b>56 874</b>	<b>341 664</b>	<b>187 704</b>	<b>153 960</b>	<b>82%</b>	<b>1 718</b>
Transfers and subsidies - capital (monetary alloc	92 495	120 030	134 761	12 993	35 116	60 703	(25 587)	-42%	134 761
Contributions & Contributed assets	30 746	33 000	33 000	20	4 054	16 500	(12 446)	-75%	33 000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>44%</b>	<b>169 479</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>44%</b>	<b>169 479</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>340 170</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>
Capital transfers recognised	94 873	132 483	154 827	13 290	37 585	56 521	(18 936)	-34%	154 827
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	128 766	140 000	165 124	20 201	43 400	83 457	(40 058)	-48%	165 124
Internally generated funds	116 481	136 790	144 532	9 958	40 583	45 664	(5 082)	-11%	144 532
<b>Total sources of capital funds</b>	<b>340 120</b>	<b>409 273</b>	<b>464 483</b>	<b>43 449</b>	<b>121 567</b>	<b>185 643</b>	<b>(64 075)</b>	<b>-35%</b>	<b>464 483</b>
<b>Financial position</b>									
Total current assets	1 522 415	644 346	610 164		30 469				610 164
Total non current assets	6 021 122	6 274 346	6 329 556		97 732				6 329 556
Total current liabilities	1 221 670	339 918	346 214		(256 975)				346 214
Total non current liabilities	790 133	877 341	877 341		-				877 341
<b>Community wealth/Equity</b>	<b>5 517 696</b>	<b>5 701 434</b>	<b>5 716 165</b>		-				<b>5 716 165</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 271 617	(94 070)	(152 235)	192 624	796 203	(63 186)	(859 389)	1360%	(152 235)
Net cash from (used) investing	(45 347)	(785 546)	(885 519)	-	(1 742)	(394 816)	(393 075)	100%	(885 519)
Net cash from (used) financing	(121 845)	162 961	162 961	(23)	653	92 961	92 308	99%	162 961
<b>Cash/cash equivalents at the month/year end</b>	<b>1 438 508</b>	<b>(498 960)</b>	<b>(639 357)</b>	<b>-</b>	<b>795 114</b>	<b>(129 606)</b>	<b>(924 720)</b>	<b>713%</b>	<b>(874 793)</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	82 331	6 182	5 550	246 938	-	-	-	-	341 001
<b>Creditors Age Analysis</b>									
Total Creditors	17 934	-	-	-	-	-	-	-	17 934

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>517 935</b>	<b>546 657</b>	<b>547 227</b>	<b>57 514</b>	<b>337 829</b>	<b>306 886</b>	30 943	10%	<b>547 227</b>
Executive and council		306	771	771	35	365	386	(20)	-5%	771
Finance and administration		517 629	545 886	545 906	57 479	337 445	306 500	30 944	10%	545 906
Internal audit		-	-	550	-	19	-	19	#DIV/0!	550
<i><b>Community and public safety</b></i>		<b>186 577</b>	<b>180 572</b>	<b>186 957</b>	<b>18 655</b>	<b>75 958</b>	<b>91 383</b>	(15 425)	-17%	<b>186 957</b>
Community and social services		16 503	18 285	22 273	1 346	5 059	10 047	(4 988)	-50%	22 273
Sport and recreation		3 923	1 564	1 564	-	41	672	(632)	-94%	1 564
Public safety		142 966	148 586	149 217	16 682	66 751	74 293	(7 542)	-10%	149 217
Housing		23 185	12 136	13 902	628	4 108	6 371	(2 264)	-36%	13 902
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>106 498</b>	<b>145 034</b>	<b>147 552</b>	<b>11 067</b>	<b>50 383</b>	<b>73 012</b>	(22 629)	-31%	<b>147 552</b>
Planning and development		45 354	142 206	144 724	10 407	47 182	71 598	(24 416)	-34%	144 724
Road transport		60 826	1 503	1 503	660	3 014	752	2 262	301%	1 503
Environmental protection		318	1 325	1 325	1	187	662	(475)	-72%	1 325
<i><b>Trading services</b></i>		<b>1 231 552</b>	<b>1 384 432</b>	<b>1 392 814</b>	<b>123 007</b>	<b>678 942</b>	<b>699 581</b>	(20 639)	-3%	<b>1 392 814</b>
Energy sources		808 428	920 200	928 582	66 177	430 707	475 708	(45 001)	-9%	928 582
Water management		159 914	181 107	181 107	17 868	88 360	75 378	12 982	17%	181 107
Waste water management		143 732	149 836	149 836	20 487	82 805	76 575	6 231	8%	149 836
Waste management		119 478	133 289	133 289	18 475	77 069	71 920	5 149	7%	133 289
<i><b>Other</b></i>	4	<b>103</b>	<b>118</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>(59)</b>	<b>-100%</b>	<b>118</b>
<b>Total Revenue - Functional</b>	2	<b>2 042 665</b>	<b>2 256 812</b>	<b>2 274 668</b>	<b>210 243</b>	<b>1 143 112</b>	<b>1 170 921</b>	<b>(27 809)</b>	<b>-2%</b>	<b>2 274 668</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>295 576</b>	<b>332 785</b>	<b>325 140</b>	<b>17 478</b>	<b>129 435</b>	<b>145 503</b>	(16 068)	-11%	<b>325 140</b>
Executive and council		48 922	33 555	33 529	3 294	16 525	15 256	1 269	8%	33 529
Finance and administration		237 216	285 492	277 296	13 757	105 491	124 384	(18 893)	-15%	277 296
Internal audit		9 439	13 738	14 314	428	7 419	5 863	1 556	27%	14 314
<i><b>Community and public safety</b></i>		<b>384 898</b>	<b>415 276</b>	<b>425 613</b>	<b>20 908</b>	<b>134 714</b>	<b>198 153</b>	(63 439)	-32%	<b>425 613</b>
Community and social services		37 897	52 304	56 486	2 897	20 153	27 761	(7 608)	-27%	56 486
Sport and recreation		62 204	65 531	70 036	4 239	23 047	33 188	(10 141)	-31%	70 036
Public safety		261 734	264 286	264 334	10 994	76 690	124 081	(47 392)	-38%	264 334
Housing		23 063	33 155	34 757	2 779	14 823	13 123	1 701	13%	34 757
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>188 080</b>	<b>212 066</b>	<b>212 126</b>	<b>11 524</b>	<b>70 775</b>	<b>97 103</b>	(26 328)	-27%	<b>212 126</b>
Planning and development		75 879	80 010	79 934	5 575	39 831	40 238	(407)	-1%	79 934
Road transport		96 342	107 911	107 911	4 486	24 131	46 539	(22 408)	-48%	107 911
Environmental protection		15 859	24 146	24 281	1 463	6 812	10 325	(3 513)	-34%	24 281
<i><b>Trading services</b></i>		<b>1 058 109</b>	<b>1 141 937</b>	<b>1 142 311</b>	<b>90 446</b>	<b>427 353</b>	<b>465 255</b>	(37 902)	-8%	<b>1 142 311</b>
Energy sources		636 451	678 534	678 584	46 325	285 228	293 110	(7 882)	-3%	678 584
Water management		136 100	132 424	132 394	16 922	45 499	48 301	(2 803)	-6%	132 394
Waste water management		154 847	199 471	199 471	21 588	59 825	69 750	(9 926)	-14%	199 471
Waste management		130 710	131 508	131 861	5 612	36 802	54 093	(17 291)	-32%	131 861
<i><b>Other</b></i>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	3	<b>1 926 662</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-16%</b>	<b>2 105 189</b>
<b>Surplus/ (Deficit) for the year</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>44%</b>	<b>169 479</b>

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and Public safety; Economic and Environmental services; and Trading Services.

**Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)**

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	1	-	-	550	-	19	-	19	#DIV/0!	550
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		21 461	22 399	25 165	977	8 351	11 998	(3 647)	-30,4%	25 165
Vote 3 - INFRASTRUCTURE SERVICES		1 243 025	1 517 037	1 526 938	133 722	724 037	765 884	(41 847)	-5,5%	1 526 938
Vote 4 - COMMUNITY AND PROTECTION SERVICES		172 077	170 719	175 338	18 031	72 895	86 154	(13 258)	-15,4%	175 338
Vote 5 - CORPORATE SERVICES		5 787	11 657	11 677	882	4 128	5 828	(1 700)	-29,2%	11 677
Vote 6 - FINANCIAL SERVICES		508 718	535 000	535 000	56 631	333 682	301 057	32 624	10,8%	535 000
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>1 951 068</b>	<b>2 256 812</b>	<b>2 274 668</b>	<b>210 243</b>	<b>1 143 112</b>	<b>1 170 921</b>	<b>(27 809)</b>	<b>-2,4%</b>	<b>2 274 668</b>
<b>Expenditure by Vote</b>										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	1	21 519	27 432	27 982	1 275	12 890	11 329	1 561	13,8%	27 982
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		73 884	87 865	87 865	7 205	41 009	41 796	(787)	-1,9%	87 865
Vote 3 - INFRASTRUCTURE SERVICES		1 171 076	1 258 869	1 258 869	95 454	458 680	514 587	(55 907)	-10,9%	1 258 869
Vote 4 - COMMUNITY AND PROTECTION SERVICES		383 488	419 003	421 558	19 584	129 930	198 056	(68 126)	-34,4%	421 558
Vote 5 - CORPORATE SERVICES		183 253	210 683	210 703	9 999	71 910	94 615	(22 705)	-24,0%	210 703
Vote 6 - FINANCIAL SERVICES		93 432	98 213	98 213	6 841	47 858	45 631	2 227	4,9%	98 213
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>1 926 651</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-15,9%</b>	<b>2 105 189</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>24 417</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>	<b>115 928</b>	<b>43,8%</b>	<b>169 479</b>

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Human Settlements; Engineering Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

**Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)**

**WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment**

Description	Ref	Budget Year 2022/23								Full Year Forecast
		2021/22	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		421 969	438 941	438 941	31 261	262 732	253 049	9 683	4%	438 941
Service charges - electricity revenue		756 431	846 763	846 763	52 495	401 463	438 990	(37 526)	-9%	846 763
Service charges - water revenue		146 830	176 783	176 783	16 967	84 187	73 216	10 971	15%	176 783
Service charges - sanitation revenue		102 285	109 134	109 134	8 355	54 469	56 224	(1 754)	-3%	109 134
Service charges - refuse revenue		84 652	94 971	94 971	6 890	50 206	52 832	(2 626)	-5%	94 971
Rental of facilities and equipment		12 173	15 538	15 538	745	4 567	7 769	(3 202)	-41%	15 538
Interest earned - external investments		18 770	20 397	20 397	3 590	18 942	10 199	8 743	86%	20 397
Interest earned - outstanding debtors		12 859	11 391	11 391	1 702	8 907	5 604	3 303	59%	11 391
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		122 933	124 955	124 955	15 406	58 642	62 478	(3 836)	-6%	124 955
Licences and permits		7 809	5 934	5 934	378	3 990	2 967	1 023	34%	5 934
Agency services		3 020	4 281	4 281	175	1 474	2 141	(666)	-31%	4 281
Transfers and subsidies		196 208	213 380	216 505	55 805	136 524	107 594	28 930	27%	216 505
Other revenue		33 089	41 313	41 313	3 461	17 835	20 656	(2 822)	-14%	41 313
Gains		394	-	-	-	2	-	2	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 919 424</b>	<b>2 103 783</b>	<b>2 106 907</b>	<b>197 231</b>	<b>1 103 941</b>	<b>1 093 718</b>	<b>10 223</b>	<b>1%</b>	<b>2 106 907</b>
<b>Expenditure By Type</b>										
Employee related costs		550 719	624 464	626 756	41 506	272 623	307 529	(34 905)	-11%	626 756
Remuneration of councillors		19 815	21 062	21 062	2 286	11 341	10 531	810	8%	21 062
Debt impairment		84 985	97 842	97 842	6 279	6 648	48 950	(42 302)	-86%	97 842
Depreciation & asset impairment		213 746	213 118	213 118	-	-	102 210	(102 210)	-100%	213 118
Finance charges		44 332	67 799	67 799	24 058	24 058	6 373	17 684	277%	67 799
Bulk purchases - electricity		528 012	551 412	551 412	37 234	252 243	242 625	9 618	4%	551 412
Inventory consumed		76 020	83 382	83 221	7 312	30 940	26 859	4 081	15%	83 221
Contracted services		208 314	269 226	263 275	12 075	75 734	85 178	(9 444)	-11%	263 275
Transfers and subsidies		13 364	14 355	17 838	334	13 062	14 258	(1 195)	-8%	17 838
Other expenditure		186 769	159 403	162 865	9 274	75 630	61 501	14 129	23%	162 865
Losses		587	-	-	-	(2)	-	(2)	#DIV/0!	-
<b>Total Expenditure</b>		<b>1 926 662</b>	<b>2 102 065</b>	<b>2 105 189</b>	<b>140 357</b>	<b>762 277</b>	<b>906 014</b>	<b>(143 737)</b>	<b>-16%</b>	<b>2 105 189</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (national / provincial / district)		(7 239)	1 718	1 718	56 874	341 664	187 704	153 960	0	1 718
(National / Provincial and District)		92 495	120 030	134 761	12 993	35 116	60 703	(25 587)	(0)	134 761
Transfers and subsidies - capital (national / provincial / departmental agencies, households, non-profit institutions, private enterprises, public corporations, higher educational institutions)		30 696	33 000	33 000	20	4 054	16 500	(12 446)	(0)	33 000
Transfers and subsidies - capital (in-kind - all)		50	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>			<b>169 479</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>			<b>169 479</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>			<b>169 479</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>116 002</b>	<b>154 747</b>	<b>169 479</b>	<b>69 887</b>	<b>380 834</b>	<b>264 906</b>			<b>169 479</b>



MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2020

**Table C5: Monthly Budget Statement – Capital Expenditure**

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections: Appropriations by vote; Standard classification and funding portion.

**WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment**

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		34	44	44	-	-	18	(18)	-100%	44
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		134	2 685	6 985	-	495	9	486	5397%	6 985
Vote 3 - INFRASTRUCTURE SERVICES		67 258	73 879	236 066	6 165	19 885	39 724	(19 839)	-50%	92 657
Vote 4 - COMMUNITY AND PROTECTION SERVICES		19 165	8 850	17 416	847	2 974	3 877	(903)	-23%	11 687
Vote 5 - CORPORATE SERVICES		6 362	13 900	21 382	46	1 477	5 004	(3 527)	-70%	15 898
Vote 6 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>92 954</b>	<b>99 358</b>	<b>281 893</b>	<b>7 059</b>	<b>24 831</b>	<b>48 632</b>	<b>(23 801)</b>	<b>-49%</b>	<b>127 270</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		8 755	8 829	10 487	74	661	3 600	(2 938)	-82%	10 287
Vote 3 - INFRASTRUCTURE SERVICES		212 956	268 636	151 947	13 591	72 201	118 505	(46 305)	-39%	295 356
Vote 4 - COMMUNITY AND PROTECTION SERVICES		12 454	15 174	16 561	1 877	10 298	4 746	5 552	117%	22 290
Vote 5 - CORPORATE SERVICES		62 471	13 857	10 591	2 131	7 728	6 048	1 680	28%	16 076
Vote 6 - FINANCIAL SERVICES		2 821	200	400	1	192	130	62	48%	400
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>299 458</b>	<b>306 696</b>	<b>189 987</b>	<b>17 674</b>	<b>91 080</b>	<b>133 029</b>	<b>(41 949)</b>	<b>-32%</b>	<b>344 410</b>
<b>Total Capital Expenditure</b>	3	<b>392 412</b>	<b>406 054</b>	<b>471 880</b>	<b>24 733</b>	<b>115 912</b>	<b>181 661</b>	<b>(65 750)</b>	<b>-36%</b>	<b>471 680</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>71 688</b>	<b>28 001</b>	<b>32 418</b>	<b>2 178</b>	<b>9 397</b>	<b>12 862</b>	<b>(3 465)</b>	<b>-27%</b>	<b>32 418</b>
Executive and council		34	44	44	-	-	22	(22)	-100%	44
Finance and administration		71 654	27 957	32 374	2 178	9 397	12 840	(3 443)	-27%	32 374
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>34 853</b>	<b>25 844</b>	<b>36 536</b>	<b>2 358</b>	<b>12 953</b>	<b>18 608</b>	<b>(5 655)</b>	<b>-30%</b>	<b>36 536</b>
Community and social services		2 299	2 155	2 228	-	66	920	(854)	-93%	2 228
Sport and recreation		13 333	4 900	8 797	520	3 652	5 673	(2 022)	-36%	8 797
Public safety		12 775	10 395	15 643	1 780	8 770	7 836	934	12%	15 643
Housing		6 446	8 394	9 868	58	465	4 179	(3 714)	-89%	9 868
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>93 728</b>	<b>105 037</b>	<b>119 540</b>	<b>6 089</b>	<b>22 613</b>	<b>51 773</b>	<b>(29 160)</b>	<b>-56%</b>	<b>119 540</b>
Planning and development		25 651	45 863	51 183	3 506	11 536	20 981	(9 445)	-45%	51 183
Road transport		66 314	52 800	61 620	2 430	10 564	28 320	(17 756)	-63%	61 620
Environmental protection		1 764	6 374	6 737	153	513	2 472	(1 959)	-79%	6 737
<b>Trading services</b>		<b>192 142</b>	<b>247 172</b>	<b>283 187</b>	<b>14 108</b>	<b>70 948</b>	<b>136 594</b>	<b>(65 646)</b>	<b>-48%</b>	<b>283 187</b>
Energy sources		37 838	74 748	79 519	2 907	22 700	39 240	(16 540)	-42%	79 519
Water management		35 607	79 850	99 689	4 180	21 842	46 327	(24 486)	-53%	99 689
Waste water management		108 612	84 700	96 056	6 982	26 120	45 992	(19 872)	-43%	96 056
Waste management		10 085	7 874	7 923	38	287	5 036	(4 749)	-94%	7 923
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>392 412</b>	<b>406 054</b>	<b>471 880</b>	<b>24 733</b>	<b>115 912</b>	<b>219 838</b>	<b>(103 926)</b>	<b>-47%</b>	<b>471 680</b>
<b>Funded by:</b>										
National Government		3 486	70 386	70 386	8 728	24 853	34 250	(9 397)	-27%	70 386
Provincial Government		7 447	35 168	39 208	3 221	8 681	15 246	(6 565)	-43%	39 208
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	324	324	-	324	#DIV/0!	-
<b>Transfers recognised - capital</b>		<b>10 933</b>	<b>105 554</b>	<b>109 594</b>	<b>12 273</b>	<b>33 859</b>	<b>49 496</b>	<b>(15 638)</b>	<b>-32%</b>	<b>109 594</b>
<b>Public contributions &amp; donations</b>	5	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	6	<b>141 384</b>	<b>144 000</b>	<b>152 862</b>	<b>4 036</b>	<b>36 364</b>	<b>70 982</b>	<b>(34 618)</b>	<b>-49%</b>	<b>152 862</b>
<b>Internally generated funds</b>		<b>237 901</b>	<b>156 500</b>	<b>209 224</b>	<b>8 423</b>	<b>45 689</b>	<b>99 359</b>	<b>(53 671)</b>	<b>-54%</b>	<b>209 224</b>
<b>Total Capital Funding</b>		<b>390 219</b>	<b>406 054</b>	<b>471 680</b>	<b>24 733</b>	<b>115 912</b>	<b>219 838</b>	<b>(103 926)</b>	<b>-47%</b>	<b>471 680</b>

**Table C6: Monthly Budget Statement – Financial Position**

Table C6: Monthly Budget Statement – Financial Position consists of three sections: Assets; Liabilities and Community wealth/equity.

**WC024 Stellenbosch - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment**

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		96 353	60 819	20 394	21 778	20 394
Call investment deposits		347 047	188 689	188 689	499 013	188 689
Consumer debtors		182 063	248 872	248 872	200 211	248 872
Other debtors		868 130	103 499	109 571	1 007 104	109 571
Current portion of long-term receivables		–	–	–	–	–
Inventory		28 822	42 467	42 637	41 443	42 637
<b>Total current assets</b>		<b>1 522 415</b>	<b>644 346</b>	<b>610 164</b>	<b>1 769 549</b>	<b>610 164</b>
<b>Non current assets</b>						
Long-term receivables		6 721	–	–	6 721	–
Investments		–	–	–	–	–
Investment property		412 144	415 362	415 362	413 763	415 362
Investments in Associate		–	–	–	–	–
Property, plant and equipment		5 589 173	5 835 067	5 888 996	5 666 195	5 888 996
Agricultural		–	–	–	–	–
Biological assets		6 321	6 571	6 571	5 143	6 571
Intangible assets		5 726	6 480	6 480	7 067	6 480
Other non-current assets		1 037	10 865	12 146	1 037	12 146
<b>Total non current assets</b>		<b>6 021 122</b>	<b>6 274 346</b>	<b>6 329 556</b>	<b>6 099 925</b>	<b>6 329 556</b>
<b>TOTAL ASSETS</b>		<b>7 543 537</b>	<b>6 918 692</b>	<b>6 939 720</b>	<b>7 869 474</b>	<b>6 939 720</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		51 902	50 847	50 847	29 540	50 847
Consumer deposits		22 155	22 961	22 961	23 416	22 961
Trade and other payables		1 083 409	137 777	144 074	1 069 651	144 074
Provisions		64 204	128 332	128 332	57 447	128 332
<b>Total current liabilities</b>		<b>1 221 670</b>	<b>339 918</b>	<b>346 214</b>	<b>1 180 054</b>	<b>346 214</b>
<b>Non current liabilities</b>						
Borrowing		428 952	524 045	524 045	428 952	524 045
Provisions		361 181	353 295	353 295	360 606	353 295
<b>Total non current liabilities</b>		<b>790 133</b>	<b>877 341</b>	<b>877 341</b>	<b>789 558</b>	<b>877 341</b>
<b>TOTAL LIABILITIES</b>		<b>2 011 803</b>	<b>1 217 259</b>	<b>1 223 555</b>	<b>1 969 612</b>	<b>1 223 555</b>
<b>NET ASSETS</b>	2	<b>5 531 734</b>	<b>5 701 434</b>	<b>5 716 165</b>	<b>5 899 862</b>	<b>5 716 165</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		5 355 205	5 676 719	5 691 450	5 332 484	5 691 450
Reserves		162 491	24 715	24 715	171 887	24 715
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>5 517 696</b>	<b>5 701 434</b>	<b>5 716 165</b>	<b>5 504 371</b>	<b>5 716 165</b>

**Table C7: Monthly Budget Statement – Cash Flow**

Table C7: Monthly Budget Statement – Cash Flow consists of four sections: cash flow from operating activities; cash flows from investing activities; cash flows from financing activities and net increase/ (decrease) in cash held.

**WC024 Stellenbosch - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment**

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		1 452 016	421 433	421 433	140 993	606 527	210 717	395 810	188%	421 433
Service charges		733 711	1 339 862	1 339 862	74 467	496 497	674 896	(178 399)	-26%	1 339 862
Other revenue		11 634	354 937	354 937	3 108	19 591	177 468	(157 878)	-89%	354 937
Transfers and Subsidies - Operational		4 199	241 730	241 845	0	1 232	120 865	(119 633)	-99%	241 845
Transfers and Subsidies - Capital		40 179	124 900	124 900	-	-	45 950	(45 950)	-100%	91 900
Interest		2 318	20 397	20 397	348	2 667	10 199	(7 532)	-74%	20 397
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(970 490)	(2 073 904)	(2 077 028)	(16 696)	(320 713)	(1 262 705)	(941 992)	75%	(2 541 458)
Finance charges		-	(66 796)	(66 796)	-	-	(33 398)	(33 398)	100%	(66 796)
Transfers and Grants		(1 950)	(14 355)	(14 355)	(9 597)	(9 597)	(7 178)	2 420	-34%	(14 355)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 271 617</b>	<b>348 204</b>	<b>345 194</b>	<b>192 624</b>	<b>796 203</b>	<b>(63 186)</b>	<b>(859 389)</b>	<b>1360%</b>	<b>(152 235)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		33 000
Decrease (increase) in non-current receivables		(6 721)	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(38 626)	(409 273)	(464 483)	-	(1 694)	(411 316)	(409 622)	100%	(918 519)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(45 347)</b>	<b>(409 273)</b>	<b>(464 483)</b>	<b>-</b>	<b>(1 694)</b>	<b>(411 316)</b>	<b>(409 622)</b>	<b>100%</b>	<b>(885 519)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		(144 000)	140 000	140 000	-	-	70 000	(70 000)	-100%	140 000
Increase (decrease) in consumer deposits		22 155	-	-	-	-	22 961	(22 961)	-100%	22 961
<b>Payments</b>										
Repayment of borrowing		-	(47 117)	(47 117)	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(121 845)</b>	<b>92 883</b>	<b>92 883</b>	<b>-</b>	<b>-</b>	<b>92 961</b>	<b>92 961</b>	<b>100%</b>	<b>162 961</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 104 425</b>	<b>31 813</b>	<b>(26 406)</b>	<b>192 624</b>	<b>794 509</b>	<b>(381 541)</b>			<b>(874 793)</b>
Cash/cash equivalents at beginning:		334 083	217 695	235 435		-	235 435			-
Cash/cash equivalents at month/year end:		1 438 508	249 508	209 029		794 509	(146 106)			(874 793)



**STELLENBOSCH**

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# **Mid-year Performance Assessment Report**

**2022/23**

**01 July – 31 December 2022**

*This report is compiled in terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003 (MFMA), and is unaudited.*

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## 1. INTRODUCTION

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

The Mid-year Performance Assessment Report and supporting tables of Stellenbosch Municipality is prepared per MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

## 2. FINANCIAL PERFORMANCE

A report assessing the municipality's financial performance for the period 01 July- 31 December 2022 will be submitted to Council together with this item.

## 3. SERVICE DELIVERY PERFORMANCE ANALYSIS

### 3.1 CREATING A CULTURE OF PERFORMANCE

#### 3.1.1 Performance Framework

Performance management is prescribed by Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), and the Local Government: Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players."* This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual as well as service provider performance.

#### 3.1.2 Implementation of Performance Management

The 5<sup>th</sup> Generation IDP 2022 – 2027 was approved by Council on 25 May 2023. Performance is evaluated using a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at organisational level and through the Departmental SDBIP at departmental level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality is implemented. It also allocates responsibilities to Directorates to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 22 June 2022.

#### 3.1.3 Monitoring Performance

The SDBIP is loaded on an electronic web-based system (after approval). The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's performance. The actual results against monthly targets set are discussed at the Executive

Management level to determine early warning indicators as well as to discuss corrective measures if needed. The Quarter 1 Performance Assessment Report 2022/23 (01 July – 30 September 2022) was submitted to the Executive Mayoral Committee and Council for review in October 2022 and thereafter to the Internal Audit Section for auditing. The Quarter 2 (01 October – 31 December 2022) Performance Assessment Report will follow a similar process.

**Table 3:1: Explanation of colour codes**

Colour	Category	Explanation
	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target of more than 150% achieved

## 3.2 OVERALL SERVICE DELIVERY PERFORMANCE

### 3.2.1 Performance against the National Key Performance Indicators

The following tables indicate the municipality's performance in terms of the National Key Performance Indicators (NKPIs) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas (NKPAs).

#### a) Municipal Transformation and Institutional Development

**Table 3:2: Municipal Transformation and Institutional Development**

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan <i>*The Stellenbosch Municipality use a % to measure this indicator.</i>	60%*	N/A	N/A
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.20%	N/A	N/A

#### b) Basic Service Delivery

**Table 3:3: Basic Service Delivery**

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The percentage of households earning less than R 6 500 per month with access to free basic services <i>(In the case of Stellenbosch Municipality- percentage of registered Indigent households is being reported)</i>	100%	100%	<b>100%</b> (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level of water	100%	100%	<b>100%</b> (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level of sanitation	100%	100%	<b>100%</b> (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level of electricity	65%	65%	<b>100%</b> (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level solid waste removal	100%	100%	<b>100%</b> (5 789 / 5 789 x 100 = 100%)

### c) Local Economic Development

**Table 3:4: Local Economic Development**

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The number of jobs created through municipality's local economic development initiatives including capital projects	1 400	900	<b>891</b>

### d) Municipal Financial Viability and Management

**Table 3:5: Municipal Financial Viability and Management**

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
Debt coverage (Total operating revenue-operating grants received)/ debt service payments due within the year)	15%	N/A	<b>N/A</b>
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	27%	N/A	<b>N/A</b>
Cost coverage (Available cash+ investments)/ Monthly fixed operating expenditure	4	N/A	<b>N/A</b>

### e) Good Governance and Public Participation

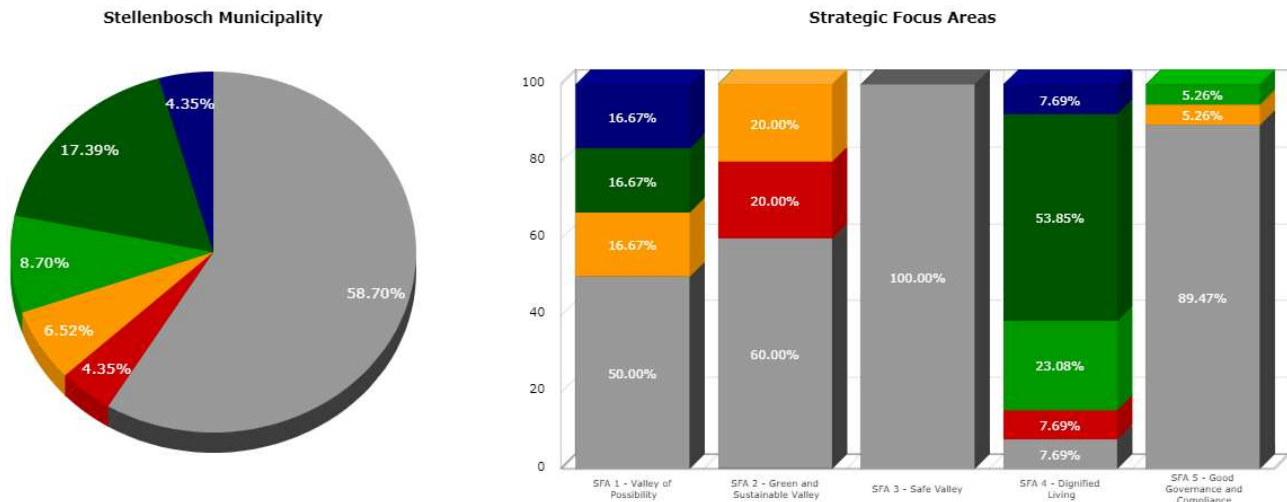
**Table 3:6: Good Governance and Public Participation**

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	90%	30%	<b>26.17%</b> (R121 567 496 / R464 483 073 x 100 = 26.17%)



### 3.2.2 Summary performance against the Municipal Strategic Focus Areas

The graph below illustrates the performance of the Stellenbosch Municipality against the municipality's Strategic Focus Areas (SFAs), for the period 01 July – 31 December 2022, as derived from the municipality's Integrated Development Plan (IDP). The graph only indicates the KPIs measured during the first two quarters of the financial year. As at 31 December 2022, 19 KPIs out of the 46 were evaluated. 73.68% of the planned targets were achieved as at 31 December 2022. As noted in the report below, the necessary corrective measures will be implemented to attain the planned targets by 30 June 2023.

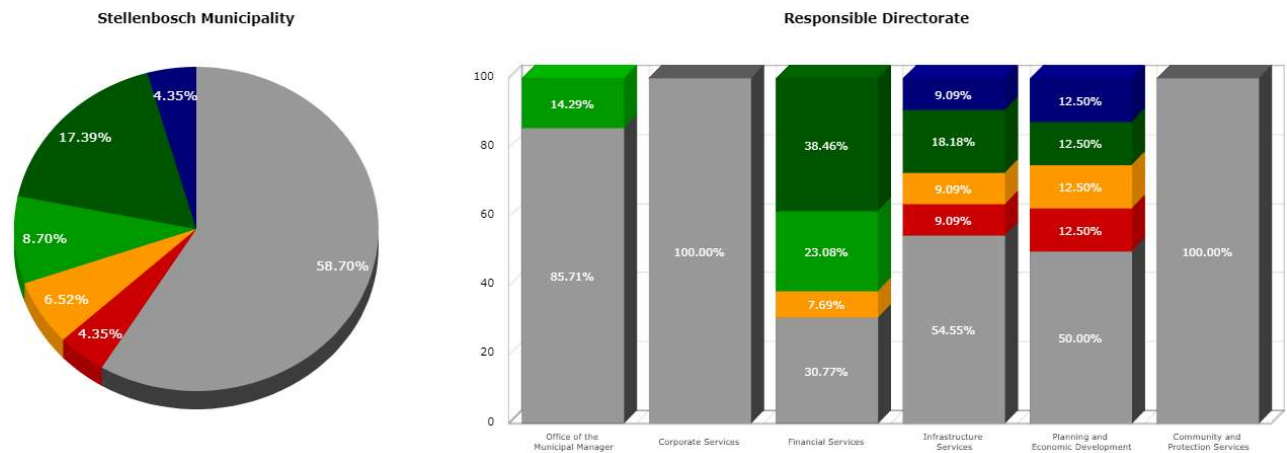


Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	27 (58.70%)	3 (50%)	3 (60%)	3 (100%)	1 (7.69%)	17 (89.47%)
KPI Not Met	2 (4.35%)	-	1 (20%)	-	1 (7.69%)	-
KPI Almost Met	3 (6.52%)	1 (16.67%)	1 (20%)	-	-	1 (5.26%)
KPI Met	4 (8.70%)	-	-	-	3 (23.08%)	1 (5.26%)
KPI Well Met	8 (17.39%)	1 (16.67%)	-	-	7 (53.85%)	-
KPI Extremely Well Met	2 (4.35%)	1 (16.67%)	-	-	1 (7.69%)	-
<b>Total:</b>	<b>46</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>19</b>
	100%	13.04%	10.87%	6.52%	28.26%	41.30%

Table 3:7: Summary Performance against the Municipal Strategic Focus Areas- 01 July – 31 December 2022

### 3.2.3 Summary Performance per Municipal Directorate

The graph below illustrates the performance of the Stellenbosch Municipality against each of the municipality's Directorates, for the period 01 July – 31 December 2022. The graph only indicates the KPIs measured during the first two quarters of the financial year. As at 31 December 2022, a total of 19 KPIs out of the 46 were evaluated. 73.68% of the planned targets were achieved as at 31 December 2022. As noted in the report below, the necessary corrective measures will be implemented to attain the planned targets by 30 June 2023.



Stellenbosch Municipality	Municipal Directorates						
	Office of the Municipal Manager	Corporate Services	Financial Services	Infrastructure Services	Planning and Economic Development	Community and Protection Services	
<b>KPI Not Yet Measured</b>	<b>27 (58.70%)</b>	6 (85.71%)	4 (100%)	4 (30.77%)	6 (54.55%)	4 (50%)	3 (100%)
<b>KPI Not Met</b>	<b>2 (4.35%)</b>	-	-	-	1 (9.09%)	1 (12.50%)	-
<b>KPI Almost Met</b>	<b>3 (6.52%)</b>	-	-	1 (7.69%)	1 (9.09%)	1 (12.50%)	-
<b>KPI Met</b>	<b>4 (8.70%)</b>	1 (14.29%)	-	3 (23.08%)	-	-	-
<b>KPI Well Met</b>	<b>8 (17.39%)</b>	-	-	5 (38.46%)	2 (18.18%)	1 (12.50%)	-
<b>KPI Extremely Well Met</b>	<b>2 (4.35%)</b>	-	-	-	1 (9.09%)	1 (12.50%)	-
<b>Total:</b>	<b>46</b>	<b>7</b>	<b>4</b>	<b>13</b>	<b>11</b>	<b>8</b>	<b>3</b>
	<b>100%</b>	<b>15.22%</b>	<b>8.70%</b>	<b>28.26%</b>	<b>23.91%</b>	<b>17.39%</b>	<b>6.52%</b>

Table 3:8: Overall Performance per Municipal Directorate- 01 July – 31 December 2022

#### **4. ADJUSTMENT BUDGET**

Regulation 23 of the Local Government: Municipal Budget and Reporting Regulations provide, *inter alia*, for the following:

*“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”*

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to Council in January 2023 with the necessary motivation where key performance indicators require adjustment / amendment(s) as a result of the Adjustments Budget.

#### **5. OUTSTANDING MATTERS ON THE PAST YEAR’S ANNUAL REPORT (2021/22)**

As prescribed in section 72(1)(a)(iii) of the MFMA the Accounting Officer must assess the performance of the municipality in the first six months considering the past year’s Annual Report, and progress on resolving the problems identified in the Annual Report. Please refer to **Annexure B** for detail regarding progress made with the implementation of corrective measures to address the KPIs which have not been met in the TL SDBIP 2021/22.

#### **6. SUMMARY AND CHALLENGES**

**Annexure A** is the unaudited Top Layer SDBIP report for the period 01 July – 31 December 2022 of the 2022/23 financial year, which measures the Stellenbosch Municipality’s overall performance per SFA. The report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

---

**GERALDINE METTLER**  
**MUNICIPAL MANAGER**

**DATE:** .....

## **7. ANNEXURES**

**Annexure A — Top Layer SDBIP 2022/23 per Municipal SFA and assessment of targets achieved (Mid-year Assessment)**

**Annexure B — Progress made with the implementation of corrective measures of KPIs not met in the Top Layer SDBIP for 2021/22**

## 7.1 ANNEXURE A — TOP LAYER SDBIP 2022/23 PER MUNICIPAL SFA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR ASSESSMENT)

### a) SFA 1 - Valley of Possibility

SFA 1 - Valley of Possibility																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL6	KPI001	Submission of the Economic Development Strategy to the MayCo	Number of Economic Development Strategies submitted to the MayCo by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL7	KPI003	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 400	1 400	400 (400)	599	G2	900 (900)	891	○	900	891	○	The performance target was just missed	The SOP will be reviewed with all the relevant stakeholders to improve internal liaison with user departments, specifically with the. The shortfall will be made up in quarters 3 and 4.
TL8	KPI004	Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application	Percentage of land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application	80%	80%	80%	100%	G2	80%	100%	G2	80%	100%	G2	5 / 5 x 100 = 100%	

SFA 1 - Valley of Possibility

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL9	KPI005	Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided to entrepreneurs and SMMEs	4	4	1 (1)	5	B	1 (2)	4	B	2	9	B		
TL10	KPI006	Submission of the revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL11	KPI007	Submission of the revised Housing Pipeline (document) to the MayCo	Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

Summary of Results: SFA 1 - Valley of Possibility

	KPI Not Yet Measured	3
	KPI Not Met	0
	KPI Almost Met	1
	KPI Met	0
	KPI Well Met	1
	KPI Extremely Well Met	1
	<b>Total KPIs</b>	<b>6</b>

## b) SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL14	KPI020	Conduct an External Audit of the Stellenbosch Municipal Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL15	KPI021	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	0	0	N/A	0	0	N/A	0	0	N/A		
TL16	KPI014	Process building plan applications of <500sqm within 30 days after the date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt	75%	75%	75%	63.75%	○	75%	33.10%	R	75%	39.78%	R	146 / 367 x 100 = 39.78%	The capacity constraints of the Section: BDM have been addressed with the Municipal Manager having approved funding for additional capacity in terms of 1 additional Plans Examiner and 1 additional Chief Building Inspector. Recruitment of additional capacity will occur over the next 3-6 months.

SFA 2 - Green and Sustainable Valley

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure	
						Target	Actual	R	Target	Actual	R	Target	Actual	R			
																physically moved offices over the period of the last week in October 2022 and the first week in November 2022. During this period there were various issues with the BPAMS system accessibility by internal staff due to the physical move which impacted heavily on the meeting of the 30-day performance target for building plans under 500 sqm.	
TL17	KP022	Wastewater quality measured into the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly	70%	70%	70%	50.33%	R	70%	64%	○	70%	57.17%	○	Klapmuts WWTW running close to capacity and maintenance issues are being resolved. Loadshedding impacts treatment ability when generator maintenance issues arise. Skills shortage / vacant posts. Wemmershoek WWTW running close to capacity and various maintenance issues are being resolved.	The effluent discharge limits for Stellenbosch WWTW and Wemmershoek WWTW have been discussed with the Department of Water and Sanitation. Once DWS agree to the relaxation, Stellenbosch WWTW and Wemmershoek WWTW compliance should improve. The upgrade of the Pniël WWTW is currently under construction. Final	



SFA 2 - Green and Sustainable Valley

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
															Loadshedding impacts sludge removal at present. Stellenbosch WWTW is currently having various maintenance issues resolved. Electricity loadshedding has an additional effect on sludge removal.	Mechanical installations are in progress and the new process is already resulting in improved effluent quality. The phase 1 upgrade BSM 28/21 of Wemmershoek WWTW is completed (minor snags remain). The sludge handling process will assist with carry-over and improved water quality. Phase 2 of the upgrade is to increase capacity and add filtration. The position of assistant superintendent needs to be filled. The 2 SPO posts (Stellenbosch and Rural SPOs) are critical posts that need to be filled. Contractors are busy with multiple maintenance activities to improve plant performance.
TL19	KPI016	Reduce organic waste	Percentage of organic waste reduced by 30 June	20%	20%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

**Summary of Results: SFA 2 - Green and Sustainable Valley**

KPI Not Yet Measured	3
KPI Not Met	1
KPI Almost Met	1
KPI Met	0
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>5</b>

### c) SFA 3 - Safe Valley

SFA 3 - Safe Valley																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL20	KPI024	Submission of the revised Disaster Management Plan to the Municipal Manager	Number of revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL21	KPI025	Submission of the revised Safety and Security Strategy to the Municipal Manager	Number of revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL22	KPI026	Submission of the revised Traffic Management Plan to the Municipal Manager	Number of revised Traffic Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

#### Summary of Results: SFA 3 - Safe Valley

KPI Not Yet Measured	3
KPI Not Met	0
KPI Almost Met	0
KPI Met	0
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>3</b>

## d) SFA 4 - Dignified Living

SFA 4 - Dignified Living																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL23	KPI027	Installation of new standpipes	Number of new standpipes installed by 30 June	50	50	0	0	N/A	20	26	G2	20	26	G2		
TL24	KPI028	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	50	50	0	0	N/A	20	36	B	20	36	B		
TL25	KPI032	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	5 789 / 5 789 x 100 = 100%	
TL26	KPI029	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units	Percentage of average electricity losses, measured by 30 June	<9%	<9%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

SFA 4 - Dignified Living

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Purchased and/or Generated) x 100}														
TL27	KPI030	Water quality measured quarterly into the SANS 241 physical and micro parameters	Percentage of water quality level as per the analysis certificate, measured quarterly	90%	90%	90%	96%	G2	90%	96.90%	G2	90%	96.45%	G2		
TL28	KPI031	Limit unaccounted water to less than 25%	Percentage of average water losses, measured by 30 June	<25%	<25%	<25%	18.80%	B	<25%	27.70%	R	<25%	27.70%	R	3 061 489kl / 11 051 435kl x 100 = 27.70% A joint investigation between the Directorate: Infrastructure Services and the Department: Revenue and Expenditure revealed that non-paying customers are using excessive water	The municipality will install smart water meters for these customers, and limit their usage if the basic service is exceeded. As a result of the investigation, it was also revealed that there was a technical problem with some meters, and as a result, the municipality will replace these meters.
TL29	KPI033	Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	65%	65%	65%	91.18%	G2	65%	100%	B	65%	95.59%	G2	5 789 / 5 789 x 100 = 100%	
TL30	KPI034	Registered indigent formal households with access to free	Percentage of registered indigent formal households	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	5 789 / 5 789 x 100 = 100%	

SFA 4 - Dignified Living

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
								basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	with access to free basic refuse removal, measured quarterly							
TL31	KPI035	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	5 789 / 5 789 x 100 = 100%	
TL32	KPI036	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 000	26 000	26 000	26 988	G2	26 000	26 891	G2	26 000	26 988	G2		
TL33	KPI037	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 000	26 000	26 000	26 988	G2	26 000	26 891	G2	26 000	26 988	G2		
TL34	KPI038	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 000	26 000	26 000	26 988	G2	26 000	26 891	G2	26 000	26 988	G2		
TL35	KPI039	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 000	26 000	26 000	26 988	G2	26 000	26 891	G2	26 000	26 988	G2		

**Summary of Results: SFA 4 - Dignified Living**

KPI Not Yet Measured	1
KPI Not Met	1
KPI Almost Met	0
KPI Met	3
KPI Well Met	7
KPI Extremely Well Met	2
<b>Total KPIs</b>	<b>13</b>

## e) SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL1	KPI059	Submission of the revised Communication Policy to the MayCo	Number of revised Communication Policies submitted to the MayCo by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL2	KPI044	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	50%	50%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL3	KPI049	Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC	Number of AGSA Audit Action Plans submitted to the APAC by 28 February	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL4	KPI053	Submission of the draft Integrated Development Plan (IDP) to the Council	Number of draft IDPs submitted to the Council by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL5	KPI041	Submission of the revised Integrated Zoning Scheme to the MayCo	Number of revised Integrated Zoning Schemes submitted to the MayCo by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL12	KPI055	Submission of the revised Wastewater	Number of revised Wastewater Master Plans submitted to	1	1	0	0	N/A	0	0	N/A	0	0	N/A		



SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Master Plan to the Municipal Manager	the Municipal Manager by 30 June													
TL13	KPI060	Submission of the revised Roads Master Plan to the Municipal Manager	Number of revised Roads Master Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL18	KPI058	Submission of an Integrated Property Maintenance Plan to the Municipal Manager	Number of Integrated Property Maintenance Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL36	KPI042	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	4	4	0	0	N/A	0	0	N/A	0	0	N/A		
TL37	KPI043	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	96%	96%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Debts Written Off) / Billed Revenue x 100														
TL38	KPI040	Actual expenditure on the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	90%	90%	10%	6.86%	R	30%	26.17%	O	30%	26.17%	O	R121 567 496 / R464 483 073 x 100 = 26.17% The advertisement of tenders was delayed due to the new Preferential Procurement Regulations that came into effect on 16 January 2023.	A detailed performance assessment was conducted during the Mid-year Adjustments Budget process and projects will be shifted to the outer financial years for which tenders are not in place.
TL39	KPI045	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy-MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	0.20%	0.20%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL40	KPI046	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the	15%	15%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Proxy - MSA, Reg. S10(g)(i))	year)) measured by 30 June													
TL41	KPI047	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	27%	27%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL42	KPI054	Submission of the IDP / Budget / SDF time schedule (process plan) to the Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August	1	1	1	1	G	0	0	N/A	1	1	G		
TL43	KPI051	Submission of the revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL44	KPI052	Submission of the revised Strategic ICT Plan to the ICT Steering Committee	Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL45	KPI048	Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and	Number of revised RBAPs submitted to the APAC by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Performance Committee (APAC)														
TL46	KPI050	Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee	Number of revised SRRs submitted to the Risk Management Committee by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

Summary of Results: Planning and Economic Development

KPI Not Yet Measured	17
KPI Not Met	1
KPI Almost Met	0
KPI Met	1
KPI Well Met	0
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>19</b>

## 7.2 ANNEXURE B — PROGRESS MADE WITH THE IMPLEMENTATION OF CORRECTIVE MEASURES OF KPIS NOT MET IN THE TOP LAYER SDBIP FOR 2021/22

### a) SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
TL89	KPI008	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 days from the date of a complete land-use application	Percentage of land-use applications considered by the MPT within 120 days from the date of a complete land-use application	58%	75%	75%	75%	66.66%	○	10 / 15 x 100 = 66.66%	Electronic Town Planning Application Management System (TPAMS) to be implemented as of 01 July 2022. Request for additional human resource capacity for the Land Use Management Section submitted for consideration.	TPAMS was implemented as of 01 July 2022. Implementation challenges with TPAMS have been encountered but are being dealt with as soon as they arise. The request for additional capacity has been addressed by the MM with the funding of an additional 1 Senior Town Planner post which is currently in the process of being filled, based on the HR recruitment schedule.

b) SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
TL96	KPI018	Building plan applications of <500sqm decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	64.30%	80%	70%	70%	62.35%	○	1 022 / 1 639 x 100 = 62.35%	Request for additional human resource capacity for the Building Development Management Section submitted for consideration. Version 2 of the electronic Building Plan Application Management System (BPAMS) is to be implemented as of 01 July 2022.	BPAMS version 2 has been implemented as of 01 July 2022. Implementation challenges with BPAMS version 2 have been encountered but are being dealt with as soon as they arise. The request for additional capacity has been addressed by the MM with 1 additional Chief Building Inspector and 1 Plans Examiner post funded and, is in the process to be filled, based on the HR recruitment schedule.
TL97	KPI019	Waste water quality measured into the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	51%	70%	70%	70%	51.75%	○	<p><u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all the parameters. The process is due to complying with General Limits.</p> <p><u>Klapmuts WWTW:</u> Challenges with sludge handling cause high suspended solids</p>	<p><u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all parameters. The process is due to complying with General Limits. The corrective action is to correct the licence condition with the DWS.</p> <p><u>Klapmuts WWTW:</u> Corrective action is to procure and install</p>	The effluent discharge limits for Stellenbosch WWTW & Wemmershoek WWTW have been discussed with the Department of Water and Sanitation. The upgrade of the Pniël WWTW is currently under construction. Final Mechanical installations are in progress and the new process is already resulting in improved effluent quality. The phase 1 upgrade BSM 28/21 of Wemmershoek WWTW is completed (minor snags remain). The sludge handling

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
										<p>and affect other parameters negatively.</p> <p><u>Pniël WWTW:</u> The plant is running in overload conditions. However, the upgrading of the plant has commenced and is starting to yield positive results as seen with an 88.89% compliance result for June 2022.</p> <p><u>Wemmershoek WWTW:</u> This plant needs repair and upgrade. Phase 1 of this process is to improve sludge handling. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will</p>	<p>additional Belt Press in this financial year. The budget is available.</p> <p><u>Pniël WWTW:</u> Upgrades to the plant will be completed by 31 December 2022.</p> <p><u>Wemmershoek WWTW:</u> Plant in need of repair and upgrade. Phase 1 of this process is to improve sludge handling and will be completed by 31 December 2022. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.</p>	<p>process is assisting with carry-over and improved water quality. Phase 2 of upgrade to increase capacity and add filtration. The position of an assistant superintendent needs to be filled urgently. The 2 x SPO posts (Stellenbosch and Rural SPOs) is critical posts that needs to be filled.</p> <p>Contractors busy with multiple maintenance activities to improve plant performance.</p>

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
										improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.		



c) SFA 4 – Dignified Living

SFA 4 - DIGNIFIED LIVING												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
TL104	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	0	50	50	50	0	R	<p>A contractor was appointed to construct the waterborne toilet facilities. However, delays were experienced due to the fact that the site were not made inaccessible by the residents. Consequently, site establishment could not be done by the contractor. Additional land invasions also occurred in the Kayamandi area, which further hampered site establishment and the construction of the waterborne toilet facilities.</p> <p>The underground infrastructure was completed to connect 36 waterborne toilet facilities to the sewerage network of the municipality.</p>	<p>Community meetings were held with the assistance of the Ward Councillor. Consequently, a number of structures were relocated. However, the rest of the community refused to move their structures.</p> <p>The underground infrastructure was completed to connect 36 waterborne toilet facilities to the sewerage network of the municipality.</p>	<p>A contractor is appointed. Community meetings were held with the assistance of the Ward Councillor. Consequently, a number of structures were relocated. However, the rest of the community refused to move their structures. The underground infrastructure was completed to connect 36 waterborne toilet facilities to the sewerage network of the municipality.</p>
TL106	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold(incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	Percentage average electricity losses measured by 30 June	8.86%	<9%	<9%	<9%	9.60%	O	<p>(393 194 417kWh – 355 429 150kWh) / 393 194 417kWh x 100 = 9.60%</p> <p>The municipality will conduct an electricity losses audit on the municipal-owned electricity infrastructure by 30 September 2022. The electricity losses audit report will thereafter be</p>	<p>The municipality will conduct an electricity losses audit on the municipal-owned electricity infrastructure by 30 September 2022. The electricity losses audit report will thereafter be</p>	<p>Electricity Audit to be undertaken. Loadshedding responsiveness and staff shortages took priority this quarter, however, electricity losses are within range at present.</p>

SFA 4 - DIGNIFIED LIVING

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
											submitted to MayCo by 30 November 2022 to consider and implement identified measures to curb electricity losses.	

d) SFA 5 – Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
TL116	KPI055	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	2.08	4	4	4	3	○	((R137 877 710 - R31 403 223) + R305 522 446) / (R1 925 045 253 / 12)	For the 2021/22 financial year the municipality implemented cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2022/23 financial year.	The Cost Coverage ratio for the period 01 July – 31 December 2023 is 8 months ((R21 778 340 + R499 012 643 - R57 387 551)) / (R724 690 727 / 12) = 8 months (rounded) The increase is mainly attributed to increases in the interest rates after the Covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget.
TL118	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	86.54%	90%	90%	90%	84.29%	○	R340 119 617 / R403 507 635 x 100 = 84.29%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2022/23. These indicators are also aligned to the Demand Management Plan.	A detailed performance assessment was conducted during the Mid-Year adjustment budget for the 2022/23 financial year, and projects will be shifted to the outer years for which tenders are not in place.
TL119	KPI058	Employment equity appointments made within the financial year in the three	Percentage of employment equity appointments made within the financial year	50%	60%	60%	60%	33.30%	R	2 / 6 x 100 = 33.33% At each shortlisting panel meeting, the statistics and	Critical vacancies had to be filled thereby appointing	In the first 6 months of 2022/23 financial year 8 positions became vacant in

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
		highest levels of management	in the three highest levels of management, measured by 30 June							underrepresented target groups are indicated to the panel. In some instances, there are no qualifying candidates from the underrepresented groups. It also happens in some instances that candidates on the shortlist from underrepresented groups do not perform well enough in the interview to be appointed.	qualifying candidates. Measures are in place on the criteria to be followed when shortlisting is done on candidates within the EE target groups.	the three highest levels of the organisation. 5 of the posts were filled with candidates from underrepresented groups and 3 posts were filled with candidates from overrepresented groups. Some of them were given preference as internal candidates or no people from overrepresented groups reached the standard required of 60%
TL122	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	8.86%	27%	27%	27%	15.56%	R	R169 165 030 / R1 086 839 110 x 100 = 15.56%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be implemented	The Section: Revenue did an assessment relating to long outstanding debtors. Consequently, an item will be presented to the Council by 31 January 2023 for a debt write-off.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			

<b>6.6</b>	<b>OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2022 – 31 DECEMBER 2022)</b>
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Collaborator No: 742557  
IDP KPA Ref No: Good Governance and Compliance  
Meeting Date: 19 January 2023

**1. SUBJECT: OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2022 – 31 DECEMBER 2022)**

**2. PURPOSE**

To submit to Council a report for the period 01 October 2022 – 31 December 2022 on the implementation of Council's Supply Chain Management Policy. The report covers the performance of the various delegated functions and the implementation thereof.

**3. FOR DECISION BY MUNICIPAL COUNCIL**

Section 6 (3) & 4 of the SCM Policy 2022/2023, determines that the Accounting Officer must within 10 days at the end of each quarter; submit a report on the implementation of the SCM Policy to the Executive Mayor. This report must be made public in accordance with section 21A of the Municipal Systems Act (32 of 2000).

**4. EXECUTIVE SUMMARY**

On a quarterly basis the Accounting Officer must submit a report on the implementation of the Supply Chain Management Policy to the Executive Mayor. In terms of the SCM Regulations and Council's SCM Policy the SCM unit has been delegated to perform powers and functions that related to the procurement of goods and services, disposal of goods no longer needed, the selection of contractors to aid in the provision of municipal services.

**5. RECOMMENDATIONS**

- (a) that Council approves this report and Annexure A attached to the report, and
- (b) that the report be made public in accordance with section 21A of the Municipal Systems Act.

**6 DISCUSSION/CONTENTS**

**6.1 Background**

The Accounting Officer must report within 10 days of the end of each quarter on the implementation of the SCM policy.

**6.2 Constitutional and Policy Implications**

Paragraph 2(1) of Council's SCM Policy determines that all officials and other role players in the supply chain management system of the Stellenbosch Municipality must implement the SCM Policy in a way that gives effect to section 217 of the Constitution and Part 1 of Chapter 11 of the Municipal Finance Management Act (56 of 2003) and other applicable provisions of the Act; is fair, equitable, transparent, competitive and cost-effective;

complies with the Regulations and any norms and standards that may be prescribed in terms of section 168 of the MFMA; is consistent with other applicable legislation; does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

Paragraph 6(1) of the Supply Chain Management Policy of Council determines that the Council of Stellenbosch municipality reserves the right to maintain oversight over the implementation of the SCM Policy as approved and amended from time to time. Paragraph 6(3) of the above stated Policy determines that the Accounting Officer must within 10 days of the end of each quarter; submit a report on the implementation of the Supply Chain Management Policy to the Executive Mayor.

### 6.3 **Environmental implications**

None.

### 6.4 **Financial Implications**

The financial implications are the transactions for the procurement of goods and services that were processed during the 01 October 2022 – 31 December 2022 and the payments that will derive from these commitments.

### 6.5 **Legal Implications**

The Municipal Finance Management Act (section 112) stipulates that the SCM Policy should comply with a prescribed framework as set out in section 112(1) and section 112(2) that stipulates that the regulatory framework for the municipal supply chain management must be fair, equitable, transparent, competitive, and cost-effective. Reporting back in terms of paragraph 6(3) of the SCM Policy 2022/2023 to the Executive Mayor and Council on the implementation of the supply chain management system and processes enables the Executive Mayor and Council to maintain the oversight role over the implementation of the SCM Policy as approved by Council.

### 6.6 **Staff Implications**

None.

### 6.7 **Previous / Relevant Council Resolutions**

None.

## APPENDICES

ANNEXURE A: Report for the period 01 October 2022 – 31 December 2022 on the Implementation of Council's Supply Chain Management Policy

## FOR FURTHER DETAILS CONTACT:

<b>NAME</b>	<i>Bentley Louw</i>
<b>POSITION</b>	<i>Acting Senior Manager: Supply Chain Management</i>
<b>CONTACT NUMBERS</b>	<i>021 808 8588</i>
<b>E-MAIL ADDRESS</b>	<i>Bentley.Louw@stellenbosch.gov.za</i>
<b>DIRECTORATE</b>	<i>Financial Services</i>
<b>REPORT DATE</b>	<i>12 January 2023</i>

# **ANNEXURE A**



**STELLENBOSCH MUNICIPALITY**

**IMPLEMENTATION OF SYSTEM – SUPPLY CHAIN MANAGEMENT**

**SECTION 6 (3) OF SCM REGULATIONS:  
OVERSIGHT ROLE OF COUNCIL OVER THE IMPLEMENTATION OF SCM POLICY**

**PERIOD: OCTOBER 2022 – DECEMBER 2022**

<b>REG. NO.</b>	<b>CRYPTIC DESCRIPTION OF POWER OR DUTY</b>	<b>POWER CURRENTLY RESIDING</b>	<b>DELEGATED</b>	<b>IMPLE- MENTED</b>	<b>COMMENTS</b>
3(1)(a)	Prepare and submit a draft supply chain management policy complying with regulation 2 to the council of the municipality for adoption.	Accounting Officer	Chief Financial Officer	YES	Done
3(1)(b)	Review at least annually the implementation of the policy.	Accounting Officer	Chief Financial Officer	YES	Done
3(1)(c)	Submit when considered necessary, proposals for amendment of the policy by the Council.	Accounting Officer	Chief Financial Officer	YES	The SCM Policy was sent for amendment in December 2022 to accommodate changes brought forth from the new PPR 2022.
3(2)(a)	Make use of any Treasury guidelines determining standards for municipal supply chain management policies, and submit to the council that guidelines standard or modified version therefore, as a draft policy.	Accounting Officer	Chief Financial Officer	YES	All NT guidelines are included in standard documents and the municipalities SCM policy is aligned with the Model SCM policy of NT.
3(2)(b)	Ensure that a draft policy submitted to council that differs from the guideline standard complies with Regulation 2.	Accounting Officer	Chief Financial Officer	YES	Not Applicable
3(1)(c)	Report any deviation from the guideline standard to the National Treasury and relevant provincial treasury	Accounting Officer	Chief Financial Officer	YES	Not Applicable
3(4)	Must, in terms of section 62(1)(f)(iv) take all reasonable steps to ensure that the municipality has and implements a supply chain management policy	Accounting Officer	Chief Financial Officer	YES	Done

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
					December 2022.
6(2)(a)(i)	Submit a report to council within 30 days of the end of each financial year on the implementation of the supply chain management policy of the municipality.	Accounting Officer		YES	Done
6(2)(a)	Immediately submit a report to council whenever there are serious and material; problems in the implementation of the supply chain management policy, including such a report from any municipal entity as envisaged by this Regulation 6(2)(a)(iii)	Accounting Officer		N/A	To date no serious or material problems occurred in implementing the SCM policy.
6(3)	Submit a report to the mayor of the municipality within ten days of each quarter on the implementation of the supply chain management policy.	Accounting Officer	Chief Financial Officer	YES	Done.
7(1)	Establish a supply chain management unit.	Accounting Officer	Chief Financial Officer	YES	Unit operates under direct supervision of CFO
12(1)	<p><u>Direct that:</u></p> <p>a) cash purchases up to transaction value as defined   Council's Petty Cash policy</p> <p>b) one verbal quotation be obtained for any specified procurement of a transaction value lower than R2,000 (VAT included);</p> <p>c) written or verbal quotations for procurement of goods and/or services of a transaction value between R 2, 000.00 and R 10 000.00 (VAT included)</p> <p>d) formal written price quotations for procurement of goods and/or services of a transaction value between R 10,000.00 and R 200,000.00</p> <p>e) a competitive bidding process be followed for any specific procurement of a transaction value higher</p>	Accounting Officer	Operational delegations in place	YES	The SCM unit is responsible for procurement within these thresholds. Delegations approved and signed by the relevant officials.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	than R200 000.				
12(2)(a)	Allow the Accounting Officer to lower, but not to increase, the different threshold values specified in sub regulation(1).	Accounting Officer	Chief Financial Officer	YES	Delegated officials act within delegated thresholds.
14(1)(a)(ii)	Invite prospective providers of goods and services at least once a year through newspaper commonly circulating locally, the website of the municipality	Accounting Officer	Senior : Manager SCM	YES	To be advertised in quarter three
14(1)(b)	Specify the listing criteria for accredited prospective providers.	Accounting Officer	Chief Financial Officer	YES	Listing criteria is contained within the registration form.
14(1)(c)	Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.	Accounting Officer		YES	SCM consult National Treasury's database of defaulters before awarding of tenders and quotations
14(2)	Update the list of prospective providers at least quarterly to include any additional prospective providers and any new commodities or types of services.	Municipal Council	Chief Financial Officer	YES	Done
15	Requesting reconciliation's on petty cash purchases on a monthly basis.	Chief Financial Officer	Manager: Expenditure section	YES	Done
16(c)	If it is not possible to obtain at least three written quotations, record and report quarterly to the accounting officer, or another official designated by the accounting officer, the reasons for this.	Accounting Officer	Chief Financial Officer	YES	<b>Reports were submitted on the following dates within this quarter:</b> 03 October 2022 03 November 2022 02 December 2022

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
16(e)	Record the name of potential providers requested to provide written quotation with their quoted prices.	Accounting Officer	Chief Financial Officer	YES	<b>Reports were submitted on the following dates within this quarter:</b> 03 October 2022 03 November 2022 02 December 2022
17(1)(c)	Approve the recorded reasons for not obtaining at least three written price quotations.	Chief Financial Officer	Senior Manager SCM & CFO: below R200,000  Accountants: Acquisitions, Contracts and SCM: Accountant Demand and Chief Buyer : below R200,000	YES	
17(1)(d)	Record the names of the potential formal written price quotation providers and their written quotations.	Accounting Officer	Senior Manager : Supply Chain Management	YES	
17(2)	Report to the CFO within three days at the end of the month on any approvals given during that month by that the designed official referred to in sub-regulation (1) (c).	Chief Financial Officer	Senior Manager: Supply Chain Management	YES	
18 (a)	All requirements in excess of R30,000 (VAT included) by means of formal written price quotations should be advertised for at least 7 days on the website and municipal official website.	Chief Financial Officer	Senior Manager: Supply Chain Management	YES	
18 (b)	When using the list of accredited prospective providers, it should promote ongoing competition amongst providers by inviting providers to submit quotations on a rotational basis.	Chief Financial Officer	Senior Manager: Supply Chain Management	YES	Done
18(c)	Must take all reasonable steps to ensure that the procurement of goods and services through written quotations or formal written price quotations is not abused.	Accounting Officer	Chief Financial Officer	YES	Quotations and Formal written quotations are placed on the website and only opened on the closing date and time and mitigate the risks during

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
					the calling for quotations.
18(d)	Notify the Accounting Officer or CFO in writing on a monthly basis of all written quotations and formal written price quotations accepted by the official acting in terms of a sub-delegation	Chief Financial Officer	Senior Manager : Supply Chain Management	YES	<b>Reports were submitted on the following dates within this quarter:</b> 03 October 2022 03 November 2022 02 December 2022
22 (b) (i)	The publication notice must contain the closure date for the submission of bids, which may not be less than 3 weeks in case of transactions over R10m (VAT included), or which are of long term nature, or 14 days in any other case, from date on which the advertisement is placed in a newspaper.	Accounting Officer	Bid Specifications Committee	YES	For quarter two, forty (40) tenders specifications served before the Bid Specifications committee.
22(2)	The Accounting Officer may determine the closure date for the submission of bids which is less than the 30 days or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process	Accounting Officer		YES	None
23(a) (i)(ii)	The handling, opening and recording of bids should be  (i) be opened in public (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired;	Accounting Officer	Senior Manager: Supply Chain Management	YES	Done
23 (c)	(ii) make the register available for public inspection (iii) publish the entries in the register and the bid results on the website of the municipality	Accounting Officer	Senior Manager: Supply Chain Management	YES	Done
24(1)	Negotiate the final terms of a contract with bidders	Accounting Officer	Relevant user department	YES	Provision for the signing of a Form of

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	<p>identified through a competitive bidding process as preferred bidders, provided that such negotiation –</p> <p>(a) does not allow any preferred bidder a second or unfair opportunity;</p> <p>(b) is not to the detriment of any other bidder; and</p> <p>(c) does not lead to a higher price than the bid submitted.</p> <p>Minutes of such negotiations must be kept.</p>		Head of Department or Director		Tender/Service Level Agreement with successful vendors is being made in the tender documents
26(1)(b)	Appoint the members of the bid specification, evaluation and adjudication committees, taking into account Section 117 of the MFMA.	Accounting Officer		YES	Done
26(1)(c)	Appoint a neutral or independent observer to a bid specification, evaluation or adjudication committee for an attendance and oversight process when this is appropriate for ensuring fairness and promoting transparency.	Accounting Officer		N/A	Not Applicable
26(3)	Apply the committee system to formal written price quotations.	Accounting Officer		N/A	Committee system is applied for goods/services above R200 000
27(1)	Compile specifications for the procurement of goods and services by the municipality.	Accounting Officer	Bid Specifications Committee, upon advice of the relevant user department	YES	The Director signs for items to serve on Specification committee.
27(2)(g)	Approve specifications compiled by the bid specification committee prior to publication of the invitation for bids.	Accounting Officer	Bid Specifications Committee, upon advice of the relevant user department	YES	The specifications are accompanied with a questionnaire that the relevant department has to complete. Meetings are held according pre-determined schedule.
28(1)(a)	Evaluate bids in accordance with –	Accounting Officer	Bid Evaluation Committee upon advice of the relevant user department.	YES	Have regular BEC scheduled meetings.
	(i) the specifications for a specific procurement ; and				
	(ii) the points system as must be set out in the				

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	supply chain management policy of the municipality in terms of Regulation 27(2)(f) and a prescribed in terms of the Preferential Procurement Policy Framework Act.				
28(1)(b)	Evaluate each bidder's ability to execute the contract.	Accounting Officer	Bid Evaluation Committee, upon advice from SCM	YES	Currently part of the Standard Evaluation Report
28(1)(c)	Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.	Accounting Officer	Bid Evaluation Committee	YES	Has a screening list that has to be completed.
28(1)(d)	Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.	Bid Evaluation Committee		YES	Currently part of the Standard Evaluation Report
29(1)(a)	Consider the report and recommendations of the bid evaluation committee where the award value exceeds R200 000 (VAT incl.) and make the award up to value of R10m (as per delegated authority)	Accounting Officer	Bid Adjudication Committee	YES	In the second quarter there were twelve (12) BAC meetings
29(1)(b)(i)	For bids above R10 million, the SCM BAC will make recommendation to the Municipal Manager to make the final award.	Accounting Officer		YES	In the second quarter there were five (5) final awards above R10 million.
29(1)(b)(ii)	Make another recommendation to the accounting officer on how to proceed with the relevant procurement.	Accounting Officer		YES	None.
29(3)	Appoint the chairperson of the bid adjudication committee.	Accounting Officer		YES	Delegations given is kept for record purposes
29(5)(a)	If a bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –  (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and	Bid Adjudication Committee		YES	None

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(ii) notify the accounting officer.				
29(5)(b)	(i) After due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in Regulation 29(5)(a); and  (ii) If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.	Accounting Officer		YES	None
29(6)	Refer any recommendation made by the evaluation committee or adjudication committee back to that committee for reconsideration of the recommendation.	Accounting Officer		YES	No items were referred back to the BEC in the second quarter
29(7)	Comply with Section 114 of the MFMA within ten working days.	Accounting Officer		YES	Not applicable
31(1)	Request the State Information Technology Agency (SITA) to assist the municipality with the acquisition of IT related goods or services through a competitive bidding process.	Accounting Officer	Bid Adjudication Committee	YES	Not Applicable
31(2)	Enter into a written agreement to regulate the services rendered by, and the payments made to, SITA.	Accounting Officer		YES	Not Applicable
31(3)	Notify SITA together with a motivation of the IT needs of the municipality if –  (a) the transaction value of IT related goods or	Accounting Officer		YES	Not Applicable



REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	<p>services required by the municipality in any financial year will exceed R50 million (VAT incl); or</p> <p>(b) the transaction value of a contract to be procured by the municipality whether for one or more years exceeds R50 million.</p>				
31(4)	Submit to the Council, the National Treasury, the relevant provincial treasury and the Auditor General the SITA comments and the reasons for rejecting or not following such comments if the municipality disagrees with SITA's comments.	Accounting Officer	Senior Manager: Supply Chain Management	YES	Not Applicable
32(1)	<p>To procure goods or services for the municipality under a contract secured by another organ of state, but only if –</p> <p>(a) the contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state;</p> <p>(b) the municipality has no reason to believe that such contract was not validly procured;</p> <p>(c) there are demonstrable discounts or benefits for the municipality; and</p> <p>that other organ of state and the provider have consented to such procurement in writing.</p>	Accounting Officer	Bid Adjudication Committee	YES	None
35(1)	Procure consulting services above the value of R200 000 (VAT incl.) provided that any Treasury guidelines in respect of consulting services or CIDB guidelines in respect of services related to the build environment and construction works are taken into account when such procurements are made.	Accounting Officer	Bid Adjudication Committee	YES	New tender has been advertised

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
35(4)	Ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.	Municipal Council	Relevant user Department	YES	Not Applicable
36(1)(a)	<p>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 –</p> <ul style="list-style-type: none"> <li>(i) in an emergency;</li> <li>(ii) if such goods or services are produced or available from a single provider only;</li> <li>(iii) for the acquisition of special worker of art or historical objects where specifications are difficult to compile;</li> <li>(iv) acquisition of animals or zoos; or</li> <li>(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes</li> <li>(vi) any contract relating to the publication of notices and advertisements by or on behalf of the municipality</li> <li>(vii) any purchase on behalf of the municipality at a public auction</li> <li>(viii) any contract with an organ of state, local authority or a public utility corporation or company</li> <li>(ix) any contract in respect of which compliance therein would not be in the public interest or interest of Council</li> <li>(x) ad-hoc repairs to plant and equipment where</li> </ul>	Accounting Officer	BAC considers deviations and recommend to the Accounting Officer.	YES	Delegations are in place for BAC to recommend deviations to the Accounting Officer. Records and recordings are kept of all meetings. Departments draft memorandums and table items at BEC for consideration and recommendation to the BAC. The BAC upon approval will recommend deviation to the Accounting –Officer.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	it is not possible to ascertain the nature or extent of the work required in order to call for bids (xi) workshop strip & quote				
36(1)(b)	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.	Accounting Officer		YES	Done
36(2)	Record the reasons for any deviations in terms of Regulations 36(1)(a) and (b); and  Report them to the next meeting of the Council and include as a note to the annual financial statements.	Municipal Council	Accounting Officer	YES	Done
37(2)	Decide to consider an unsolicited bid but only if –  (a) the product or service offered is a demonstrably or proven unique innovative concept; (b) the product or service will be exceptionally beneficially to, or have exceptional cost advantages for, the municipality; (c) the person who made the bid is the sole provider of the product or service; and  (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.	Accounting Officer		NO	None
37(4)	Submit written comments received pursuant to Regulation 37(3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.	Accounting Officer		NO	None
37(5)	Consider and may award the bid or make	Accounting Officer	Bid Adjudication Committee	YES	None

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	recommendations to the accounting officer depending on the delegations to the adjudication committee.				
37(7)	When considering an unsolicited bid, take into account where considering an unsolicited bid –  (i) any comments submitted by the public; and  any written comments and recommendations of the National Treasury or the relevant provincial treasury.	Accounting Officer		NO	None
37(8)	Submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following any recommendations of the National Treasury or provincial treasury in regard to the unsolicited bid.	Accounting Officer	Senior Manager: Supply Chain Management	NO	None
38(1)(a)	Take all reasonable steps to prevent abuse of the supply chain management system.	Accounting Officer	Chief Financial Officer	YES	The National Treasury Code of Conduct has been circulated and communicated to municipal staff at various formal and informal meetings.
38(1)(b)	Investigate any allegations against an official or other role player of fraud, corruption, favoritism, unfair or irregular practices or failure to comply with the supply chain management policy, and when justified –  (i) take appropriate steps against such official or other role player; or  (ii) report any alleged criminal conduct to the South African Police Service.	Accounting Officer	Internal Audit	YES	None
38(1)(c)	Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector.	Accounting Officer	Senior Manager: Supply Chain Management	YES	The National Treasury website information of the List of Defaulters is currently used to verify.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
38(1)(d)	<p>Reject any bid from a bidder –</p> <p>(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any directors to the municipality are in arrears for more than three months;</p> <p>(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory.</p>	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
38(1)(e)	Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract.	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
38(1)(f)	<p>Cancel a contract awarded to a person if – the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or</p> <p>(i) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person.</p>	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
38(1)(g)	<p>Reject the bid of any bidder if that bidder or any of its directors –</p> <p>(i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;</p>	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	<p>(ii) has been convicted for fraud or corruption during the last five years;</p> <p>(iii) has willfully neglected or reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or</p> <p>(iv) has been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).</p>				
38(2)	Inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of Regulation 38(1)(b)(ii), (e)	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
40(1)	The Supply chain policy must provide for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14&90 of MFMA	Municipal Council	Chief Financial Officer	YES	Delegations are in place
40(2) a	<p>A Supply Chain management policy must specify the ways in which assets may be disposed of, including by –</p> <p>(i) Transferring the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets</p> <p>(ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge</p>	Municipal Council	Chief Financial Officer	YES	As per delegations

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(iii) Selling the asset (iv) Destroying the asset				
40(2) (b)	Stipulate that –  Immoveable property may be sold only at market related prices except when public interest or the plight of the poor demands otherwise	Municipal Council		YES	Not Applicable
40(2)(b)(ii)	Movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality	Accounting Officer	Chief Financial Officer	YES	As per delegations
40(2)(b)(iii)	In the case of the free disposal of computer equipment, the Provincial Department of Education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment.	Accounting Officer	Chief Financial Officer	N/A	Not Applicable
40(2)(b)(iv)	In the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic	Accounting Officer		N/A	Not Applicable

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40(2)(c)(ii)	All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed	Municipal Council		YES	Not Applicable
40(2)(d)	Ensure that where assets are traded in for other assets, the highest possible trade-in is negotiated	Municipal Council		N/A	None
40(2)(b)(iii)	In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.			N/A	Not Applicable
41(1)	A Supply chain management policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system	Accounting Officer	Internal Audit	YES	Busy implementing a system for risk management
42	Establish and implement an internal monitoring system in order to determine, on a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this policy were achieved.	Accounting Officer	Chief Financial Officer	YES	Implemented a system for performance management in SCM
43(2)	Check with SARS whether a person's tax matters are in order before making an award to such person.	Municipal Council	Senior Manager: Supply Chain Management	YES	The Tax Clearance of vendors registered on the Central Supplier Database are checked regularly and before awards are made.
45	Disclose in the notes to the annual financial statements of the municipality particulars of any award of more than R2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including – (a) the name of that person;  (b) the capacity in which that person is in the	Municipal Council	Chief Financial Officer	YES	This information was disclosed within financial statements of the municipality.



REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	service of the state; and  (c) the amount of the award.				
46(3)(a)	Keep a register of all declarations in terms of Regulation 46(2)(d) and (e).	Accounting Officer	Senior Manager: Supply Chain Management	YES	SCM keep record of it.
46(3)(b)	Declarations must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.	Accounting Officer	Chief Financial Officer	YES	Declarations are kept at SCM section and hard copy on file.
46(4)	Adopt the National Treasury's code of conduct and Schedule 2 of the Systems Act for supply chain management practitioners and other role players involved in supply chain management.	Accounting Officer	Senior Manager: Supply Chain Management Council's Speaker	YES	Code of conduct are circulated annually to all officials
47(2)	Report any alleged contravention of Regulation 47(1) to the National Treasury for considering whether the offending person, and any representative or intermediate through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.	Accounting Officer	Chief Financial Officer	YES	Not Applicable
48	Disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted to the municipality whether directly or through a representative or intermediate, by any person who is –  (a) a provider or prospective provider of goods or services to the municipality; or  (b) a recipient or prospective recipient of goods disposed or to be disposed, of by the municipality.	Accounting Officer	Senior Manager: Supply Chain Management	YES	None.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
49	Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.	Accounting Officer		YES	Have an administrative process in place.
50(1)	Appoint an independent and impartial person to assist in the resolution of disputes between the municipality and other persons and to deal with objections, complaints or queries as described more fully in Regulation 49.	Accounting Officer		YES	Done.
50(1)(a)	Responsible to assist the person appointed in terms of Regulation 50(1) to perform his or her functions effectively.	Accounting Officer		YES	Done
50(4)(b)	Appointed must submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.	Accounting Officer		YES	The appointed official is responsible for the submission of the monthly report to the Municipal Manager.
51	Service provider that acts on behalf of municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to service provider, contract must stipulate a cap on compensation payable to the service provider; that such compensation must be performance based.	Accounting Officer		YES	Done

The following Section 110 (2) (a) was approved in the second quarter:

BID NUMBER	DESCRIPTION	SUCCESSFUL BIDDER	AMOUNT APPROVED	DATE APPROVED
S110 (2) (a)	TRAFFIC OFFICER TRAINING: ORGAN OF STATE - GENE LOUW TRAFFIC COLLEGE (DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - WESTERN CAPE)	GENE LOUW TRAFFIC COLLEGE	RATES	06-Dec-22
S110 (2) (a)	MUNICIPAL MINIMUM COMPETENCY LEVELS (MMCL) TRAINING	UNIVERSITY OF STELLENBOSCH	RATES	06-Dec-22

6.7	<b>MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 2022</b>
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Collaborator No: 742555  
IDP KPA Ref No: Good Governance and Compliance  
Meeting Date: 19 January 2023

1. **SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 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 2022/2023 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 (2022/2023) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during December 2022.

5. **RECOMMENDATION**

that Council notes the deviations as listed for the month of December 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 December 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 08/23	01 December 2022	Evolution Technology Group (ETG)	Appointment of Evolution Technology Group (ETG) for printing services on a month-to-month basis until the RT3 2022 contract is implemented	Exceptional case and it is impractical or impossible to follow the official procurement processes	<p>This is a critical service to the Municipality and as such the Municipality cannot be without a printing service for any space of time.</p> <p>The appointment of Evolution Technology Group is to ensure that there is no interruption in the printing service. The previous contract ended on 30 November 2022 and the municipality is currently in process of implementing a long-term solution by contracting a service provider on the National Treasury transversal contract.</p> <p>A new transversal contract was awarded by National Treasury; however, the rates were not finalised in time to conclude a long-term contract with the service provider.</p>	<u>R1 749</u> <u>245.91 (Incl. Vat)</u>

## 6.4 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.**

## 6.5 Staff Implications:

No staff implications

## 6.6 Previous / Relevant Council Resolutions:

None

**6.7 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.

**6.8 Comments from Senior Management:**

The item was not circulated for comment except to Municipal Manager

**6.8.1 Municipal Manager**

Supports the recommendations.

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Bentley Louw
<b>POSITION</b>	<b><i>Acting Senior Manager: Supply Chain Management</i></b>
<b>DIRECTORATE</b>	<b><i>Financial Services</i></b>
<b>CONTACT NUMBERS</b>	<b><i>021 808 8588</i></b>
<b>E-MAIL ADDRESS</b>	<b><i>Bentley.Louw@ Stellenbosch.gov.za</i></b>
<b>REPORT DATE</b>	03 January 2022

<b>7.</b>	<b>CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER]</b>
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<b>7.1</b>	<b>PROTECTION SERVICES: (PC:)</b>
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NONE

<b>7.2</b>	<b>YOUTH, SPORTS AND CULTURE: [PC: CLLR R ADAMS]</b>
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NONE

<b>7.3</b>	<b>CORPORATE SERVICES: (PC: CLLR L NKAMISA)</b>
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NONE

7.4	<b>FINANCIAL SERVICES: (PC: CLLR P JOHNSON)</b>
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7.4.1	<b>MANAGEMENT OF CONTRACTS OR AGREEMENTS AND CONTRACTOR PERFORMANCE AS AT 01 JULY 2022 – 31 DECEMBER 2022 MFMA S116(2)(d) REPORT</b>
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Collaborator No: 742558  
 IDP KPA Ref No: Good Governance and Compliance  
 Meeting Date: 19 January 2023

**1. SUBJECT: MANAGEMENT OF CONTRACTS OR AGREEMENTS AND CONTRACTOR PERFORMANCE AS AT 01 JULY 2022 – 31 DECEMBER 2022 MFMA S116(2)(d) REPORT**

**2. PURPOSE**

To report in accordance with MFMA, Section 116(2)(d) on the management of contracts or agreements and the performance of contractors.

**3. DELEGATED AUTHORITY**

**(FOR DECISION BY MUNICIPAL COUNCIL, EXECUTIVE MAYOR AND MAYORAL COMMITTEE, PORTFOLIO COMMITTEE, EXECUTIVE MANAGEMENT, ETCETERA)**

None

**4. EXECUTIVE SUMMARY**

The report indicates the performance of service providers who were active on contracts secured by means of a competitive bidding process for the period 01 July 2022 to 31 December 2022.

**5. RECOMMENDATION**

that the MFMA S116(2)(d) report for the management of contracts or agreements and contractor performance from 01 July 2022 to 31 December 2022 be noted.

**6. DISCUSSION / CONTENTS**

**6.1 Background**

**6.1.1 Oversight role of council**

The Council must maintain oversight over the implementation of the SCM Policy and Chapter 11 of the MFMA. For this purpose, the accounting officer must regularly submit a report on the management of contracts or agreements and the performance of contractors to the Council in terms of MFMA S116(2)(d).

**6.1.2 Legislative Requirement**

MFMA S116(2)(d):

*“The accounting officer of a municipality or municipal entity must-*

*(d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract.”*

## 6.2 Discussion

Contract Management Performance Monitoring has been institutionalized within the Supply Chain Management unit for active contracts as per the contract register. Monitoring of contracts includes contracts awarded in previous financial years which are still active. The total active contracts amount to 129.

Active contracts - does not include service providers appointed on a panel tender not used yet. Additionally, it does not include service providers appointed for if and when the preferred service provider cannot deliver.

Based on the contract monitoring tool the table below depicts the details of a satisfactory, average and poor performance rating:

#	Description of Performance Rating	Total
3	<b>Satisfactory:</b> The quality of service or goods delivery is in compliance with the agreement. Where needed, corrective or preventative action has been taken or agreed upon.	119
2	<b>Average:</b> The quality of the service is fair but needs monitoring and improvement to move to satisfactory standard	8
1	<b>Unsatisfactory:</b> Quality of service or goods delivery is unacceptable. Council either has or must consider termination of the agreement and all services if not improved urgently.	2

All contracts in the contract register (available upon request) up to 31 December 2022 were monitored in terms of the contractor performance.

When user departments fail to find amicable solutions for contract management issues, it will be referred to our legal services department for assistance and resolution. The table below contains comments relating to contracts whose performance were rated unsatisfactory.

#	Contract description	Actions
BSM 008/21.21	2 Year Term Tender For (A) Supply of Materials And (B) Hire Of Equipment For Roads, Stormwater & Other Infrastructure Requirements	Service Provider Withdrew.
BSM 018/22.3	Supply And Delivery Of Copy Paper For A Contract Period Ending 30 June 2024	Service Provider Withdrew.

## 6.3 Financial Implications

There are no financial implications should the recommendations as set out in the report be accepted.



**6.4 Legal Implications**

The recommendations in this report comply with Council's policies and all applicable legislation.

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

None

**6.7 Risk Implications**

This report has no risk implications for the Municipality.

**6.8 Comments from Senior Management:****6.8.1 Director: Infrastructure Services**

No comments requested.

**6.8.2 Director: Planning and Economic Development**

No comments requested.

**6.8.3 Director: Community and Protection Services:**

No comments requested.

**6.8.4 Director: Strategic and Corporate Services:**

No comments requested.

**6.8.5 Director Human Settlements and Property Management**

No comments requested.

**6.8.6 Chief Financial Officer:**

Agree with the recommendations.

**6.8.7 Municipal Manager:**

Agree with the recommendations.

**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>	<b>12 January 2023</b>

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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)</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)</b>
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NONE

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

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

7.11	<b>MUNICIPAL MANAGER</b>
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7.11.1	<b>ADOPTION OF THE DRAFT STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2022/23 FINANCIAL YEAR</b>
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

19 January 2023

**1. SUBJECT: ADOPTION OF THE DRAFT STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2022/23 FINANCIAL YEAR**

**2. PURPOSE**

To submit the Draft Strategic and Operational Risk Register for the 2022/23 financial year for Council approval.

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

Municipal Governance best practice as well the Municipal Finance Management Act (MFMA), Act 56 of 2003, requires municipalities to have an effective risk management mechanism to stay abreast of prevalent risks and to determine the risk appetite. To ensure effectiveness, a municipality must focus its attention and resources on the areas of most significant risk and concern to stakeholders. To this end, Stellenbosch Municipality has undertaken the practice of adopting a Strategic and Operational Risk Register which identifies strategic and operational risk at a corporate level to ensure that risks which could hamper service delivery and the strategic objectives are identified and linked to appropriate actions to mitigate the risks.

Due to the changing dynamics in the external environment with impact municipal services, amendments to the Strategic and Operational Risk Register were necessitated to ensure that the municipalities remain appropriately responsive to the risk environment.

The Stellenbosch Municipality is committed to effective risk management to achieve the municipality's vision, service delivery, and strategic objectives and to ensure appropriate outcomes for the community.

To ensure continuous alignment with all the strategic processes, the register is submitted to council with the adjustment budget.

**5. RECOMMENDATION**

that Council adopts the Strategic and Operational Risk Register for the 2022/23 financial year.

**6. DISCUSSION**

Municipal Governance best practice as well the Municipal Finance Management Act (MFMA), Act 56 of 2003, requires municipalities to have an effective risk management mechanism to stay abreast of prevalent risks and to determine the risk appetite. To ensure effectiveness, a municipality must focus its attention and resources on the areas of most significant risk and concern to stakeholders. To this end, Stellenbosch Municipality has undertaken the practice of adopting a Strategic and Operational Risk

Register which identifies strategic and operational risk at a corporate level to ensure that risks which could hamper service delivery and the strategic objectives are identified and linked to appropriate actions to mitigate the risks.

Due to the changing dynamics in the external environment with impact municipal services, amendments to the Strategic and Operational Risk Register were necessitated to ensure that the municipalities remain appropriately responsive to the risk environment.

The Stellenbosch Municipality is committed to effective risk management to achieve the municipality's vision, service delivery, and strategic objectives and to ensure appropriate outcomes for the community.

### 6.1. **Background**

In terms of Section 60 of the MFMA the Municipal Manager must take reasonable steps to ensure that the municipality maintain effective financial and risk management as well as internal controls.

The principal aim of the risk assessments process is to:

- Identify the risks threatening the achievement of the IDP's objectives of each directorate.
- Assess the key risks facing each directorate; and
- Identify the processes / functions / directorates / persons the municipality and top management relies upon to manage the identified risks.
- Align the mentioned risk management process with processes as established by provincial and national government (as communicated to the municipality).

### 6.2. **Discussion**

During the first and second quarters of the current financial year, risk assessments were completed as legislated.

These risks include (see annexed Risk Register for detail):

#### Strategic Risks:

- Availability and cost of electricity – moved up to number one.
- Increased risk of land invasion.
- Scarcity of landfill space.
- Business Continuity.

#### Operational Risks:

- Insufficient burial space in the greater Stellenbosch.
- Covid 19 – Pandemic.

After discussion at the Risk and Fraud Committee meetings and other platforms it was concluded that the Covid 19 – Pandemic will now be managed as an operational risk and that Business Continuity will be added to the Strategic Risk Register due to the impact of the availability of sufficient electricity.

**6.3. Financial Implications**

The financial impact will be quantified as part of the 2022/23 approved budget and adjustment budget.

**6.4. Legal Implications****Section 62 of the MFMA****General Financial Management Functions**

- (1) The accounting officer of a municipality is responsible for the managing of financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –
  - (a) That the resources of the municipality are used effectively, efficient, and economically -
  - (b) That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards -
  - (c) that the municipality has and maintains effective, efficient, and transparent systems–
    - (i) of financial and **risk management** and internal control.

**6.5 Staff Implications**

None.

**6.7 Risk Implications**

As indicated in the annexed Draft Strategic and Operational Risk Register.

**6.8 Comments from Senior Management:****6.8.1 Director: Infrastructure Services**

Supported.

**6.8.2 Director: Planning and Economic Development**

Supported.

**6.8.3 Director: Community and Protection Services:**

Supported.

**6.8.4 Director: Corporate Services:**

Supported.

**6.8.5 Chief Financial Officer:**

Supported.

**6.8.6 Municipal Manager:**

Supported

**ANNEXURE**

**Annexure A:** Draft Strategic and Operational Risk Register for the 2022/23 financial year

**FOR FURTHER DETAILS CONTACT:**

<i>NAME</i>	<i>Helena Priem</i>
<i>POSITION</i>	<i>Chief Risk Officer</i>
<i>DIRECTORATE</i>	<i>Office of the Municipal Manager</i>
<i>CONTACT NUMBERS</i>	<i>X8157</i>
<i>E-MAIL ADDRESS</i>	<i>Helena.priem@stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>17 January 2023</i>

# **ANNEXURE A**

STELLENBOSCH MUNICIPALITY (WC 024)

Risk Area	Risk Description	Strategic Objectives	Department	Strategic Area	Priority	Impact	Probability	Overall Risk Rating	Strategic Objectives	Strategic Area	Priority	Impact	Probability	Overall Risk Rating	Strategic Objectives	Strategic Area	Priority	Impact	Probability	Overall Risk Rating	Strategic Objectives	Strategic Area	Priority	Impact	Probability	Overall Risk Rating	Strategic Objectives	Strategic Area	Priority	Impact	Probability	Overall Risk Rating	Strategic Objectives	Strategic Area	Priority	Impact	Probability	Overall Risk Rating
1	Availability and cost of electricity.	Continuous and persistent loadshedding; sustainability of the national power supplier	Infrastructure Services	Green and Sustainable Valley, Digitified Living	10	10	High	High	Alternative energy sources that flows in to network. Example Rooftop Solar Installations, and Municipal Energy Resilience Project with DEDAT.	Alternative Electricity Generation Initiative Underway. Resourced by Internal Project Manager, Energy Master Plan completed by CSR (with funding from DEDAT). Electrical Waste Plan underway. Cost of Supply Study underway (Consultant appointed). Feasibility study of battery storage underway of present via Stellenbosch University.	Moderately Effective	Appointed Internal PM for the initiative. Strategic Management by Director. External funding provided by DEDAT for studies and Transaction Advisor team	0.75	75	High	Shane Chandaka	2022/23																					
2	Increased risk of land invasion.	Legal precedents set under disaster management declaration limiting municipal scope to evict illegal invasions and land grabs. Compromising housing development and housing opportunities	Transversal	Digitified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	9	10	High	High	Legal panel in place to respond to legal matters; Security tender in place; Arms tender finalised and awarded; housing development continuing in response to housing demand; close relationships with SAPS and other law enforcement agencies, combined control room; utilisation of municipal drones to monitor areas of potential land invasion.	Legal panel in place to respond to legal matters; Security tender in place; Arms tender finalised and awarded; housing development continuing in response to housing demand; close relationships with SAPS and other law enforcement agencies, combined control room; utilisation of municipal drones to monitor areas of potential land invasion.	Effective	Please see action plans	0.4	36	Satisfactory	Gerardine Mefter All Directors	2022/23																					
3	Economic downturn due to civil unrest, crime and contraband loadshedding.	Increase in criminal activities, civil unrest, reputational risk due to perceived increase in the said activities. Impact of prolonged loadshedding - not sufficient light at night as street lights, CCTV cameras and traffic lights not functioning that can lead to more criminal activities.	Community and Protection Services	Safe Valley, Digitified Living	10	8	High	High	Combined SSI, close relationships with SAPS and other law enforcement agencies, combined control room, strategic camera placings, etc.	Combined SSI, close relationships with SAPS and other law enforcement agencies, combined control room, strategic camera placings, etc.	Effective	Please see action plans	0.4	32	Satisfactory	Gary Boshoff	2022/23																					
4	Scarcity of landfill space	Unavailability of suitable land; costs of SLA's and alternative waste disposal; legislative requirements i.e. EA applications and approvals etc.	Infrastructure Services	Green and Sustainable Valley	8	8	High	High	Current status - waste is transported to CoCT facilities at increased cost. Dependency on service providers w.r.t continuous service delivery. New Waste Management Licence Variation application underway for a New Landfill Cell.	Consultant for WML Variation application appointed (GIBB). Expect Licence to be granted early in Feb 2023. Then continuation of the new cell can begin. Tender for new cell approved by SSC, advertised on e-tender. Currently being adjudicated.	Moderately Effective	Engagement with DEADP Consultant reapointed for resubmission of Licence Application and amended Basic Assessment Report	0.75	48	Satisfactory	Shane Chandaka	2022/23																					
5	Increase in community unrest due to the fact that growth in demand for housing exceeds the resources available for development.	Lack of bulk infrastructure; lack of identified and suitable land, unreluctant eviction judgements, housing backlog, migration.	Planning and Economic Development	Digitified Living, Safe Valley	8	8	High	High	Housing pipeline, emergency policy, TRA identification, increased monitoring for illegal occupants.	Housing pipeline, emergency policy, TRA identification, increased monitoring for illegal occupants.	Moderately Effective	Please see action plans	0.75	48	Satisfactory	Gerardine Mefter, Director Planning and Economic Development, Gary Boshoff	2022/23																					
6	Differentiation in salary regimes and adjustments (increases) leads to inequality in remuneration to different levels of management in Local Government.	Section 56 employees salaries determined by minister. COGTA, while staff determined based on risk evolution system. As a result senior managers already earn more than directors and accounting officers, who have more responsibilities and accountability. Hence the difficulty to fit MM and section 56 positions is a result of the risk.	Corporate Services	Good governance and Compliance, Green and Sustainable Valley	8	8	High	High	As the Section 56 salaries are determined by COGTA and although recommendations and resolutions from a council can be forwarded to address the risk in the form of motivation why a higher salary should be considered, the final approval of these salary levels are not determined by municipal councils or provincial government.	See action plans.	Only Inherent Controls in place	Recommendations to COGTA	1	64	High	Municipal Manager	2022/23																					
7	Ineffective service delivery due to geopolitical instability	Global risk to commodities especially possible fuel rationing by government, energy related products, engineering services, certain food products. Possible communication infrastructure threats; possible deepening of world-wide recession.	Transversal	All	9	7	High	High	Energy plan, Fuel reserves, Business continuity, SCM Plan addressing affected commodities, Communication Plan, Effect on income, working from home policy	Given Eskom challenge and high reliance on diesel, there is pressure on optimal functioning of the municipality.	Moderately Effective	Please see action plans	0.75	47.25	Satisfactory	Gerardine Mefter All Directors	2022/23																					
8	Cyber attacks. Cybersecurity risks is the probability of exposure or loss resulting from a cyber attack or data breach on your organization.	Cyber attacks and cyber safety /security has become essential in municipalities. Investigate security gaps. Users opening unsafe/infected attachments	Corporate Services	Good Governance and Compliance	9	6	High	High	IT to do a gap analysis on security requirements/ gaps to prevent cyber attacks. Staff awareness to not open suspicious email attachments. New electronic system monitoring potential cyber threats.	IT to do a gap analysis on security requirements/ gaps to prevent cyber attacks. Staff awareness to not open suspicious email attachments. New electronic system monitoring potential cyber threats.	Moderately Effective	Please see action plans	0.75	40.5	Satisfactory	A De Beer (supported by all Directors)	2022/23																					
9	Financial Sustainability.	Debt management; cashflow; charges patterns in revenue (more off the grid connections w.r.t water and electricity).	Financial Services	governance and Compliance, Green and Sustainable	10	5	High	High	Legal framework to lock in customer regarding off grid connections and fix cost charges. Revenue enhancement strategy.	Legal framework to lock in customer regarding off grid connections and fix cost charges. Revenue enhancement strategy.	Effective	Please see action plans	0.4	20	High	CFO	2022/23																					
10	Water Security	Limited sustainable water sources; Growing population with increase in demand; pollution of sources. Insufficient electricity to fill reservoirs during loadshedding.	Infrastructure services	Digitified Living; Valley of possibility; Green & Sustainable Valley	8	5	High	High	Drought management plan in place; water warnings; water demand meters; boreholes. Ensure that there is sufficient generating power to stabilize water levels.	Discussion with DWS and farmers to exchange water quotas from Theewatersloof Dam supply if needed. Constant monitoring and planning; average and above rainfall during 2019 and 2020.	Very Effective	Please see action plans	0.2	8	High	Shane Chandaka	2022/23																					
11	Business Continuity	Disasters, electricity outages; hacking of systems.	Corporate Services	Good Governance and Compliance	8	5	High	High	Disaster Management Plan for overall service delivery, operational disaster recovery site, iOC, Integrated ERP; off site data centre; ICT employee usage tools implemented.	Will require more thought processes and continuity in future, IT and PT already starting with implementation of more formal structures as well as guidelines to the relevant legislation.	Moderately Effective	Please see action plans	0.75	30	Satisfactory	Annelene de Beer	2022/23																					
12	Urbanisation and growth.	Comprehensive understanding of the developmental needs in the greater Stellenbosch area; rapid and continued urbanisation; changes in the needs of the community; masterplans; housing pipeline; IDP and SDF alignment.	Infrastructure Services	Valley of Possibility	6	6	High	High	Approved SDF, approved housing pipeline, financed funding will be utilised for updating new CEF with spatial demand quantification.	Approved SDF, approved housing pipeline, financed funding will be utilised for updating new CEF with spatial demand quantification.	Moderately Effective	Please see action plans	0.75	27	Satisfactory	Anthony Barnes and Shane Chandaka	2022/23																					
TOTAL STRATEGIC RISK													745																									
TOTAL STRATEGIC INHERENT RISK EXPOSURE													42.00	<b>Inherent Risk Assessment Comments:</b> At total of 12 risks has been identified as a risks on strategic level. The Inherent Risk Assessment is 42 which pushes the ratings in to a High risk category for the municipality.																								
TOTAL RESIDUAL RISK EXPOSURE													475	<b>Perceived Control Effectiveness Assessment Comments:</b> The rating is 39 and reflects the control effectiveness as satisfactory. The majority of the risks are managed effectively.																								



Risk Item	Risk Description	Risk Background	Directorate	Strategic Objectives	Impact Rating (1-10)	Likelihood Rating (1-10)	Inherent Risk Exposure/Risk Appetite (1-25)	Action Plans/Mitigation in place	Comments	Perceived Control Effectiveness	Current Controls	Control Rating	Residual Risk	Residual Risk Exposure	Risk Champion	Financial Year	
1	Insufficient burial space in the greater Stellenbosch	Planning and funding; land availability. Insufficient funding. Compliance and impact of COVID-19 burials after experiencing a 2nd and 3rd wave.	Community and Protection Services	Dignified Living	8	8	64	Land use application has been approved. Project plan approved for implementation. Part of approved SDF.	BIA approved and draft designs in place, final design needs to be finalised to determine cost estimate and procurement.	Effective	Please see action plans	0,4	25,2	Very Good	Gary Boshoff	2022/23	
2	Timeous Capital Spending	Steady increase in budget allocation; growing population and demand for services; demand management.	Transversal	Good Governance and Compliance	10	4	40	Demand Management Plan and Committee; Copex SDBIP indicators developed and monitored.	Implementation and monthly management of the capital monitoring tool; process review from SCM to streamline appointment of service providers; constant monitoring and planning by senior managers, MM and Council.	Moderately Effective	Please see action plans	0,75	30	Very Good	MM, CFO and All Directors	2022/23	
3	COVID - 19 Pandemic	Manage the Covid-19 pandemic within the context of the prescribed regulations, taking the possible 4th wave and intensity of new infections into account.	Transversal	Safe Valley, Dignified Living	8	4	32	Protocols to be followed at all times; HR Manager to manage staff queries and compliance with legislation and protocols. JOC (Joint Operating Committee) to manage staff related incidences and assist with operations. JOC to coordinate interface with departments and department of Health.	Response and preventative plan on COVID-19, i.e. of the Disaster Management Regulations; PPE in place; screened staff; information distribution; daily screening and sanitising.	Effective	Please see action plans	0,4	12,8	Satisfactory	Geraldine Mettler All Directors	2022/23	
4	Climate Change	Changing weather patterns, unpredictable rainfall/floods, drought natural disasters, fires (seasonal and other).	Office of the Municipal Manager	Green and Sustainable Valley; Safe Valley	8	4	32	Drought management plan in place; water warriors; water demand meters; boreholes completed to mitigate drought.	Successful drought management plan during the 2017/18 financial year; renewable energy sources that is currently under discussion; conversation with public and private sector to partner in managing this risk going forward; drought no longer of concern at this point; etc.	Moderately Effective	Please see action plans	0,75	24	Very Good	Geraldine Mettler	2022/23	
5	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, quality and timeous service delivery needs to be provided by all departments.	Corporate Services	Good Governance and Compliance	8	4	32	Filling of posts in the recruitment and selection department to create capacity, communication between the user departments and human resources more streamlined and effective, organisational and operational structure aligned and approved; fully staffed Recruitment and Selection unit.	All departments need to perform optimally to ensure service delivery in terms of growth and IDP objectives, recruitment drive for funded posts; Revision of employment costs; discussion regarding the revisions to organisational micro structure, management of the critical vacancy list.	Effective	Please see action plans	0,4	12,8	Very Good	A De Beer and All Directors	2022/23	
6	Material misstatements in the AFS that constitutes non-compliance with Section 122 of the MFMA.	System errors, transactions and events not recognised as they occur and accordingly not recorded in the financial period it occurred.	Financial Services	Good Governance and Compliance	6	4	24	8 month AFS, systems upgrade and alignment. Audit readiness is essential with a need for an external audit prior to the formal audit from AGSA. Actions to be reflected in detail in Audit Action Plan.	8 month AFS, systems upgrade and alignment. Audit readiness is essential with a need for an external audit prior to the formal audit from AGSA. Actions to be reflected in detail in Audit Action Plan.	Effective	Please see action plans	0,4	9,6	Very Good	Kevin Carolus	2022/23	
7	Lack of integrated Information and Communication Technology	Disparate systems	All Directorates	Good Governance and Compliance	6	4	24	Position paper on integration; role of ICT Steering Committee in managing acquisition of new system and integration, New server room completed.	A separate risk register in draft with regards to ICT management. Final meeting regarding the integration to complete position paper for submission to Council beginning of 2021.	Moderately Effective	Please see action plans	0,75	18	Very Good	All Directors	2022/23	
8	Losing the historic status of Stellenbosch w.r.t environment (trees, biodiversity, buildings, rivers, etc.)	Keeping the balance - development and the historic status; occurrence of natural disasters.	All Directorates	Dignified Living; Valley of possibility; Green & Sustainable Valley	6	4	24	Heritage asset register completed; adherence to heritage planning legislation for developmental applications, declared heritage zones; maintenance heritage assets; A tree management policy has been approved and implemented.	Approval and implementation of the ATC; completion and approval of the SDF.	Effective	Please see action plans	0,4	9,6	Very Good	Director Planning and Economic Development (Primarily) Shane Chandaka, Gary Boshoff (Secondary)	2022/23	
9	Loss of credibility and reputation due to perceived fraud and corruption.	Abuse of legislation; reputational risk and credibility; media statements and role of social media in reports etc.	All Directorates	Good Governance and Compliance	6	4	24	Holline, fraud prevention policy, SALGA to address unintended consequence of regulations.	Holline, fraud prevention policy, SALGA to address unintended consequence of regulations.	Effective	Please see action plans	0,4	9,6	Very Good	All Directors	2022/23	
TOTAL OPERATIONAL INHERENT RISK							296						151,60				
TOTAL OPERATIONAL INHERENT RISK EXPOSURE							32	The inherent risk exposure reflects as an average as a moderate risk and is still of a unacceptable and more controls and action plans should be implemented.						14,80			
Inherent Operational Risks Assessment Comments: Eight risks was identified and the average of the ratings is 45,3 which is then placed in the moderate category.										Perceived Operational Risks Control Effectiveness Assessment Comments:							
Revised Emerging Risks																	
Risk Item	Risk Description	Risk Background	Directorate	Strategic Objectives	Impact Rating (1-10)	Likelihood Rating (1-10)	Inherent Risk Exposure/Risk Appetite (1-25)	Action Plans/Mitigation in place	Comments	Perceived Control Effectiveness	Current Controls	Control Rating	Residual Risk	Residual Risk Exposure	Risk Champion	Financial Year	
1									None identified.								
2																	
3																	
4																	
TOTAL INHERENT EMERGING RISK																	
TOTAL INHERENT EMERGING RISK EXPOSURE																	
Inherent Emerging Risks Assessment Comments:										Perceived Emerging Risks Control Effectiveness Assessment Comments:							

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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